

## **The Regional Economic Crisis and the Migration of Thai Workers to Singapore**

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### **Introduction**

The strategic location and the prosperity of Singapore has historically attracted immigrants from the region since her independence in 1965. The traditional source of immigrants from Malaysia is now supplemented by those, legal and illegal, from countries as far away as India, Bangladesh, Myanmar, China, India and Thailand. The influx of these immigrants continued during the Asian economic crisis which saw Singapore relatively less negatively affected by the crisis than her neighboring countries.

The influx of foreign workers in Singapore can be traced to the boom days of the late 1980s. Up until 1997 the constraint on many economies, including Singapore, was inadequate labor supply. Singapore enjoyed an impressive economic growth rate averaging 8.5% in the first half of the 1990s. Between 1980-1992 employment growth showed an increase of 47% (Sio and Yeo, 1996). Indeed, it was able to grow as rapidly as it did precisely because it imported labor into its economy<sup>1</sup>.

Thai workers first came to Singapore in October 1978 to work in the electronic and textile companies (Chunsuvimol, 1980). The construction boom in Singapore in the 1980s saw the systematic increase in the number of Thai workers in Singapore. This was the result of Singapore government policy allowing workers from "non-traditional" sources (i.e. Bangladesh, India, Indonesia, Philippines, Sri Lanka, Myanmar and Thailand) to take up employment in the construction sector in order to alleviate the labor shortage in this sector. A large number of Thai workers started to come to Singapore to fill this secondary market segment. In 1989, Singapore received about 9% of the total number of migrant workers from Thailand and 15% in 1991 (Vasuprasat, 1994). Singapore has become a major destination for Thai workers, especially since the decrease in the number of workers migrating to the Middle East<sup>2</sup>. The present study is part of the research project on "Thai Migrant Workers in Southeast and East Asia," coordinated by the Asian Research Center for Migration, Institute of Asian Studies, Chulalongkorn University, Bangkok. The project involves a comparative study of Thai workers in 4 major destination countries, namely Japan, Taiwan, Malaysia and Singapore. The objective is to explore the impact of the regional economic recession on the migration of Thai workers in 3 main areas: a) the pattern of migration of Thai workers abroad; b) The cost-benefit of migration; and c) the workers' experience with labor relations in receiving countries. The analysis is based on the data from surveys and in-depth interviews with workers and experts on migration issues in Singapore conducted in 1999.

The paper will be organized into 8 sections. After this introduction, the second section reviews the general situation of Thai workers in Singapore, including the numbers, recruitment and employment. Section 3 discusses the ongoing debates on immigration issues in Singapore. This section examines the labor market and illegal immigration in Singapore. Section 4 explores the current research on migration in Singapore. Section 5 presents the political structure that deals with migration issues in Singapore. The role of Singapore government in directing the pattern of immigration will be discussed to give fuller insight into the issue.

The results from the present study will be presented in section 6. This section is further subdivided into 3 subsections in order to systematically discuss the 3 main areas as stated in the objectives: Section 6.1 focuses on the regional economic crisis and the migration experience. This section will present the profile of the sample, the determinant of migration in terms of the economic and social "push" and "pull" factors, the recruitment process, the skill training, the legality of migration and the employment in Singapore. Section 6.2 discusses the costs and benefits of migration in tangible and intangible forms. Section 6.3 presents the workers' experience with labor relations and with problems at work. The role of the Thai embassy as perceived by the workers will be discussed in Section 7. The paper

<sup>1</sup> Economic growth is the sum of productivity growth and labor force growth, and the latter was boosted through importation of labor into the economy.

<sup>2</sup> This is partly the result of the Saudi Arabia ban on Thai workers in 1992 following a diplomatic blow between Riyadh and Bangkok over the unsolved murder of 2 Saudi Arabian embassy officials here.

will conclude with section 8 which highlights the outcome of the research.

### Thai Workers in Singapore

The number of foreign workers in Singapore in general, and Thai workers in particular, is difficult to establish due to lack of official data<sup>3</sup>. In 1970, it was estimated that foreign workers in Singapore accounted for only 3.2% of the total workforce. Since then, this figure has doubled roughly every 10 years with a jump in the number of foreign workers in the 1990s. This brings the estimated number of foreign workers as percentage of the total workforce to 7.4% in 1980, 11.5-13.5% in 1990, 20.7% in 1995<sup>4</sup> and more than 25% in 1997. This is the highest proportion of foreign workers in the labor force in Asia (Wong, 1997). The estimated number of foreign workers in Singapore in 1997 was 450,000.<sup>5</sup> The number of foreign construction workers increased from under 100,000 in 1994 to 200,000 in October 1999<sup>6</sup>. Foreign workers constituted more than 60% of the overall workers in the construction sector.

#### Estimated Number of Thai workers

The estimated numbers of Thai workers in Singapore over the years is shown in table A below.

Table A

#### Number of Thai Workers in Singapore

Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1998	1999
Number of Workers	25,000	30,000	30,000	27,000	50,000	50,000	50,000	**40,000	50,000	*65,000	*65,000

Source: Wong, 1996

\* Data from the Thai Office of Labor Affairs, Singapore

\*\* From *Straits Times*, 15/05/95, cited in Lim, 1996

Estimating the actual numbers of Thai workers in Singapore is further complicated by the substantial number of illegal workers. The estimated number of illegal Thai workers in Singapore varies considerably according to different sources. The Thai Labor Office in Singapore estimated a reduction in the number of illegal Thai workers in 1999 from the previous year's figure of 3,500 and of 5,000-8,000 in 1996. The reduction was said to be the result of the slow down in construction activity in Singapore, and the increased risk due to intensive law enforcement conducted by Singapore authorities since the beginning of 1998. However there were other sources and anecdotal evidence that tended to support the number of illegal Thai workers being large. For example when interviewed, the representative of the National Trade Union (Singapore) estimated the number of illegal Thai workers to be 10,000<sup>7</sup>. The Singapore Immigration and Registration (SIR) reported 100-200 illegal Thai workers being caught and surrendered per month. On an annual basis alone, this already gives an estimate of about 2,000 workers. In 1989 when the Singapore authorities issued an amnesty for illegal workers that surfaced, almost 10,000 Thai illegal workers registered themselves for repatriation. This was 40% of the 25,000 legal Thai worker population who possessed work permits at that time. As a further estimate Wong (1996) cited a local newspaper report which suggested that the number of illegal Thai workers in 1996 equaled that of the legal Thai workers in Singapore.

<sup>3</sup> There is no data released by the Ministry of Labor. Although Census provides some information on non-citizen workers, it is not comprehensive enough to determine the type of workers. The Labor Force Surveys do not distinguish between resident and non-resident foreign workers.

<sup>4</sup> There is an estimation of 150,000 foreign workers in 1990 out of the total workforce of 1.3 million (*Straits Times*, June 9, 1990, cited in Pang, 1992); 350,000 foreign workers in 1995 out of the total workforce of 1.69 million

<sup>5</sup> According to the Ministry of Labor, reported in the *Straits Times* of 5<sup>th</sup> November 1997.

<sup>6</sup> According to the Minister of State for Manpower, Mr. Othman Haron Eusofe, appeared in the *Straits Times*, October 8, 1999. Foreign workers in construction sector include workers from 7 countries namely India, Myanmar, Thailand, China, Philippines, Indonesia and Bangladesh.

<sup>7</sup> In the interview conducted with Mr. Daipi, the labor member of parliament, representing the NTUC at the Trade Union House on 19<sup>th</sup> July 1999

### The Recruitment of Thai Workers

The channels of recruitment of Thai workers can be divided into legal and illegal channels. The legal channel is done through 4 main modes of recruitment: Ministry of Labor and Social Welfare in Thailand; direct recruitment by employers; recruitment by private agencies; and self-organization by workers. The mode of labor recruitment is shown in table B below.

Table B

#### Numbers of Thai Workers Migrating to Singapore Registered with the Ministry of Labor and Social Welfare Classified by Modes of Labor Recruitment Between 1990 to 1996

Year	Self recruit	Department of Labor	Direct hiring	Job training	Private agencies	Total
1990	4,082	7	0	0	2,375	6,464
1991	5,241	4	721	0	3,525	9,488
1992	5,381	0	287	0	5,669	1,137
1993	4,527	0	427	0	9,215	14,171
1994	7,461	4	1,129	0	6,506	15,100
1995	8,061	2	1,935	13	6,613	16,624
1996	8,517	5	890	252	7,937	17,601
Total (%)	43,270 (47.66)	19 (0.02)	5,391 (5.94)	265 (0.29)	41,840 (46.09)	90,785 (100)

Source: Ministry of Labor and Social Welfare in Thailand, appeared in Weekly Epidemiological Surveillance Report, Division of Epidemiology, Ministry of Public Health

Recruitment by private agencies and "self-organization" have always been the two competing modes of labor recruitment. Self-organization is on the increase and is the preferred mode of Thai workers entering Singapore. This is because self-recruitment avoids the heavy cost generally associated with private recruitment agencies. The cost of labor recruitment often rises exponentially due to the fact that recruitment agencies need to offer commissions ("kick-backs") to Singapore employers so that the employers "reserve" work permit quotas for the workers. This fee was usually charged to the workers<sup>8</sup>.

The kick-back fee was estimated to amount to S\$500 – S\$1500 per work permit holder (Wong, 1996). Incorporating this cost, the recruitment fee could therefore amount to as much as 50,000 baht for unskilled workers and 70,000 baht for skilled workers. The official commission charges set by the MOLSW in Thailand is 22,500 baht which includes a month's wage, typically about 8,000 baht, plus expenses of some 15,000 baht. Of the 50,000 baht, it was estimated that one third went to the employer, one third to the Singapore agent and another third to the Thai agent (Wong, 1996).

Another new development is the direct recruitment of skilled workers by private construction companies in Singapore. This started when the Overseas Testing Scheme was introduced in 1995 which will be discussed later.

Finally there needs to be some mention of the illegal channels. Wong (1996) described the illegal channel known among workers as "number two" ("be song" in Thai) with the legal channel being known as "number one" ("be neung" in Thai). The recruiters involved in the illegal channel were said to operate in Haadyai. Wong estimated 20 such gangs were in operation. The illegal channel of recruitment is used mainly by workers from the North of Thailand. Although the number is small compared to the legal channels from the Issan region of Thailand, the number of workers from the North is increasing. This led Wong to postulate that the illegal channels could increase in significance.

<sup>8</sup> After the closure of employment market in the Middle East in the early 1990s which increased labor supply from Thailand, as well as the intense competition among employment agencies, agencies often offer free service or commission to Singapore employers. However, with the recent opening up of employment markets in other countries like Taiwan, Japan, Malaysia and Israel, which offers choices to Thai workers. Singapore employers were said to become more realistic in their demand for the kick-back. (Office of the Labor Affairs, 1998).

There are good reasons why people resort to illegal channels of recruitment despite the high risks. Illegal recruitment has proven beneficial to all parties involved in the recruitment process. For workers, it means a substantive reduction in the recruitment cost (down from an average of 50,000 baht for legal recruitment<sup>9</sup> to an average of 12,260 baht for illegal recruitment<sup>10</sup>) as well as the shorter time spent on the process. For employers, illegal workers take away the burden of levy payment as well as of providing the welfare and protection required by law. At the same time employers are ensured of an adequate labor supply as they are not restricted by the quotas imposed by the government. Employers also have all the bargaining power over the vulnerable workers. For the agencies illegal recruitment helps to avoid taxes and the bureaucratic procedures, hence speeds up the recruitment process.

### **Working in Singapore**

According to the Labor Counselor, Office of the Thai Labor Affairs in Singapore it was estimated that about 75% of Thai workers were in the construction sector. The Construction Industry Manpower Survey reported in 1994 that Thai workers accounted for about 69% of the "non-traditional" sources of labor and were 38.2% of the overall foreign workers in the construction sector (composed of 180,000-220,000 foreign workers) (Wong 1996). This makes Thais the largest group of workers in the construction industry. Thai workers are also found in shipyards and service sectors. There are approximately 15% of workers in shipyards and less than 10% in the service sector. Workers in the service sector work as domestic maids, beauticians, waitresses, dressmakers, masseuses and prostitutes.

With the widening gap between the government levy on the skilled and unskilled workers, there has been a marked increase in the number of skilled workers and a decrease in the number of semi-skilled workers (since the semi-skilled workers do not enjoy the levy reduction). According to the Labor Counselor at the Thai Office of Labor Affairs in Singapore, the number of skilled Thai workers recently entering Singapore rose to 40% -50% in 1998, and 80%-90% in 1999.

Most Thai workers receive hourly wages. They might get their pay daily, weekly, bi-monthly or monthly. On the average, workers receive a monthly wage of S\$ 800-1200 each<sup>11</sup>. They work between 80-130% of the maximum work time allowed by Singapore Labor Law (which specifies 44 working hours per week). Interestingly the daily wage of Thai construction workers is less than half of that of the local and Malaysian workers doing the same job (i.e. S\$21.47 as compared to S\$54.42 for Malaysian and S\$63.47 for local bricklayers as reported in Yeong, 1997). However, compared to other foreign workers like those from Myanmar, India and Bangladesh, Thai construction workers receive higher wages (i.e. S\$25 per day for skilled Thai workers and S\$17-20 for unskilled Thai workers as compared to S\$20-22 for skilled and S\$13-14 for unskilled workers from these other countries).

According to the report from the Office of the Thai Labor Affairs, Singapore (1999) the monthly remittance to Thailand averaged S\$450-800 per worker. This gave a total monthly remittance of S\$22.5 million and a total annual remittance of S\$270 million from Thai workers in Singapore. This amount was said to be close to the amount of money spent by Singaporean tourists in Thailand.

### **Ongoing Debates on Immigration Issues**

#### **The Labor Market:**

During the boom days of the late 1980s and up until 1997, the constraint on many economies, including Singapore, was inadequate labor supply. Singapore enjoyed an impressive economic growth rate of an average of 8.5% in the first half of the 1990s. Between 1980-1992, employment growth showed an increase of 47% (Sio and Yeo, 1996). It was able to grow as rapidly as it did precisely because it

<sup>9</sup> From the survey done by Wong (1996)

<sup>10</sup> From the survey done by Sullivan, Gunasekaran and Siengthai (1992)

<sup>11</sup> The minimum wage set by the Thai Government is S\$20/day for unskilled worker, S\$25/day for skilled worker and S\$350/month for domestic maid. However, workers often received less than the minimum wages. There is no minimum wage in Singapore labor law

imported labor into its economy.<sup>12</sup>

The Asian regional crisis led to a severe withdrawal of credit and liquidity from the region including from Singapore. The asset "bubble" burst. Domestic demand collapsed. The impact on the Singapore economy started to be evident in the first quarter of 1998. The economic growth rate declined to 5.6% in the first 3 months (down from the preceding quarter of 7.6% growth).<sup>13</sup> The impact was felt strongly in the second quarter when the growth slid to 1.6%, the lowest growth rate in 12 years<sup>14</sup> (down sharply from February estimates of 2.5 to 4.5%).

The Singapore government attempted to boost its construction activities in an effort to counter the economic downturn, as it had done in previous cycles. Unlike its neighboring countries, the Singapore government had the fiscal surplus to improve infrastructure during the economic downturn. As part of the measure to stimulate domestic growth as well as to cushion the sharp drop in the demand for private residences, Finance Minister Dr. Hu announced S\$668 million to be allocated to the public sector in order to speed up on-going public projects (*Straits Times*, June 30, 1998). This amount was spent on the upgrading of HDB, of schools, on the extension of MRT and of Changi Airport, among other projects. Moreover it was reasoned that this was a good time to invest in heavy infrastructure projects like the LRT because prices were lower<sup>15</sup>. In the third quarter of 1997, the contracts awarded to the public sector grew by some 40%.

This rise in public construction activities however could not offset the sharp drop in the private sector. In 1999 the construction industry still emerged as the worst victim of the economic crisis as it had contracted by about a fifth to S\$18.4 billion. This was due to the oversupply of building space, the narrowing project pipeline and cautious public sentiment. For the first quarter of 1999 when the Singapore economy grew by 1.2% and was technically out of recession, the construction sector still shrank by 9% with the contracts awarded falling 43%.<sup>16</sup>

From the early 1990s the government's policy was aggressively aimed at attracting the high value-added and skilled foreign workers worldwide. By bringing in these types of workers, the productivity growth of the economy is boosted and this leads to higher sustainable growth rates for the economy. Indeed since the economic crisis the government has leaned even more towards skilled and professional workers. This is because in the future Singapore's growth may gradually diversify away from hinterland-based growth. Instead of being a major provider of hard infrastructure (airports and ports for example) to Malaysia and Indonesia, Singapore may have to attempt to become a more important provider of "soft services" (i.e. RandD, logistic support, education centers, medical hub) to the global market. To achieve this it will have to increase the importation of world class professionals and skilled people to help produce world-class services.

The position of the government towards low skilled workers is different. Unskilled foreign workers are deemed a necessity but not without inherent problems. These workers who dominate the construction sector are seen to retard the industry's development. The construction industry has been known as the most unproductive and inefficient industry in Singapore. The output per person employed in the Japanese and South Korea construction industry is said to be about two or three times more than in Singapore. The dependence on unskilled foreign workers has resulted in low productivity, poor quality of work, bad safety records<sup>17</sup> and backward building methods, as well as contributing to a series of social problems. The inflow of unskilled foreign workers is therefore regulated tightly by the Dependency Ratio (DR) and relatively high Foreign Worker Levy (FWL) which have been revised regularly (as will be

<sup>12</sup> Economic growth is the sum of productivity growth and labor force growth, and the latter was boosted through importation of labor into the economy.

<sup>13</sup> According to Mr. Peter Ong, Ministry of Trade and Industry's first deputy secretary. Reported in the *Straits Times*, May 19, 1998.

<sup>14</sup> The *Straits Times*, August 12, 1998.

<sup>15</sup> The announcement made by Communications Minister Mr. Mah Bow Tan regarding the construction of the Sengkang and Punggol Light Rapid Transit lines. Appear in *Straits Times*, July 5, 1998.

<sup>16</sup> The *Straits Times*, May 20, 1999.

<sup>17</sup> The *Straits Times* of October 9, 1999 reported that since 1994, the industry's safety record has deteriorated alarmingly. From 1994 to September 1999, 316 construction workers died in 301 accidents. killed since. Every week one construction worker dies on the job.

discussed further). The government also has a target to halve the number of foreign construction workers<sup>18</sup>.

The message from the government is clear that skilled workers will slowly replace unskilled workers in the Singapore labor market. In response to the government policy to attract skilled workers and to create loyalty among them, a manufacturing company (the first of its kind in Singapore) announced in October 1999 that it was offering its skilled Bangladeshi workers stock options as an incentive for them to stay with the company for a longer term<sup>19</sup>.

#### Illegal Immigration:

Illegal workers in Singapore include those who enter the country illegally as well as the "overstayers" who remain in Singapore after their work permits have been cancelled. The presence of illegal workers has been a major concern for the Singapore government. Firstly, it increases the number of available construction laborers, depresses the growth, and hampers the government intention to upgrade the industry. Secondly, it raises social and security issues.

There is evidence that the regional economic crisis has resulted in an increase in the number of illegal workers. On April 21, 1998 *The Straits Times* reported that in the parliamentary update on illegal immigrants, Home Affairs Minister Wong Kang Seng revealed that the number of illegal immigrants arrested rose from 431 in January, to 644 in February, and then to 2,086 in March 1998. According to the Singapore Immigration and Registration (SIR), 23,000 illegal immigrants were arrested in 1998; a 64% increase on the 14,000 arrested in the previous year. Of this figure, 14,000 were illegal immigrants while 9,000 were overstayers. For the first eight months of 1999, over 5,500 foreigners had been caught trying to enter Singapore illegally and nearly 50 had been caught trying to leave illegally. 3,800 of these 5,500 illegal immigrants 7 out of 10 came in through the old Woodlands checkpoint.<sup>20</sup> These illegal immigrants came mainly from Bangladesh, China, India, Myanmar and Thailand. According to the Ministry of Manpower, forgery of work permit cards also increased to 70 cases a month for the first 3 months of 1999, compared to 40 such cases a month in 1998, and 5 such cases in 1997.

In Singapore, the slow down in the property market during the economic recession did not seem to discourage illegal immigration. At least 3 parties are responsible for the entry of illegal immigrants: the employer, the worker, and the recruitment agent. During the crisis, employers were more willing to take risks since hiring of illegal immigrants meant substantial savings for the employers, because of the non-payment of levies and welfare provisions, among other things. There was also evidence that illegal agents offered some employers higher "kick-backs".

With the slow down in the construction activities, there were employers who defaulted on levy payments. This resulted in more than 7,000 workers having their work permits cancelled in the first five months of 1998 (compared to about 6,000 cancelled for the whole of 1997)<sup>21</sup>. Some unscrupulous employers brought in foreign workers only to default on their levy payment deliberately and abandon them after receiving their "kick-backs".

For illegal workers, the option to return home to seek a livelihood was limited. However they were under pressure within the Singapore labor market since imported labor is the first to be shed during a difficult period. At the same, the economic crisis had hit Thailand even more severely than Singapore. The illegal Thai workers found themselves caught and isolated in Singapore. A majority these workers were also in substantial debt incurred in the recruitment process. If the workers found out that they are about to be deported, they often ran away. It was reported that from 1997 to 1998 the number of runaways rose 40%. These workers then remained in Singapore as "overstayers".

The incidence of illegal workers was also boosted by the existence of illegal recruitment agents

<sup>18</sup> Mr. Mah's speech to the reporters after the launch of the Construction 21, cited in the *Straits Times*, October 21, 1999

<sup>19</sup> In the *Straits Times*, October 22, 1999.

<sup>20</sup> The *Straits Times*, August 5, 1999.

<sup>21</sup> According to the spokesman of the Ministry of Manpower, reported in the *Straits Times*, June 28, 1998.

and illegal labor suppliers. Despite the 1,093 licensed employment agents in Singapore, there were as many as 30 illegal syndicates in Johor Bahru and Kuala Lumpur (*The Sunday Times*, 15 August, 1999). This was because importing foreign workers for construction work was a lucrative business here. A report in *The Sunday Times* of October 24, 1999 estimated there was a S\$560 million a year tax-free business among contractors and labor agents importing foreign labor to work at construction sites<sup>22</sup> in Singapore.

The emerging concern was the increased trafficking of illegal workers in and out of Singapore via the Causeway. The illegal immigrants were smuggled into Singapore by car, bus, lorry or boat. In one incident, four men died while in a group of 35 being ferried across the Causeway by lorry. In April, July and August 1999, 14 Thai illegal workers were caught trying to leave Singapore in car boots. Workers who were smuggled out illegally were those who entered illegally. Often illegal male immigrants entered to work at various construction sites and illegal female immigrants entered to work as prostitutes. Those arrested reported that they had paid agents between S\$228 and S\$800 each to enter Singapore illegally and between S\$300-400 to leave the country illegally. The drivers were generally recruited in Johor Baru and were promised RM80 (S\$35) for every person they smuggled out. According to the SIR, it was clear that syndicates were behind the trafficking activities.

The Singapore government has however claimed that measures to combat illegal employment have been effective. For example, since the introduction of the security bond on levy payment in April 1998 (of S\$2,000 per worker on top of the S\$5,000 bond per worker all employers must post), there was a reduction by more than 30% on the figure of the first quarter of last year, in the number of workers whose work permits were cancelled because their employers had defaulted on levy payments<sup>23</sup>.

The severe penalties imposed on all the immigration offenders also made the cost of illegality high. The Employment of Foreign Workers Act introduced on January 1991 imposes penalties on illegal workers, employers and those harboring illegal workers whether his is attempted or successful. They are liable to be fined, jailed and/or caned. For workers, the maximum penalty for illegal entry and overstaying is 6 months jail. Male workers who overstay beyond 90 days get at least 3 strokes of the cane. For employers, a first time offender can face a jail sentence of up to 12 months, or a fine of two to four years levy (or equivalent of S\$7,990 to S\$16,000) per worker (Then, 1996, cited in Wong, 1996). For second and subsequent offences, a mandatory jail sentence of between six months and two years, in addition to the fines is imposed. Those hiring more than 5 illegal workers will also be caned. The harsh punitive action against employers and those harboring illegal immigrants is illustrated by a case in 1999 where a smuggler who tried to bring in 15 illegal immigrants was sentenced to 10 years jail and 24 strokes of the cane. A police spokesman expressed the rationale behind this: "Without those who provide refuge and those who employ the illegal immigrants, we believe there will be little reason for illegal immigrants to come to Singapore." (*The Straits Times*, May 27, 1998).

For employment agencies that are caught operating without a license, first time offenders face fines of up to S\$5,000. Repeated offenders risk jail and a S\$10,000 fine. Labor suppliers who abet them also face jail and a S\$10,000 fine. For those caught smuggling illegal immigrants, the SIR has recommended raising the penalty from a two year to a ten year jail sentence and caning, as well as a fine of S\$6,000.<sup>24</sup>

There were a series of well-publicized raids especially on construction sites. Crackdowns were made on illegal immigrants, "overstayers", their employers, harbourers and traffickers. In January 1989, the Immigration Department began to make raids and round up illegal immigrants who did not have valid work permits. About a hundred raids were carried out each month. In March 1998, numerous joint raids by the Singapore Immigration Department, the police and the Ministry of Manpower were carried out in forested areas, HDB flats and lodging houses. In one such raid (a joint operation between the police and

<sup>22</sup> A labor agent may get \$1,000 for each construction workers he brings in. He might also collect \$50 a month for a year from each worker for helping him get work here. Multiply this with 70,000 or so construction workers who come here every year make this a multi- million dollar business.

<sup>23</sup> According to the Assistant Director Corporate Communication, the Ministry of Manpower, appeared in the Forum, *Straits Times*, August 1, 1998.

<sup>24</sup> *The Straits Times*, August 16, 1999.

the Singapore Immigration Department) which took place over a 24 hour period in August, 153 offenders were caught. Among them were 137 people who had entered Singapore illegally, 15 people who had overstayed and a Singaporean who had harbored illegal immigrants.<sup>25</sup>

In an effort to combat forgery of work permits, a new green identity card for foreign workers was introduced in April 1999. The new ID card bears photographs and fingerprints of the worker, as well as other enhanced security features<sup>26</sup>. Existing work permit holders would be issued with new cards when their old permits expired. It was expected that all the foreign workers in Singapore would carry this new ID card by the year 2001.

### **The State of the Art in the Migration Research in Singapore**

It was well documented in Yap (1997) that there was "no institution devoted to migration research in Singapore or even one where migration is the main focus." Research on migration in general and on legal aspects in particular is therefore scattered. A few available studies on migration were done by academics in universities, by students as academic theses, and "think tanks" on an individual basis. Most papers focused on Singapore's comprehensive immigration policy. These included Wong and Heng, (1989), Pang (1992), Chew and Chew (1995), Yeh (1995), Wong (1996, 1997), Hui (1997) and Yap (1997, 1998).

The evolution of Singapore's policies regarding foreign workers is well understood from the studies by Wong (1997) and Yeh (1995). Wong (1997) identified 3 phases in the evolution of the policy: the "ad-hoc" nature up to the 1980s, the comprehensive policy in the 1980s, and the liberalized policy in the 1990s. Yeh (1995) divided the policy development into 3 periods according to the mechanism used in the regulation of the flow of foreign workers. Pang (1992) explained that the shift in the foreign worker policy had to do with the "changing perceptions about its costs and benefits." Low, Wong and Heng (1989) focused on the impact of the Foreign Worker Levy and argued that the FWL bore no impact on economic restructuring to more capital-intensive methods. Other studies on Thai workers' experiences in Singapore included Gwee (1986) and Lim (1996). Gwee's thesis (1986) examined the problems facing foreign workers in construction industry. Lim (1996) revealed the segregation of Thai construction workers. Due to the difficulties in conducting studies with illegal immigrants, the only study available on illegal workers was the one presented by Sullivan, Gunasekaran and Siengthai (1992).

### **The Political Structure that Deals with Immigration Issues in Singapore**

#### **Government Institutions**

In September 1998 the Singapore government implemented an integrated framework in manpower planning in order to provide a clearer, more efficient and more convenient administrative approach. The Foreign Manpower Employment Division of the Ministry of Manpower handles all matters pertaining to the employment of foreign workers. This includes the issuing of work permits for unskilled workers (previously issued by the CIDB) and of employment passes for professionals (previously the responsibility of the SIR). The Singapore Immigration (SIR) would only be responsible for preventing illegal entry. In April 1999 the government also established the Building and Construction Authority (BCA) under the Ministry of National Development by merging the Construction Industry Development Board (CIDB) with the Building Control Division of the Public Work Department. This new government body oversees all aspects of the construction industry including the approval of quotas of foreign workers, controlling the standard of construction and of the quality of the construction workforce. One important role of the BCA related to foreign workers is to conduct training courses<sup>27</sup> and the Skills Evaluation

<sup>25</sup> The Straits Times, August 5, 1999.

<sup>26</sup> For example, the multi-laser imaging of the Manpower Ministry's logo and of a map of Singapore which will be better defined by ultra-violet light.

<sup>27</sup> The training covers various skills such as civil and structural, architectural, building services, plant and related trade, and other trades such as metal scaffold erection.

Certificates Test. The Commissioner of Labor issues license to employment agencies<sup>28</sup>.

Singapore's laws relating to the employment of foreign workers include Employment Act, Workmen's Compensation Act, Employment of Foreign Worker Act, and Employment Agencies Act.

The Singapore Foreign Worker policy was said to be one that is 'highly restrictive for the unskilled, extremely liberal for the professional' (Wong, 1997). There are 3 types of work passes under the Work Pass Framework implemented in September 1998. The first type is P pass (previously Employment Pass). Holders of this pass are professionals holding administrative, professional and managerial positions with the minimum salary of S\$3,500. The second type is Q pass (previously 3 year work permit or Employment Pass of lower caliber). Holders of this type are skilled workers and technicians with monthly income of more than S\$2,000 and educational qualification of at least 5 'O' levels. P and Q pass holders can work in all sectors of the economy. They can marry Singaporeans, their children can be born in Singapore, and they are allowed to bring in their dependants. They are placed under the CPF scheme and could apply for permanent residency (and later for citizenship). The Singapore government also sets up the Social Integration Management Service (SIMS) to help professionals and skilled workers settle down and integrate into Singapore society.

The third type of work pass is R pass (previously 2 year work permit). These are semi-skilled and unskilled workers who earn less than S\$2,000 monthly and are repatriated once their contract has expired. The contract is generally 2 years (renewable up to 4 years) and valid only for employment by a specific employer. R work pass holders can be employed only in approved sectors which include manufacturing, construction, marine and domestic service sectors. They can marry Singaporeans only upon the approval of the Minister of Labor. They are not permitted to bring in their dependants. Female R pass holders are deported if they are found to be pregnant. For unskilled workers, the policy therefore emphasizes the nature of "transience."

Since the 1960s, the Singapore government has also differentiated 3 types of semi-skilled and unskilled workers accordingly to the countries of origin: traditional source from Malaysia; North Asian sources from Hong Kong, South Korea, Macau, and Taiwan; and non-traditional sources from Bangladesh, India, Indonesia, Philippines, Sri Lanka, Myanmar and Thailand. There are different regulations for workers from traditional and non-traditional sources. For example, in 1990, the Singapore government started to allow all sectors in the economy to recruit Malaysian workers. This did not apply to workers from non-traditional source (Pang, 1992).

The control of unskilled R pass holders is done through 2 mechanisms: Foreign Worker Levy and the Dependency Ratio.<sup>29</sup> The Dependency Ratio is the ratio of local workers to foreign workers (i.e. 5 foreign workers to 1 local worker in construction sector). Companies are allocated a dependency level based on their local workforce. The Foreign Worker Levy is the amount of money paid to the government for hiring a foreign worker. It was initially used as a pricing mechanism to keep the cost of hiring foreign workers high so those foreign workers did not compete with local workers for the same job. However, with the advance in the economy and local workers shunning away from unskilled "dirty" jobs, the Foreign Worker Levy and the Dependency Ratio are now used to support the upgrading of the industry and as such have been constantly revised. For example in 1991, the two-tier levy was introduced. This was aimed to encourage employers to use and train more skilled workers. The first tier levy for the lower dependency ceiling is lower than that for the next dependency ceiling. This makes it more expensive for companies that are dependent on foreign workers.

The government has also differentiated the levy for the skilled and unskilled R pass holders. Skilled workers are determined by the possession of a Skill Evaluation Certificate (SEC).<sup>30</sup> The unskilled

<sup>28</sup> From 1998, all employment agents who hire work permit holders must pass a Certificate of Employment Agencies (CEA) course.

<sup>29</sup> In Singapore the following conditions are set for the approval of work permit in construction sector: a dependency ratio, a security bond of S\$5,000 and payment of a monthly levy per worker. Other requirements are that the companies must have S\$1.5 million worth of contract in hand, and a project duration of six months (Wong, 1996).

<sup>30</sup> Skilled workers made up only 10% of the construction industry's workforce according to Manpower Minister Mr. Lee Boon Yang, reported in the Straits Times, 4 October, 1997. However, Yeong (1997) argued that many workers, who are labeled "unskilled" because they are not sent for skill certification or do not pass the test, actually possess skill certificates in their home countries.

workers might only have passed the Basic Skills Test (BST) or might not have passed a test at all. The levy of the skilled workers is much lower than that of the unskilled workers and this gap was often widened. For example on April 1 1998 the levy for unskilled construction workers was raised from S\$440 to S\$470 and the levy for the skilled worker was halved from S\$200 to S\$100. The gap was widen again in January 1999. The current levy for the skilled and unskilled workers is S\$30 and S\$470 respectively. It has been announced that the levy for unskilled workers will be raised again in the near future. The current Dependency Ratio and the Foreign Worker Levy are shown in table C below.

Table C

Dependency Ratio and Foreign Worker Levy as in October 1989

Sector	Dependency Ratio	Category of Foreign Workers	Levy Rates (\$)	
			Monthly	Daily
Manufacturing	Up to 40% of total workforce	-	240	8
	Between 40% to 50% of total workforce		310	11
Construction	1 local full-time worker to 5 foreign workers	Skilled Unskilled	30 470	1 16
Marine	1 local full-time worker to 3 foreign workers	Skilled Unskilled	30 295	1 10
Service	30% of total workforce	-	240	8
Harbor Craft	1 local full-time worker to 9 foreign workers	Certified crew Non-certified crew	30	1
	No of crews (shown on MPA Harbor Craft License) x 2 The lower quota will apply		240	8
Domestic Worker	-	-	345	12

Source: Ministry of Manpower

The Skill Evaluation Test (SECT) and the Basic Skill Test (BST) are the two measures to upgrade the construction industry workforce. A target was set that half of the foreign workers must pass either SECT or BST by April 1999 and all foreign workers by April 2000. Although the BST does not guarantee that the workers are skilled after they pass the test, at least these workers have basic building skills and exposure to construction work. This is seen as a means to discourage farmers and jobless laborers who possess no skills to contribute to Singapore's industry. Those who pass the SECT will be certified as "skilled." The government had plans to double the percentage of skilled workers to 45% by 2005 and to 60% by 2010.<sup>11</sup>

The Building and Control Authority has cooperated with the construction industry in sending officers to conduct skill tests in labor sending countries under the Overseas Testing Scheme introduced in 1995. Training centers have been set up in countries like Thailand by construction firms to give workers the skills they need. Moreover, in order to improve the safety record of the construction sector, all parties involved (i.e. workers, supervisors and project managers) are required to go through a specially packaged program that includes the "safety first" message.

Construction 21 initiated in May 1998 by the Manpower and National Development Ministries provides the most updated "blueprint" for the construction sector in the 21<sup>st</sup> century. It examines the introduction of new design and management regulations.

#### Non-government Organization

In Singapore there are few non-government organizations that deal with immigration issues in general and with Thai workers in particular. The Singapore Contractors Association represents the only NGO that deals with foreign workers in the construction sector. The main activity of this NGO that

<sup>11</sup> Mr. Mah's speech to the reporters after the launch of the Construction 21, cited in the Straits Times, October 21, 1999

relates to workers is the setting up of a recruitment agency – Singapore Contractor Association Ltd. (SCAL) to supply foreign workers to construction companies. Other NGOs are charitable organizations like church groups.<sup>32</sup> They provide basic English courses and consultation to workers on an ad hoc basis.

### Results from Fieldwork

The analysis was based on 2 sets of data collected during June and August 1999. First, 145 cases were collected by fact-to-face structured interviews. The data collection took place at various locations: construction work sites, workers' dormitories, Golden Mile complex (shopping complex where Thai workers gather during their free time) and some outlets of the Phuen-Thai provision shops frequented by the workers. The distribution of sample by sector approximates the distribution of the population of workers in these sectors.

Proportion of Thai workers in each sector	Sample taken
Construction	75% 99 workers (68.2%)
Industry	15% 34 workers (23.4%)
Service (domestic & driver)	>10% 10 workers (6.9%)
Others (general office work)	1 workers (.7%)
Unemployed at time of interview	1 workers (.7%)

The survey data was supplemented with the second set of data obtained from the unstructured interviews with the government and NGOs officials who were involved in migration matters (the list of the expert interview is attached in the appendix 2). The interviews were carried out at their respective offices.

The analysis focused on the comparison of data before and during the crisis periods in order to assess the impact of the regional economic crisis on migration of Thai workers to Singapore. As the baht devalued in mid 1997 and Thai workers needed about six months or less to decide and make arrangements to migrate to Singapore, given this time frame, approximately half of the workers presently in Singapore made the decision to come and actually came after the crisis started. 53.6% of the sample arrived in Singapore after January 1998, as compared to 46.3% who arrived before the crisis (as shown in Table 1).

### The Regional Economic Crisis and Migration Experience

#### Profile of Thai Workers In Singapore (Table 2)

A typical Thai worker in this survey was the male farmer from Isaan region with a low level of education. There were 139 male and 6 female workers. The present data showed very little changes in the demographic characteristics of workers between the pre-crisis and the crisis periods. The average duration of education in our sample was 5.81 years. There was little difference between the education level of workers who came before and during the crisis (5.9 years and 5.7 years of education respectively). Workers arriving before the crisis tended to be slightly older (36.4 years as compared to 32.9 years). About 76% of the workers in both periods were married and most had children (average 1.6 children). About half of our sample from both periods (57.6% and 50.6%) were the head of a medium size household (of an average of 5 persons). There was also little difference in the number of wage earners in the household between the two periods (1.8 and 2.0 persons).

It has been well documented that migrant workers did not generally come from the poorest category. This was also true for both periods. Almost 90% of workers in our sample from both periods came from average and above average household income families in their villages.

There was also little difference in terms of previous occupation held in Thailand. A majority of workers were farmers in Thailand (65.1% and 60.0%). About one third of these farmers held second jobs,

<sup>32</sup> Among these are the Christian Trinity Church and the Thai Good News.

mostly construction or general/manual jobs, to supplement their income after the harvest. Non-farm workers held a wide range of occupations ranging from steel workers, mechanics, barbers, carpenters, taxi drivers, textile workers, and a few worked in the construction industry. A majority of these non-farm workers reported to own farms and have family members working on them. More workers in the pre-crisis period had experience working abroad (46.2% compared to 35.4%), mostly in construction work in Asian countries or in the Middle East.

An interesting point to note was that the data seemed to suggest little internal migration from towns to rural areas in Thailand as previously expected. This was shown by the stable proportion of workers migrating to Singapore directly from the farm and from town areas during the two periods. Jobless town workers did not seem to return to the villages to seek subsistence in the villages and swell the village population count. Two factors might be responsible for this. First, the El Nino that affected the Northeast region severely during the crisis had removed the option to go back to farming activities despite the fact that most workers came from land owning families. Second, as suggested by Skeldon (1999), going back to the villages was an unappealing alternative for these workers who were accustomed to the material culture in the city. For farmers, the economic crisis in Thailand limited the opportunity to earn much needed income after the harvest through a second job in town.

In terms of regional origin, our sample showed a significant increase in the proportion of workers from the North during the economic crisis. The number of workers from the North in our sample was 46 (32%). Of these, 37 workers came after the economic crisis. The study by Wong (1996) already noted the increase in the migration of workers from the North. The increase in the number of these workers most likely represented the continuation of the changing trend that began in the mid 1990s, rather than being a consequence of the crisis.

Attention was also drawn to these northern workers. This was because the North was generally known to be a traditional supply of illegal workers. Among our sample there were 9 workers who could be labeled "illegal" (those without a work permit). Five of them were from the North (four from the Northeast). Although our small sample base does not allow any conclusive statement to be made, it might suggest that our sample in fact included more illegal workers from the North than reported by the workers themselves. This coincides with the information obtained during an interview conducted on June 2, 1999 with the Thai Ambassador in Singapore, who said that there had been a substantial increase in the number of illegal workers from the North in the recent years. In 1998 the Thai Embassy sent back 2000 illegal workers, mostly from the North. The ambassador postulated that workers from the Northeast had greater experience dealing with recruitment agencies to eliminate the unscrupulous agencies unlike workers from the North who are relatively new to employment overseas. After arrival, some of these illegal workers were abandoned by the recruiters at Golden Mile Complex.<sup>33</sup>

### The Determinants of Migration (Table 3)

#### a) The Economic Factor

As it has always been, people move to where jobs are available. Our data showed that the economy played a decisive role in the migration of Thai workers in both periods. This contradicts the result from the 1995 survey that highlighted social reasons in the migration of Thai workers to Singapore. It was surprising to find, however, that the economy did not exert a more severe impact on determining migration during the economic crisis period as previously expected. In both periods, the economic condition acted as the major "push" and "pull" factor for migration. Workers saw Singapore as an economic "oasis." This coincides with the fact that Singapore was the country least affected by the crisis. In both periods, workers reported choosing Singapore as their destination country in the same descending order of ranking: no jobs in Thailand and coming to Singapore to find a job (38.2% and 34.7%).

<sup>33</sup> To prevent innocent workers who entered Singapore illegally because they were cheated by recruiters, the Thai Embassy had negotiated with Singapore government to have these workers who can prove their innocence being sent back to Thailand without punishment. However this arrangement poses a dilemma. It could encourage (real) illegal workers to throw away their passports and report themselves as being cheated to come illegally. (Without passports, the authority cannot trace their record).

Singapore offered better income (25.5% and 30.4%), needing money due to poverty or debt (12.7% and 17.4%). 7.3% and 8.7% workers cited new experience/adventure as a reason for migration in the periods prior to and during the crisis respectively.

It is easy to understand why Thai workers saw Singapore as offering good prospects and opportunities. These workers were being offered jobs in Singapore while they were in Thailand when unemployment was the norm in Thailand (85.3% reported obtaining jobs prior to coming)<sup>34</sup>.

In response to the question about whether the economic crisis influenced their decision, a quarter of workers (32.4%) in the post-crisis period were convinced that the economic crisis was a definite factor. 23% said it had a bearing but was not the absolute decisive factor.

### b) The Social Network

The above analysis has established that Thai workers were economic migrants. In both the periods prior to, and during the crisis however, the existence of friends and relatives in Singapore had influenced the decision to migrate as well the destination. A majority of workers in both periods (67.8% and 72.8%) took less than 6 months to make that decision with about a quarter reporting that they took less than a month to do so. The swift decision was facilitated by existence of friends and relatives. More than half (59% and 57%) workers reported that they had friends/relatives in Singapore before they came. 65.9% of those surveyed received help from friends/relatives in the areas of: housing (29.5%), finding a job (28.2%), materialistic support (20.5%) food (19.2%) and others (2.5%).

## The Migration of Thai Workers to Singapore (Table 4)

### a) The Recruitment Process

The mode of labor recruitment by private agencies established before the crisis became even more common in recruiting workers from Thailand during the crisis<sup>35</sup>. Private agencies arranged for the travel for 67.7% of workers in the pre-crisis years and 80% during the crisis. They also arranged for the first job in Singapore for 64.5% and 68.4% of the workers (pre and during crisis respectively).<sup>36</sup> It was surprising to find only a small proportion of workers had arranged for their own recruitment (the trend that was picked up in the mid 1990s as shown in table B earlier). In both periods, none of the workers had their recruitment arranged by the Thai government recruitment office.

### b) The Skill Training

The attempt made by the Singapore government to admit more skilled workers started to show results in our sample. As mentioned earlier, the Singapore government had initiated the establishment of skill training centers and skill test centers in labor sending countries. Subsequently, private skill training centers started to mushroom in Thailand. Following this development, the numbers of workers arriving during the crisis who had undergone skilled training almost doubled (40.5% as compared to 24% in the pre-crisis period). However, the number of workers taking skill tests seemed to lag behind. There were only slightly more workers coming during the crisis period taking the skill test (43% as compared to 35.4%), most of whom past the test.

The entry of higher skilled workers from Thailand was confirmed by the Thai Ambassador in Singapore<sup>37</sup> as well as by the Labor Counselor of the Thai Labor Office in Singapore<sup>38</sup>. The evidence was seen from the substantial increase in the number of job applications from skilled Thai workers received by the Labor Office in Singapore. Our data above supports the claim made by the Ministry of

<sup>34</sup> According to Singapore law, workers must obtain jobs prior to arrival in Singapore.

<sup>35</sup> There were over 250 private recruitment agencies in Thailand.

<sup>36</sup> Other workers from both periods had their first job arranged by employers in Singapore (14.7%), by relatives/friends in Thailand or Singapore (11.2%), or by themselves (4.9%).

<sup>37</sup> In an interview on 2<sup>nd</sup> June 1999

<sup>38</sup> In an interview on 23<sup>rd</sup> September 1999

Manpower<sup>19</sup> in Singapore that significant achievement was made on the skills upgrading. In 1998 the number of workers tested by the Construction Industry Training Institute, the BCA's training arm, reached an unprecedented high of 27,761 workers (foreigners and locals). Of this figure 16,835 passed the test and were certified as skilled. This number was 54 % higher than that in the previous year. Even though this number included the local workers, considering the fact more than 60% of total employees in the construction industry are foreign workers, this number implied a tremendous increase skilled foreign labor.

However our data showed that there were workers who expressed skepticism about the skill training and the skill test. Some workers who received training in Thailand complained that their jobs in Singapore did not correspond with the training they received. For example, a worker complained that he received training for metal work, but was employed in cable work; another worker was trained as a carpenter but was working as an electrician.

### c) The Contract and the Work Permit

Although Singapore law did not require written contracts between workers and employers, in order to safeguard the interest of workers, the MOLSW in Thailand made it compulsory for workers to have work contracts. A majority of workers (87.9% and 80.8% in the pre and mid crisis period respectively) said they had contracts signed, most often in Thailand. The length of contract was generally for two years. For both periods, 41.7% of these contracts were in Thai, 32.6% in English, and 15.2% in both languages. Most workers claimed that they had read and understood at least the general points of the contract. 13.8% claimed that they did not understand anything in the contract at all. This was closely related to the language the contract was written in. Many workers had sought help from relatives and friends to interpret the contract. There were 8.3% workers who were not sure if they had work contracts. Some said they had signed many forms but were uncertain if these forms constituted work contracts. Many signed contracts with the labor agents and not with the company. This reflects the nature of the *kepala* system of labor organization in Singapore<sup>20</sup>.

The signing of contracts did not necessarily guarantee workers the benefits and protection stated in the contract. In many cases, workers said they had never seen the contract as the employers/agents kept the contract. As such when there was a dispute, they would have no proof of the contract being signed in order to safeguard themselves.

As there are no visa requirements in Singapore, the legality of the employment is based mainly on the existence of the work permit. Only 9 workers revealed that they were working without work permits (these workers are labeled as "Illegals" in this study.) For the legal workers, the work permit was generally processed by the employers (84.4%) prior to workers' arrival in Singapore. Others sought help from recruitment agents in Thailand or Singapore. According to Singapore law, workers can only work for employers whose name appears on their work permit card and they are not allowed to change employers. Most workers were aware of this regulation.

All female workers working in the domestic sectors reported that they did not sign a contract. Many did not know if they had work permits. The interview with these workers revealed however that it could be assumed that all domestic workers are legal workers in Singapore although they did not report to the MOLSW.

### Jobs in Singapore (table 5)

As mentioned earlier, the data was gathered from 99 workers in construction, 34 workers in the industrial sector (shipyard and petroleum plant), 10 workers in the service sector, one reported to work as a general office worker and one was unemployed at the time of the survey. Besides the service sector,

<sup>19</sup> In an interview on 8<sup>th</sup> July, 1999

<sup>20</sup> This is the system whereby workers are employed by the labor-only contractor. These "kepala" own small pool of workers who are supplied and rotated to different construction companies/sites. They are the main employer of labor in the construction industry.

more than half (54.7%) were employed in medium to large sized enterprises<sup>41</sup>.

Workers in both periods were concentrated in the construction sector (59.4% and 76.3% in the pre and mid crisis periods respectively). In this sector, they worked in various types of trades ranging from wood (15.3%), cement (11.1%), metal work (6.7%) drainage systems (5.6%), welding, electricity, paint, and pipe work (3.1% each). The rest were mechanics, gardeners, or glass workers. 15.6% of workers reported to do different kinds of construction work as they were deployed by agents to different sites. There were more workers coming during the crisis engaging in general work (30.6% as compared with 17.1% in the pre-crisis years).

Workers who entered Singapore before the crisis, and that were in the country long enough, found better opportunities in industrial sector (29.7% as compared to 17.5% workers coming during the crisis). Reflecting the nature of the industry, workers in shipyards and petroleum plants tended to enjoy slightly higher skilled jobs than in other sectors. Almost half the workers in the industrial sector worked as welders (48.3%). Others were mechanics (17.2%), metal workers (13.8%), painters (6.9%), and a few were electricians and cement workers.

Although workers were generally optimistic about their working conditions, there were more discrepancies regarding the actual job secured and the expectations among the recent comers. While the pre-crisis workers claimed they got the job they expected (85.9%), only 58% among the more recent workers thought so. Those who did not get the jobs they expected complained of lower pay and of the different nature of the job than what they expected. More commonly, workers who expected to work as skilled workers ended up doing general work. Some workers found themselves working overtime at a rate lower than the overtime rate or without receiving any overtime wage at all. The worst scenario was when a worker found himself without work during his stay in Singapore when he claimed he had signed a two-year working contract. Since the workers were paid on a daily basis, they received no wages at all on days when no work was available for them.

More than half of the workers used Thai as the common language at work. 46.2% mentioned Thai as the only language used while another 17.2% used it in combination with other languages. Many workers mentioned that their foremen could speak Thai. As a result, workers did not have many problems communicating within work sites. Other languages used included English and Chinese.

Thai workers generally came to Singapore to save a sufficient amount of money in a short period of time and planned to return home when their contracts expired. This objective was articulated clearly among the more recent workers. Those who came during the crisis were more definite about their decision to return to Thailand when their contracts ended or not stay more than 2 years (76.9% as compared to 69.8%). This time frame allowed them time to save enough money to cover the cost of migration and to have savings. The sojourning nature of Thai workers was further confirmed by 84.5% workers responding that they did not want to become Singapore citizens. The temporary nature of migration among Thai workers corresponds to the policy of the Singapore government to have unskilled construction workers working in Singapore on a "transient" basis.

<sup>41</sup> The question about the size of the company was difficult to establish among construction workers since most workers were employed by the "kepala" and deployed to different work sites. This caused confusion in how the "company" should be defined. For our research purpose, we were more concerned with the size of the construction companies. Because most workers did not know how large the companies were, the interviewers asked for "the size of the present work site". The size of the work site was categorized as follows:

less than 10	=	very small site
11-50	=	small site
51-100	=	medium site
more than 100	=	large site

### Cost and Benefit of Migration (Table 6)

#### The Initial Cost

The amount of money Thai workers paid to obtain work in Singapore varied significantly among workers coming before and during the crisis years. The economic crisis made it more costly for workers to migrate. Before the crisis, workers paid an average of 50,177.49 baht. This coincides with the average cost for recruitment of Thai workers being 50,000 baht (for unskilled workers) reported in the 1996 survey by Wong. The amount rose to an average of 65,077.92 baht during the crisis when competition for jobs became intense and when the baht was weak relative to the Singapore dollar<sup>42</sup>. These amounts were much higher than the recruitment fees allowed by the MOLSW (of about 23,000 baht). Recruitment agencies claimed that the high fees were partly used to pay the "reservation" fee to employers to secure the work. Although this practice was illegal as it was against Singapore law that limited the maximum fee which agencies could charge, the representative from the MOM being interviewed<sup>43</sup> expressed the difficulties in controlling the fee as long as there was still high competition among agencies as well as among workers. Moreover, Thai partners often collected the fees in Thailand before workers arrived in Singapore.

Almost half workers could not give a breakdown of the amount they had paid. Those who were able to provide details said that most expenses went to the recruitment agents in Thailand. In order to cover the expense, workers took loans. While half of the workers took loans before the crisis, almost 70% found it necessary thereafter as personal funding withered. Regarding the source of the loan, moneylenders emerged as the main source (40.4%) during the crisis, replacing labor recruiters who were the main lenders before the crisis (37.5%). These money lenders charged the high interest of 5% to 10% per month. Surprisingly, loans from banks remained relatively stable (29.2% and 23.4%).

#### Work Hours and Earnings

Normal working hours according to the Singapore Labor Law are 8 hours per day and 6 days per week (or an average of 44 hours per week). The day-off could be any day of the week. Working beyond this constitutes overtime and workers are entitled to overtime compensation. The variation in work hours is therefore determined by the amount of over-time work. About 90% of workers from both periods reported that they worked over-time at an average of 2 hours per day. This gave an average of 10 hours per day. Many workers reported that over-time work was compulsory and that they earned over-time wages.

Most workers (55.7%) were paid daily, 20.7% were paid bi-monthly, 15.7% monthly and 7.9% weekly. Although the Thai Labor law fixes the wage of Thai workers in Singapore at S\$20 for the unskilled workers and S\$25 for the skilled, workers in our sample generally received lower wages than the guidelines. Unskilled workers received about S\$16-\$18 and those holding the Skill Evaluation Certificate (SEC) received about S\$23 per day. The rate of overtime payment was 1.5 times that of normal pay on weekday and 2 times on weekends. However workers reported that if they asked for extra work, they might only get the rate for normal pay. Since workers were generally eager to do extra work and earn extra income, which was especially true during the crisis, they often received the normal pay for over-time work. Some companies made workers sign the request for over-time work as evidence. Despite being illegal, some employers lumped the overtime pay with the normal pay when negotiating wages with workers.

In terms of income, workers who came during the pre crisis years were generally happier with their incomes. These workers earned an average income of S\$1,051 per month and as such only 12.1% rated their earning in Singapore as dissatisfactory. This was rather different from the experience of workers who came during the crisis and who earned much less at an average of S\$674.7 per month. More

<sup>42</sup> The exchange rate of the Thai baht v s. Singapore dollars during the crisis varied from 26 to 28 baht which was much higher than an average of 18 baht before the crisis

<sup>43</sup> The interview took place on 8<sup>th</sup> July, 1999 as per appendix 2

of these new comers rated their income as being dissatisfactory (32.9%)<sup>44</sup>.

One would have expected that the economic crisis that intensified the competition for jobs would explain the difference in job and earning experience among workers in the two periods. With tougher competition during the crisis, new workers found fewer options for jobs and could only accept lower pay. However, this explanation alone could prove limited. Many other factors contributed to the job and earning discrepancies of workers between the two periods. First, the length of time that workers had stayed in Singapore has to be considered. Workers who had worked in Singapore for a period of time had time to adjust the unrealistic expectations they previously had about the job and earnings. They had also gained familiarity with the job market as well as acquired job experience and skills that came largely with on the job training. Second, the recruitment agencies could also provide the more recent workers with misleading information about the nature of work and wages that workers were to receive in order to lure them into the Singapore job market. Lastly, there was also an increasing competition from workers from other countries like those from Myanmar, India and Bangladesh (countries little affected by the crisis) many of whom held skill certificates. These workers were willing to accept lower wages (about S\$5-S\$8 less). Workers from Myanmar were praised for their discipline and tolerance as often as the Thais were.

#### The expenditure

The average monthly expense of workers from the overall sample was S\$133.40 on food, S\$12.00 on transport and S\$49.70 on recreation.<sup>45</sup> With higher income, the pre-crisis workers could afford higher expenses across the categories, with the widest variation being in recreation (S\$63.20 compared to S\$36.20). Those who smoke, drank, and frequented prostitutes incurred much higher recreation costs.

#### The skill

Besides the hidden benefits in terms of socialization into Singapore work ethics and environment, 65% of workers (78.8% pre crisis and 51.3% during the crisis) claimed that they learned a new skill while they worked in Singapore.

Workers' skill upgrading is beneficial to all parties involved. For employers, skilled workers reduce the costs through the huge levy reduction (from S\$450 to S\$30). For the Singapore government, it helps accelerate the restructuring of the industry, increases productivity, reduces accidents at work sites, and reduces the crime rate commonly associated with a low skilled workforce. For workers, skilled work leads to wage increases, better and more secure work and a possibility to work up to 10 years in Singapore. Thailand will also benefit in terms of higher remittances and the upgrading of the Thai workforce in general.

Most workers interviewed, however, did not express particular interest regarding skill training and said they underwent the training only to comply with the companies' regulations. This was understandable in the light of the fact that workers who passed skill tests tended not to benefit in monetary terms. Employers generally encouraged workers to take the test in order to cut down on the levy payment. Most employers promised to raise daily wages (from S\$17-20 to S\$25) after workers passed the test. However, if the Thai workers had signed contracts in Thailand as unskilled workers, they often failed to benefit from the wage increases if they passed the test in Singapore. There was no law or clear regulation to ensure that the employers had to abide by their promises. From our sample, 80.4% of workers (75% pre-crisis and 85.7% mid crisis) claimed that the training did not lead to any promotion or improvements. Only 11.7% (17.3% pre- crisis and 6.1% during crisis) said they had their pay increased after the training. As such, all the monetary benefits tended to go to the employers. Skill tests could be perceived as a cost-cutting measure for the employers rather than benefiting the workers in terms of pay

<sup>44</sup> Many workers found it difficult to compare the income in Singapore with that in Thailand since they were farmers in Thailand. When trying to compare income in monetary term, 10.3% could not indicate, while many tended to evaluate income in Singapore as higher since they did not earn "income" in Thailand.

<sup>45</sup> As the rent was provided by the employers, it was not an item of expense.

or promotion.

Another reservation workers had about skill training and skill tests came from the cost involved which could add to the recruitment cost incurred by the workers. According to the Labor Counselor

at the Office of the Thai Labor Affairs in Singapore, fierce competition among recruitment agencies during the crisis had sometimes resulted in agencies offering to pay for workers' booking test fees (a fee of S\$575)<sup>46</sup> on behalf of the companies/contractors. According to BCA regulations, employers are responsible for paying the fee. These agencies might then charge this fee to the workers.

#### Other benefits

Foreign workers enjoy the same benefit as local workers according to the provision in the Employment Act and the Workmen Compensation Act. However, only 32.1% respondents were aware of that provision. Besides the earnings and the upgrading of skills, other benefits could be seen in terms of medical benefits. About 80% of workers (86.4% pre-crisis and 80.3% during crisis) received free medical benefits often provided by the company clinic. However, qualitative information from a NGO revealed that there were instances when Thai workers did not receive any health or medical benefits stated in the contract even when they were sick. Some employers delayed medical care. Others might deduct the medical treatment fee from the workers' wage.

According to the Workmen Compensation Act, all employers of foreign workers are mandated to activate an accident insurance policy for their workers. However, only 54.2% of workers (60.7% pre crisis and 48.7% during crisis) knew that they had life insurance. Since the insurance only provided for coverage during working hours, when mishaps occurred outside working hours as in the case of the Sudden Unexplained Death Syndrome (SUDS), workers were rarely compensated.

#### The Remittances

Almost all workers claimed that they sent remittance home through remittance agents, usually on a monthly basis, at an average of S\$550 per month, or about S\$6,600 per year. With better earnings, the pre-crisis workers could afford sending more money home at an average of S\$609 per month, about S\$100 more than the amount the more recent workers remitted. Most did not send remittance in kind. Multiplying the annual average by an estimate of 65,000 workers in Singapore gave the remittance sent by these workers as S\$430 million per year. This amount was inspiring during the crisis, as it was comparable to the amount remitted from Singapore during the boom time in the 1980s (as shown in the table D below). Moreover, as the value of the Singapore dollar rose sharply against the Thai baht during the crisis (to as much as 28 baht per 1 Singapore dollar), the inflow of Singapore dollars from these workers had been beneficial to Thailand during the crisis.

**Table D**

**Remittances by Thai Migrant Workers in Singapore, 1976-1988 (in million baht)**

1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
8.1	12.1	25.0	37.5	107.3	111.7	211.6	382.4	553.9	609.0	368.6	352.4	420.33

Source: Bank of Thailand, cited in Wong (1996) The remittances are used according to the order of priority for paying family debts, daily expenses and for the purpose of saving. However, many workers were not certain what the family did with the remittances they sent.

#### Relationship with Spouse and Relatives

The majority of workers perceived that migration had no bearing on the relationships with their spouses. About half felt that their relationship was even better than ever, 45.5% felt that there was no change while a minority of 4.6% felt that the migration had a negative impact on the relationship with their spouse. Two workers reported having new Filipino girlfriends in Singapore, and two other workers

<sup>46</sup> Of this amount \$225 is charged by BCA and \$350 by the testing center

claimed that their spouses had new boyfriends in Thailand. Similarly, the relationship with relatives in Thailand remained unchanged. 35.4% of workers felt they had closer ties with relatives while 2.3% saw a decline in the relationship. The breakdown by time of arrival showed no major differences between workers arriving before and during crisis as far as the relationship with spouse and relatives was concerned.

### **Subjective Evaluation of Cost-Benefit**

The previous sections suggested that the benefits of migration (both in tangible and intangible forms) outweigh costs. Further examination into the subjective evaluation of costs and benefits has provided some useful insights. These subjective aspects were explored with questions like: "Will you encourage your friends to come to work like yourself?" Open-ended questions were also employed: "If you could remake the decision, do you think you would still choose to come to Singapore? Why?"

One third of workers indicated that their decision to migrate was wrong and the same proportion would discourage friends to come. With more favorable work conditions and income as discussed earlier, more workers arriving in the pre-crisis years tended to encourage rather than discourage friends to migrate to Singapore (46.9% encouraged friends to come as compared to 39.1% who discouraged). Being relatively new in Singapore and being uncertain about their own situation and prospects, workers coming during crisis were reserved about expressing their opinion. This resulted in 34.7% of workers saying that they would be neutral in their advice to friends (as compared to 14.1% pre-crisis workers). Among others who arrived during the crisis, the proportion encouraging and discouraging was almost equal (32% and 33.3% respectively).

Workers who assessed their migration outcome negatively cited more frequently the psychological impacts like homesickness (45.2%). Others complained of income and hard work. The advantages were seen in material terms especially in saving money (37%). Workers expressed their pride when disclosing that working in Singapore enabled them to own houses and property (20%) as well as other "luxury" goods for the family (28%). As one respondent said: "Before I had nothing but now I can buy anything my family wants." Some workers felt that their work in Singapore had provided better education opportunities for their children (5%), and as one worker said: "If I didn't come to Singapore, my children might end up like myself (being poor and uneducated)."

### **The Labor Relations and Labor Problems (Table 7 and 8)**

It was surprising to find that despite the increasing competition for jobs, only a few workers experienced problems relating to colleagues of the same or other nationalities. None had problems getting along with other Thai colleagues and only a few from both periods had problems with local and/or foreign colleagues. Regarding the problems at work, a majority of workers (88.2%) in both periods stated that they did not encounter any problems at work. The minority (10%) complained of wage problems (partial or delayed payment of wages) and a few cited conflicts with supervisors/foremen. These problems were solved on an informal and personal basis.

The workers generally had little interest in organizing collectively to safeguard their shared interests. This was due to the temporary nature of this migration discussed earlier.

### **The Role of the Thai Embassy (Table 9)**

Workers in our sample seemed to have little contact with Thai government recruitment offices in the process of migration. Most workers received information on migration and job prospects from friends and relatives in Thailand and in Singapore, while travel and job arrangements were taken care of by private recruitment agencies. Workers perceived their personal and "unofficial" network to be more efficient and effective than the government units. However, this might have more to do with the "perception" of the bureaucratic procedures rather than with the actual experience with the government agencies. This was exemplified by the experience of workers with the Thai embassy in Singapore. A majority of workers (73.6%) had no contact with the Thai embassy. However, a few workers who often sought help from the embassy rated the service as satisfactory. The opinions about the services workers

thought they needed from the embassy were very diverse, and surprisingly these services were hardly job-related. Only 7.7% of workers thought that help with wage increases should be prioritized. The top priority in services needed was for recreation. 21.3% of workers mentioned that they hoped the embassy could organize social gatherings and excursions. The recreation service was sought after because workers often found themselves being segregated within the construction sites. The only experience they had outside was generally with the Thai provision shop and the Golden Mile Complex. With limited language proficiency workers were reluctant to venture beyond their ethnic community and familiar locations. However, they also had a desire to explore what Singapore had to offer. Another service indicated was related to workers' legal status and rights (18.4%). 6.5% of workers said they hoped to obtain more information about happenings in Thailand. The reason why workers did not seek help from the embassy for job related problems might be as expressed by one respondent who said: "It is risky. I had a friend who had a problem with his employer. He reported it to the Thai officer. The officer called the boss. The next day, this friend got fired". There were a few workers who were concerned with the problems of prostitution and amphetamine abuse. Others urged the government to help reduce commission fees and to have better control over the employment agencies.

### **Conclusion and Discussion**

The comparative analysis of the numerical data from the sample of periods before and during the economic crisis, supplemented by the qualitative and interview data from people involved in the migration of Thai workers to Singapore, revealed very little change in the important indicators related to migration. This tends to suggest that the Asian economic crisis had minimal impact on the migration of Thai workers to Singapore. This was contrary to what was previously hypothesized. There was little change in the demographic characteristics of workers between the two periods, in terms of education, age, marital status, household status and characteristics, and occupation in Thailand. The proportion of workers migrating from the villages appeared rather constant between the two periods which could imply that contrary to previous beliefs, the Asian economic crisis did not result in the internal migration of jobless town workers back to the villages.

The only obvious variation was observed in the regional origin of workers. There was an increase in the number of workers from the North. However, it is difficult to argue that the crisis had caused such change since the increase in the number of workers from the North had already been observed in previous research as well as by experts in the field since the mid 1990s.

The economic factor which had always been the major determinant of migration in the pre-crisis years continued to exert its dominant "push" and "pull" roles during the crisis. Social networks acted as facilitating agents during both periods.

The recruitment of Thai workers in Singapore remained in the hands of the private recruitment agencies, as previously established before the crisis. Few workers arranged for their own migration. This did not support the trend of increasing self-recruitment among the Thai workers observed since the early 1990s. During the crisis, the need for skill training intensified for those preparing to enter Singapore. It would be misleading to argue that this was the direct impact of the crisis. This was because Singapore government policy to upgrade the construction industry had been initiated long before the crisis. The crisis merely made it evident that this upgrading had to be carried out with greater urgency. A changing trend is therefore the emphasis on workers' skill as an important recruitment factor.

Some impact of the crisis was observed in terms of recruitment cost, jobs and earnings. The crisis had made it more expensive for workers to secure jobs in Singapore as the result of a scarcity of jobs. This was aggravated by the rise in the value of Singapore dollar against the Thai baht which inevitably pushed up the reservation or "kick-back" fees paid to the Singapore employers. At the same time, as personal and family funding dried up, workers depended on money lenders who charged high interest rates for loan. All these factors meant that the workers who came to Singapore during the crisis had no choice but to pay more to come. Having less experience with the employment market, these workers also had to accept lower skilled and lower paid job which translated into lower monthly income, lower spending power and lower remittances sent back home.

The cost-benefit analysis tended to suggest that the benefit of migration outweighed cost. Recruitment cost can be seen as the main cost of migration. There was no major social cost observed. The data revealed no bearing of the crisis on the relationship with spouses and relatives in Thailand. Problems with local workers and workers from other countries were seldom reported. The benefit came mainly in terms of earnings and remittances. At the macro level, remittances sent to Thailand were substantial and comparable if not more than during the pre-crisis years, in part because the Singapore dollar appreciated greatly against the Thai baht. Besides loneliness which was common among workers and was expected, there was no evidence that this had led to other psychological costs. Medical benefits and upgrading of skill were not valued so highly among workers since they were not seen to directly translate into income. The subjective evaluation revealed that three quarters of the workers from both periods viewed their migration as the right decision.

In order to explain the little change in the migration pattern during the crisis, two major factors need to be considered. First, the relatively short time frame within which the economic slowdown took place did little to alter the migration conditions. Although the construction industry in Singapore was badly hit by the crisis, it was not until a year after the start of the crisis in Thailand that the employment in this sector was hurt. At the initial stage of the crisis in 1997, the construction sector expanded rather than contracted. This was the result of the effort of the Singapore government in cushioning the impact of the crisis in this initial period by allocating more spending for public construction projects. Although the construction industry was hit in late 1988 and emerged as the worst victim of the crisis, most interviewees, especially government officers, perceived the impact not to be severe, especially in comparison to the 1985 economic recession. During the second half of 1999, the construction sector started to pick up again. During the crisis, many workers who were generally on the two-year contract managed to stay on, knowing that they would face tougher times at home. A major out-flow of Thai workers back to Thailand therefore did not take place. Second, the Singapore government had not changed any of its policies related to foreign workers in response to the recent recession. There was no policy to repatriate workers unlike in the 1985 recession when 60,000 workers were repatriated. The only serious effort implemented during the crisis was to control the illegal workforce.

Employers in Singapore generally welcomed Thai workers due to their diligence, productivity, skill level, as well as their ability to learn new skills, and to adjust to a new work environment. They also caused fewer problems for the employers, less arguments and complaints (probably because they could not speak English). However, the abundance of relatively cheaper workers from other countries made it appear that Thai workers were increasingly more expensive. The Singapore Contractors Association was negotiating with the Thai government for a reduction of the daily wage of Thai skilled workers to S\$22, down from S\$25. If this happens, the wage reduction might offer a short-term solution for Thai labor competitiveness. However, it would not be sufficient to help promote the Thai labor export to Singapore. A longer-term perspective would have to focus on the upgrading of the skills of Thai workers to meet the demand for skilled labor required in Singapore.

**Appendix 1****Evolution of Singapore Foreign Labor**

Year	Legislative/Policy Framework	Administrative Measures	Provisions
1965	- Regulation of Employment Act	-	- Introduction of one-year work permits
1975	- Amendment to Employment Act	-	- Provision for introduction of levy - Extension of 1 year work permit
		- Extension of source countries to NTS for manufacturing sector	
		- Introduction of Foreign Domestic Workers Scheme	- Domestic workers can be employed from NTS
1980		- Implementation of Foreign Worker Levy Scheme for NTS	- Flat levy of \$230 for NTS workers in construction
1981		- Extension of workers from NTS to other sectors	
	- Policy announcement that all foreign workers were to be phased out by 1991		
1982			- Levy extended to all NTS workers in all sectors - Levy raised to 30% of wages or minimum of \$150 for all sectors (no minimum for domestic sector) - CPF waived for unskilled
1984			- Levy raised to flat rate of \$200 for all sectors and \$120 for domestic sector - NAS sources made available
1985/86 Recession		- Repatriation of 60,000 foreign workers	
1987		- Implementation of comprehensive levy system	
		- Introduction of Dependency Ceiling	- 1:2 dependency ratio, except for domestic and marine sectors
1988	Immigration Amendment Act	- Amnesty for and repatriation of illegal workers	- Canning for overstayers - Levy for manufacturing & marine sectors raised to \$170
1989		- Levy extended to Malaysians	- Levy raised twice to \$220 and \$250 for all sectors, once for domestic sector to \$160 - Dependency Ceiling lowered to 40%
1990	Employment of Foreign Workers Act (EFWA)		- Work permit holders no longer covered by Provision of Provision of Employment Act

Year	Legislative/Policy Framework	Administrative Measures	Provisions
			<ul style="list-style-type: none"> <li>- Liberalization of Dependency Ceiling for service sector</li> <li>- Levy raised twice to \$280 &amp; \$300 for all sectors and for domestic sector to \$230 and \$250</li> </ul>
1991		<ul style="list-style-type: none"> <li>- Introduction of two-tier levy scheme for construction and marine sectors</li> </ul>	<ul style="list-style-type: none"> <li>- Levy of \$250 for skilled &amp; \$350 for unskilled in construction and marine sectors</li> <li>- Dependency ceiling for construction sector doubled</li> </ul>
1992		<ul style="list-style-type: none"> <li>- Substantial liberalization of Dependency Ceilings</li> </ul>	<ul style="list-style-type: none"> <li>- 5:1 dependency ratio in construction</li> <li>- 2:1 dependency ratio in marine sector</li> </ul>
		<ul style="list-style-type: none"> <li>- Two tier levy extended to manufacturing sector</li> </ul>	<ul style="list-style-type: none"> <li>- 1:1 dependency ratio in manufacturing sector</li> <li>- 3:1 dependency ratio in marine sector</li> <li>- 1:4 dependency ratio in service sector</li> </ul>
1994		<ul style="list-style-type: none"> <li>- Further liberalization of Dependency Ceiling</li> </ul>	<ul style="list-style-type: none"> <li>- 3:1 dependency ratio in construction sector</li> <li>- Gap of levy between skilled &amp; unskilled widened in construction sector to \$200 &amp; \$440 and marine sector to \$200 &amp; \$385</li> <li>- Levy for domestic sector raised to \$330</li> </ul>
1995	Amendment to EFWA	<ul style="list-style-type: none"> <li>- Introduction of Overseas Testing Scheme</li> </ul>	<ul style="list-style-type: none"> <li>- Work permit for skilled worker can be extended to 10 years</li> </ul>
1996	Amendment to EFWA		<ul style="list-style-type: none"> <li>- \$2,000 bond per worker</li> </ul>
1998		<ul style="list-style-type: none"> <li>- Introduction of additional security bond on levy payment</li> </ul>	<ul style="list-style-type: none"> <li>- Gap of levy between skilled &amp; unskilled in construction sector further widen to \$100 &amp; \$470</li> <li>- Levy for domestic sector raised to \$345</li> </ul>
		<ul style="list-style-type: none"> <li>- All matters pertaining to the employment of foreign workers are under the purview of the Ministry of Manpower</li> </ul>	<ul style="list-style-type: none"> <li>- 3 types of work pass: P pass for professionals Q pass for skilled workers R pass for unskilled workers</li> </ul>
		<ul style="list-style-type: none"> <li>- Implementation of new Work Pass Framework</li> </ul>	

Source: Updated from Wong (1997) and Yeh (1995)  
 Ministry of Manpower, Singapore

**Appendix 2****List of Expert Interview**

1. Mr. Wang Chiang Han, Sandor, Assistant Director Operational Policy  
Foreign Manpower Employment Division, Ministry of Manpower  
Interview date: 8th and 14<sup>th</sup> July 1999
2. Mr Eng Chooi Choon  
Building and Construction Authority  
Interview date: 16<sup>th</sup> July 1999
3. Pastor Giadisak, Christian Community Service Society  
NGO's Adam Road, followed by three site visits at the workers dormitory in Choa Chu Kang,  
owned by Sun Kyong Pte Ltd, Singapore  
Interview date: 13<sup>th</sup> June, 15<sup>th</sup> July and 20<sup>th</sup> July 1999
4. Mr. Khoo Swee Kok, Group Personnel Manager  
Woh Hup Pte Ltd, 03-01 Guthrie House, Singapore 268801  
Interview date: 10<sup>th</sup> June 1999
5. Mr. Daniel Pang  
Tonga Agency, 6 Boon Teck Road, Singapore  
Interview date: 14<sup>th</sup> June 1999
6. Mr. Hawazi Daipi, Labor M.P. representing NTUC.  
Trade Union House, Shenton Way, Singapore  
Interview date: 19<sup>th</sup> July 1999
7. Dr. TC Chao  
Department of Cardiology, Singapore General Hospital  
Interview date: 14<sup>th</sup> July 1999
8. Mr. Adisak Phanuphong, Thai Ambassador to Singapore  
Thai Embassy  
Interview date: 2<sup>nd</sup> June 1999
9. Mr. Supat Gukun, Labor Counselor  
Office of the Thai Labor Affairs, Singapore

**Interview date: 23<sup>rd</sup> Sept 1999**

## Appendix 3

## Tables

**Table 1**  
**Time of Arrival in Singapore**

	After 1/99	6-12 /98	1-5 /98	6-12 /97	1-5 /97	6-12 /96	1-5 /96	6-12 /95	1-5 /95	6-12 /94	Before 5/94	Total
N	30	23	21	16	6	9	4	11	-	5	13	138
%	21.7	16.7	15.2	11.6	4.3	6.5	2.9	8.0	-	3.6	9.4	99.9

**Table 2 (a)**  
**Selected Socio-Demographic Characteristics by Time of Arrival**

	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	(N)	(%)	(N)	(%)	(N)	(%)
<b>Marital Status:</b>						
Never married	28	19.3	13	19.7	15	19.0
Married	110	75.9	50	75.8	60	75.9
Separated	1	0.7	-	-	1	1.3
Divorced	5	3.4	2	3.0	1	1.3
Widow	1	0.7	1	1.5	3	3.8
<b>Head of Household:</b>						
Self	78	53.8	38	57.6	40	50.6
Mother	9	6.2	5	7.6	4	5.1
Father	42	29.0	17	25.8	25	31.6
Father in law	5	3.4	2	3.0	3	3.8
Mother in law	1	0.7	1	1.5	-	-
Spouse	4	2.8	1	1.5	3	3.8
Other	6	4.1	2	3.0	4	5.1
<b>Social Origin:</b>						
Below average	19	12.6	5	7.5	14	17.7
Average	108	75.0	53	80.3	55	69.6
Above average	18	12.4	8	12.1	10	12.7
<b>Occupation in Thailand:</b>						
Farming	91	62.3	43	65.1	48	60.0
Industry/manufacturing	18	12.3	6	9.1	12	15.0
Construction	15	10.3	4	6.1	11	13.8
Service	9	6.2	6	9.1	3	3.8
Others	8	5.5	4	6.1	4	5.2
Have not worked in Thailand	5	3.4	3	4.5	2	2.5

**Table 2 (a)**  
**Selected Socio-Demographic Characteristics by Time of Arrival (cont.)**

	All Mean	Before 1/98 (Pre-crisis) Mean	1/98 & after (During crisis) Mean
<b>Age</b>	34.7	36.4	32.9
<b>Years of Education</b>	5.8	5.9	5.7
<b>Number of Children</b>	1.6	1.7	1.6
<b>Number of Persons in Household</b>	5.0	4.8	5.1
<b>Household Income per Month</b>	5,566.80	5,935.00	5,194.50
<b>Number of Economic Active in Family</b>	1.9	1.8	2.0

**Table 2 (b)**  
**Other Socio-Demographic Characteristics**

	N	%
<b>Gender:</b>		
Male	139	95.9
Female	6	4.1
<b>Other Occupation in Thailand:</b>		
Yes	51	35.2
No	94	64.8
<b>Worked in Other Country Before Singapore:</b>		
Yes	58	40.3
No	86	59.7
<b>Regional Origin: Central</b>		
North	2	1.4
Northeast	29	20.4
	111	78.2

**Table 3 (a)**  
**Selected Determinants of Migration & Related Factors by Time of Arrival**

	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	(N)	(%)	(N)	(%)	(N)	(%)
<b>Main Reason for Coming to Singapore:</b>						
No job in Thailand, come to find job	41	34.7	20	36.4	21	30.4
Want to find a better job	4	3.4	1	1.8	3	4.3
Good income	36	30.5	14	25.5	21	30.4
Poor, have debt, no money	19	16.1	7	12.7	12	17.4
Want to save money	2	1.6	1	1.8	-	-
New experience/environment	11	9.3	4	7.3	7	0.3
Have relatives, friends working here	2	1.6	2	3.6	-	-
To pay for children education	2	1.7	-	-	2	3.0
Lower living expense than other country	2	1.7	2	3.6	-	-
Less commission	1	0.8	1	1.8	-	-
Close to home	1	0.8	-	-	1	1.5
Others	2	1.6	1	1.8	1	1.5
<b>Length of Time Spent Making Decision to Migrate:</b>						
Longer than a year	25	17.4	14	22.6	11	14.3
About half a year	16	11.1	6	9.7	10	13.0
Shorter than half a year	48	33.3	21	33.9	27	35.1
Very short, shorter than one month	50	34.7	21	33.9	29	37.7
<b>Friends/Relatives in Singapore Before Coming:</b>						
Yes	84	57.9	39	59.0	45	57.0
No	61	42.1	27	41.0	34	43.0

**Table 3 (b)**  
**Other Determinants of Migration & Related Factors**

	N	%
<b>Reasons for Leaving Thailand:</b>		
Not satisfied with income in Thailand	97	50.5
Cannot find job in Thailand	35	18.2
Not satisfied with work environment	20	10.4
Adventure	17	8.9
Need money to pay debt	7	3.6
Personal problem with relative, friend, Thai community	4	2.1
Reunion with relative/get married	3	1.5
Other	9	4.7

**Table 3 (b)**  
**Other Determinants of Migration & Related Factors (cont.)**

	N	%
<b>The Economic Crisis Influences Decision:</b>		
Definitely, would have stayed in Thailand if otherwise	24	32.4
Yes, probably would have stayed in Thailand if otherwise	17	23.0
Not sure, probably would have looked for work abroad anyhow	19	25.7
No, definitely would have looked for work abroad anyhow	6	8.1
Cannot say, no comment	8	10.1
<b>Get Help from Friends/Relatives in Singapore When First Arrived:</b>		
Yes	56	65.9
No	29	34.1
<b>Type of Help from Friends/Relative</b>		
Housing	23	29.5
Food	15	19.2
Material support	16	20.5
Find job	22	28.2
Others	2	2.5
<b>When Obtain Job After Arriving Singapore:</b>		
Immediately, job arranged from Thailand	122	85.3
Immediately, but no prior job arrangement	13	9.1
Less than a month	7	4.9
Have not started work	1	0.7

**Table 4 (a)**  
**Selected Factors Related to Migration Process by Time of Arrival**

	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	(N)	(%)	(N)	(%)	(N)	(%)
<b>Travel Arrangement to Singapore Made by:</b>						
Self	10	7.2	5	7.7	5	6.8
Friends/relatives	15	10.8	9	13.9	6	8.1
Thai government recruitment office	-	-	-	-	-	-
Employer in Thailand	2	1.4	1	1.5	1	1.4
Employer in Singapore	8	5.8	6	9.2	2	2.7
Private recruitment agent in Thailand	100	71.9	41	63.1	59	80.0
Private recruitment agent/broker in Singapore	3	2.2	3	4.6	-	-
Others	1	0.7	-	-	1	1.4
<b>First Job Arrangement in Singapore Made by:</b>						
Self	7	4.9	4	6.0	3	3.9
Friends/relatives	16	11.2	9	13.5	7	9.2
Thai government recruitment office	-	-	-	-	-	-
Employer in Thailand	4	2.8	2	3.1	2	2.6
Employer in Singapore	21	14.7	9	13.0	12	15.8
Private recruitment agent in Thailand	81	56.6	40	60.0	41	53.9
Private recruitment agent/broker in Singapore	14	9.8	3	4.5	11	14.5
<b>Skill Training in Thailand Before Coming to Singapore:</b>						
Yes	48	33.1	16	24.0	32	40.5
No	97	66.9	50	75.0	47	59.5
<b>Taking Skill Test:</b>						
Yes	57	39.3	23	35.4	34	43.0
No	87	60.0	42	64.6	45	57.0
<b>Pass Skill Test:</b>						
Yes	55	96.4	22	95.7	33	97.0
No	2	3.5	1	4.3	1	3.0
<b>Contract Signed:</b>						
Yes	121	84.0	58	87.9	63	80.8
No	11	7.6	3	4.5	8	10.3
Not sure	12	8.3	5	7.6	7	9.0
<b>Contract Signed in:</b>						
Thailand	79	61.7	34	54.8	45	68.2
Singapore	49	38.3	28	45.2	21	31.9

**Table 4 (b)**  
**Other Factors Related to Migration Process**

	N	%
<b>Language of Contract:</b>		
Thai	55	41.7
English	43	32.6
Thai & English	20	15.2
Thai, English, Chinese	2	1.5
English & Chinese	1	0.8
Do not know	11	8.3
<b>Read and Understand the Contract:</b>		
Yes, understand completely	37	31.9
Yes, understand general points	50	43.1
No, barely understand	13	11.2
No, not understand at all	16	13.8
<b>Possession of Work Permit</b>		
Yes	136	93.8
No	9	6.2
<b>Person Help Obtain Work Permit:</b>		
Thai relatives in Singapore	1	1.0
Recruiter in Thailand	6	4.4
Recruiter in this country	14	10.4
Employer, company	114	84.4

**Table 5 (a)**  
**Selected Factors Related to Employment in Singapore by Time of Arrival**

	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	(N)	(%)	(N)	(%)	(N)	(%)
<b>Job in Singapore</b>						
Industrial/manufacturing	34	23.4	19	29.7	14	17.5
Construction	99	68.3	38	59.4	61	76.3
Service (driver)	2	1.4	2	3.1	-	-
Service (cook)	2	1.4	2	3.1	-	-
Domestic maid	5	3.4	2	3.1	3	3.8
General office work	1	0.7	1	1.6	-	-
Unemployed	2	1.4	-	-	2	2.5
<b>Type of Job at Shipyard:</b>						
Mechanic	5	17.2	18	58.1	-	-
Metal	4	13.8	2	6.5	2	18.2
Welding	14	48.3	10	32.3	4	36.4
Electricity	1	3.4	-	-	1	9.1
Cement	1	3.4	-	-	1	9.1
Paint	2	6.9	1	3.2	1	9.1
Petroleum plant	2	6.9	-	-	2	19.2
<b>Type of Construction Job:</b>						
Mechanic	1	1.1	-	-	1	1.6
Wood	12	13.3	4	11.4	8	13.1
Metal	6	6.7	2	5.7	4	6.6
Welding	3	3.3	1	2.9	2	3.3
Electricity	3	3.3	3	8.6	-	-
Construction	15	16.7	5	15.3	10	16.4
Cement	10	11.1	3	8.6	7	11.5
Gardener	1	1.1	1	2.9	-	-
Paint	3	3.3	1	2.9	2	3.3
Driving cement truck	1	1.1	1	2.9	-	-
Pipe work	3	3.3	1	2.9	2	3.3
General work	25	27.8	6	17.1	19	31.1
Drainage system	5	5.6	3	8.6	2	3.3
Glass work	2	2.2	2	5.7	-	-
No specified	6	6.3	2	5.7	4	6.6
<b>Get Job as Expected:</b>						
Yes	95	71.4	55	85.9	40	58.0
No	38	28.6	9	14.1	29	42.0

**Table 5 (b)**  
**Other Factors Related to Employment in Singapore**

	N	%
<b>Size of the Company</b>		
Large or medium	75	54.7
Relatively small	53	38.7
Very small	5	3.6
Others	3	2.2
Does not apply	1	0.7
<b>Why Not Get Job as Expected:</b>		
Work was different from expected	23	41.1
Salary was lower than expected	31	55.4
No job with the employer after all	1	1.8
Did not receive housing as expected	3	5.4
Did not receive food as expected	3	5.4
Did not receive other benefits as expected	1	1.8
Other	1	1.8
<b>Compared to the Start, Present Work Condition is:</b>		
Much better	5	3.5
Better	47	32.9
The same	76	53.1
Worse	12	8.4
Much worse	3	2.1
<b>Language at Work:</b>		
Thai	67	46.2
English	37	25.5
Chinese	8	5.5
Malay	1	0.7
English & Thai	14	9.7
Chinese & Thai	5	3.4
English & Chinese	5	3.4
English, Thai & Chinese	6	4.1
Malay, English, Chinese	2	1.4
<b>Plan to Return to Thailand:</b>		
When contract ends	88	61.1
Within a year	8	5.6
Between 1-2 years	10	6.9
Longer than 2 years	7	4.9
Not sure	31	21.5
<b>Want to be Singapore Citizen:</b>		
Yes	15	10.6
No	120	84.5
Not sure	7	4.9

**Table 6 (a)**  
**Selected Factors Related to Costs and Benefits of Migration by Time of Arrival**

	All	Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	Mean	Mean	Mean	Mean	Mean
<b>Recruitment Cost:</b>	57,627.70		50,177.49		65,077.92
<b>Income per Month:</b>	862.85		1,051.00		674.70
<b>Expenses:</b>					
Food	113.40		150.00		116.84
Transport	12.00		13.10		10.81
Recreation	49.70		63.20		36.20
	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)
	(N)	(%)	(N)	(%)	(N)
<b>Loan Taking:</b>					
Yes	87	60.0	33	50.0	54
No	58	40.0	33	50.0	25
<b>Take Loan From:</b>					
Labor recruiter	19	26.8	9	37.5	10
Employer, owner	5	7.0	2	8.3	3
Bank in Thailand	18	25.3	7	29.2	11
Money lender	24	33.8	5	20.8	19
Others	5	7.0	1	4.2	4
<b>Satisfied With Income:</b>					
Yes, it is very high	17	12.0	11	16.7	6
It is a good wage	62	43.7	33	50.0	29
It is OK	30	21.1	14	21.2	16
Not so good	31	21.8	8	12.1	23
Bad	2	1.4	-	-	2
<b>Medical Benefit:</b>					
Yes	114	83.2	57	86.4	57
No	10	7.3	4	6.1	6
Not sure	13	9.5	5	7.6	8
<b>Life Insurance:</b>					
Yes	78	54.2	40	60.7	38
No	44	30.6	16	24.2	28
Not sure	22	15.2	10	15.2	12

**Table 6 (a)**  
**Selected Factors Related to Costs and Benefits of Migration by Time of Arrival (cont.)**

	All		Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
	(N)	(%)	(N)	(%)	(N)	(%)
<b>Learn New Skill in Singapore:</b>						
Yes	92	63.9	52	78.8	40	51.3
No	39	27.1	12	18.2	27	34.6
Not sure	13	9.0	2	3.0	11	14.0
<b>Promotion after Skill Training</b>						
Higher payment	12	11.9	9	17.3	3	6.1
Higher position in work place	4	4.0	3	5.8	1	2.0
Others	4	4.0	1	1.9	3	6.1
No promotion	81	80.2	39	75.0	42	85.7
<b>Relationship with Spouse Compared to When in Thailand:</b>						
Much better	22	20.3	13	26.0	9	15.5
Better	32	29.6	12	24.0	20	34.5
Same	49	45.4	24	18.0	25	43.1
Worse	3	2.7	-	-	3	5.2
Much worse	2	1.9	1	2.0	1	1.7
<b>Relationship with Relatives Compared to When in Thailand</b>						
Much better	13	9.0	9	13.6	4	5.0
Better	38	26.4	17	25.8	21	26.3
Same	90	62.5	39	59.1	51	63.8
Worse	2	1.4	1	1.5	1	1.3
Much worse	1	0.7	-	-	3	3.8
<b>Encourage Friend to Come &amp; Work in Singapore:</b>						
Yes, strongly	7	5.0	5	7.8	2	2.7
Yes	47	33.8	25	39.1	22	29.3
Neutral	35	25.2	9	14.1	26	34.7
No	45	32.4	24	37.5	21	28.0
No, discourage strongly	5	3.6	1	1.6	4	5.3

**Table 6 (b)**  
**Other Factors Related to Costs and Benefits of Migration**

	N	%
<b>Breakdown of Recruitment Cost:</b>		
Travel expense	14	9.4
Recruitment agent in Thailand	44	29.5
Recruitment agent in Singapore	3	2.0
Medical screening	6	4.0
Others. Specify	11	7.4
Cannot remember	6	4.0
Do not know/No information from recruiter	65	43.6
<b>Mode of Wage Payment:</b>		
Daily	78	55.7
Weekly	11	7.9
Monthly	22	15.7
15 days once	29	20.7
<b>If You Can Remake the Decision, Will You Still Choose to Come to Singapore?:</b>		
Yes	93	65.0
No	50	35.0
<b>Reasons for Viewing the Decision to Migrate as Right:</b>		
Family is better off	26	28.0
Have saved enough money	34	37.0
Manage to clear debt	5	5.0
Able to provide better education for children	5	5.0
Able to own houses and other proper	19	20.0
Others	4	4.0
<b>Reasons for Viewing the Decision to Migrate as Wrong:</b>		
Miss home/ psychology impact	19	45.2
Too hard work	6	14.3
Too low income	4	9.5
Income does not worth hard work	7	16.7
Income not worth commission	3	7.1
Too risky (work related)	1	2.4
High living expense	2	4.8

**Table 7**  
**Selected Factors Related to the Labor Relations by Time of Arrival**

	All (N)	All (%)	Before 1/98 (Pre-crisis)		1/98 & after (During crisis)	
			(N)	(%)	(N)	(%)
<b>Get along with Thai Colleague:</b>						
Very well	45	32.4	22	34.4	23	30.7
Well	80	57.6	34	53.1	46	61.3
OK	14	10.0	8	12.5	6	8.0
Not so good	-	-	-	-	-	-
Bad	-	-	-	-	-	-
<b>Get along with Local Colleague:</b>						
Very well	6	6.3	4	7.7	2	4.5
Well	58	60.4	30	57.7	28	63.6
OK	27	28.1	17	32.7	10	22.7
Not so good	4	4.2	1	1.9	3	6.8
Bad	1	1.0	-	-	1	2.3
<b>Get along with Foreign Colleagues:</b>						
Very well	10	7.5	6	9.8	4	5.6
Well	70	53.0	29	47.5	41	57.8
OK	47	35.6	23	37.7	24	33.8
Not so good	3	2.3	1	1.6	2	2.8
Bad	2	1.5	2	3.	-	-

**Table 8**  
**Problems at Work**

	N	%
<b>Ever Have Problem at Work:</b>		
Yes	17	11.8
No	127	88.2
<b>How Company Solves Problems:</b>		
Never have problem	5	3.5
With formally organized union	2	1.4
With employer	57	39.9
Between supervisor and worker	60	42.0
Workers solve by themselves	2	1.4
Solved by manager	7	4.9
Do not know	10	7.0
<b>Types of Problem at Work:</b>		
Did not receive wage in time	5	35.7
Did not receive full amount of wage	4	28.6
Did not receive benefits as promised	1	7.1
Company terminated job with reason	1	7.1
Problems with colleagues	1	7.1
problem with supervisor/foreman	2	14.3
<b>Member of Labor Union:</b>		
Yes	1	0.7
No	133	99.3
Not sure	9	6.7

**Table 9**  
**The Role of the Thai Embassy in Migration**

	N	%
<b>Ever Seek Help from Thai Embassy:</b>		
Yes, several times	2	1.4
Yes, but seldom	34	23.6
Only when I had to get some papers	2	1.4
Never	106	73.6
<b>Satisfy with Help From the Thai Embassy:</b>		
Very much	-	-
Much	15	39.5
It is OK	17	44.7
Did not get much help	4	10.5
Did not get help at all	2	5.3
<b>The Most Needed Help from the Thai Embassy:</b>		
Organize (more) social gathering	36	21.3
Inform (more) regularly about happening in Thailand	11	6.5
Inform (more) regularly about workers' rights in Singapore	15	8.9
Take a more active stand against officials in Singapore	4	2.4
Improve workers' legal status	16	9.5
Help increase pay	13	7.7
Help look for job	1	0.6
Help with safety	1	0.6
Help improve living condition	1	0.6
Lower commission fee	5	3.0
Take general care of workers	8	4.7
Provide consultation	4	2.4
Solve drug problem	4	2.4
Does not apply, have no suggestions	42	24.9
Others	8	4.7

## Appendix 4

## Other relevant tables

**Table 7: Social Origin of Thai Workers**

Year of survey	Below average	Average	Above average	Total
1996	41.4% (N=48)	42.3% (N=49)	6% (N=7)	100% (N=116)
1999	12.4% (N=19)	74.5% (N=107)	13.1 (N=18)	100% (N=144)

Year of survey	Central	North	Northeast	Total
1989	7% (N= 10)	32% (N=42)	60% (N=77)	100 (N=129)
1996	1% (N=1)	1% (N=1)	98% (N=112)	100 (N=114)
1999	1.4% (N=2)	20.4% (N=29)	78.2% (N=111)	100 (N=142)

**Table 19: Source of Information on Singapore and Job Opportunity:**

Relatives/friends living in Thailand	27	14.8%
Relatives/friends living in Singapore	50	27.3%
Newspaper/magazines	3	1.6%
Television	1	0.5%
Radio	1	0.5%
Labor recruiter, contractor	32	17.5%
Private employment agencies in Thailand	51	27.9%
Government employment agencies in Thailand	5	2.7%
Employer	8	4.4%
Organization in Thailand that helps people to work abroad	2	1.1%
Organization in Singapore that helps people to work here	1	0.5%
Others	2	1.1%

**Table 24 Who helped to get job?**

Parent/sibling	1	0.7%
Friend	7	4.9%
Singapore agent	10	7.0%
Boss in Singapore	2	1.4%
Had made job arrangement before leaving Thailand	122	85.9%

**Table 54: Compare to the start, how is your expense?**

Much higher	5	3.5%
Higher	53	37.1%
No change	78	54.5%
Lower	5	3.5%
Much lo	2	1.4%

**Table 55: Do you have the same benefit as local worker?**

Yes	27	32.1%
No	57	67.9%

**Table 59: How did you learn that new skill?**

Formal training course	37	36.6%
On the job training	42	41.6%
Learn skill from colleagues/supervisor	22	21.8%

**Table 60: What made you go for such training?**

Because of company regulations	60	96.8%
Others	2	3.2%

**Table 62: Send remittances to Thailand**

Yes	139	97.2%
No	4	2.8%

**Table 63: How often do you send remittances home?**

Every month	117	83.0%
Every 2-3 months	13	9.2%
Irregularly	7	5.0%
Does not apply, respondent does not send remittances	4	2.8%

**Table 64:**

	Amount of money sent home each month	Amount of money sent in last 12 months
Mean	S\$538.46	S\$6546.15
S. D.	S\$168.52	S\$2362.41

**Table 65: By what means were remittances sent?**

Bank	5	3.4%
Remittances agent	133	91.7%
Recruitment agent	3	2.1%
Does not apply, respondent does not send remittances	4	2.8%
Does not apply, respondent does not send remittances	4	2.8%

**Table 66: What do you do with the remittance 1st priority**

buy house/land	17	12.6%
repair house	2	1.5%
pay debt	53	39.3%
Saving	33	24.4%
buy pick-up/motorcycle	3	2.2%
invest in agriculture	4	3.0%
buy gold and valuables	1	0.7%
sent children to school	8	5.9%
Daily expense	9	6.7%
Others, specify	1	0.7%
Does not apply, respondent does not send remittances	4	3.0%

**2nd priority**

buy house/land	5	6.4%
repair house	4	5.1%
pay debt	3	3.8%
Saving	15	19.2%
buy pick-up/motorcycle	2	2.6%
invest in agriculture	6	7.7%
invest in commerce	1	1.3%
buy electrical appliances	3	3.8%
buy gold and valuables	4	5.1%
sent children to school	5	6.4%
Daily expense	30	38.5%

**3rd priority**

buy house/land	1	3.3 and
Saving	12	40.0%
buy pick-up/motorcycle	3	10.0%
invest in agriculture	2	6.7%
buy electrical appliances	5	16.7%
buy gold and valuables	1	3.3%
sent children to school	1	3.3%
Daily expense	5	16.7%

**Table 68: New boy/girlfriend in Singapore**

Yes	2	1.4%
No	141	98.6%

**Table 69: Your partner has new boy/girlfriend**

Yes	2	1.4%
No	105	72.9%
Does not apply	37	25.7%

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## **Analytical Report of Expert Interviews on Issues of Thai Labor Migrants in Singapore**

***Woon Young Hong***

The Singapore government has not changed any of its policies relating to foreign workers in response to the current recession. Even though Singapore has gone through an economic down turn since late 1997, most interviewees, especially government officers, perceived the situation to be less severe than the 1985 economic recession. In fact, Singapore is one of countries that was not affected by the Asian economic crisis.

### **1. Singapore Government's General Policy on Domestic Labor**

Manpower is Singapore's only resource. It is also a major limiting factor in its growth and could become an impediment to new investments and business expansion. The Singapore government must therefore fully develop its manpower resources so as to hone its competitive edge. Singapore needs to constantly develop new capacity and competency.

One critical area is the development of a globally competitive knowledge-based (skilled) workforce. To achieve this vision of a knowledge-based workforce Singapore has a comprehensive manpower strategy that will contribute to the enhancement of its economic competitiveness. The Singapore government and all political leaders look at manpower issues from an entirely national perspective and adopt an integrated and comprehensive strategy for meeting the national manpower needs in terms of quantity and quality. An integrated approach ensures that manpower planning, development and management remains well coordinated and relevant to the needs of this evolving economy.

By adopting an integrated approach, the Singapore government intends to develop a world-class workforce with capabilities and skills to succeed in the globalized knowledge economy. The development of a world-class workforce requires total commitment and effort on the part of government, trade unions, workers and employers. The Ministry of Manpower (MOM) particularly draws on the resources and participation of partners in the formulation and implementation of manpower policies. This further strengthens this tripartism and achieves greater synergy.

There are two main government agencies related to most Thai workers' interest. Since 90% of Thai workers are working in construction industry in Singapore these agencies are the Ministry of Manpower and the Building and Construction Authority.

#### **1.1 Ministry of Manpower**

The Ministry of Manpower works closely with other ministries and government agencies at the national level. The mission of the Ministry of Manpower is to develop a globally competitive workforce and foster a highly favorable workplace environment. This is in partnership with workers and employers in order to achieve sustainable economic growth for the well being of Singaporeans. It performs both promotional and regulatory roles in balancing national manpower needs. The Ministry of Manpower's roles include: manpower planning to maintain Singapore's competitive edge, continuous upgrading of workers to be a knowledge based workforce, ensuring harmonious labor relations, attracting foreign talent to augment the local workforce, regulating the admission of foreign workers and managing them while they are working in Singapore, and providing a welfare structure conducive to the workforce.

While the Ministry of Manpower undertakes manpower planning, development, management and promotion at the national level, agencies such as EDB, PSB will continue to administer their respective programs within an overall manpower framework and directions set by the Ministry of Manpower.

#### **1.2 Building and Construction Authority**

The BCA is a statutory board under the auspices of Singapore's Ministry of National Development. It was established on 1 April 1999 as a result of the merger between the Construction Industry Development Board (CIDB) and the Building Control Division of the Public Works Department

(PWD). The primary role of BCA is to develop and regulate Singapore's building and construction industry. Its mission is "to develop a technologically advanced construction industry which serves Singapore's economic needs, and to ensure safe buildings and infrastructure". The role of the BCA is to enable the industry to deliver world class buildings and infrastructure with the most cost effective and productive methods. The BCA's four key thrusts are:

1. Improving quality and productivity through high standards of excellence and the use of innovative construction technology raising skills through training and testing to develop a professional construction workforce
2. Ensuring building works are designed to comply with regulations and built to high safety standards
3. Supporting industrial growth through resource and information management.

One of the important roles of the BCA related to foreign workers is controlling and conducting training courses and the skill test. The training covers various skills: civil and structural, architectural, building services, plant and related trade, and other trades such as metal scaffold erection. In fact, some of the skills are quite advanced and are useful for the trainees in any country.

#### Skills Evaluation Certificate Tests

Applicants must be Singapore citizens, permanent residents or holders of valid work permits or employment passes. Skills Evaluation Certificates issued under the National Construction Trade Test Program are recognized by Ministry of Manpower for lower foreign worker's levies.

#### 2. Foreign Labor Policy

It is Singapore's policy to change the structure of the economy to emphasize higher value added occupations, moving away from labor intensive to capital driven manufacturing, and knowledge-based industries.

The Singapore government recognizes the reluctance of Singaporeans to undertake manual labor, and so encourages importation of foreign workers. They apply a quota system of 1:5 where 5 foreign workers are allowed for every single local worker.

The Singapore government does not have a specific policy for Thai workers. It does have strict regulations which apply to all foreign workers and there are severe penalties for failure to observe them. These penalties apply to the employers for failure to observe mainly health, safety and welfare requirements both on site and in the dormitory. The workers themselves are expected to observe the relevant regulations. These apply more to immigration requirements and length of stay. Of course, as temporary residents they are required to act as law-abiding citizens and their employers and agents are expected to encourage them to avoid antisocial behavior which could lead to legal prosecution.

The government takes no position on to the individual health of the workers and their general welfare other than in the provision of normal civic amenities. The legislation in Singapore requires all employees to be covered by workers' compensation insurance. This applies equally to foreign workers as well as local workers.

The Singapore government does however have a policy to encourage skilled rather than unskilled workers. All foreign workers are required to take a SET- Skill Evaluation Test. This test is also conducted in their home countries after training, and is evaluated by a Singaporean officer who travels to that country to conduct the test. If this test is passed before they get a job in Singapore they have a better chance of obtaining a higher paid job upon arrival in Singapore. Also the employer pays a much lower levy for hiring skilled workers (S\$ 30 as opposed to S\$ 470).

In fact, in order to smooth out the fluctuations of any recession the Singapore government has attempted to moderate the boom/bust effect. Since the onset of the current recession the government has

attempted to cushion the effect by implementing new construction projects. These include upgrading of HDB blocks, new schools, and extension to the MRT. These are not projects *per se* which form part of a migration policy, but they do have a direct effect. It should be noted that these are not purely philanthropic acts on the part of the government.

By creating major public works projects during a downturn they can secure very attractive construction costs, to which contractors can be held even in better times. This could have the effect of workers being locked into contracts when they are desperate and held to them during better times.

The Singapore government and Singaporeans are aware of the country's need for foreign workers. As Singapore becomes more developed and Singaporeans receive a higher education, very few locals want to work in construction sites, shipyards, and other manufacturing sectors. At the same time however, the Singapore government is willing to reduce its industry's dependency on foreign workers who are not highly educated through upgrading its level of industry in terms of technology, efficiency, and a better working environment.

To achieve this the Singapore government implements several policies: Levy Scheme, Dependent Ceiling, and Skill Evaluation Certificate Test.

## 2.1 Dependency Level and Levy Scheme based on the Skill Evaluation Certificate Test

To regulate the employment of foreign workers, companies are allocated a dependency level based on their local workforce. The companies are also required to pay the foreign worker levy.

The foreign worker levy scheme is applicable to all work permit holders, except 3-year work permit holders. The levy commences once a temporary or permanent work permit is issued to the worker. It is payable as long as the work permit is valid. The levy liability ends when the work permit is cancelled.

In effect from 1 Jan. 1999, the Levy Rates are as below –

Sector	Dependency level	Category of Foreign Workers	Levy Rates (\$\$)	
			Monthly	Daily
Manufacturing	Up to 40% of total workforce	-	240	8
	Between 40% to 50% of total workforce	-	310	11
Construction	1 Local Worker to 5 Foreign Workers	Skilled	30	1
		Skilled	30	1
Marine	1 Local Worker to 3 Foreign Workers	Unskilled	470	16
		Skilled	30	1
		Unskilled	295	10

In fact the levy was designed for pricing control of local workers as well as to control the number of foreign workers. If the price of foreign workers were cheaper than local workers, no one would hire locals. Therefore the employers who wish to hire foreign workers ought to pay their salary plus the levy for hiring each foreign employee every month. As most Singaporeans become more educated, particular industries such as the construction industry have fewer locals who are willing to work in them. Hence there is no actual need for the pricing control for the locals. In that sense the Singapore government has changed the function of the levy from price control to upgrading of the particular industry. In this way one skilled worker's work with better machines is more efficient than four unskilled workers' work. In addition to this, Singapore cannot allow those unskilled workers to continue working with old skills in this new technology based economy.

Previously there was no significant difference between the skilled workers and unskilled workers' levy. However, nowadays the gap between the two groups is S\$430 per person every month. In that sense, even though the employers pay less salary for the unskilled workers (S\$16-19 per day) compared to the skilled workers (S\$25) they still pay a much higher salary for the levy per head every month. It costs more than the gap in salary between two groups.

This levy system works adequately to meet the goal of the government's policy since the particular industries prefer to hire more skilled workers than before. The skilled worker means those who have passed the Skills Evaluation Certificate Test (SECT), and unskilled means those who passed only the Basic Skills Test (BST) or even those who haven't taken a test.

Mr. Sandor from the Ministry of Manpower, explained the reason Singapore implements quite strong restrictions on foreign workers who are R pass holders. The Singapore government cannot open its economy to a perfectly free market in terms of labor, since the government has to protect the locals and keep its cultural values and social security. In addition to this Singapore wants those foreign workers to be faithful to the primary purpose, that is earning money for a certain period and not staying or settling down. In Singapore's case, the government is very keen to control the quality of people in the country. Hence the government prefers to keep highly skilled or highly educated laborers, but does not desire to keep low skilled or uneducated people in the country due to the highly competitive economy and lack of land space.

The Singapore government rules that when employers hire foreign workers they have to select at least 50% of the needed workers from those who passed either SECT or BST, although the BST does not mean the workers are skilled after they pass the test. It does mean however that the workers have basic building skills which means they have work experience in a construction site. The government is not in favour of recruiting people who are farmers, or jobless in their own countries because that means they do not have any skills to contribute to Singapore's industry. The Singapore government will increase the ratio of certificate holders from 50% up to 100% by April of next year. It has indicated that anyone who does not take the SECT or BST cannot work in Singapore any more, although they can offer cheaper prices from April 2000.

### 3. The Future Direction of Singapore Policy

Three major directions in policy making and implementation by the Singapore government could be found with regard to domestic foreign workers' issues. First, all policies have been made or are going to be made and changed to upgrade the whole of Singapore industry's productivity and quality. Particularly in relation to the manpower development including the foreign workforce, the Ministry of Manpower will plan and design most policy consulting with EDB, BCA and other related government agencies.

#### 3.1 Skills Upgrading

The construction industry has been known as the most unproductive and inefficient industry. The PSB reported that the output per person employed in the Japanese and South Korea construction industry was about two to three times higher than in Singapore. To achieve higher productivity of the construction industry, the BCA is playing an important role, which can affect the foreign workers. The BCA controls and conducts the skill test. As mentioned, all foreign workers who want to come to Singapore and want to work in construction sites will need to pass the skill test from next year. But it is not only the function of the BAC towards the foreign workers. In the BAC, there is "Technology Development Division". This division assesses the value of the construction project as well as the technology which a contractor should apply. According to the assessment, the contractor will gauge the number of employees, kinds of skills, and amount and size of facilities for the employees, that he/she will need for the project. This assessment obviously will affect the demand for the foreign workers in Singapore.

Already, as the result of the efforts by the government, on the skills upgrading front, significant outputs were achieved during 1998. The number of workers tested by the Construction Industry Training Institute, the BCA's training arm, reached on unprecedented high of 27,761 workers (total number of

foreigners and locals), of which 16,835 (in total) were certified as skilled. Even though this number included the local workers, when we consider the fact more than 63% of total employees in the construction industry are foreign workers; this number shows a tremendous increase in terms of foreign skilled labor. The number was 54 % higher than that in the previous year.

Thai workers are not an exception. In the past, the proportion of skilled and unskilled Thai workers in Singapore used to be 1:9. But recently, the ratio has been reversed to 9:1. Since the heavy levy scheme on unskilled workers, most employers want and even force their unskilled workers to go to the training course and take the skill test.

Although good progress has been made in quality and skills upgrading, the rapid surge in construction work the last couple of years has put a spotlight on some recurrent weaknesses in the industry. It has shown the industry is still dependent on unskilled foreign workers, its practices are still labor intensive and wastage is still high. Therefore, the Singapore government strongly perceives that the industry still lags considerably behind those in developed countries. It clearly means that the government will continue to push the industry to hire more skilled workers and train them to learn updated skills through various incentives or restrictions.

Secondly, there has been a consistent move towards an integrated manpower planning

### 3.2 The Integrated Approach of Manpower Planning

As mentioned earlier, the Singapore government and all political leaders look at manpower issues from a totally national perspective and adopt an integrated and comprehensive strategy for meeting the national manpower needs in both quality and quantity. In the past the foreign labor issues were dealt with by many different agencies such as Immigration, Construction Industry Development Board, EDB, and Ministry of Manpower. However, the trend of policy change has shown a different approach.

First, the Ministry of Manpower has handled all matters pertaining to employment of foreign manpower since 1<sup>st</sup> September 1998. Until April 1998, the CIDB handled the issuing of work permits to foreign workers and the Immigration handled the issuing of employment passes to professionals. This year the MOM announced 3 types of work pass holders under the new Work Pass framework and implemented it from September this year. The 3 types are P, Q and R Pass. The P and Q passes holders are professionals or technicians (who earn more than S\$ 2,000) per month while the R pass holders (who earn below S\$2,000 per month) are mostly unskilled or semi skilled labors.

The reason for this new type of work pass is that the MOM integrated all matters from different government agencies and then the MOM wanted to redesign the old framework into a clear and simple form for the convenience of all clients including foreign workers. Obviously, this detailed and narrower work pass framework could shorten the time taken to issue passes. It helps in the strengthening of manpower planning by responding to demand and supply in the industry. In addition to this, it enhances monitoring of the in and out flows of foreign labor.

There is another important factor in the work permit procedure. The MOM classifies foreign laborers who want to apply for the work permit into three categories: Traditional Sources (TS), Non-Traditional Sources (NTS), and North Asia Sources (NAS). The traditional source means only Malaysian workers. NAS includes various countries such as India, Bangladesh, Thailand and so on. NAS usually means only workers from China since most East Asia countries' workers (Japan, South Korea, Hong Kong and Taiwan) are highly paid and they will not come to Singapore for a salary below S\$ 2,000.

The MOM explained that this classification is based on the matter of repatriation when the work permit is cancelled. When the work permit is cancelled or the contract expires for any reason, the employer must be responsible for the repatriation of the worker. Yet, if the employer can not handle the matter properly, then the government should take action. In the TS case, to repatriate the worker does not cost much in terms of money or effort from the government agencies (such as the police and Immigration department) because Malaysia is the closest country. The two countries also have a lot of understanding and common ground regarding long historical migrant labor issues. But, the NTS and NAS' case is very

different to the case of the TS. Due to the long distance from Singapore to the worker's home country, the Singapore government should expend more and put more effort into understanding the different cultural and legal systems of the worker's country of origin in order to build good diplomatic relations with that country.

Of course, without doubt, the classification shows that the labor migration history followed by the economic situation in the region and it might help planning of secure supply of foreign labor from various places.

As we see, the MOM is the main government agency to deal from beginning to end with matters relating to foreign domestic workers in Singapore. Regarding the trend of the current policy, I strongly believe the Singapore government would focus on the integrated approach for manpower development. It seems that the Singapore government perceives the labor migrants as imported human resources issue rather than immigration issue. Thereby the government makes the MOM deal with total procedure of the foreign workers' matters whilst The Immigration controls only illegal entry of the foreign workers.

### **3.3 Improving Social Awareness**

The Singapore government and Singaporean are fully aware of the necessity of foreign workers. Since fewer locals want to take dirty and dangerous jobs, the government should allow the industry to import foreigners to keep the industry operating. However, there is usually a double standard in Singapore government policy. Towards those holding a P or Q pass (that is a professional or at least a technician) the Singapore government has a very flexible policy and attitude. Due to a lack of highly skilled workers, the Singapore government usually encourages them to work and even settle down in Singapore. In their case, they can work in any industry without restriction.

On the other hand for those who are skilled, semi-skilled, or unskilled workers under the R pass, the Singapore government implements very restrictive regulations and laws and does not encourage them to stay beyond their contract period. Apparently even though Singapore has administrative control over foreign talent, it puts stricter control and puts restrictions on the semi-skilled, the skilled or lower level workers than it does on professionals with P or Q pass. R pass holders can work only in certain permitted areas such as construction, marine engineering, shipyards, and certain manufacturing industries.

Recently however there have been new movements aimed to improve the foreign workers' welfare and recognize them as members of the society. Maybe it's too early to say, but those changes seem to be new yet quite acceptable to Singaporeans.

National Trades Union Congress has already started holding a May Day special program for foreign workers. This year the NTUC invited foreign workers to Jurong Bird Park and hosted an entertainment program on May Day. The NTUC deeply believed that it was impossible for Singapore to achieve successful economic performance without the contribution of foreign workers. Since the end of this year the NTUC has proposed to set up a better environment for the foreign workers. Even though the NTUC is a union body for the national workers in Singapore, it is actually a government body, which controls job security and the welfare of workers. The head of NTUC is one of the ministers without a portfolio in the Cabinet. In this way, its policy always reflects the will of the government.

## **4. Impact of Singapore Policy on Thai Workers**

### **4.1 Wages**

Recently most employers have wanted their unskilled workers to take the skill test to reduce their cost by paying a lower levy. If the worker passes the test, their daily wage is supposed to be increased from S\$17-20 to S\$25 per day. Most employers promise to raise the salary before they send a worker to the test. However, if the Thai worker has signed a contract as an unskilled worker, even if they pass the test after they arrive in Singapore, they don't necessarily receive the salary increase that the employer has promised. There is no law or clear regulation to ensure that the employer will increase their salary up to that of a skilled worker.

Therefore, the workers may help to reduce production costs of the construction project, but they themselves don't get any visible benefit from the test. To secure the higher salary enjoyed by skilled workers, Thai people who want to come to Singapore to work have to hold the certificate before they agree to the contract.

#### 4.2      **Renewal of Work Permits**

Workers who earn less than S\$2,000 per month are classed as unskilled or semi skilled and are given an R pass. This is valid for 2 years and is renewable but is not allowed to exceed 4 years.

But if workers pass the skill test and become skilled workers, they can renew the work permit up to 5 times and they can work for 10 years in Singapore. If a worker has a long-term plan to stay in Singapore, they should apply for the skill test to secure their stay is more than 4 years.

#### 4.3      **Welfare**

Even though Thai workers become skilled workers as the Singapore government wishes, this in fact comes with no significant welfare benefits for them. The levy system, dependence ceiling, and the skill test have been implemented to regulate the employment of foreign workers because of the possible social and economic implications in the long run.

Yet, there is no clear incentive for Thai workers who are the subject of the policies. The Singapore government can expect skills upgrading of workers and productivity increase in the industry. Employers can reduce costs through hiring more skilled workers or sending employees to take the test. However, there is no corresponding increase in wage for the workers by law or in clear government policy.

Not only with regard to wages but also concerning an increase in welfare, the policies do not consider any improvement.

#### 4.4      **Skills Upgrading**

The Singapore government's policy such as the skill test can benefit Thai workers in terms of skill learning. Some of the training courses set by the BCA are quite up to date and useful in any country. The skills they learn will help further employment in other countries after Singapore.

If Thai workers can attend the training course in Thailand and take the Skill Evaluation Certificate Test they can learn new skills and obtain a higher level of expertise, therefore securing higher salaries as skilled workers via a contract. While in Singapore, Thai workers have less chance to attend the training courses due to their heavy workload.

### 5.       **Illegal Thai Workers in Singapore**

#### 5.1      **Definition of Illegal Thai workers**

Illegal Thai workers are both skilled and unskilled workers who work in Singapore without either employment passes or work permits.

#### 5.2      **Background**

There is a high demand for foreign workers in Singapore because of the continuously expanding industrial development, as well as a labor shortage in the country. Hence, the government allows local agencies to import foreign workers in the ratio in 1:5 (one local for every five foreign workers). Basically, workers in Thailand who would like to work abroad can apply through three channels:

1. Through the government, using the Department of Employment Services (DOE);
2. Through private agencies;

3. Through contacting employers in person. In this case employees contact the employers who agree to hire them directly.

There are at least 50,000 legal Thai workers in Singapore (including more than 10,000 illegal ones). Some of these illegal Thai workers are cheated by Thai or Singaporean brokers, while others come on a voluntary basis with the pretext of visiting Singapore via the Special Social Visit Pass, which is valid for 30days.

### 5.3 Main Problems of the Illegal Thai workers

1. Workers are cheated and brought in illegally by unscrupulous Thai or Singapore agents.

They are instructed to lie to the Immigration Department that they are in Singapore as tourists on social visit passes which are valid for 14 days if they arrive by land or 30 days if they arrive by air. During this period, the Thai brokers conspire with the Singapore counterparts to find jobs for these workers. Since there is always a shortage of workers in Singapore, smaller construction companies are willing to take the risk of employing these illegal workers. Also those small-size companies are trying to not pay the levy through hiring the illegal workers. To avoid being caught, workers are transferred very frequently from company to company. Some also use fake work permits.

Often these workers are stranded in Singapore when employers disappear with their passports upon the expiry of their social visit passes. Very often, the workers will turn to the Royal Thai Embassy for help to send them back to Thailand with the issuance of the Certificate of Identity.

2. Some are voluntary workers who are fully aware of their illegal employment status.

In Singapore, the agent's fee is deducted from their daily wage. After the completion of three months of work, such workers often come to the Office of Labor Affairs (OLA) for help pretending that they have been cheated into coming to Singapore. They know that as long as they do not exceed the three month period they will be fined but not caned. Some illegal workers will go to the extent of selling their passports for S\$500 and then go to the Office of Labor affairs or the Royal Thai Embassy to report their passports lost.

Apart from these two main problems, some criminal activity has been connected with illegal workers. It was reported that the rate of robberies in construction sites had doubled to 31 cases in 1993 compared to the 1992 figures. (03/03/1994 The Straits Times). Also the number of killings at work sites leaped from 6 to 21 cases in the same period. The government, especially the Ministry of Home Affairs warned that construction sites should not become havens for criminals, illegal immigrants and overstayers.

Currently, there are many illegal Thai workers in Singapore due to the current economic recession but no exact numbers have been documented. Since these workers come to work illegally, they may be taken advantage of and gain neither benefits from their employers or protection from the Singapore government under the labor law. The nature of their entry into Singapore affects their access to social welfare such as medical services and life insurance. It is therefore a particular concern of the Home Affairs Minister of Singapore that if the problems surrounding illegal workers are not resolved they may affect the bilateral relations with the illegal worker's country of origin.

### 5.4 Process of Being Illegal Workers

#### 1) Illegal Thai Workers

Basically the problem of illegal Thai workers is caused the "push and pull factor".

##### Push Factors

The unemployment situation is serious in Thailand, especially for unskilled workers. Most of

these workers are farmers or farm workers who have no job after the harvest period. Some of them have debts as a result of their farming. Given the low wages these unskilled workers earn in Thailand, they cannot afford to improve their standard of living.

#### **Pull Factors**

1. Workers can earn higher wages in Singapore than they can working in Thailand, even though the cost of living abroad is higher than in Thailand.
2. The deceptive agents have access to these illegal workers and effectively motivate them with descriptions of attractive benefits gained from jobs abroad.
3. Workers who use illegal agents pay lower service charges and get jobs immediately compared to those applying through legal private recruitment agencies or government agencies.
4. Workers do not need a skill test for job placements abroad.
5. Some workers are deceived or they have no idea about the penalties of being illegal workers in other countries.
6. Some workers are willing to take the risk of being illegal workers, a situation that they perceive is better than being unemployed.
7. There is a demand for illegal workers from overseas employers, since they do not have to provide for their welfare or pay levy taxes, and as they can also take advantage of these illegal workers.

A combination of the above factors has thus persuaded workers to become illegal workers in Singapore.

#### **2) People who are eligible to bring workers into Singapore**

##### **1. Main contractor**

Basically, they provide jobs for legal workers, but some of them have dealings with illegal recruitment agencies in Thailand providing vacant positions for illegal workers.

##### **2. Sub-contractor**

Some of them are named as construction companies, but their business is really to recruit workers for a main contractor. Usually, the names of such companies end with terms like "Builders", "Building", General Contractor", and "Civil Eng.".

Other sub-contractors are both construction and recruitment companies. Usually they will ask for a worker quota, which exceeds their demands, but the Work permit Department usually grants the requested quota. Therefore, they will transfer their workers to the other companies that cannot ask for a foreign worker quota.

#### **5.5 The benefit of employers in hiring illegal workers**

Even though Singapore has heavy penalties for both illegal immigrants and their employers, there are still many lawbreakers. The reason is that both illegal workers and employers can gain more advantages than applying to work legally or hiring legal workers.

1. Employers need not pay the levy tax. Small and medium size companies gain real benefits from this especially.
2. Contractors deduct from the employees' incomes, S\$1 per day for income tax paid to the government.

However, in hiring illegal workers' case, contractors can keep the revenue from this income tax.

3. Employers have no responsibility for their employees' welfare in case of an accident at work.
4. Employers have no responsibility for provisions under Labor laws, such as medical services and the compensation fund.
5. Illegal brokers have to pay employers for taking the risk of hiring illegal workers, so employers' financial risks are very small.
6. Employers can pay lower wages because there is no contract to enforce payment of agreed wages.

### 5.6 Problems experienced by illegal Thai workers

Contractors usually hold the illegal workers' passports claiming that they need these to apply for work permits. In fact these passports are sometimes changed and sold to overstayers. Usually passports can be sold for S\$300 to S\$500. Most of the illegal workers do not get their passports back and therefore cannot return to their homeland. For this reason illegal workers often become overstayers and are punished by Singapore law.

Employers can easily avoid paying wages to illegal workers, since illegal workers know little about their employers and they cannot identify their employers because of their illegal immigrant status. In some cases, employers inform the police and have their illegal employees arrested as overstayers thus having no responsibility for these employees according to labor laws.

Some employers also transfer illegal workers to other companies and then refuse to pay back wages. Most employers who hire illegal workers take advantage of them and threaten to inform the police that they have overstayed if they complain or resist.

## 6 Problems faced by Thai Workers in Singapore

### 6.1 Problems caused by employers

These are four types of problems that are caused by employers, and these are related to wages, work hours, health care, and other miscellaneous problems.

#### Wage

As indicated earlier, workers often have grievances over the fact that they do not receive the wage stated in the contract. Furthermore, workers find themselves working overtime at a rate lower than the overtime rate.

In addition, Thai workers receive their wages late and usually deductions are made from the amount payable. Reasons for deductions are usually provided.

#### Hours of work

The Employment Act of Singapore states that an employer cannot force an employee to work more than 44 hours a week. However, these are cases when Thai workers find themselves working beyond this stated period of time even without receiving overtime wage incentives.

#### Health Care

The Thai workers complain that they do not receive any health or medical benefits stated in the contract. In fact some of them are not provided any health care even when they are sick. The interview with a NGO revealed that even when a worker is sick, the employer delays medical care or deducts the medical treatment fee from the worker's wage.

## Miscellaneous

One of the most important grievances lodged by the Thai workers is that some of them do not get work according to the terms stated in the contract. More seriously, some Thai workers find themselves without work during their stay in Singapore when they have actually signed a two year working contract. Since the workers are paid on a daily basis, they receive no wages days when no work is available for them.

### **6.2 Problems caused by Employees**

#### **Behavioral Problems**

There have also been cases when Thai workers disturb the peace with their activities. These workers are fond of drinking and gambling. Their activities can sometimes get out of hand, resulting in unwanted violence and trouble.

#### **Breaking the expiry clause in the contract**

Having found that work in Singapore is not what they had expected and being disappointed with the work and living conditions in Singapore, some workers decided to transgress their set period work contracts and return to Thailand leaving the employers in the lurch.

#### **Language barrier**

Unlike Indian-origin workers, the Thai workers who come to work in Singapore are usually not fluent in the languages spoken and used in Singapore. The employers usually have no working knowledge of the Thai language. Hence, it is not surprising that misunderstandings take place. This only serves to worsen the working environment for both parties.

#### **Lacking of information**

Many problems faced by Thai workers in Singapore because they lack necessary information. Some Thai workers in Singapore could have avoided the problems that they encountered if they had a more extensive knowledge of the basic laws and culture existing in Singapore.

Not only must this information address the problems that workers may expect to encounter in Singapore, but this information should also clearly explain the rights of Thai workers in employment contracts and the available support structures should they meet with problems in their work place.

### **6.3 Problems resulting from the Singapore government policies**

#### **High levies and taxes in comparison to wages**

There is a tendency for the Singapore government to increase the levies and taxes imposed on foreign workers. However, there is no commensurate increase in wages for foreign workers.

#### **Inadequate checks on negligent employers**

One of the reasons why transgressions of employment contracts by employers are so prevalent is the inadequate measure available to keep the employers in line. The Singapore government seems not to be committed to penalizing employers who refuse to abide by the terms of the contract.

Also there is a channel for Thai workers to sue a bad employer or complain about being abused by an employer, however, in reality this hardly ever happens. Employers readily terminate the work contract without reason. If they find that their worker have gone to MOM or OLA to report their malpractice they usually fire the worker, terminate the work permit and finally repatriate the worker in a few days. Therefore, most Thai workers never dare to think of asking for any formal help from the government.

### Problems regarding insurance coverage

All Thai workers are covered by insurance only during working hours. These workers have no idea over coverage outside working hours and hence, cannot demand compensation or monetary assistance if any mishap occurs outside working hours. Thai problems are magnified especially with the deaths of Thai workers in Singapore from the mysterious ailment (The Sudden Unexplained Death Syndrome). Some employers do not protect the interest of the workers. When a death or an accident occurs outside working hours, the employee is rarely compensated.

#### 6.4 Problems caused by recruitment agencies.

##### Misinformation

Most Thai workers who are working in Singapore feel that they were cheated by recruitment agencies. Some of these agencies resort to lying to the Thai workers in order to expedite the employment process. Hence, the workers are provided with misleading information about the nature of work and wages that they are to receive. Once they arrive in Singapore, these Thai workers discover that their expectations cannot be met. Therefore, there is a need to exclude unethical private recruitment agencies from serving the Thai workers. In order to do, there is a need to legislate a law that penalizes agencies.

##### “Kick Back”

It is possible for employers to hire Thai workers directly through the Department of Employment in the Ministry of Labor and Social Welfare in Thailand. However this is a very bureaucratic process and despite being free, employers tend not to use it, preferring to deal with private recruitment agents. Also Thai workers who want to go abroad to work believe that if they go through the DOE it will take years to get a job. Most Thai workers go to private agencies or the private agencies visit provinces to search people to go to abroad.

Thailand has over 250 private recruitment agents who recruit workers required by foreign employers. The Thai law allows payments to agents. Normal fees are a month's wage, typically 8,000 Thai Baht, plus expenses of some 15,000 TB. This amounts to around 23,000 Thai Baht.

Agents claim that this is too low and charge a fee of around TB 50,000 up to 80,000. Agents claim that this is partly to pay a “reservation” fee to employers to secure the work. That is to say, the employer offers the contract to supply a number of workers to one agent, the agent agrees and commits to provide that number of workers, the fee is agreed upon and the employer reserves the work for that agent's group of workers. A fee is paid to the agent who pays a “fee” back to the employer. This is essentially a corrupt practice.

The Singapore government think it is immoral for employers to take some this fee from agencies. Clearly the interview with MOM express the government's position on this. The interviewee said that even though it is malpractice of labor relation, still it happens due to high competition among agencies as well as workers. There is more demand than supply for work in Singapore. The MOM thinks it is difficult to control as long as people are willing to come to Singapore although they have to pay high fee. Actually Singapore has a law to regulate the range of fee which agencies can charge. However, most fees are collected in Thailand before they come to Singapore through Thai partners. Then the money transaction is obviously difficult to trace back by any authority. In this case there is a need to make a bilateral agreement between two countries to reduce these malpractice of the market which make poor workers bear the entire burden.

#### 6.5 The Sudden Unexplained Death Syndrome (SUDS)

SUNDS is Sudden Unnatural Death Syndrome. It causes the death of over 50 Thai workers a year. Medical practitioners in Singapore have conducted considerable research into SUNDS. The findings are summarized in several published papers but essentially there is in fact no mystery. The effect is due to a chronic shortage of potassium in the body of the Thai workers, exacerbated by stress and poor diet. The

research is being conducted jointly with the Thai medical authorities. As employers tend to only insure workers for accidents within working hours, a victim of SUNDs can impose a heavy financial burden on his family for repatriation of the body and funeral costs.

#### 6.6 Low Standard of living

Some of the employers do not provide standard accommodation as stipulated in law. Visits to work sites have shown that Thai workers in Singapore have put up with very poor housing conditions. The housing conditions are deplorable, and the standard of living housing of these workers is a far cry from that enjoys by the local workers. Thai workers live in overcrowded conditions that sometimes lack even the basic amenities. There have been instances when Thai workers find themselves living in cargo containers where ventilation is poor and living conditions are intolerable.

Identifying and categorizing existing problems in the Thai workers situation helps establish contextual frameworks for analyze and resolution.

#### 7 Competitiveness of Thai Workers

Recently, the number of labor from Myanmar, India and Bangladesh are increasing. They are also holders of certification by the skill test, especially workers from Myanmar are very well disciplined and tolerant as much as Thais are. However, the daily salary for them are relatively lower than Thai. Now That skilled workers receive 25 S\$ per day while those national workers receive from 20 to 22 S\$ per day. Apparently, in the free labor market, Thai workers already are not competitive to other nationals.

If the other nationals have a same level of skill as well as good work attitude with the lower price, the Singapore contractors would recruit them more than Thais, which is more economical decision to be able to save the production cost for the contractors. Moreover, Singapore government never intervenes in the free market. Even through any diplomatic channel, therefore, this is not the problem can be solved at the government level without making effort to lower the price of Thai workers.

Thai government can maintain its labor competitiveness in terms of price in the world labor market. Moreover, already the Singapore Contractors Association has proposed the daily wage of \$22 to the Thai government. The Contractors Association explained that the price of Thai skilled workers is considered expensive when compared to other nationals with the same certified skill level. If they consider the current economic recession, they need to reduce costs to realize benefits through their business. If the Thai government cannot reduce the price of the skilled workers, the contractor will drop the Thai labor market and find better-priced sources of labor elsewhere.

However, it might cause deterioration in the Thai workers welfare especially those who are already working in Singapore, because they may receive less salary whilst having the same welfare conditions. In such cases, they would be worse off rather than better off

To make things worse, in near future, the lower price itself cannot promote increased Thai labor export. Singapore needs skilled workers, not cheap and unskilled workers. Therefore, if Thai government does not encourage more workers to take the skill test, even though they are cheaper now, the Thai government can not adequately meet the demand for the skilled workers from Singapore. Reducing wages will be a short-term solution or "quick fix."

Singaporean contractors will be better off. They normally prefer Thai workers to others. They will save on their costs, and can still keep a well disciplined work force. If the policy is implemented, they can enjoy the preferred workers at a lower price. Due to the well disciplined attribute of Thais, if they can hire more Thais or at least keep same number of Thais, they might be able to avoid many problems or arguments with workers. In fact, Indians can and do argue since they have less communication problems in English and are more outspoken and demanding. Thais are usually more tolerant and less demanding.

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# Part II

# Legal Papers

## Immigration Law and Foreign Workers in Japan

Atsushi Kondo

### Introduction

Recent globalization has brought many foreign workers to Japan. How to guarantee these foreign workers their rights is presently a very important legal issue. The Immigration Control and Refugee Recognition Act (hereafter referred to as the Immigration Control Act) regulates the fair administration of immigration control and the Alien Registration Law regulates the relationship of residence and social position of foreigners living in Japan.<sup>1</sup> The Immigration Control Act was enacted in 1951 and the Alien Registration Law was enacted in 1952, but both were revised many times.<sup>2</sup> The American Immigration and Nationality Law was the model for the Immigration Control Act. Japan, however, unlike its model, does not have a system to accept immigrants with permanent resident permits at the time of entry. Some people who have entered the country with limited residence status can become permanent residents after a certain period of residence. In this regard, the Japanese system rather resembles the European immigration systems.

The Immigration Bureau in the Ministry of Justice is the central office in charge of immigration services. The organization of immigration services will be illustrated in Appendix 1. Under this Bureau, there are 8 Regional Immigration Bureaux, 5 District Immigration Offices, 89 Branch Offices (as local executive organs) and 3 Immigration Detention Centers (as accommodation facilities), pursuant to Articles 7 and 12 of the Ministry of Justice Establishment Law. The functions of the immigration control services consist of the following 6 categories of business, and the Immigration Bureau has 6 divisions (General Affairs, Policy, Entry and Status, Adjudication, Enforcement and Registration). Additionally, it has the Refugee Recognition Section and the Data Processing System Development Office. Staffs of 2,374 concerned with immigration services were working at various offices in 1999. This number is about 1.5 times than the 1,600 in 1988.

The Japanese government's attitude toward foreign workers is basically twofold: foreign workers who are to be employed for their special skills are admitted as much as possible, while various issues concerning the admission of unskilled labors are to be carefully studied.<sup>3</sup> The following three fundamental tenets can be identified as the basis for Japan's current immigration policy:

1. Admitting foreign workers, on whatever basis, should be a last resort;
2. No unskilled workers should be admitted;
3. All foreigners should be admitted on a temporary basis only.<sup>4</sup>

Indeed, Japan is one of the few countries which maintains remarkably strict migration control standards like that of Singapore, and a traditional policy of not opening the labor market to foreign unskilled workers.<sup>5</sup> However, three detours<sup>6</sup> were established in recent years. First, it is said that illegal workers<sup>7</sup> are present in Japan not because they can slip through the government's strict control but

<sup>1</sup> The Immigration Control and Refugee Recognition Act Enforcement Regulations and the Alien Recognition Law Enforcement Regulations etc. stipulate concrete procedural matters. Additionally, the Special Law on Immigration Control relating to Persons and their Descendants who lost their Nationality of Japan in accordance with the Peace Treaty with Japan (hereafter referred to as the Special Law on Immigration Control) and its Enforcement Regulations are important.

<sup>2</sup> As for the historical regulations, see Yoshio Hagino, 'The Japanese Immigration System- An Introduction' *Nanzan Högaku* vol. 7, no. 2 (1983); Yoshio Hagino, 'New Japanese Immigration-Control and Refugee-Recognition Act of 1981' *Nanzan Högaku* vol. 8, no. 1 (1984); Shigeki Miyazaki, 'Die Rechtsstellung von Ausländern nach staatlichem Recht und Völkerrecht in Japan' in Jochen Abr. Frowein and Torsten Stein (eds.), *Die Rechtsstellung von Ausländern nach staatlichem Recht und Völkerrecht* (Berlin: Springer, 1987), pp. 727-749.

<sup>3</sup> Akio Shimizu, 'Japan' in Dennis Campbell (eds.), *International Immigration and Nationality Law*, vol. 2 (The Hague: Kluwer, 1994), JAP-I-3.

<sup>4</sup> Wayne A. Cornelius, 'Japan: The Illusion of Immigration Control' in Wayne A. Cornelius et al. (eds.), *Controlling Immigration* (Stanford: Stanford University, 1994), pp. 386-387.

<sup>5</sup> Hiromi Mori, *Immigration Policy and Foreign Workers in Japan* (London: Macmillan, 1997), pp. 1, 96.

<sup>6</sup> There is another analysis to mention three programs: (i) Nikkeijin; (ii) trainees; and (iii) part-time "student" labor. Cornelius, *supra note 4*, pp. 395-401; Dietrich Thranhardt, 'Abschottung und Globalisierung. Die japanische Nichteinwanderungspolitik und ihre sozialen und politischen Kosten' *IMIS- Beiträge* 11 (1999), pp. 29-31.

<sup>7</sup> The term 'illegal workers' as used here refers to persons having engaged in an activity other than that permitted by the status of

because the government turns a blind eye.<sup>8</sup> The Japanese government is trying to satisfy the labor needs of small and medium-size companies by accepting foreign workers through the "back door".<sup>9</sup> Since the 1990s a person who encourages illegal workers to engage in illegal work may be punished with imprisonment for up to 3 years and/or a fine of up to 2 million yen (Article 73-2 of the Immigration Control Act). Second, workers of Japanese origin are allowed to work without restriction of activity through the "front door". Third, trainees are also employed as unskilled workers through the "side door". The formal purpose of trainees is to acquire technology, skills or knowledge at a public or private organization; however, the trainee system is seen as functioning as an informal measure recruiting cheap unskilled workers.<sup>10</sup>

Historically, Japan experienced a major isolation period from 1639 to 1853. Besides the migration among former Imperial Japan and its colonies,<sup>11</sup> immigrants were small in number but about 777,000 emigrants moved to mainly America and Latin American countries (1853-1945).<sup>12</sup> The Supreme Commander of Allied Powers controlled strictly immigration and emigration (1945-1951). During the time of advanced economic growth in the 1950s and the 1960s, the Japanese worked long hours and applied the automation system without admitting foreign laborers into the country. Since the 1980s, however, Japan has been experiencing an unexpected number of foreign residents because high economic growth needs 'newcomers' from various countries. Foreigners staying in Japan for 90 days or more are required to register as foreign residents. According to statistics at the end of 1998, there were 1,512,116 registered foreigners in Japan, constituting about 1.20% of Japan's total population. The major foreign legal residents are Koreans (638,828: 42.2%), Chinese (272,230: 18.0%) and Brazilians (222,217: 14.7%).<sup>13</sup> Additionally, it is estimated that there were an estimated 271,048 overstaying persons at the beginning of 1999.<sup>14</sup> The major irregular foreigners are Koreans (52,387), Filipino (42,547), Thai (39,513) and Chinese (38,296). It is said that in total, around 1,800,000 foreigners live in Japan.

After Japan ratified the International Covenants on Human Rights in 1979 and the Refugees Convention in 1981, many social security laws were amended and social rights were guaranteed for refugees and aliens who settled in Japan. Both treaties aimed for the equality of social rights between nationals and non-nationals. Indochina refugees, the so-called boat people, can be compared with the American Commodore Perry and his frigates, the 'Black Ships', because both of them influenced the opening of Japan to foreign intercourse.<sup>15</sup> The Japanese feudal government had to change its isolation policy in 1853, in the same way the recent Japanese immigration policy was altered in 1982. The citizenship requirement clauses were eliminated from the National Pension Law and the National Health Insurance Law, and so on. This has not solved the whole situation with foreigners, however. There are often remaining problems such as employment as public servants and voting rights for 'settled aliens (*teijū gaikokujin*)'.<sup>16</sup> There is no official definition of *teijū gaikokujin*; therefore, there are several

residence previously granted, as well as the overstaying persons continuing such an activity. Kentaro Serita, 'Legal Status of Foreign Workers in Japan' *The Japanese Annual of International Law* 33 (1990), p. 83.

8 Takamichi Kajita, 'Characteristics of the Foreign Worker Problem in Japan', *Hitotsubashi Journal of Social Studies*, vol. 27, no. 1 (1995), pp. 10-13.

9 Takamichi Kajita, 'The Challenge of Incorporating Foreigners in Japan' in Myron Weiner and Tadashi Hanami (eds.), *Temporary Workers or Future Citizens* (London: Macmillan, 1998), p. 145.

10 Furthermore, college students can work up to 28 hours a week during semester time and 8 hours a day during vacation time. Pre-college students can work up to 4 hours a day during semester time and 8 hours a day in July and August. There were many cases of illegal work. Recently Japanese government is inclined to control Japanese language schools for pre-college students. See Komai Hiroshi, *Migrant Workers in Japan* (London: Kegan Paul International, 1995), pp. 54-70; *Kokusai Jinryū* [The Immigration Newsmagazine] 135 (1998), pp. 19-20.

11 Japan colonized Taiwan in 1895 and Korea in 1910 and established the puppet state of Manchuria (northeast of China).

12 The first emigration started to the Kingdom of Hawaii in 1868, to the USA in 1869, to Peru in 1899 and to Brazil in 1908. See Mitsuru Shimpō, 'Indentured Migrants from Japan' in Robin Cohen (ed.), *The Cambridge Survey of World Migration* (Cambridge: Cambridge University Press, 1995), pp. 48-50.

13 Japan Immigration Association, *Zairyo Gaikokujin Tōkei* [The Statistics of Foreigners in Japan] (Tokyo: Nyōkan Kyōkai, 1999), p. 8.

14 According to the estimate made by the Immigration Bureau, the Ministry of Justice in 1999 *Nihon Keizai Shinbun* (March 28, 1999). According to the other estimate, it is said that that the number of illegal entrants and overstaying migrant workers amounted to more than 400,000 in 1999. Catholic Diocese of Yokohama Solidarity Center for Migrants (ed.), *Survival manual: A Guide to Foreigner's Rights in Japan* (Tokyo: 3A Corporation, 1999), p. 3.

15 Hiroshi Tanaka, *Zainichi Gaikokujin* [The Settled Aliens in Japan] New Version, (Tokyo: Iwanami Shoten, 1995), pp. 152-155, 164.

16 The Japanese term for the *teijū gaikokujin* is similar to Tomas Hammar's 'denizen'. See Tomas Hammar, *Democracy and the*

opinions on this terminology.<sup>17</sup> All of them include the descendants of Korean and Taiwanese (approximately 600,000), who were previously subjects of Japanese colonies and also called 'Zainichi' (foreign residents in Japan) or 'old-comers'. These foreigners are guaranteed stable rights of permanent residence, but also shoulder many disadvantages due to their lack of Japanese citizenship.

Some rights are not accorded to foreigners in Japan.<sup>18</sup> This position is grounded in the division of human rights and citizen's rights in the French Declaration of the Rights of Men and Citizens. Also, traditional German status theory presented the negative, positive and active statuses of citizens without granting the third active position to foreigners.<sup>19</sup> Under the Japanese Constitution, there is no special regulation regarding aliens' rights. Therefore, there is a 'Word Doctrine', which accepts aliens' rights as long as the titular of human rights clauses is 'every person' instead of 'national'. However, today's dominant theory was established after the *McLean* case<sup>20</sup> (Supreme Court judgment, Oct. 4, 1978), as 'Nature Doctrine', which accepts aliens' rights so long as the nature of rights allows it. This is based on the universality of human rights and the constitutional principle of international co-operation. Furthermore, the distinction between permanent or long-term resident and short-term resident is as important as the distinction between legal resident and illegal resident.

Therefore, permanent resident aliens are guaranteed rights as are citizens, with some small exceptions, but short-term resident aliens are not sufficiently guaranteed their rights, and irregular aliens encounter serious problems living in Japan.

## 1. Immigration Procedures

First of all, freedom of entry is not guaranteed for foreigners. Article 22-1 of the Constitution prescribes the guarantee of the freedom of residence and movement in Japan, but it does not guarantee the freedom of entry for foreigners. According to international custom law, a state can decide on what kind of conditions to accept a foreigner in its own country, so long as there is not a special treaty (Supreme Court judgment, October 4, 1978: the *McLean* Visa Renewal Case).

There were visa exemption agreements with 58 countries as of April 1, 1999. Yet, in order to prevent frequent illegal overstaying persons from Pakistan, Bangladesh and Iran, visa exemption agreements with these countries were suspended.<sup>21</sup> Generally, the freedom of temporary visitors (for less than 90 days) is guaranteed without a visa. The visa exemption agreement is, however, not applicable to persons who intend to engage in an activity for remuneration or stay for 90 days or longer, and they are subject to strict screening.

The main parts of the immigration service will be illustrated in Appendix 2. Prior to entering Japan, foreigners who intend to work in Japan receive a visa corresponding to the purpose of their visit in their passports from a Japanese embassy or consulate abroad. Since 1989, there are two types of visa procedure. The first traditional procedure has 8 processes and the second new procedure with a certificate of eligibility has only 4 processes (as explained in Appendix 3). For the landing examination by an Immigration Inspector, applicants need to establish that they fulfill the landing conditions. The Ministry of Justice Ordinance provides the landing examination criteria for each residential status.

*Nation State* (Aldershot: Avebury, 1990), pp. 12-18.

17 One is 3-to 5- year residence based on the standard of naturalization or the standard of the normal 4-year election period. Another is the requirement of permanent residence. The other is aliens whose status is permanent resident, spouse or child of a Japanese citizen, spouse or child of a permanent resident, or quasi-permanent resident.

18 It has been pointed out that the right of entry into the country, social rights and voting rights are only given to citizens. However, the recent situation is changing.

19 Georg Jellinek, *System der subjektiven öffentlichen Rechte*, 2nd ed., 1919 (Tübingen: Scientia Verlag Aalen, 1979), p. 193.

20 An American language teacher, Mr. *McLean* had his request for prolonging his residence permit rejected due to his involvement in the anti-Vietnam War movement. As a consequence, the judgment admitted the decision of the Minister of Justice. This is the leading case of alien's rights. The positive side is to admit human rights to aliens as a rule, with the exception of those rights that by their nature must be limited to Japanese citizens. The negative side is to refuse aliens the freedom of political expression based on its inherent nature. See Lawrence W. Beer and Hiroshi Itoh, *The Constitutional Case Law of Japan, 1970 through 1990* (Seattle: University of Washington Press, 1996), pp. 471-478.

21 Hidenori Sakanaka and Toshio Saito, *Shutsunyūkoku Kanri oyobi Nanmin Nintei Hō Chikujō kaisetsu* [The Immigration Control and Refugee Recognition Act. Commentary] (Tokyo: Nihon Kōjō Shuppan, 1994), p. 304

For the purpose of speed and simplification of the landing procedure, the certificate of eligibility has been introduced. If applicants have it, they are deemed to conform to the requirement that their proposed activity is valid, and must fall within one of the activities of residential status stipulated in the Immigration Control Act.

If landing permission is not granted to the applicant alien, the Immigration Inspector must deliver the applicant to a Special Inquiry Officer for hearing. In the course of the hearing, the alien or a representative may produce evidence and cross-examine witnesses. Furthermore, the applicant may file an objection to the Minister of Justice.

There are 23 types of stay-status under which activities and residential terms are restricted. These are Diplomat, Official, Professor, Artist, Religious activities, Journalist, Investor and business manager, Legal and accounting services, Medical services, Researcher, Instructor<sup>22</sup>, Engineer, Specialist in humanities or international service, Intra-company transferee, Entertainer, Skilled labor, Cultural activities, Temporary visitor, College student, Pre-college student, Trainee, Family stay and Designated activities.<sup>23</sup> These statuses are called Annex Table I. The former 16 are work visas and the latter 7 are non-work visas.

Furthermore, there are 4 types of stay-status under which activities are unrestricted. Among them, Quasi-permanent resident,<sup>24</sup> Spouse or child of a Japanese citizen and Spouse or child of permanent resident require the renewal of residence period. Only Permanent residents are unrestricted regarding both activity and residence. These 4 statuses are called Annex Table II. In order to clarify the difference between the former 23 statuses and the latter 4 statuses, they are categorized as 'permissible intake' and 'permissible establishment' groups.<sup>25</sup> I would like to call the former 'Work/Stay restrict permission' and the latter 'Establishment permission'.

In the statistics of foreign labor force made by the Ministry of Foreign Affairs and Ministry of Justice, permanent resident, spouse or child of a Japanese citizen, spouse or child of permanent resident and trainee in the public (14,000) and private (31,500) sectors are excluded. The foreign labor force was estimated as shown in Table 1.

22 Activities to engage in language instruction and other education at elementary schools, junior high schools, senior high schools and so on.

23 Activities that are specifically designated by the Minister of Justice for foreign individuals.

24 Officially, it is translated into the Long-term residents but this status can be given just after arriving in Japan and has to be renewed every 6 months, 1 year or 3 years, even if the renewal is with ease. Its special nature is the possibility to work without restriction in the same manner as permanent residents.

25 Mori, *supra note 5*, pp. 10-11.

**Table 1. Estimates of Foreign Workers in Japan by Status of Residence, 1996**

Status of residence	Thousand
<b>Foreign workers with permission of employment by category</b>	
Specialist in humanities or international service	27.4
Entertainer	20.1
Engineer	11.1
Skilled labor	8.8
Instructor	7.5
Intra-company transferee	5.9
Investor and business manager	5.0
Religious activities	5.0
Professor	4.6
Researcher	2.0
Journalist	0.5
Artist	0.3
Medical service	0.1
Legal and accounting service	0.1
<b>Total</b>	<b>98.3</b>
<b>Estimates of students engaged in part time jobs</b>	<b>20.0</b>
<b>Estimates of Japanese descendants engaged in gainful activities</b>	<b>211.2</b>
<b>Illegal workers</b>	<b>300.0</b>
<b>Total</b>	<b>629.4</b>

Source: SOPEMI, *Trends in International Migration* (Paris: OECD, 1998), p. 130.

It can be seen that the main foreign labor force consisted of Japanese descendants (*Nikkeijin*) and illegal workers. Since 1990, small and medium-sized enterprises without an overseas presence have been permitted to bring in trainees. A trainee is a non-work visa, whose activity is to learn and acquire technology, skills or knowledge at public or private organizations. Since 1993 however, 'trainees' who pass certain skill tests after a period of training, can become 'technical interns', thereby changing their residence status to come under the 'designated activities' category and so becoming entitled to the same rights as Japanese workers. They are treated equally in terms of labor law such as the Labor Standard Law, the Minimum Wage Law and so on. The Japan International Training Co-operation Organization (JITCO) supervises the Technical Internship Program. In 1997, the maximum period of stay for technical interns was extended from two years to three.<sup>26</sup> Only about 10 % of trainees became 'technical interns' in 1996 and most trainees still have the actual function as cheap unskilled workers.<sup>27</sup> The wage paid to these trainees by companies is about one-sixth of the normal wage, even if they work an 8-hour day plus overtime.<sup>28</sup>

## 2. Labor law

Labor laws apply to foreign workers as well as to Japanese workers. Article 3 of the Labor Standards Law of 1947 (LSL) stipulates that 'employers must not discriminate wages, hours and other working conditions because of worker's citizenship, creed or social status'. The LSL and the Labor Union Law of 1949 (LUL) are basic labor laws. The labor laws such as the Employment Security Law, the Worker Dispatching Law, the LSL apply even to illegal workers<sup>29</sup>.

The LSL provides minimum standards for working conditions which employers must follow. For example, all employers must state clearly working conditions such as wage, working time and so on (Article 15). Employers are prohibited from offsetting advanced payment against the employee's salary or

26 SOPEMI (ed.), *Trends in International Migration* (Paris: OECD, 1999), p. 167.

27 Hiroshi Komai, *Nihon no Gaikokujin Imin* [Foreign immigrants in Japan] (Tokyo: Akashi Shoten, 1999), p. 62.

28 Katsusko Terasawa, 'Labor law, civil law, immigration law and the reality of migrants and their children' in Mike Douglass and Glenda S. Roberts (eds.), *Japan and Global Migration* (London: Routledge, 2000), p. 228.

29 The Ministry of Labor Memorandum, 26 January 1988

wages (Article 17), and from coercing workers forced savings (Article 18). Wages must be paid: in cash; directly to the worker; in full; at least once in a month; and on a definite date (Article 24). Basically, employers cannot have employees work more than 8 hours a day, 40 hours a week, excluding breaks or mealtime (Article 32). Employers who employ 10 or more employees regularly must prepare the working rules in writing and submit them to the Labor Standards Inspection Office (Article 89). This office provides supervision and guidance for employers to secure the working conditions required by law. In the case of violations which carry criminal liability, this office will report these violations to the Public Prosecutor's Office (Articles 101 and 102). Any part of a contract that falls below minimum standards is considered invalid. The employers may be penalized if they violate this law.<sup>30</sup>

The LUL entitles workers to organize and form labor unions to negotiate for the improvement of working conditions. Besides the LSL, protective labor laws include the Minimum Wage Law of 1959 (MWL), the Industrial Safety and Health Law of 1972 (ISHL) and the Worker's Accident Compensation Insurance Law of 1947 (WACIL).<sup>31</sup> The MWL regulates the minimum wages which consist of those according to region and those according to industry. If employers violate these regulations, employees can appeal to the Labor Standards Inspection Office for correction or file a suit in court to demand payment of the unpaid balance. The ISHL aims at establishment of standards for protecting against industrial accidents and for promoting of comfortable working environment. In the case of industrial accidents, the WACIL entitles workers various benefits, such as medical benefit,<sup>32</sup> temporary disability benefit,<sup>33</sup> physical handicaps benefit,<sup>34</sup> survivors' benefit,<sup>35</sup> funeral rites benefit,<sup>36</sup> injury and disease pension<sup>37</sup> and dependent care benefit.<sup>38</sup> Insurance premiums are paid solely by employers, and workers are entitled to benefits whether or not the employer has paid the premiums. In addition to the minimum benefits provided under the WACIL, workers are entitled to additional compensation based on the employer's liability of torts or employment contracts. However, the amount of damages is controversial in several civil lawsuits, especially in the case of illegal foreign workers. As to how many years should be taken into account in calculating the damages is based on the economic level of Japan or of the worker's home country. Furthermore, if trainees are not supposed to 'work' as employees, the WACIL is not applied to them. If there is *de facto* employment instead of training, the WACIL could be applied. In any case, they are entitled to civil law damages against training institutions.<sup>39</sup>

The Employment Security Law aims to satisfy labor force requirements for the industry by giving everybody an opportunity to take a post of occupation suitable for his/her capability, and to contribute to economic enhancement. This law also prohibits discrimination in occupation introduction and vocational counseling because of the citizenship of workers (Article 3). Under the Worker Dispatching Law of 1986, workers may be sent out to engage in 26 types of expert services or work that needs special management, including information processing and financial processing. As of fiscal year 1998, the total number of legal and illegal foreign workers was estimated to be about 670,000, equivalent to more than 1% of all the employed workers in Japan. The Employment Service Section for Foreign Workers tries to enhance the employment service and counseling available to foreign job applicants. There are interpreters in the Hello Work facilities (formally called Public Employment Security Offices), as well as Employment Service Center for Foreigners to deal exclusively with foreign students and foreigners in professional or technical fields, and the *Nikkeijin* Employment Service Centers provide services to foreign workers of Japanese descent. Considering Japan's fewer births and aging population, harmonizing working life with family life is being comprehensively and systematically promoted by the

30 Osaka Bar Association (ed.), *Human Rights Handbook for Foreigners in Japan in 18 Languages* (Tokyo: Akashi Shoten, 1992), pp. 17-27.

31 Tadashi Hanami, 'Japanese Policies on the Rights and Benefits Granted to Foreign Workers, Residents, Refugees and Illegals' in Myron Weiner and Tadashi Hanami (eds.), *Temporary Workers or Future Citizens?* (London: Macmillan, 1998), p. 224.

32 Actual expenses of medical care.

33 Compensation for lost income as 60% of average basic daily benefit, in principle (the first three days are not paid).

34 This is provided when a worker remains disabled because of the industrial accident. Disabilities are rated at different levels.

35 Pension or lump sum for the bereaved family.

36 Funeral expenses in the case of death occurring at work.

37 If the injury or sickness remains uncured after medical treatment for 18 months and the worker's health condition is assessed to be higher than the third level of injury/sickness, such a worker will receive this pension in place of temporary disability benefit.

38 Amount spent on family care costs (maximum amount: 108,000 yen a month for constant care and 54,000 yen a month for temporary care) or a fixed amount.

39 Hanami, *supra note* 29, p. 225.

Ministry of Labor based on the Child Care and Family Care Leave Law. However, the Ministry of Labor keeps the basic policy 'to accept foreign workers in professional and technical fields as much as possible. But it deals cautiously with the matter of accepting so-called unskilled workers with thorough deliberation, because such acceptance might have a far-reaching impact on our country's economic and social conditions'.<sup>40</sup>

### 3. Renewal of Stay

Aliens who wish to change their status of residence or stay longer than the original period of stay determined in the landing permission without changing their status of residence, must apply for permission for a renewal of period of stay (Immigration Control Act, Articles 20 and 21). This permission is granted by the Regional Immigration Bureau at the discretion of the Ministry of Justice. Generally, applications for renewal will not be approved if applicants have attained the purpose of their visit, if there is any problem arising from their residence in Japan or if documents submitted by applicants do not show reasonable grounds for permission to stay.

Under Article 22-2 of the Immigration Control Act, permission for a change of status to permanent residence is granted at the discretion of the Ministry of Justice only when applicants fulfill the following requirements and their permanent residence will be in accordance with the interests of Japan. The first legal condition is that the alien must have demonstrated good behavior and conduct. The second legal condition is that the alien must have sufficient assets or skills to make an independent living. However, in the case of refugees, they may not be required to fulfill the second condition, and in the case of spouses or children of Japanese or permanent residents, they may not be required to fulfill either condition. According to the administrative interpretation of 'the interests of Japan', a 1- to 3- year residential term is required for children or spouses of Japanese or permanent residents. Otherwise, a 10-year residential term is necessary to be allowed a Permanent Residence Permit 104.<sup>41</sup> This long requirement should be amended; however, it shows that the Japanese government traditionally opposes the settlement of foreign workers. Previously, it was reported that the general requirement was a 20-year residence.

It should be added that there are two significant exceptions. First, some Koreans and Taiwanese who lost their Japanese citizenship on the basis of the Peace Treaty and their descendants are considered as special permanent residents stipulated by the Special Law on Immigration Control. They are specially protected from deportation except in instances where they have committed serious crimes or violated vital national interests. Also, second and third generation people of Japanese origin were granted quasi-permanent residence by the amendment of Immigration Control Act in 1990. Most of them, who are Brazilian or Peruvian, can work without restriction and the renewal of their residence permit is relatively easy.

### 4. Deportation

As mentioned previously, Koreans and Taiwanese and their descendants who lost their Japanese citizenship are protected from deportation, except where they have been sentenced to imprisonment for more than 7 years. Furthermore, their deportation is only where the Minister of Justice has found that the vital interests of Japan have been jeopardized by the act of crime.<sup>42</sup>

For other aliens, Article 24 of Immigration Control Act stipulates various grounds for deportation. The following aliens may be deported:

1. Those who entered Japan without a valid passport: Illegal entry<sup>43</sup>;

40 See <http://www.mol.go.jp/english/outline/08-1.htm>.

41 Nobuyuki Koyama, "Zairyu Shikaku Eijyusha Nitsuite" [On the Status of Permanent Residents] Kokusai Jinryu [The Immigration Newsmagazine] no. 138 (1998), p. 26.

42 Yuji Iwasawa, *International Law, Human Rights, and Japanese Law* (Oxford: Clarendon Press, 1998), p. 146.

43 There is an amendment bill of the Immigration Control Act to establish an illegal entry crime and illegal entry persons shall be punished with penal servitude or imprisonment of not more than 3 years or a fine not more than 300,000 yen at any time.

2. Those who landed in Japan without any landing permission: Illegal landing;
3. Those who stay over the permitted period of stay: Overstay;
4. Those who violated the activity conditions of their residential status: Illegal activity;
5. Those who violated the conditions of their temporary landing;
6. Those who incited, instigated or aided illegal entry or illegal landing;
7. Those who are sentenced to imprisonment for violation of the Alien Registration Law;
8. Minors who are sentenced to imprisonment exceeding 3 years;
9. Those who are convicted of violation of the Narcotics Control Act and so on;
10. Those who are sentenced to imprisonment exceeding 1 year;
11. Those who engage in any business connected with prostitution;
12. Those who engage in acts of destructive violence; and
13. Those whom the Minister of Justice deems to have committed acts detrimental to the interest or security of Japan.

Statistics show that 49,566 foreigners were deported in 1997. Among the reasons were overstay (41,113), illegal entry (7,117), illegal landing (776), illegal activity (430) and violation of criminal laws, etc (130). Of those deported, 41,606 were illegal workers, and the major groups were Koreans (10,346), Chinese (7,810), Filipino (5,067) and Thai (4,487).<sup>44</sup> In 1998, 48,493 foreigners were deported, and 7,472 of those deported were illegal entrants. The major groups of illegal entrants by air were Filipino (1,295), Thai (1,181), Chinese (886) and Koreans (228), and the major groups of illegal entrants by sea were Chinese (1,832), Filipino (119), Koreans (57) and Thai (25).<sup>45</sup> Apparently, most illegal foreign workers enter Japan legally as tourists and so on, and then work illegally and overstay.<sup>46</sup> More than 95% of those deported left Japan at their own cost.<sup>47</sup>

The Immigration Control Officer will start deportation procedures from the investigation of a violation. Then an Immigration Inspector will investigate the violation and this is the first instance for deportation. If a deportation suspect has an objection to the actions taken, he may orally request a Special Inquiry Officer for a hearing within 3 days from the date of the notification and this is the second instance. Furthermore, a suspect may file an objection with the Minister of Justice by submitting it to a Supervising Immigration Inspector within 3 days from the date of another notification and this is the third instance. Lastly, the Supervising Immigration Inspector shall immediately issue a written deportation order, upon receipt of the notification from the Minister of Justice of his decision that the objection is groundless (Immigration Control Act, Articles from 27 to 49).

If overstay persons are considered as very vicious, they shall be punished with penal servitude or imprisonment not more than 3 years or a fine of not more than 300,000 yen, or shall be punished with both penal servitude or imprisonment and a fine (Immigration Control Act, Article 70). The Immigration Control Act was amended and will be enforced on February 18, 2000. The first significant revision is to establish the new penalty for illegal entrants. Up to now, if illegal entrants have stayed in Japan for 3 years since they entered Japan, and the period of prescription runs out, criminal punishment cannot be imposed on them, even if they are deported in the same manner as overstay persons. The newly established criminal offence is called 'unlawful stay,' so that the government can always impose punishment on illegal entrants.

The second significant revision of the Immigration Control Act in 2000 was the extension of the refusal period of re-entry. Up to now, deported foreigners will not be allowed to re-enter Japan 'for 1 year from the day of their deportation' (former Article 5-1-5). The new Article 5-1-5 of the Immigration Control Act extends the refusal period to 5 years. The Immigration Bureau states that this extension is to prevent the increase of people who re-enter Japan after deportation.

44 Japan Immigration Association, *Statistics on Immigration Control 1997* (Tokyo: Japan Immigration Association, 1998), pp. 84-85.

45 Japan Immigration Association, *Statistics on Immigration Control 1998* (Tokyo: Japan Immigration Association, 1999), pp. 54, 72-76.

46 Helmut Lohland, 'Illegal Migrant Workers in Japan' in in Robin Cohen (ed.), *The Cambridge Survey of World Migration* (Cambridge: Cambridge University Press, 1995) p. 373.

47 Hörmatsu Nyūdoku Hanshōkyoku, (ed.), *Hōsei 10 Nenban Shōsōnyūdoku Karri [Immigration Control, 1998 ed.]* (Tokyo: Okuredo Inatsukyoku, 1998), pp. 148.

Recently, because of this strict amendment of the law and 5-10 years of living in Japan, a group of 21 overstay persons from Iran, Bangladesh and Burma, made up of 5 families and 2 single persons, visited the Tokyo Regional Immigration Bureau to request the 'special permission for residence'.<sup>48</sup> Additionally, another group of 17 over-stay persons also requested special permission of residence. They have worked and paid taxes, been injured in industrial accidents, or been to schools in Japan.

The Japanese government has never taken a general amnesty and definitely rejected the mass relief for irregular residents because such a generous measure can serve as a powerful magnet for accelerated flows of new irregular migrants. However, special permission for residence is stipulated in the Article 50-3 of the Immigration Control Act. If 'the Minister of Justice finds grounds for giving special permission to stay' in individual cases of irregular residents, the former decision for deportation shall be cancelled and some kinds of residential status are to be given to them.

## 5. Re-entry

The third significant revision of the Immigration Control Act in 2000 is the extension of the validity period of re-entry permission. The new Article 26-3 stipulated that 'the Minister of Justice shall determine a period of validity of the re-entry permission (including multiple re-entry permission) which shall not exceed three years from the date of issuance of the permission'. This validity period is extended from 1 year to 3 years. The aim of this amendment is to adjust the age of international migration, and therefore foreign residents will no longer need to bother to visit the Immigration Bureau for the re-entry permission if they take necessary procedures for re-entry at the same time as the renewal of their visas.

Pursuant to the Article 26 of the Immigration Control Act, the Minister of Justice can give permission for re-entry when aliens, with intentions to return, leave Japan before their period of stay expires. However, persons who have been sentenced to imprisonment for 1 year or more, or persons deported within the past one year shall be denied permission to land in Japan (the former Article 5-1-9).<sup>49</sup> Therefore, re-entry for past irregular residents is restricted for 5 years. As stated above, this refusal period of re-entry has been extended from 1 year to 5 years in 2000 (new Article 5-1-9).

Since 1989, persons who encourage aliens to engage in illegal work by offering employment, who keep aliens under their control for the purpose of having aliens engage in illegal work or who mediate, as a matter of business, in illegal work, will be punished with imprisonment for up to 3 years and/or a fine of up to 2 million yen (Immigration Control Act, Article 73-2). Even a mediating act done abroad is subject to punishment in Japan. The certificate of authorized employment is issued on application to foreign legal workers. By this certificate, the foreign workers concerned can easily confirm to the employer that they are authorized to work, while a bona-fide employer can make a judgment on what type of activities could be authorized to him under the law.<sup>50</sup>

It should be added that the re-entry of a special permanent resident is a significant issue in Japan. The Special Law on Immigration Control provides that re-entry permits should be valid for a maximum period of 5 years (as opposed to 1 year for other resident aliens). However, many Korean permanent residents refused fingerprinting against the requirements of the Alien Registration Law. If they travel abroad, they might be refused re-entry into Japan and lose their special permanent residence qualification after leaving Japan. Indeed, a recent precedent<sup>51</sup> does not recognize the freedom of re-entry for a foreigner, but the overriding opinion states that the freedom of re-entry should be affirmed in the case of a settled alien.<sup>52</sup>

48 Japan Times (September 2, 1999).

49 Furthermore, paupers and others who are likely to become a charge on the government, or narcotics law or stimulants law violators shall be denied permission to land in Japan.

50 Japan Immigration Association, *A Guide to Entry, Residence and Registration Procedures in Japan for Foreign Nationals*, 5th ed. (Tokyo: Japan Immigration Association, 1998), p. 47.

51 Supreme Court judgment, March 26, 1998.

52 Yoshio Hagino, *Kenpō Kōgi: Jinken* [Lectures on the Constitution: Human Rights] (Kyoto: Hōritsu Bunkasha, 1994), p. 205.

## 6. Administrative and political attitude

Under the system of alien registration administered by the immigration service, all foreign residents in Japan are required to register themselves at the municipal office of the city, ward, town, or village in which they live. This system is designed to secure fair and equitable control over foreign residents. From the beginning, however, there was strong criticism of the requirement placed on resident aliens to carry at all times an alien registration card bearing their fingerprint as confirmation of an alien's identity.<sup>53</sup> Facing a number of cases involving foreigners who refused to be fingerprinted<sup>54</sup>, the Japanese government was forced to amend the Alien Registration Law numerous times. Initially, most foreigners were required to provide fingerprints of all ten fingers at each renewal.

Since 1993, besides permanent residents, foreigners residing for one or more years must provide a fingerprint of one finger at their first registration. The EU, by contrast, does not require fingerprinting, unless a refugee does not have a passport or other forms of identification. Thus, there is also a demand in Japan to abolish the aliens' fingerprinting system. The amendment bill of the Alien Registration Law in 1999 demands the entire abolishment of fingerprinting duties. This abolishment bill has been passed and will be enforced in 2000. Additionally, the obligation to carry a registration card remained in the bill and failure to comply with this duty may result in punishment with a fine not exceeding 200,000 yen. Therefore, the opposition parties proposed to abolish the carrying obligation for permanent resident aliens and change the punishment for other resident aliens from penal fine to administrative fine; government parties agreed with only the latter amendment.<sup>55</sup>

Regarding the acceptance of foreign workers, administrative and political attitude are slowly changing because of the importance of living in harmony with Asia and the tendency of having fewer children and a larger number of aging people in Japan.

The Ministry of Foreign Affairs reported 'the Mission for Revitalization of Asian Economy: Living in Harmony with Asia in the Twenty-first Century' in November 1999. It mentioned the 'acceptance of foreign workers' as follows: '..There are strict restrictions on the immigration of foreign workers, even when they have expertise and skills that Japan could use. Japanese society is aging rapidly and nursing care is becoming a major social issue, but there is currently no visa status for people providing nursing care and similar services. Japan has a shortage of people able to provide nursing care, and many of those who require it do not have the financial means to obtain it. The problems are growing increasingly serious in nature, and it is time to rethink our systems. We should recognize 'nursing care provider' as a visa category, substantially expand our recognition of certifications granted by the governments of other countries, and relax visa requirements and immigration screening criteria. Visa requirements and immigration criteria should be relaxed for nurses as well. These kinds of measures are completely different from allowing unrestricted inflows of foreign workers. It is essential for the vitality of the Japanese economy and society that we think more flexibly about the range of foreigner workers with special expertise and skills that Japan will accept'.<sup>56</sup>

The Ministry of Justice is considering the inclusion of 'nursing care provider'. Consulting with related Ministries, the Minister of Justice published the Second Basic Guiding Plan for Immigration Control which reports on some directions of this plan. There is a discussion to recognize 'nursing care provider' for elderly people as skilled workers. Additionally, it will also enlarge and accept various types of work as 'technical interns'. Up to now, 55 types of work in sectors such as machinery, textile industry, construction, have been admitted as technical interns. The plan is widening to hotel, agriculture and so on. It will be flexible enough to accept the engineers in the Info-com industry and change the status of college students to workable status. The 'establishment permission' such as quasi-permanent residents or permanent residents will be more easily given to long-term residents to make society adjust for living in

<sup>53</sup> Yasuaki Ônuma, 'Beyond the Myth of Monoethnic Japan', in The Committee to Commemorate the Sixtieth Birthday of Prof. Suh Yung-Dal (ed.), *Asia Shimin to Kan Chôsenjin* [Asian Citizens and Koreans in Japan], (Tokyo: Nihon Hyoronsha, 1993), pp. 576-8.

<sup>54</sup> See George Hicks, *Japan's Hidden Apartheid* (Aldershot: Ashgate, 1997), p. 96.

<sup>55</sup> *Nishinippon Shinbun* (April 4, 1999), p. 30. *Asahi Shimbun* (May 13, 1999)

<sup>56</sup> <http://www.mofa.go.jp/policy/economy/asia/mission99/report/part1.html#part1-II-1>

harmony with them.<sup>57</sup>

There were some questions about future immigration policy in the House of Representatives Standing Committee on Justice on July 30, 1999. One representative of the Liberal Democratic Party (governmental party) asked the Minister of Justice to recognize the situation of Japan in Southeast Asia and manage to accept foreign workers in jobs which Japanese are not willing to engage. The other representative of the Liberal Party (governmental party) pointed out the total fertility rate of Japan (1.4%) and asked the Minister to be more flexible of residence status, adjusting to the period of fewer children and the changes in industrial structure. The Minister replied that the present policy is to accept foreign workers in professional and technical fields as much as possible, but to deal cautiously with the matter of accepting so-called unskilled workers with thorough deliberation. However, he added that it is necessary that adjustments should correspond with the future changes while keeping the basic policy.<sup>58</sup>

## 7. Welfare

As a result of Japan's accession to the International Covenants on Human Rights in 1979 and the Refugees Convention in 1981, many social rights had to be, and indeed have been, extended to aliens. Citizenship clauses were eliminated from the National Pension Law, the Child Dependency Allowance Law, the Special Child Dependency Allowance Law and the Child Allowance Law, and so on.<sup>59</sup>

Some problems still remain in the welfare system. Generally, persons registered through alien registration between 20 and 60 years of age are covered by the Basic Pension Scheme. However, if foreigners were over 35 years of age at the time of revision of the National Pension Law, and had paid their insurance charge, they could not receive the old age pension because they lacked sufficient premiums period (25 years). Since 1994 foreigners can receive a lump-sum payment on the application within 2 months of leaving Japan.

The Livelihood Protection Law did not clarify the citizenship clause. Then, a notice from the Social Section's chief was issued. This notice limited application to Japanese nationals due to the interpretation of the term 'national'. According to the 1954 administrative guideline of the Ministry of Health and Welfare, however, it applied *mutatis mutandis* to registered foreigners and provided them with medical care. In fact, it was similar to the application of the Livelihood Protection Law because the central government paid the expenses for the local governments. However, the Immigration Control Act was amended in 1990, and at this time the Ministry of Health and Welfare issued a new directive. Now, the *mutatis mutandis* application covers only foreigners of the Annex Table II, namely permanent resident, spouse or child of a Japanese national, spouse or child of a permanent resident and quasi-permanent resident. Foreigners of the Annex Table I are allowed to stay in Japan under the condition of not becoming a burden on the Japanese government, and they often leave their property and family in their home country.

Temporary visiting foreigners are excluded from the National Health Insurance Law. Originally, this Law did not have a citizenship clause, but its enforcement regulation had included one until 1986. Now, Article 5 of this Law stipulates that persons insured are 'those who have a domicile in communes or special wards'. However, according to the administrative interpretation from 1992, these 'domiciles' must have a residence period of one or more years or they have to reside for one or more years via renewal of their temporary visas. Temporary visiting foreigners are also excluded from application of the National Pension Law.

In the case of an irregular resident, she is not covered under the National Health Insurance Law (Tokyo District judgment, Sept. 27, 1995) since an irregular resident is not allowed to have a residence, even if she paid the insurance for her Japanese child covered under the National Pension Insurance. Practically, free maternity leave is guaranteed (Article 22 of the Child Welfare Law), as well as medical treatment for physically handicapped children (Article 20 of the Child Welfare Law) and medical

57 *Asahi Shinbun* (January 14, 2000)

58 The Minutes of the House of Representatives Standing Committee on Justice, No. 25 (July 30, 1999)

59 Iwasawa, *supra* note 40, pp.167, 174.

treatment for premature babies (Article 20 of the Maternal and Child Health Law) for overstaying persons.<sup>60</sup> Legally, worker's compensation insurance will be paid regardless of citizenship, but in the case of overstaying workers, employers and employees are not willing to apply it for fear of the disclosure of the illegal employment. Additionally, if illegal workers are unemployed, they are not considered to be 'unemployed' under the Employment Insurance law of 1974 because they do not have visas to seek work. Furthermore, in the case of an accident involving illegal foreign workers, the accounting of the lost benefit can be a serious problem between the standard of Japan and the country of their citizenship. The Supreme Court based it on the wage standard of Japan only for 3 years and that of the home country for the remainder of years (Supreme Court judgment, January 28, 1997).

In cases involving temporary visitors or irregular residents, some local governments have to pay for the emergency medical costs of foreigners who can be assumed to have fallen down by the roadside while traveling, according to the Law concerning the Treatment of Sick Wayfarers and Wayfarers Found Dead. It is required to have workable residential statuses in order to be covered under the Employee's Health Insurance scheme. Even if a foreigner has working status, small companies (less than 5 persons) and temporary workers are excluded from this insurance system. Additionally, some foreign workers are not willing to join this insurance because they must also simultaneously join their welfare pensions scheme, from which they cannot receive payments in the future. Foreigners who work or reside in Japan, however, do not correspond to the word 'wayfarers'. Temporary or irregular residents are not covered under the public insurance system and they cannot pay for the medical cost; therefore, some local governments and NGOs have to provide for their own expenditures.<sup>61</sup> Since 1996, the state pays one third of the costs of emergency medical care for a condition which is fatal.<sup>62</sup>

Today, a current problem is war-related compensation, regardless of present citizenship. Korean soldiers and army generals have not been properly compensated.<sup>63</sup> The Japan - Korea agreement of 1965 settled the issue of compensation between the people of both countries (Supreme Court judgment, July 15, 1994). Yet, the Japanese government is preparing to solve this problem in the near future.

## 8. Remittance

If foreign persons send money from Japan, they need to show the identification card such as passport or certification of alien registration. If they send more than 5 million yen, they need to fill in the form regarding the sender and the purpose of sending. This identification proofing was implemented since April 1999 in order to prohibit 'money laundering'. The price of the commission of a bank is 2,500 yen if the amount of remittance money is 5 million yen or less. It will be 0.05% of the remittance in the case of over 5 million yen. The Japanese Government applies no vital institutional restrictions on remittance, which may induce official remittance from persons working overseas, whereas in many countries sending labor, various measures are taken to impose a specified amount of surcharge on legal remittance transaction.<sup>64</sup> Additionally, formal ways of remittance by transferring through a bank account or telegraphic communication will take several days.

Therefore, many migrant workers are sending their money in secret, quick and cheap unofficial ways. People are fond of carrying money with themselves on boat or asking friends to carry money to North Korea. Recently, some foreign regular or irregular residents have established 'underground banks' without legal permission for the remittance to South Korea, China, Nepal, Thailand and so on. They earn a commission of 0.33-1% of the total remittance and change money in the underground market. It is

60 Emiko Miki, 'Gaikokujin no Iryō [Medical care for aliens]', in *Nihon Bengoshi Rengōkai Henshū Jinkai* (ed.), *Teijūka jidai no Gaikokujin no Jinken* [Aliens' Human Rights in the Permanently Domiciling Time] (Tokyo: Akashi Shoten, 1997), pp. 897-88.

61 Akira Hatake, 'Gaikokujin no kodomo to iryō [Foreign children and their medical care]', in *Jiyū Jinken Kyōkai* [Japan Civil Liberties Union] (ed.), *Nihon de Kurasu Gaikokujin no Kodomotachi* [Foreign Children Living in Japan] (Tokyo: Akashi Shoten, 1997), pp. 87- 91, 99-102.

62 Toshi Murata, 'Gaikokujin no rodo kankyo wo meguru horitsu mondai [Legal problems on the aliens' labor environment]', in *Nihon Bengoshi Rengōkai Henshū Jinkai* (ed.), *Teijūka jidai no Gaikokujin no Jinken* [Aliens' Human Rights in the Permanently Domiciling Time] (Tokyo: Akashi Shoten, 1997), p. 109.

63 If the plaintiff, Mr. Sok Song-Ki, had been Japanese, he would have received a cumulative total of 60 million yen for his injury (the loss of an arm). See Hiroshi Tanaka, 'Why is Asia Demanding Post-war Compensation Now?', *Hitotsubashi Journal of Social Studies*, vol. 28, no. 1 (1996), p. 10.

64 Mori, *supra note* 5, p. 83.

reported that the cost of informal remittance to South Korea through these underground banks might be about 7.7% of the cost charged by formal banks.<sup>65</sup> Underground brokers can send the money to the receiver in about one day from pooled money in the receiving country and sometimes they carry large amounts of money themselves for the supplement of the pooled money. Since 1997, managers of the 'underground banks' have been arrested in 15 cases and it is reported that around 100 billion yen was remitted illegally through these underground banks.<sup>66</sup> For example a Chinese was sentenced to 2 years' imprisonment and fined 700,000 yen, and another was sentenced for one year and a half and fined 700,000 yen under violation of the Bank Act.

Generally, short-term and single foreign workers intend to return to their home country and are willing to take on extra work and limit consumption to the minimum in order to maximize savings or remittances. In contrast, long-term and 'family re-united' foreign workers intend to settle in the host country and the willingness to send remittances will decrease. Therefore, the average amount of remittances per newcomer has decreased from 830,205 yen in 1980 to 173,329 yen in 1992 with some fluctuations affected by the economic ups and downs in Japan.<sup>67</sup>

### Concluding Remarks

In the 1990s, reports on foreign criminals have been increasing in the media. The National Police Agency categorizes foreigners into two types: (1) Newcomers (*Rainichi gaikokujin*), and (2) other foreigners. Newcomers are foreigners in Japan, but are neither settled aliens, US Armed Forces persons nor persons of unknown residential status. Table 2 shows statistics in relation to the numbers of arrested newcomers, excluding traffic violations and serious crimes, such as murder, robbery and so on.

**Table 2. Criminal Statistics for General and Newcomers**

		1990	1991	1992	1993	1994	1995	1996	1997	1998
Crime	General	293,264	296,158	284,90	297,725	307,965	293,252	295,584	313,57	324,630
	Newcomer	2,978	4,813	5,96	7,276	6,989	6,527	6,026	5,43	5,382
Serious	General	4,723	4,687	4,70	5,190	5,526	5,309	5,459	6,63	6,949
Crime	Newcomer	111	126	18	246	230	201	212	21	251

Source: The National Police Agency, The White Paper on Police; The Research and Training Institute in the Ministry of Justice, The White Paper on Crime.

The number of crimes committed by foreigners started to increase in 1991, mainly due to the increase in crimes committed by visiting foreigners. In April 2000, Tokyo Governor Shintaro Ishihara, co-author of 'A Japan That Can Say No,' indicated the possibility that 'many *sangokujin* (third-country nationals) who entered Japan illegally' would riot in the aftermath of natural disasters, and he has repeatedly emphasized the negative impact of illegal foreigners on public security. Ishihara's comments prompted general denunciations from leading politicians and media, but many residents sent supportive comments to the Governor. The Governor's remarks likely constitute an infringement of the International Convention on the Elimination of All Forms of Racial Discrimination, which stipulates that the signatories 'shall not permit public authorities or public institutions, national or local, to promote or incite racial discrimination.'

In 1996, the rate of those convicted in foreigner cases with interpreters or translators available was 10.1 % of the total defendants convicted, and 82.9 % of the defendants convicted in foreigner cases. The number of Class F prisoners (those who need different treatment from Japanese) increased between the years 1986 to 1995, but decreased in 1996 to 279.

The problems that need to be resolved are those such as securing a sufficient number of interpreters, and the restraint of sensational reports on 'Foreigner Crime'. The Japanese government had

65 *Mainichi Shinbun* (March 1, 1999), p. 7.

66 *Nihon Keizai Shinbun* (March 2, 1999), p. 12.

67 Mori, *supra* note 5, pp. 80, 84.

been willing to assimilate the old-comers and exclude newcomers. However, the integration policy based on cultural pluralism is gradually being applied in local and national governments.<sup>68</sup>

Ethnic education has not been adequate enough to secure the right to receive an education. The General Association of (North) Korean Residents and the (South) Korean Residents Union run their own schools, which employ a bilingual Japanese and Korean curriculum.<sup>69</sup> The Japanese government has refused to accredit these schools and therefore these students have not been able to take the entrance examination for national universities. Recently, however, many universities have been opening their doors to these students. There is a serious education problem for newcomers, however. According to the survey of 1993, 10,450 children in compulsory education (elementary schools and junior high schools) needed additional language training.<sup>70</sup> Under the present conditions, it is difficult for foreign students to learn even the Japanese language. Most schools do not take any measures for their native language education. In a few local governments, Portuguese and Spanish teachers were hired part-time by a city to teach Japanese-origin Brazilian and Peruvian students. Even if these *Nikkeijin* keep moving between Japan and their home countries periodically, both acquisition of the Japanese language and native language maintenance will become difficult for their children.<sup>71</sup> Gradually, through their experiences, there is a growing awareness regarding multi-ethnic education.

Additionally, there has been a problem of ethnic discrimination in employment. About 90% of Korean residents used a Japanese name as an alias in order to avoid discrimination at work and school as recently as 1992.<sup>72</sup> Fortunately however, Japanese society is changing. A Korean resident using a Japanese name as an alias was accepted for employment but immediately released because of his citizenship. This person brought a lawsuit against this company and won in 1974. In another case, a Korean resident was accepted as a legal trainee to become a lawyer without applying for naturalization in 1977.

It has been difficult for foreign residents to find employment as public servants who 'participate in the exercise of public authority or formulation of public will', although the legal bases for citizenship requirement are not so clear except for Diplomat Law, and so on. Gradually, public service posts, such as public university professorships, doctors, nurses, mail delivery staff workers in post offices, and lectureships in schools are being opened to non-citizens. In 1992, approximately 30% of municipalities abolished the nationality requirement for general administrative officials. In 1996, the city of Kawasaki abolished the citizenship requirement for posts in general office work, the first time this was done in a large city.<sup>73</sup> The District Court refused a Korean public health nurse the right to apply for section chief (Tokyo District Court judgment, May 16, 1996). Yet the Appellate Court approved her right and confirmed that the constitutional principle of popular sovereignty<sup>74</sup> does not prevent foreign residents (especially permanent residents) from being employed in a managerial position if he/she does not have a decisive competence (Tokyo Appellate Court judgment, November 26, 1997).

As for electoral rights of national suffrage, the citizenship requirement is constitutional according to a Supreme Court judgment (February 26, 1993). In the case of local suffrage, the Constitution does not guarantee nor prohibit local suffrage of aliens such as permanent residents. The Supreme Court left it as a matter of legislative adjustment (Supreme Court judgment, February 28, 1995). This decision was an epoch-making one, giving a signal to the Diet that the introduction of local suffrage of permanent residents is possible by statutory legislation without constitutional amendment. There have been more

68 Atsushi Kondo, *From the Monoethnic State to Cultural Pluralism in Japan*, Center for Pacific Asia Studies at Stockholm University Occasional Paper 38 (1998).

69 John C. Maher and Yumiko Kawashishi, 'On being there: Korean in Japan', in John C. Maher and Kyoko Yashiro (eds.), *Journal of multilingual and multicultural development*, vol. 16, 1-2. Multicultural Japan, (1995), pp. 89-90.

70 Mori, *supra* note 5, pp. 203-4.

71 T. Kajita, 'Nature de l'immigration au Japon' *Revue de l'Institut de Recherches Politiques et Économiques sur le Japon contemporain* 1 (1996), p. 116.

72 Hanami, *supra* note 29, p. 139. Until the amendment of Nationality Law and administrative guidance on naturalization in 1986, the naturalized citizen has to choose a Japanese name. See further Mitsushi Sugihara, 'The Right to Use Ethnic Names in Japan', *Journal of Intercultural Studies*, Vol. 14, No. 2 (1993), pp. 12-33.

73 However this effort excludes firemen and prohibits promotion to management positions.

74 All public power emanates from the people defined as all persons who have Japanese citizenship. This principle is called *sovereignty national*.