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5 April 2011

The Secretary
National Wages Council
C/o Labour Relations Department
Level 6, Ministry of Manpower
18 Havelock Road
Singapore 059764

Dear Sir,

VIEWS ON NATIONAL WAGES GUIDELINES 2011

The Humanitarian Organisation for Migration Economics (HOME) and Transient Workers Count Too (TWC2) are organisations concerned about the wellbeing of migrant workers. We believe that they should be treated with dignity, respect, and fairness and we welcome the opportunity to provide feedback on Singapore's National Wages Guidelines for 2011/2012.

It is reassuring to note that the Guidelines make specific references to helping "vulnerable people in the workplace." We make this submission on behalf of Foreign Domestic Workers (FDWs) and Foreign Workers (FWs), who are among the most vulnerable of low wage workers.

We understand that the key priority for the Council is setting standards and best employment practices for local workers. We feel it is time however, that FDWs and FWs are recognised and included in the forthcoming guidelines, for the following reasons:-

1. The work of foreign domestic workers is equal to other forms of labour, involving up to 16 hours per day, 7 days per week at an approximate hourly rate of \$0.78. This is their earning power after circa 10 months, when their salary is no longer offset against payment of recruitment and agency fees. What is even more shocking is that this paltry hourly rate is deemed sufficient given the strength of our economy and relatively high income per capita.
2. Foreign domestic workers constitute a significant percentage of workers in Singapore (approximately 200,000), and contribute to Singapore's overall productivity and output by taking over household chores, childminding and care of the elderly, thereby allowing Singapore citizens to return to the workforce.
3. Demand for Foreign Domestic Workers is outstripping supply, as workers are attracted to better pay, better conditions and better protection in other countries such as Hong Kong and Taiwan. If we are to reverse this trend, Singapore must leverage every opportunity to demonstrate its commitment to protecting domestic workers on our shores.

4. The International Labour Organisation, of which Singapore is a member, has been arguing for a standard setting convention for domestic workers in recognition of their vulnerable status. This includes equality of treatment and rights to other forms of paid labour. The proposed convention has the support of many governments and Singapore should show its commitment and take the lead to uphold decent work standards; including domestic workers in the NWC's guidelines would be a significant step.
5. Salaries of foreign workers on work permit in sectors such as the construction, marine, manufacturing and services sector have remained stagnant with many earning a basic salary average of \$2 to \$4 per hour. The increase in foreign worker levies discourages employers from paying a decent wage to foreign workers because of increased business costs. Employers demanding kickbacks from workers have also been reported. The government's current drive to increase productivity is correct, but productivity gains should not be attained through measures which encourage and perpetuate the systemic exploitation of low wage workers, whether they are local or foreign.
6. Many foreign workers put in an average of 10 to 12 hours a day with a significant number who work up to between 14 and 16 hours a day without any days off. 24 hour shifts among some workers have also been reported. Such excessive hours are in violation of local labour laws. Foreign workers feel compelled to work such excessive hours because they need to earn enough to pay their recruitment fees, which may amount to \$10,000. Their current wage levels mean that many of them have to work for a year or more just to recover fees that they have paid to recruitment agents.

It is our submission that the National Wages Council Guidelines include specific recommendations for Foreign Domestic Workers that would include directives on minimum pay levels that are dependent on skill set and job scope, rather than the prevailing discriminatory market practice of determining wage levels by nationality.

We also urge the Council to develop guidelines to ensure other low wage foreign workers on work permits are remunerated fairly. Migrant workers account for a third of Singapore's work force and Singapore's economy would collapse without them. Ensuring decent wages is only the right thing to do in recognition of the contributions they make to our country.

TWC2 recalls the points made to the NWC in its letter of 16th April 2010 and wishes to make it clear that it is aware of existing policies on the wages of migrant workers and the role of the NWC. In co-signing this letter, it is proposing a change.

Yours faithfully,

Bridget Tan
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Humanitarian Organisation for
Migration Economics (HOME)

Russell Heng
President
Transient Workers
Count Too (TWC2)