

## CHAPTER THREE

### LABOR MIGRATION: A HISTORICAL SKETCH

#### Introduction

This chapter provides a brief historical overview of Bangladeshi labor migration and foreign workers recruitment policy in Singapore. A brief emigration history and policies are given to introduce Bangladesh as a major human resource contributing-country in Asia. A description of Singapore's immigration history will make many of the issues clear, for instance, what role foreign workers played in the peopling of Singapore, how immigration policies changed over time to fuel the economic engine of the country and what changes facilitated the migration of Bangladeshis to Singapore. This chapter attempts to examine the link between the pool of abundant labor in Bangladesh and the demand for foreign human resources in Singapore.

#### Emigration from Bangladesh

Once Bangladesh was known as 'Golden Bengal' to the rest of the world due to its wealth and prosperity (Novak, 1993). This attracted a galaxy of travellers from around the world since the first century AD<sup>1</sup>. The country that was formerly known as an

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<sup>1</sup> Much has been written about the past glory of Bangladesh, notably in old records like the evidence of Pliny and Periplus of the Erythrean Sea (first century AD) (see Majumder, 1943; Sarkar, 1943). It was drawn in Ptolemy's map. These indicate that from the earliest times Bangladesh was

immigrant country<sup>2</sup> turned into an emigrant country in the twentieth century. The history

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known to the West, particularly for its *Muslin*, the finest fabric the world has ever produced. Travelers and scholars who were attracted by the charms and fame of Bangladesh since time immemorial has showered effusive epithets on its bounties and wealth, affluence and prosperity, craftsmanship and cultural advancement. They include the Chinese travelers Fa-hien (fourth century AD), Hue-an-tsung (seventh century), Ma-hoen and Feishin (fifteenth century), Ibne Batuta (fourteenth century) from Africa, Nicola Kanti (Fifteenth century) and Ceasar the Frederik (sixteenth century) from Venice, Verthema, (sixteenth century) from Italian, Barbosa and Sebastin Manric (sixteenth century) from Portugal, Travernier and Bernier (seventeenth century) from France ([http://www.bssnews.net/about\\_bangladesh.php](http://www.bssnews.net/about_bangladesh.php)).

<sup>2</sup> During sixteenth and seventeenth century, a large number of Muslims migrated to Bengal from both western India and the Middle East (Mitchiner, 2000).). The glory of then Bangladesh attracted many Europeans also including the Dutch, Portuguese, British, and French. During these centuries, according to James J. Novak (1993), “Bangladesh was a grand and enviable country- the granary of all of East and North India, whose wealth supported the Moghul Empire and later provided the surplus that allowed the British to finance their expansion in India”. James J. Novak (1993:57) argues that “by 1757 Bengal was producing over one-third of all cotton textiles used in Europe and had developed almost all the waves of cotton and silk textiles known today”. He referred that in the sixteenth century, Bengal was called the Paradise of Nations, the land of Wealth, renowned for its agricultural surplus and manufacturing wealth. Then Dhaka, according to James J. Novak (1993), not Manchester, was the home of cotton and silk textiles, and Dhaka was able to dictate terms of trade when the Dutch, Portuguese, British, and French came. He continues, “As Bengalis had little need for European goods but the Europeans wanted products from Bengal, the foreigners had to pay cash. In fact, well into this century Bengal had a positive balance of trade with the world, just as Britain had the in the nineteenth century, the United States had just a generation ago, and Japan and Germany have today”.

The arrival of a handful of Muslims in Bengal at the beginning of the 13<sup>th</sup> century and the rapid expansion of their rule permanently changed the character and culture of the area. When the Muslims first arrived, the Hindus were in an overwhelming majority. The Hindus remained in the majority throughout the Turko-Afghan and Moghul periods. Even as late as 1872 there were in Bengal more than 18 million Hindus, compared with about 16 million Muslims. From the 1890s onward, however, the balance began to shift in favor on the Muslims. According to 1991 census, around 83.3 per cents of total population were Muslims and 10.5 per cents were Hindus. One important reason for the increase in the proportion of the Muslim population was migration of Muslims from northern India and from other countries.. At the time of partition of India in 1947,

of emigration of Bangladeshis in the twentieth century can be divided into two periods - pre-independence (before 1971) and post-independence (after 1971). In generally, pre-independence period migration was for permanent settlement and Bangladeshis, mainly Hindus migrated to India. Besides this religious nature of migration, many of the Bangladeshis from the early twentieth century migrated to Western Europe, North America and Australia in the search of permanent settlement. This contributed to the evolution of Bengali community in overseas. Post-independence migration is predominated by temporary migration of labor mainly to the countries of Middle East and East and Southeast Asia (Figure 3.1).

Bangladeshis first started migrating to oil-rich Middle Eastern countries beginning from the mid-1970s. In the late 1980s, the charm of Middle East migration for the unskilled migrants started decreasing dramatically (see for details, Arnold and Nasra, 1986). For example, in 1975 an unskilled worker sponsored by the government or private recruiting agency neither had to pay any service charge, nor for the air ticket. For a 40-hour a week job, his salary was US\$300-400. Now for a similar type of work, a worker gets a salary of US\$ 80-100 per month working even 60 hours in a week (see, Siddiqui, 2001:32). In addition, the Gulf crisis of 1990-91 caused serious disruption for foreign migrant workers. These led to diversification in the destination of migrant workers to

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around a million Muslims from the Indian state of Bihar moved to what became East Pakistan (present day Bangladesh). Even this migration process continued until the independence in 1971. Biharis, a group that included Urdu-speaking non-Bengali Muslim refugees from Bihar and other parts of Northern India, (numbered around 1 million in 1971) came to live in Bangladesh (Abrar 2000). Although many Biharis have in practice been accepted in Bangladesh, in 1999 over 200,000 Biharis were still living in 66 camps scattered around Bangladesh (UNHCR, 2000 : 74) ( see for details also, <http://www.bangla2000.com/Bangladesh/people.shtm>)

areas in Southeast and East Asia. While Bangladeshi labor migration to Middle East has remained an important source, after the Gulf Crisis in 1990, a considerable proportion of them started migrating to the countries of East and Southeast Asia. Mahmood (1998:178) has recently argued that the credit of the discovery of new destinations goes to the enterprising qualities of the young and educated male emigrants.

According to some available estimates, the total cumulative figure for Bangladeshi migrants overseas until 2003 is approximately 3 million<sup>3</sup>. This cumulative figure does not imply the total stock of Bangladeshi workers abroad, as no figure is available for return migrants. A recent report on the stock of Bangladeshi workers reveals that there are 1,725,395 Bangladeshi workers only in Middle East<sup>4</sup> (2003). Figure 3.2 presents countrywise overseas employment of Bangladeshis (up to March 2003). In spite of repeated emphasis on the importance of skill migration, Bangladesh is exporting a large number of semi-skilled and unskilled workers abroad (see Table 3.1)<sup>5</sup>. Migrants'

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<sup>3</sup> After a careful review of available data (Siddiqui, 2001: 30; [www.probashigov.org](http://www.probashigov.org)) and my personal observation of the size of migrant workers in these countries, I guess that the total number of Bangladeshi migrants may be around 3 million.

<sup>4</sup> *The Daily Jugantor*, first page, 29 January 2003.

<sup>5</sup> There is no data that represents the actual skill composition of Bangladeshi migrants in Singapore. From the very beginning, Singapore has invited mainly unskilled migrants and later through skill promotion test in Singapore, migrants are offered semi-skill status. This is a good will from the side of the Singapore Government to offer a ground for unskilled workers to claim their merit and skill in Singapore. Government organizes skill promotion test in Singapore for the unskilled workers time to time. As a result, unskilled workers can show their technical know-how competency and earn a semi-skill certificate. Recently, few training centers are established in Bangladesh. These training centers teach the prospective migrants some basic things with regard to construction and ship-building and later they undergoes written test. Question papers are provided by Singapore. Successful prospective migrants later are issued certificates that entitle them to claim semi-skill status in Singapore. Major benefit between unskilled and semi skilled is that unskilled cannot work in

remittances received by the Bangladesh economy have increased steadily over the years (Figure 3.3). Bangladesh gained a total of around US 23 billion dollars<sup>6</sup> as remittances from the nationals working abroad during 1976 to 2003<sup>7</sup>. The value of official remittance is 20.52 per cent of the country's annual import and 36.65 percent of annual export (Chowdhury, 1997:77). 29.5 per cent of the country's national savings is contributed by the remittance of migrant workers (World Bank, 1997). Official report on yearly remittances from Singapore is scant and flawed, in view of the fact that the bulk of the Bangladeshi workers in Singapore remit their savings through informal source-*Hundi*<sup>8</sup>.

Many agencies and individuals are involved in channeling Bangladeshis overseas. These include private recruiting agents, BOESL (Bangladesh Overseas Employment Services Limited), BMET (Bureau of Manpower Employment and Training) and personal initiatives. For the government's side, the BMET monitors and supervises the overall recruitment process. The performance of the three different channels is presented in Table 3.2. Available data shows that in 1976, 86.76 per cents of temporary migrants migrated through governmental source while 4.66 and 8.60 per cents migrated through recruiting agents and individual initiatives respectively. In 1999, 58.6

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Singapore more than 4 years but semi skilled can. Besides, levy rate for semi-skilled is SG\$ 30 and unskilled is SG\$ 470.

<sup>6</sup> I calculated this figure from Siddiqui, 2001 and data published in Ministry of Expatriates' Welfare and Overseas Employment, Bangladesh. see <http://www.probashigov.org/>

<sup>7</sup> Since its creation in December 1971 until 2000, Bangladesh has received foreign aid worth an estimated 36.3 billion U.S. dollars from various bilateral and multilateral sources. See for details "Development- Bangladesh: Foreign Aid said to only help the rich" by Tabibul Islam, IPS (Inter Press Service News Agency) 2001, [http://www.oneworld.org/ips2/feb01/09\\_30\\_020.html](http://www.oneworld.org/ips2/feb01/09_30_020.html) Also available, *The Dawn*, May 18, 2001, <http://www.dawn.com/2001/05/18/eb12.htm>

<sup>8</sup> *Hundi* is an informal means of transfer of cash money. A details description is given in Chapter Four.

per cents of migrants migrated through individual initiatives while 41.26 per cents migrated through recruitment agents. Thus, the data confirms that personal initiatives / migrant networks have been the prime source of channeling overseas migration. Migration of Bangladeshis to Singapore is largely a result of individual initiatives and migrant networks<sup>9</sup>.

### **Foreign Workers in Singapore**

Singapore is a city-state with a total land area of only 587.6 square kilometers (Saw, 1999:1). Modern Singapore is a creation of migrants who settled on the island following the establishment of a trading port by Sir Stamford Raffles in 1819. When Stamford Raffles came to Singapore in early 1819, the little island were no more than a fishing village, inhabited by a mere 120 Malays and about 30 Chinese (George 1985:21-58; Chiew 1983). Singapore's population crossed the four-million mark in June, 2000 comprising 18.8 percent non-residents, 7.2 percent permanent residents and 74 percent citizens<sup>10</sup> (September 1, 2002, Business Times). This high rate of increase of population

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<sup>9</sup> In Chapter Five, I will explain how personal initiatives operate in the channeling of Bangladeshi migration to Singapore.

<sup>10</sup> Non-residents consist mostly of foreign workers on work permits or employment passes, foreign domestic maids, foreign students, and those on long-term social passes. The number of non-residents more than doubled from 311,264 in 1990 to 754,524 in 2000. This group made up 10.2 per cent of Singapore's total population of then 3.05 million in 1990, but swelled to make up 18.8 per cent of the present population of 4.02 million. The number of permanent residents more than doubled in the last 10 years, to 290,118 from 112,132. PRs make up 7.2 per cent of Singapore's population, compared to 3.7 per cent a decade ago. The number of Singapore citizens grew by just around 350,000 in 10 years, to 2.97 million. In relative terms, this group now accounts for just 74 percent of the total population, down from 86.1 per cent in 1990, "Singapore Population Crosses 4 Million Mark", *The Business Times*, Singapore, 1 September, 2000

is often attributed to the high rate of immigration (Table 3.3) (Huff, 1994; George; 1985). The peopling of Singapore from 1824 to 1990 is given in the Table 3.4.

The foundation of Singapore as a commercial settlement gave her an ethnically diversified population. This thriving commercial settlement attracted large numbers of traders and laborers from China, India and neighboring Malay Archipelago. Thus, the three races- Chinese, Indians, and Malaysians are all immigrants in true sense (see Lian, 1995). The population of the colony jumped from a mere 5,000 by the end of 1819 to 10,000 a year later (George 1992:11). Half a century later, when the first population census was taken in 1871, the population reached 97,111 (Chiew Seen-Kong 1983:33). The greater number of these were Chinese who came from Malacca, Java, elsewhere in Southeast Asia and South China. Singapore's population kept on increasing in the following decades because of rapid immigration. W. G. Huff (1994) argues that throughout the twentieth century, Singapore has flourished as easily Southeast Asia's most important commercial, transportation and communications center, and from at least First World War onwards played a global economic role (Huff 1994).

The peopling of Singapore was unique. W.G. Huff (1994) argues that British colonialism and Chinese economic expansion into the Nanyang (i.e. Southeast Asia) met to produce a cosmopolitan society in Singapore. Two mother countries that produced vast of the labor force for European colonial powers during post slavery period were India and China. Chinese immigrants came to Singapore as mainly contract workers. The Indians, on the other hand, initially arrived in Singapore as 'convicts, indentured labor under the *Kangani* system and later, as free labor' (Gamba 1962:1). Income differentials

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between large parts of South Eastern China and the Nanyang led large number of Chinese to immigrate to this region. Most Chinese immigrants coming to Singapore had, according to Huff (1994: 151), two related objectives. First, they wanted to better their occupations and second, they hoped to remit money to China. It was even recognized at that time in China that to make 'money' especially big money, one should become a merchant- if possible in the Nanyang (Huff, 1994).

Between 1881 and 1901 Singapore Municipality's population increased at an average annual rate of 3.6 per cent (Huff 1994). In 1901 Singapore Municipality was a relatively small city of 193,000 persons. Within the next 35 years, its population had risen to 490,000 (Table 3.5). Although its boundaries remained virtually unchanged, Singapore Municipality continued to hold some four-fifths of the island's population. According to 1931 census, Singapore Municipality contained one-fifth of British Malaya's Chinese population (1931 Census). Singapore had become 'most important city so far as the economy of overseas Chinese is concerned' and was 'the largest Chinese publishing center in Southeast Asia' (Chen Chun-Po, 1936). W.G. Huff (1994) argues that Singapore's demographic growth was the result rather than the cause of its expanding economic functions and generated a labor supply greater than these functions required. Up to the early 1930s there was an unrestricted and continuous inward movement of Chinese and Indians into Singapore and new immigrant faced no restrictions in their movements.

The Aliens Ordinance of 1933 was imposed on the Straits Settlements (including Singapore) as well as the Malay States to restrict the inflow of male adults. At the same time, in an attempt to reduce the imbalance between the sexes, legislation favoring the



inward movement of females was introduced and children of immigrants were allowed free entry (See for details Chiew Seen-Kong, 1983:35). The result was that between 1931 and 1947, the immigrational surplus consisted chiefly of females and the progressive normalization of the sex ratios of the Chinese and the Indians. Controls were tightened further in the postwar period, particularly since 1953. In 1953, the governing authorities handed down the first comprehensive legislation aimed at strict control of the number and quality of immigrants and it effectively ended the inflow of manual workers. After political independence in 1965, government laid down first policy framework for foreign labor in 1965 (See Table 3.6).

After 1968, foreign labor flowed into Singapore in significant numbers as a result of rapidly growing wage employment opportunities (Stahl 1986:37). The rising demand for foreign labor in the early years of the 1970s led to the first amendment to the Regulation of Employment Act, in 1975. The work permit system was refined to encompass three categories: two-year contracts for unskilled and three-year contracts for skilled labor in the manufacturing sector, and daily work permit in the construction sector (see for details, Wong, 1998). Until the late 1970s, unskilled foreign labor was recruited mainly from Peninsular Malaysia. As unskilled labor from Malaysia – a traditional source country for foreign manpower became harder to recruit and the Singapore economy expanded rapidly in the late 1970s, administrative measures were taken in 1978 to facilitate the limited importation of unskilled labor from Non-Traditional Source<sup>11</sup> (NTS) (Wong, 1997; Hui 1997, 1998). This policy changes opened up the opportunity for exportation of Bangladeshi migrants to Singapore (Figure 3.4).

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<sup>11</sup> 'Non traditional source' includes Bangladesh, India, Indonesia, Philippines, Sri Lanka, and Thailand. 'Traditional source' includes Malaysia. North Asian Sources (NAS) includes Hong Kong, Macao, Taiwan and South Korea.

In the 1980s, Singapore formulated an innovative immigration policy to control workers inflow using a combination of the price mechanism and employment quotas (Chew 1995; Chew and Chew, 1992; Fong, 1992, 1993). Two key elements of this policy were a monthly levy payable by the employer for each foreign worker employed, and a 'dependency ceiling' that limited the proportion of foreign workers in the total workforce of any one employer (Pang, 1992, 1993). The rationale for imposing the foreign worker levy is two-fold (SILS, 1993:5). Firstly, the levy enables the creation of a rotating pool of foreign workers to meet the cyclical demands of labor in certain sectors of the economy (Appendix-3-1). Secondly, employers are discouraged from liberally employing foreigners since it increases the cost of employing a foreign worker. In 1980, the foreign worker levy scheme was introduced.

While the levy has been raised several times since 1987, to decrease importation of workers, dependency ceiling has been relaxed to let employers import more foreign workers (Wong, 1997; Chiew, 1995). In October 1991, a two-tier foreign levy system was implemented in the construction, manufacturing and marine industries. Under the system, there are two dependency ceilings for foreign workers. The first-tier levy for the lower dependency ceiling is lower than that for the next dependency ceiling (Table 3.7). Singapore has introduced new laws to curb the illegal migration. Under the Immigration Amendment Act regarding illegal immigrant, which became effective on 1 April 1988, the burden of proof fell on employers to show that they did not know an employee was an illegal immigrant. The amendment also altered the jail period for illegal entrants and overstayers, requiring a mandatory sentence of three strokes of the cane and three

months' imprisonment for males aged between 17 and 50 convicted of overstaying for more than 90 days (Sullivan and Gunasekaran, 1992: 75).

Some new measures are undertaken or planned to undertake to reduce the dependence on unskilled foreign workers and improve the living quality of foreign workers in Singapore. The number of foreign workers permitted to work in any construction project is determined by something called the Man Year Entitlement<sup>12</sup> allocation formula. In general, when a project is higher in value, the contractor can hire more foreign workers. For example, if his entitlement is 100 'man years', then he may have 100 men on one-year contracts, or 50 men on two-year contracts. This formula is to be tightened between 5 and 10 per cent, compared to last year<sup>13</sup>. The allocation formula has been used since April 1998, and each year, there have been cutbacks. The aim has been to reduce Singapore's reliance on foreign labor. The target is to reach 70 per cent of the 1999 foreign-worker levels by 2005; and 50 per cent by 2010.

A new policy measure has been announced recently<sup>14</sup>. The aim is to have fewer but better trained foreign workers. The reward for employers is a lower monthly levy. According to a new policy measure, from Jan 1, 2004, every new foreign worker must be skilled in at least one task – brick-laying for example. But even then, his employer will have to pay a foreign worker levy of \$320 a month. But if a worker has at least two

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<sup>12</sup> Under the Man Year Entitlement Allocation Formula, employers have the choice to hire Bangladeshis on one year contract or two year contract. Before the introduction of this measure, Bangladeshis were usually hired on two year contract.

<sup>13</sup> 14 March, 2002, "New Curbs on Unskilled Workers to start in June", *The Straits Times*

<sup>14</sup> "Push to bring in skilled workers for construction" FEB 12, 2003, *The Straits Times*

skills, he can do plastering in addition to laying bricks – the levy his boss pays will be just \$30. This measure will have the indirect effect of weeding out less able and unproductive workers from construction industry that employs around 180,000 foreigners (14 March, 2002, “New Curbs on Unskilled Workers to start in June”, *The Straits Times*). This measure will affect new workers from eight countries: India, Sri Lanka, Thailand, Bangladesh, Myanmar, the Philippines, Pakistan and China. Those who are already working here have an extra year, from Jan 1, 2005, to comply with the changes. And from Jan 1, 2006, workers who are regarded as ‘multi-skilled’ must be re-certified in at least one of their skills every two years

To make the living of foreign workers enjoyable and memorable, government of Singapore imposes a new work permit condition for foreign workers. New work permit condition requires foreign workers to be housed in proper living conditions. Singapore views that providing foreign workers decent housing, both on-site and off-site, is important for morale and productivity. One of the model dormitories will have security features like personalized cards, spacious rooms, a barber shop, a clinic, and recreational facilities<sup>15</sup>. In recent years, civil society has also showed sympathy for foreign workers. For example, Heartware Network organized a “Make a Difference Day (MAD)” rally on Sunday, May 28, 2000 to thank foreign workers’ native language for coming to Singapore (4 May 2000 “Thank you, for Foreign Workers”, *Straits Times*). The motive of this private initiative was to inculcate empathy among Singaporeans. Another concern is noteworthy here. In general, foreign workers are carried to work sites by lorries. Recent public concern is that all lorries carrying workers should be equipped with a

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<sup>15</sup> For details see, 18 June 2002, “New work permit requirement for foreign worker housing” Channel NewsAsia.

canvas cover to protect them from the sun or rain. The letter titled “Spare thought for foreign workers” published in *The Straits Times*<sup>16</sup> ends with the comment, “the lives of these workers are as precious as the lives of any one of us. If we feel that Singaporeans should be protected by enacting the seat-belt rule, then we should also spare a thought for these workers”

### **Is Foreign Manpower Going to Stay?**

Singapore has been one of the fastest growing economies in the world. The Singapore government since the independence in 1965 played a crucial role in the process of transforming the colonial entrepôt economy into a vibrant industrial nation (Wong, 1997). For the 35 years between 1960 and 1995, the Singapore economy grew at an average annual rate of 8.5 percent (Wong 1997:135). The Singapore workforce, consisting of less than 1.9 million people, was able to absorb a net inflow of approximately 50,000 foreigners per year in the years from 1994 through 1997 (Straits Times, May 20, 1999). According to one estimate, net employment gain between 1980 and 1994, was resulting in the creation of 575,900 new jobs (Wong 1997:139). Between 1980 and 1990, the annual employment growth rate was 3.4 percent. During the same period, its labor force growth rate was only 1.63 percent. Its annual GNP growth rate during the same period was 7.1 percent, four times higher than its labor force growth rate (Wong, 1997). As a result, profound changes had been wrought in the size and structure of Singapore’s labor force to meet the challenges posed by these changes to the economy.

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<sup>16</sup> *The Straits Times*, 18 May 2002, “Spare Thought for Foreign Workers”

The main reason for relying on foreign manpower is relatively simple and straightforward. The small size of the domestic population could not have supported the rapid expansion of the economy. Hui Weng Tat (2002) in his recent work showed why foreign manpower is going to stay in near future. Singapore's economic growth between 1990 and 1998 averaged 7.9 per cent per annum (Hui 2002). He showed, over this same period, more than 604,000 new jobs were created against an increase of 458,000 in the domestic population and an increase of about 300,000 in the domestic labor force. Clearly, without the inflow of foreign manpower to supplement the domestic labor force, the phenomenal growth in employment and GDP over that period would not have been possible. According to official estimates, the average real GDP growth of the economy between 1994 and 1996 would have been 2.2 percentage points lower at 5.3 per cent if foreign labor inflow had not been permitted during this period (Hui 2002). The growth of foreign workers force reflects the fact (Table 3.8).

A study reveals that foreign workers contributed a hefty 36.9 per cent of Singapore's economic growth over the past 10 years<sup>17</sup>. The study by the ministry's top economists, said "it would be impossible for Singaporeans to have enjoyed the high GDP growth rate in the last decade without the contribution from foreign talent, given the slower growth rate in local labor and skills profile". A cursory look at projected resident labor force figures and employment requirements shows that there is a need for excess demand for labor (Table 3.9). Since the indigenous labor force cannot fully meet the demand for labor, it is necessary to continue importing foreign workers to meet this excess demand. Lum Pui Yee (1995) based on 7 percent growth rate calculated that in the most favorable scenario, the number of foreign workers required is around 17 percent

of total labor force in 1995, increasing to around 27 percent in 2000, 44 percent in 2010 and 61 percent in 2020 (Table 3.10). Thus, it is clear that Singapore will need foreign manpower in the years to come.

## **Foreign Human Resources: Classes and Policies**

Prior to September 1998, foreigners working in Singapore were divided into two categories: work-permit holders (generally manual workers or domestic workers) and employment-pass holders. The new work pass system that came into effect in September 1998 provides three fold classification of foreign human resources: permit holders (Class R) and employment pass holders (Classes P and Q)<sup>18</sup> (see Table 3.11).

### Different Types of Work Passes and Policies

- i. P-Passes for those who hold administrative, professional and managerial jobs, entrepreneurs and investors, as well as specialist talent such as world-class artistes and musicians.
- ii. Q-Passes for skilled workers and technicians; and
- iii. R-Passes for semi-skilled and unskilled workers whose employment is subject to the full range of controls

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<sup>17</sup> 31 October, 2001, "Foreign workers made hefty contribution to Singapore economy: Study", Agence France Presse

<sup>18</sup> Rodgers, 2000

The three major categories are each divided into two sub-categories, for a total of six classification levels<sup>19</sup>. A brief official description of work-permit is given below:

**What is work-permit?**<sup>20</sup>

“A work permit is issued to a foreigner to work in Singapore if he draws a monthly salary of up to \$2,500. The work permit states the name of the employer and the occupation of the foreign worker. A foreign worker is not allowed to work for any employer or in any occupation other than that stated on the work permit card. It is an offence to employ a foreign worker without a valid work permit. Under the Employment of Foreign Workers Act, the penalty for illegally employing a worker without a valid work permit is a fine equivalent to between 2 - 4 years of foreign workers levy, or imprisonment for a term not exceeding one year, or both. For the second or subsequent convictions, the penalty is a mandatory custodial sentence of one to 12 months, in addition to the above fines. The work permit cards are issued free-of-charge. Foreign workers are required to carry their work permit cards for identification at all times. Foreign workers who fail to carry their work permit cards will be liable to have their work permits cancelled, be repatriated and barred from employment in Singapore. Employers are not allowed to retain their workers' work permit cards and those who do so may be debarred from employing foreign workers. If the work permit card is lost, the worker is required to make a Police report and

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<sup>19</sup> *The Business Times*, July 26, 1998 “New work-pass framework for foreigners”.

<sup>20</sup> See for details, <http://www.gov.sg/mom/fta/wp/ftawp.htm>, 2003



notify WPD. A \$30 (w.e.f April 2000) administrative fee will be charged for the replacement of a lost or damaged work permit card”.

### **Class R (Manual Workers and Domestic Workers)**

The majority of the foreigners who are employed in Singapore fall in the category of manual workers (especially construction workers) or domestic workers. The total number of foreign workers in this category was reported to be more than 450,000 in 1999<sup>21</sup> and 490,000 in 2002 (Hui, 2002). R-Passes are issued to semi-skilled and unskilled foreign workers. These are the calibre of former 2-year Work Permit. R-Pass holders continue to be subject to the controls like sectoral restriction, levy, company’s dependency, etc. Within this category, there are 2 sub-groups:

#### a) R1 Pass

R1 Pass is issued to semi-skilled foreign workers who hold a NTC-3 (Practical) or other suitable qualifications. Their employers had to pay a levy of \$100 per month per worker in 1998 but from January 1999, a levy of only \$ 30 is imposed on them to encourage employers to hire semi-skilled workers.

#### b) R2 Pass

R2 Pass is issued to unskilled foreign workers. Their employers will be subject to the fully levy rates, currently it is for manufacturing sector (40 percent to 50 percent of total workforce) \$310, construction sector (1:5) \$470, Marine sector (1:3) \$295, Harbour craft \$240.

R Pass holders are not allowed to bring in their immediate family members. They are also subject to security bond and medical examination requirements. If an employer fails to pay the required levy, the work permits are cancelled and they are required to leave Singapore within one week<sup>22</sup>. The current levy rate is presented in the Table 3.12. In addition, the employers must post a S\$5,000 security bond with the government to guarantee the good behaviour and eventual repatriation each foreign manual worker<sup>23</sup>. The thesis deals with the Bangladeshi migrant workers who hold R-passes. A brief official description of temporary work-permit is given below.

### **Work Pass P (Professional, Managerial, or Administrative Capacity)**

P-passes are issued to foreigners who hold professional qualifications and seeking to work in a professional, managerial, or administrative capacity. They are also issued on a case-by-case basis to investors and entrepreneurs who can contribute to the economy of Singapore as well as to persons of exceptional ability in the arts, sciences, and businesses. There are two categories of P Passes:

#### a) P1 Pass

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<sup>21</sup> *The Straits Times*, May 20, 1999, “Adding Manpower to Singapore’s Engine”

<sup>22</sup> *Sunday Times*, June 28, 1998, “Jobless workers prefer to stay here”

<sup>23</sup> This SG\$ 5,000 security bond with the government to guarantee the good behavior and eventual repatriation of each foreign manual worker gives responsibility to the employers to repatriate workers once work-permits are cancelled. This security bond was introduced considering the practical problem. Sometimes it is hard to trace out illegal workers without the cooperation of employers. This is why the responsibility is given to the employers to repatriate the foreign workers whose work-permits are no more valid.

P1 passes are issued to those earnings a basic monthly income of more than \$7,000.

b) P2 Pass

P2 passes are meant for persons earning a basic monthly income between S\$ 3,500 and S\$7,000.

**Work Pass Q (Skilled Workers and Technicians)**

Q-passes are issued to skilled workers and technicians as well as those with specialized skills needed by the economy. There are two categories of Q passes:

a) Q1 Pass

Q1 – pass are issued to those earning a basic monthly income of more than \$2000 and possess an educational qualification of at least 5'O' level passes or a full National Technical Certificate-2 (NTC2). Recently, monthly income has been increased up to \$2,500.

b) Q2 Pass

Q2 – passes are issued to foreigners who do not satisfy either the basic monthly income or education criterion required for Q1 pass. Such applications are considered on a case-by-case basis taking into account the merits of each application. Q2 pass are issued on exceptional grounds.

Thus, Singapore embarks on a host of policies and programs to attract foreigners. Compared to Singapore's open-door labor policies in relation to foreign talents, the immigration policy in relation to manual workers is restrictive in nature. Many of the Singaporeans have mixed reaction towards the foreign talents as they believe that foreign talents are stealing away their jobs. However, most Singaporeans do not think foreign workers are taking away their jobs. A telephone survey of some 530 people has cast a different light on the issue. Asked if there will be enough jobs for Singaporeans, if fewer foreign workers are allowed to work here, only 27 percent said yes, some 38 percent disagreed and said no, while 21 percent were indifferent<sup>24</sup>.

## **Summary**

In this chapter, I have discussed that Bangladesh that was once known as 'immigrant country' turned into an 'emigrant country' in the twentieth century. There are two forms of emigration from Bangladesh – permanent and temporary. The destinations of Bangladeshi temporary labor migration are the countries of Middle East and East and Southeast Asia. After more than two decades of experience in the export of labor, Bangladesh today has become one of the largest exporters of manpower in Asia. Indeed, the proliferation of recruitment agencies and the long queue of applicants for jobs abroad reflect the growing significance of temporary migrant flows from Bangladesh and the apparent internationalization of labor markets. In the light of the many social and economic problems that the country continues to face, it is almost certain that Bangladesh government would rely, in the foreseeable future, on the overseas

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<sup>24</sup> 21 June 2002 [Channelnewsasia](http://www.channelnewsasia.com), English, (c) 2002 MediaCorp News Pte Ltd.

employment program as a mechanism for coping with its unemployment and balance of payment problems.

I have shown that Singapore has a long history of receiving labor migrants. Unlike the more ethnically homogeneous societies of the other high-performing East and South East Asian countries, people in Singapore have been remarkably receptive to foreigners in their midst. A cursory look at the evolution of Singapore's immigration policies reveals that Singapore has adopted a whole range of policy strategies to deal with shortages in labor supply. While Singapore's immigration policy for foreign talents is liberal, the policy for manual foreign workers is restrictive. However, recently government is taking various measures to provide better opportunities to foreign manual workers. In addition, laws are laid down to handle the employers who abuse foreign workers. Under the Ministry of Manpower in Singapore, there is a separate department, which deals with foreign workers' allegations of injustice. All these indicate a commitment of Singapore to treat foreign workers as humanly as possible.

## Tables and Figures

Table 3.1

### Year-Wise Official Global Flow of Bangladeshis by their Skill Composition During 1976-2000

Years	Professional	Skilled	Semi-skilled	Unskilled	Total
1976	568	1,775	543	3,201	6,087
1980	1,983	12,209	2,343	13,538	30,073
1985	2,568	28,225	7,823	39,078	77,694
1990	6,004	35,613	20,792	41,405	103,814
1995	6,352	59,905	32,055	89,229	187,543
1998	9,574	74,718	51,590	131,785	267,667
1999	8,045	98,449	44,947	116,741	268,182

Source: Prepared from BMET (Bureau of Manpower Employment and Training) 1999

Table 3.2

### Year-Wise Recruitment by Type of Agencies

Year	BMET	BOESL	Recruiting Agents	Individual	Total
1976	5,279	0	284	528	6087
1980	5715	0	7,773	16,585	30,073
1985	0	1221	39,397	37076	77,694
1990	0	435	40,258	63121	103,814
1995	73	627	74,921	111,922	187,543
1998	0	419	85,300	181,948	267,667
1999	0	309	110,669	157,204	268,182

Source: Siddiqui, 2001; BMET: Bureau of Manpower Employment and Training; BOESL: Bangladesh Overseas Employment Services Limited,

Table 3.3

### Singapore: Components of Population Growth, 1881-1947

Inter-census Period	Population Increase	Natural Increase	Net Migrational Increase
1881-91	43,857	-30,932	74,798
1891-01	45,980	-42,542	88,522
1901-11	75,729	-59,978	135,707
1911-21	115,037	-35,594	150,631
1921-31	139,387	18,176	212,211
1931-47	380,399	178,296	202,107

Source: Saw Swee-Hock, 1999:11

Table 3.4  
Distribution of Population by Ethnic Group, Singapore  
1824-1990 (Percentages)

Years	Chinese	Malays	Indians	Others	Total
1824	31.0	60.2	7.1	1.7	100
1836	45.9	41.7	9.9	2.6	100
1871	57.6	27.6	10.9	4.0	100
1901	72.1	15.8	7.8	4.3	100
1957	75.4	13.6	9.0	2.0	100
1970	76.2	15.0	7	1.8	100
1980	76.9	14.6	6.4	2.1	100
1990	74.7	13.5	7.6	4.2	100

Sources: Saw Swee-Hock (1999:46)

Table 3.5 Singapore Municipality Population by Race, 1901-1936

Year	Total (000)	Chinese (%)	Indians (%)	Malays (%)	Europeans (%)	Others (%)
1901	193.1	73.5	8.1	13.6	1.4	3.4
1911	259.6	74.7	9.4	10.8	1.9	3.2
1921	350.4	78.0	7.9	9.8	1.5	2.8
1931	445.7	76.4	9.3	9.7	1.5	3.1
1936	490.2	76.3	9.7	9.2	1.7	3.1

Source: W.G. Huff 1994: 158

Table 3.6

### Evolution of Policy Measures toward Foreign Labor in Singapore

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
1978		Extension of Source countries to NTS countries  Introduction of foreign Domestic workers Scheme	Domestic workers can be employed from NTS countries
1980		Implementation of foreign workers levy scheme for NTS	S\$ 230 for NTS labor in construction
1981	Policy announcement		

		that all foreign workers were to be phased out by 1991	
1982			Levy raised to 30% of salary or minimum of S\$150. Levy extended to all NTS labor in all Sectors except Domestic
sector			CPF waived for Unskilled
labor			
1984			Levy raised to flat rate of S\$ 200  NAS sources made Available
1985/ 1986	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	Caning for over-stayers.  Levy raised
1989		Levy extended to Malaysians	Levy raised twice  Dependency ceiling Lowered to 40%
1990	Employment of Foreign Workers Act (EFWA)		Work permit holders no longer covered by provisions of
Employment act			Liberalization of dependency ceiling for service sector.
1991		Introduction of two-tier levy scheme for construction sector	Dependency ceiling for construction sector doubled
1992		Substantial liberalization of dependency ceilings	5:1 dependency ratio in construction  2:1 dependency ratio in marine sector
1994		Further liberalization	1:1 dependency ratio



of dependency

in manufacturing  
sector.  
3:1 dependency ratio  
in marine sector  
1:4 dependency ratio  
in service sector

1995            Amendment of  
                  EFWA

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Source: Wong, 1997

Table 3.7  
Foreign Worker Levy and Dependency Ceilings, 1996, Singapore

Category	Monthly levy	Dependency ceiling
Manufacturing		
1 <sup>st</sup> tier	S\$330	1 local/ 1 foreigner
2 <sup>nd</sup> tier	S\$450	
Service	S\$330	3 local/ 1 foreigner
Domestic workers	S\$330	
Skilled construction	S\$200	1 local / 5 foreigner
Unskilled construction	S\$440	1 local / 5 foreigners
Skilled marine	S\$200	1 local / 3 foreigners
Unskilled marine	S\$385	1 local / 3 foreigners
Harbor craft	S\$330	1 local / 9 foreigners

Source: Ministry of Manpower, Singapore

Table 3.8  
Singapore: Size of Foreign Labor Force, (1970- 99)

Year	Total Labor Force	Foreign Workers	Percentage of Labor Force
1970	650,892	20,828	3.2
1980	1,077,090	119,483	7.4
1990	1,480,000	200,000	13.5
1995	1,749,300	384,800	21.99
1996	1,801,900	454,200	25.2
1997	1,876,000	506,600	27.01
1998	1,931,800	450,000	23.29
1999	1,800,000	560,000	30.00

Source: Wong, 1997: For 1999 figure, (Yeoh, Huang and Gonzalez, 1999)

Table 3.9

## Expected Excess Labor Demand, 1996 -2020, Singapore

Workers	Excess demand	Proportion of foreign
1996	351,065	19.4
1997	401,377	21.4
1998	451,046	23.2
1999	501,900	25.0
2000	554,670	26.6
2001	613,506	28.5
2005	874,008	35.5
2010	1,281,356	43.9
2015	1,817,429	52.6
2020	2,484,234	60.7

Source: Lum and Hui, 1995

Table 3.10

## Proportion of Foreign Workers in Labor Force Based on 7% Growth Rate

Years	Based on Most Favourable Scenario (%)	Based on Least Favourable Scenario (%)
1995	17.0	18.7
2000	26.6	30.1
2001	28.5	32.1
2002	30.3	34.2
2003	32.0	36.1
2004	33.8	38.0
2005	35.5	39.8
2010	43.9	48.6
2015	52.6	56.7
2020	60.7	64.1

Source: Lum Pui Yee, 1995: 61

Table 3.11

## Singapore Work Pass System, From August 1998

<b>Higher Employment Pass</b>	<b>P Pass</b> <ol style="list-style-type: none"> <li>1. Professionals, administrators, managers, entrepreneurs, investors, &amp; specialists talent</li> <li>2. Salary &gt; S\$7000 (P1) salary &gt; 3500 (P2)</li> <li>3. 1<sup>st</sup> contract is 2 years, then renewable for 3 years or in exceptional cases, 5 years</li> <li>4. Allowed to bring along wife and children</li> <li>5. Can work in all sectors</li> <li>6. No levy or restriction on dependency ratio</li> </ol>
<b>Lower Employment Pass</b> (income above S\$ 2000) <b>3-yr. Work Pass</b> (income = /<S\$ 2000) recently it is made 2500	<b>Q Pass</b> <ol style="list-style-type: none"> <li>1. Skilled workers and technicians who fall between P &amp; R levels</li> <li>2. Salary &gt;S\$2000 with 5nGCE O Levels or full National Technical Certificate-2</li> <li>3. 2+3 years contract</li> <li>4. Allowed to work until retirement age</li> <li>5. <b>Q1</b> pass holders can bring in their families (but not <b>Q2</b>, which does not meet the above criteria but approved in case by case situation)</li> <li>6. Can work in all sectors</li> <li>7. No levy &amp; no restriction on dependency ratio</li> </ol>
<b>2-yr. Work Pass</b>	<b>R Pass</b> <ol style="list-style-type: none"> <li>1. For semi-skilled (R1) and unskilled (R2) foreign workers (currently 2 years WP holders)</li> <li>2. 2 years contract</li> <li>3. Not allowed to bring in family</li> <li>4. Pay levy (R1 = S\$100 / month) (R2= schedule currently applied to unskilled laborers)</li> <li>5. Dependency ratio applied</li> <li>6. Security Bond</li> </ol>

Source: Retrieved from Official Web Page, Ministry of Manpower, Singapore, 2003

Table 3.12

**Levy Rates and Quota**

The levy is payable for the period of the work permit is valid. Levy rates with effect from 1 January 1999 are:

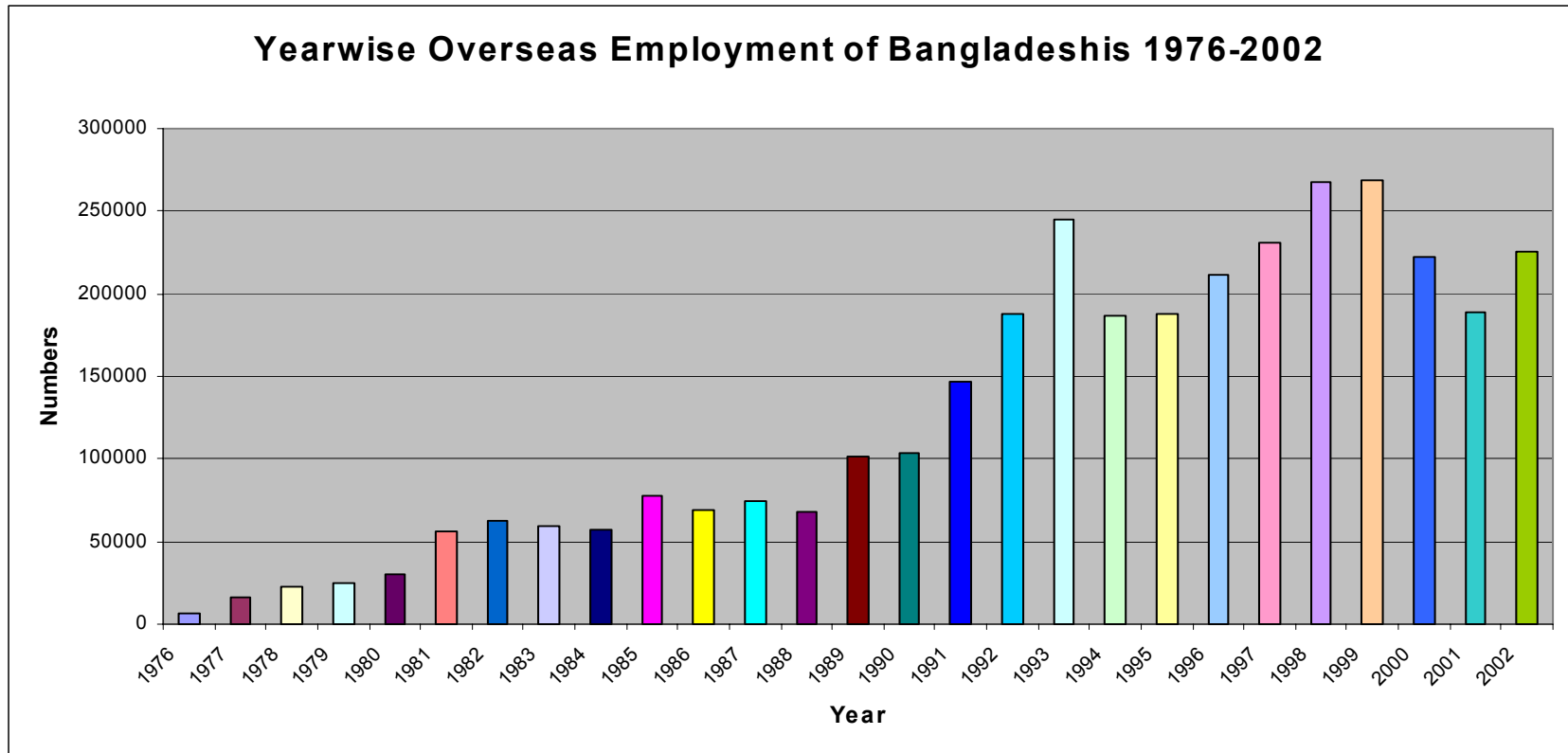
Sector	*Dependency Ceiling	Category of Workers	Levy Rates S(\$)	
			Month	Day
Manufacturing	Up to 40% of the Total workforce Between 40% to 50% Of the total workforce	Skilled	\$30	\$1
		Unskilled	\$240	\$8
		Skilled	\$30	\$1
		Unskilled	\$310	\$11
Construction	1 Full-Time Local Worker to 5 workforce	Skilled	\$30	\$1
		Unskilled	\$470	\$16
Marine	1 Full-time Local Worker To 3 Foreign Workers	Skilled	\$30	\$1
		Unskilled	\$295	\$10
Process	1 Full-time Local Worker to 3 Foreign Workers	Skilled	\$30	\$1
		Unskilled	\$295	\$10
Service	30 % of the Total Workforce 1 Full Time	Skilled	\$30	\$1
		Unskilled	\$240	\$8
		Certified	\$30	\$1
Harbor Craft	Local Worker to 9 Foreign workers  -No. of Crew (shown on MPA Harbor Craft License) ×2 The Lower quota will apply	Crew	\$240	\$8
		Non-Certified Crew		
Domestic Worker			\$345	\$12

Source: Ministry of Manpower, Singapore, 2002

<http://www.gov.sg/mom/fta/wp/ftawp.htm>

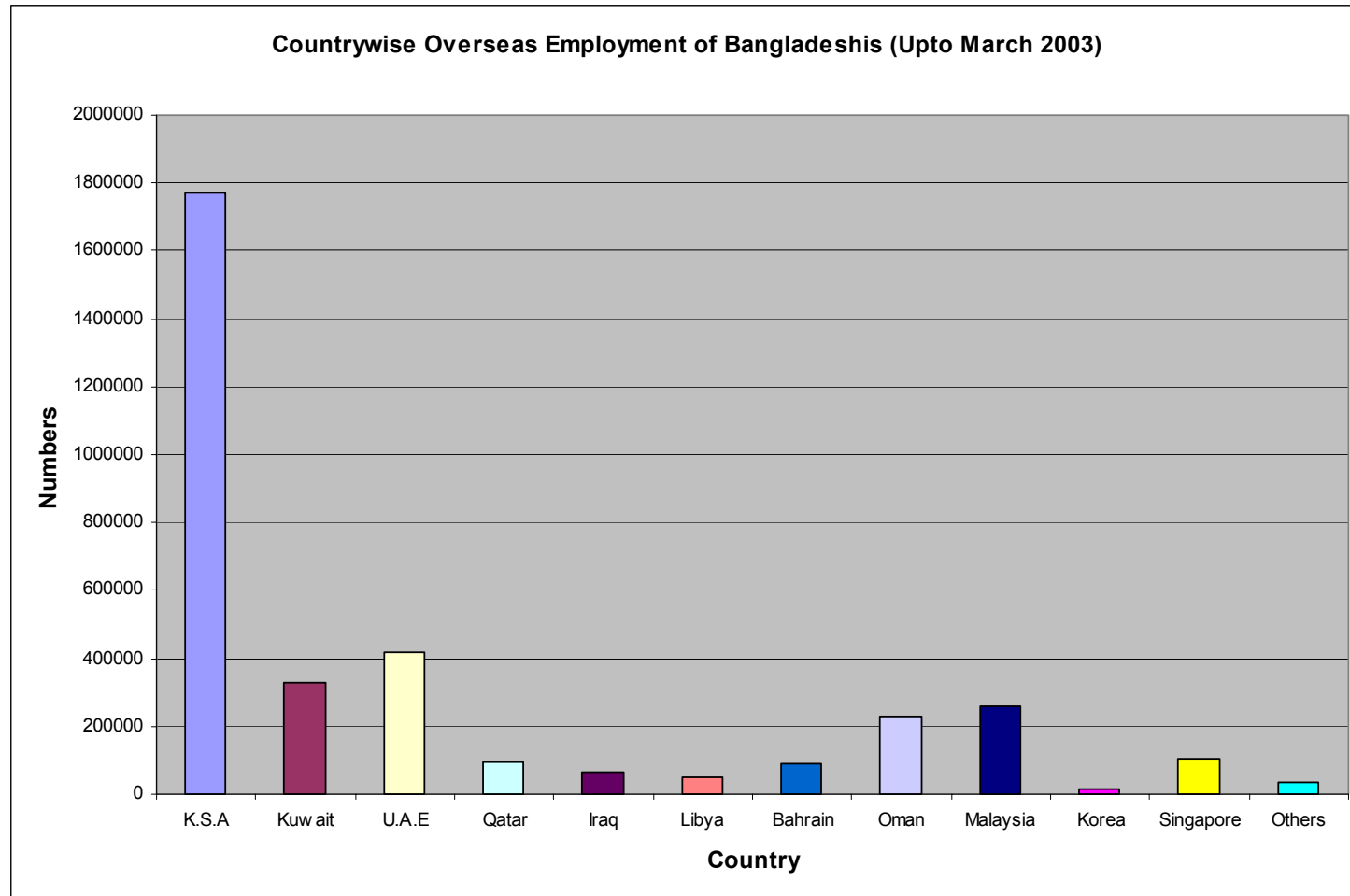
\* Dependency Ceiling: The average local workforce is based on the company's CPF contribution for full-time local employees over the most recent past 3 months. For example, the average size of a company's local workforce on 1 December 2000 is based on the company's CPF contribution for the months of August, September and October 2000, as the November's CPF contribution has not been reflected.

Figure 3.1



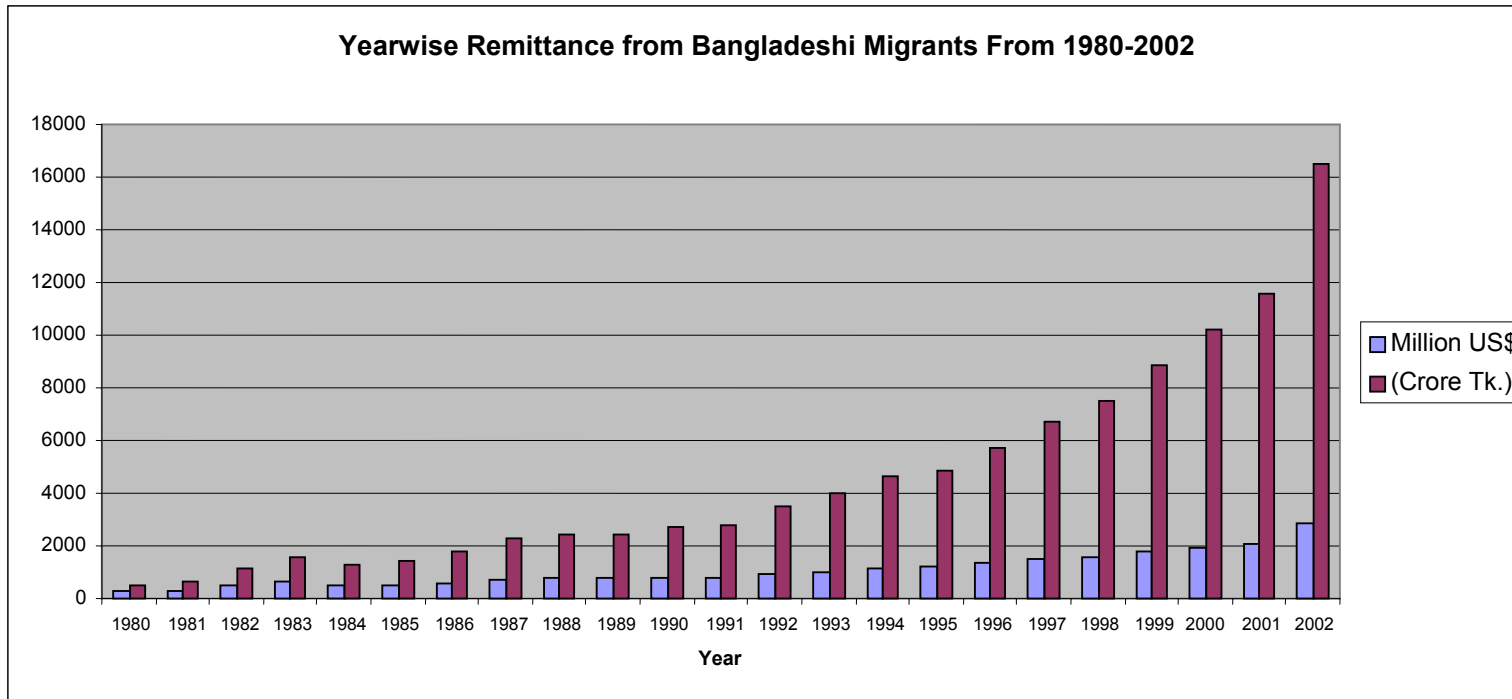
Source: Data from Ministry of Expatriates' Welfare and Overseas Employment, Bangladesh; <http://www.probashigov.org/>

Figure 3.2



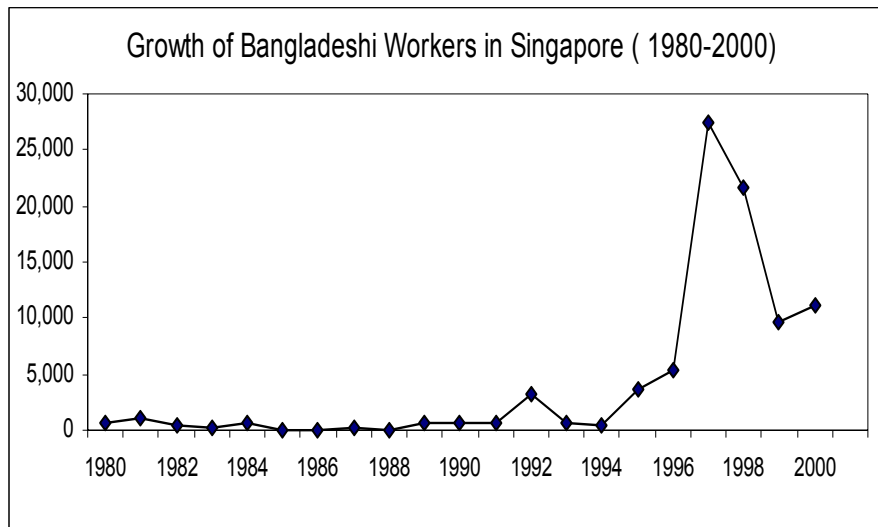
Source: Data from Ministry of Expatriates' Welfare and Overseas Employment, Bangladesh; <http://www.probashigov.org/>

Figure 3.3



Source: Data from Ministry of Expatriates' Welfare and Overseas Employment, Bangladesh; <http://www.probashigov.org/>

Figure 3.4



Source: Prepared from BMET Data, 2001