


Industry associations hit back at calls for reduced reliance on migrant workers

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TODAY file 

Trade associations and chambers argue that migrant workers are still necessary in Singapore and will remain so for various reasons, including the fact that most Singaporeans do not want to take up manual work.

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SINGAPORE — Several trade and industry associations have criticised the calls for Singapore to reduce its reliance on foreign workers, saying that such a move would have a negative impact on the economy.

In a flurry of statements issued to the media on Wednesday (May 27), these associations also argued that housing conditions for migrant workers here, which

have come under fire since the Covid-19 outbreak erupted in the dormitories last month, are among the best in the world.

There were four statements:

One by the Singapore Contractors Association Limited

One by the Specialists Trade Alliance of Singapore

A joint statement from the Association of Singapore Process Industries, the Association of Singapore Marine Industries and the Singapore Manufacturing Federation

A joint statement from the Singapore Indian Chamber of Commerce & Industry, the Singapore Malay Chamber of Commerce & Industry and the Singapore Chinese Chamber of Commerce & Industry

The statements come as political observers, policy thinkers and parliamentarians recently called for a rethink of Singapore's reliance on migrant labour in light of the Covid-19 pandemic, which has infected more than 30,000 dormitory residents as of May 26.

Helping businesses to reduce their dependence on foreign workers has also been a longstanding objective of the Government.

In February, Manpower Minister Josephine Teo reiterated this strategy in Parliament as she explained why the Government had rejected suggestions to remove foreign worker levies during this period of economic slow burn.

"As much as we want to help businesses, measures to deal with the short-term fallout should not negate efforts for companies to become less reliant on foreign manpower for growth in the longer term," she said.

The levy was, however, waived in April when the number of Covid-19 cases in the migrant worker population began to spike, and the waiver was extended by another two months in the supplementary budget announced in Parliament on Tuesday (May 26).

Besides levies, the Government also relies on a dependency ratio that has been tightened over the years to favour Singaporean hires.

As of December last year, there were around 737,200 work permit holders who were not domestic workers in Singapore. Around 293,300 of these work permit holders worked in the construction sector, while others took on various jobs in the manufacturing, cleaning, marine, electrical and other technical trades.

WHY MIGRANT WORKERS ARE NECESSARY

In their statements on Wednesday, the various trade associations and chambers argued that migrant workers are still necessary in Singapore and will remain so for many reasons.

1. Singaporeans' unwillingness to take on certain jobs

Mr Ng Yek Meng, president of the Singapore Contractors Association Limited, noted that migrant workers in the construction industry outnumber Singapore workers by three to one.

Referring to Singapore's tight employment conditions and low unemployment among residents, Mr Ng said that it is not always easy for companies to find Singaporeans to fill these roles.

"Any reduction in the foreign worker workforce would have to be filled due to the high demand for manpower within the construction sector. Singapore is a small country, with an ageing population. Foreign workers take on many of the labour-intensive jobs that Singaporeans prefer not to do," he said.

Mr T Chandroo, chairman of the Singapore Indian Chamber of Commerce & Industry, said that migrant workers form the backbone of Singapore construction, marine shipyard and process sectors.

Together with the Malay and Chinese Chamber of Commerce & Industry here, he noted that Singapore has an ageing society with no hinterland from which to draw workers and that is why migrant workers had to take on many of the manual jobs in Singapore.

"This allows the vast majority of Singaporeans to take on PMET (professional, manager, executive and technician) jobs, and help in creating an innovation-based economy as well," the three chambers said.

2. Impact on economic growth and Singapore's competitive edge

In manufacturing, which accounts for 20 per cent of Singapore's economy, migrant labour largely supports many stages in the manufacturing process, spanning transport of material, stock taking, machine management and logistics fulfilment.

The Association of Singapore Process Industries, the Association of Singapore Marine Industries and the Singapore Manufacturing Federation said: "Given Singapore's limited manpower resources, we would not be able to stay competitive if

there are insufficient migrant workers to complement the local workforce in our sectors.”

More than 75 per cent of the manufacturers have expressed the importance of retaining their foreign workforce, even as they are facing added challenges because of the pandemic.

Likewise for the construction, oil and gas, shipyard and export industries, an increase in construction costs due to restrictions on migrant workforce would make it “significantly more difficult to compete for strategic projects”, they said.

“Should Singapore lose its competitive edge in various industries, demand for labour will fall and jobs, livelihoods and businesses will be at stake. Consequently, there will also be fewer PMET jobs for Singaporeans, such as those in the export-oriented industries.”

3. Impact on cost and standard of living

Mr Thomas Ang, president of the Specialists Trade Alliance of Singapore, warned that if migrant worker supply is curtailed and businesses are unable to fill rank-and-file jobs with resident hires, Singaporeans will have to ask themselves if they are able to accept “higher costs and inconveniences”.

“For example, there would be further strains on the maintenance of our network of lifts and escalators if we had fewer migrant workers working alongside our locals in this line of work,” he said.

“Apart from costs, there would be spillover effects on the safe operation of buildings that other industries and workers rely on.”

Mr Ng from the Singapore Contractors Association Limited agreed, adding that cutting the number of migrant workers in construction will lead to an increase in construction costs and create a trickle-down effect on housing prices and building times.

“When businesses slowly recover as economic activities gradually resume, we will still have to grapple with challenges including a manpower crunch and rising business costs. When demand for goods and services return, we will need foreign workers to keep businesses going and help our economy to recover,” Mr Ng added.

“Ongoing housing projects and corporate as well as manufacturing facilities that were in the course of being built, but were paused due to the circuit breaker measures (that halted economic activities), will need manpower to resume.”

4. Firms not yet ready to transit away from migrant labour

Although the Government has driven efforts to transform industries that are heavily reliant on foreign labour over the years, Mr Ng said that Singapore is still not yet in a position to easily do away with foreign manpower.

“As technology improves and the industry here takes on more advanced resources, we will work to change the way we build. We will work closely with all industry stakeholders to transform the construction industry to build more with less labour.

“But this will take time. The number of foreign workers can be reduced when the number of construction projects and developments decrease as well,” he said.

5. Singapore has good reputation among migrant workers

Despite the shortcomings in workers’ dormitories, the associations said that foreign workers like working here and highlighted the robustness of Singapore’s regulatory framework, which upholds worker dormitory standards.

Other state regulations concerning employment benefits and workplace safety and health are strong, the associations also said.

By and large, most employers are responsible towards their migrant workers and comply with the regulations, creating a safe environment for migrant workers to work and live, Mr Ang of the Specialists Trade Alliance of Singapore said.

He added that the characterisation of employers by certain critics have been “unfair” and he believes that Singaporeans will look beyond such portrayals.

“That most migrant workers choose to remain here well beyond their initial contracts is an indicator of the generally positive relations between employers and migrant workers in Singapore,” he said.

Mr Ng said that throughout the pandemic, workers have been paid, provided with food and medical attention and given technical support so that they can stay connected with their families and remit money home when needed. Workers also have access to various channels to seek recourse when there are disputes with their employers.

For some workers, their annual salaries in Singapore are 10 times that of what they can make in their home countries, he added.

Noting the penalties against errant employers and dormitory operators, Mr Ng said: “Though we acknowledge that the housing conditions here can be improved, by

comparison, it is one of the best in the region. We are aggrieved that our efforts to take care of our foreign workers have been misrepresented by a handful of unfair comments that may not take into account the full scope of and challenges within our industry.”