

INTERNATIONAL TRADE UNION CONFEDERATION (ITUC)

# **INTERNATIONALLY RECOGNISED CORE LABOUR STANDARDS IN SINGAPORE**

## **REPORT FOR THE WTO GENERAL COUNCIL REVIEW OF THE TRADE POLICIES OF SINGAPORE**

**(Geneva, 14 and 16 July 2008)**

### **EXECUTIVE SUMMARY**

Singapore has ratified five of the eight core ILO labour Conventions. In view of restrictions on the trade union rights of workers, discrimination, and other legal restrictions, further measures are needed to comply with the commitments Singapore accepted at Singapore, Geneva and Doha in the WTO Ministerial Declarations over 1996-2001, and in the ILO Declaration on Fundamental Principles and Rights at Work.

Singapore has ratified the ILO core Convention on the Right to Organise and Collective Bargaining but not the Convention on Freedom of Association and Protection of the Right to Organise. Workers in the private sector have the right to organise and form trade unions. Public sector workers do not have the right to organise, but in practice exceptions are made. The right to organise is generally respected. The right to collective bargaining is protected by law, and collective bargaining takes place in practice. The right to strike is recognised but restricted. Strikes are rare and most disputes are resolved through conciliation.

Singapore has ratified the core ILO Convention on Equal Remuneration. It has not ratified the Convention on Discrimination. Discrimination is prohibited by law but does occur in practice. Many women are still working in low-wage, low-skilled sectors and thus earn generally less than their male counterparts, although gaps are narrowing. The situation of foreign domestic workers remains a source of preoccupation despite certain efforts made by the Government to tackle the issue.

Singapore has ratified the ILO core Convention on the Worst Forms of Child Labour as well as the Convention on Minimum Age. Despite recent efforts in this domain, there remain some elements of Singapore's legislation on child labour which still need to be brought in conformity with international standards. In particular hazardous work should be prohibited for children below the age of 18 years. In practice however there is no indication of child labour in Singapore, as a result of the high priority accorded by the government to education.

Singapore has ratified the Convention on the Abolition of Forced Labour but not the Convention on Forced Labour. There is no indication of forced labour in Singapore; however, trafficking of women for forced prostitution occurs.

## INTERNATIONALLY RECOGNISED CORE LABOUR STANDARDS IN SINGAPORE

### Introduction

This report on the respect of internationally recognised core labour standards in Singapore is one of the series the ITUC is producing in accordance with the Ministerial Declaration adopted at the first Ministerial Conference of the World Trade Organisation (WTO) (Singapore, 9-13 December 1996) in which Ministers stated: "*We renew our commitment to the observance of internationally recognised core labour standards.*" The fourth Ministerial Conference (Doha, 9-14 November 2001) reaffirmed this commitment. These standards were further upheld in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work adopted by the 174 member countries of the ILO at the International Labour Conference in June 1998.

The ITUC affiliate in Singapore is the National Trades Union Congress (NTUC) with around 500,000 members in 2008 (20% of the workforce).

The economy of Singapore is a market-based and very open economy, being one of the most trade-dependent economies in the world. Wholesale and retail trade represents about 20% of GDP, indicating the importance of Singapore as a regional trade gateway. Government Linked Companies (GLCs) and the public sector play an important role in the economy of Singapore.

Singapore's economy is largely based on services and industry. In 2007, agriculture only accounted for 0.1% of GDP. Industry accounted for 33.7% of GDP, whereas services accounted for 60.3%. Manufacturing was dominated by electronics, chemicals (including oil refining) and information technology products. Financial services were the third largest sector in the economy. The figures for 2003 on the distribution of employment per sector show that manufacturing employed 18% of the workforce, construction 6%, transportation and communication 11% and financial and business services 39% of the workforce.

In 2007, the total amount of exports of goods and services was 317 billion Singapore dollars whereas the total amount of imports was 273 billion Singapore dollars. The main exports were manufactures (including electronics), fuel, ore and metals, as well as food materials. The main imports were manufactures, fuel, energy and food.

The main export markets were Malaysia representing 13% of all exports, the US at 10%, Hong Kong 10%, China 9.5%, Indonesia 9%, Japan 5.5% and Thailand 4%. The main import partners are Malaysia representing 13% of all imports, US 12%, China 11%, Japan 8%, Taiwan 6%, Indonesia 6% and South Korea 4%.

Approximately 96% of imports into Singapore are duty free. Some tariffs are applied, but mainly on goods like cigarettes and alcohol because the government wants to reduce their consumption. Import licenses are not required and customs procedures are minimal. There are no

direct export subsidies, but the government offers substantial incentives to attract foreign investment, mainly for export-oriented industries.

Singapore has signed the WTO Government Procurement Agreement and major government procurements are by international tender.

Over the past years, the government of Singapore has undertaken several bilateral and regional trade agreements. Free Trade Agreements (FTAs) have been concluded with ASEAN, New Zealand (ANZSCEP, the Agreement between New Zealand and Singapore on a Closer Economic Partnership), Japan (JSEPA, the Agreement between Japan and Singapore for a New-Age Economic Partnership, set up in 2002), the European Free Trade Association (EFTA) (2002), the US (2003), Australia (2003), the Trans-Pacific Strategic Economic Partnership Agreement (SEP, also called P4) with Brunei, Chile and New Zealand – which includes references to respect for core labour standards - and with Jordan, India, South Korea and Panama. Singapore is currently undertaking negotiations with Canada, Mexico, Egypt, Bahrain, Pakistan, Peru, Sri Lanka, Kuwait, Qatar, the UAE (United Arab Emirates) and the Gulf Cooperation Council.

### **I. Freedom of Association and the Right to Collective Bargaining**

Singapore has not ratified ILO Convention No. 87 on the Freedom of Association and Protection of the Right to Organise. It ratified Convention No. 98 on the Right to Organise and Collective Bargaining in 1965.

Workers in the private sector are free to form trade unions; however the parliament may impose restrictions on the grounds of security, public order or morality. The Registrar of Trade Unions has to approve the union, and has wide-ranging powers to refuse or cancel registration. Refusal may occur when a trade union already exists in an industry or occupation. These powers could therefore obstruct the establishment of a trade union or impose a single-union structure. Trade unions must also submit new rules, or alterations to their existing rules, to the Registrar for approval within seven days of the rule change. The Registrar has the right to refuse the rule change if in the Registrar's discretion the rule change is either unlawful or "oppressive or unreasonable." In addition the Registrar has wide-ranging powers to investigate union finances and the Trade Unions Act limits what unions can spend their funds on, and prohibits payments to political parties or the use of funds for political purposes.

Public sector workers do not have the right to form trade unions, but the President of Singapore can set exemptions, which has allowed for the existence of the Amalgamated Union of Public Employees (AUPE), with over 16,000 workers organised. The scope of representation has been periodically widened over the years and virtually all public sector employees, except the most senior civil servants, have been able to join a union. In addition to AUPE, 15 other public sector unions, including public employees paid on a daily rate, are exempted.

The Trade Unions Act restricts the right of trade unions to elect their officers. Foreigners and those with criminal convictions may not hold union office or become employees of unions, although exemptions can be granted by the Minister of Manpower. Despite the fact that

Singapore has an increasingly multinational work force, the Trade Unions Act bars any person “who is not a citizen of Singapore” from serving as a national or branch officer of a trade union unless prior written approval is received from the Minister. The Act also stipulates that a foreign national cannot be hired as an employee of a trade union without prior written agreement from the Minister. Similarly, a foreign national is forbidden to serve as a trustee of a trade union without the Minister’s written permission.

In practice foreign domestic workers have little opportunity to organise to defend their rights or demand improvements in their conditions of work. However, the NTUC reports that it advocates their rights through its Migrant Workers’ Forum.

An employer cannot dismiss, injure, or threaten to injure his/her employees because of trade union membership. The Industrial Arbitration Court can order reinstatement and back pay for dismissed workers.

The law provides for the right to collective bargaining. Collective agreements have to be certified by the Industrial Arbitration Court before coming into effect. Certification can be refused on grounds of public interest, although this has never happened. Transfers and lay-offs are excluded from the scope of collective bargaining although unions have the right to ask for the reasons behind the retrenchment and are not precluded from negotiating compensation for workers in such cases.

Most industrial relations disagreements are resolved through union-management negotiations, in the failure of which, informal discussions are held with the Ministry of Manpower. If conciliation fails, the case can be submitted to the Industrial Arbitration Court which has representatives from labour, management and the government. In limited situations the law provides for a system of recourse to compulsory arbitration, which can put an end to collective bargaining at the request of only one of the parties, although this provision of the law is rarely invoked. The last time it was invoked was in 2004, when the Minister for Manpower compulsorily referred a dispute between the Singapore Industrial and Service Employees Union (SISEU) and a textile company to the IAC over the management’s delay in concluding a collective agreement.

In practice collective bargaining is used widely, particularly in the manufacturing sector. Collective bargaining agreements are renewed every two or three years, although increases in wages are negotiated on an annual basis. Guidelines for negotiations are recommended by the National Wages Council, which includes labour, industry and state representatives. In June 2002, the Industrial Relations Bill was passed. It stipulates that newly established companies can provide more favourable conditions than the minimum conditions in the Employment Act, although in practice this had already been the case.

Workers have the right to strike, but to call a strike 50% of all union members have to vote in favour. The requirement is excessive by comparative international standards, since the requirement which is commonly regarded as reasonable is for over 50% of union members who take part in the ballot to vote in favour. Union members who are employed in managerial positions within an enterprise are not allowed to strike. Strikes are not prohibited except in the essential services of water, gas and electricity, while workers in other essential services have to

give 14 days' notice to the employer. Strikes are rare and there is no specific legislation which prohibits retaliation against strikers

The Free Trade Zones Act provides for the establishment of export processing zones. There are no specific labour provisions or labour rights exclusions in the Free Trade Zones.

### **Conclusions**

*Workers have the right to organise and form trade unions. Public sector workers do not have the right to organise, but in practice exceptions are made. The right to organise is generally respected. The right to collective bargaining is protected by law, and collective bargaining takes place in practice. The right to strike is recognised but restricted. Strikes are rare and most disputes are resolved through conciliation.*

## **II Discrimination and Equal Remuneration**

Singapore has ratified Convention No. 100 on Equal Remuneration in 2002 but has not ratified Convention No. 111 on Discrimination (Employment and Occupation).

Singapore further ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women in 1983. It signed the Declaration for the Advancement of Women in the ASEAN region in 1988.

The Constitution of the Republic of Singapore (1999 Revised Edition) states that all persons are equal before the law and entitled to equal protection under the law (Art. 12) and that all citizens of Singapore enjoy freedom of speech, assembly and association (Art. 14). The Employment Act ensures non-discrimination in recruitment, promotion and terms of employment. However there is no specific reference to discrimination based on sex or gender.

Current legislation does not provide for the principle enshrined in Convention 100 of equal remuneration for work of equal value. However according to the government the principles of the Convention are entrenched through tripartite partnerships such as in the Tripartite Declaration on Equal Remuneration for men and women performing work of equal value. Further, the Industrial Arbitration Court draws attention to the recommendation made by tripartite partners to include an equal pay clause in collective agreements submitted for certification. Statistical information provided by the Government indicates that the gender wage gap (gross wages/mean) among managers is at 20.6%. Among professionals the gap is at about 10% while for technicians and associate professionals it amounts to 21%. The wage gap is widest among plant and machine operators and assemblers (37.5%).

Women constitute 45% of the labour force and are well represented in many professions. The labour force participation rate for women aged 30 to 54 years is about 68%, while it is of 45% for women aged 55 and over. However, women hold few leadership positions in the private sector and no ministerial positions in the government. Women are overrepresented in low-wage

jobs such as clerks and secretaries. However with equal opportunities in education since independence in 1965 and positive action programmes such as encouraging women to take up careers in engineering and science, the profile of working women is improving. The illiteracy rate in 2003 was 3.4% for men and 10.4% for women. Enrolment rates are almost equal for boys and girls, and the number of girls enrolling for tertiary education is increasing.

The Presidential Council on Minority Rights examines all pending bills to ensure that they are not disadvantageous to a particular group. It reports to the government on matters that affect any racial or religious community and investigate complaints.

Malays, who constitute some 15% of the total population do not on average have the same educational or income levels as the other major groups in the population. The gap has decreased and the government has taken measures to promote education among Malay people, but they remain underrepresented at senior corporate levels.

The Ministry of Manpower has, in consultation with the NTUC and Singapore National Employers' Federation, issued guidelines that call for eliminating language referring to age, gender, or ethnicity in employment advertisements. These guidelines are generally followed although specific language requirement remains legal in job advertisements.

There is no legislation that provides for equal opportunities for the disabled in employment. However, there is an extensive job training and placement programme for the disabled.

Because of a domestic labour shortage some 600,000 foreign workers are legally employed in Singapore, representing 30% of the total workforce. There is no reliable data on undocumented foreign workers. Most of the foreign workers are unskilled or domestic workers from other Asian countries. They are concentrated in low-wage, low-skilled jobs. Working hours tend to be longer although to some extent this consists of remunerated overtime work. The employers of the foreign workers are required to provide accommodation but there are reports that housing conditions, particularly for construction workers, are inadequate.

An estimated 150,000 domestic female workers (mainly from the Philippines, Indonesia and Sri Lanka) are employed in Singapore. They have legal contracts, but low wages and dependence on their employers makes them vulnerable to mistreatment, abuse, and labour conditions that may amount to involuntary servitude.

The authorities fined or imprisoned employers who abused their domestic workers. The ministry also regularly distributes pamphlets making domestic workers aware of their rights. In September 2006 the Employment Agencies Singapore, a nongovernment agency that accredits the country's approximately 500 domestic workers agencies, implemented a new standard employment contract providing a minimum of one compulsory day off each month or cash compensation.

Foreign workers seeking to enter the Singapore labour market to engage in domestic work must comply with certain requirements such as being 23 years of age and having passed an exam. In 2006 the Ministry of Manpower launched a new system through which employment

agencies violating government regulations can be penalised. All new domestic workers and their new employers must undergo mandatory training on workers' rights and responsibilities.

The Employment Act protects foreign workers such as the many employed in the construction industry. However, domestic servants (both local and foreign) are not covered by this Act. Foreign domestic workers are covered by the Employment of Foreign Manpower Act, which applies to foreign workers' basic terms and conditions of employment; Chapter 91A (revised 1991 edition) governs recruitment and deployment in Singapore. The labour inspectorate in the Ministry of Manpower is mandated to enforce the Employment of Foreign Manpower Act, carrying out inspections in all types of establishments. All foreign workers who feel that they have not been treated according to these statutory provisions can seek the Ministry of Manpower's assistance to take it up with their employer, while individual dispute settlement through conciliation and adjudication by the Labour Court provides another potential recourse.

### **Conclusions**

*Discrimination in respect of employment and occupation is prohibited by law. However discrimination does occur and although gaps are narrowing women still receive less pay for equal work in some occupations. Women remain concentrated in low-wage, low-skilled jobs. The situation of foreign domestic workers remains a source of preoccupation despite certain efforts made by the Government to tackle the issue.*

### **III. Child Labour**

Singapore ratified Convention No. 138, the Minimum Age Convention in 2005 and Convention No. 182, the Worst Forms of Child Labour Convention in 2001.

The Employment Act was amended in 2004 to rise the minimum age for admission to employment from 14 to 15 in line with Convention 138. There are some exceptions:

- Children below the age of 15 may be employed in an industrial undertaking in which only members of the same family are employed.
- Section 72 of the Employment Act excludes from the minimum age provisions the employment of children and young persons related to apprenticeship programmes. It is worth noting however that national legislation does not provide for a minimum age for entering such programmes.

Furthermore the Employment Act only applies to work performed under the terms of a contract and does not cover those types of employment not carried out on the basis of an employment relationship or not remunerated. As a result the Committee of Experts on Application of Conventions and Recommendations (CEARC) has requested the Government of Singapore to provide information on the manner in which children who are not bound by an employment relationship, such as those who are self-employed, are covered by the Convention.

By virtue of the Children and Young Persons Act, persons under 16 years of age shall not perform work hazardous to their morals or dangerous to their life or prejudicial to their health, physical fitness or kind treatment such as night employment, underground work, and work with any machinery in motion, or live electrical apparatus lacking effective insulation. This is not in line with the provisions of the Convention and the ILO Committee of Experts on the Application of Conventions and Recommendations (CAERC) has on several occasions requested the Government to take the necessary measures to ensure that no persons under the age of 18 years undertake work which by its nature or the circumstances in which it is carried out is likely to harm the health, safety or morals of children. Likewise Singapore's legal provisions concerning personal involvement in pornography, begging or gambling activities should set the minimum age at 18 years. However, it should be noted the newly enacted Workplace Safety and Health Act (replacing the Factories Act) which came into effect on 1 March 2006, contains specific provisions for the protection of young workers. For example, no person under the age of 20 is allowed to manipulate, adjust or lubricate dangerous machinery; and no person under the age of 18 is allowed to operate equipment for raising or lowering a suspended scaffold, operate any lifting machine by mechanical power, be designated as a lift attendant in the construction industry or shipyard, work in any blasting chamber, work with asbestos or benzene.

Generally the Ministry of Manpower enforces the laws and regulations relative to child labour effectively. As a result the incidence of children taking up permanent employment is low, and abuses almost nonexistent. The government has achieved the virtual elimination of child labour through its substantial investment in education. Primary education was made compulsory since January 2003 under the Compulsory Education Act , and there has been a substantial increase in literacy. Education is not free but students only pay a small amount of miscellaneous fees which range from S\$5.50 to S\$11 per month, with financial assistance available for families facing financial difficulties. Net primary enrolment was 96% in 2000, whereas net secondary enrolment was 92%.

### **Conclusions**

*Despite recent efforts in this domain, there remain some elements of the Singapore legislation on child labour which need to be brought in conformity with international standards. In particular all hazardous work should be prohibited for children below the age of 18 years. In practice however there is no indication of child labour in Singapore, as a result of the high priority accorded by the government to education.*

## **IV. Forced Labour**

Singapore ratified Convention No. 29, the Forced Labour Convention in 1965. Singapore initially ratified Convention No. 105, the Abolition of Forced Labour in 1957 but then denounced it in 1979.

Forced labour is prohibited by law, including forced labour by children. However, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) has criticised sections 3, 13 and 16 of the Destitute Persons Act of 1989, which state that any destitute person may be placed in a welfare home and assigned suitable work subject to penal sanctions, as not being in compliance with the ILO Convention on Forced Labour. Although the Government of Singapore indicated that in practice destitute persons are not compelled to work, arguing that they are only assigned chores after they have given their written consent and are paid an allowance, in 2008 the CEACR has reiterated its request to put the current legislation into conformity with the Convention so as to ensure compliance both in law and practice.

Trafficking in persons is prohibited by law and punishable by up to 5 years imprisonment (or 10 years under the Penal Code's "wrongful constraint" provision). The US State Department's 2008 Trafficking in Persons Report stated that trafficking is a problem in Singapore. The report stated that many women are trafficked into Singapore for the purpose of forced prostitution, with most coming from Thailand, the Philippines, Malaysia, China, Indonesia, Vietnam, India and Sri Lanka. Some of them have their passports held by their employer upon arrival, and others are offered jobs as maids or waitresses and find themselves forced to work as prostitutes, subject to threats and violence. It should be noted that this is disputed by the Singapore Government, whose Ministry of Home Affairs reports that the authorities only found substantiating evidence to pursue 1 out of 28 cases of human trafficking, with instances of women being duped into vice "few and far between". The Ministry adds that none of the prostitutes were found to be forced or lured into prostitution under false pretences, constituting trafficking in persons' offences under Singapore's laws.

### ***Conclusions***

*Forced labour is prohibited by law and does generally not occur although the Destitute Persons Act is not in compliance with the ILO Convention on Forced Labour. There are also indications of trafficking of women for forced prostitution.*

### ***Final Conclusions and Recommendations***

1. The government of Singapore should ratify ILO Conventions No. 87 and No. 111 and should ratify once again Convention No. 105.
2. The government has to bring various legal provisions in line with Convention No. 87 and No. 98. Most of these provisions are outdated, and they are not applied in practice. These provisions include the absence of a legal right to form unions for public sector workers, the refusal of certification of collective agreements, compulsory arbitration, and restrictions on strikes.
3. In the area of discrimination against women, more can be done to address the wage gaps and occupational constraints to employment for women, including greater encouragement to women to upgrade their skills, more positive action programmes, and enforcement of the law on equal rights.
4. The minimum age for engagement in hazardous work should be raised to at least 18 years of age, in line with international minimum standards.
5. The provisions of the Destitute Persons Act of 1989 which infringe international labour standards on forced labour should be amended as indicated in ILO recommendations.
6. Existing measures to protect migrant workers should be further strengthened, in particular concerning unskilled labourers and domestic workers. Legislation should be amended to extend the provisions of the Employment Act to domestic workers.
7. The government should continue its efforts to eliminate the trafficking of women for the purpose of forced prostitution.
8. In line with the commitments accepted by Singapore at the Singapore and Doha WTO Ministerial Conference and its obligations as a member of the ILO, the Government of Singapore should therefore provide regular reports to the WTO and the ILO on its legislative changes and implementation of all the core labour standards.
9. The WTO should draw to the attention of the authorities of Singapore the commitments they undertook to observe core labour standards at the Singapore and Doha Ministerial Conferences. The WTO should request the ILO to intensify its work with the Government of Singapore in these areas and provide a report to the WTO General Council on the occasion of the next trade policy review.

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