

Labor Rights Report: Singapore

Pursuant to section 2102(c)(8) of the Trade Act of 2002, the Secretary of Labor, in consultation with the Secretary of State and the United States Trade Representative, provides the following Labor Rights Report for Singapore. This report was prepared by the Department of Labor.

# **Labor Rights Report: Singapore**

## I. Introduction

This report on labor rights in Singapore has been prepared pursuant to section 2102(c)(8) of the Trade Act of 2002 ("Trade Act") (Pub. L. No. 107-210). Section 2102(c)(8) provides that the President shall:

In connection with any trade negotiations entered into under this Act, submit to the Committee of Ways and Means of the House of Representatives and the Committee on Finance of the Senate a meaningful labor rights report of the country, or countries, with respect to which the President is negotiating.

The President, by Executive Order 13277 (67 Fed. Reg. 70305), assigned his responsibilities under section 2102(c)(8) of the Trade Act to the Secretary of Labor, and provided that they be carried out in consultation with the Secretary of State and the United States Trade Representative. The Secretary of Labor subsequently provided that such responsibilities would be carried out by the Secretary of State, the United States Trade Representative and the Secretary of Labor. (67 Fed. Reg. 77812)

This report relies on information obtained from the Department of State in Washington, D.C. and the U.S. Embassy in Singapore and from other U.S. Government reports. It also relies upon a wide variety of reports and materials originating from Singapore, international organizations, and non-governmental organizations (NGOs). The Department of Labor also requested public comments in a *Federal Register* notice published on January 28, 2003, but no comments were received.<sup>1</sup>

## II. Background

Singapore's extraordinary record of growth between 1960 and 2000 resulted in enormous benefits to workers in all sectors. A poor country with a largely unskilled workforce in the 1950s, real per capita income in Singapore rose 9.8 times between 1960 and 1999,<sup>2</sup> and, by 2001, Singapore's gross national income per capita (GNI) of US\$21,500 – was slightly less than that of Canada.<sup>3</sup> Singapore's workers rarely felt the bite of

<sup>1</sup> Request for Information Concerning Labor Rights in Singapore and Its Laws Governing the Worst Forms of Child Labor, *Federal Register* (January 28, 2003), pp. 4239-4240. In December 2000, the AFL-CIO submitted a document to the U.S. Trade Representative that expressed some concerns about Singapore's labor laws. American Federation of Labor and Congress of Industrial Organizations, "Comments on the Proposed Free Trade Agreement with Singapore," December 19, 2000.

<sup>&</sup>lt;sup>2</sup> Brett Schaefer, "A Global Reality Check," The Heritage Foundation, 2 May 2002, at <a href="http://www.heritage.org/Press/Commentary/ed050202c.cfm">http://www.heritage.org/Press/Commentary/ed050202c.cfm</a> on 13 March 2003.

<sup>&</sup>lt;sup>3</sup> See World Bank, World Development Indicators database, April 13, 2003, at <a href="http://www.worldbank.org/data/wdi2003/tables/table1-1.pdf">http://www.worldbank.org/data/wdi2003/tables/table1-1.pdf</a> on 21 April 2003.

unemployment, which for most of the 1980s and 1990s remained well under four percent, and enjoyed a broad range of social benefits. Today, workers are able to purchase housing at a low cost, medical benefits are widely available, and social insurance programs include worker's compensation, unemployment insurance, and retirement benefits.

Much of Singapore's economic success can be tied to its human resources policies. Labor law changes in the 1960s helped create an extremely flexible labor market, relaxing regulations on working hours and dismissals while at the same time initiating programs that provided workers with unemployment benefits and paid medical leave. Following the oil crisis of 1979, the Singaporean Government embarked on a new economy policy that, through the use of educational policy and incentives to businesses, emphasized training in the technology and computer fields. In the early 1980s, Singapore began to restructure incentives to make itself a leading financial center and, by the end of the decade, joined Hong Kong and Tokyo as one of East Asia's three leading financials centers, creating thousands of jobs in the process.<sup>4</sup>

Singapore's labor force totaled approximately 2.1 million people in 2002, accounting for about 65 percent of the population 15 years and over. More men than women are in the labor force, but the gap is narrowing. The labor force participation rate for men was 77 percent in 2002 and 53 percent for women; 20 years ago, the rates were 82 and 45 percent respectively. The unemployment rate, which stood at 2.4 percent in 1997, jumped to 3.4 percent in 2001 and up to 5.2 percent in 2002.

The distribution of employment by sector in Singapore in 2002 was 75 percent in services, 24 percent in industry, and one percent in agriculture and fishing. Manufacturing accounted for about 18 percent of employment in 2002 and has been trending downward for some time; for example, it accounted for 28 percent of employment a decade ago. However, the manufacturing sector still employed the largest number of workers in 2002 at 368,000, followed by wholesale and retail trade at 304,000 and personal, health and social services at 281,000. Employment is heavily weighted toward adult workers: only 1.6 percent are teenagers, while 55.6 percent are adult men and 42.8 percent are adult women.

<sup>7</sup> Ibid, p. ix.

<sup>&</sup>lt;sup>4</sup> By 2002, over 17 percent of Singapore's workforce was in the financial sector. See Ministry of Manpower, "Annual Manpower Statistics," 31 Jan 2003, at http://www.gov.sg/mom/manpower/manrs/statlf.htm on 13 March 2003.

<sup>&</sup>lt;sup>5</sup> 2002 Report on Labour Force in Singapore, (Singapore: Ministry of Manpower, Manpower Research and Statistics Department, Jan 2003), p. T1.

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> Also includes mining and quarrying, utilities and activities not adequately defined.

<sup>&</sup>lt;sup>9</sup> 2002 Report on Labour Force in Singapore, p. 14.

<sup>&</sup>lt;sup>10</sup> Ibid, p. T24.

<sup>&</sup>lt;sup>11</sup> Percentages determined by dividing number of employed persons in each category by total number of employed. See Ibid, p. T22.

About 16 percent of the workforce (338,311 workers in 2002) is unionized.<sup>12</sup> The vast majority of unions (69 of the 72 registered unions) are affiliated with the National Trade Union Congress (NTUC).<sup>13</sup> Singapore also has three independent trade unions: the Air Line Pilots Association–Singapore, the Singapore Transport-Vessels Workers' Association, and the Film Industrial Employees Union of Singapore.<sup>14</sup>

Singapore's trade union movement has always been aligned closely with the government. The Singapore Trades Union Congress (STUC), the trade union federation after independence, was closely allied with the ruling People's Action Party (PAP). When the party split along ideological lines in 1961, the STUC also divided into two groups, the left-wing Singapore Association of Trade Unions (SATU) and the NTUC. The ruling PAP strongly supported the NTUC; the SATU, in turn, was banned in 1963 after leading a general strike against the government deemed to be in violation of the Trade Disputes Act. The NTUC gained control of the Singaporean trade union movement and has supported the PAP throughout its history. Even though the NTUC and the PAP are financially independent, the NTUC has endorsed all government recommendations to make wages more flexible (even downwardly) in response to the economic conditions. The NTUC sees increased flexibility in wage rates as a way of preserving employment even during economic downturns. The NTUC is a member of the International Confederation of Free Trade Unions (ICFTU).

Personnel in leadership positions in the NTUC have generally been active PAP members. Former President Ong Teng Cheong, for example, began his career in the PAP, moved to become Secretary General of the National Trade Union Council (NTUC) and then, with the support of the PAP, became Singapore's first elected President. The current NTUC

<sup>&</sup>lt;sup>12</sup> 2002 Singapore Yearbook of Manpower Statistics, (Singapore: Ministry of Manpower, 2002), Table 5.7 at <a href="http://www.gov.sg/mom/manpower/manrs/yearbk/2002yb5\_7.xls">http://www.gov.sg/mom/manpower/manrs/yearbk/2002yb5\_7.xls</a> on 4 Dec 2002. See also Yearbook of Statistics Singapore, (Singapore: Statistics Singapore, 2002) at <a href="http://www.singstat.gov.sg/keystats/annual/yos/yos110.pdf">http://www.singstat.gov.sg/keystats/annual/yos/yos110.pdf</a> on 4 Dec 2002.

Ministry of Manpower, "List of Registered Trade Unions," 3 April 2002, at <a href="http://www.mom.gov.sg/wpeaw/labfile/4d.htm">http://www.mom.gov.sg/wpeaw/labfile/4d.htm</a> on 3 Dec 2002. See also National Trade Union Congress, "List of Trade Unions," 2001-2002, at <a href="http://www.ntuc.org.sg/myunion/aboutus/listunion.html">http://www.ntuc.org.sg/myunion/aboutus/listunion.html</a> on 4 Dec 2002.

<sup>&</sup>lt;sup>14</sup> U.S. Embassy – Singapore, electronic correspondence to U.S. Department of Labor Official, 10 Dec 2002.

Basu Sharma, *Industrial Relations in Singapore*, 2002, at <a href="http://www.jobstreet.com.my/employers/ind10.htm">http://www.jobstreet.com.my/employers/ind10.htm</a> on 6 Dec 2002. See also The Library of Congress, "Singapore: A Country Study," Dec 1989, at <a href="http://lcweb2.loc.gov/frd/cs/sgtoc.html">http://lcweb2.loc.gov/frd/cs/sgtoc.html</a> on 4 Dec 2002.

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<sup>&</sup>lt;sup>16</sup> NTUC and PAP claim to have a "symbiotic" relationship. See Lim Boon Heng, "Singaporeans Endorse PAP-NTUC Symbiotic Relationship," NTUC Online, 9 Nov 2001, at

http://www.ntuc.org.sg/myunion/features.phtml?aid=20011144131109UX on 12 Dec 2002. See also Ministry of Manpower, "Speech by Dr. Lee Boon Yang, Minister for Manpower, at the PAP-NTUC Seminar," 12 July 1998 at <a href="http://www.gov.sg/mom/speech/speech98/PAPNTUC.html">http://www.gov.sg/mom/speech/speech98/PAPNTUC.html</a> on 13 Dec 2002. See also Library of Congress, "Singapore: A Country Study."

<sup>&</sup>lt;sup>17</sup> Country Reports on Human Rights Practices 2001 – Singapore, (Washington, DC: U.S. Department of State, 4 March 2002), Section 6a, at <a href="http://www.state.gov/g/drl/rls/hrrpt/2001/eap/8375.htm">http://www.state.gov/g/drl/rls/hrrpt/2001/eap/8375.htm</a> on 4 Dec 2002. <sup>18</sup> International Confederation of Free Trade Unions, "ICFTU: International Confederation of Free Trade Unions," 2002, at <a href="http://www.icftu.org/addresslist.asp?Language=EN">http://www.icftu.org/addresslist.asp?Language=EN</a> on 4 Dec 2002.

Secretary, General Lim Boon Heng, is an Member of Parliament (PAP) and serves as a member of the Cabinet. 19 Party and NTUC officials often hold dual positions. NTUC rules prohibit union members who support political parties other than the PAP from holding a union office.<sup>20</sup>

Both the NTUC and the PAP have depicted the "symbiotic relationship" as one that has enabled Singapore to create a cooperative system of industrial relations, establish a durable system of tripartitism, and institutionalize a system that insures that worker interests are permanently incorporated into all government decisions. In the view of others, however, it has limited the range of actions available to both workers and employers.<sup>21</sup>

### III. **Legal Framework for Labor Rights**

The Constitution of the Republic of Singapore provides for the fundamental right of freedom of association, equality under the law, and a prohibition against forced labor but asserts "[r]estrictions on the right to form associations conferred by clause (1)(c) (all citizens have the right to form associations) may also be imposed by any law related to labor or education."<sup>22</sup>

In addition to the Constitution of the Republic of Singapore, the major laws in Singapore are the following:

- The Employment Act, the main legislation governing the terms and conditions of employment in Singapore, covers wage earners except for seamen, domestic servants, and any person in a managerial, executive or confidential position;
- The Industrial Relations Act regulates the conduct of industrial relations between the employers and trade unions and provides the system for governing prevention and settlement of trade disputes through collective bargaining, conciliation and arbitration;

<sup>&</sup>lt;sup>19</sup> Mr. Lim serves as Minister of the Prime Minister's Office. Mr. Matthias You, NTUC Deputy Secretary-General, and Mr. Heng Chee Chow, NTUC Deputy Secretary-General, also are elected Members of Parliament (PAP) and were appointed within the Government. Additionally, Mdm Halimah Yacob, NTUC Assistant Secretary-General, and Mr. Ong Ah Heng, NTUC Assistant Secretary-General, serve as elected Members of Parliament (PAP). See Parliament of the Republic of Singapore, "List of Members of Cabinet," 2000, at http://www.gov.sg/parliament/wmp-index.html on 12 Dec 2002. See also National Trade Union Congress, "NTUC Pleased With New Roles for Labour MPs," 20 Nov 2002, at http://www.ntuc.org.sg/myunion/features.phtml?aid=20010848151120UR on 13 Dec 2002.

According to press reports, Muhamad Ali Aman, a branch chairman of the United Workers of Electronic and Electrical Industries (NTUC affiliate) and Secretary General of the opposition Singapore Democratic Alliance (SDA) was fired from the union in December 2002 after refusing to renounce his membership from the SDA. See "Trade union official sacked for opposition political ties; report," Agence France Presse, 5 Dec 2002, at http://www.singapore-window.org/sw02/021205af.htm on 13 Dec 2002. See also Country Reports on Human Rights Practices 2001 – Singapore, Section 6a.

<sup>&</sup>lt;sup>21</sup> Basu Sharma, Industrial Relations in Singapore.

<sup>&</sup>lt;sup>22</sup> Constitution of the Republic of Singapore, Article 14(3), at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> on 26 Nov 2002.

- The <u>Trade Unions Act</u> governs the registration and regulation of trade unions, the management of union affairs and union finances, and the election of union officers;
- The <u>Trade Disputes Act</u> determines the circumstances under which industrial actions or lock-outs may take place and penalties for violations; and
- The <u>Factories Act</u> governs workplace safety and health.

Other significant pieces of legislation are the Free Trade Zones Act; the Employment (Part-Time Employees) Regulations, which, along with the Employment Act, regulates the terms of employment for part time workers; the Workmen's Compensation Act, which governs compensation of employees arising from industrial accidents; the Employment of Foreign Workers Act, which allows employers in Singapore to supply the indigenous workforce with foreign workers in areas of shortage, regulates employment in Singapore and ensures that their employment interests are protected; and the Central Provident Fund Act, which sets out the laws governing retirement savings for workers.

## IV. Administration of Labor Law

The Ministry of Manpower is the government agency responsible for employment and labor. Its 2002 fiscal year budget was \$\$220.71 million (US\$123.3 million) or 0.78 percent of the total \$\$28.33 billion (US\$15.8 billion) Singaporean budget.<sup>23</sup> The expenditure for the Ministry of Manpower declined by 2.3 percent from 2001, while the entire budget increased by the same amount.<sup>24</sup>

Within the Ministry of Manpower, the Workplace Environment and Welfare Group's charge is to ensure a harmonious, safe, and favorable environment for all workers employed in Singapore. It is divided into four subsections: Labour Relations, Work Injury Compensation, Occupational Health, and Occupational Safety.<sup>25</sup>

• The Labour Relations Department formulates policies on industrial relations and reviews labor and employment laws regularly to ensure their continued relevance to both employers and employees. The department provides four main types of services: Advisory Services on Terms and Conditions of Employment; Investigation into Claims and Complaints regarding Employment Terms; Conciliation of Employment/Trade Disputes; and Adjudication of Employment Disputes.<sup>26</sup>

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<sup>&</sup>lt;sup>23</sup> In 2002, US\$1.00=S\$1.79.

<sup>&</sup>lt;sup>24</sup> Ministry of Finance, "Summary of FY2002 Budget," 2003, at

http://www.mof.gov.sg/budget/budget\_2002/gov\_exp/gov\_exp\_ex\_tot.html on 13 March 2003.

<sup>&</sup>lt;sup>25</sup> Ministry of Manpower, "Our Services," at http://www.gov.sg/mom/service.htm on 13 March 2003.

<sup>&</sup>lt;sup>26</sup> Ministry of Manpower, "Workplace Environment and Welfare: Labour Relations," at <a href="http://www.gov.sg/mom/wpeaw/labourr/wpeawlab.htm">http://www.gov.sg/mom/wpeaw/labourr/wpeawlab.htm</a> on 17 March 2003.

- The Work Injury Compensation Department ensures that persons who are injured at work and their families receive immediate and fair compensation in terms of income and medical benefits. The Workmen's Compensation Scheme is administered by the Work Injury Compensation Department of the Ministry of Manpower. It is an employer's liability scheme and is applicable to all "workmen" as defined in the Workmen's Compensation Act.<sup>27</sup>
- The Occupational Safety Department administers the Factories Act to safeguard the safety of persons employed in factories and other workplaces through promotion, training and enforcement. The key regulatory and enforcement functions of the Occupational Safety Department are: registration of factories, inspection of factories, investigation of industrial accidents, investigations of complaints, examination of competent persons, inspection and approval of pressure vessels and lifting equipment. Through investigations, the department inspects factories to check for compliance with the Factories Act and its regulations. During inspections, advice is given to the factory occupiers on measures that can be taken to prevent accidents at the workplace. The department investigates factory accidents to find out the causes and to recommend measures to prevent future accidents. It appoints inspectors and approved persons to inspect pressure vessels and lifting equipment respectively. The Occupational Safety and Health Training and Promotion Centre (OSHTC) of the Occupational Safety and Health Division provides and conducts a wide range of safety training courses for managers, OSH professionals, supervisors and workers. courses include the Safety Officers Training Course, the Safety Management Course, a Training Course for Safety Committee Members and Safety Orientation Courses for workers in shipyards and construction worksites.<sup>28</sup>
- The Occupational Health Department, established in 1970, seeks to foster a healthy working environment to safeguard the health of the workforce. Its goal is to prevent and control health hazards at workplaces and reduce the incidence of occupational diseases through assessing and monitoring the work environment, conducting medical investigations and surveillance, as well as organizing promotional activities and providing advisory services. The department sets occupational health standards through legislation, codes of practice, guidelines and other publications. The department's staff monitors the health status of workers exposed to recognized hazards and evaluates the workplace environment to ensure compliance with health standards.<sup>29</sup>

Inspectors of the Occupational Safety Department and the Occupational Health Inspectorate carry out the regulatory and enforcement functions under the Factories Act

<sup>&</sup>lt;sup>27</sup> Ministry of Manpower, "Workplace Environment and Welfare: Work Injury Compensation," at <a href="http://www.gov.sg/mom/wpeaw/workcom/wcom.htm">http://www.gov.sg/mom/wpeaw/workcom/wcom.htm</a> on 17 March 2003.

<sup>&</sup>lt;sup>28</sup> Ministry of Manpower, "Workplace Environment and Welfare: Occupational Safety," at http://www.gov.sg/mom/wpeaw/indusaf/is.htm on 17 March 2003.

<sup>&</sup>lt;sup>29</sup> Ministry of Manpower, "Workplace Environment and Welfare: Occupational Health," at <a href="http://www.gov.sg/mom/wpeaw/indushea/ih.htm">http://www.gov.sg/mom/wpeaw/indushea/ih.htm</a> on 17 March 2003.

and its subsidiary legislation. By the end of 2001, the total number of registered factories (which includes shipyards and construction sites) was 16,693, with a total of 656,123 workers employed. In 2001, inspectors conducted 15,695 inspections of factories, an increase of 1,427 inspections over 2000. As a result of the inspections, 3,086 factory occupiers and contractors were issued notices of non-compliance for the 8,148 infringements cited.<sup>30</sup>

The Industrial Arbitration Court was established in 1960 to deal with industrial relations matters in Singapore. It certifies collective agreements, regulates industrial relations practices, and resolves labor disputes. The Industrial Arbitration Court enjoys the status of a high court, with its President having the same rights and privileges of a Supreme Court Judge. The President and Deputy President of the Industrial Arbitration Court are appointed by the President of Singapore, in consultation with the Prime Minister, and are usually members of the legal profession.<sup>32</sup> Additionally, the Court is made up of two panels, an employee panel and an employer panel. The Minister of Manpower appoints 10 employee representatives to the employee panel and seven employer representatives to the employer panel. The Minister of Finance, who serves as the employer representative for the public sectors, appoints the remaining three employer representatives to the employer panel.<sup>33</sup> renewal.<sup>34</sup> Appointments are made for one year, with the possibility of

The Free Trade Zones Act provides for the establishment of export processing zones. Declarations of free trade zones and appointments of authority are made by the Minister via publication in the Gazette. There is no mention of specific labor provisions or labor rights exclusions in the Free Trade Zones Act. The 2001 Human Rights Report states that there are no export processing zones in the country.

### V. **Labor Rights and Their Application**

### Freedom of Association A.

Singapore's Constitution guarantees the right of freedom of association, with a provision that restrictions on the right to form associations may be imposed under the labor law.<sup>36</sup> The Constitution also allows for the creation of laws that restrict freedom of association in the interest of national security, friendly relations with other countries, public order, or morality.<sup>37</sup> These restrictions have never been applied.<sup>38</sup>

<sup>&</sup>lt;sup>30</sup> Safe & Healthy Workplace (2001 Annual Report of Occupational Safety & Health Department), (Singapore: Ministry of Manpower, Occupational Safety and Health Department, 2001), pp. 20-22, pdf file at http://www.gov.sg/mom/wpeaw/indusaf/is.htm on 17 March 2003.

Industrial Arbitration Court, "Industrial Arbitration Court," 5 March 2003, at <a href="http://www.iac.gov.sg">http://www.iac.gov.sg</a> on 17 March 2003.

<sup>&</sup>lt;sup>32</sup> Industrial Relations Act, Article 4(2), at http://statutes.agc.gov.sg on 26 Nov 2002.

<sup>&</sup>lt;sup>33</sup> Ibid., Article 6.

<sup>&</sup>lt;sup>34</sup> Ibid., Article 8.

<sup>&</sup>lt;sup>35</sup> Free Trade Zones Act, at http://statutes.agc.gov.sg on 17 March 2003.

<sup>&</sup>lt;sup>36</sup> Constitution of the Republic of Singapore, Articles 14(1)(c) and 14(3). <sup>37</sup> Ibid, Article 14(2).

Trade unions may freely organize but are subject to several restrictions that are overseen by the Registrar of Trade Unions:

- Trade unions must register within one month of being established, unless an extension is granted.<sup>39</sup> If a trade union does not apply for registration in the time allotted or if registration is refused or withdrawn, the trade union is considered an unlawful association and must be dissolved.<sup>40</sup>
- The Registrar may refuse registration if another union is registered for that trade, occupation, or industry, but if registration is granted, the Registrar has the right to withdraw registration of the second union at any time if he/she believes that the multiple unions are harmful to the best interests of the workers. 41
- Registration may be denied to or withdrawn from a union if it is not in compliance with the Trade Unions Act; if its rules and constitution are unlawful, oppressive, or unreasonable; if the Registrar determines that it likely will be used for unlawful purposes; or if the Registrar believes that it likely will be used against the interests of the workers that it claims to represent. 42
- The Registrar may withdraw registration if the certificate of registration was gained through fraud or if union funds are used illegally.

An appeal against a refusal of registration or a withdrawal order can be made within 30 days of the Registrar's decision to the Minister of Manpower, whose decision is considered final and is not subject to judicial review.<sup>43</sup>

Individuals may freely join trade unions if they meet the following criteria:

• Persons above the age of 16 who enter into or work under a contract of service or apprenticeship may form or join a trade union, although union

http://www.icftu.org/displaydocument.asp?Index=991215678&Language=EN on 13 Dec 2002.

<sup>&</sup>lt;sup>38</sup> International Confederation of Free Trade Unions, "Singapore: Annual Survey of Violations of Trade Union Rights (2002)," 2002, at

<sup>&</sup>lt;sup>39</sup> The Registrar has the authority to grant a maximum extension of six months for registration. See Trade Unions Act, Articles 8(1) and 8(2), at http://statutes.agc.gov.sg on 26 Nov 2002.

<sup>&</sup>lt;sup>40</sup> Ibid., Articles 19(a) and 19(c).

<sup>&</sup>lt;sup>41</sup> Ibid., Articles 14(f) and 15(1)(d).

<sup>&</sup>lt;sup>42</sup> Ibid., Articles 14(a), 14(b), 14(c), 14(d), 14(e), 15(1)(b)(ii), 15(1)(b)(iii), 15(1)(b)(iv), 15(1)(b)(v), and 15(1)(c).

<sup>&</sup>lt;sup>43</sup> Ibid., Articles 17 and 18(2).

members between the ages of 18 to 21, as well as non-citizens, require the approval of the Minister of Manpower to serve as union officers. 44

- Managerial (or executive) employees may belong to a trade union but are not represented as part of the collective bargaining unit; the union may represent these employees only as individuals and only on issues concerning retrenchment, breach of contract, and dismissal.<sup>45</sup>
- By presidential decree, government employees, with the exception of uniformed officers, may join public sector trade unions. Government workers also may join private sector unions that represent their profession if the Minister of Finance gives approval. 46

An employer cannot dismiss, injure, or threaten to injure his/her employees because they are or would like to become trade unionists, and, if the employer is found guilty of such actions, he/she is to be penalized with a maximum fine of \$\$2,000 (US\$1,117) and/or imprisonment for up to one year. The Industrial Arbitration Court has the authority to order reinstatement and back pay for dismissed workers. If the employer does not comply with such an order, the Court may impose another penalty.

Singaporean workers, except those in essential services, have the right to strike.<sup>50</sup> Strikes, industrial actions, and lock-outs may not be implemented for any purpose other than furthering the labor dispute.<sup>51</sup> A registered trade union may declare a strike or industrial action, provided that a majority of the affected union members vote in favor by secret ballot.<sup>52</sup> Union members who are employed in managerial positions within an enterprise are prohibited from striking, and a union having non-managerial employees as a majority of its members, but which also represents managerial employees, may not participate in or finance any strike or industrial action resulting from a labor dispute

<sup>49</sup> The penalty is a maximum fine of S\$2,000 (US\$1,117) and/or imprisonment not to exceed 12 months. Ibid., Article 82(5).

<sup>&</sup>lt;sup>44</sup> Persons who are bankrupt or who have been convicted of criminal offenses also are banned from being trade union officers, unless they are deemed rehabilitated by the Minister of Manpower. See Trade Unions Act, Articles 2, 8(3), 28(1), 28(2), 30(1), 30(2), and 30(3).

<sup>&</sup>lt;sup>45</sup> Industrial Relations Act, Article 30(B)(1).

<sup>&</sup>lt;sup>46</sup> Members of the Singapore Armed Forces, the Singapore Police Force, the Civil Defense Force, as well as officers in the Prisons Service and the Narcotics Service, are excluded from joining trade unions. See Trade Unions Act, Article 28(3). See also Trade Union (Government Officers --- Exemption) Notification, 1 Nov 1985, Articles 2 and 4.

<sup>&</sup>lt;sup>47</sup> Industrial Relations Act, Articles 82(1) and 82(2).

<sup>&</sup>lt;sup>48</sup> Ibid., Article 82(3).

Workers employed in the gas, water, and electricity sectors (essential services) may not strike. See *Country Reports on Human Rights Practices 2001 – Singapore*, Section 6a. See also Basu Sharma, *Industrial Relations in Singapore*.

<sup>&</sup>lt;sup>51</sup> The law states that strikes may not be used to coerce the Government directly, or by inflicting hardship on the community. Strikes also may not be staged if the dispute is before the Industrial Arbitration Court. A lock-out in response to an illegal industrial action or vice versa is considered legal. See Trade Disputes Act, Article 3, at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> on 26 Nov 2002.

<sup>&</sup>lt;sup>52</sup> The law allows that strikes or industrial actions may affect the whole union membership or simply individual sections of the union. See Trade Unions Act, Article 27(1).

between the managerial employees and their employer.<sup>53</sup> Violations of the laws concerning strikes, industrial actions, and lock-outs will result in fines ranging from \$\\$2,000 to \$\\$5,000 (U\$\\$1,117 to U\$\\$2,793) and/or imprisonment from three to 12 months upon conviction.<sup>54</sup>

No strikes have occurred in Singapore since 1986. Most disagreements are resolved through informal consultations with the Ministry of Manpower. If conciliation fails, the disputing parties usually submit their case to the Industrial Arbitration Court, which determines the final outcome of cases. Besides these labor dispute mechanisms and the close working relationship between and shared views among labor, management, and the government, the maintenance of labor peace has been a product of high economic growth rates, regular wage increases, and a high degree of job mobility in a virtual fullemployment economy. In addition, the widely held view that labor conflict would undermine the country's competitiveness and attractiveness to investors, and a reluctance to risk possible confrontation with the government, helps to maintain a harmonious labor situation.55

### B. Right to Organize and Bargain Collectively

Collective bargaining in Singapore is conducted directly between employers and employees but within a framework that allows the Singaporean Government to set guidelines with respect to the determination of wages and what issues may be included in an agreement.<sup>56</sup> Singapore's Industrial Relations Act stipulates that all collective bargaining agreements must be "in the public interest," though the Industrial Arbitration Court has never denied certification of a collective agreement on these grounds. 58 The Government also plays a role in the conciliation of disputes through the Commissioner of Labor, an office within the Department of Manpower. Finally, Singapore's Industrial Court of Arbitration must review and certify all collective bargaining agreements.<sup>59</sup> In 2001, the Court reviewed 439 collective agreements, certifying 407 agreements that covered 54,830 employees.<sup>60</sup> Thirty-one agreements remained under review at year's

<sup>&</sup>lt;sup>53</sup> In such unions, managerial employees also may not participate in secret ballot strike votes concerning non-managerial workers. Ibid., Articles 27(1A), 27(3A), and 27(3B).

<sup>&</sup>lt;sup>54</sup> Ibid., Articles 27(2), 27(3), 27(3D), 27(4), 27(5), and 27(6). See also Trade Disputes Act, Articles 5, 6, 7, 8(2), 9, and 11.

<sup>&</sup>lt;sup>55</sup> U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002. <sup>56</sup> For example, until September 2002, collective agreements in new enterprises that provided workers with

more favorable annual and sick leave benefits than those required by the Employment Act had to receive approval from the Minister of Manpower.

Industrial Relations Act, Article 24(2)(a).

<sup>&</sup>lt;sup>58</sup> International Confederation of Free Trade Unions, *Internationally-Recognised Core Labour Standards In* Singapore: Report for the WTO Council Review of the Trade Policies of Singapore, March 2000, at http://www.icftu.org/displaydocument.asp?Index=991209476&Language=EN on 9 Dec 2002.

<sup>&</sup>lt;sup>59</sup> Industrial Relations Act, Article 24(1).

<sup>&</sup>lt;sup>60</sup> Annual Report of the President of the Industrial Arbitration Court 200, (Singapore: Industrial Arbitration Court, 2002), pp. 5 and 13, at http://www.iac.gov.sg/Annual Report/Annual Report 2001.doc on 9 Dec 2002.

end, and one was withdrawn by the request of the company. 61 The majority of the certified agreements dealt with private enterprises, with only 10 involving public sector employees.<sup>62</sup>

The principal mechanism for determining wage guidelines is the National Wage Council (NWC), a tripartite body consisting of 10 union leaders, 10 government officials, and 10 heads of business associations that makes annual recommendations based on the state of the economy. 63 All labor representatives of the NWC are members of the NTUC or an affiliate; independent unions and non-unionized employees are not represented.<sup>64</sup> Established in 1972 to assist the Singaporean Government in the formulation of wage policy, the NWC recommends adjustments to wage structures consistent with long-term economic development and advises on various incentive schemes to promote productivity and efficiency, using economic indicators and assessments of market forces to determine the recommended wages.<sup>65</sup>

The recommendations of the NWC apply to domestic and foreign firms alike but are not legally binding.<sup>66</sup> However, they strongly influence the wage levels set in agreements.<sup>67</sup> An NTUC official describes the NWC as part of an effort "to establish a broader role for trade unions, beyond collective bargaining for terms and conditions at the workplace, to help improve life for workers by participating in national development."68 Largely because of the participation by NTUC leaders in the setting of guidelines, NWC recommendations are generally followed more by unionized companies than those without unions.<sup>69</sup>

Collective bargaining agreements may not include the following subjects:

- The hiring of employees;
- The assignment of tasks that are consistent with the terms of employment;
- Transfers that do not adversely affect the terms of employment;
- Promotions:
- Termination due to redundancy or reorganization; and
- Issues of dismissal and reinstatement, unless resulting from anti-union discrimination.<sup>70</sup>

http://www.usembassysingapore.org.sg/ep/2001/Wages2001.html on 17 March 2003. Industrial Relations Act, Articles 17(1) and 17(2).

<sup>&</sup>lt;sup>61</sup> Ibid., p. 5.

<sup>&</sup>lt;sup>62</sup> Ibid., pp. 5 and 14.

<sup>&</sup>lt;sup>63</sup> U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002.

<sup>&</sup>lt;sup>64</sup> Chew Soon Beng and Rosalind Chew, "Tripartism in Singapore: The National Wages Council," Wages and Wage Policies: Tripartism in Singapore, (River Edge, NJ: World Scientific, 1998) p. 98.

<sup>65</sup> Lim Chong Yah, Tripartism in Singapore: The National Wages Council, 12 Dec 1998. (?)

<sup>&</sup>lt;sup>66</sup> U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002.

<sup>&</sup>lt;sup>67</sup> International Labor Organization, *Towards full employment*, May 2000, at http://www.ilo.org/public/english/region/asro/bangkok/feature/f-emp32.htm on 17 March 2003.

<sup>&</sup>lt;sup>68</sup> Evelyn Wong, Partnership of trade unions in national development programmes and in promotion of labour mobility in Singapore, (Geneva: International Labor Organization, Labour and Society Programme, 2000) at http://www.ilo.org/public/english/bureau/inst/papers/2000/dp117 on 17 March 2003.

<sup>&</sup>lt;sup>69</sup> U.S. Embassy — Singapore, "Singapore's Wage System," July 2001, at

To be certified, an agreement must include a provision for the settlement of disputes and be for a period of between two and three years. Once certified, collective agreements are binding for the parties of the agreement, as well as for any successor employer or trade union. Collective agreements are usually certified within seven to eight weeks after being filed.

If one of the parties engaged in collective bargaining negotiations requests conciliation, a request must be made to the Commissioner for Labor. The vast majority of labor disputes are resolved through conciliation. The number of labor disputes has ranged between 200-300 in recent years.<sup>74</sup> The cases involve wage increases and conditions of service, though others involve retrenchment benefits, bonuses or gratuities, or industrial matters, such as sales commissions or shift allowances.<sup>75</sup> Most labor disputes are in the manufacturing sector, followed by the financial, insurance, and real estate sectors.<sup>76</sup>

A limited number of cases are brought before the Industrial Arbitration Court for resolution. This court has jurisdiction over labor disputes in which the union and/or the employer request arbitration; the Minister of Manpower calls for arbitration; or the President of Singapore declares by proclamation that arbitration is essential to the public interest. The Court can only exercise its powers concerning labor disputes in relation to employment in the public sector if it has approval from the President of Singapore and cannot consider any cases involving dismissal unless they concern a possible violation of the anti-union discrimination law. In resolving a labor dispute, the Court is allowed to take into account the interests of the community as a whole, including the condition of the economy.

In 2001, five labor disputes were referred to the Industrial Arbitration Court, and another five disputes were brought forward from 2000.<sup>81</sup> Four of the 10 cases concerned extensions of collective agreements; two of these cases were withdrawn after new collective agreements were signed, and the two other cases were held in abeyance while

<sup>&</sup>lt;sup>71</sup> Ibid., Articles 24(2)(a) and 24(5).

<sup>&</sup>lt;sup>72</sup> Ibid., Article 26.

<sup>&</sup>lt;sup>73</sup> Industrial Arbitration Court, "Certification of CAs," 2002, at <a href="http://www.iac.gov.sg/Collective Agreement/Certification/certification.html">http://www.iac.gov.sg/Collective Agreement/Certification/certification.html</a> on 9 Dec 2002.

<sup>74</sup> Ministry of Mannoyor "Labour P. Labour P.

<sup>&</sup>lt;sup>74</sup> Ministry of Manpower, "Labour Relations: Unionized Trade Disputes Referred For Conciliation, 1994-2001," Ministry of Manpower, 2000, at <a href="http://www.mom.gov.sg/wpeaw/labfile/labr5b.htm">http://www.mom.gov.sg/wpeaw/labfile/labr5b.htm</a> on 9 Dec 2002. <sup>75</sup> Ibid.

<sup>&</sup>lt;sup>76</sup> In 2001, 116 labor disputes in the manufacturing industry were referred for conciliation, while 88 were from the financial, insurance, and real estate sectors. The remaining labor disputes were in the commerce sector, the construction industry, and the transport, storage, and communications sectors. Ibid.

<sup>&</sup>lt;sup>77</sup> Industrial Relations Act, Article 31.

<sup>&</sup>lt;sup>78</sup> Ibid., Article 33.

<sup>&</sup>lt;sup>79</sup> All other cases of dismissal without just cause are to be decided by the Minister of Manpower. The Minister has the authority to reinstate the worker and grant back pay, as well as compensation. Ibid., Article 35(1a).

<sup>&</sup>lt;sup>80</sup> Ibid., Article 34(1)(a).

<sup>&</sup>lt;sup>81</sup>Annual Report of the President of the Industrial Arbitration Court 2001, p. 3.

the parties negotiated new collective agreements. The Court settled three labor disputes, one concerning retrenchment benefits and two dealing with bonuses. Mediation began on one case regarding non-compliance of a collective agreement, while two cases concerning productivity payments and performance bonuses were temporarily suspended to allow collective bargaining negotiations to continue. 84

The Industrial Arbitration Court also reviewed 18 applications for amendments to collective agreements during 2001, an increase from eight such applications in 2000.<sup>85</sup> The Court approved 17 of the requests but declined to permit changes to a collective agreement between Singapore Airlines, Ltd. and the independent Air Line Pilots Association – Singapore that would allow for a 3-pilot operation instead of the 2-pilot operation in existence. The President of the Industrial Arbitration Court decided the case alone, noting that no exceptional circumstances existed to warrant the change sought.<sup>86</sup>

The Government of Singapore ratified ILO Convention No. 98 on the right to organize and bargain collectively in October 1965. 87

# C. Prohibition of Forced or Compulsory Labor

Singapore's Constitution prohibits the use forced labor, and no cases involving forced labor are known. Article 10 of the Constitution, however, provides that Parliament may enact legislation mandating compulsory service for national purposes and states that work incidental to the serving of a prison sentence shall not be taken to be forced labor. <sup>88</sup> Singapore ratified ILO Convention No. 29 on forced labor in October 1965. It also ratified ILO Convention No. 105 on the abolition of forced labor in 1965, but subsequently denounced it in 1979 with the support of employers' and workers' organizations. <sup>89</sup>

Since 1970, the ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) has reviewed on a regular basis Singapore's Destitute Person's Act (originally enacted in 1965 and amended in 1989) and has found Article 13 of the Act to be in conflict with ILO Convention No. 29. Under the Act, any indigent person may be required to reside in a welfare home and engage in suitable work. While the Singaporean Government has maintained that the Act is social legislation that provides for the shelter, care, and protection of destitute persons, and that work programs are designed to reintegrate individuals into society, the CEACR found the Act, which includes penal sanctions, to be coercive. In its 2003 report, the CEACR noted that current practice in Singapore appeared to be in conformity with Convention 29, as only

<sup>84</sup> Ibid., pp. 4-5.

<sup>87</sup> ILOLEX Database of International Labor Standards: Singapore.

<sup>&</sup>lt;sup>82</sup> One of the cases withdrawn concerned Singapore Airlines, Ltd. and the independent Air Line Pilots Association – Singapore. Ibid., pp. 3-4.

<sup>&</sup>lt;sup>83</sup> Ibid., p. 4.

<sup>&</sup>lt;sup>85</sup> Ibid., p. 6.

<sup>86</sup> Ibid.

<sup>&</sup>lt;sup>88</sup> Constitution of the Republic of Singapore, Article 10.

<sup>&</sup>lt;sup>89</sup> ILOLEX Database of International Labor Standards: Singapore.

residents who give written consent to participate in work, training and employment schemes - and are paid for their participation - are included in the program. Nonetheless, the CEACR still considers that section 13 of the Act should be amended to bring the legislation into line with practice.

# D. Minimum Age for Employment of Children and Effective Elimination of the Worst Forms of Child Labor

Statistical data on economic activity for children under the age of 15 is unavailable, as Singapore does not collect such information. According to the 2002 State Department Human Rights Report, the incidence of children taking up permanent labor is low and abuses are almost nonexistent in Singapore. 91

Under the Employment Act, children may perform light work at age 12 but not in any industrial undertaking or on any vessel, unless such undertaking or vessel is under the personal charge of his parent. Children under the age of 14 may only be employed in an industrial undertaking if it is a family-operated business, while youth between the ages of 14 and 16 can work in an industrial undertaking if they possess a medical certificate certifying their fitness for employment. Employers must also notify the Commissioner of Labor within 30 days of the employment of youth ages 14 to 16. Children and youth may not work between the hours of 11 p.m. and 6 a.m. Children under 14 may not work more than 6 hours in any single day, and youth ages 14 to 16 may not work more than 7 hours per day. Work hours limitations on children and youth include time spent in school in any one day. In addition, children and youth are prohibited from working in mines, with heavy machinery, with any live electrical apparatus that is not effectively insulated, and under any working conditions that may be injurious to their health. The Ministry of Manpower effectively enforces these laws and regulations.

<sup>&</sup>lt;sup>90</sup> International Labor Organization, Laborstat [Website] at <a href="http://laborsta.ilo.org/applv8/data/ssm3/e/SG.html">http://laborsta.ilo.org/applv8/data/ssm3/e/SG.html</a> [cited 3 April 2003]. See also Singapore Department of Statistics, National Youth Council [website] at <a href="http://www.youthresearch.org.sg/facts.asp?cat=Working%20Life#stats">http://www.youthresearch.org.sg/facts.asp?cat=Working%20Life#stats</a> [cited 3 April 2003].

<sup>&</sup>lt;sup>91</sup> A recent report by ECPAT International, an NGO network with affiliates in 62 countries working on the issue of commercial sexual exploitation, stated that Singapore is a destination country for children trafficked to work in the sex industry. *Singapore Profile of CSEC* [Website Database] at <a href="http://www.ecpat.net/eng/Ecpat\_inter/projects/monitoring/online\_database/index.asp">http://www.ecpat.net/eng/Ecpat\_inter/projects/monitoring/online\_database/index.asp</a> [cited 10 December 2002]. Investigations by the U.S. Embassy in Singapore, including interviews with NGOs, police, and embassy officials from potential source countries, found no evidence to substantiate such charges. See U.S. Embassy – Singapore, electronic correspondence to the U.S. Department of Labor, April 11, 2003.

<sup>&</sup>lt;sup>92</sup> Ministry of Manpower, "Labour Relations: Employment of Children and Young Persons," [Website] at <a href="http://www.gov.sg/mom/wpeaw/labfile/labr9n.htm">http://www.gov.sg/mom/wpeaw/labfile/labr9n.htm</a> [cited 3 Dec 2002].

<sup>&</sup>lt;sup>93</sup> Ibid.

<sup>94</sup> Ibid.

<sup>&</sup>lt;sup>95</sup> U. S. Department of State, Country Reports 2002 – Singapore, Section 6d.

The Government of Singapore ratified ILO Convention No. 182, Worst Forms of Child Labor, on June 14, 2001, but has not yet ratified ILO Convention No. 138, Minimum Age for Admission to Employment.<sup>96</sup>

Beginning in 2003, education became compulsory for all children born after January 1, 1996. The gross primary school enrollment rate was 97 percent in 2000, while the net primary enrollment rate was 96 percent. The gross secondary school enrollment was 92 percent. The gross secondary enrollment was 92 percent.

In 1993, the Ministry of Education started the Edusave program, which gives direct subsidies to students ages 6 to 16 to help pay for school fees and extra-curricular school activities, as well as grants to all primary and secondary schools to organize common enrichment programs and purchase additional school resources. In addition, the Edusave program distributes scholarships, merit bursary awards, and good progress awards to students based upon achievement and economic need.

Trafficking in children is prohibited by the Children and Young Persons Act and Women's Charter and is subject to imprisonment of up to 5 years and a fine not to exceed \$\$10,000 (US\$5,587). Causing or encouraging the prostitution of, sexual relations with, or indecent assault on any girl below the age of 16 is punishable by a fine of

<sup>&</sup>lt;sup>96</sup> International Labor Organization, ILOLEX Database of International Labor Standards: Singapore [Website] at http://ilolex.ilo.ch;1567/english/docs/declworld.htm [cited 3 December 2002].

<sup>[</sup>Website] at <a href="http://ilolex.ilo.ch:1567/english/docs/declworld.htm">http://ilolex.ilo.ch:1567/english/docs/declworld.htm</a> [cited 3 December 2002].

The law applies to children born after January 1, 1996 who are residents and citizens of Singapore. The law also provides penalties for parents or guardians who violate the terms of the Act. Ministry of Education of the Government of Singapore, Compulsory Education Act (Cap 51) [Website] at <a href="http://www1.moe.ed.sg/ce/Statute.htm">http://www1.moe.ed.sg/ce/Statute.htm</a>, [cited 18 April 2003].

<sup>&</sup>lt;sup>98</sup> Chan Soo Sen, Statement to the United Nations General Assembly Special Session on the Rights of Children by Mr. Chan Soo Sen, Minister of State for Prime Minister's Office of Community Development and Sports of the Republic of Singapore, paragraph 14, 2002 [Website] at <a href="http://www.un.org/ga/children/singaporeE.htm">http://www.un.org/ga/children/singaporeE.htm</a> [cited 3 December 2002]. See also Ministry of Education, "The Edusave Scheme." [Website] 3 June 2002, at

http://www1.moe.edu.sg/edusave.htm#Using%20Edusave%20account%20funds%20for%20your%20childs%20education [cited 9 December 2002].

<sup>&</sup>lt;sup>99</sup> U.S. Department of State, *Country Reports* 2002 – *Singapore*, Section 5.

<sup>&</sup>lt;sup>100</sup> Ministry of Education of the Government of Singapore, *Participation in Education* [Website] January 11, 2001 at <a href="http://www2.moe.edu.sg/esd/Table34.htm">http://www2.moe.edu.sg/esd/Table34.htm</a> [cited 6 December 2002].

<sup>&</sup>lt;sup>101</sup> These subsidies are available to the first, second and third child (by the natural and adoptive mother) at the point of school admission. He/she is automatically given an Edusave account and receives a yearly contribution from the Government's Edusave Pupils Fund. See Ministry of Education, "The Edusave Scheme."

Scholarships are given to students who are in the top echelon of their class at a government or independent school. Merit Bursary Awards are given to students who are ranked high in their class, do not receive scholarship funds, and come from families with a gross family monthly income of SGD 3,000 (USD 1,702.22) or less. Good Progress Awards are given to students who do not qualify for scholarships or merit bursary awards, but have shown significant progress in academic achievement. See Ibid.
 Children and Young Persons Act, Article 12 [Website], at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> [cited 3 Dec 2002].
 See also Women's Charter, Article 141 [Website] at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> [cited 3 Dec 2002].

S\$2,000 (US\$1,117) and imprisonment up to 3 years. <sup>104</sup> The Ministry of Community Development is the lead agency for child protection and welfare. A multidisciplinary and multi-agency Child Abuse Protection Team, established in 1996, is responsible for ensuring effective management of child labor cases among relevant government agencies. 105

## E. **Acceptable Conditions of Work**

### 1. Minimum Wage

Singapore has no minimum wage laws or regulations, 106 but is ranked by the World Bank as a "high income economy." 107 The National Wage Council system of recommendations on wage determination has resulted in wages that allow workers and their families to enjoy a relatively high standard of living, 108 with an average personal income of US\$22,000 per year. 109 The Employment Act stipulates that the NWC recommendations are "gazetted" so that they can be used by enterprises and mediation and arbitration panels in the setting of wages. 110

In 1987, the NWC introduced a flexible wage system that allows employers to deduct a percent from total wages and substitute what is termed an annual variable component (AVC). This portion of total wages that is withheld from the employee during the year will either be paid as a bonus at year's end or may be used by the employer to offset an unanticipated drop in production. The NWC has recommended that the percentage of the salary tied to the AVC be allowed to rise to 20 percent. They contend that this gives employees a direct interest in the firm, while protecting employers from sharp economic downturns. 111 By tying wages to production, with built in increases lagging behind productivity growth, this system enables the employer to reduce or remove these payments if they need to reduce wage costs. 112

In 1999, the NWC recommended that employers set aside up to an additional 10 percent of total wages as a monthly variable component (MVC), to permit even greater wage flexibility of wages throughout the year. 113 The NWC recommended that employers and unions agree on what percent of the wage increase would be allocated toward MVC. The

<sup>&</sup>lt;sup>104</sup> Women's Charter, Article 145.

<sup>&</sup>lt;sup>105</sup> United Nations General Assembly, Report of the Special Rapporteur of the Commission on Human Rights on the Sale of Children, Child Prostitution and Pornography [Website] 10 Aug 2002, at http://www.hri.ca/fortherecord2000/documentation/genassembly/a-55-297.htm [cited 18 March 2003].

Country Reports on Human Rights Practices 2001 – Singapore, Section 6e. World Bank, Data and Statistics, Country Groups, at

http://www.worldbank.org/data/countryclass/classgroups.htm#High\_income, on April 11, 2003.

<sup>&</sup>lt;sup>109</sup> U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002.

<sup>&</sup>lt;sup>110</sup> Employment Act, Article 49, at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> on 18 March 2003.

<sup>&</sup>lt;sup>111</sup> U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002. 112 Ibid. See also National Trade Union Congress, "MVC: The Monthly Variable Component, at http://www.ntuc.org.sg/myunion/mvc.phtml on 18 March 2003.

113 Ibid.

NWC envisions that the current balance of 80 percent basic wage and 20 percent annual variable component will evolve into 70 percent basic wage, 20 percent annual variable component, and 10 percent monthly variable component. Since its introduction the percent of companies utilizing the MVC increased from 11 percent in 1999 to 34 percent in 2001, due mainly to union endorsement.

## 2. Hours of Work

The Employment Act establishes the laws concerning hours of work for the Singaporean workers, and the Ministry of Manpower enforces the laws and related regulations. The law sets the standard legal workweek at 44 hours. Employees cannot be required to work more than eight hours a day, nor more than six consecutive hours without a break, and must receive one full day of rest each week. An employee who works five days or less per week can be required to work up to nine hours a day but still no more than 44 hours per week. Despite specific labor legislation, exceptions are permissible for employees to work up to 12 hours per day if the employee gives consent in writing to the employer requesting the extended workday. Workers classified as "shift workers" may be required to work up to 12 hours per day if the average amount of hours per week in any 3-week continuous period does not exceed 44 hours per week but cannot exceed 12 hours per day except under exceptional circumstances.

An employee can only work more than 12 hours per day when work is either essential to the community, essential to national defense or security, when the work to be done to machinery or a plant is urgent, in an actual or threatened emergency, or in the case of an impossible to foresee interruption in production that makes it necessary to work extended hours when production resumes.<sup>121</sup>

Employees are only permitted to work up to 72 hours of overtime per month unless the Minister of Manpower grants an exemption. The overtime rate of pay is set at one and a half times the regular hourly basic rate of pay and must be paid for any hours that exceed 44 hours in a week or eight hours in a day (nine hours if the employee works five days a week or less). Shift workers are compensated at overtime rates if the hours worked are more than an average of 44 hours a week over any continuous three-week

http://www.mom.gov.sg/MOM/CDA/0,1858,1276-----1949----,00.html on 18 March 2003. Report on Wages in Singapore, 2001, (Singapore: Ministry of Manpower, 2001), p. 1 at http://www.mom.gov.sg/MOM/MRSD/Others/2001nwc\_highlight.pdf on 18 March 2003.

<sup>116</sup> Ibid., Section 6e.

<sup>&</sup>lt;sup>117</sup> Employment Act, Article 38(1)(b).

<sup>118</sup> Ibid., Articles 36 and 38(1)(a) and (1)(b).

http://www.mom.gov.sg/MOM/CDA/0,1858,2024-----3393----1,00.html#3 on 18 March 2003. Employment Act, Article 40.

<sup>&</sup>lt;sup>121</sup> Ibid., Article 38(2). See also FAQs: Hours of Work and Overtime.

<sup>&</sup>lt;sup>122</sup> Ibid., Article 38(5). See also FAQs: Hours of Work and Overtime.

<sup>&</sup>lt;sup>123</sup> Ibid., Article 38(4).

period.<sup>124</sup> Workers receive double time for holidays.<sup>125</sup> Unemployment in recent years has resulted in a drop of average overtime hours per week, declining to 3.6 in 2001 from 4.4 in 2000. 126

## **3. Occupational Safety and Health**

The Ministry of Manpower effectively enforces Singapore's comprehensive occupational safety and health laws and regulations. <sup>127</sup> Enforcement procedures, coupled with the promotion of educational and training programs, have been implemented to reduce the frequency of job-related accidents. 128

The occupational safety and health (OSH) standards in Singapore are covered in the Factories Act. 129 While a worker has the right under the Employment Act to remove himself from a dangerous work situation, the right to continued employment depends upon an investigation of the circumstances by the Ministry of Manpower. 130 The Government of Singapore ratified ILO Convention No. 32 on protection against accidents in October 1965.<sup>131</sup>

Prostitution is not illegal and is regulated in Singapore. Prostitutes are required to undergo periodic health checks and to carry a health card. 132 Many women enter Singapore with the intention to work in the sex industry, usually entering on short-term social visit passes and often making return trips to Singapore. Foreign prostitutes are deported immediately if they test positive for HIV/AIDS or other sexually transmitted diseases. 133

### VI. **Other Labor Issues**

### **Discrimination** Α.

Although the Constitution contains no explicit provision providing for equal rights for women and minorities, it states that all persons are equal before the law and entitled to

http://www.gov.sg/mom/manpower/manrs/yearbk/2002yb3 3.xls on 18 March 2003.

<sup>&</sup>lt;sup>124</sup> FAOs: Hours of Work and Overtime.

<sup>&</sup>lt;sup>125</sup> Employment Act, Article 42(4).

<sup>&</sup>lt;sup>126</sup> 2002 Singapore Yearbook of Manpower Statistics, Table 3.3, at

Ibid., Section 6f.

<sup>&</sup>lt;sup>128</sup> 2001 Country Reports on Economic Policy and Trade Practice –Singapore, (Washington, DC: U.S. Department of State, Bureau of Economic and Business Affairs, Feb 2002), at http://www.state.gov/documents/organization/8171.pdf on 18 March 2003.

Factories Act, at <a href="http://statutes.agc.gov.sg">http://statutes.agc.gov.sg</a> on 18 March 2003.

<sup>&</sup>lt;sup>130</sup> Country Reports on Human Rights Practices 2001 – Singapore, Section 6f.

<sup>&</sup>lt;sup>131</sup> ILOLEX Database on International Labor Standards: Singapore.

<sup>&</sup>lt;sup>132</sup> Country Reports on Human Rights Practices 2001 – Singapore, Section 5.

<sup>133</sup> Ibid. Section 6f.

the protection of the law. These provisions are respected in practice. 134 Singapore ratified ILO Convention No. 100 on equal remuneration on May 30, 2002. 135

Women make up 42 percent of the labor force and are well represented in many professions, but hold few leadership positions in the private sector and are concentrated in low-wage jobs, such as clerks and secretaries. 136

### B. **Trafficking in Persons**

Five laws govern the criminal phenomenon of trafficking in persons: the Women's Charter, the Children and Young Person's Act, the Penal Code, the Immigration Act and, the Employment of Foreign Workers Act. Authorities have prosecuted some cases of trafficking and, in those cases, convicted traffickers have been found guilty of violating more than one law. 137 Penalties range from imprisonment and fines to caning. 138

Singapore places great emphasis on tight immigration controls and low crime rates, which acts as a deterrent to potential traffickers. The Singaporean government has prosecuted some trafficking cases over the past few years and has provided assistance to the victims.

### C. **Migrant Workers**

Because of persistent labor shortages, approximately 600,000 foreign workers are employed legally in Singapore, constituting nearly 30 percent of the total workforce. 139 Many of the foreign workers are low-skilled and household laborers from the Philippines, Indonesia, Bangladesh, Thailand, China, and Sri Lanka. Many are men in the construction industry or women seeking employment as domestics. Monthly wages, while significantly higher than in their home countries, are about 14 percent of the average Singaporean wage of S\$3,134, or 51 percent of average bottom decile of S\$845.

Workers employed as domestics, most of who are foreign, are not covered by the Employment Act, but are covered under various Ministry of Manpower programs, including conciliation services for all foreign and local employees, and free services for resolving wage disputes and other problems with employers. Domestic workers' contracts vary depending on experience, education and other factors, but are usually only paid salary with no overtime. 140 Most of the approximately 100,000 domestic workers are legally contracted to work six days per week without holidays, annual or sick leave, or limits on hours. 141 Because the Employment Act does not cover domestic workers,

<sup>&</sup>lt;sup>134</sup> Ibid, Section 5.

<sup>135</sup> ILOLEX Database on International Labor Standards: Singapore.

<sup>&</sup>lt;sup>136</sup> Country Reports on Human Rights Practices 2002 -- Singapore, Section 5.

<sup>&</sup>lt;sup>138</sup> U.S. Embassy – Singapore, electronic correspondence to U.S. Department of Labor, Aprill 11, 2003.

<sup>&</sup>lt;sup>139</sup> Country Reports on Human Rights Practices 2001 – Singapore, Section 6e.

<sup>&</sup>lt;sup>140</sup> Country Reports on Human Rights Practices 2001 – Singapore, Section 6f.

<sup>&</sup>lt;sup>141</sup> Country Reports on Human Rights Practices 2002 -- Singapore, Section 5.

they lack some of the protections afforded to other workers. They may be terminated at any time without notice; do not have the right to a regular pay day; and are not permitted to use the proceedings under the Employment Act for making salary claims.

Because of the lack of certain protections and the isolated nature of their work, domestic workers may at times be subject to violations of labor rights, mistreatment, and abusive conditions. As a result of some complaints involving charges of molestation, physical and verbal abuse by domestics to their embassies and the Ministry of Manpower, in 1998, Parliament passed an amendment to the Penal Code that mandated more severe penalties for confining or sexually abusing a maid. The authorities have fined or imprisoned employers who have abused domestics, often with great publicity. 143

Domestic workers must often put aside most or all of their wages for the first several months of employment to reimburse their placement agencies. Work permits for low-wage workers stipulate the cancellation of such permits if workers apply to marry or marry a citizen or permanent resident of Singapore.<sup>144</sup>

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<sup>&</sup>lt;sup>142</sup> Country Reports on Human Rights Practices 2001 – Singapore, Section 6e.

U.S. Embassy -- Singapore, electronic correspondence to U.S. Department of Labor, February 4, 2002. lidd.