

# Singapore's restructuring of low-wage work: Have cleaning job conditions improved?

The Economic and  
Labour Relations Review  
2018, Vol. 29(3) 308–327  
© The Author(s) 2018  
Article reuse guidelines:  
sagepub.com/journals-permissions  
DOI: 10.1177/1035304618782558  
journals.sagepub.com/home/elrr



**Irene YH Ng, Yi Ying Ng and Poh Choo Lee**

National University of Singapore, Singapore

## Abstract

Singapore's Progressive Wage Model, introduced in 2012 and mandatory in the cleaning industry since 2015, is a skills- and productivity-based approach to redesigning jobs and restructuring wages in the largely outsourced cleaning, security and landscaping sectors. Focusing on cleaning work in the food and beverage industry, this case study examines some early outcomes of this national drive to reduce wage inequality by improving the pay and conditions of commodified work in a sector subject to outsourcing-based cost competition. Based on interviews with cleaners, supervisors and managers, the findings suggest that in general, government and the trade union and employers' association have worked together, to set wages and conditions transparently. Nevertheless, enforcement issues mean that cleaners remain vulnerable. They have limited information about their employment benefits and face various types of poor conditions, some sanctioned by and others in violation of labour laws. These vulnerabilities have structural roots, including rent imbalances and cheap sourcing, factors that commodify jobs. The implementation of the Progressive Wage Model may have helped de-commodify cleaning jobs for Singaporeans and permanent residents, but such outcomes are still dependent on non-systemic and unenforceable factors such as the kindness of individual supervisors. While a promising start has been made, Singapore's initial efforts to improve incomes and conditions in low-wage work will nevertheless require stronger regulatory commitment.

**JEL Codes:** I38, J31, J48, &58, J88

## Keywords

Food and beverage cleaners, job conditions, outsourcing, precarious work, Singapore, vulnerable workers, wage restructure

---

## Corresponding author:

Irene YH Ng, Department of Social Work, National University of Singapore, AS3 Level 4, 3 Arts Link, Singapore 117570.

Email: [swknyhi@nus.edu.sg](mailto:swknyhi@nus.edu.sg)

## Introduction

As has been experienced elsewhere, Singapore has suffered her share of wage deterioration. Unlike many countries, where growing wage inequality has gone hand in hand with a privileging of market principles over state regulation of the labour market, since 2012 Singapore has seen a tripartite effort to address deteriorating employment conditions, by embarking on a national drive to redesign jobs and restructure wages in low-paid sectors. This initiative, based on a Progressive Wage Model (PWM), is the subject of this article. One aspect of the model was an attempt to address the pressure exerted on contractors to minimise wage costs through competitive tendering processes in outsourced industries such as cleaning. This article provides a qualitative analysis of the responses of a group of workers, supervisors and managers workers to the PWM. Through a small-scale but in-depth interview-based study, it is possible to identify enablements and barriers to the success of the initiative. We argue that the effectiveness of these initiatives hinges in part on the responsiveness of workers but more particularly on the responsiveness of employers. For example, employers can circumvent wage restructuring requirements by modifying work hours and other terms and benefits.

We analyse findings from 21 semi-structured interviews with managers, supervisors and cleaners in the food and beverage (F&B) sector during the period of wage restructuring and job redesign in 2012. By understanding how employers respond to the wage restructuring and how cleaners experienced the changes, our purpose is to draw out the insights that can be gained into impediments to policy implementation and the need for further policy adjustment or enforcement. The next section reviews the literature on wage deterioration around the world. This is followed by a description of Singapore's situation and policy context. Next, the methodology of the interviews is explained before the findings are presented. Finally, the discussion and conclusion weave together lessons from Singapore's example.

## Wage deterioration globally

In their comparison of low-wage work in the United States (US), the United Kingdom (UK), Germany, Netherlands, France and Denmark, Gautié and Schmitt (2010) show the importance of institutions. Defined by the Organisation for Economic Co-operation and Development (OECD) (2017) as the percentage of employees earning below two-thirds of median earnings, low-wage incidence was found to be consistently low in Denmark and consistently high in USA. Denmark has a generous welfare system, strong collective bargaining, and comprehensive labour legislations. In contrast, the US neo-liberal welfare state offers patchy health care access, less pension availability, and time-limited unemployment benefits. Unions have been in decline, and the USA also has no legislation (such as in European Union countries) to ensure pro-rata parity of pay and conditions for part-time employees.

The evolution of low-wage incidence in the other European countries in the study by Gautié and Schmitt (2010) shows the interplay between welfare systems and institutional factors. Low-wage incidence steadily increased in the UK from the 1970s, in Netherlands from the 1980s (plateauing in the 2000s), and in Germany from the 1990s. Globalisation,

increased immigration and labour-substituting technological advancements were important reasons for the trends. However, these market factors were also ‘mediated through the national system of labour market institutions’ (Gautié and Schmitt, 2010: 176). Declining union strength was an important reason for the rise of low-waged work in the US and UK (Wright, 2013). While Denmark witnessed similar large increases in immigration to those in the US, UK and Germany, its strong protection of all workers prevented an increased incidence of low pay. Despite the system of national wage negotiation in Germany, many small companies can opt out of wage negotiations, and outsource work to unregulated ‘mini jobs’ and temporary arrangements offering low wages and little protection. Joint taxation and social rights tied to spousal relations have led to women accepting such ‘mini jobs’ (Gautié and Schmitt, 2010).

Low wages are often accompanied by poor job conditions. In-work conditions that may be shaped by labour legislation include salaries, hours of work, leave benefits, full-time, part-time or casual work arrangements, as well as collective bargaining power. For example, the US Bureau of Labour Statistics (2010) found that paid sick leave was available for 81% of employees earning wages in the top quartile, but only to 33% of those in the bottom quartile. Such disparity in benefits is linked to the framing of policies themselves, their degree of enforcement, and the flow-on effects of successful regulatory avoidance, for example, of the statutory minimum wage. In a comparative study of practices in American and Canadian chain restaurants, Haley-Lock (2011) found that legal protection in Canada prevented employers from engaging in ‘just-in-time’ variable hours, a practice prevalent in the US. For example, by instituting not only a mandatory minimum hourly wage, but also guaranteeing a minimum daily rate of pay, the Canadian Province of British Columbia has restricted the practice of sending scheduled workers home on slow days in order to minimise payroll costs. In addition, Canadian waiters receive individual and family health insurance, paid vacation and statutory holidays, and wage-reimbursed extended leave for parenting and sickness. With the exception of certain legislated unpaid leave, American waiters have relatively limited access to these supports. Thus, a weaker labour legislation regime gives employers greater leeway to erode conditions generally.

That employers can get away with imposing harsh in-work condition is often also related to workers’ poor out-of-work conditions, such as availability and cost of child and elder care, health benefits, and pensions. In countries such as the US, these constitute an element of employment benefits, so that when they are provided inconsistently to high and low waged workers, US low-wage workers are more vulnerable than their counterparts in countries where such necessary services are available as part of tax-funded welfare. Lack of access to these services also increases the incidence of low-wage work: low-income workers with caregiving needs, who have health issues, or who are elderly, still need to earn a living and so must accept work with poorer conditions.

There is thus a confluence of factors that increase the vulnerabilities of low-income individuals in low-wage work: a decline in welfare in increasingly globalised Western economies; labour market deregulation; an increase in contractual market arrangements; an increase in the participation of women, migrants, and elderly in the work force; insecurity of low-wage jobs with poor work conditions exacerbated by the experience of poverty, leading to stressors from job and home fronts; and weakened power in employment

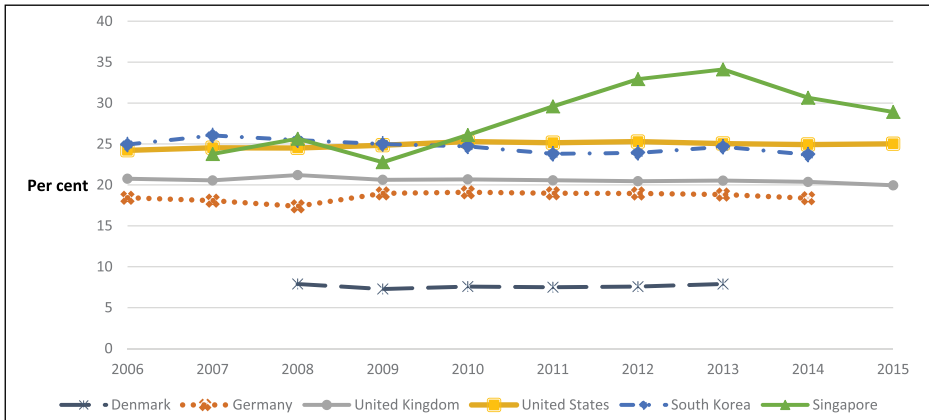
relations (Siegmann, 2016; Siegmann and Schiphorst, 2016). These developments are inter-related, in that they shift risks from the state or the corporation to workers. The old standard employment relationship (SER) based on long-term employer–employee relations (Lewchuk, 2017) is giving way to commodified work where unit labour costs are minimised through wage compression, outsourced services, and informal employment arrangements such as part-time and contract work (Gautié and Schmitt, 2010; Kalleberg, 2008; Pajnik, 2016).

This article studies the impacts of one attempt to stem this inter-relationship between poor in-work and out-of-work conditions in Singapore. It studies the more general impact on the conditions of the working lives of cleaners, following a national drive to improve wages in the F&B industry. It is related to the larger literature on precarious work. Prosser (2015: 2) defines such work as ‘employment involving contractual insecurity’, including ‘weakened employment security for permanent workers and non-standard contractual forms such as temporary agency, fixed-term, zero-hour and undeclared work’. This study focuses only on a particular juncture of precarity – that of navigating wages and job conditions – in the context of a national attempt to raise wages, couched in terms of upskilling and productivity improvement. The tensions involved in the balancing act of improving wages and productivity will be explicated through the interview responses of different levels of staff – cleaners, supervisors and managers – affected by the national drive to enhance the quality of low-waged jobs. Through participants’ perspective on what is happening, we gain a deeper and more nuanced understanding of the gains and challenges of effecting wide ranging change in a context where wages and conditions have deteriorated.

## Low-wage development in Singapore

Singapore differs in several ways from the Western economies discussed in the previous section. It is an Asian economy with a welfare system that is premised strongly on familial support and self-reliance (Chong and Ng, 2017; Teo, 2013). Thus, welfare provision is residual and conservative, with strong work conditions and incentives. At the same time, as a former British colony, Singapore has established a stable set of labour regulations, but has also been subject to the deregulation trends such as increasing flexible and term-limited work arrangements and outsourcing of services. Collective bargaining is unique in Singapore, involving a tripartite partnership between the National Trade Union Congress (NTUC), the Singapore National Employers Federation (SNEF), and the government. For example, the National Wages Council (NWC) was set up in 1972 with the tripartite partners negotiating wages by closed-door consensus.

Contributing to a depressing of wages and job conditions, the pace of growth in the female, immigrant, and (low-educated) elderly workforce in Singapore has been high. In two decades from 1997 to 2016, women’s share of the labour force increased from 39.19% to 45.76%, the share of the non-resident labour force increased from 27.30% (already a high percentage) to 38.53%, and the labour force participation rate of persons aged 65–69 increased from 20.9% to 43.2%. About 50% of those aged 65–69 possess an educational qualification of only primary school or lower (Ministry of Manpower, 2017c).



**Figure 1.** Low-wage incidence, selected countries 2006–2015

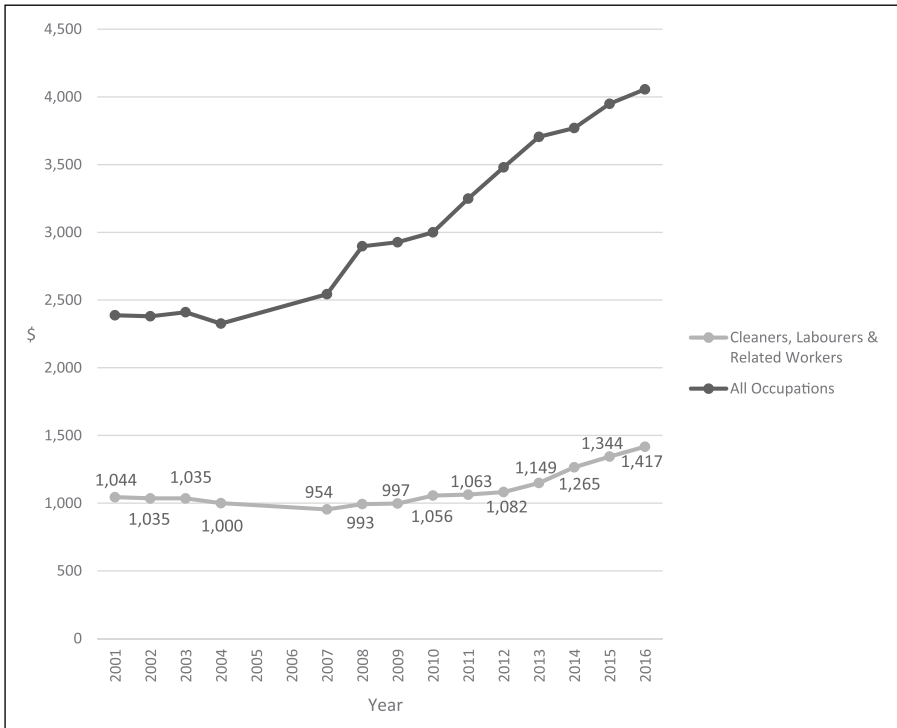
Sources: Ministry of Manpower (2006, 2011, 2012, 2013, 2014, 2015, 2016) Singapore Yearbook of Manpower Statistics, Ministry of Manpower (2010, 2011, 2012), Report on Labour Force in Singapore, Ministry of Manpower (2013, 2014, 2015) Labour Force in Singapore, and Organisation for Economic Co-operation and Development (OECD), (2017).<sup>1</sup>

These market trends and policy characteristics are said to be partly due to a growth model dependent on investments from multi-national corporations and the development of an external economy. As a result, cost containment is an important policy goal. In relation to wage negotiations, Chew and Chew (1995) suggest that in contrast to Western models where collective bargaining often aims towards wage maximisation, the NWC's aim was employment maximisation. Therefore, wages and conditions of low-wage jobs might be expected to be poor in this unique economy. The rest of this section describes trends and recent policy responses in Singapore.

First, Figure 1 shows that the incidence of low-wage work in Singapore is high relative to selected OECD countries. Before 2010, low wage incidence in Singapore was similar to that in the USA and South Korea, the two countries with the highest incidence in the chart. From 2010, Singapore's rate increased above those in the USA and South Korea. It peaked in 2013 before declining in 2014. This reduced incidence coincided with the introduction of the Progressive Wage policy in 2012, that was enforced by law in 2014.

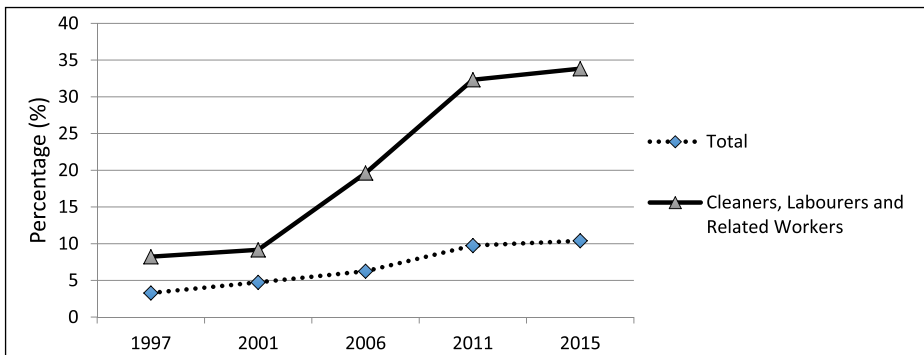
Second, Figure 2 shows that the wages of the lowest occupational category of cleaners, labourers and related workers stagnated from 2001 to around 2012, and rose thereafter, when the specific policy measures, discussed below, were enacted. Overall, the trend shows a widening gap between the average wages of all occupations and the wages of cleaners, labourers and related workers.

Third, rates of part-time and contract work also show that cleaning and related low-wage work may have borne the brunt of the decline in SERs. Figure 3 shows the great increase in part-time employment rates among cleaners, labourers and related workers compared to the general population, albeit moderating between 2011 and 2015 possibly due to the aggressive policy interventions during this period.



**Figure 2.** Gross monthly wages, Singapore, 2001–2016.

Sources: Ministry of Manpower (2018).  
2006 data not available.



**Figure 3.** Percentage in part-time employment, Singapore (1997–2015).

Sources: Ministry of Labour (1997), Ministry of Manpower (2001, 2006, 2011), and Ministry of Manpower (2015).

Span between years is inconsistent due to the lack of equally spaced data from sources.

Recognising the need for wage restructuring, the government led policies to improve incomes through programmes such as Workfare Income Supplement (WIS) from the

mid-2000s onwards, a national productivity drive from 2010, and enhanced skills training through a SkillsFuture movement in 2016. Beginning in 2012, it also decreased quotas for foreign workers and launched a WorkRight campaign to educate low-wage workers about their employment rights under the Employment and Central Provident Fund Acts.<sup>2</sup>

In tandem with the government's efforts, the NTUC spearheaded a PWM, which was rolled out incrementally in three targeted sectors before it was to be expanded to other sectors. This sectoral and incremental approach gave time for NTUC to work with the other tripartite partners to iron out implementation issues and bring businesses on board before the wage requirements were legislated. Thus, the PWM was first launched in 2012 as a set of guidelines before they were made into law for cleaning jobs in September 2015, for landscaping jobs in June 2016, and for security jobs in September 2016 (Ministry of Manpower, 2016).

In order to increase wages through training and productivity improvement, the PWM stipulates a basic minimum wage and higher levels of wages as one climbs up the skills ladder. For example, in the F&B cleaning sector, the minimum is SGD1060 for general cleaners, SGD1460 for multi-skilled cleaners, and SGD1660 for supervisors. In the cleaning sector, the enforcement of the PWM is done through the PWM being adopted as part of the licencing requirements of cleaning companies enacted in April 2014 (Ministry of Manpower, 2016). By tying the PWM to licencing of cleaning contracts through the tripartite Advisory on Responsible Outsourcing Practices (amended in 2012), it is hoped that cheap sourcing practices will be replaced by sourcing practices that prioritise service quality and staff development over lowest cost services (Employment and Employability Institute, 2016).

## **Methodology**

Our study set out to analyse how managers and supervisors have responded to the policies and tripartite initiatives, how cleaners experienced the changes, and the impetus or barriers to effecting improvements. The study used face-to-face semi-structured interviews.

The study focused on cleaners in the F&B industry. This was the first sector that applied the PWM.

In order to get a representation of a range of types of establishments hiring F&B cleaners, the research targeted cleaning companies which are typically contracted for services at food centres, and managers at restaurants of various sizes who engage cleaners directly. Interviews with seven managers ranging from Human Resource Directors to Restaurant Managers (see Table 1) were secured. On the cleaners' side, the 10 respondents were working in cleaning-related positions in the F&B industry at the time of the first interview. They included two general cleaners, four plate collectors, two dishwashers, one kitchen assistant, and one cook, whom the referral agency had classed as a cleaner but who was left in the study because he was still low-paid and provided relevant insights on balancing work family and finances. Participant recruitment was through a mix of social service agency referrals, employing company, snowballing and researchers' own contacts. For ease of reference, this group is called 'cleaners' in the rest of the paper. Cleaner respondents had to be Singaporeans or Singapore Permanent Residents.

**Table 1.** Types of organisations and interviewees.

Organisation	Manager	Supervisor	Cleaner
Big cleaning contractor #1	1	1	2
Big cleaning contractor #2	1	2	1
Small cleaning contractor		1	
Food centre association	1		
Big restaurant group	1		
Mid-sized restaurant group	1		1
Small restaurant #1	1		1
Small restaurant #2	1		
Other cleaning contractors			5
Total	7	4	10

Four supervisors in cleaning contractor companies were also interviewed. Supervisors mediate between company management and workers. They offer views on the practical implementation issues of scheduling, workers' attitudes, abilities and situations and so on. Among the four supervisors interviewed, two were promoted from cleaners and do some cleaning themselves, and two were employed purely for supervisory purposes. Altogether, the 21 respondents from 13 organisations provided insights at various levels in organisations of different types and sizes.

As shown in Table 1, some of the managers referred their supervisory and cleaning staff for our interviews. It is likely that these organisations treated their staff well, and were therefore open to having their cleaners being interviewed (although there were two organisations where cleaners were not interviewed due to difficulties in scheduling). In fact, the big organisations were leaders in their sector in terms of human resource practices, with management interviewees from these organisations being on industry-level committees or associations. While acknowledging the positive bias among managers as a limitation of the study, their insights in this qualitative study can also be documented as best practices, as we deliberate on what needs to happen in order for industrial practices to evolve. Interviews were also secured with cleaners who were working for companies whose practices were not as above board. Thus, the cleaners provided information on implementation circumventions that need to be corrected.

Each respondent was interviewed twice: the first time between September 2014 and May 2015; the second time 8 months later between May 2015 and January 2016. The 8 months in between interviews was to study immediate and lag effects of labour policies, and to uncover policy and business tweaks along the way.

All interviews were done by the three co-authors, who were involved from the onset in the design and pilot testing of the interview guide. Interviews were conducted in English, Mandarin, Teochew and Hokkien, depending on the language/dialect that the respondent was most comfortable with. The interviews were transcribed verbatim and for non-English interviews, translated into English at transcription. The transcriptions were coded for themes through content analysis, and iterated to converge and relate themes.



## Findings

### *Wages revised, job conditions mixed*

Wages and conditions generally conformed to wage guidelines and labour legislation. By the first interview, all the managers and supervisors reported cleaners' salaries that were above the minimum of SGD1060, from SGD750 and SGD800 previously. Their companies also gave paid sick and vacation leave, health benefits, transport allowances, and for the restaurants, meals as well.

Management respondents were ready to admit that the payment of salaries above minimum and provision of benefits were because they were required by law to do so. Due to competitive pressures with increasing costs (to be elaborated in a later section), the rational business practice is to keep manpower costs as low as possible. The management interviewee of big cleaning company #1 put it bluntly:

... ten years ago, we already start to feel labour shortage but salary never go up because everybody pay only this salary. So when come to last year licensing or two to three years ago PWM, government said \$1,000, then the cleaner start to get a better salary. (Manager, Cleaning Company #1, 30 July 2015)

Another good practice in Singapore is stability in hours and work days. Contrary to the practice found in the US by Haley-Lock (2011), schedules are fixed monthly in all cases. The reason could be that in Singapore, salaries are computed monthly, not hourly. Thus, even when work is quiet, workers are required to be around. If work is busier than expected or a worker does not show up last minute, the rest cover. It is rare for staff to be required to do more or less than their stipulated hours or day of work.

However, the monthly salary regime leads to a different vulnerability from the per hour practice in other countries. In the US, the fixed per hour rate leads employers to minimise hours. In Singapore, the fixed per month salary leads employers to maximise hours. It appears that the base number of hours by which managers and supervisors compute the salary is the maximum of 44 hours for full-time work. This is higher than the stipulated norm of 40 hours per week (Tripartite Alliance for Fair and Progressive Employment Practices, 2014). Thus, workers in Singapore may work longer hours for a lower per-hour rate. In fact, because salary is computed on a per month basis, some employers stretch the workers to longer hours. For example, one elderly respondent works 10 hours a day and 6 days a week for a higher monthly salary of SGD1200. Thus, poor work conditions in Singapore manifest in a different form, with rigidity in the performance of the job function to fulfil the work hours.

Although the provision of wage and benefits were generally above board, vulnerabilities of low-wage cleaners were found in three ways. First, the cleaners interviewed had a general lack of awareness of their benefits and rights. A number of respondents did not know what benefits they were given by their employers. Some respondents were also not aware of the exact details of their pay, for instance how much they were paid on public holidays, or for overtime work.

Second, some cleaners experienced violations in employment rights. Some of these areas include break times during working hours, overtime pay, rest days and paid

medical leave. For example, most of the cleaners interviewed did not have the 45 minutes break stipulated by the Employment Act, but were expected to continue their work immediately after having 10–15 minutes for their meals. Another illustration is medical leave. Under the Act, employees are entitled to paid medical leave of 14 days if they have worked for more than 6 months, and employers are expected to reimburse the employees for their medical consultation fees (Ministry of Manpower, 2017b). However, one respondent incurred a monetary penalty for taking medical leave, another respondent said her employer did not reimburse her medical fees, and one part timer respondent had no medical benefits.

The third kind of vulnerability experienced by cleaners is due to employers' maximising profits within legal bounds, yet in ways that disadvantage workers. For example, in terms of work hours, more staff are needed at the peak periods of lunch and dinner but because working through the two meal times will stretch work hours beyond legal limits, some staff are given breaks of a few hours in between. However, the time is too short to go home during these breaks, and staff rest in the vicinity. Thus, the break time is not a full break from the work place, and the time away from home is long.

In terms of leave, legally, employees are entitled to 7 days of annual leave in the first year of work, after which one day of leave is added for every additional year up to 14 days. However, although one respondent had worked in the same place for 6 years, her number of days of annual leave was still seven. It might be that her employer is giving yearly or shorter contracts so that leave days and wages are reset – a practice that some management respondents mentioned is happening in the sector.

### *Interactions between conditions in and out of work*

The vulnerabilities of low-wage cleaners are further compounded by conditions at home which compel cleaners to accept either unfavourable job conditions because they need the earnings, or part-time work with reduced benefits because they need the flexibility to attend to personal and family needs. As can be seen from the descriptions of respondents tabulated in Table 2, besides low educational qualifications, half of the respondents faced substantial personal challenges, including disability, health issues, and family exigencies. Multiple personal and familial challenges were faced by both respondents referred by social service agencies and respondents from other sources.

Through the respondents' sharing of their experiences of conditions in and out of work, three key areas of impact stood out – health, finances, and family responsibilities. With regard to health, the common theme was how their jobs negatively impacted their health, either due to pre-existing health issues, or certain job conditions that exacerbated them.

For most of the respondents, their financial status led to them taking on more hours at work. The responses given indicate that their low wages led to a financial struggle for at least half of the respondents. Four respondents were receiving external financial assistance, three expressed their inabilities to pay for their bills, and three respondents borrowed money to make ends meet.

Family responsibilities impacted work conditions in two opposite ways. For some, the presence of family responsibilities led to them not being able to take up more hours at work, or affected the nature of their employment. For others, the absence of family

**Table 2.** Cleaner respondents' characteristics.

Cleaner	Age	Sex	Highest education	Work and family history
A	78	F	Nil	Dish collector for 16 years; Eyesight and health issues Widowed; daughter, age 50s, has mental health issue
B	45	F	Nil	Cleaner for 6 years; Deaf and mute; Interview conducted with respondent's mother (single mother, has a growth in abdomen)
C	43	F	Secondary 2	Dishwasher for only 1 month due to daughter's injury from accident Health issue (pain on wrist) Divorced with 4 children
D	47	M	'O' Level	Cook. Has worked in F&B industry for 17 years Wife is Indonesian and a housewife
E	53	F	Secondary 2	Dish collector for more than 5 years Single; lives with sister
F	54	F	Primary 6	Part-time dish collector for more than one year Single; Cares for wheelchair bound sister during weekdays
G	53	F	Primary 2	Part time kitchen assistant for more than one year Has mild arthritis in legs Primary caregiver of granddaughter, age 6
H	57	F	Primary 6	Dish collector for more than 5 years Widowed; Adult son is cognitively slow and unemployed
J	63	F	Primary 6	Dishwasher for same company for 6 years
K	59	F	Primary 6	Cleaner for same restaurant for at least 5 years

responsibilities and presence of social resources enabled them to work. At the same time, the flexibility accorded to them by their workplace was key to enabling them to attend to their family and personal demands.

For Cleaner F, this was shown in the negotiation to start her work later in order that she might be able to complete household chores before going to work. For Cleaner G, the employer accommodated her schedule so that she could care for her granddaughter and attend her medical appointments. The supervisor in cleaning company #1 also mentioned how he accommodated two staff who were from a destitute home, and another with depression. On the flip side, the absence of such flexibility had a negative impact on the workers, as seen in Cleaner D's plight when his employer did not grant him leave to bring his daughter to the hospital because he submitted his request late. Thus, in such bottom-of-the-ladder jobs, workers' ability to juggle family responsibilities and personal issues with work is dependent on the kindness of supervisors and management. While this is true of all types of employed individuals, that these workers are lowest in the hierarchy and to the extent that low-skilled jobs are easily substituted, low-wage workers are at their bosses' mercy.

### *Labour shortage, worker age and work attitude*

While the previous section highlighted ways in which cleaners have low bargaining power, there is a peculiar situation in Singapore that reverses the power dynamics. With the tightening in the supply of foreign workers, and the continued expansion in demand for cleaners, Singaporean cleaners are in short supply. Hence, when asked about key challenges, managers and supervisors often point to the shortage of staff, of not being able to hire and retain cleaners, and not being able to dismiss workers even when staff misbehave. These two quotes from the supervisor of Big Cleaning Contractor #1 illustrate the conundrum:

If you dismiss a worker, you have headache because you will be short of one worker. If you hire a new worker, you have to train her all over again how to collect dishes. There was this incident. You know there is water over there. You are trained. You know you should mop and display a triangular sign. She didn't do it. Someone fell and two of them laughed. The customer is ok but she complained ... I told them they should help the customer to get up instead of laughing ... We really can't dismiss them. They will just go elsewhere to work.

Dish collectors are in high demand. Once you release one, they will be snapped up ... There are lots of markets around here. Very easy to find work. Some other jobs can pay \$1,200 ... We can't. We can only pay \$1,100. Especially our company because we bid for contracts ... (Supervisor #1, 9 Dec 2014)

The above quotes also show the age-related challenge that supervisors face in managing workers' attitudes. It appears to be a cyclical issue where the job is unpopular due to its low status, thus only low-educated older workers would take up these positions, but these older workers are also unwilling or unable to work beyond a certain limit, and also unwilling to travel long distances (e.g. into the town centre) to work. Flexibility also means that employees know they can easily find work elsewhere, so even if they violate work practices, the consequences are not dire.

The market for F&B cleaners is thus almost perfectly competitive, where salaries are almost the same. Cleaners can easily switch over to a higher-paid location. When only salaries are matched, cleaners switching jobs may seem a credible threat. In reality, because proximity to home and familiarity are important for older workers, they tend to continue working in the same location even when the contract changes hands to a different employer.

The dependence of cleaning jobs on older or foreign workers poses a bleak future for this job type. In fact, the PWM has been effective only in mandating the minimum entry level wage of SGD1060. So far, it does not function to move a particular worker up the wage ladder. Rather, employers appoint different types of workers to different levels required by the PWM. For example, management interviewees shared how they 'meet' the requirements of the PWM, which requires specific training for each wage level. All seem to have provided the minimum one-time training, and that is it. Management interviewees talked about downgrading supervisors (who are to be paid SGD1600) to team leaders (who are to be paid SGD1200). This might be a better alignment of job titles to wage levels. However, this also means that in the transition, employers abide by the PWM while not necessarily improving the salaries of individual workers.

### *Meeting new regulations: Structural and business challenges*

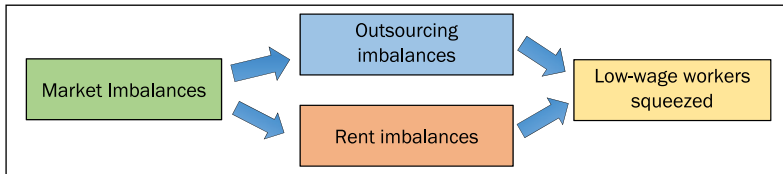
In the interviews with managers, all except Small Restaurant #2 have made use of government grants to harness technology and improve productivity. Examples include dish-washing machines and the use of tablets to place orders. Besides government grants aimed towards improving productivity, management respondents articulated that the legislation of higher wages have also compelled productivity improvements through other innovations. For example, all organisations interviewed talked about more flexible work arrangements in terms of work hours and roles. The flexible work arrangements were complemented with job redesign. For example, the big restaurant group created team-leader positions and off-peak time roles; Small Restaurant #1 sold the restaurant van, and started using the Uber delivery service.

Increased manpower costs due to the minimum wage set by PWM were not the only cost pressures. Rental cost was the other major challenge. In fact, two restaurant managers identified rental costs as a greater challenge than manpower costs. Many of the management respondents also discussed other competitive pressures that squeeze wages. Figure 4 illustrates these factors, and how they depress wages.

Starting from the leftmost box, market imbalances refer to mismatches in demand and supply due to economic structures. The manager in Cleaning Company #1 asserted that Singapore's rate of new buildings is too high for the sector to manage. This should lead to greater business opportunities for cleaning companies, and therefore higher wages in order to meet the demand with the limited supply of labour. However, following the path on top in Figure 4, the shortage (market imbalance) in cleaning services due to increasing demand combines with outsourcing to instead depress wages. The high demand for cleaning services encourages many kinds of cleaning companies to enter with cheap bids to undercut the competition, based on as many cleaners as possible at minimum costs.

The minimum wage and PWM have been built into the licencing of cleaning companies and are to be taken into account in the award of contracts. However, management interviewees in the two big cleaning companies complained of contracts that continue to be awarded to the cheapest bidder. This makes it economically unviable for companies who want to abide by the PWM to do so because they might lose their contract. They also complained of the practice of re-setting wages and annual leave to the minimum when the cleaning contract changes from one company to another, but workers remain with the new employer due to proximity of the workplace to home. Thus, although the award of contracts is supposed to take into account PWM, actual practices have continued to be based primarily on cost. In fact, there continue to be requirements for a minimum headcount in the contracts, which then recycles a system of many workers at minimum cost rather than fewer workers with higher output. Thus, the current outsourcing model, which results in a race to the bottom, is a key area of further reform to ensure the success of wage improvements.

A parallel story of market imbalances from the restaurants side is that of an artificial supply-induced demand for new dining experiences through restaurants opening, reopening and relocating to differentiate themselves in a competitive F&B market (bottom path in Figure 4). This was explained by Small Restaurant Manager #1 as an important reason for high rents. His restaurant, located downtown, faced a 100% increase in rent when it renewed its three-yearly lease.



**Figure 4.** Types of imbalances that squeeze low-wage workers.

The experience relating to rent that was voiced by respondents may be location specific. The Ministry of Trade and Industry reports that only a small number of retailers island-wide see huge rental spikes, while a quarter of retailers would see either no rent increase or lower rents when they renewed (Tan, 2014). Nevertheless, in land-scarce urban Singapore, increasing rental cost is a constant challenge for businesses (Koh, 2016; Lee, 2017). In the face of such competitive cost pressures, businesses have no choice but to cut manpower and wages.

Overall, in the face of macroeconomic factors driving a pace of development and competition that outstrips the ability of supply to catch up, businesses are being allowed to rely on cheap resourcing to quickly meet the present demand, at the expense of staff welfare and the future sustainability of cleaning jobs. The management respondents in the big companies often talked about the future of the industry, and in their various capacities were trying to be leaders in shaping cleaning as an occupation with career prospects. Beyond suggestions such as investments in technology, many management interviewees felt the economy has to be prepared to pay cleaners much higher wages to reflect the shortage and value of this job type.

## Discussion

The findings in this study show that while labour practices are generally above board, low-wage cleaners in Singapore are vulnerable in several ways. They have limited information about their employment rights and benefits, and face various forms of exploitation, some of which flout labour laws and some of which are within the structures permissible by law.

The cleaners in the study also experienced vulnerability in terms of their demographic characteristics and family backgrounds. Many were low-income breadwinners with health and other family issues. All were older workers. The cleaner respondents, however, seemed to ‘accept their lot in life’. Most answered the authors’ questions about job conditions in a matter-of-fact way: their acceptance of their situation might have resulted from their vulnerable status as older, female or low-educated workers who felt that they had no right to demand more.

With cleaners’ compliant posture, a sympathetic boss makes a big difference to their quality of life and job condition. Even though a number of the respondents were referred to the study by social service agencies, in Singapore, social work is confined to family and social assistance. Matters in the workplace are largely out of the job scope of social service professionals. In this way, a kind supervisor who gives flexible work arrangements

for workers to attend to personal and family needs might be more of a social worker to the low-wage worker than social services. In capitalist societies, employment is a main part of one's life, and it cannot be disentangled from other parts of life. Dealing with job conditions means dealing also with the work-family balance – something scholars regard as a privilege only the rich can afford to enjoy (Teo, 2016). In this sense, a kind supervisor de-commodifies low-wage work, and becomes like a social worker to staff.

Cleaners' vulnerabilities are to a large extent structural, because besides market forces, the poor conditions are also due to structural imbalances such as outsourcing or rental models. These models ultimately derive from economic policy choices. In Singapore, high economic growth has been given priority, leading to employment- rather than wage-driven industrial relations (Chew and Chew, 1995; Hui and Toh, 2014). While tripartite consensus around a common goal of growing the economy has resulted in employment growth, recent globalisation trends and economic structures have driven a wedge between economic and wage growth, especially for low-wage workers.

The fast pace of change and economic growth was one underlying theme in management respondents' answers relating to the main challenges faced by their businesses, for example, the pace of new buildings outstripping the supply of cleaners, and the rate of restaurant turnover. These conditions have implications for rental and other costs. Economists have suggested the need for slower but higher quality growth as Singapore's economy matures (Hoon, 2011). The PWM and other government initiatives have started the transition to the mature phase of Singapore's economy, and it appears that in the F&B cleaning sector, initial efforts to improve wages and job conditions are succeeding without significantly compromising other fringe benefits. In this regard, several factors may have been in play at the time of the interviews. First, recalcitrant employers who compromised on fringe benefits were already doing so before the new requirements. Second, during the period of study when the new requirements were being implemented, employment practices were being monitored closely. Third, an important overall condition is that the current initiatives and reactions operate under a stable infrastructure of labour laws protecting workers.

However, the initiatives are at an early stage. At the time of writing, the next round of wage revisions has just been announced, guidelines on best sourcing are being rolled out, and plans to expand the PWM to other low-wage sectors are being considered. The need to reduce reliance on low-wage low-skilled workers and to improve wages is clear. Yet the pace of legislative change needs to be managed. Too fast, and businesses' manoeuvres around the legislation might instead worsen conditions. Too slow, and job conditions will continue to languish. The balancing act in the speed of change points to the tensions between the direct interventions to uplift low-wage work and the pro-growth macro-economic policies that tend to promote cost containment at the expense of workers.

Debates on price inflation illustrate this tension. On one hand, the argument for a slower increase in wages is that the resulting higher consumer prices may hurt the low-wage workers who are supposed to be helped; that these workers, as consumers, will also pay the higher prices. On the other hand, the counter-argument from the findings in this study is that business costs have also escalated, owing to market imbalances and fast growth leading to demand outpacing supply.

Containment of cost and price increases due to shortages may be justifiable within a growth-oriented economic model premised on Singapore as an attractive location for businesses. Wage cost containment is less justifiable from a worker perspective, because the market imbalances have benefitted certain groups such as landlords and shareholders at the expense of low-wage workers. Furthermore, addressing distortions in rents and contracts will also moderate consumer costs, to the benefit of all.

Thus, a transition to slower growth and maturity requires fundamental economic restructuring. Political and opinion leaders have called for a mind-set change by business owners and consumers (Chia, 2014; Seow, 2016). The national productivity drive that started in 2010 needs to be sustained, together with the full implementation of the wage ladders in the PWM. The findings in this study offer two insights into the relationship between productivity and wage improvements. First, the higher pay mandates have compelled technological and service innovations through flexible work arrangements and job redesign. Second, employers implemented the higher pay only when it was legislated. While the management interviewees in this study opined the need to pay higher wages, they also admitted that they did so only when compelled by legislation. Thus, rather than productivity improvement leading increasing wages, legislated wage restructuring can be a way to drive productivity and innovation. In the same vein, economists have argued that the past high dependence on low cost foreign workers has been a key factor that dampened productivity (Hui and Toh, 2014). That is, going forward, as the push to further restructure wages becomes more challenging but necessary, legislation and legislative enforcement – not persuasion – will be needed to not only uplift job conditions, but also sustain Singapore's economy in the long-term.

The pace of wage restructuring leads to another issue related to the age and educational profile of cleaners. Sustaining higher wages requires productivity improvement through skills advancement, job redesign and technology adoption. For wages and job conditions of cleaners not to continue deteriorating, the current initiatives will need to pick up pace. However, many local cleaners today are elderly and low educated and have limited desire for further training. On one hand, the elderly cleaners are the ones who need even greater protection because of their age and educational background. On the other hand, restructuring leaves exactly this group behind.

Wages and job conditions have deteriorated exactly because protection of such bottom earners has been compromised as their job type became increasingly commodified. In this light, as asserted by Ng (2015), the current initiatives are overdue, and should be viewed as 'wage corrections'. That is, while the rhetoric of PWM ties the wage corrections to productivity and training, the reality (as has been shown through how PWM is experienced by interviewees) is that wages have been increased without the corresponding productivity improvements. This is because they are actually corrections to wages that have been depressed.

In addition, the plight of elderly workers should not be linked only to employment. As suggested in the literature review, a larger question is the adequacy of welfare protection for the elderly in Singapore. This need has been recognised through the introduction of schemes such as the Pioneer Generation Package, Silver Support, and Medishield Life. At the national level, the PWM should be viewed alongside the larger policy landscape.

From the interview findings, it seems that the PWM has mainly served a 'wage correction' function. However, the long-term goal of job transformation so that the industry



can offer productive jobs with career prospects for younger workers is far from being achieved, given employer manoeuvres such as hours maximisation and wage re-setting through yearly contracts. Stronger enforcement and expanded legislations will be required to effect real improvements. In addition, legislative expansion and enforcement are made more challenging by the onset of the gig economy, which has given employers the option to side step labour laws by hiring workers on gig contracts.

## **Limitations**

This study is not meant to be representative. Instead, the stories from a sampling of managers, supervisors and workers in the F&B cleaning sector help to bring out themes in low-wage job conditions, and the processes experienced as businesses and workers adjust to new requirements. Thus, one limitation is that the study is of a small biased group. Management respondents were from exemplary organisations and cleaners were made up of a more disadvantaged pool. Yet, these are the very stories that are of interest to the policy at hand. The disadvantaged workers are the targeted beneficiaries of the legislative changes, and the best practices of the top organisations can offer lessons for other organisations. The study has also focused on local workers, not foreign workers. The latter can be said to be an even more vulnerable group. As an infinite substitute supply, they are blamed for the low wages and poor job conditions of low-wage workers (Lim, 2017). However, their job conditions are worse. That is for other studies to explore.

## **Conclusion**

Our interviews with cleaners, supervisors and managers in the F&B industry reveal the textured translation of national policies, highlighting the delicate balance involved in improving low-wage job conditions while keeping businesses alive and industries forward-looking. They tell a tale of favourable (yet unfavourable) conditions of low-wage work. On one hand, the base infrastructure is strong, with the government, NTUC and SNEF working together to manage wages and conditions under an established set of employment laws. On the other hand, under the pressure of competitive globalisation and the need for rapid growth are commodified structures such as legitimised cheap resourcing and induced market imbalances that hurt low-wage workers.

Yet, within these structural vulnerabilities are semblances of de-commodification. The PWM, paired with best sourcing guidelines, can unravel the commodification of outsourcing by tying licencing of contracting agencies to progressive wages and benefits. At the baseline, these initiatives benefit both young and old workers and can be regarded as a wage correction. A productivity drive and the SkillsFuture movement encourage a longer term strategy to improve job quality and wages, although the effects of this are still to be seen in the present study. Leading organisations and empathic supervisors also act as ‘workplace social workers’ to help workers cope with work-life balance that the cleaners almost seem to accept as something out of grasp to them. At the national level, recent welfare expansion for elderly can be expected to decrease low-income elderly’s dependence on work, but this was not something that could be found from the research design in this study.

Going forward, highly modernised Singapore is realising that it is becoming a mature society where legislative protection will need to broaden, that its growth model will need to shift from reliance on cheap labour to high-valued labour (in terms of both compensation and contribution). Singapore's current pragmatic approach tries to balance the needs of businesses and workers, but in a power-imbalanced world, and as Singapore's own history has shown, continuing the pragmatic stance will likely disadvantage workers. The initial efforts to improve wages and job conditions are promising. The challenge now is to push the sector-specific movements to the whole economy and with legislative conviction. With the onset of the gig economy, legislative coverage will also need to expand beyond traditional types of employment contracts.

While Singapore's recent attempts to improve wages and job conditions of low-wage workers by sector is grounded in a unique tripartite context, wage deterioration and commodification of low-wage jobs are ubiquitous challenges. The case study in this article has shown structural factors that policy makers around the world need to contend with, factors such as pace of development, labour costs in relation to other business costs, service contracts, and even welfare programmes. In a future where lower wage jobs are expected to face greater upheavals, all these structures will need to be re-examined.

### Acknowledgements

We acknowledge support from the University's Humanities and Social Sciences Seed Funding (R-134-000-083-646). We are grateful to Anna Haley-Lock for initial ideas and start-up of the research. We thank Amrit Kaur, Diana Lau, Gillian Pek and Tang Wai Hong for research assistance, and Michael Sherraden, Linda Lim, and Teo You Yenn for comments on earlier drafts. Opinions and errors are, however, our own.

### Notes

1. Singapore's incidence is self-computed from published data from the Ministry of Manpower, whereas the incidence of the other countries are reported by the OECD. Thus, Singapore's rates are not comparable to the rates of the other countries in several ways. Singapore's wage and thus the incidence is based on monthly wage, whereas the ones reported by the OECD are on a per hour basis. The breakdown in the number of employees and occupational groups is also subject to the groups made available by published data, and might not correspond neatly with the categories in the other countries.
2. The Central Provident Fund (CPF) is a mandatory social security savings scheme funded by contributions from employers and employees. For all employees who are Singapore citizens or Singapore permanent residents, including company directors and part-time or casual employees, the employer pays a monthly employer and employee contribution into the fund, and recovers the employee contribution through wage deductions (Ministry of Manpower, 2017a).

### References

- Chew SB and Chew R (1995) *Employment-Driven Industrial Relations Regimes: The Singapore Experience*. Singapore: Avebury.
- Chia YM (2014) S'pore firms 'need mindset change'. *The Straits Times*, 3 March, p. 14.
- Chong YK and Ng IYH (2017) Constructing poverty in anti-welfare Singapore. *Social Identities* 23(2): 146–162.

- Employment and Employability Institute (2016) *Best Sourcing Initiative*. Available at: <https://e2i.com.sg/about-e2i/best-sourcing-initiative/> (accessed 28 November 2017).
- Gautié J and Schmitt J (eds) (2010) *Low-Wage Work in the Wealthy World*. New York: Russell Sage Foundation.
- Haley-Lock A (2011) Place-bound jobs at the intersection of policy and management: comparing employer practices in U.S. and Canadian chain restaurants. *American Behavioural Scientist* 55(7): 823–842.
- Hoon HT (2011) What's new, what's next for Singapore? *The Business Times*, 4 September, p. 11.
- Hui WT and Toh R (2014) *Growth with Equity in Singapore: Challenges and Prospects*. Geneva: International Labour Office.
- Kalleberg AL (2008) Precarious work, insecure workers: employment relations in transition. *American Sociological Review* 74(1): 1–22.
- Koh T (2016) Is Singapore the new sick man of Asia? *The Straits Times*, 24 December, p. 16.
- Lee SS (2017) Is Singapore at risk of becoming a rentier society? *The Straits Times*, 11 January, p. 17.
- Lewchuk W (2017) Precarious jobs: where are they, and how do they affect well-being? *The Economic and Labour Relations Review* 28(3): 402–419.
- Lim L (2017) 'Singapore: Economy.' In: *The Far East and Australasia 2017* (48th ed.). London; New York: Taylor & Francis.
- Ministry of Labour (1997) *Report on Labour Force of Singapore*. Singapore: Ministry of Labour.
- Ministry of Manpower (2001, 2006, 2010, 2011, 2012) *Report on Labour Force in Singapore*. Singapore: Ministry of Manpower.
- Ministry of Manpower (2006, 2011, 2012, 2013, 2014, 2015, 2016) *Singapore Yearbook of Manpower Statistics*. Singapore: Ministry of Manpower.
- Ministry of Manpower (2013, 2014, 2015) *Labour Force in Singapore*. Singapore: Ministry of Manpower.
- Ministry of Manpower (2016) *Recommendations of the Tripartite Cluster for Cleaners on Progressive Wages*. Available at: [https://ntuc.org.sg/wps/wcm/connect/b30e4bd7-aea9-4c4b-9ed9-5b6202a70d67/Tripartite+Cluster+for+Cleaners+Report\\_Dec+2016.pdf](https://ntuc.org.sg/wps/wcm/connect/b30e4bd7-aea9-4c4b-9ed9-5b6202a70d67/Tripartite+Cluster+for+Cleaners+Report_Dec+2016.pdf) (accessed 28 November 2017).
- Ministry of Manpower (2017a) Employment practices: central Provident Fund. Available at: <http://www.mom.gov.sg/employment-practices/central-provident-fund/employers-contributions> (accessed 14 May 2018).
- Ministry of Manpower (2017b) Employment practices: sick leave. Available at: <http://www.mom.gov.sg/employment-practices/leave/sick-leave> (accessed 28 November 2017).
- Ministry of Manpower (2017c) Time series table: labour force. Available at: <http://stats.mom.gov.sg/Pages/LabourForceTimeSeries.aspx> (accessed 28 November 2017).
- Ministry of Manpower (2018) Time series table: income. Available at: <http://stats.mom.gov.sg/Pages/IncomeTimeSeries.aspx> (accessed 15 May 2018).
- Ng IYH (2015) Being poor in a rich 'nanny state': developments in Singapore social welfare. *The Singapore Economic Review* 60(3): 1550038[17 Pages].
- Organisation for Economic Co-operation and Development (OECD) (2017) *Wage Levels*. Available at: <https://data.oecd.org/earnwage/wage-levels.htm> (accessed 28 November 2017).
- Pajnik M (2016) 'Wasted precariat': migrant work in European societies. *Progress in Development Studies* 16(2): 159–172.
- Prosser T (2015) Dualization or liberalization? Investigating precarious work in eight European countries. *Work, Employment and Society* 30(6): 949–965.
- Seow BY (2016) Need for change in mindset and methods of private security industry, says Chan Chun Sing. *The Straits Times*, 31 January, p. 16.

- Siegmann KA (2016) Understand the globalizing precariat: from informal sector to precarious work. *Progress in Development Studies* 16(2): 111–123.
- Siegmann KA and Schiphorst F (2016) Understanding the globalizing precariat: from informal sector to precarious work. *Progress in Development Studies* 16(2): 111–123.
- Tan M (2014) Retailing woes go beyond reits. *The Straits Times*, 3 June, p. 14.
- Teo YY (2013) Support for deserving families: inventing the anti-welfare familialist state in Singapore. *Social Politics: International Studies in Gender, State & Society* 203(3): 387–406.
- Teo YY (2016) Not everyone has ‘maids’: class differentials in the elusive quest for work-life balance. *Gender, Place and Culture* 23(8): 1164–1178.
- Tripartite Alliance for Fair and Progressive Employment Practices (2014) Work-life strategies. Available at: <https://www.tafep.sg/ep-work-life-strategies> (accessed 28 November 2017).
- US Bureau of Labour Statistics (2010) Paid sick leave in the United States. *Program Perspectives* 2(2): 1–4.
- Wright CF (2013) The response of unions to the rise of precarious work in Britain. *The Economic and Labour Relations Review* 24(3): 279–296.

### Author biographies

Irene YH Ng is an Associate Professor of Social Work and Director of the Social Service Research Centre in the National University of Singapore. Her research areas include poverty and inequality, intergenerational mobility, and social welfare policy.

Yi Ying is a social worker at Methodist Welfare Services Covenant Family Service Centre, Hougang, Singapore. She participated in this research as part of her training for an Honours research qualification at the National University of Singapore.

Poh Choo is a social worker at Children’s Aid Society. She undertook this research as a Research Assistant at the National University of Singapore. She previously worked in the banking and finance industry for nearly 20 years.