How quickly time flies in spite of the COVID-19 and its implications for our everyday lives.

Issue 4 (2020) of SSR Snippet commemorates the UN International Day for the Eradication of Poverty (IDEP) with two articles related to the subject of poverty and its eradication.

In the first article, A/P Irene Ng continued the effort to understand the concept of poverty discussing what is absolute poverty, relative poverty and capability & multi-dimensional poverty and contrasting these to what is considered being poor in the Singapore context.

The second article by Timothy Teoh and other colleagues examines the plight of ‘triple-low’ workers and discussed how their employment challenges can be addressed by more helpful legislation.

This issue of Snippet promises a scholarly and thoughtful read and well worth spending a snippet of your time!
Definitions and Measurements of Poverty 2020
by Irene Y.H. Ng, Department of Social Work, NUS

Introduction

How financially strapped must one be to be considered poor? This article gives an overview of poverty definitions and measures around the world, and considers their relevance to the Singapore context. It also offers estimates of poverty rates in Singapore. These estimates are only estimates because one will need accurate information on things such as price indices by household type and size. Such data is unavailable in Singapore.

This article is an update of the first one published in the SSR Snippet in 2018. [1]

Monetary Poverty

The World Bank (2005a) defines poverty as “pronounced deprivation in well-being”. At the most basic level, poverty is viewed in monetary terms, whether you have or do not have enough money. The threshold of what is enough (or not enough) is determined according to a basket of goods, which might be a minimum food and nutrition standard or in terms of basic needs such as food, clothing and shelter.

The threshold is often measured in terms of income in developed countries and in terms of consumption in developing countries. The difference is mainly due to ease of data collection. In developed countries, most incomes are from employment income which is more stable and paid regularly. However, in developing countries, many people receive irregular incomes. With consumption smoothing, consumption expenditure might be a better reflection of permanent income. It is also argued that the incidence of irregular income is also high among poor households in developed countries, and thus a consumption measure might better reflect their purchasing power. They might also receive subsidies which earned income does not reflect. Thus, the World Bank prefers measuring consumption poverty, although a problem with measuring consumption poverty is that frugality could be mistaken as poverty (World Bank, 2005b).

Absolute poverty

The poverty threshold can be absolute or relative. Absolute poverty occurs when the amount of money one has falls below a predetermined level set by the state, or an official or authoritative body. The current international extreme poverty line, set by the World Bank in 2015, stands at $1.90 per day (in 2011 purchasing power parity). The level reflects “the line below which a person’s minimum nutritional, clothing and shelter needs cannot be met” (World Bank, 2015b). This extreme poverty line is set as the threshold in the United Nations Sustainable Development Goal (SDG) to end poverty by 2030 (World Bank, 2015a; United Nations, n.d.).
In 2017, the World Bank introduced two higher poverty lines, $3.20 a day for middle income countries such as India and the Philippines, and $5.50 a day for upper middle income countries such as Brazil and South Africa. These are to reflect “societal poverty lines”, as “the cost of performing the same function might differ across countries” (The World Bank, 2018).

The official poverty line in the United States of America (USA) is also absolute. It is “set at three times the cost of a minimum food diet in 1963, updated annually for inflation using the Consumer Price Index (CPI)” (Semega, Fontenot, & Kollar, 2017). In 2018, the poverty threshold for a family of four was $25,465, giving an official national poverty rate of 11.8 percent. This registers a fourth consecutive decline in the poverty rate (Semega, Kollar, Creamer, & Mohanty, 2019).

Among many criticisms of this official poverty threshold, one salient criticism is that it is outdated. Composition and diets of American households have changed vastly since 1963, and the measure does not take into account modern expenses typical of households today. However, advocates have not been able to change this legislated official poverty measure. Thus, alternative measures are now being published, one of which is the Supplemental Poverty Measure (SPS). It takes “the mean of expenditures on food, clothing, shelter and utilities over all two-child consumer units in the 30th to 36th percentile range multiplied by 1.2”. The methodology follows closely the recommendations made by the “National Academy of Sciences (NAS) poverty measurement panel convened in 1992” (Institute for Research on Poverty, 2016).

Relative poverty

Relative poverty looks at a person’s position relative to others. It “generally means that a person can’t afford an ‘ordinary living pattern’ – they are excluded from the activities and opportunities that the average person enjoys” (Full Fact, 2018). For example, The Organization of Economic Development (OECD) applies 0.5 of median income as the poverty threshold, thus allowing for easy comparison between countries. In the European Union and the United Kingdom, the relative poverty threshold is set higher at 0.6 of current median income. [2] Interestingly, the United Kingdom then bases its current absolute poverty threshold on the relative measure by setting its absolute level as 0.6 of the median income in 2010/11. This fixes a constant threshold while still keeping to the principle of comparison to the rest of the population. In 2016/17, this absolute poverty rate was 14% without housing costs and 19% with housing costs (GOV.UK National Statistics, 2018).

[2] Official UK documents refer to the thresholds as absolute and relative low income, and refers to households below the thresholds as “at risk of poverty”.

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Closer to home, in 2013, Hong Kong set its poverty line at 0.5 of median income. In 2018, the rate was 20.4% (14.9% after government transfers), which is virtually the same in the last few years (Government of the Hong Kong Special Administrative Region, 2019). Compared internationally, Hong Kong's rate is comparable to Asian advanced economies, lower than USA's, but higher than other advanced economies. An illustrative list of relative poverty rates (after taxes and transfers) is in Figure 1.

Therefore, a key difference between absolute and relative measures is that while the former compares with a minimum standard of living, the latter compares with the population at large. That is, relative poverty views poverty not just in terms of material lack, but also cultural and social lack. This is reflected in the following quote on childhood poverty from Stewart (2016):

“The relative income measure...reflects an understanding that what children need to thrive depends on what others around them have. In rich countries, children don’t just need adequate food, clothes and shelter (though these are by no means a given for all children in the UK today), but also to participate in the everyday activities that many children take for granted: swimming lessons, school trips, having a friend to tea.”

However, the relative poverty threshold is arbitrary. Thus, alternative measures of poverty have been developed that combine the principles of both absolute and relative poverty. In addition, while concrete and direct, monetary poverty focuses too narrowly on only one of many aspects of living in poverty. It also constrains policy to only income maintenance, which is limited in getting people out of poverty. Thus, alternative measures that look at multiple dimensions of poverty and which go beyond monetary poverty have been developed.
In the capability approach by Economics Nobel Laurette Amartya Sen and Martha Nussbaum (World Bank, 2017), the poverty threshold reflects one’s (in)ability to function in society. “The constituent part of the standard of living is not the good, nor its characteristics, but the ability to do various things by using that good or those characteristics” (Sen, 1983, p. 160). For example, the amount of food one needs for “bare survival” is less than the amount of food one needs to carry out a manual job; “a linen shirt may have been sufficient at the time of Adam Smith, but today a job seeker requires internet at home and a mobile phone” (World Bank, 2017, p. 139); a bicycle is a resource, but which a handicapped person cannot use (Sen, 1983). All these point to an approach to poverty that does not rely on a fixed threshold, but varies in time and context.

Although Amartya Sen has resisted the identification of a list of capabilities, the capability approach has inspired the development of non-monetary measures of poverty such as the multi-dimensional poverty index (MPI) by the Oxford Poverty and Human Development Initiative (OPHI), which the United Nations Development Programme (UNDP) reports in its Human Development Reports. The MPI includes ten items in the three dimensions of health, education and living standard (Figure 2). One is poor in multiple dimensions if one is deprived in 33.33% or more of the weighted MPI indicators. The percentage of people who are MPI poor gives the MPI incidence. Besides this poverty threshold, the intensity of MPI poverty can also be measured from the percentage of indicators that one is deprived in. The multiplication of the MPI incidence and MPI intensity gives the MPI.

![Figure 2: Multi-dimensional poverty index (MPI) indicators (OPHI, 2017)](image-url)
**Participatory Approaches to Measuring Multi-Dimensional Poverty**

While the MPI and the capability approach are the most widely applied globally, viewing poverty from multiple dimensions had already been articulated by scholars much earlier. For example, Peter Townsend in the UK pioneered a measure of deprivation, which included the following dimensions: diet, clothing, fuel and light, home amenities, housing and housing facilities, the immediate environment of the home, the general conditions and security of work, family support, recreation, education, health, social relations (Townsend, 1979).

Here, the social exclusion aspect of poverty besides material exclusion is brought in, and the methods of measurement take on participatory approaches. In one method, the determination of deprivation is by consensus through surveys in two steps:

1. Asking individuals to indicate from a list of items which are considered necessities; and

2. Asking individuals whether they lack those necessities by choice or because they cannot afford them (Mack, 2011).

Adapting from the survey-based measure of deprivation, the Centre for Research in Social Policy (CRSP) at Loughborough University in the UK has been using a participatory, group consensual approach to determine a budget that is needed for specific household types to achieve a minimum standard of living (Bradshaw et al., 2008).

**Poverty in Singapore**

Singapore has not adopted an official poverty line or participated in international relative poverty reports such as the OECD’s. Rather, it applies different thresholds for different kinds of government assistance, thus defining individuals or families as needy of that service. The following illustrates a few of such thresholds:

1. ComCare Short-to-Medium Term Assistance: Household income of $1,900 a month or per capita income of $650 a month (Ministry of Social and Family Development, 2017)


3. Public rental housing: Total household gross income must not exceed $1,500 per month (Housing & Development Board, 2018)

4. Low wage worker: Gross monthly income below 20th percentile (Ministry of Manpower, 2015)


The above different thresholds can be seen to be flexible in catering to different kinds of needs, and are revised occasionally. However, the income thresholds are to some extent arbitrary and can become outdated quickly.
Absolute poverty in Singapore

Who can be considered poor in Singapore? We turn next to estimates, tabulated in Table 1. The threshold of $1,913 for absolute poverty was arrived at after iterations in my 2018 Social Work Masters class on Poverty and Asset-building, consultations with a few colleagues, and itemized price comparisons by student assistants. The estimate is extremely conservative. It reflects only basic necessities for a four persons household with two adults and two children, one in primary school and one in secondary school. The basic necessities include food; a two-room flexi apartment bought in a non-mature estate with maximum grants; utilities; service and conservancy charges; concession transport; polyclinic medical expenses; spectacles for two members; basic household supplies; school uniform, books and supplies; and computing and telecommunication. [3]

This household configuration caters to the most basic of needs, because it does not take into account households with younger or older children, or households with members who have a chronic health condition. Expenses of such households can be expected to be higher. It also accounts for universal subsidies, e.g. housing grants and concessionary transport card, but not means-tested subsidies, e.g. MOE Financial Assistance. Comparing the threshold with the Income Trends Report (2019), 7.44% of working households are in absolute poverty.

To estimate poverty rate among non-working households, Yeoh (2013) assumed half of non-working households are poor and that the elderly who do not meet the CPF minimum sum are poor. The Ministry of Manpower estimates that about 30% will not meet the basic retirement sum in 2020 (Ministry of Manpower, n.d.). Applying this 30% to the 7.9% non-working households aged 65 and above [4], and half of the remaining 5.3% gives 2.37% who are elderly poor, and 2.65% who are non-working non-elderly poor. In total, the estimated absolute poverty rate is 12.46%.

In a Caritas presentation, Yeoh (2012) estimated the minimum expenses required if goods necessary for households to build human capital are included. He called these basic investment goods, which included computer services, education and training. This poverty rate is reported in Table 1 as “absolute poverty in basic consumption & investment”. In my computation, I counted only a laptop to be shared by the children as an investment good. The rest of computing costs were counted as basic consumption. In addition to education and training, I also added basic life insurance as basic investments. My threshold of $2,008 gives a poverty rate of 8% of working households. Applying the same scale of overall absolute poverty rate to the rate for only working households (12.46%/7.44%=1.67), 13.39% is estimated to be in absolute consumption and investment poverty.

<table>
<thead>
<tr>
<th>Type of poverty</th>
<th>Among working households</th>
<th>Among all types of households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute poverty</td>
<td>7.44%</td>
<td>12.46%</td>
</tr>
<tr>
<td>Absolute poverty in basic consumption &amp; investment</td>
<td>8%</td>
<td>13.39%</td>
</tr>
<tr>
<td>Relative poverty</td>
<td>24.02%</td>
<td>Lower bound 24.02%</td>
</tr>
</tbody>
</table>

Table 1: Estimated poverty rates in 2019
Relative poverty in Singapore

The relative poverty in 2019 is computed as follows. First, I take the $9,425 median household income reported in Table 9a of the Income Trends Report 2019 [5], and halve it to get the relative poverty threshold $4,712.5.

Next, to compute the number of resident households with incomes below $4,712, I refer to Table 8 of the same report, which reports the percentage of households whose earnings are within $1,000 income ranges. For example, 5.4% of households earn between $4,000 and $4,999. Assuming a proportional distribution within each $1,000 band, 71.2% of the 5.4% (3.84% overall) earn between $4,000 and $4,712. Adding this 3.84% to the percentages of households who earn below the $4,000 income range, 20.85% of all households earn less than $4,712. Excluding non-working households, 20.85% of the remaining 86.8% gives a relative poverty rate of 24.02%. Without distributional information on the incomes of non-working households, this 24.02% reflects the relative poverty rate among working households, and perhaps can be extrapolated as the lower bound of an overall relative poverty rate. Applying the same formula to data available by the Department of Statistics since 2000, I constructed this relative poverty rate since 2000, and found that the rate has increased by an average of 1.04% per year since 2000 and .58% per year in the last decade.

Further, to make my relative poverty rate comparable to the OECD rates, whose values are after taxes and transfers, I extrapolate from Hong Kong, where taxes and transfers decrease the poverty rate by 5.5 percentage points. Extrapolation from Hong Kong is reasonable given many similarities in Singapore’s and Hong Kong’s economies, and that Asian economies redistribute less relative to Western economies (Ng, 2020). Singapore’s relative poverty rate after taxes transfers can then be very roughly estimated at around 18.5%, which is higher than the countries reported in Figure 1.

Overall, poverty rates (summarized in Table 1) are largely unchanged from my 2018 estimates.

Participatory poverty in Singapore

In 2019, Ng Kok Hoe and colleagues adopted the Loughborough University consensual method to compute basic income budgets for elderly households. They found that an elderly individual needed $1,379 per month and an elderly couple $2,351 per month to meet a basic living standard in Singapore (Ng et al, 2019). The team is now collecting data for households with children.

[3] See Appendix for itemized costs. Comparing with the 2018 estimates, the costs of many necessities increased, while computing and education costs decreased. Although estimates were done in July 2020, during Phase 2 of Covid-19 when some prices increased, costs of low-end household items were kept low by supermarkets such as Sheng Siong.

[4] The 2019 Income Trends Report changed to reporting for age 65 and above in 2019. Before, the reported age cut off was 60 and above.

[5] In my 2018 article, I had taken the mean of the income in the 41st to 50th decile and the 51st to 60th decile reported in Table 13a as the median income. This overestimates the median income because Table 13a is ranked by household income per member. Applying the revised method in this article, the relative poverty rate in 2017 would be 23.31% instead of 26.08%.
Conclusion

With the caveats that my estimates are just estimates, and that poverty rates are not comparable due to different methods, assumptions and limitations in national data, we can however make two conclusions from the estimates:

1. Despite a conservative absolute poverty estimate, a substantial 12% of households in Singapore do not earn enough to meet basic consumption needs; and
2. The relative poverty rate indicates that a substantial 24% of households in Singapore do not earn enough to keep up with the rest of Singapore. This is likely higher than other advanced economies.

Acknowledgments

I thank students in my 2018 Poverty and Asset-building Policy Masters module (Amdis, Clarice, Francesca, Janet, Fay, Jim Jim, Jenna, Zul, Audrie, Zhiwei and Michelle) for the in-class discussions that shaped the framework for the measurements in this article; Matthew Low Jingwen, Cheritta Low, Daphne Lim and Benedict Tan for research assistance; and Neo Yu Wei, Ho Kong Weng and Kwok Chee Seng for inputs.

Appendix

The appendix can be viewed via this link.
Will Poor Work Get Poorer after the Pandemic?

by Timothy Teoh, Zhou Jiajia, Irene Y.H. Ng, Gillian Peck and Neo Yu Wei

Background

The COVID-19 pandemic has brought about an increased focus on the plight of low-wage essential workers in recent months. Academics highlighted the disproportionate impact of the pandemic, and the accompanying measures to curb its spread, would have on low-wage workers and termed them as “triple-low” workers - workers whose jobs are characterised by low wages, low entitlements and low bargaining power (Institute of Policy Studies, 2020; Ong & Theseira, 2020). Media coverage has emphasised how such workers are “undervalued and underpaid” (Lim & Yong, 2020), and in the Parliament, members called for better pay and respect to low-wage workers (Sin, 2020; Ng, 2020).

Despite the recent increase in coverage, such issues are not new. The reality is that the plight of these workers has existed all along. The risk now is that the poor work conditions of triple-low workers could get poorer post-pandemic. As the bottom lines of businesses become more battered, low-wage workers, who are at the bottom of organizations, are most vulnerable to lay-offs, non-payment or cuts in wages, or other cost-cutting measures that affect work hours and benefits.

Poor Work

Non-Standard Employment and Poor Work

The most vulnerable low-wage workers are likely to be those who are in non-standard arrangements (Ebisui, 2012), defined as part-time, casual, fixed-term arrangements, as well as the self-employed (International Labour Organization [ILO], 2016). Such employment arrangements have risen in many countries amidst an understanding that the rigidity of employment contracts weigh down on the competitiveness and responsiveness of the labour market to rapidly changing economies. However, there is no consensus in theory on whether employment protection laws are necessarily harmful to the labour market, considering the multiplicity of confounding factors at play (Adams et al., 2019). Instead, recent empirical research has found a positive relationship between strengthening of worker protection both in traditional arrangements and non-standard forms of employment and labour market indicators such as employment and labour’s share of national income (Adams et al., 2019).
While non-standard forms of employment contract offer some advantages to both firms and workers, the advantages do not play out naturally. For example, in the “stepping-stone hypothesis”, temporary contracts are said to allow firms to screen and train young workers with insufficient experience for a better match with the industry. However, a report by the ILO (2015, p. 21) noted that “when temporary work is further liberalized and the pool of temporary workers increases, longer term evidence, as seen in Japan and Spain, suggests that workers who start off with a temporary job are more likely to transition between non-standard work and unemployment over the course of their working life than workers who start with a permanent contract.” Moreover, empirical evidence on training of workers consistently show that non-standard workers receive less access to training.

In general, under better economic times, non-standard workers do not enjoy benefits such as pay increment, additional annual leave, advance notice of termination, or training advancement. In economic downturns such as the one we are now experiencing, these types of workers are most at risk of contract non-renewal or further reductions in wages and benefits. Yet these are times when their bargaining power are weakest, since alternative employment opportunities are scarce.

Now might therefore be an important time to strengthen protection for these workers; to close the gap between permanent and non-permanent workers, so as to prevent employers from easily relegating staff to contract or fixed-term positions or letting go of such staff, and to improve protections for the self-employed. This article reviews the literature on frameworks of ‘good’ and ‘decent’ work, and policies suggested and implemented to improve protection of non-standard workers, so as to apply them in the Singapore context.

Poor Work in Singapore

As seen above, certain vulnerabilities arise when work arrangements are non-standard. In the case of Singapore, this can be clearly seen in examples of how own account workers (i.e. self-employed with no employees) are excluded from the protections afforded by the Employment Act, or how casual/on-call workers have no medical or leave benefits, and no CPF contributions. Similarly, workers on short-term contracts (one year or less) are unlikely to have pay increments or bonuses, additional leave and medical benefits. Such work has less flexibility than own account work, and workers tend to find themselves in a disempowered position, lacking bargaining power due to the risk of non-renewal of contract.

While non-standard workers form a relatively small proportion in Singapore, it is nevertheless substantial, accounting for about 18% of the workforce (see Table 1). With about 9% temporary workers and 9% own account workers, the prevalence rate of these two types of workers in Singapore, is moderate relative to other countries.

Now might therefore be an important time to strengthen protection for these workers; to close the gap between permanent and non-permanent workers...
In contrast to poor work, the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) both have frameworks for decent and good work. These provide a picture of what decent work should look like. Broadly, the ILO defines decent work as work where “all workers, whether employees or self-employed, should have access to work that meets the following criteria: is productive, delivers a fair income with security and social protection, safeguards basic rights, ensures equality in relation to opportunities and treatment, offers prospects for personal development, offers the chance for recognition and to have one’s voice heard.” (Eurofound & ILO, 2019, p.3).

Similarly the OECD recommends, among a number of different recommendations, that quality jobs can be achieved through implementation of a statutory minimum wage, the adoption of flexible working-time arrangements, having employment protection legislation balanced across contract types and enhancing enforcement of labour market rules (OECD, 2019). Such recommendations can create quality work by targeting wages at the bottom, promoting work-life balance, ensuring equal treatment across contract types and reducing violations by employers.

<table>
<thead>
<tr>
<th>Employment Status / Country</th>
<th>% Employers</th>
<th>% Permanent employees</th>
<th>% Temporary employees (or casual workers)</th>
<th>% Own account workers (or self-employed)</th>
<th>% Contributing family workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>4.3%</td>
<td>77.5%</td>
<td>9.0%</td>
<td>8.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2.8%</td>
<td>81.0%</td>
<td>10.0%</td>
<td>5.9%</td>
<td>0.3%</td>
</tr>
<tr>
<td>S Korea</td>
<td>5.8%</td>
<td>62.5%</td>
<td>12.6%</td>
<td>15.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Australia</td>
<td>5.7%†</td>
<td>63.2%†</td>
<td>20.4%†</td>
<td>10.5%†</td>
<td>0.2%‡</td>
</tr>
<tr>
<td>UK</td>
<td>2.1%</td>
<td>80.6%</td>
<td>4.4%</td>
<td>12.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>4.2%</td>
<td>79.5%</td>
<td>10.7%</td>
<td>5.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.5%</td>
<td>75.4%</td>
<td>15.0%</td>
<td>5.9%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Table 1: Distribution of Different Types of Workers in Singapore Compared to Selected Countries


Note. Part-time was excluded due to difficulties in comparison arising from differences in measuring between countries.

Diving deeper into the numbers reveal disproportionate vulnerabilities experienced by certain groups. Disproportionately more older workers are in own account or casual/on-call employment, while younger workers are at greater risk of short contracts (Ministry of Manpower [MOM], 2020). The prevalence of temporary and own account employment is also higher among lower-skilled workers. For example, the proportion of cleaners, labourers and related workers (the lowest skill category of workers) in contracts that are shorter than one year is two and a half times the proportion for all workers (Ng, 2020).

**Decent Work**

**Overview**

In contrast to poor work, the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD) both have frameworks for decent and good work. These provide a picture of what decent work should look like. Broadly, the ILO defines decent work as work where “all workers, whether employees or self-employed, should have access to work that meets the following criteria: is productive, delivers a fair income with security and social protection, safeguards basic rights, ensures equality in relation to opportunities and treatment, offers prospects for personal development, offers the chance for recognition and to have one’s voice heard.” (Eurofound & ILO, 2019, p.3).

Similarly the OECD recommends, among a number of different recommendations, that quality jobs can be achieved through implementation of a statutory minimum wage, the adoption of flexible working-time arrangements, having employment protection legislation balanced across contract types and enhancing enforcement of labour market rules (OECD, 2019). Such recommendations can create quality work by targeting wages at the bottom, promoting work-life balance, ensuring equal treatment across contract types and reducing violations by employers.
Literature on good work is consistent with these frameworks and recommendations. Indeed beyond issues of pay, good work also encompasses aspects of benefits and social entitlements (e.g. health insurance, various forms of leave and vacation, etc.), assurance of job security through contractual status, scheduling which allows for balance between work and family life, health and safety conditions as well as training and career opportunities (Boushey, Fremstad, Gragg & Waller, 2007; Gautie & Schmitt, 2010). Work quality is important to consider as poor quality jobs have been found to be associated with higher stress and poorer health than unemployment (Chandola & Zhang, 2017).

**Decent work in Singapore**

Since 2011, the Ministry of Manpower (MOM) has partnered with ILO to promote decent work here and in the region (Seow, 2018). In Singapore, the main labour law is the Employment Act (EA). The EA lays down the basic terms and working conditions, covering aspects like CPF contributions, rest day, paid public holidays, sick leave and annual leave (MOM, n.d.a). Alongside the EA, the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) has various standards, guidelines and advisories for good employment practices which employers are encouraged to implement (TAFEP, n.d.). Together, these measures serve to ensure decent work for those who fall under their coverage.

Work quality is important to consider as poor quality jobs have been found to be associated with higher stress and poorer health than unemployment.

It is worth noting that the EA does not distinguish between contract type (MOM, n.d.b), thus broadly providing equal treatment between permanent and non-permanent workers (e.g. temporary, contract, etc.). However, because it does not include specific provisions to protect temporary workers, in practice temporary workers are not treated equally, e.g. in relation to leave, training or termination. The EA also excludes own account workers who are not considered employees. The disparity in coverage of the different types of workers results in employers exploiting the gaps for instance by repeatedly offering one-year contracts to the same employee (Ng, Ng & Lee, 2018) or misclassifying casual workers as a self-employed contractors (Association of Women for Action and Research [AWARE], 2018).

These gaps, together with issues in regulating the EA mean that decent work is not guaranteed for a segment of the working population. We now turn to discuss what other countries have done to make poor work better and what Singapore could do differently. Overarching the policies implemented are the principles of equal treatment and non-discrimination either by (a) applying similar standards to each of the contractual agreements, or (b) expanding the coverage of traditional employment rights by redefining employment. We turn first to measures to close the gap between permanent and non-permanent employees, then to improving protections for self-employed workers.
Closing the Gap between Permanent and Non-Permanent Employees

Legislat ing Against Unequal Treatment

The European Union has set a strong example in legislating against unequal treatment as seen in the directives issued for member states, urging them to take action against discrimination towards part-time, fixed-term and temporary agency work (O'Connor in Koch & Fritz, 2013, p.48). The aim of such directives has been to explicitly improve the quality of work and prevent abuse through the principle of non-discrimination and limits on the number and duration of fixed-term contracts, alongside an emphasis on facilitating access to opportunities for training and progress into permanent positions (Council Directive EU Directive, 1999/70/EC). More specific examples of how this has been implemented can be found in countries like the Netherlands and in the United Kingdom (UK). In the Netherlands, the “Equal Treatment (Working Hours) Act” prohibits discrimination between full- and part-time employees, on the principle that part-time work is equivalent to full-time work (Fagan et al., 2014). In the UK, a series of regulations were enacted to prevent “less favourable treatment” in pay and benefits for non-permanent employees (Koslowski & McLean, 2015).

Regulating Fixed-Term Contracts

In addition to legislating against unequal treatment, another way some countries have sought to close the gap between permanent and non-permanent employees is through the regulation of fixed-term contracts. These regulations commonly take the form of restricting the type of work that can be covered by fixed-term contracts, as well as limiting the number or cumulative duration of fixed-term contracts a person holds successively. The ILO’s database on employment protection legislation, EPLex, notes that 85% of the countries in its database regulate fixed-term contracts. Out of 18 Asia-Pacific countries in EPLex, only four countries (Australia, Bangladesh, Singapore and Sri Lanka) have no nationwide regulations in place for fixed-term contracts (EPLex, n.d).

Restricting the type of work that can be covered by fixed-term contracts. Through varying definitions and means, most countries regulate fixed-term contracts by restricting the type of work in which such contracts can be issued for. These range from definitions on what constitutes temporary work, prescribing specific situations in which a fixed-term contract can be used or requiring employers to provide grounds for the use and subsequent extension of fixed-term contracts (EPLex, n.d.).

For example, New Zealand requires employers to provide reasonable grounds for the use of fixed-term employment, whereas France prescribes a list of situations where a fixed-term contract is allowed to be used (EPLex, n.d.), and specifically prohibits the use of fixed-term contracts for activities where permanent contracts are the dominant practice in that company or sector (Sädevirta, 2013).
Limiting the number or cumulative duration of fixed-term contracts. Another method employed by countries to regulate fixed-term contracts is through limiting the number of or cumulative duration of such contracts. For example, in Germany the limit is set at a maximum of 2 successive contracts, up to a cumulative duration of 24 months. In the Netherlands, a maximum of 3 successive contracts can be offered at intervals of less than 6 months, up to a cumulative duration of 24 months. Closer to home, ASEAN countries limit cumulative durations to between 12 and 72 months, with some stipulating a maximum of 2 successive contracts (Indonesia and Vietnam). The UK takes a slightly different approach requiring that a fixed-term employee be made a permanent employee after the completion of four years of continuous employment under one or successive fixed-term contracts (EPLex, n.d.). While the limits and approach vary across countries, the fundamental principle is to prevent exploitation that may arise from employers repeatedly offering fixed-term contracts (Council Directive 1999/70/EC).

Closing the Gap Between Permanent and Non-Permanent Employees in Singapore

In Singapore, the EA covers all types of employees, and our main social insurance, the Central Provident Fund (CPF), kicks in at a very low wage cut-off such that even short-term or temporary workers have some coverage. However, this broad provision of not distinguishing based on contract type is not sufficient as the absence of specific protections for non-permanent arrangements allows for unequal treatment beyond the baselines afforded by the EA. International examples show the potential of legislating against unequal treatment and abuse as instrumental in closing the gap between permanent and non-permanent employees. The significance of these are that explicit and specific protections for non-permanent employees have been legislated.

Conversely, in Singapore, there is no specific legislation against unequal treatment or to regulate fixed-term employment. The closest document is an advisory issued by the Tripartite Advisory Committee on the Employment of Term Contract Employees on good employment practices regarding term contract employees (MOM, 2018a). Recognising that some term contract employees may be excluded from qualifying for leave benefits due to “minimum service period” requirement of 3 months, the advisory encouraged employers to treat contracts that are renewed within one month of the previous contract as continuous and grant leave benefits to such employees accordingly (MOM, 2018a, p.2). Additionally, it was also recommended that employees give advance notice before the end of the contract when the intention is not to renew the contract. That such recommendations had to be made suggests that these good practices are perhaps not presently commonplace.

Even while the advisory is a step in the right direction in providing better protections for poor work, it is but persuasions which may or may not be heeded. They are good practices to adopt but it would not be unlawful to ignore them. A key drawback of leaving it up to employers to decide – leaving it to corporate responsibility – is that it often fails to sufficiently ensure that a minimum standard of decent work is achieved (Cherry, 2019). Until it is explicitly legislated against, unequal treatment in the manners described above are not unlawful, but simply ‘bad’ employment practices. The recommendations of the Tripartite Advisory and additionally other measures seen in international examples could be considered for legislation. The significance of legislating specific protections for non-permanent employees is that it moves the discussion from what is merely good and acceptable, to what is lawful or not.
Improving Protection of Self-Employed

Self-employed and own account workers are also at risk of poor work, with this likely worsening after the pandemic. However own account workers have unique vulnerabilities from non-permanent employees. As independent contractors, they are not covered by the EA and therefore do not automatically receive CPF and have no bonuses, leave or medical benefits. The absence of these benefits are often weighed against the ‘benefits’ of a higher take-home pay and greater flexibility in work hours (Sadik, Bound, Karmel & Tan, 2015; Lim & Ng, 2017). As in the case of ensuring better protections for non-permanent employees, countries around the world have also taken steps to improve protections for the self-employed.

Extending Employment Rights

In 2019, the EU passed laws on minimum rights for workers in the gig economy who are in “atypical contracts and in non-standard jobs” (BBC, 2019), defining platform workers (e.g. Uber and similar companies) as employees and securing protections like more predictable hours and payment for canceled work (Wharton, 2019). This was seen as a significant move as the act of rightly defining or classifying has been at the centre of debates and court rulings on the matter (Dillet, 2020; O’Connor et al., 2016, Oct 29; GMB, 2016, Oct 28; Johnston & Land-Kazlauskas, 2019; Kaufman, 2019; Paul, 2019). Such workers have been traditionally classified as self-employed or independent contractors, and as such are not covered by employment laws (e.g. in Singapore, workers for Grab are classified as own account workers and are thereby not covered by the Employment Act; MOM, 2017). Countries like the UK, as well as some States in the USA have also enacted regulations to protect gig workers by similarly classifying them as employees (Johnston & Land-Kazlauskas, 2019; Kaufman, 2019; Paul, 2019). By doing so, employment rights which are typically not available for such workers have been extended to provide coverage for them.

“The significance of legislating specific protections for non-permanent employees is that it moves the discussion from what is merely good and acceptable, to what is lawful or not.”
Collective Action

Various countries lean on collective bargaining agreements to provide dismissal protection, minimum wage, insurance, training and developing services, etc. for non-standard workers where such protections and benefits are not secured through legislation (Adams & Deakin, 2014). The means by which these are achieved varies from country to country; for example, in Denmark collective agreements take place at the national level, whereas in Australia, collective agreements are industry based. In countries like France, Belgium and the Netherlands, social enterprises take the lead in organising such agreements (Adams & Deakin, 2014). More specific to the self-employed and in particular platform workers, approaches include union affiliated guilds, worker cooperatives or works councils.

Notable examples here include the Independent Drivers Guild (New York), the Independent Workers Union of Great Britain (UK) and the Union Taxi Cooperative (Colorado) – all of whom, in their respective capacities, have brought about improvements in benefits and protections for such workers (Cazes, Garnero, Martin & Touzet, 2019; Johnston & Land-Kazlauskas, 2019). Regardless of form, the basic principle remains – to unite and push for protections which are not guaranteed for non-standard workers in the existing legal frameworks.

Improving Protection of Self-Employed in Singapore

The exclusion of own account workers from the EA is concerning as such workers are not guaranteed even basic protections and benefits. While the discussion is often framed as one of choice on the part of the individual to choose the ‘benefits’ of flexible working hours or higher take-home pay instead of the protections that come with traditional employment, the notion of choice in the present and likely worsening economic and employment situation must be challenged.

Furthermore, literature on non-standard employment is rife with the concept of bogus, fake or disguised self-employment – arrangements in which a worker should, by legal definitions, be considered as an employee but is classified as self-employed, as a means of lowering costs for employers and freeing them from legal responsibilities (Floren, 2013; Hatfield, 2015; Thörnquist, 2015). As far off as this may sound, AWARE found such cases of misclassification in Singapore among low-income and more vulnerable populations (AWARE, 2018), suggesting that the issue may be more common than expected.

Additionally, the ILO notes that the rise of the gig economy has brought the issue of disguised self-employment to the forefront of discussion (ILO, n.d.). Given the likely growing prevalence of gig economy work, as well as the present outlook brought about by the pandemic, we cannot afford to ignore such issues. More must be done to expand employment protection legislation for the self-employed in Singapore. While the implications to costs and flexibility for businesses and workers need to be worked through, these cannot be justifications of not extending protection to this class of workers.

Recent recommendations from the Tripartite Workgroup on Self-Employed Persons on how to better support self-employed persons reflect some awareness on the part of the government to the particular vulnerabilities faced by this group. In addition to their recommendations to improve standards and mediation, provide insurance for loss of income, enable accumulation of CPF savings and to create frameworks to assess competency (MOM, 2018b), the improvement of classification for self-employed workers, which would extend employment rights especially to those in the gig economy, can also be considered. This could take the form of the examples seen above in the EU, UK, New York and California.
Alternatively, as suggested by Todoli-Signes (2018), a “special employment relationship” could be created to reflect the employed and yet not full-fledged employee status of gig economy workers (e.g. food deliverers). This would lead to a new category of worker classification through which minimum safeguards for CPF contributions, hourly pay, insurance, etc. could be provided (Lee, 2019). Even while Grab and other platform workers continue to be classified as own account workers, the legal arguments and recent court rulings internationally suggest that they are not, and a timely review of this may be necessary.

Additionally, the capacity for collective bargaining could be further expanded. We acknowledge the efforts to build collective bargaining capacity, especially for private hire drivers (e.g. Grab, etc.) through the establishment of the National Private Hire Vehicles Association (NPHVA) (Lee, 2016), as well as the subsequent partnership with Grab (Grab, 2016) and recently training arrangements (Grab, 2020). The NPHVA has shown its ability to represent the concerns of its members (Abdullah, 2020). Other efforts by the National Trades Union Congress’ (NTUC) Freelancer and Self-employed Unit to support food delivery workers affected by the ban on Personal Mobility Devices (Baktee, 2019; NTUC, n.d.) are also encouraging. These are welcomed advancements and reflect the potential of collective bargaining to protect self-employed workers in Singapore. Such efforts should continue and be strengthened to the level of effectively enforcing protections and penalizing employers as seen in the international examples above.

**Conclusion**

With the Covid-19 likely leading to a long drawn economic crisis, vulnerable workers will become more vulnerable unless we keep countering the practices that continue to erode their employment conditions. This article outlines possible provisions to close gaps that subject workers at the bottom of the power structure to employer discretion. Beyond the measures discussed in this paper are the continued challenges of low wages and employers flouting employment laws. Clearer definitions of employment terms and enforcement of legislation are also necessary to complement the strengthening of laws. Recessions should not be a time to be more permissive towards worker exploitation, but a time to strengthen protection in anticipation that vulnerable workers will be even more disadvantaged, e.g. to unfair dismissals or unreasonable demands that exploit workers’ fear of job loss. We need even greater commitment to worker welfare now to prevent poor work from becoming poorer after the pandemic.

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