

## THEME : MIGRANT WORKERS : Contract substitution

The widespread practice of relying on unlicensed recruiters also leads to common complaints of contract substitution. Many migrant workers are verbally promised salaries that prove to be different from the documented terms of employment issued by the Ministry of Manpower, terms based on information supplied by the employer with no input or prior agreement from the worker.

Case law has established that the documented terms would be the reference terms unless there is credible evidence of other contractual terms, making it difficult for workers to recover the difference in promised salary.

### Roots of the problem

The “In-Principle Approval for a Work Permit” (IPA) is issued by the Ministry of Manpower and incorporates salary information provided by the employer. The worker has no access to the process. He sees the IPA for the first time only after it has been issued, yet this document governs his terms of employment.

Moreover, employers are allowed to modify salary terms after issuance of the IPA. Ostensibly, employers are supposed to get the written agreement of workers if wages are to be adjusted downwards. However, given the imbalance of bargaining power between employers and migrant workers (see Fact Sheets 1 and 2) it is doubtful if such agreement, even when obtained, is truly voluntary or coerced.

### National framework

The IPA was originally designed to serve as a visa to enter Singapore for work, not as a contract of employment. However, because the IPA contains considerable detail about the terms of employment, the common practice, now underlined by case law, is to refer to it in the absence of a contract.

Written employment contracts are relatively uncommon.

Unlike a contract however, the salary details in an IPA are unilaterally provided by the employer and can be changed upon application by the employer.

With no provision for input from the worker, the IPA process seriously disadvantages the migrant worker.

### Recommendations from prior cycles

There were no recommendations specific to this issue in previous cycles.

In the second cycle (2016), Cuba called for “safeguarding the well-being and rights of migrant workers” and Mexico recommended “strengthen[ing] measures to ... prevent their exploitation”. Both recommendations were accepted by Singapore.

### Suggested recommendations

1. Modify the IPA system to ensure that workers can see the terms of the application by the employer and signal their agreement before the document is issued.
2. Set up a central digital job exchange to which pre-qualified workers can have access and make it mandatory that the hiring process be conducted on the exchange, while ensuring that the worker agrees to the terms of employment before finalisation.