

— an **aware** report —



"WHY ARE YOU NOT WORKING?"

Low-income mothers explain
challenges with work & care

A. INTRODUCTION

Singapore has always endeavoured to address the economic needs of all its people. Over the past few months, national attention has focused on those whose economic needs have nevertheless remained unmet, with policy makers, academics, NGOs, and members of the public engaged in discussions on how to reduce inequality and its negative impact on the next generation.

A key governmental approach to economic needs is to encourage self-reliance: through paid employment, individuals are to address their and their families' economic needs, including building financial resources for retirement. Given this pivotal role of paid work, and the significant potential benefit of a regular influx of money to low-income households, why are so many low-income mothers nevertheless not in paid jobs?

Based on interviews with low-income mothers, we find that **inadequate formal childcare** and **prevailing work conditions** make it impossible for them to exclusively depend on paid work to achieve self-reliance and for them to provide their children the necessary quality of care.

Conflict between work and care is not a recent phenomenon, nor is it restricted to low-income families. Why then a new report with a focus on low-income mothers? The answer is that the rise of precarious employment, the gradual withering away of family support (as a result of smaller, nuclear families) and inadequate public support for caregiving have created new pressures that make balancing work and care increasingly unmanageable for lower income families.

B. RESEARCH METHODOLOGY

In the first phase of our study, we conducted focus group discussions (FGDs) with 21 low-income mothers on the barriers they faced while accessing paid work. Many of them told us that they did not think paid work was always an option for them. Even when it was, they faced several barriers in accessing it.

Based on these FGDs, the AWARE team developed an interview tool composed of both qualitative and quantitative questions, to explore the life trajectories of respondents and map out how changes in their family lives (e.g. pregnancy, childbirth) affected their ability to engage in paid work.

We used purposive sampling to select low-income mothers who have made attempts (regardless of whether they ultimately failed or succeeded) to engage in paid work. We thus selected respondents who were beneficiaries of Daughters of Tomorrow (DOT), a non-profit organisation that provides employment bridging support to low-income women looking for work.

A DOT Women’s Leader helped us recruit 47 respondents, representing approximately 10% of DOT’s active database. The Annex has more details on research methodology.

Overview of research participants

These 47 women had prior experience of actively looking for paid work. Most of them were in their 30s and married with two children. More than three-quarters of respondents were of Malay or Indian ethnicity, and the median monthly household income bracket for the entire sample was \$1,500 - \$1,999. This places them at the lowest decile of monthly household income (\$1,937) in Singapore.¹ See Figure 1.

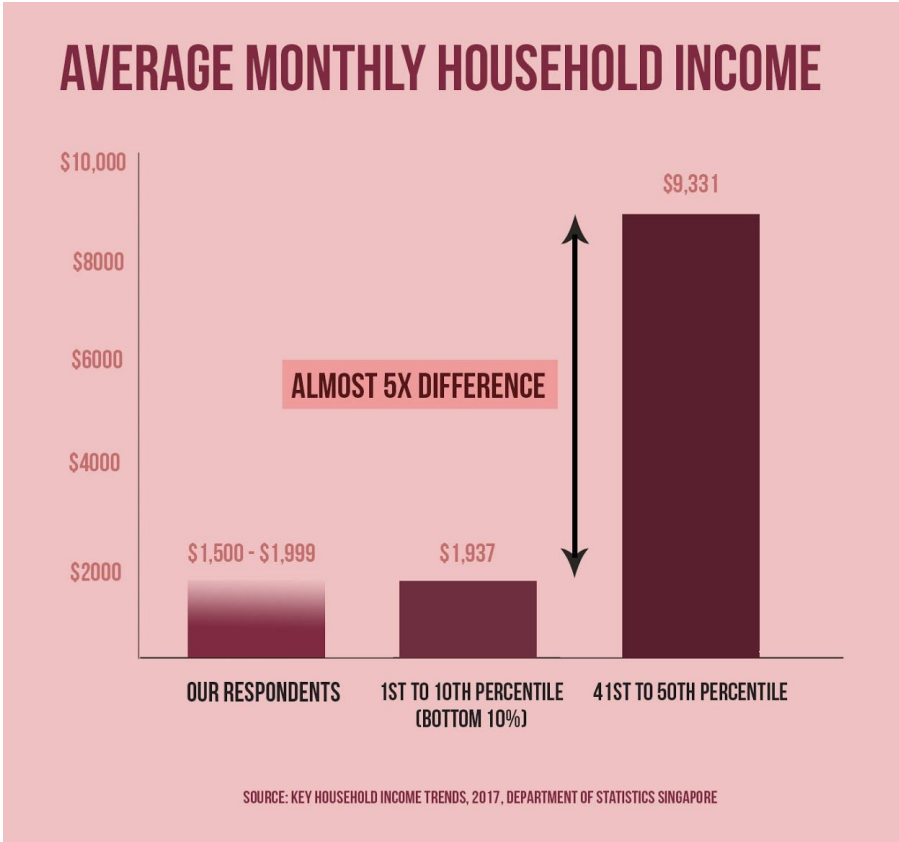


Figure 1: Average monthly income household of our respondents

Only 36% of respondents were in stable formal employment (either full- or part-time with CPF benefits). The rest were either doing low-wage informal work without any benefits, or were financially dependent on their partners and/or parents.

¹ Key Household Income Trends, 2017, Department of Statistics Singapore.

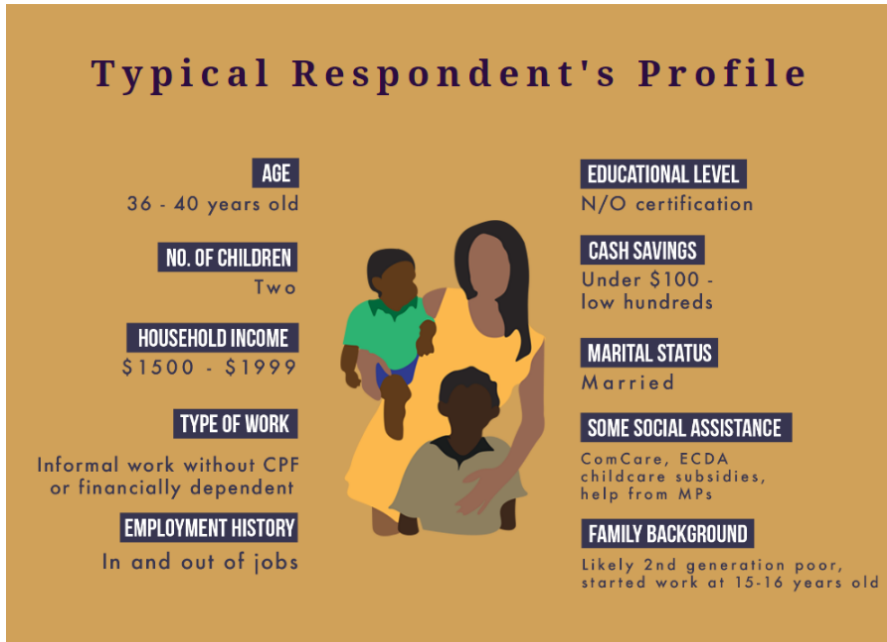


Figure 2: Typical respondent's profile

The figures below show the demographic breakdown of our respondents by marital status (Figure 3), age (Figure 4), ethnicity (Figure 5), highest education level achieved (Figure 6), household income range (Figure 7) and employment status (Figure 8):

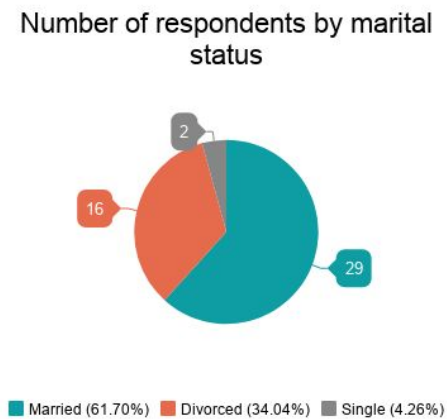


Figure 3

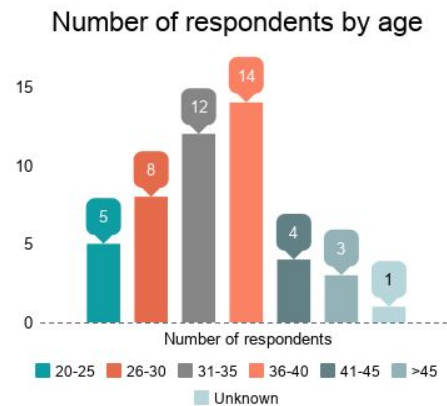


Figure 4

Number of respondents by ethnicity

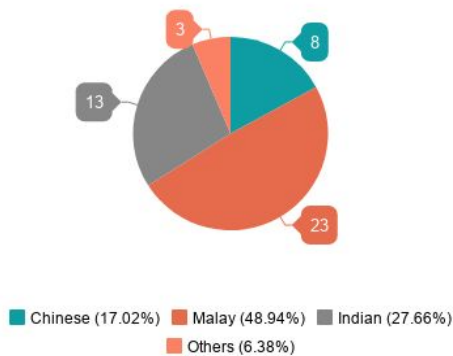


Figure 5

Number of respondents by highest education level achieved

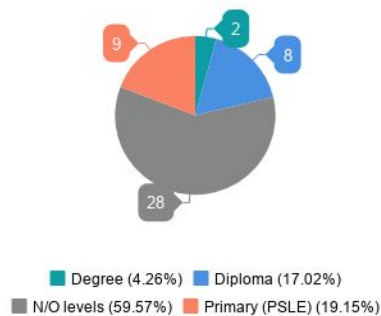


Figure 6

Number of respondents by household income



Figure 7

Number of respondents by employment status

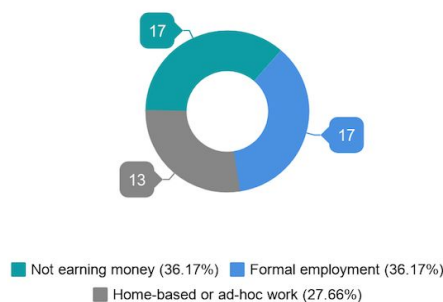


Figure 8

In terms of work responsibilities, more than half the respondents said they do the majority of household chores and caregiving without help from their partners.² Many also had partners who were not supportive of their desire to work.

As for family planning, respondents had limited access to family planning and limited control over their reproductive decisions. Approximately a quarter of the respondents did not want more children but did not and/or could not access family planning. Some of the reasons included partners forbidding the use of contraceptives, contraceptives being inaccessible, and being afraid of possible health consequences of contraceptives.

² This includes now-divorced mothers who did all the domestic chores themselves while they were still married.

* All names have been changed

C. OVERVIEW OF REPORT

“There were days where **we didn’t even have money to eat**, you know. We went through a lot. My husband friend came for help...I pawned my jewellery. Everything is gone, to survive... Paying for the house, water bill, loans that we took outside to cover the bank loan, our groceries, my son’s milk powder, diapers, all these... there was not even enough...”

Nanthini, married mother of one, household income \$1,500 - \$1,999*

Individual interviews with respondents about their household conditions revealed several unmet economic needs. They mentioned their **inability to meet basic needs**, such as not having enough to eat; housing arrears, resulting in warning letters from HDB; and unpaid utilities and other bills. Some were in debt which continuously accumulated interest because they could not pay it off on their current household incomes.

Further, despite receiving short-term public assistance and working from a young age, the respondents’ financial situations remain dire: when asked about their savings, almost all respondents answered in the negative. The few that reported savings had them in the range of the low hundreds. Respondents found it difficult to save money because what they earned was usually spent meeting everyday expenses or paying off debts/loans.

Despite these pressing unmet needs, 64% of our respondents were not in formal employment

National level data show a similar trend - the vast majority of women outside the labour force in their 30s (83%), 40s (82%) and 50s (72%) are neither working nor looking for work because of family responsibilities (housework, childcare, or caregiving to families/relatives).³ Undoubtedly, this data includes women who are outside the labour force out of choice, but it also includes those that our research shows had their choices constrained because of inadequate formal childcare and poor working conditions.

First, lack of consistent and dependable family and public support to help redistribute caregiving responsibilities forces women, especially low-income women, to choose between work and caregiving roles. This asymmetrical situation can be avoided to some extent through the provision of accessible, good-quality formal childcare. However, as our research findings make clear, formal childcare was not always available to our respondents, who have had to grapple with barriers such as high financial and compliance cost, distance, long waiting times or no vacancies, and unsatisfactory quality, in accessing public childcare.

³ Ministry of Manpower, 2017. The percentages in parentheses indicate the percentage of women outside the labour force in different decades of their lives due to family responsibilities.

Second, the lack of decent work made it unsustainable for low-income women to engage in formal and informal employment. Specifically, our respondents shared their challenges of low wages, erratic working hours that do not match with childcare centre hours, discriminatory or inflexible employers, and lack of benefits such as paid leave and protection from termination.

The government has taken several steps to make formal childcare more accessible and work more attractive; for example, by announcing the creation of 40,000 new childcare spaces by 2022, supplementing low wages through the Workfare Income Supplement (WIS), etc. Although steps in the right direction, these efforts do not address the confluence of factors that make it extremely challenging for women to manage work *and* care.

Sections D and E of the report explore the impact of unequal caregiving responsibilities and inadequate formal childcare on women's access to work. Section F discusses how the lack of decent work⁴ makes it impossible for many women to access, engage in, and stay in paid work. Section 3 revisits the assumption that paid work alone will solve the financial challenges of low-income families. After each section we offer recommendations on how existing policies can be fine-tuned to achieve their intended aims. Overall, our recommendations aim to support the choices of women who want to work *and* give care by minimising the penalties they face and making the work they do pay more.

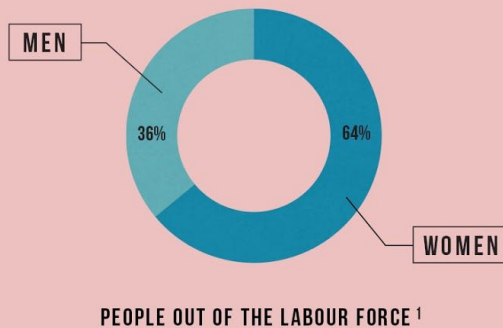
D. UNEQUAL DISTRIBUTION OF CAREGIVING RESPONSIBILITIES

Care work is both an important aspect of economic activity and an indispensable factor contributing to the well-being of individuals, families and societies. Every day individuals spend time cooking, cleaning, and caring for children, the sick and the elderly. The obvious importance of this work is recognised by the government in its “family as the first line of care and support” principle, but it remains unpaid (with material consequences for those who provide it) and is still largely considered a woman's responsibility.

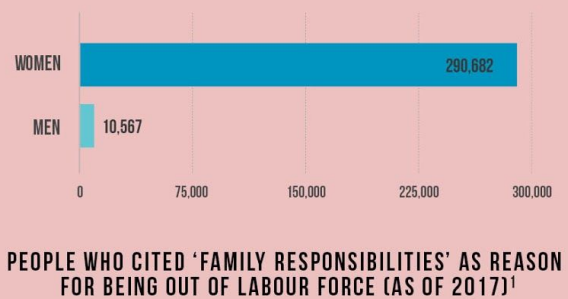
⁴ According to the International Labour Organisation, decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

TRADITIONAL GENDER ROLES → WOMEN BEAR MORE CARE RESPONSIBILITIES
 → LOWER LABOUR FORCE PARTICIPATION

WOMEN MAKE UP MORE THAN HALF OF ALL PERSONS OUTSIDE THE LABOUR FORCE.



WOMEN ARE MORE LIKELY TO CITE FAMILY RESPONSIBILITIES AS REASON FOR BEING OUTSIDE OF THE LABOUR FORCE.



¹ MINISTRY OF MANPOWER (MOM). (2017). LABOUR FORCE IN SINGAPORE 2017.

Figure 9: Women participate less in the labour force due to unequal distribution of care responsibilities

Women typically spend disproportionately more time on unpaid care work than men,⁵ which affects them in myriad ways. Close to 60% of our respondents mentioned that caregiving responsibilities inhibited their labour force participation. Caregiving also affected the types of jobs women were able to do, how productive they were, and how much they earned.

“Then I’m working as [an] HR [employee]. So during the month end when you know you got to count salary. When you got to do closing all this. You have to do OT [over-time]. **So who is going to fetch them after the, you know, the seven o’ clock time?** My husband also, come back around eight, nine o’ clock. So, if I also OT got nobody to fetch them from childcare. So I have to stop work and take care of them myself.”

Susan, married mother of two, household income \$2,000 - \$2,499

Apart from the immediate effects of being unable to meet their everyday needs, women’s caregiving burden also impacts them in the long term. Without adequate support, frequent

⁵ Globally women perform nearly 2.5 times as much of this work as men (IDS 2016)

periods outside the labour force are likely to cause women to have diminished life savings, which ultimately hinders their ability to provide for their children.

These effects are magnified multifold for low-income women. The amount, intensity and drudgery of unpaid care work increase with poverty. A 2016 Overseas Development Institute report found that women and girls in poor households spend more time in unpaid work than in non-poor households, in all countries and at all levels of development.⁶ This imbalance has a number of causes, including limited access to public services for low-income families and lack of resources to pay for care services or hire household help.

Therefore, how society and policymakers address these issues has important implications for the achievement of gender equality, especially for low-income women. Singapore approaches the unequal burden of caregiving, particularly for low-income women, through two major types of policies:

- Redistribution of caregiving responsibilities through subsidised childcare, e.g. childcare centres under the Partner Operator or Anchor Operator Scheme; Early Childhood Development Agency (ECDA) basic, additional, and ComCare childcare subsidies; and leave policies
- Achieving decent work through availability of flexible work e.g. the Tripartite Standard on Flexible Work Arrangements

E. LACK OF ADEQUATE PUBLIC SUPPORT FOR FORMAL CHILDCARE

The provision of easily accessible, quality formal childcare can help redistribute caregiving responsibilities so that women and girls can enjoy their rights equally to men and boys; for example, their rights to education, decent work, political participation and rest and leisure time. Study after study shows that the availability of childcare is associated with stronger labour force participation.⁷ Evidence suggests the opposite is also true, i.e. the unavailability of care is associated with lower levels of labour force participation.⁸

Moreover, research shows that high quality early childhood education, including childcare, is good for children's development.⁹ It can benefit children in their skill acquisition,¹⁰ improve

⁶ Women's Work: Mothers, children and the global childcare crisis, Overseas Development Institute, 2016. Available here:

<https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10333.pdf>

⁷ For example, see Mateo Diaz, M. Rodriguez-Chamussy, L. (2013), Berlinkski, S. and Schady N. (2015), Albuquerque, P. and J. Passos (2010), Compton, J. and R.A. Pollak (2014), Posadas, J. and Vidal-Fernandez, M. (2013), Arpino, B., Pronzato, C. and Tavares, L. (2010) etc.

⁸ *Ibid*

⁹ Child Care and Its Impact of Young Children's Development, Peisner-Feinberg, E.S. (2007). Accessed here:

<http://www.child-encyclopedia.com/sites/default/files/textes-experts/en/857/child-care-and-its-impact-on-young-childrens-development.pdf> on July 20, 2018.

quality of maternal care,¹¹ and protect against the development of behavioural problems in children from disadvantaged backgrounds.¹² Ensuring access to high quality childcare from a young age would allow children from low-income families to be on a more equal footing with children from other backgrounds. However, their access to high quality childcare is currently limited in four significant ways encapsulated in Figure 10.

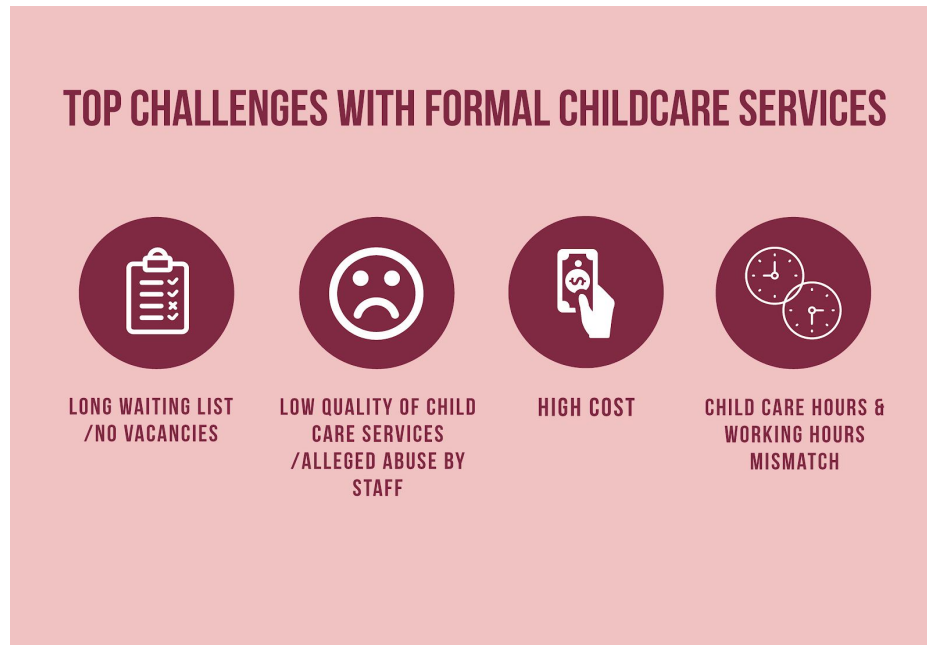


Figure 10: Top challenges respondents experienced with childcare services

Access: No vacancies/long waiting lists due to limited subsidised childcare spaces

First, respondents mentioned having trouble enrolling their children into childcare, due to long waiting lists and no vacancies. Yet, a national breakdown of formal childcare places and enrolment (see table below) shows that there is no excess demand for childcare places.¹³

¹⁰ Does early child care affect children’s development?, Felfe, C. and Lalive, R. (2018). Accessed here: <https://www.sciencedirect.com/science/article/pii/S0047272718300148> on July 20, 2018.

¹¹ Early child care and child development: for whom it works and why, Felfe, C. and Lalive, R. (2012). Accessed here: <http://ftp.iza.org/dp7100.pdf>: on July 20, 2018.

¹² Child Care and the Development of Behavior Problems among Economically Disadvantaged Children in Middle Childhood, Votruba-Drzal, E. et al. (2010). Accessed here: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2941232/> on July 20, 2018.

¹³ Childcare service provision by housing estate, Early Childhood Development Agency. Accessed here on June 9, 2018: <https://www.ecda.gov.sg/Operators/Pages/Statistics-n-Reports.aspx>

Number of Childcare Centres, Number of Places Offered and Number of Children placed in Childcare.

	2013	2014	2015	2016	2017
Number of Childcare Centres	1,083	1,143	1,256	1,342	1,419
Places offered	101,597	109,694	123,327	137,278	149,803
Enrolment in centres	73,852	83,928	95,414	103,221	110,826

Source: Early Childhood Development Agency

Figure 11: National statistics on childcare enrolment and spaces

This apparent contradiction can be understood if we take into account the type of childcare low-income mothers are trying to access. Our respondents generally wished to enroll her children in subsidised childcare i.e. Anchor Operator (AOP) or Partner Operator (POP) centres (see Figure 12). Operating under ECDA, both AOPs and POPs receive funding support to increase access to good quality and affordable early childcare care and education, especially for children from low-income or disadvantaged backgrounds.¹⁴ As a result of this funding support and the fact they are subjected to a fee cap, they tend to be more affordable than centres run by private operators and as a result are preferred by low-income mothers.

Further, those who require Basic and Additional subsidies (see Figure 12 below for the subsidy structure) to afford childcare centres are further encouraged to enroll their children into “affordable” childcare centres. Although ECDA does not specify what affordable means we can infer from our respondents’ experiences that affordable often translates to POP/AOP centres. As a result, demand for these centres is high among low-income mothers.

Childcare subsidies	Funding support to childcare operators
Basic childcare subsidies - Available to all parents of Singaporean citizens. Working mothers receive \$300, non-working mothers receive \$150.	Anchor Operator Scheme (AOP) - Operators receiving funding to keep to a monthly fee cap of \$720, \$1,275 and \$160 (excluding GST) for full-day child care, full-day infant care and kindergarten respectively, and ensure any fee increases are kept affordable for parents.
Additional childcare subsidies - Available to mothers working at least 56 hours a month, or those who produce valid reasons for not	Partner Operator Scheme (POP) - Operators receive funding to reduce their current fees, keep to a monthly fee cap of \$800 and

¹⁴ ECDA Partner and Anchor Operator Schemes. Accessed here on August 8, 2018: <https://www.ecda.gov.sg/Parents/Pages/POP.aspx>

<p>working, such as being on medical leave, under incarceration, looking for work, or has been certified as a full-time caregiver for a dependent, with the total gross monthly income earned by applicant and spouse being less than \$7,500</p>	<p>\$1,400 (excluding GST) for full-day child care and infant care respectively, and ensure any fee increases are kept affordable for parents.</p>
<p>Comcare childcare subsidy - For low-income families who cannot afford to pay after Basic and Additional subsidies.</p> <ul style="list-style-type: none"> - Children who are Singapore citizens and placed in affordable childcare centres can be considered for financial assistance - Mother must be working at least 56 hours a month; or produce valid reasons for not working 	

Figure 12: How the government makes childcare more affordable

Despite a market share of 40% of all childcare spaces in 2016, the availability of POP/AOP spaces is relatively restricted (compared to private childcare).¹⁵ A high demand but relatively low supply of subsidised-childcare spaces in certain neighbourhoods explains why our respondents experienced long waiting lists or no vacancies, despite the national supply of childcare spaces exceeding overall demand.

The government has announced its intention to add 40,000 childcare spaces by 2022¹⁶, including subsidised centres. This may address the space crunch over the next few years—depending on what proportion of new centres will be subsidised—but until they are made available, low-income mothers will continue struggling to send their children to childcare because of long waiting lists or no vacancies.

¹⁵ <https://www.straitstimes.com/singapore/what-the-new-playing-field-for-pre-school-offers>

¹⁶ National Day Rally 2017: More childcare places and MOE kindergartens; new institute for pre-school teachers, The Straits Times, Aug 20, 2017.

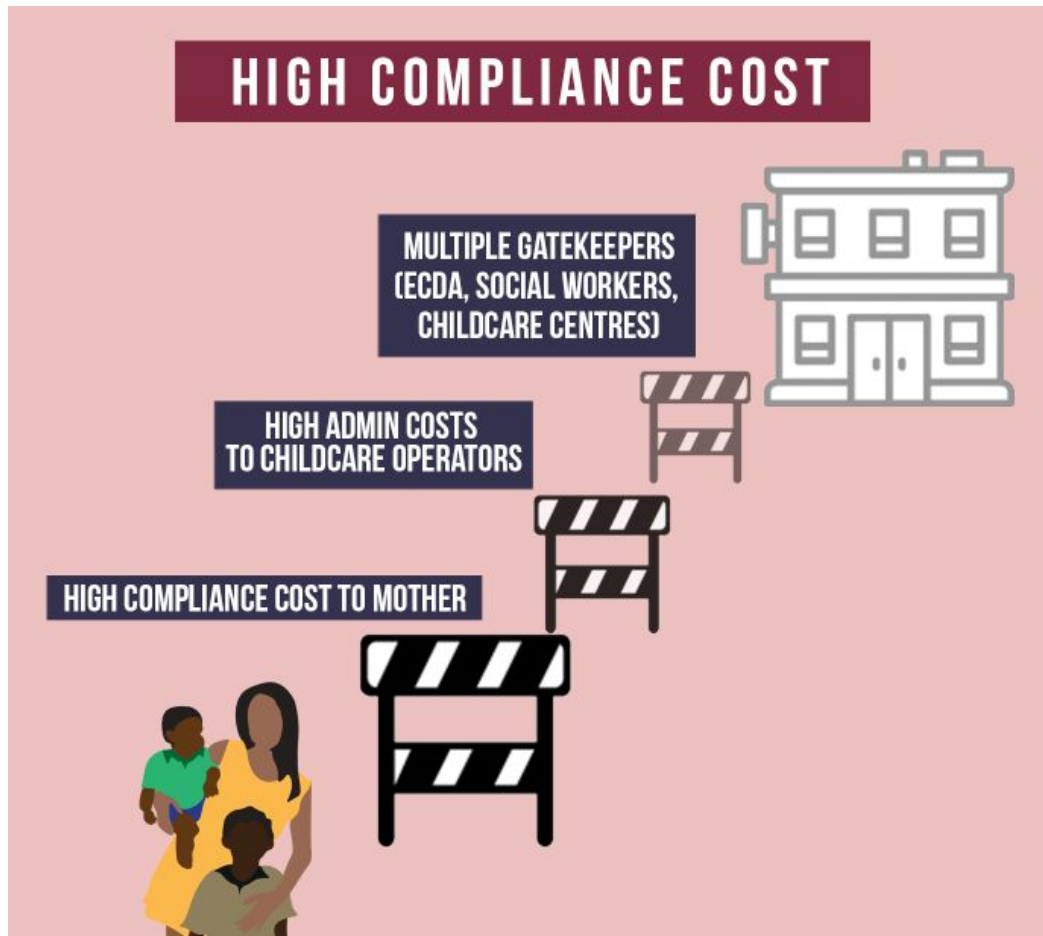


Figure 13: Disadvantages of current subsidy system

Cost: High compliance cost to access all subsidies

- **Difficulty of complying with and/or providing work requirement**

There is a high compliance cost attached to accessing the full range and extent of available subsidies (refer back to Figure 13).

In order to qualify for the maximum amounts, mothers must be working a minimum of 56 hours per month, or else they are only eligible to receive one-fifth of the maximum amount.¹⁷ However, the type of work low-income mothers tend to be in may not always allow them to meet this requirement. For example, many of our respondents do informal, ad-hoc, home-based work. Producing proof of work may be difficult since they do not have an employer, and the sporadic nature of their work may mean that they are not able to meet the 56- hours mark every month.

¹⁷ The maximum amount of Basic and Additional subsidies is \$740. Mothers who do not fulfil the work requirement are eligible to receive \$150.

Those on on-call jobs do not get to decide how many hours they work in a month - the employers take these decisions based on work requirements and availability of shifts. For example, a childcare centre operator interviewed by AWARE related the experience of a low-income mother who was unable to renew her subsidy because her short-term work contract was not renewed.

- **Paperwork**

Social workers and childcare operators interviewed by AWARE also identified another disadvantage of the current subsidy system: the high administrative cost incurred in targeting subsidies. In particular, childcare operators reported that a fair amount of paperwork and back-and-forth with Ministry of Social and Family Development (MSF), parents, and social workers (if applicable) is involved in appealing for additional and further subsidies. ECDA also tracks the employment status of applicants and requires childcare operators to update them whenever their work situation has changed. One of the operators we spoke to said that they know that the extra paperwork involved is often a disincentive for operators to enrol low-income children.

- **Complexity of gatekeeping**

This also reveals the multiple gatekeepers involved in this system. Social workers are involved in assessing and writing a “letter of recommendation” for mothers who are in exceptionally difficult situations. This letter would allow mothers to pay as low as \$5 a month in childcare fees, even if they are not able to achieve 56 hours of work.

However, not all low-income mothers have a social worker - one childcare operator said that Family Service Centres were unlikely to assign a social worker to a low-income mother who was only facing financial problems. Although parents could apply for further subsidies directly through the childcare centre, not all childcare centres may be willing to do the extra paperwork for them. Accessing the full range of subsidies therefore involves high compliance costs (to mothers) and administrative costs (to childcare operators), which may limit a mother’s access to them.

Quality: Poor quality or alleged abuse in childcare centres

The quality of childcare services also plays a role in influencing a mother’s decision to enrol her children. One out of five respondents had complaints about the quality of childcare centres (in terms of the facilities, staff conduct, and level of care provided). As a result, they were either reluctant to send their children to childcare or pulled them out from the centres.

Some respondents, like Deepika (see below), also reported witnessing abuse or suspected abuse by childcare staff. There was also a sense among the respondents that because they were paying heavily-subsidised fees, they did not have the right to complain about the quality of

childcare nor the right to choose which centre to enroll their children in - a perception which undermined their confidence in childcare centres, and therefore the attractiveness of such services, even further.

“... On the second year, third year got a lot of problem. Because my children also is very playful. And then **they don't like it sometimes they use the cane to cane them**. Cane the hand all this... Then, got one time I very angry because (the staff) say my children is naughty and **the supervisor is grabbing my daughter hand ah! Until it become red!** The teacher... when fetching her at the school **he pull my daughter up like that (mimics teacher grabbing daughter from under the armpit)!**”

Deepika, divorced mother of two, household income \$1,500-\$1,999

“Then **I feel the teachers are not taking care of him. He comes home hungry every day** even with me telling them that he eats rice in the afternoon. **I don't think they feed him only give him biscuits... Food not proper then when you pick him up his pampers is not changed.**”

Laila, married mother of two, household income \$2,500-\$2,999

Access, cost, and quality are not the only issues plaguing low-income mothers seeking childcare support. The system of subsidies and childcare centres is also inadequately tailored to the unpredictability and precariousness of the labour markets to which low-income mothers have access.

Flexibility: Incompatibility between childcare centre operating hours and working hours

One out of four respondents reported difficulties with working hours. Their work in customer service for retail or F&B (food and beverage) employers typically required them to work on weekends when childcare centres are not open, as in the case of Farah:

Farah has been applying for various jobs and gone to interviews, but was rejected as she could not commit to working on weekends.

“... There were other jobs like those in the shopping center... but then **I was also rejected because of the working hours, and they also needed weekends. I can't do weekends because of my children, because they are still small, there's nobody to look after them...** the thing is that I'm working shift so the **shift work starts as early as 4.30 in the morning**, it's **not like those office hours** where you have time to...so it's 4.30 in the morning, I can't be waking up my child at that time to send to my mother's or my in law's place, where they are still sleeping. So sometimes that's beyond my (means)...”

Farah, married mother of three, household income \$4,000 - \$4,499

On weekdays, some childcare centres operate beyond 7pm, while others have policies imposing fines for late pick-ups. In order for mothers to hold onto their jobs, they either have to find jobs with working hours that are compatible with the operating hours of childcare centres, or they have to arrange for alternative childcare arrangements that are compatible with unpredictable working hours.

Some mothers have trouble rushing from their workplace to pick up their children on time, and are not always able to depend on a family member to help. Some have multiple children who are placed in different childcare centres (possibly due to the lack of vacancy at their preferred centre). This creates problems for mothers who have to coordinate the pick-up of their children while juggling work and other commitments.

Recommendations for improving the formal childcare system

- 1. Allow all lower-income households to access government-subsidised childcare for free.**

Access to high quality childcare services should be a right of every child, given that such services are greatly beneficial to their development (see pages 8-9). We recommend that every child from a low-income family (household income < \$2,500, or <\$650 per capita) be given free childcare, regardless of their mother's employment status. In order to qualify parents should only need to show their financial situation as opposed to the current administratively onerous system where parents are obliged to show extenuating circumstances to get the maximum

amount of subsidies. This not only reduces the compliance costs for parents, but also lowers administrative costs for childcare operators.

Another reason why this recommendation is better than the current system is because instead of being pressured to fulfil the 56-hour work requirement before qualifying for subsidies and placing children in childcare, mothers will have more time to find suitable work after successfully placing their children in childcare. So, instead of prescribing "work first, then childcare", AWARE advocates that we take care of lower income families childcare needs, with no pre-condition of work. This will then give lower income mothers greater capacity to find and stay in paid work.

2. Address current shortage of subsidised childcare places by allowing lower-income families to access non-subsidised childcare centres (including private childcare centres) for free.

While the government is working on ramping up subsidised childcare spaces, a transitional problem still remains. To address the current shortage, we recommend allowing lower-income families to access non-subsidised childcare centres (including private childcare centres) for free until 2022. This could be limited to those who have tried but failed to enrol in subsidised childcare, therefore needing to enrol their children into more expensive centres. One identifiable group would be those whose first three choices of childcare on Child Care Link were AOP/POP centres but did not manage to get into any of them.

3. ECDA should conduct random spot checks and exit interviews to determine why children dropped out of the childcare centre.

Currently when children are pulled out of childcare centres, operators are expected to file a report in an online system managed by ECDA that records their reason for withdrawal. However, this system does not recognise that childcare operators who depend on direct subsidies from ECDA may be motivated by perverse incentives to not truthfully capture the real reasons why children are withdrawn, for fear of being penalised. Therefore we recommend that ECDA conduct exit interviews on a random basis with families who have withdrawn their children out of a childcare centre to spot check the veracity of a representative sample of childcare operator reports.

4. Provide more flexible childcare through (i) licensing childminders, and (ii) night care services.

Many of our respondents found the operating hours of childcare centres incompatible with their working hours, and were forced to make alternative informal arrangements with their relatives, neighbours and friends to help care for their children. Recent media reports show that these

informal arrangements are not always safe for children, with some reports pointing to cases of child abuse.¹⁸

Some countries like the United Kingdom (UK) have developed a model to regulate these informal arrangements, such that childminders are legally required to be licensed before they can provide care in their own homes. This model enables mothers to benefit from the advantages of informal arrangements i.e. flexible pick up and drop off times, without compromising their children's safety.

This model can be adapted to Singapore such that subsidies used for infant/childcare centres are made available for child-minding services, and ECDA should train and license childminders to ensure that the safety of children under their care is not compromised.

Another way to provide childcare outside typical working hours is through night care services. Currently, there is only one known operator providing this type of service, but for older children. The CareNights@Morning Star programme offers student care services for children aged seven to 14, from 6pm to 10pm on weekdays.¹⁹ The programme targets children from lower-income families (household income below \$4,000). Their two centres can accommodate up to 30 children each at a time.²⁰ Similar services could be started catering to children of a younger age, since younger children would usually require more supervision and care if their caregiver was not available.

5. Incentivise employers who hire shift workers to adopt flexi-shift or stable and core scheduling to accommodate caregiving schedules.²¹

Flexi-shift (as defined on [Tripartite Alliance for Fair Employment Practices' \(TAFEP\) website](#)) is an arrangement where employees specify the days and/or hours when they can work, and are scheduled accordingly. Currently this type of Flexible Work Arrangement (FWA) is only available for employees who work on a regular basis. Individuals—like many of our respondents—who work in casual jobs cannot benefit from it.

According to the results from a [randomised controlled experiment at Gap](#) (a major retail chain in the United States), implementing stable and core scheduling (which works similarly to the way flexi-shift is defined) for all employees - including those who are casual, on-call and ad-hoc -

¹⁸<https://www.channelnewsasia.com/news/singapore/man-who-molested-5-year-old-girl-gets-15-months--jail-8137778>,

<https://www.straitstimes.com/singapore/babysitter-arrested-on-suspicion-of-drugging-toddlers>

¹⁹ <https://www.straitstimes.com/singapore/caregiving-help-at-hand-for-parents-busy-at-night>

²⁰ <https://www.morningstar.org.sg/temasek-foundation-cares-carenightsmorning-star/>

²¹ We are grateful to Daughters of Tomorrow for sharing this recommendation, and the study on which it was based.

was linked to positive sales and labour productivity outcomes for employers and employees respectively.²²

Casual, on-call workers who have caregiving responsibilities will benefit immensely from stable and consistent schedules, which would allow them to make alternative care arrangements in advance while being assigned consistently to shifts that fit their caregiving schedule. We propose that this recommendation be operationalised by extending the Enhanced Work-Life Grant FWA Incentive to include ad-hoc and casual employees, as shift workers tend to be hired on a contractual basis.

- 6. In conjunction with the previous recommendation, give all employees the right to request flexible work arrangements (FWAs). Employers should be obliged to give the request serious consideration and must have a good business reason for declining any such request.**

The [Tripartite Standard on FWA](#) currently requires employers who sign on to the Tripartite Standard to offer FWAs to employees and inform them about the types of FWAs offered, the process to request them and expectations regarding the responsible use of FWAs. Employees can then request FWAs offered by the company.

Furthermore, the Advisory states that “it is important that employees determine which type of FWAs would serve both their organisations’ objectives and their own personal needs.” We applaud the principles of the Advisory and Standard, which stress the employee’s right to decide the type of FWA they want; that employers should “objectively” consider requests; and for employers to engage with the employee on the reasons for rejecting their FWA requests and to discuss alternatives.

However, the biggest shortcoming of the Advisory and Standard is that they lack legal enforceability. The Standard is for employers to voluntarily adopt and there are no penalties for non-compliance apart from possibly having their signature from the Standard revoked.

By contrast, workers in [Australia](#) and the [UK](#) have a legal right to request FWAs. In Australia, employees who have worked for their employer for at least 12 months on a full-time or part-time basis can request for FWAs in certain circumstances, including when they have caregiving responsibilities for a child who is of school age or younger. Employers must seriously consider a request for flexible working arrangements but may refuse on reasonable business grounds.

As a first step, we recommend that the TAFEP Standard on FWAs be elevated to a Guideline. According to the Ministry of Manpower (MOM), a Guideline supplements laws, and MOM can

²² Stable scheduling increases productivity and sales, University of California, University of Chicago, University of North Carolina. Available here: https://www.kenan-flagler.unc.edu/~media/files/documents/Stable_Scheduling_Study_Report

take action against companies that do not abide by them.²³ Employees who have worked for their employers for at least six months should be given the right to request FWAs in order to care for their child and/or elderly and disabled family members. The employer should be obliged to give the request serious consideration and must have a good business reason for declining any such request.

F. LACK OF DECENT WORK - WORKING CONDITIONS

Decent work, is a concept, promoted by the International Labour Organisation (ILO), to refer to "work that is productive, delivers a fair income with security and social protection, safeguards basic rights, offers equality of opportunity and treatment, prospects for personal development and the chance for recognition and to have your voice heard".²⁴ Work that traps people in poverty (rather than releasing them from it), or exposes them to discrimination or insecurity, is not decent work. Singapore is committed to ILO's Decent Work Agenda, and has signed a partnership agreement with the ILO to promote Decent Work in ASEAN.²⁵

The work opportunities available to our respondents and which most of them were engaged in, offered low pay, provided zero or inadequate employment benefits such as CPF and leave, and offered no protection against discrimination, exploitation or wrongful dismissal.

This compounded the problems of inadequate public and family support for caregiving responsibilities, and together with lack of employment benefits they often resulted in under or unemployment as our respondents withdrew wholly or partially from the workforce because they were unable to manage both work and caregiving responsibilities.

Approximately 60% of our respondents mentioned childcare responsibilities as one of the reasons they had to temporarily or permanently end their employment. Many of their jobs were subject to sudden terminations and maternity and family responsibilities discrimination. Some of our respondents' working arrangements were also adversely affected by closures and re-organisation of the companies that they worked in.

Unsurprisingly then, most of our respondents' employment histories are chequered, with frequent breaks in their labour force participation.

²³

<http://www.mom.gov.sg/~media/mom/documents/press-releases/2017/1006-annex-a-factsheet-on-tripartite-standards.pdf>

²⁴ Decent Work, International Labour Organisation. Accessed here on August 8, 2018:

<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

²⁵ ILO and Singapore moving forward to promote decent work in Southeast Asia. Accessed here on August 8, 2018:

<https://www.mom.gov.sg/newsroom/press-releases/2018/0607-ilo-and-singapore-moving-forward-to-promote-decent-work-in-southeast-asia>

Unprotected informal working arrangements

Only 36% of our respondents mentioned working in formal employment, the rest were in informal employment or financially dependent on their spouse or family members.

Respondents often mentioned working on a “contract” basis, which was used interchangeably with working “part-time” or “being paid-by-the-hour.” Their imprecise terminology in describing their work is indicative of the general uncertainty about the type of contract they have with their employer. The respondents mentioned as many as five different types of non-permanent working arrangements, which are captured in the figure below.

	Type of working arrangements	Example
a	Full-time employed, fixed term contract	Gina is employed on a year-long contract to do administrative work for an organisation, working five days a week. She has renewed her contract twice. She earns \$2,000/month and receives CPF and other employment benefits.
b	Part-time employed	Nurul does admin work for a food company. She works about three days a week, for four to five hours each. She is paid \$7/hour, and receives CPF. However, she does not get other employment benefits like annual leave nor childcare leave.
c	Casual, on-site, irregular and short term	Rahima does ad-hoc housekeeping work. She works whenever “her friend not enough people then call,” which is approximately three times a week (8am to 5pm), for \$60 each time. There are no CPF nor other employment benefits.
d	Casual, on-site, more regular and longer-term	Aisha has a one-year contract to file and sort medical records in an office. She works from 9am - 6pm on weekdays, and sometimes on Saturdays. She is paid a flat rate of \$42/day, with no CPF or other employment benefits.
e	Home-based work	Roshni makes clutches and bags to sell from home. She earns around \$120 a month.

Figure 14: Respondents’ self-reported types of typical non-permanent working arrangements

In Singapore, all paid working relationships are divided into two categories - contract *of* service or contract *for* service. The distinction between the two is important because it determines the statutory protections, legislation and policies that govern the relationship.

A contract of service denotes an employer - employee relationship, which is regulated by the Employment Act and other employment related legislation such as the Central Provident Fund (CPF) Act and Workmen's Compensation Act.

Contracts of service are employment relationships which are accorded benefits (such as CPF contributions, annual leave, hospitalisation leave, outpatient sick leave, maternity leave, childcare leave, and medical benefits) and protection against unfair dismissal (termination without cause). They are also covered by the Tripartite Guidelines for Fair Employment Practices issued by the Tripartite Alliance for Fair Employment Practices (TAFEP) and Progressive Wage Models that are mandatory for employers in the cleaning, security and landscape sectors.

A contract for service, on the other hand, is an agreement between a client and a contractor, not covered by the Employment Act and other employment related legislation and guidelines. These contracts do not come with the employment benefits and the protections set out above.

Workers covered under Employment Act	Workers NOT covered under Employment Act
✓ CPF	× CPF
✓ Benefits (annual leave, childcare leave, sick leave...)	× Benefits (annual leave, childcare leave, sick leave...)
✓ Employment protection	× Employment protection
✓ Progressive Wage Model (cleaning, security, landscaping)	× Progressive Wage Model (cleaning, security, landscaping)
✓ Workfare Income Supplement	× Workfare Income Supplement

Figure 15: Differences between contracts of service (employment contract) and contracts for service

We found that many of our respondents were working in poor and insecure working conditions and were unable to manage work and caregiving responsibilities for the following reasons:

- a) Blatant violations of employment rights and fair employment practices;

- b) Denial of employment benefits because of intentional or unintentional misclassification of employment relationship;
- c) Lack of legislative protection for casual workers who are not in employment (contract of service) arrangements.

Blatant violations of employment rights and fair employment practices

Nurul's case in Figure 14 is an example of a blatant violation of employment rights and fair practices. This is clearly an employment contract since Nurul is being paid CPF. Yet her employer is not giving her any leave benefits. If notified, MOM may take action against the employer for violation of the Employment Act. However, employees, like Nurul, may not do so because they are unaware of their rights or prefer not to jeopardise their job.

Singapore employees enjoy protection against termination of employment on the basis of pregnancy. There are some restrictions to this, including the requirement that the employee must have been working for at least three months.

Some employers may take advantage of the limitation and terminate the employee just before the three month term, as may have happened in the case of Aditi below.

"I went back to work, then **there's no one who wanted to employ me... because I'm pregnant so when I was working at a tuition centre... government said 90 days if you work you're entitled for maternity leave and they have to pay you. **So exactly on the 88th day they terminated me...** it's a full-time position but never exceed 90 days".**

Aditi, divorced mother of one, household income \$3,000 - \$3,499

It is unclear if Aditi's employer had a valid justification for her termination, but the timing and the manner of the termination seemed suspicious to her—she was terminated one month after informing her employer about her pregnancy, and just two days short of three months.

In another case, not only did the respondent not receive maternity leave benefits, she felt that her colleagues and employer were bullying her by increasing her workload even though she was pregnant. This resulted in her eventually quitting her job for fear of miscarrying.

Some of our respondents also reported situations where they experienced discrimination on the basis of their caregiving status, which goes against the Tripartite Guidelines on Fair Employment Practices. Mothers, like Salmah, were asked during recruitment processes about the number of children they have, about how they would manage caregiving and work.

“... when **they did a phone interview and they ask me how many kids I have** and I say seven and that’s a lot! **Every time I go for interview, their main issue is children.** Who will be taking care of children, what happens if your children are sick...”

Salmah, married mother of five, household income \$1,500 - \$1,999

Some of our respondents, like Jia Hui below, also mentioned being penalised for taking time off work, even when it was unpaid, to care for their sick children. At the time that this occurred, there was no specific legislative or policy position on this. However, TAFEP recently introduced a new Standard on Unpaid Leave for Unexpected Care Needs, which prescribes that employers should offer up to 2 weeks of unpaid leave per year for the caring of immediate family members who are hospitalised, during or after hospitalisation. This Standard is unfortunately not mandatory and only applies in situations involving hospitalisation, and Jia Hui, would still have no recourse, even today.

“Because very troublesome... not long after I placed my child in childcare, he has very frequent hospitalise. I think he not used to it and then he kept getting sick. So actually I was supposed to work full-time and then...**because my husband cannot take leave, most of the time I had to take leave. My boss actually quite unhappy.** At first, actually they said they was...understanding...I mean they are understanding and all. After that there was conflict. I was actually being fired by them.”

Jia Hui, married mother of one, household income \$1000 - \$1,499

Denial of employment benefits because of intentional or unintentional misclassification of employment relationship

It is generally difficult to definitively categorise the casual jobs that our respondents are able to apply for, as being a contract of service or contract for service.

For the purposes of distinguishing between a contract of employment from a contract for services, MOM recommends that three sets of factors be considered, which are laid out in Figure 16.²⁶

²⁶ Key Employment Terms, Ministry of Manpower. Accessed here on August 8, 2018: <https://www.mom.gov.sg/employment-practices/contract-of-service>

1. Control

Who determines the production process, timing and method of production?

2. Ownership of factors of production

Who provides the tools and equipment?

Who provides the working place and materials?

3. Economic considerations

Is the business carried out on the person's own account or is it for the employer?

Figure 16: Criteria for determining employment relationship

In relation to the cases set out in Figure 14:

- a) Rahima in case (c) was treated as a being on a contract for service, for which there would be no benefits and protection;
- b) Aisha in Case (d) was treated as being on a contract for service, for there there would be no benefits or protection.

The legal test distinguishing a contract of service from a contract for service is particularly difficult to apply in these two cases and even MOM is generally unable to readily give definitive answers. The difficulty arises because, on the one hand, employers are not obligated to offer certain hours of work and employees are not obligated, if called upon, to report to work, which are features of contracts *for* service. On the other hand, employers are the ones providing tools and equipment, which is a feature of contracts *of* service.

In the case of our respondents, most such working arrangements were classified as contract for service. This classification is not only a convenient option for employers (because then they are NOT obligated to pay benefits) but is also defensible because of the current legal ambiguity in the classification of such working arrangements.

Lack of legislative protection for casual workers who are not in employment arrangements

Employers find casual workers attractive because they fulfill an operational need without the costly obligations (CPF contributions, benefits etc.) of those on a contract of service. Unlike Singapore, in countries where casual workers are legally protected, short-term casual workers find this type of employment attractive because their wages tend to be higher than permanent

employees performing the same jobs and long-term casual workers tend to enjoy many of the same employment benefits as permanent employees.

As a result of low-education levels and limited support for caregiving, casual jobs are often the only types of jobs that low-income mothers are able to easily access. But once in casual jobs, they experience the vulnerability, instability and unfair practices that are common in the unprotected casual work sector and end up either withdrawing from these jobs completely, or seeking them out only when absolutely necessary.

Recommendations for improving working conditions and practices

1. Enact legislation to prohibit discrimination, including on the basis of family responsibilities

Under the Employment Act, employers are legally entitled to dismiss an employee without providing any justification, so long as they give the requisite written notice of termination. Thus, it is possible for employers to terminate, with notice, the employment of an employee on the basis of their family responsibilities (save for termination of pregnant employees).

Employers are “expected” to observe The Tripartite Guidelines on Fair Employment Practices and adopt fair and responsible employment practices.²⁷ These Guidelines specifically provide that gender, marital status and family responsibilities *should not* be used to determine a candidate’s eligibility at the recruitment stage. Despite the guidelines, some of our respondents experienced discrimination both at the recruitment stage and during employment on grounds of family responsibilities because the guidelines do not impose a legal duty for employers on non-discrimination and do not specify any consequences for non-compliance. As a legally unenforceable instrument, the guidelines provide little protection to employees against discrimination.

We recommend that the Employment Act should be amended or new legislation introduced to outlaw discrimination, including discrimination on the basis of family responsibilities. The Act has been generally effective in ensuring that women are protected while pregnant but this is insufficient in covering the wider range of family responsibilities discrimination.

2. Wide and continuous public education on workers’ rights

Re-introduce and intensify the WorkRight campaign to give workers information and advice about their workplace rights and obligations. As part of this campaign, a new website on workers’ rights should be introduced, which includes tools to enable workers to key in

²⁷ How MOM deals with employment discrimination. Accessed here on August 1, 2018: <https://www.mom.gov.sg/~media/mom/documents/parliament/how%20mom%20deals%20with%20employment%20discrimination%20final.pdf>

information about their employment sector and working conditions to know about their rights, including their rights to CPF and leave, and protection against termination.

The Government should send their WorkRight inspectors to conduct more frequent random checks on employers to ensure that they are complying with their legal obligations, including ensuring that they are not misclassifying their workers as being under contracts for service.

3. Develop a new framework on the rights and benefits of casual workers

While retaining the distinction between contract of service and contract for service, some common law countries, such as Australia and New Zealand, legally recognise another category of workers - casual workers - and have clearly spelt out their rights and obligations so that the casualisation of the workforce can benefit both employers and workers.

Worldwide shifts in employment patterns show that casual labour has become more widespread, prompting ILO to issue a 2016 report on Non Standard Employment Around the World²⁸ that urges governments to devise policy solutions to address decent work deficits associated with such working arrangements.

The rise in casual/on-call labour from 3% in 2016 to 3.5% in 2017²⁹ and the experience of lower income workers reflected in this report necessitates such a framework in Singapore, which can provide the following protections and benefits:

a. Pay loading for casual workers

Casual workers should be entitled to a higher base rate of pay to compensate them for not accruing certain entitlements such as CPF contributions, annual leave or childcare leave, and redundancy entitlements. Australia has a helpful pay guide with five different methods for employers to calculate loading for their casual workers.³⁰ One of the methods estimates a loading of 25% on the hourly wage a permanent employee is expected to receive for the same job. In New Zealand, the government recognises that it may not be practical for casual workers to take annual holidays because they do not have set hours. Instead, they recommend that an employee and employer can agree to an extra 8% to be paid on top of their wages.³¹

²⁸ Non Standard Employment Around the World, Understanding Challenges, Shaping Prospects, ILO, Accessed here on 10 August 2018:

https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_534326.pdf

²⁹ Chart 16, Comprehensive Labour Force Survey, 2017, Ministry of Manpower

³⁰ Pay Guides, Fair Work Ombudsman, Australian Government. Accessed here on August 8, 2018: <https://www.fairwork.gov.au/pay/minimum-wages/pay-guides>

³¹ Types of employee, Employment New Zealand. Accessed here on August 8, 2018: <https://www.employment.govt.nz/>

b. Provide leave benefits and protection for long-term casual workers (after six months of employment) and give long-term casual workers (after twelve months of employment) the right to convert to a permanent contract

Casual workers who have worked regularly and for a longer term (for example, same days for a long period) with their companies should be given the same annual leave, parental leave, unpaid caregiving leave and the same wrongful dismissal rights as permanent employees.

Countries such as Australia allow long-term casuals who have worked regularly to take parental leave and to request flexible working arrangements. In New Zealand, casual employees who have worked for 6 months, are entitled to sick leave and bereavement leave.³²

Finally, in order to avoid intentional or unintentional misclassification of an employment relationship, all casual employees should have the right to ask to change their employment contract to a contract of service if they can show a regular pattern of work and have been employed for 12 months or more.

G. LACK OF DECENT CONDITIONS - WORK DOES NOT PAY ENOUGH

Our respondents' median household income range of \$1,500 - \$1,999 puts them in the bottom 10th percentile in Singapore,³³ which was five times less than the household income for the 41st - 50th percentile - \$9,331. Predictably, many respondents reported facing financial difficulties – almost half were in debt at the time of the interview.

Most of our respondents are typical of the “working poor”, which is a category used to describe a working person whose income per household member is less than half of the national median per capita household income of Singapore, which now stands at \$2,699.³⁴

Many respondents were disadvantaged from birth; their education was often cut short so that they could work to supplement their low household incomes. 60% of them started working when they were 18 or younger, particularly in cases where they came from families with additional caregiving responsibilities such as a sick parent, or more than one sibling, or families with single mothers.

“I don't come from a well to do family, I live in a one room rental flat with my mother at that point of time, we even sleep at void deck the whole family, eat food with candle in the

³² Types of employee, Employment New Zealand. Accessed here on August 8, 2018: <https://www.employment.govt.nz/>

³³ Key Household Income Trends, Department of Statistics, 2017. In 2017, the average monthly household income from work among resident employed households for the 1st - 10th decile was \$1,937

³⁴ Key Household Income Trends, Department of Statistics, 2017.

dark. I've been through the difficult times, so when the difficult time comes, we know how to handle it, you see".

Rina, married mother of four, household income \$3,000 - \$3,499

Low education levels (typically secondary school and below) mean that our respondents are only eligible for low-wage jobs, which makes relying on paid employment as a way out of poverty rather difficult. Without an official poverty line or a minimum wage, it is hard to state definitively if our respondents' wages are sufficient to support a basic standard of living. However, if we were to use, as a proxy, the eligibility for public assistance – a household monthly income of less than \$1900 or a per capita monthly income of less than \$650 - their incomes would easily fall below this threshold.

Figure 17 below shows how despite working and being part of a “double-income” household our respondents' monthly income was even less than the eligibility threshold for ComCare for public assistance i.e. less than \$650 per capita income.

Household monthly income (HHI)	Respondent's income	Per capita monthly income	Number of people in household
\$1,500 - \$1,999	\$800 (telemarketer)	\$375 - \$499	4
\$2,500 - \$2,999	\$1,200 (kitchen helper)	\$500 - \$599	5
\$1,000 - \$1,499	\$700 (baker)	\$166 - \$249	6

Figure 17: Some examples of respondents' income and financial situation

ComCare helps, but only temporarily

Public assistance, for example ComCare Short-to-Medium Term Assistance, is available for those who are unable to find a job or work for a period of time. They can apply for this subsidy to receive financial help temporarily if they meet the means-tested criteria, and if they have no other means of family support available. In order to extend ComCare, one must reapply and be reassessed for eligibility, which does little to financially reassure low-income households in the long-term because of its temporary nature. Public support, especially in terms of direct financial assistance, is designed to be a last resort, subject to stringent conditions, and highly targeted.

Most of our respondents qualified for and received some form of social assistance, with cash assistance (ComCare or other forms) being the most common.

Until recently, ComCare worked such that its payments expired when recipients became employed. This typically led to a “cliff effect” where ComCare was removed faster than low-income families could earn enough income to replace it.

As an illustration, see Figure 18 for the financial position of three women (based on actual cases) as they transitioned from public assistance to work. These calculations are made to illustrate the outcome if ComCare was immediately terminated upon employment.³⁵ If there is no ComCare extension and no Workfare Income Supplement, the women would be worse off after they found work.

	Nor, married, 4 children, no debts	K, divorced, 3 children, debt \$15,500 (\$100/month)	N, 2 children, no debts
Before employment			
Take home income	\$1,120 (School Pocket Money Fund and ComCare)	\$1,200 (ComCare)	\$1,000 (ComCare)
Expenditure	\$944	\$954	\$770
Net position	\$176	\$246	\$230
After employment			
Take home income	\$1,260 (no more ComCare)	\$1,040 (no more ComCare)	\$960 (no more ComCare)
Expenditure (including increase in expenditure on food and transport)	\$1,314	\$1,104	\$1,120
Net position	\$-54	\$-64	\$-160

Figure 18: Financial position of ComCare recipients after starting work, without ComCare extension and WIS payments

Recently, the government seems to have acknowledged the “cliff effect” and now provides ComCare extension on a case-by-case basis after the recipient has transitioned into work. Two of the women in Figure 18 did in fact receive extensions after they found work.

³⁵ We are grateful to Daughters of Tomorrow for these examples.

Workfare Income Supplement provides support but not nearly or early enough

Another way in which the government aids low-wage earners is through a wage supplement scheme -- Workfare Income Supplement (WIS) -- which covers both employees and those who are self-employed over 35 years of age. WIS recognises that working low-income families require supplementary support to build their savings for retirement, housing and healthcare needs through cash payments and CPF contributions.³⁶

As an illustration, see Figure 19 below, where WIS payments are added to the income of the three women (featured in Figure 18) who transitioned into work. Even with WIS payments, the women are cash-wise, worse off, than before they started work, where there is no ComCare extension.

	Nor, married, 4 children, no debts	K, divorced, 3 children, debt \$15,500 (\$100/month)	N, 2 children, no debts
Before employment			
Take home income	\$1,120 (School Pocket Money Fund and ComCare)	\$1,200 (ComCare)	\$1,000 (ComCare)
Expenditure	\$944	\$954	\$770
Net position	\$176	\$246	\$230
After employment			
Take home income	\$1,260 (no more ComCare)	\$1,040 (no more ComCare)	\$960 (no more ComCare)
Expenditure (including increase in expenditure on food and transport)	\$1,314	\$1,104	\$1,120
Workfare Income Supplement (cash)	\$27	\$44	\$50
Net position	-\$27	-\$24	-\$110

Figure 19: Financial position of ComCare recipients after starting work, with WIS payments

³⁶ Workfare Income Supplement homepage

Further, for both categories of low-income workers (employed and self-employed), WIS (which only applies to workers above 35 years old) does not activate early enough because unlike their higher income counterparts, low-income workers do not experience any significant horizontal or vertical employment mobility and are likely to stay in the same type of job over their entire working lives. To only start supplementing CPF savings after they turn 35-years old is to miss an opportunity to give them a head start to overcome the financial circumstances of their birth.

Additionally, although individuals who perform casual labour - like many of our respondents - should technically be covered by the WIS scheme under the self-employed category, they face two barriers in accessing the wage supplement. For such workers to be eligible for WIS, they have to declare their income and register themselves as self employed via the IRAS website.

First, due to the ad hoc nature of their jobs - as house cleaners, kitchen assistants and people who make crafts and sell them from home - and the fact that their income is low and sporadic, they rarely identify or register themselves as self-employed persons and are generally not accustomed to filing tax returns.

Second, even if they were able to overcome the self-identification and registration barriers, WIS requires them to make annual Medisave contributions (which exceeds the cash payout) in order to qualify. Low-income families who are in constant need of cash to meet their everyday expenses will be worse off in terms of cash because of the Medisave contribution they have to make, even if the pay-outs in the long run are favourable. (Refer to Figure 19 below)

Recommendations on making work pay more

If work is to be the panacea to poverty reduction and a means to provide low income families with a fighting chance to get out of poverty, it has to be a lot more attractive. Families should not just be marginally better off when the parent(s) work, but significantly better off and given more support to build their financial strength.

As has been shown above, wages at the low end, for a double-income family, may not even be enough to lift the family beyond the ComCare threshold of eligibility.

- 1. Enhance support to ComCare recipients who find employment, by (i) extending ComCare payment for twelve months upon employment (ii) introducing a “retention bonus” for job stability and (iii) introducing a savings-match scheme to help build cash savings and incentivise saving**

To ensure that low-income families are not in a worse-off situation *after the mother transitions into employment*, we recommend that ComCare payments be extended for twelve months after the date of employment.

For the first six months, payments should be adjusted such that together with their monthly household income, a family has at least \$650 per capita.³⁷ This allows households to adjust to their new financial situation and cover initial costs incurred while working. To discourage over-dependence on public assistance, ComCare payments should taper off over the next six months.

At the same time, we propose the introduction of three schemes to encourage long-term job stability and financial security:

- a. After five months of employment, a ComCare recipient should undergo a free month-long financial literacy course to gain the necessary skills and knowledge to manage finances over the long term.
- b. After six months, a still-employed ComCare recipient should receive a “retention bonus.” Employers should also receive a “retention bonus,” in order to encourage them to continue the employment of low-income workers. This bonus could be a modified form of the Special Employment Credit, where employers are supported to hire older workers and workers with disabilities.
- c. After six months, a ComCare recipient who has undergone a financial literacy class should be invited to join a six-month savings-match scheme. For six months, the government should match the individual’s savings dollar-for-dollar up to a cap. This would encourage and incentivise saving, which will in turn help build up enough cash savings for households to clear remaining debts and be financially solvent in the future.

The ComCare extension and the above recommendation should not be available on a discretionary case by case basis but established as a core part of the ComCare scheme, and offered as financial incentives to encourage lower income persons to find paid work.

³⁷ Singapore does not have a formal definition of poverty or an established poverty line, but one proxy figure to identify those in need is the lowest income level at which wage supplement is provided,[#] which is \$2,000. This is also close to the qualifying income range for ComCare short - to- medium term assistance, which is monthly household income of \$1,900, or \$650 per capita for families with more than five members.

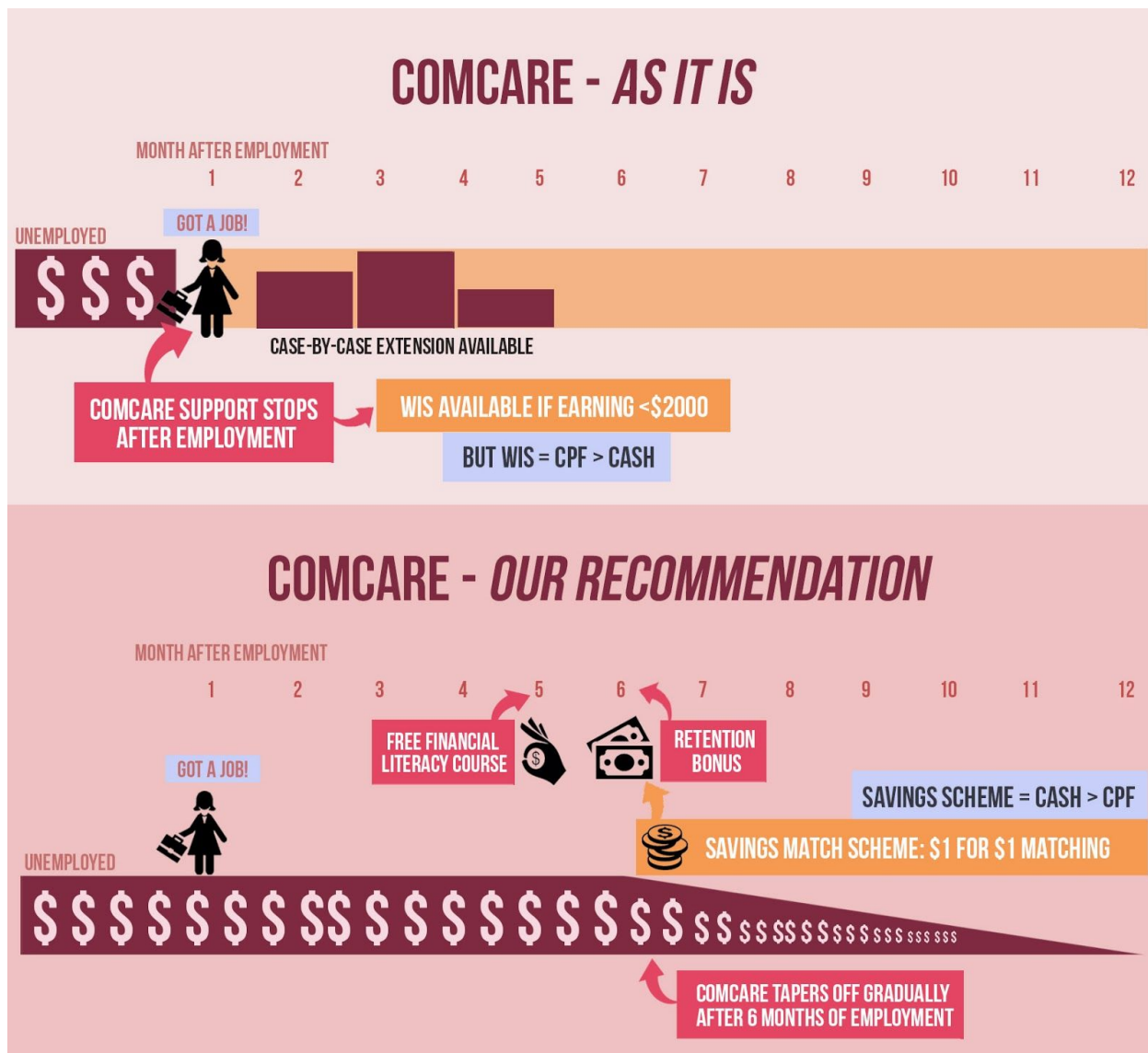


Figure 20: AWARE's proposal for enhanced ComCare payments

2. Enhance WIS for low-income persons by: (i) reducing the WIS age requirement; (ii) reducing the barriers for SEPs to be eligible for WIS

(i) Reducing the WIS age requirement

The need to increase household income from a young age forces many low-income mothers to stop formal education after secondary school, which restricts their access to high-paying formal jobs with employment benefits. This means that they continue to earn low incomes, which keeps them in a situation of financial hardship possibly necessitating their own children to repeat what they have done, i.e. stop formal education early to help increase the family income.

To support low income families to break the cycle of poverty, we recommend that the WIS age requirement be changed to the age at which they first start working so that the wage supplement can start helping them build savings from a younger age.

(ii) Reducing the barriers for self employed persons (SEPs) to be eligible for WIS

Self-employed persons who earn less than the ComCare threshold, should not be required to a) register as self employed persons and file their taxes and b) contribute so much to their Medisave accounts, to access WIS.

Both these pre-conditions are deterrents because low income casual workers simply do not identify as self-employed, and the Medisave payments may put them in a worse position, cash-wise, than if they did not work at all. See Figure 21.

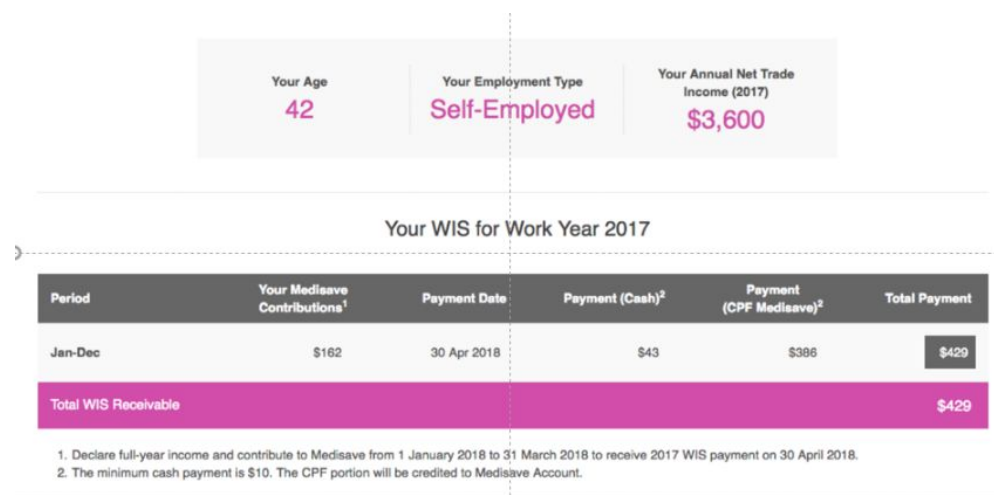


Figure 21: WIS for Self Employed: The amount of Medisave contribution required to qualify for WIS is higher than the amount of cash payment received

Instead we recommend enabling self-employed persons to access WIS through a custom- built payment app ("Self Employed App"), similar to Paylah app, which serves two functions:

- a) collection of payments from their customers
- b) record of the income they earn from the casual work that they undertake.

Payments for the sale of a product or a service such as cleaning a house, or selling a cake online, can be made on the Self Employed App. There would be a mechanism to first identify them as Self Employed Persons (SEPs) who are below the ComCare threshold. These payments would be an easy way for the government to track their income and to pay them WIS based on this income.

Moreover, to help build their cash savings and similar to the saving match scheme for employed low income persons (discussed earlier), the government could also consider a savings-match

scheme until they achieve a set amount during a set period of time. Any fears of higher-income SEPs abusing the system can be allayed by making the scheme means-tested.

3. Provide automatic CPF top-ups to those unable to contribute to their own CPF accounts.

Finally, we recognise that, even as we strive to make work pay more for lower income mothers and others, work may still not be a feasible option for some persons, for example, because of heavy caregiving duties (for example, having a few young children to care for).

To help build the CPF savings of such persons, we recommend that the state establish annual automatic basic contributions to low-balance CPF accounts. The amount contributed could be determined by mapping out a nominal schedule projecting how much one needs in a CPF account for each year of working age life to reach the CPF Retirement Sum by age 55. Those who are not “on schedule” each year would receive the automatic basic contribution from the state.

This proposal builds on the insights of the Silver Support scheme. This already provides payouts for individuals in retirement age based on lifetime CPF accumulations, in recognition that those unable to accumulate private earnings (including because of the unpaid labour of caregiving) require collective support. However, instead of supporting low-income persons only when they are old and impoverished, this proposal would front-load the payout in the form of regular CPF contributions to those who are already projected to eventually fall short.

This contributes to an overall reduction of social costs. Sums paid earlier in the lifecourse can support access to basic needs like housing and healthcare over time, reducing associated social costs (e.g. by encouraging preventative healthcare and reducing housing instability). Moreover, it should not unduly intensify the fiscal burden because the recipients of such payments will have a higher level of CPF accumulated at retirement age, reducing their entitlement to Silver Support cash payouts at that stage.

H. CONCLUSION

Women who want to work and give care face too many penalties, are not paid enough, and are forced to make “bad choices” such as leaving formal education early to supplement their household incomes and consequently only being eligible for low-wage jobs. Paid employment is an insufficient path to financial independence for them, and the same applies to short-lived subsidies aimed at tiding over temporary spells of unemployment.

Bold changes are required that will make a material difference to the lives of low-income families. We need to make vast improvements to our social policies such that formal childcare is easily accessed and genuinely affordable and better social protection (such as employment benefits) is provided to all those who work.

We also need to stimulate social mobility for low-income families by improving their current financial circumstances dramatically. This is only achievable through urgent and substantial social assistance that is targeted at those with low-income family backgrounds and low savings.

ANNEX

Research methodology

In the first phase of our study, we conducted focus group discussions (FGDs) with 21 low-income mothers on the barriers they faced while accessing paid work. Many of them told us that they did not think paid work was always an option for them. Even when it was, they faced several barriers in accessing it.

Based on these FGDs, the AWARE team developed an interview tool based on qualitative and quantitative questions, to explore the life trajectories of respondents and map out how changes in their family lives (e.g. pregnancy, childbirth) affected their ability to engage in paid work.

The majority of questions were open-ended, specifically designed to encourage conversation. These questions often used probes to gather more information where necessary and were followed by several closed-ended questions. The mix of questions enabled us to understand the life experiences of our respondents while at the same time collecting data that allowed us to compare their experiences with each other.

We used purposive sampling to select low-income mothers who have made attempts (regardless of whether they ultimately failed or succeeded) to engage in paid work. As a result we selected respondents who were beneficiaries of Daughters of Tomorrow (DOT), a non-profit organisation that provide employment bridging support to low-income women looking for work. A DOT Women's Leader recruited 47 respondents for us, representing approximately 10% of DOT's active database.

Each interview took one to two hours and was conducted at a location and time convenient for the respondents. A lead interviewer and a co-interviewer were assigned to each respondent, they were mainly responsible for asking questions and transcribing interviews respectively.

Respondents were paid \$30 for their time. All interviews were transcribed verbatim and if needed, translated to English. The qualitative software programme NVivo was used to conduct a thematic analysis of the interview transcripts.