

EDUCATION AND ECONOMIC (IM)MOBILITY OF LOW-WAGE  
WORKERS: THE CASE OF THE SECURITY SECTOR IN SINGAPORE

by

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## ABSTRACT

The worsening income disparity in Singapore is threatening the legitimacy of the Developmental State. In the attempt to address the widening income gap, the government has prescribed “productivity enhancement and skills upgrading” as the primary means towards building an inclusive society.

Against this backdrop, this case study examined the upward mobility of low-wage workers in the unarmed private security sector by interrogating the interactions among the state, employers, and workers. The study drew upon Bourdieu’s Praxeological analysis to investigate the causal mechanism underlying their actions and rationale and the reasons embedded in their reciprocal relationships in their interpretation and facilitation of upward mobility of low-wage workers.

The findings revealed the existence of institutional and circumstantial conditions that have impeded the upward mobility of low-wage employees in the security sector. These conditions reflect a deep set of culturally- and historically-constructed dispositions of a developmental state such as economic primacy, pro-business mindset and self-reliance. The very same attitudinal, institutional, and circumstantial factors that have contributed to Singapore’s economic success have also led to the immobility of low-wage security workers. As shown in this study, the uncovering of the visible and the invisible forces that have impeded the upward mobility of low-wage workers highlights the need to explain the hidden predispositions embedded within the actors’ interactions.

Finally, the thesis argues that an multi-disciplinary macro-meso-micro integrated approach of analysing the relational positioning of actors can enhance the Praxeological analysis by providing a balanced, yet critical, evaluation of a socio-economic phenomenon leading to a practical course of actions to improve current practices.

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This thesis is also built upon the continuous and collective efforts of dedicated scholars of various fields who have striven to develop a critical understanding of complex interactions that traversed across the arenas of political economy, sociology, and education. By standing on the shoulders of these giants, I have been able to accelerate my learning. Hence, I would like to pay tribute to all these scholars whose works have helped to shape my perspectives.

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## REFLECTIVE STATEMENT

### 1. Introduction

As I penned this reflective statement, I had spent five years and three months in the EdD programme – a relatively long journey. During this period, the world economy (2008-2009) suffered a blow caused by the financial meltdown in the West. To save jobs in Singapore, my agency (the Workforce Development Agency) was busy pushing out training programmes (WDA, 2012a). The watershed General Election of 2011 illuminated the electorate's discontent with the rising economic inequality of "one island two Singapore" (Tan, 2011). Amidst these developments, I had a job posting to run an organisation (The Institute for Adult Learning). As I am nearing the end of my programme, I could comfortably say that I have developed new perspectives on my practice in the field of continuing education and training (CET).

In this statement, I will reflect on my learning journey of traversing the academic world and the world of practice over the past five years, which could be tormenting at times. Beyond the struggles to balance family, work, and learning, my greatest difficulty stemmed from my newfound sensitivity to things at work, which I had once assumed to be natural; the 'taken-for-grantedness' had disappeared. That sensitivity to underpinning assumptions (system of disposition) drove me to ask deeper questions and offer alternative perspectives – a process that could be draining for me.

In the remainder of this statement, I will first discuss the gradual change in my thinking and learning through the taught modules and institutional-focused study that culminated into my thesis project. My reflection will end with my redefinition of my practice as a designer of change.

## **2. The Sequel of Learning**

### ***The Four Taught Courses***

The first taught module (“Foundations of Professionalism in Education”) required me to reflect on my practice within the contemporary social, political, and cultural contexts in which I work and live. As I hesitantly stepped into the overlapping spheres of practice and the perceived surreal world of academic learning, I was inducted into the new habits and behaviours of critical thinking.

In re-reading my assignment 1, I could see that my framing of professionalism was done within the familiar mental model of economic instrumentality. Specifically, I made the remark that “everyone can be a professional and put forth that it is the role of the government to nurture workers as designers”. In retrospect, assignment 1 represents my vague conception of professionalism. Herbert Simon (1996) defined a professional as “anyone who designs with the intent to devise course of action aiming at improving existing situations” (p. 111). This seemingly simple definition embodies multiple concepts of structure-agency, logic of practice, constraints/enablers, and competing legitimacy among actors, all of which I had learnt through the course.

In Module 2 (“Methods of Inquiry I – Theoretical and Conceptual Issues”), I was exposed to the rigour and disciplined way of enquiry through research, in particular, how the concepts of ontology and epistemology (O&E) formed the foundation of critical enquiry (Crotty, 1998). My encounters with the diversity of ontologies and epistemologies led me on a quest for the O&E that would resonate with me.

At work, I am regularly inundated with objectivist statistical analyses that are used in the design of policies and programmes for a large population of beneficiaries. Hence, my desire to hear the voices of people propelled me to explore studies under cognitive constructivist (e.g. Piaget and many early learning theorists) and social constructionist (e.g. Lave and Wenger, 1991; Billett, 2004) models. Exploring how people learn marked phase one of my EdD programme. For my module 2 assignment, I

designed my first piece of enquiry based on my work – the learning journey of mid-career switchers.

Module 3 (“International Education”) was refreshing in its exploration of key educational issues from a macro and global perspective. In learning about the inter- and intra- interconnectivity of issues (political, social, cultural, and economic) and actors (at global, local, and sectional levels) with regards to education policies, I am convinced that no comprehensive enquiry can ignore the dynamic and complex interactions between actors, their actions, and the underlying rationale. In particular, the critical perspectives presented by Barnett’s lifeworld competence (1994), Grubb and Lazerson’s vocationalisation of education (2006), along with Wolf’s challenge to state’s skills strategies (2002), offered fresh insights on workforce development. For assignment 3, I made the concluding remarks that “education is supposed to liberate people so that they are unconstrained by sectional interest, and people should contain a sense of knowing not derived from mere instrumentality”. My subsequent readings of the human capitalist theory (Becker, 1964) and the developmental state paradigm (Ashton *et al.*, 2002) challenged me to further reflect upon the position of my practice – “for-whom-for-what” does CET serve? Now, my thinking has changed from when I completed module 3: in my view, economic development need not be in tension with human development. As the UNDP (1996) put it, “Human development is the end, economic development a means” (p. 3).

With Module 4 (“Method of Inquiry II: Research Process & Skills”), I had the opportunity to try out diverse approaches to data collection, and analysis. Through this invaluable experience, I was able to crystallise my epistemological stance and explore linkages between theory and methodology. Assignment 4 revealed the slant of cognitive constructivist and social constructionism: these approaches seemed to sidestep the influence of structures in their narrow focus on the analysis at micro-objective and micro-subjective analyses of social phenomena, thus ignoring macro-objective and macro-subjective interactions (Ritzer, 2008). As a result, I embarked on an exploration of sociological theories related to the concepts of Structure and Agency such as Bourdieu (1977) and

Giddens (1984). Delving into the notion of a relational network of actors and interplays between agents and structures introduced me to a whole new paradigm of understanding social phenomena. That is, the actor, actions and rationale are the duality – the making and remaking of social structures.

### ***The Institutional-Focused Study***

For the institutional-focused study (IFS), I conducted a small-scale independent analysis of the narratives of two mid-career switchers, using Giddens' (1984) Structuration Theory within Ritzer's (2008) macro-micro-objective-subjective frame.

My first attempt to present a deep deliberation of the duality of structures and agency did not achieve the desired outcome. I realised that my analysis failed to adequately identify the causal mechanism of actors' actions and their rationale. Essentially, I had only managed to obtain phenomenological knowledge (Bourdieu, 1973) as reported by the informants. I did not delve deeper into their logic of practice, as advocated by Bourdieu (1977) and determined how their socio-culturally constructed dispositions are remade through the interplays during their career transition journey.

Inspired by Bourdieu's (2005) work on the Paris housing market, as well as Iverson and Armstrong's (2006) study on the working poor in the USA, I decided to examine the interactions among the three actors in Singapore – the state, the firms, and the low-wage workers in my thesis, which will capture the duality of structure and agency.

### ***The thesis***

The thesis is still a small-scale enquiry, but a far more complex one than the IFS. It is also a piece of "real world research" (Robson, 2011, p. 3) that I hope to translate into a specific course of action, which would improve the current CET policy and practice in Singapore.

After studying many interrelated concepts from diverse disciplines (political economy, education, and sociology) within the social sciences, I

chose to employ Bourdieu's Praxeological analysis (Bourdieu and Wacquant, 1992) for my thesis. It offered a strong fit for my thesis because it not only places a strong emphasis on the primacy of relational analysis, but also facilitates a macro-meso-micro integrated analysis that could uncover the system of dispositions underpinning the practice of CET in Singapore.

My work on the thesis has convinced me that an inter-disciplinary perspective is far more superior to the "pre-matured specialisation" (Bourdieu and Wacquant, 1992, p. 27) approach of adopting a siloed discipline and theoretical lens. Most importantly, the process of the enquiry has helped me to appreciate the concept of "bounded rationality" (Simon, 1996, p. 38). That is, the claim of achieving total social fact in social science research is at best satisfying and temporary.

While my engagement with Western literature has highlighted its value in putting forth alternative perspectives, I am constantly questioning its relevance to the Asia context. The social, cultural and historical setting of the East and West are quite different. Hence, in the thesis, I have made a conscious effort to combine relevant arguments from critical research work in the West with a case study in the Singapore context.

### **3. Practice of a Designer**

My learning from the EdD programme may be summarised as follows: to fulfil the role of 'professional as designer', one must engage in an ongoing practice of critical reflection. Specifically, such professionals view themselves as change agents who are not only concerned with improving the means, but also simultaneously evaluating goals, assumptions, and dispositions upon which these means are based. At the same time, they also take into account moral and ethical considerations in making judgments on issues of equity, while demonstrating respect for others.

To engage in such a practice effectively, the designer must cultivate the ability to break away from pre-constructed facts (the taken-for-granted truths), think relationally (mindful of competing legitimacy among the

stakeholders), and acknowledge personal biases (one's social origin, dominant domain of understanding, and the tendency to critique without also offering constructive implementable actions).

However, it is impossible to effect change as a single agent. Hence, the designer has to rally the support of other stakeholders by putting forth a new collective belief as the new social compact (e.g. re-prioritising economic development and human development). Such a process will involve examining goals, evaluating assumptions, and unveiling the hidden system of dispositions. Relational thinking will be useful in understanding the stakeholders' (the state, the enterprise, and the worker) natural tendencies to compete for legitimacy in fulfilling their respective roles so as to build an inclusive society. Achieving a shared understanding could help to mitigate the potential tension that could arise among stakeholders, which can be triggered by policy changes.

In striving to remake the structure, designers must acknowledge the reality that they are themselves carriers of cultural-historically constructed values and disposition; thus, they should be mindful of their social origin bias. In order to minimise such a bias in the course of designing change, they must first uncover the system of dispositions by going beyond a superficial understanding of issues, or pre-constructed facts.

In addition, designers should also be aware of the second type of bias that I call the 'dominant domain of understanding' – the lens in which the agent acquired through this silo discipline of understanding (e.g. economic lens). Domain bias can negate change because of the siloed understanding of issues. A case in point is the CET policy that is based on the simplistic economic assumption that high course fee funding will incentivise employers and employees to take part in training, as the firms and workers are supposed to maximize their utility. Designers need to have the humility to learn and the willingness to engage in cross-disciplinary enquiries to mitigate such a risk.

The third bias is manifested in the tendency to critique the situation without offering implementable actions. Such a bias may stem from the aforementioned biases of dominant domain bias and/or the lack of relational thinking. For example, the insistence of productivity

enhancement efforts onto enterprises without a proper understanding of the sectoral business-market differences and its challenges. In order to overcome the third bias, a change agent should practise critical reflection and strive to embody the attributes of a true professional, as described in the first paragraph of this section.

#### **4. Conclusions**

The EdD journey has been a humbling experience: I have become acutely aware of the limits of my knowledge and the need for me to engage in continuous learning. In truth, there can be no end to learning in life.

To a great extent, my enquiry through research has been transformative in the sense of: developing my learning disposition; knowing the tools available for enquiry-based learning; appreciating the learning affordances around me; and realising that learning comes with the responsibilities to make improvements to the status quo. To me, my transformation encompasses the attributes of the four pillars of education: learning to know; learning to do; learning to live together; learning to be (Delor, 1996).

I will continue the learning that had begun with EdD in my practice. As I am in the midst of preparing the Singapore Continuing Education and Training Masterplan II (2013-2022), the newfound identity of as designer is most timely. I will strive to hone and fine-tune the reflexive practice that I have acquired through this course.

Moreover, as a beneficiary of enquiry-based learning, I vow to advocate for research-informed policy and practice in Singapore. As I move between the worlds of practice and research, I agree with Lingard and Gale (2010) that there is a need to develop the research dispositions of policymakers and practitioners, and in parallel, the development of pedagogical dispositions among researchers. Only then would we be able to maximise the synergies from the two worlds. (2190 words)

## CHAPTER 1: BACKGROUND TO THE RESEARCH

### 1.1 Introduction

That dreadful year for most parents in Singapore had arrived. My son, Ansel, was due to sit for his primary school leaving examination (PSLE). At the tender age of 12, the children in Singapore are required to take a high-stakes national examination that can determine their future. I was anxious that he had been spending considerably more time on soccer and music than preparing for the PSLE.

As a desperate intervention strategy, I decided to expose him to the socio-economic impact of educational attainment on one's future potential in life. I brought home two publications — the *Singapore Labour Force Report* (MRSD, 2009a) and the *Singapore Wage Report* (MRSD, 2009b). In each document, I carefully selected the graphs and tables that I would use as resources to support my after-dinner conversation with Ansel.

Our discussion covered issues related to occupational categories, median wages, and the corresponding educational levels. Ansel posed questions regarding where his grandfather, parents, and uncles were located in the workforce. Then suddenly, Ansel pointed at one of the graphs and asked: "Mum, what will happen to JJ? Will he become one of them?"

JJ was his elder brother's primary school classmate whose PSLE score positioned him in the normal technical stream<sup>1</sup> — the bottom 25<sup>th</sup> percentile of the cohort. Ansel wondered about the chances of JJ becoming a low-skilled/low-wage worker.

I struggled to respond to this difficult question. As a Singaporean, I have been brought up to believe in equality of opportunity. Cases of my own family, people around me, and the continuous media coverage of those who fought against all odds to rise up the social ladder followed the

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<sup>1</sup>The PSLE result is based on norm-based sorting, with 50% of the annual cohort going into the four-year 'Express' stream in secondary education. The next tier of 25% is placed in the five-year 'Normal' academic stream and the last 25% is allocated to the five-year normal 'Technical' stream. The last group would usually end up at the Institute for Technical Education that caters to students who are expected to fill the bottom three occupational groupings, e.g. Services, Technicians, and Labourers.

script of the Singapore Dream. Nonetheless, I could not give an affirmative answer to Ansel.

Since its inception in 2003, the Singapore Workforce Development Agency (WDA) has been providing skills upgrading pathways to low-skilled/low-wage workers (LSLW), with the aim of facilitating their upward mobility. I had joined the WDA in 2003 as Deputy Director of Skills and Curriculum, and subsequently as Director of Quality Assurance, to oversee the establishment and implementation of the national skills framework — the Workforce Skills Qualifications System (WSQ). The WSQ is intended to be the main skills upgrading pathway for the LSLW.

We have launched numerous programmes and schemes aimed at helping the LSLW. Our statistics show that hundreds of thousands have gone through our programmes, which implies that we must have helped them to upgrade their skills and enabled them to move out of low-wage jobs.

Yet, the research I undertook prior to this thesis challenged this assumption. In reviewing the outcome of one of the WDA's programmes — the Diploma in Culinary Craft, I learnt that one of the trainees had moved down to a low-wage job, despite undergoing 15 months of full-time culinary training at a hefty cost of S\$45,000. I also found that trainees were being recycled within the low-wage employment sector. I was puzzled by the broken promise of the 'better skills for better life' policy rhetoric.

During the same period, the 2010 Economic Strategies Committee (ESC) released its report on building an inclusive society through productivity-driven growth, with the aim of raising the wages of low-wage workers (LWWs) by 30% over a 10-year period (MTI, 2010). Since then, policymakers in Singapore have been reiterating the policy rhetoric of improving productivity and skills strategies as *the way* towards creating an inclusive society (Lee, 2010; NPCEC, 2012; Shanmugaratnam, 2012a).

This thesis is thus my professional endeavour to reconcile the gap between the reality of LWWs and the policy rhetoric. Specifically, through my research study, I sought to identify and examine the factors affecting the upward mobility of LWWs.

## 1.2 Growing Concern of Income Inequality

In-country income inequality has become a pervasive and worrying trend all around the world. Some attribute the cause of widening income gaps to globalisation: not everyone has been able to benefit from a high-growth and knowledge-based economic model (Sweet & Melsins, 2008). Others highlight the problem of concentration of wealth by the richest 1% of the population (Leigh, 2009).

Regardless of the reasons, studies have linked widening income gaps to all manner of ills from mental and physical illnesses to social unrest (Wilkinson and Pickett, 2010). At the macro level, rising inequality has fuelled protectionist sentiments, with people unwilling to support open markets and free trade, if they perceive that they are losing out (OECD, 2011a).

To counter the negative effects of globalisation, governments have been busy dishing out suites of public policies in an attempt to narrow income gaps (Tobin *et al.*, 2008). The International Monetary Fund (Wade, 2001), the World Bank (Soubbotina and Sheram, 2000), and the International Labour Organization (2011a, 2011b) have also published many policy recommendations including: the re-distribution of wealth through social policies; reviews of wage policies; investments in education and training; and the co-creation of quality jobs.

While the policymakers of some countries such as Singapore and the US are more concerned about equality of opportunity, others such as the Nordic countries are more concerned about equality of income. Despite their differences in emphases, all the governments in the aforementioned countries believe that a skills strategy is a sustainable solution (e.g. OECD, 2011a). In general, they subscribe to the belief that capability development is the most sustainable way of equipping individuals with the ability to survive in the highly competitive, globalised economy. Thus, investing in education and training is the way to ensure equal opportunity (see Wolf, 2002 for a critique).

In the same vein, the Singapore government has invested heavily in formal education and continuing education and training (CET). The

government has also attempted to coordinate skills matching at multiple levels. At the macro level, coordination is done through aligning skills with economic growth strategies. At the meso level, the WSQ system seeks to meet the sector's skills needs in terms of the competency-based training provision. At the micro level, skills coordination is done by guiding the workforce towards jobs that are in demand (Low, 2000).

The developmental state's 'skills coordinator model', as described above, is the envy of many because of its efficiency in enabling full employment and steady GDP growth (Ashton *et al.*, 2002a). The 'developmental state' — an archetype of the East Asian political economy coined by Johnson (1982) — describes the East Asian model of government in which the state secures its legitimacy through economic development. The state places economic growth at the core of its policy determination and centrally coordinates economic and other related policies. Ashton *et al.* (2002) who studied Singapore extensively among the high-growth East Asian economies found that skills strategies were highly coordinated to ensure that skills supply (i.e. education and CET) supported the country's economic and trade strategies.

Singapore's per capita GDP has risen steadily over the last 40 years from a low of US\$925 in 1970 to US\$43,867 in 2010 (See Table 1.1). Correspondingly, the average household income among resident employed households increased by 48% from S\$5,456 (US\$4,454) in 2000 to S\$8,085 (US\$6,600) in 2010.

Table 1.1: Per Capita GDP at Current Market Prices, 1960–2010

Year	GDP S\$	GDP US\$
1960	1,310	428
1970	2,832	925
1980	10,685	4,990
1990	23,101	12,745
2000	40,364	23,414
2010	59,813	43,867

(Source: Department of Statistics)

Not only has Singapore done well in its economy, its healthcare and education systems have also been identified as exemplary models. The World Health Organization ranks Singapore's healthcare system as 6<sup>th</sup>

overall in the world (WHO, 2010). According to the international body, Singapore has a well-developed healthcare system with sustainable levels of healthcare financing. Singapore is ranked 26<sup>th</sup> (0.866) out of 187 countries in United Nations Development Programmes' Human Development Index (UNDP, 2010a). The report shows that Singaporeans have experienced exponential improvements in all aspects of well-being: life expectancy, education, and gross national income per capita.

Neo-classical economists (e.g. World Bank, 1993) would lay claim to these indicators as clear evidence of the benefits of a country's participation in free trade and the effectiveness of the free market mechanism in creating wealth, as reflected in the country's economic growth. Statists (e.g. Sung, 2006) would attribute Singapore's success to the government's ability to reinvest its 'surplus' yield from the open economy in the building of its domestic capability — the strengthening of social and economic institutions for sustainable growth.

Nevertheless, like many other countries with an open economy, Singapore is experiencing increasing income inequality. The 2010 Department of Statistics report showed that, while the general income level had improved significantly, the Gini coefficient had also been rising from 0.436 in 1990 to 0.481 in 2010 (See Chart 1 below), with the lowest 20<sup>th</sup> percentile of the income group experiencing decreases in income. The ratio between the highest 20 percent and the lowest 20 percent of average household income stood at a glaring 20.9 in 2010, compared to 11.4 in 1990 (DOS, 2011). Chart 1 also revealed that, despite the government's efforts in ensuring equality of opportunity and the social redistribution of wealth (MOE, 2009), the income gap had been widening over the past ten years (see the green line).

Chart 1.1 Gini Coefficient among Employed Households, 2000–2010



(Source: Department of Statistics, Singapore)

Statistics suggest that the origins of the LWW problem can be found in the low level of formal education of LWWs (OECD, 2006; MRSD, 2011a). In Singapore, the meritocratic education system means that the academically able benefit the most from the system; conversely, the less able are ‘sorted out’ early in life. The low-skilled workers have a minimal secondary, or lower, level of education by the time they leave the formal education system, with a large majority ending up in low-wage employment.

***Improving Productivity and Skills Upgrading – the Only Way to Build an Inclusive Society***

Determined to build an inclusive society, the Prime Minister commissioned the ESC to study the long-term economic transformation of Singapore in February 2010. The committee that comprised members of the public and private sectors recommended the skills upgrading of individuals and business process innovation at the firm level as the means to produce “productivity-driven growth” (MTI, 2010). The ESC believes that productivity-drive growth should ultimately translate into a ‘better-pay-better-life’ for workers:

Singapore should aim to sustain productivity growth of 2 to 3 percent per year, more than double the 1 percent we achieved over the last 10 years. This will raise productivity by one-third over a decade. It is a challenging goal, involving major changes in every sector and sustained over a full decade, and will require a comprehensive national effort. But raising skills and productivity is the only viable way to improve real wages of workers, and is the best way we can help citizens with lower incomes ... We have to boost skills in every job. We should develop an outstanding nation-wide system of continuing education and training to give everyone the opportunity to acquire greater proficiency, knowledge and expertise, from the most basic jobs to the most complex. Employers and industry associations, unions and government will also have to work together to redesign and create better jobs. (ESC, 2010: in the letter to Prime Minister)

Chaired by the Deputy Prime Minister, the National Productivity and Continuing Education Council (NPCEC) was subsequently set up in April 2010 to drive the initiative of productivity-driven growth (NPCEC, 2010). Productivity-driven growth is premised on Becker's (1964) human capital theory that is based on the simplistic assumption that changing business processes and enhancing employee competencies will lead to cheaper-better-faster operations that should translate into employers' ability to pay higher wages (see Livingston, 1997; Brown, Lauder, and Ashton, 2011 for critique). However, the productivity effect on wages remains inconclusive or elusive (e.g. Bertschek and Kaiser, 2004). With regards to productivity and skills strategies, Keep, Mayhew, and Payne (2006) pointed out the potential trade off between enhancing productive efficiency and the efforts of investing in skills and training. Essentially, an improvement in productivity does not always lead to an increase in skills investment, though the reverse may be true.

Given these realities, we need to consider the following questions:

- Does the attainment of higher skills guarantee improved services, better jobs, and secured higher wages for LWWs?
- What would encourage employers in the low-wage sector to embark on innovation and subsequently raise the pay of their employees?

- Does the CET system that is an integral institution of economic growth truly facilitate the upward mobility of LWWs?

### **1.3 Purpose of the Study**

Addressing the education, income, and upward mobility of LWWs involves a closely entwined constellation of stakeholders that include: the government, employers, trade unions, education/training providers, employment facilitation intermediaries, and the LWWs themselves. Their respective “bounded rationalities” have a direct impact on the others in their interlocking fields of practice (Simon, 1996, p. 38); hence, their actions may result in unintended consequences for others. Moreover, their rationalities are constrained by their differential positions within the socio-economic sphere and their unique roles. The “duality” of the nature of their actions thus makes them both agents and structures (Giddens, 1984, p. 25).

The interactions of these stakeholders have contributed to the continuous evolution of Singapore’s social, economic, and cultural structures. Against the backdrop of Singapore’s policy of productivity-driven growth, this study aims to examine the relationships between education, job, and income within the overlapping spheres of a political economy characterised by Singapore’s concern to maintain its relevance in a globalised capitalist world.

The context of the study is the security sector that has been categorised as a low-wage sector in Singapore. Three stakeholders are central to this study: a) the small-medium enterprises (SMEs) that dominate the low-wage security services sector; b) the voiceless LWWs themselves; and c) the developmental state institutions. The study delves deeply into the socio-economic setting of Singapore by highlighting the predispositions that shape the policy and practice of socio-economic institutions by examining: i) the behaviours of the developmental state’s institutions at the macro level; ii) the coordination complexity of firms in the low-wage sector at the meso level; and iii) the experiences and views of the LWWs at the micro level. Thus, the study evaluates the extent to which

the upward mobility of LWWs is influenced by the interactions between the three stakeholders. The main research question is:

***How do the stakeholders interpret and facilitate the upward mobility of LWWs in Singapore?***

At the macro level, it is critical to examine the extent to which the predispositions underlying the developmental state model, as exhibited through its socio-economic institutions, have facilitated the upward mobility of LWWs. It is important to note that these predispositions have supported Singapore's economic growth over the past four decades. Addressing the research question may help to identify the levers of change that are necessary for the upward mobility of the low-wage workforce. Thus, the sub-question, at the macro level, is:

***To what extent has the developmental state mindset shaped institutional behaviours towards LWWs' upward mobility?***

With regards to issues at the meso level, resolving the following sub-research questions will enhance our understanding of the productive system (Wilkinson, 2002) of the low-wage sector, thus enabling us to design effective interventions:

***How do firms' response to exogenous forces shape their productive/market strategies, organisation of work, and skills strategies?***

***To what extent has the one-size-fits-all 'productivity-driven growth' policy worked for the low-wage sector?***

***To what extent has the sectoral environment encouraged the adoption of productivity and human capital strategies?***

***To what extent have low-wage sector employers facilitated the upward mobility of their low-wage employees?***

The upward mobility of LWWs is premised on the resources/constraints available to them and their engagement with them. The following sub-research questions at the micro level should shed light on job quality issues and societal effects, which may point to possible ways for them to improve their chances of a better life:

***How do LWWs' interactions with employers and institutions shape their individual skills strategies?***

***What is the disposition of the LWWs towards upward mobility?***

***What motivates them to take up low-paid jobs?***

***To what extent are the low-wage jobs a stepping-stone to better-paid jobs?***

This study seeks to circumvent the temptation of placing the blame on 'victims' or pointing fingers at 'culprits'. Its aim is to present a comprehensive macro-meso-micro picture of the low-wage phenomenon in one low-wage sector and identify critical levers that could potentially enhance the upward mobility of LWWs.

Most studies on the phenomenon of low-wage jobs are dominated by economic theorising. Hence, in this thesis, I chose to adopt a fresh approach of using the inquiry lens of economic sociology to analyse the actors, actions, rationale, and legitimacy. Specifically, I employed the Praxeological approach (Bourdieu and Wacquant, 1992) within a macro-meso-micro analytical framework to investigate the low-wage phenomenon in Singapore. In my view, this methodological approach is useful for achieving a comprehensive understanding of the causal mechanisms and uncovering the system of dispositions behind these mechanisms. Finally, I drew upon the conceptual lens of Bourdieu to identify feasible changes to existing policies and systems.

#### **1.4 Organisation of the Thesis**

This thesis is divided into seven chapters. Chapter 2 presents a review of the literature in the related fields of political economy, economic

sociology, education, and sociology. I begin by examining debates within macro-level institutional analyses, evaluating policy interventions in low-wage issues (e.g. Grimshaw, 2011), and assessing the impact of institutional factors on the incidence of low wages across countries (e.g. Salverda, 2010). Part Two of the review comprises previous research on firms' coordinating activities with stakeholders and their impact on job quality (e.g. Carre and Tilly, 2011). Part Three of the review covers the studies on LWWs, specifically their profiles, mobility, and intervention strategies. This section also focuses on the debates about the irreconcilability between the policy intent of lifelong learning and the rigid structural and societal barriers confronted by LWWs (e.g. Keep, 1997; Rainbird, 2000). This discussion of the literature review also demonstrates why an integrated micro-meso-macro approach is most appropriate for the thesis.

In Chapter 3, I explain the implementation strategies of the integrated approach for the thesis. The guiding principles of Bourdieu's (1973, 1992) Praxeological analysis — thinking relationally, breaking away from pre-constructed facts, and the purposeful seeking of the system of dispositions — were used in the formulation of the research design of this research study, specifically with regards to data collection and data analysis. An in-depth discussion of the research questions and the frames of reference form part of the chapter.

Chapters 4, 5, and 6 present an analysis of the research findings at the micro, meso, and macro levels, respectively. Chapter 4 sets out my qualitative research findings on the experiences of a group of low-wage security employees, their socio-economic context, and their experiences with their employers. Evidence related to attitudinal, institutional, and circumstantial factors that shape the workers' skills strategies are presented. The LWWs' access to skills upgrading opportunities and their chances of upward mobility is evaluated.

Chapter 5 focuses on firms in the low-wage private security services sector (the meso level), which are operating in a competitive cheap-sourcing environment. The chapter studies the complex coordination between the firms and the key stakeholders by examining

their product/market strategies, skills strategies, and organisation of work. Here, I critically review and predict the potential success of the productivity growth model designed for the sector. The findings thus shed light on the sector's lack of appetite for the high-skills route.

Chapter 6 examines the behaviours of three developmental state institutions that have high stakes in the productivity and wage agenda in Singapore — the Workforce Development Agency (WDA), the Union of Security Employees (USE), and the Work Group for Security Sector Productivity (WGSSP). The findings reveal how the behaviours of the three institutions are shaped by their neo-liberal beliefs of *economic primacy*, *market fundamentalism*, *flexible labour market*, and *pro-business mindset*. The chapter ends by discussing the contradictions between the national agenda of building an inclusive society and the impediments posed by the developmental state mindset.

In Chapter 7, the final chapter, I summarise the key findings from the thesis in two broad areas. First, I present a comprehensive picture of the low-wage private security sector in Singapore, which had never been done in previous research. Second, I argue that the micro-meso-macro integrated approach, coupled with Praxeological analysis, is needed to achieve a holistic understanding of the relationships between policy and practice with regards to improving the upward mobility of workers in the low-wage sector. Recommendations for improving CET policies and systems, enhancing the upward mobility of LWWs, and shifting the low-wage sector towards the high-skills road are also discussed. Finally, the chapter also proposes suggestions for future low-wage research.

## **CHAPTER 2: REVIEWING THE LITERATURE — A MACRO-, MESO-, AND MICRO- EXPLORATION OF LOW-WAGE ISSUES**

### **2.1 Introduction**

This chapter presents a critical review of relevant studies from the fields of political economy, education, and sociology. It begins with an examination of literature on the macro-level institutional analysis related to low-wage issues. Next, a review of debates at the meso level, regarding the behaviours of firms in low-wage sectors, is presented. Then I shift the focus to the LWWs in my coverage of literature that relates to the skills and labour market from a micro-level perspective. In order to construct a sufficiently comprehensive framework, I have cited both international and Singapore-based studies.

The problems of the low-wage economy have captured the attention of policymakers and researchers for many decades, as low-wage work is a common phenomenon in all regions of the world, be they developed, developing, and the less developed. The related issues are complex and diverse due to the involvement of multiple stakeholders including the state, employers, the workers, and the larger society in general. For many economies, the pressure to find ways of addressing income inequality has reached a tipping point. The legitimacy of states has been challenged, as the populace demands effective solutions to the growing income divide.

Key research institutions such as the recently defunct European Low-Wage Employment Research Network (LoWER), the Russell Sage Foundation, and many others have been supporting extensive research that covers multiple dimensions of low-wage issues. The decades of research have, to a great extent, contributed to a body of systematic evidence base on low-wage issues, which have helped in the formulation of policies and further research. Similarly, the World Bank (e.g. through its social inclusion agenda), the International Labour Organisation (e.g. the Decent Work Agenda), and the United Nations Development Programmes (e.g. the Equity and Sustainability Agenda) have all advocated numerous initiatives to alleviate the low-wage situation.

It is evident from the literature that macro-level policy issues such as wage policy and social distribution have dominated the discussion (see, *inter alia*, ILO, 2008a; Grimshaw, 2009). These studies have primarily focused on policy efficacy and potential policy trade-offs. The debate on a minimum wage policy has also occupied centrestage (see, *inter alia*, ILO, 2008b; Hui, 2010).

Institutionists have conducted several studies that examined the relationships between economic institutions and the low-wage situation (see, *inter alia*, Salverda, 2008; Gautie *et al.*, 2010; Grimshaw, 2011). Specifically, these researchers investigated the roles of institutions such as wage setting, employment protection, and other institutional factors like collective bargaining in mitigating and/or aggravating the incidence of low wages. For instance, the role of trade unions in relation to collective bargaining for LWWs has invited much debate (see Baccaro, 2008; Bosch, Mayhew, and Gautie, 2010). More recently, other institutional factors that affect the labour market such as employment protection legislation have also attracted the attention of researchers (see, *inter alia*, Bosch *et al.*, 2010).

Some institutionists have branched out to study the behaviours of firms in the low-wage sector in order to understand the causal factors between firms' strategies and the incidence of low wages (see Bernhardt, 1999; Appelbaum, Bernhardt, and Murane, 2003; Mason, 2004). As job quality has been an important item on the agenda in Europe for decades, it is, therefore, not surprising to see this topic reflected in the research literature (see, *inter alia*, Leontaridi and Sloane, 2001; Carre and Tilly, 2011). Studies on job quality have advanced the exploration of low-wage issues beyond wages to skills, work efforts, personal discretion, and job security. Researchers such as Solow (2008) and Green (2006) have argued that these latter factors are directly related to the skills strategies of firms; hence, they exert a direct impact on the productivity of the firms.

In general, the mobility of LWWs has attracted two fields of scholars. Economists are essentially concerned with identifying trends and predicting the intra- and inter-generational mobility of LWWs (see Burkhauser and Couch, 2009; Bjorklund and Jantti, 2009). Human

capitalists are concerned with the issues skills matching and the skills acquisition of LWWs to enable them to get better-paid jobs (see Iversen and Armstrong, 2006; Rademacher, Bear, and Conway, 2001).

Low-wage studies have been predominantly mono-disciplinary in approach. However, a group of scholars across the two continents of the Atlantic, under the sponsorship of the Russell Sage Foundation, attempted to adopt a multi-disciplinary approach to study the low-wage situation. This research project produced monographs of six advanced economies (US, UK, France, Germany, the Netherlands, and Denmark) and comparative studies of these six economies in the final volume, which thrust low-wage research to a new height (Solow and Wanner, 2010).

From a research design perspective, the studies (both the monographs and the comparative volume) effectively integrated institutional (macro-level), sectoral (meso-level), and occupational job quality analyses (micro-level). By adopting this integrated approach, the researchers (economists from diverse specialties, sociologists, and scholars from business fields) constructed a relatively comprehensive picture of the many relational issues pertaining to the incidence of low wages. These studies also constituted a bold attempt to employ a multi-disciplinary approach for cross-country comparative studies, hence overcoming the limitations of mere economic theorising.

These studies examined how macro-level institutions and factors (e.g. policies) influenced the behaviours of firms and LWWs, albeit as unintended consequences. The findings have challenged many neo-classical economic assumptions and provided new insights into the social-relational dimension of activities that seem to be of a purely economic nature. The comparative studies have shed light on the critical role of historical, attitudinal, and institutional factors at play, which account for the differing levels of incidence of low wages across the six countries. Of course, it is inevitable that any research design would have its limitations. I will offer a more detailed evaluation of the strengths and weaknesses of this series of studies in the remainder of this chapter.

## **2.2 Institutional Effects and Their Impact on the Low-Wage Phenomenon**

In this section, I will examine the debates surrounding the studies of economic institutional effects on the low-wage phenomenon and the challenges they pose before linking the review to my research questions.

Economists, sociologists, and other social scientists have identified institutions and institutional factors as a foundational concept in social science. Their common claim is that institutions matter and that understanding institutions and institutional change are key to the agenda of social science (Nee, 2005). An 'institution' is a political socio-cultural construct. Therefore, institutions reflect not only the legitimacy of the state, but also the state's engagement with the stakeholders and its coordination efforts with its institutions.

With regards to the low-wage phenomenon, economic institutions are the focus of many studies. The most frequently researched economic institutions are: minimum wage, collective bargaining, union density, employment protection legislation, active labour market policy, unemployment benefits, non-wage social benefits, and skill formation systems.

Salverda (2008) argued that the selection and analysis of institutions in low-wage studies pose major challenges, simply because there is a lack of generally accepted frameworks for analysis. Fundamentally, the host of difficulties begins with the fuzzy concept of 'institution' — for example, distinguishing between large-scale organisations, specific regulations, policies, informal rules, and programmes. The other difficulties relate to the treatment of the concept of 'institution', such as isolating single institutions or grouping them together for analysis. Salverda, (2008) also cautioned against the risk of "overestimating the institutional effect to the disadvantage of the role of economy" (p. 63). In other words, one must not discount the reality that institutions exist as part of a larger structure. Therefore, the analysis of institutional effects must take into consideration their position within the economic construct. I would also argue that political and sociocultural

constructs should be considered in such discussions, as no one country is the same.

Due to the foreseeable challenge, the Russell Sage team of researchers decided that, in order for their comparative studies to be possible, they had to be “modest in conception and selection and conceptually broad with respect to deliberative and regulatory applications, both formal (law) and material (policy), as well as to the field of action” (Salverda, 2008, pp. 65–66). Therefore, only six institutions were identified for the comparative studies: Employment Protection Law, Wage Policy, Collective Bargaining Arrangement, Active Labour Market Policy, Unemployment Benefits, and Non-Wage/Social Benefits (Gautie and Schmitt, 2010). These institutions were brought together under the broad label of ‘Labour Market Institutions’. The first three were considered to influence firms’ tendency to pursue low-wage works because of the “exit-options” (Bosch *et al.*, 2010, p. 92), which has been unintentionally created by the institutions. The researchers argued that the last three affect workers’ willingness to take up low-wage jobs (Gautie *et al.*, 2010b). The interactions between the firms, the LWWs, and the unique institutional settings in each of the six advanced economies, therefore, create varying rates of low-wage incidence.

At first, it may appear that the comparative studies had successfully integrated all the major institutions in the discussion. However, a closer examination shows that each institution was treated independently in the discussion of the interactions between firms and the institutions without referencing the radically different sociocultural and economic settings of the respective economies. Such an approach runs the risk of treating the institution as the exclusive actor in shaping the low-wage phenomenon, free of other relational ties. By neglecting to link institutions to the larger socio-cultural and economic settings of each country and their specific national philosophies and values, the research study could have “overestimated the institution to the disadvantage of the role of economy” — a common problem that Salverda (2008) had observed in earlier studies (p. 63).

Another weakness in the researchers' framing of institutional analysis is their treatment of skill formation systems. Although there were episodic discussions throughout the study (e.g. the German apprenticeship system and the lack of vocational education in the US), a comprehensive exploration of this aspect at multiple levels was glaringly absent. In fact, the research team had subsumed the issue of skill formation systems under the banner of 'job quality', thus placing the sole responsibility on firms.

Such an approach overemphasises the employers' role in skills formation, thus blatantly ignoring the role of the state and individual workers in the skills equation, which Estevez *et al.* (2001) had clearly argued against in their work. Estevez *et al.* (2001), using OECD data, argued for an intricate relationship between workers' skills trajectory and firm- and industry- skills demand, which are closely linked to social protection and education policies. A more recent study by Tahlin (2007) demonstrated the importance of analysing skills formation systems at the firm, sectoral, and national levels, so as to arrive at a comprehensive understanding of the relationships between skills, occupations, wages, and inequality. Hence, these studies point to the need to incorporate the exploration of skill formation systems into a broader institutional analysis in the investigation of the low-wage phenomenon.

In the attempt to contrast the historical and attitudinal differences between the six countries, the Russell Sage research team initially adopted the typology of the Production Regimes of *Liberal Market Economy* (LME) and *Coordinated Market Economy* (CME). The central argument of *Production Regimes* is this: how firms try to resolve their coordination problems in areas such as industrial relations, vocational training, corporate governance, inter-firm relations, and employee cooperation can vary markedly in the two production regimes of LME and CME (Hall and Soskice, 2001). In LMEs, firms coordinate their activities primarily in terms of hierarchies and competitive market arrangements, while CMEs tend to rely more heavily on non-market arrangements.

In the comparative volume, the research team eventually rejected the typology as "limited in understanding the result" (Appelbaum *et al.*,

2010, p. 26). The researchers argued that the concept of *Employment Regimes*, specifically *Inclusive*, *Dualist*, and *Market* regimes (Gallie, 2007), offered a better model for explaining the differences in the incidence of low wages among the six advanced economies than the Production Regimes.

As described by Gallie (2007), the Employment Regimes concept attempts to bring out the mutual implications of welfare regimes and employment policies by linking the power resources, which reflect a political compromise by the major social actors through framing patterns of social interactions. In *Inclusive* Employment Regimes, employment policies extend protection to the workforce as widely as possible throughout the working age. *Dualist* Employment Regimes favour core workforces of the skilled long-term employees at the expense of a periphery workforce that experiences poor working conditions and low job security. Finally, the *Market* Employment Regimes emphasise minimum protection, based on the assumption that market adjustment will lead to a high level of employment in the long term.

Ultimately, Appelbaum *et al.* (2010) were still unable to fit the six economies neatly into the Employment Regimes concept:

LMEs such as UK and the US do display a higher share of low-wage workers, but there is a wide divergence of experience among coordinated economies such as Denmark and Germany. And France, where state regulation plays a crucial role, does not fit the typology very well. Our view is closer to the “employment regimes”. This framework appears to capture fairly well the low-wage labor market regimes we observe in our six countries. Denmark is inclusive, Germany is dualist, and the US and UK is market regimes. France and Netherlands lie somewhere in between inclusive and dualist regimes. (p. 26)

As an afterthought, the research team went further by arguing against the stereotyping and forced fitting of institutional differences into overly simplistic descriptions of existing political economy models. They also pointed to the fragility of national institutional models and the potential volatility of national economic and social performances due to externalities and circumstantial factors. On a similar note, Bosch, Lehendoff, and

Rubery (2009) posited that the clear understanding of national outcomes requires moving beyond typologies, value judgments, and the tendency to ignore institutional tensions.

Considering that both the Production Regimes and the Employment Regimes are archetypal concepts modelled on the characteristics of Western economies, neither may be suitable for the analysis of East Asian countries. Take Singapore as an example. While the Singapore government embraces free trade and the open market in its economic philosophy, it also coordinates major economic development strategies. In fact, this is why Singapore has earned the title of a 'nanny-state' or a 'developmental state'. Nonetheless, while it is a highly coordinated economy, Singapore does not embrace welfarism, as the government guards against the risk of unsustainable overspending that could lead to a budget deficit and the possible erosion of the work ethic (Huff, 1999; Low, 2001). Moreover, 'inclusiveness' is practised and expressed quite differently in Singapore. For example, the government tries to balance between fostering a flexible labour market and ensuring wealth sharing through non-wage benefits and the promotion of equal opportunity through the skills formation system (MOE, 2009). Low (2001) and Sung (2006) have noted that Singapore's political economy is unique in that it has been able to design its own terms and conditions, while playing the universal game of free trade and open market.

Hence, those who study East Asian economies, namely Japan, South Korea, Taiwan and Singapore, have deemed 'developmental ideology', a concept originated by Johnson (1982) and further developed by Wade (1990), to be most appropriate for evaluating the role of the state and its institutions in the development of these economies over the last decades (Amsden, 1989; Ashton *et al.*, 1999; Sung, 2006).

Among the aforementioned East Asian economies, Singapore, the setting of this thesis, is the most studied developmental state (e.g. Huff, 1999; Pereira, 2007, Yeung, 2005; World Bank, 1993). At its core, the developmental state theory privileges structural-institutional state power in achieving economic development. In a development state, the state actively fosters economic development; in fact, it derives its legitimacy

from economic achievement. In the process, it establishes a powerful, competent, and insulated state bureaucracy ('institutions') that manages non-state economic interests effectively (Johnson, 1982; Evan, 1985; Leftwich, 1995).

Ashton *et al.* (1999) have identified four unique features found in the East Asian development states: a) a political-economic strategy; b) mechanisms to link trade and industry policies to education and training policies; c) central control of the education and training system; and d) the ability to maintain the links through time:

First and foremost was the commitment on the part of ruling elites to develop the economy in a specific direction. This commitment may have meant taking actions which conflict with the immediate interests of either capital or labour. A normal basic precondition for such actions is the establishment of a relatively strong insulated state. Second, the political leadership established mechanisms to ensure that the requirements of the economy played a central part in determining the output of the education and training systems. Third, so that governments could deliver the appropriate skills to the workplace, they had to establish strong controls over the institutions responsible for education and training. Fourth, governments had to constantly steer the system by adjusting the outputs from education and training system to meet the existing and future demands. (p. 141)

The developmental state perspective thus provides an essential theoretical framework for examining the current state of affairs in relation to the low-wage phenomenon in Singapore. It offers a comprehensive picture of the unique attitudinal, institutional, and circumstantial factors that shape the behaviours of social and economic institutions. For example, the industrial, education, along with the labour and wage, policies in the developmental state model are aligned with the national agenda of international competitiveness (Gopinathan, 2007; Yeung, 2005).

One result of such an alignment is the adoption of a wage moderation policy and a centrally coordinated wage-setting mechanism through the tripartite National Wage Council, instead of the usual collective bargaining situation of the West (Lim, 1998). Another example is the highly

stratified education system that streams students based on academic ability and sorts them into vocational and academic tracks that are meant to prevent manpower wastage (Gopinathan, 1999; Tan, 2010). These examples illustrate the importance of viewing the role of institutions in relation to the role of the state and the historical socio-cultural setting.

Critics have questioned the validity of the concept of the developmental state as being East Asian-centric; after all, the model had emerged initially from the study of Japan, followed by Hong Kong, South Korea, Taiwan, and Singapore. However, since my thesis is an examination of the low-wage issues in Singapore, such a criticism would not undermine the validity of my findings.

There are also claims that the developmental state is a diminishing model — a phase that would pass as the economy matures, hence reducing the role of the state and its institutions, as in the case of Japan and South Korea (e.g. Low, 2001; Hsieh and Tseng, 2002). However, what we have seen in recent years is the ability of the developmental state to reinvent itself and its institutions in order to respond and adapt swiftly to environmental changes, as Singapore had done in the recent world financial crisis (ILO, 2010). The Singapore government put together a crisis rescue package (also known as the 2009 fiscal stimulus package) swiftly, which included: 1) short-term financing to businesses to ease the credit crunch; 2) job credit as a form of wage subsidy to enterprises to keep jobs; and 3) high training fee subsidy and absentee payroll to employers to encourage skills upgrading in preparation for the economic upturn (see MOF, *Singapore 2009 Budget*, 2009). Due to state interventions, unemployment stayed at a low 3.3%, even during the worst of the recession; moreover, the economy experienced a quick rebound with a growth rate of 14.7% in 2010.

Thus far, the literature on the developmental state had focused on the secrets of success of a state's coordination within free-market economies (Ashton *et al.*, 1999; Yeung, 2005). As such, the developmental state theory has not been applied to the study of the institutional impact on the low-wage phenomenon. Hence, this thesis could

set the stage for future comparative studies of the low-wage phenomenon among developmental states in East Asia.

Ultimately, the study of the low-wage phenomenon must incorporate an institutional analysis. The challenge lies in the identification of appropriate institutions that are most suitable for the purposes of the research study. Moreover, it is important to include the skills formation system within the institutional analysis, along with an exploration of the cultural-historical underpinnings of the institutions within the countries. Based on the above discussion, a number of socio-economic institutions will be identified within the context of the developmental state in this study. As mentioned in Chapter 1, one of the key questions for the thesis is: *“To what extent has the developmental state mindset shaped the institutional behaviours towards LWWs’ upward mobility?”*

### **2.3 The Strategic Interactions between Firms and Exogenous Forces**

This section reviews the literature that examines firms’ coordination behaviours with major stakeholders, which influence how they design their business strategies. The consequences predict their appetite for a low-wage workforce.

The concentration of low-wage jobs primarily in the service sectors and some manufacturing sectors has prompted analysts to study the strategies of firms in response to the exogenous factors and the firms’ interactions with various national institutions. Researchers who conduct sectoral-focused studies tend to subscribe to the conception that a firm is “relational” (Hall and Soskice, 2001, p. 6); and thus, its success is dependent upon its successful coordination with a wide range of stakeholders. The underpinning assumption is that firms actively seek to exert control over their environment in order to maximise profit (see Bosch and Lehdorff, 2005). In the case of the studies done by political economists, the focus is on how the behaviours of firms are affected by the institutions of the political economy (see Baret, Lehdorff, and Sparks, 2000; Gadrey, 2000). Research on the field of comparative business

systems also shows that national institutional regimes create an environment that can affect firms' strategies in response to changing market conditions (see Djelic *et al.*, 2005).

The analysis of low-wage issues at the level of a firm is not without its challenges. The differences between the sectors and the lack of common frameworks of analysis have been identified as two overriding issues (Salverda, 2010). Some analysts have suggested that the great variation in outcomes for LWWs across industries provides strong evidence that one size does not fit all when it comes to studying the low-wage labour market. Hence, a qualitative approach that offers an in-depth, industry-by-industry analysis should facilitate a better understanding of the forces affecting the labour market (Salverda, 2010).

Gadrey (2000) offered a promising "societal effect approach" for a single-sectoral-level analysis in comparative studies on food retailing (p. 22). The schema is centred on the analysis of the work pattern (i.e., the organisation of work time) and two interrelated variables (i.e., job content and the segment of employee status within firms). More specifically, it examines how work patterns are affected by internal organisational structures and external factors (e.g., market structures, industrial relations, and domestic culture on the gender division of labour).

Briefly, the schema adopts the *Organization of Work* as the unit of analysis, which includes job content, time of work, and core/peripheral workers, and examines its interactions with four socio-economic dimensions, namely:

- a) *Market Structures*: a firm's response to competition and regulation (i.e., market regulation, strategic positioning, and firm's strategy);
- b) *Industrial Relations*: a firm's response to legislation, incentives, and sectoral norms on employment arrangements (i.e., labour market characteristics, collective bargaining, pay and skills strategies, etc.);
- c) *Organisational Structures*: internal hierarchy and decision-making power (i.e., deployment of technology, size of firms, autonomy vs. centralised decision making, etc.); and

- d) *Domestic/Gender* dimension: division of labour along gender lines (i.e., socio-cultural norms of male/female work and family responsibilities).

Gadrey (2000) posited that a full explanation of the phenomenon of sectoral practices requires all dimensions to be treated as interdependent entities that combine to form a system that operates within a national system. One attractive feature of the model is that it allows for a comprehensive analysis of a firm's interactions with the main stakeholders and institutions (law/regulations, social/culture norms, employees, and market structures). However, due to its focus on a firm's responses, the model pays limited attention to worker responses whose discussion is subsumed under the collective bargaining of unions. The orientation of Gadrey's (2000) model is primarily towards the identification of a firm's adoption of high- or low-road strategies that are mitigated by institutions and the market. Essentially, this model is particularly useful for evaluating the impact of external factors on a firm's business and operational decisions. For the purposes of this thesis, it would need to be adapted to take into account the interactions between the state, firms, and their workers.

In order to sharpen their analysis of low-wage jobs, the Russell Sage research team built upon Gadrey's (2000) model by limiting their research to entry-level jobs (Carre and Tilly, 2011). They argued that examining entry-level jobs, rather than entire employment systems, would offer insight into the low-wage issue, as workers in this job typically occupy socially disadvantageous positions, in terms of class, gender, and race. They posited that their sectoral entry-level job analysis allowed for an exploration of the interactions between multiple dimensions (such as market structures, industrial relations, organisational structures, and societal norms) and a firm's strategies. As various studies have also confirmed that entry-level jobs have the highest low-wage incidence in the service sectors (see, *inter alia*, Carre and Tilly, 2011; Bernhardt, 1999), a focus on entry-level jobs could thus shed light on a specific occupation within the sector where the policy intervention ought to take place.

In the literature that deals with sectoral studies, the retail sector has attracted the greatest interest (e.g. Bernhardt, 1999; Gadrey, Jany-Catrice, and Ribault, 2001; Carre, Tilly, van-Klaveren, and Voss-Dahm, 2010). In the series of Russell Sage publications, sectors such as Hotel, Healthcare, Cleaning, Food Processing, and Call Centres were part of the cross-country studies (Gautie and Schmitt, 2010). In the earlier sectoral studies in the US, sectors studied included Plastic Manufacturing, Kitchen, Hosiery, and Auto-suppliers (Appelbaum *et al.*, 2003).

What the findings of these diverse studies have in common is their conclusion that: *firms have significant discretion in the adoption of high- or low-road strategies that influence job quality*. However, the motivation of the firm to adopt high-road strategies is shaped by its strategic interactions with various institutions (Gautie and Schmitt, 2010; Gadrey, 2000). Arguing against such a claim, Keep (1997) cautioned against an overemphasis on the skills competitiveness model, because there are numerous alternatives to competitive success via skills and quality. Other competitive models may include investment in technology and cost/price competitiveness. The assumption that skills competitiveness is the best for all may not be true.

The behaviours of firms across national borders have been a research interest to verify the impact of institutions on firms. For example, Tilly's (2007) research on Wal-Mart's business strategies in the US, Mexico, and other countries revealed that the corporation varies its strategies on price-setting, employee wages and benefits, and relationships with unions in accordance with the markets, institutions, and cultures of the host countries. Tilly (2007) identified the institutional setting as a potential leverage point for pressing multi-national corporations to adopt practices that are friendlier to local workers and suppliers. That is, state institutions should make the best bargain with these foreign direct investments to arrive at the best deals for the workers and the local suppliers through its socio-economic institutions such as unions, local employment protection legislations, and agriculture cooperatives.

Similarly, results from far earlier studies of manufacturing sectors also suggest that the skills strategies of enterprises are closely related to

their product strategies (Mason, van Ark, and Wagner, 1994; Mason and Wagner, 2002; Steedman and Wagner, 1989). The comparisons of the clothing industry, the food processing industry, and the automotive industry in the UK and Germany illuminated glaring differences. In the UK, firms tend to opt for large-volume standardised manufacturing operations with less complex production processes; therefore, these firms are likely to be subjected to considerable price pressure. In contrast, German firms tend to go for high value-added products with high specifications and relatively low volumes; thus, they are better able to set premium prices. These contrasting strategies of the two countries have led to the low-skills equilibrium in the UK and the high-skills equilibrium in Germany (Mason, 2004). Thus, the product/market strategy of the sector has a direct impact on its skills strategies.

However, product strategies alone may not be sufficient in accounting for skills requirements. For instance, in a recent study conducted on the hotel sector in Singapore, Sung, Loke, and Ramos (2011) found that luxurious hotels that charge premium prices for their superior facilities and services do not all adopt high-skills strategies. The disparities in the research findings thus suggest there are sectoral and in-country differences in terms of institutional settings and firms' responses to such exogenous forces.

Research on East Asian firms has shown that the policies and institutional practices of the state do shape the business strategies of firms (e.g. Gomez, 2002; Tsui-Auch and Lee, 2003). However, there is as yet no study on the low-wage sector's strategic interactions with national institutions in the literature on East Asia. Understanding such interactions is particularly important within the context of Singapore, as the government subscribes strongly to its belief that the *only* way to build an inclusive society and to improve the wages of LWWs is *through productivity growth as the means of economic restructuring*. According to the Deputy Prime Minister Shanmugaratnam (2012a), this responsibility rests squarely on the employers' shoulders. Therefore, it would seem logical to study employers' strategies as a consequence of their interactions with multiple stakeholders and forces.

This review thus shows that a sectoral analysis of firms at the meso level is critical to the understanding of the contextual aspects of a specific sector in a country. A comprehensive understanding of the sectoral operating environment and firms' coordination challenges with stakeholders lies at the heart of the meso-level analysis. Within the context of this thesis, this review provides a background context for addressing my next research question: *"How do firms' responses to exogenous forces shape their product/market strategies, organisation of work, and skills strategies?"*

## **2.4 LWWs and Their Skills Strategies**

Defining the general profile of LWWs has been a common practice of all in-country and cross-country studies on the low-wage phenomenon. The data provide a broad understanding of the scope and nature of low-wage issues. Understanding the profile of LWWs is also in line with the need for policymakers to administer policies that serve the target audience. The baseline data would include the measure of low-wage and the profile of LWWs. Some studies have advanced further by conducting comparative analyses on the inter-generational and intra-generational mobility of LWWs (see Bjorklund and Jantti, 2009; Yip, 2012). However, there are limited studies on the skills strategies of LWWs, with the exception of some that have examined the effectiveness of skills policies and training interventions (see, *inter alia*, Pocock, Skinner, McMahon, and Pritchard, 2011; Prince, 2008).

### ***Definition of 'Low-Wage'***

It is worth noting that there is no universal agreement on the definition of a LWW (Grimshaw, 2011). The term 'low-wage' connotes the relative nature of its definition, i.e., low in comparison to others. Defining the term thus depends upon the intent of the studies. Labour economists who engage in the study of low-wage issues typically adopt one of the following definitions to measure the patterns and trends related to the 'low-wage' issue (see Dex, Robson, and Wilkinson, 1999; OECD, 1996):

- a) An *absolute wage* is based on an estimation of what an individual or a household requires to stay above the poverty threshold.
- b) *Fixed proportion of the income distribution* (e.g. the lowest 10<sup>th</sup> or 20<sup>th</sup> percentile of the workforce); and
- c) A *relative wage* is based on a percentage of the median or the average wage for the economy.

The *absolute wage* measures allow investigators to examine the relationship between low-wage work and household poverty (see Altman, 1996; Cooke and Lawton, 2008). The concept of the *fixed proportion of income distribution* is most frequently used when comparing the income disparities between top and the lowest percentiles of a workforce (e.g. DOS, 2011). The *relative wage* measure is typically employed in comparative studies across countries (see Gautie and Schmitt, 2010).

In practice, organisations and countries also vary in their definition of a LWW. Adopting the relative wage approach, the OECD defines 'low wage' as *income below two-thirds of the median wage of the workforce*; it is also the most frequently used measure. Singapore does not have an official definition for a LWW, though it seems to adopt the OECD's relative wage measure in its low-wage policies such as the Workfare Income Supplement Scheme. The absolute wage does not serve as a good measure in various societies, as LWWs may be staving off poverty because they are sharing households with other wage earners. Moreover, depending on their country of residence, LWWs may receive non-wage benefits through the social re-distribution of national wealth in the form of subsidised healthcare, education, and housing (as in the case of countries like Singapore, Denmark, and the Netherlands).

### ***Profile of LWWs***

International studies show that LWWs tend to be:

- a) Females, rather than males;
- b) Youths up to 30 years of age, compared to older people;
- c) Least educated; and
- d) In elementary occupations that are concentrated in specific sectors such as hotel, restaurant, cleaning, and some manufacturing industries.

LWWs in Singapore typically have an educational level of just ten years or less. They are generally aged 40 and above. Similar to their counterparts in Europe, LWWs in Singapore are employed in lower-end service jobs. They typically work as cleaners, food and drink stall assistants, retail assistants, private security officers, assemblers, and materials and freight handling workers (MRSD, 2011c).

Gregory (2009) posited that women have a higher chance of being LWWs due to their expected social roles of childbearing and caring for the family. As a result, they are often penalised in pay either because they take a career break or reduce their working hours to part-time work, which could have a lasting effect, as they endeavour to return to full-time work.

Research has shown that pro-creation policies have the unintended consequence of perpetuating a pay penalty on female workers, which is also observed in Singapore (MRSD, 2011c). Such societies often place the child-rearing responsibility onto women, without providing adequate institutional support for them to balance work and family (Salverda, 2010).

Like many advanced economies, Singapore has been experiencing a continuous dip in its Total Fertility Rate. Seeking to reverse the downward trend, the government initiated pro-natalist policies since the late 1990s, which have included monetary incentives, publicity campaigns, tax policies, the latest extension of maternity leave, and pro-family work practices. In their critique of these pro-natalist policies, Wong and Yeoh (2003) pointed out that they have produced unintended consequences of

disadvantaging women in the workforce, due to their premature exits from the workforce and willingness to take up low-paying mini-jobs.

Another significant population of LWWs comprises youths. In the EU, youths earning low wages are engaged in part-time jobs or apprenticeships in firms. Similarly, statistics indicate that there is a high incidence of low wages among youths (aged 15–24) in Singapore; however, this group includes students working in part-time and vacation jobs, along with younger workers in elementary-level jobs. Based on this description, youths in low-wage jobs are not a major policy concern in Singapore, which explains why the Workfare Income Supplement (tax credit) is only offered to workers aged 35 and above (MOM, 2012a).

As with youths in low-wage jobs, there are differing trends for mature low-wage workers across various countries. Mason and Salverda (2010) reported that, in Europe, the incidence of low wages for workers aged 50 and above is lower than workers in the younger age group, except for the UK. This phenomenon may be explained by the generous pensions and other forms of financial support provided to older workers. In contrast, older workers in the US usually take up lowly-paid jobs as “bridge” jobs to retirement due to low pensions (Gautie *et al.*, 2010b). Therefore, the availability and the expansiveness of retirement benefits can influence the willingness of older workers to take up low-wage jobs.

In the case of Singapore, the highest incidence of low wages is in the 50 and above age group, with secondary education qualifications or below. They constitute approximately 40% of the LWWs in Singapore. These individuals are likely to have missed out on formal education during the earlier years of nation building because mass education only started in the early 1970s. Moreover, they lack adequate savings to retire (Bhaskaran *et al.*, 2012). For a nation that prides itself on its belief in equality of opportunity, this statistic calls into question the effectiveness of Singapore’s public policies in fostering the upward mobility of older low-skilled workers.

### ***Up-skilling the LWWs***

From the standpoint of some human capital theorists, the reality that LWWs are clustered primarily in low-skilled jobs seems perfectly logical. As Becker (1964) argued, employers are willing to pay a premium for higher-level skills. Moreover, the more 'able' individuals tend to have invested more in their education than others. Therefore, there is a high incidence of low wages among the lowly-skilled.

Hence, many human capital theorists have contended that investment in education is the only way out for the lowly-skilled (UNDP, 2010b; ILO, 2011a). Many governments have also pursued the up-skilling approach, even though the economic demand for up-skilling remains uncertain (see Keep *et al.*, 2006; Brown *et al.*, 2011 for critique). In Singapore, LWWs receive up to 95% of course fee funding; on top of that, they are rewarded with annual cash incentives for achieving modular training under the Training Completion Award Scheme (WDA, 2012b). The assumption behind this low-wage policy is that up-skilling would sustain their employability.

Notwithstanding all the efforts in the upgrading of the skills of LWWs, many empirical studies have shown that barriers to accessing skill upgrading persist. Studying the lowly-skilled in Denmark and South Korea, Gvaramadzem (2010) concluded that *time, costs, and access* have direct implications on the skills acquisition of LWWs. Nixon (2006), in his study of lowly-educated men in the UK, noted that due to their social and cultural capital, their awareness of 'good' jobs is limited. Hence, they fall back on manual physical jobs and never venture into service-oriented jobs. Similar findings have also emerged from other studies (e.g. Pocock *et. al*, 2011 on the low-skilled in Australia), which serve to remind policymakers of the barriers to participation in skills upgrading.

From an educationist perspective, these barriers may be summarised as *Situational, Dispositional, Institutional, and Informational* (Cross, 1981; Darkenwald & Merriam, 1982):

- Situational barriers refer to working hours, family-care, time, and cost factors.
- Dispositional barriers reflect personal values, attitudes, and perceptions.
- Institutional barriers consist of practices and procedures that exclude or discourage the participation of low-wage employees.
- Informational barriers reflect the lack of awareness of the availability of education/training opportunities.

These barriers that have direct implications on LWWs' upward mobility also serve to remind us that skills upgrading is not the sole responsibility of LWWs; rather, it requires the coordination of many stakeholders such as the state, employers, and trade unions. While the government is pushing for greater individual responsibilities for up-skilling, Keep (1997) posited that the existing Vocational Education and Training infrastructure and system in the UK that is tailored to enterprises are not conducive for individual workers in their pursuit of better economic opportunities. Emphasising the importance of the role of the state, Estevez *et al.* (2001) claimed that, in some liberal market economies, the lack of institutions to mitigate the risks for enterprises (for example, losing trained workers) and the workers (for example, employment and income risks) has resulted in the reluctance of firms and workers to invest in skills upgrading. In their chapter, they proposed risk mitigation in three specific areas: employment protection, unemployment protection, and wage protection — all of which require the close coordination of the three major stakeholders — the government, enterprises, and workers.

The debates on firms' competitive strategies via low- and high-skills routes reveal a divide between two camps. One camp contends that high-performance firms adopting high-skill strategies will lead to zero, or low, incidence of low wages. Moreover, workers in these firms have the chance to embark on skills-upgrading that enables firms to gain a competitive advantage (see *inter alia*, Ashton and Sung, 2002; Gautie and Schmitt, 2010). The other camp is sceptical about the simplistic assumption of the skills competitiveness model because firms have a variety of options to

remain competitive. In its view, skills competitiveness remains low on the business agenda (Keep, 1997; Brown *et al.*, 2011). This debate points to the need for understanding the effects of workplace practices and institutional factors on the skills upgrading opportunities of LWWs. As Rainbird (2000) argued:

In order to understand issues relating to low-skilled workers' access to training, it is first necessary to investigate the context in which they and their workplace make decisions about formal learning. This requires a dual focus: on the nature of work which is considered to have a low skill content and on the workers who occupy these positions in the structure of the organization, on the other hand, and/or because of their status as subordinate members of society, due to ascriptive characteristics such as class, gender, race and others. The extent to which access to learning is seen as linked to problems faced by the individual or to the structural characteristics has consequences for the ways in which patterns of inequality in access are reproduced or can be challenged. (p.184)

It is, therefore, necessary to acquire an in-depth understanding of the LWWs' responses (as in their skills strategies) to their workplace affordances and socio-economic conditions.

### ***Mobility of LWWs***

The focus of this thesis is on the upward mobility opportunities of LWWs. Upward mobility refers to the moving upward financially (wage-income) through engagement in paid work. The assumption behind this definition is the hope that, given the opportunity, LWWs would upgrade their skills and eventually transition to jobs that do not belong to a low-wage category. Differentiating 'wage-income' from non-wage social redistribution benefits will sharpen the analysis of the rhetoric of 'skills upgrading to better life', as we will see later how the policies of Singapore place a large emphasis on non-wage social redistribution that is aimed at motivating LWWs to work. The differentiation would allow us to evaluate the promise of 'better skills for a better life' policy rhetoric.

In this study, it is not my intent to adopt the economic tradition of studying the intra-generational, or inter-generational, mobility of LWWs. Bearing in mind that Singapore pursues inclusiveness through equality of opportunity, the aim of the thesis is thus to examine the constraints and enablements present in the sociocultural and economic construct of Singapore. Basically, I seek to address this fundamental question: *To what extent is the pursuit of upward mobility at all possible for LWWs in Singapore?*

For the purpose of this study, social mobility and economic mobility will be treated as a single factor because one enables the other in a two-way direction, as shown in the OECD's (2011b) *Economic, Social and Cultural Status Index*. Social mobility relates to social capital (e.g. social network) and cultural capital (e.g. educational credentials), or simply put, the social position of LWWs (Bourdieu, 1977). Studies have shown that social and cultural capitals reinforce each other, especially in this post-modern society. The impact of one's capital resources has a large impact on their future generation (Ng, 2007; Yip, 2012).

In summary, previous studies on LWWs have not paid adequate attention to the skills strategies of LWWs in relation to their upward mobility. I argue that the proof of an inclusive society that places an emphasis on equal opportunity is through the upward mobility opportunity given to LWWs by the employers and the state institutions. Against the backdrop of 'productivity and skills strategies', the study of the mobility of the LWWs must, therefore, tackle this question: *"How do the LWWs' interactions with employers and institutions shape their individual skills strategies?"*

## **2.5 Summary and Conclusions**

The literature review has shown that, in order to achieve a comprehensive understanding of low-wage issues, an integrated approach that brings together macro-meso-micro level analyses is necessary. The low-wage studies conducted by the Russell Sage researchers have illuminated the advantages of linking the macro-level institutional analysis

to a meso-level sectoral-firm analysis and a micro-level job quality analysis. Their findings have provided a systematic knowledge base of the causes of high low-wage incidence and identified possible levers to alleviate low-wage issues in the six advanced economies. This approach has unveiled the attitudinal, institutional, and circumstantial factors that would otherwise have been neglected, which could lead to the possible misinterpretation of the findings. In fact, the acknowledgement of the importance of the interrelationships of the state, the employers, and the workers has begun to gain traction among researchers of the low-wage phenomenon.

The success of the integrated approach requires the careful identification of actors, institutions, and dimensions in accordance with each unique context, as well as the purpose and design of the studies. For instance, in the case of Singapore in which skill formation has been a major national strategy for many years, a discussion at all three levels — macro, meso, and micro — would be necessary. In this research study, the macro-meso-micro integrated approach was adopted to examine the responses from the firms and the LWWs within the larger context of the developmental state's policy rhetoric of productivity-driven growth. Due to the potential complexity of such an endeavour, a sectoral case study approach was deemed to be the most appropriate. In the next chapter, I shall discuss the research design and methodology in greater detail.

## CHAPTER 3: TOWARDS ACHIEVING PRAXEOLOGICAL KNOWLEDGE

### 3.1 Introduction

The purpose of this thesis is to develop an understanding of the unique attitudinal, institutional, and circumstantial factors in Singapore, which concern the upward mobility of LWWs. It is situated within the context of Singapore's national agenda of building an inclusive society through the economic strategies of 'productivity-driven growth' and 'continual skills upgrading'.

The policy rhetoric of 'productivity-driven growth' is premised upon the belief that productivity is the only way to improve the lives of Singaporeans (Lee, 2012). While employers are expected to take the lead in productivity, workers are constantly reminded of their responsibility "to be adaptable, flexible, re-skill, and ... cross over to new, growing industries" (Lee, 2012, p. 1). Within the unique setting of a developmental state, as in the case of Singapore, the government plays a significant role as a 'coordinator', while firms drive productivity initiatives and LWWs upgrade their skills for a better life. Essentially, all three actors are strategically intertwined in a complex relationship. Hence, I have made the deliberate decision to incorporate the three groups of stakeholders and their dynamic interactions within the research design of my study.

In this chapter, I will provide the details of my research design and the justification for my methodological approach. The chapter will begin by explaining my theoretical framework that is informed by Bourdieu's Praxeological analysis (1973, 1977; Bourdieu and Wacquant, 1992). It will be followed by a discussion of the methods used for data collection and data analysis. Ethical considerations will also be addressed in the chapter.

### 3.2 Praxeological Analysis

Wages, employment, skills upgrading, productivity, profitability, and economic competitiveness are all closely interwoven factors in low-wage studies. Estevez-Abe *et al.* (2000) argued that these related issues mean

different things to stakeholders — the state, the firms, and the workers. They engage in activities in overlapping spaces; and depending on their positions in the socioeconomic hierarchy, some may be more or less influential than the other (Bourdieu and Wacquant, 1992). While they may share a common cultural historical background, their different positions within the socioeconomic spheres mean that they are responsive to different sets of pre-existing conditions within their respective operating environments. Due to the complexity of such relationships and their resultant behaviours, Bourdieu (1977) insisted that the study of social phenomenon must move “beyond the antinomy of social physics and social phenomenon”:

The task of social research is to uncover the most profoundly buried structures of the various social worlds which constitute the social universe, as well as the mechanisms which tend to ensure their reproduction on their transformation. This universe is peculiar in that its structures lead, as it were, a “double life”. They exist twice: in the “objectivity of the first order” constituted by the distribution of material resources and means of appropriation of socially scarce goods and values; and in the “objectivity of the second order”, in the form of systems of classification, the mental and bodily schemata that function as symbolic templates for practical activities — conduct, thoughts, feelings and judgments of the social agents (p. 7).

According to Bourdieu and Wacquant (1992), potential tension could arise due to the actors’ competing for the legitimate form of specific autonomy in the fulfilment of their respective roles. In other words, these actors perceive multiple realities because of the position they hold within their specific socioeconomic spheres. Smelser and Swedberg (2005) also posited that the environment in which the actors operate, along with the resources and responsibilities endowed upon them socially and economically, also shape their actions.

Within the context of this thesis, the stakeholders — the state, the firms, and the workers — are considered to operate at three levels. First, the state that participates in the field of the globalised economy functions

at the macro level. Its primary political economic consideration is to ensure sustainable economic growth and wealth sharing among its citizens. Second, firms at the meso level are situated within a competitive market environment. Their objective is to maximise their market share and profitability. The LWWs, at the micro level, are primarily concerned with income and employment security for themselves and their families. It is, therefore, logical to claim that the actors' rationale, their actions, and legitimacy of autonomy are fundamental to the investigation of the upward mobility of LWWs. And hence, only by studying their interactions could we arrive at a comprehensive understanding of the attitudinal, institutional, and circumstantial factors that affect the upward mobility of LWWs.

The impact of the aforementioned macro-meso-micro interactions between the stakeholders with regards to the upward mobility of LWWs will be examined through Bourdieu's (1973) Praxeological analysis. Derived from Bourdieu's desire to elicit a more accurate understanding of the social world, this analytical approach seeks to take into account the effects of objective social structures on human conduct, while factoring in the reality that human beings *can* and *do* act subjectively (Bourdieu and Wacquant, 1992).

Specifically, Bourdieu (1973) called for the necessary rigour of studying the dialectical relationship between **objective structures** and the **system of dispositions**. His epistemic stand is based on the assumption that each agent is a producer and reproducer of objective meaning. In other words, human action is an expression of the "dialectic of internality and externality, that is, of the internalization of externality and of the externalization of internality" (Bourdieu, 1973, p. 63).

Bourdieu recommended three principles of social science research that builds upon his reflexive sociology (in Grenfell, 2008a, p. 220):

- 1) The construction of the research object;
- 2) A three-level approach to studying the object of research; and
- 3) Participant objectivation.

The first principle calls for breaking from common sense by “thinking relationally” (Bourdieu and Wacquant, 1992, p. 224), or being mindful of social spaces, positions, and relationships of social agents. The second principle seeks to reveal the generative principles of a society (a system of dispositions), which involves studying the relationships between agents who are competing for legitimacy in fulfilling their respective roles. The linking of the social agents, their dispositions, and the rules that govern their location will form the conceptual framework for this thesis.

Based on the principle of reflexivity, participant objectivation requires researchers to recognise that they are part of the social construct (biographical influence); thus their knowledge about the world also influences their research claims. Bourdieu (1973) recommended that researchers attempt to address their potential bias (social bias, field bias, and intellectual bias) throughout the research process. The first — social bias — may arise from one’s biographical background, while the second bias — field bias — may stem from one’s preferred theoretical field. Finally, intellectual bias occurs when researchers impose their gaze onto the lived experiences of their research subjects. Bourdieu (1973) recognised that there is no simple method to overcome these biases; thus, he simply reminded all social researchers to be self-critical and be mindful throughout the research process.

In sum, Praxeological analysis seeks to move social research beyond both *Phenomenological knowledge* in which researchers describe the subjective experiences of social agents without questioning their predispositions and *Objectivist knowledge* in which researchers present an outsider’s perspective that risks hypostasising itself. Hence, in order to attain Praxeological knowledge, it would be necessary to examine the relationships between related actors (their positions and competing legitimacy), as well as analyse power distribution (resource distribution) and the system of dispositions (Bourdieu, 1973). The following section will set forth the implementation of this strategy.

### 3.3 Research Design

#### ***Case Study of a Low-Wage Sector in Singapore***

Using Praxeological analysis, this thesis attempted to address the following overarching question: *How do stakeholders interpret and facilitate the upward mobility of LWWs?* In this thesis, the stakeholders refer to: 1) the developmental state institutions, 2) firms in low-wage sector, and 3) the LWWs, all of whom operate in the economic field. Bourdieu (2005) offered his perspective of the economic field in the following passage:

The economic field of forces is also a field of struggles, a socially constructed field of action in which agents equipped with different resources confront each other in order to gain access to exchange and to preserve or transform the currently prevailing relation of force. Far from being faced with a weightless, constraint-free world in which they develop their strategies at leisure, they are oriented by the constraints and possibilities built into their position (p. 199).

Comprehending the struggles confronting the stakeholders is the critical first step towards understanding the complex social structure of a developmental state economy. This thesis intends to conduct an *objective* and *non-biased* investigation of the interactions between the three aforementioned stakeholders, which would avoid the labelling of anyone as 'culprits' and 'victims'. The existence of studies that project LWWs as unmotivated problematic adults (*inter alia*, Becker and Tomes, 1979; MRSD, 2011b), position employers as 'wicked bosses' (Bernhardt, 1999; Ehrenreich, 2001), or point finger at institutions as being the root cause of the low-wage phenomenon (Willis, 1977; MacLeod, 2009) are not particularly constructive, in my view.

Hence, this research studies sought to examine how social agents rationalise their decisions and actions and comparing their discourses with their actions. Such an approach served two purposes:

First, the process of interrogation is used to uncover the dispositions underpinning the agents' 'interpretation' and 'facilitation' of the

upward mobility of LWWs. As their dispositions are shaped by the prevailing societal values that have been internalised, a comparison could be made between the actors to analyse their positional differences.

Second, the levels of consistency in the 'interpretation' and 'facilitation' of the different actors enabled me to examine their interactions with one another and assess their corresponding impact, which might not have otherwise been revealed. Through this verification process, I sought to produce an analysis of the low-wage phenomenon that went beyond the first-order understanding of the actors (phenomenological knowledge).

The research design was underpinned by the following assumptions:

- The historical success of the developmental state in aligning its institutions strictly to serve the national agenda of economic growth has created a unique disposition that may be a double-edged sword with regards to the upward mobility of LWWs.
- A firm's decisions about the organisation of work and skills strategies are closely related to its product market strategies, which stem from its response to exogenous forces. Therefore, its appetite for high-road strategies (i.e. productivity enhancement and skills competitiveness) is intricately interwoven with the market, institutions, and its employees.
- LWWs are the social and economic construct of Singapore. Their agency, specifically their skills strategies that comprise their choices of employment and their decision to participate in skills upgrading, are largely shaped by their capital resources and the affordances of the society at large.
- The decisions and actions of the actors, which shape the affordance to the others in a collective sense, reflect the entrenched societal values of Singapore.

Unlike other studies that considered the firm as the unit of analysis (Gautie and Schmitt, 2010; Bosch and Lehndorff, 2005), the unit of analysis in this thesis is the interactions between the three actors, as reflected in their discourses and actions. Focusing on their interactions offered the most effective means for revealing the causal mechanism and the system of dispositions, which could account for the low-wage phenomenon in Singapore.

Due to the complexity of the interactions between the actors, I adopted a case study approach to focus my investigation on just one low-wage sector, namely, the unarmed private security sector. This sector was chosen because it is a domestic services sector that offers abundant low-wage employment. The sector has been targeted as one of the low-wage sectors for the achievement of an annual real wage growth rate of just 3% over 10 years. As with many low-end service sectors, the unarmed private security service sector faces many challenges including the outsourced nature of the business, diverse demands from service buyers, long working hours, and poor career prospects. An in-depth analysis of the low-wage condition of the sector will offer insight into the complex phenomenon of low-wage mobility within an outsourced services sector in Singapore.

Though the case study method has been criticised for its lack of generalisability due to context specificity and the potential biasness of the researcher (Creswell, 2008), Yin's (2003) defence of this approach highlights its value: "The case study approach allows the researcher to examine the causal mechanism and the reasons embedded through engaging multiple sources of evidence, with data needing to be converged in a triangulating fashion" (p. 14). Bourdieu who utilised the case study approach in various studies (on the Paris housing market in 2005; and the study of tensions and trends in French higher education, 1988) also refuted the critics. According to Bourdieu, the rigorous application of reflexive sociology through Praxeological analysis would help to overcome potential researcher bias. With regards to the issue of generalisability, Bourdieu contended that "the relational model of reasoning within a specific contextual sphere makes it possible to see the case as particular

case of possible” (in Bourdieu and Wacquant, 1992, p. 67). Essentially, the unveiling of a society’s system of dispositions could present a reasonable understanding of social facts to serve the need of illuminating the logic of practice of a community.

### ***Data Collection***

Praxeological analysis calls for the use of multiple data types and sources to achieve a comprehensive understanding of a causal mechanism and unveil a system of dispositions (Everett, 2002; Harris, 2011). Hence, for this study, data were gathered from interviews and other textual documents (examples, speeches, newspaper reports, and brochures), as well as published statistics and related reports.

A preliminary mapping of the relational network of stakeholders (which includes relevant policies and programmes) preceded the identification of relevant stakeholders for this study (see Appendix A). It involved a desktop analysis of available publications/documents (in Table 3.1) and consultation sessions with sectoral industry bodies, regulators, and colleagues from the WDA. The published data were subsequently used as secondary data to support the analysis.

Table 3.1 Secondary Data — Publications and Documents

Types of data	Sources
Official published statistics & reports: <ul style="list-style-type: none"> <li>· Singapore Yearbook of Manpower Statistics 2011</li> <li>· Singapore Labour Force Survey 2011</li> <li>· Report on wages, 2010/2011</li> <li>· Household income, 2011/2012</li> <li>· WSQ Outcome Evaluation Survey, 2011</li> <li>· Inter-Ministerial Committee for Low-Wage Work 2009 report</li> </ul>	Ministry of Manpower  Workforce Development Agency  Ministry of Education
Unpublished reports: <ul style="list-style-type: none"> <li>· Security Sector Manpower Development Study 2010</li> <li>· Workforce Skills Qualifications quarterly report, March 2012</li> <li>· Security Sector Productivity Roadmap</li> </ul> (Permission granted by WDA)	Workforce Development Agency
Newspapers reports and speeches by political leaders (Print and online sources)	Singapore Press Holdings, Websites of various ministries, and Social media
Printed marketing collaterals of the Security WSQ (Print and online sources)	Workforce Development Agency

To achieve an in-depth understanding of the interactions between the three stakeholders — low-wage security employees, firms in the security sector, and the developmental state institutions, I employed semi-structured interviews as the primary data collection method. Fraenkel and Warren (2007) noted that the interview method offers the most appropriate means for eliciting descriptions of experiences, behaviours, or activities that researchers cannot observe. It is also ideally suited for researchers who seek to determine respondents' goals, values, beliefs, and attitudes.

At the same time, the interview method is also undermined by the following potential weaknesses: susceptibility to interview bias; power

relations between interviewer and interviewee; and interviewees' ability to articulate the forces that suppress/oppress them (see, *inter alia*, Kvale, 2006; Nunkoosing, 2005; Weis and Fine, 2000).

However, Bourdieu (1999) argued that interviews constitute a relevant tool in data collection, though it is vital for researchers to impose the strictest demand on themselves during their interactions with respondents. They should be conscious of the level of language used and their use of verbal and non-verbal signs. Essentially, researchers need to be self-reflexive and attend to the disparities between the researcher and respondents on the socioeconomic hierarchy during the interview.

The other reason for using the interview as a primary data collection tool, instead of a mass quantitative survey, is because one of the unpublished reports — the Security Sector Manpower Development Studies commissioned by WDA — provided the required data from a large sample size of more than 1,000 participants involving security employees, employers, and security services buyers.

### ***Identification of Interviewees***

All new entrants to the security sector must complete mandatory training at a designated training centre — the Security Industry Institute (SII). I sought SII's assistance in identifying the graduates who could meet my criteria: a Singaporean career switcher who had worked for at least 12 months in the security sector. I was also aiming for adequate gender representation. SII compiled a list of 24 individuals. After numerous telephone calls, with many calls unanswered and others declining, only five security officers granted me interviews.

The details of the five security officers will be presented in Chapter 4 as part of the micro-level analysis. Interviews with the low-wage security officers focused on their experiences of low-wage policies and their interactions with their employers in relation to their job quality. The aim was to identify the collective beliefs of LWWs in Singapore and the society at large.

The process of identifying security firms to participate in the study was equally tough. The desktop analysis of the information on the security sector showed that there were diverse groups of firms with varying sizes, years of operation, and types of services. Hence, it was challenging to select firms that would be representative of the general profile of the sector.

At that point in time, a productivity enhancement scheme called the Inclusive Growth Programme (IGP) was introduced to the sector under the ambit of the national productivity drive. I approached the programme administrator (Employment and Employability Institute — e2i) for a list of participating security firms. As the IGP was new, there were only a handful of security firms that had participated in the programme; I therefore decided to include those who had decided not to participate in IGP. Thus, I could provide the perspectives of both the firms that chose to participate and those who opted not to participate in the IGP in this study.

The shortlist was established after three separate consultations with a manager from e2i, an officer of the Ministry of Home Affairs, and a representative of the Security Association of Singapore. Of the original 10 shortlisted, five agreed to participate in the study. The details of the five security firms will be presented in Chapter 5 as part of the meso-level analysis. The interviews with the security firms focused on their product market strategies and their organisation of work and skills strategies as outcomes of their interactions with market forces and institutional offerings. One key objective of the interview was to identify the firms' appetite for enhancing the productivity of and providing training to security officers.

The decision on which state institutions to include in the study was less clear at the beginning of the study; hence, I interviewed all major stakeholders. Due to my role in the WDA, securing the interviews with various stakeholders from these state institutions was fairly straightforward. This also raised the issue of ethical considerations, which I will address in the later part of this chapter.

At the data analysis stage, I decided to include only the WDA, the Union for Security Employees, and the Work Group for Security Sector

Productivity. They were chosen because of their close relationships with the productivity and skills upgrading agenda. The interviews with the three institutions primarily addressed their roles and rationale for their actions with regards to the upward mobility of LWWs in the security sector. The emphasis was on identifying the attitudes of the developmental state institutions. My aim was to pinpoint consistent displays of the particular rationale given by the institutional representatives, which could reveal the assumptions underlying the behaviours of developmental state institutions.

A total of 20 semi-structured interviews, ranging from 35 to 90 minutes, were conducted over a 10-month period, at various locations chosen by interviewees (homes, offices, workplaces, and fast-food restaurants/café). All interviews were tape-recorded and transcribed (see Table 3.2 for the list of interviewees). The samples of the interview questions are provided in Appendices B1–B6. Field notes were made during the interview sessions.

Table 3.2 List of Interviewees

Interviewees	Remarks
2 female and 3 male security officers	They are from different security firms.
5 male managers from the security firms	Each possesses more than five years of work experience in the sector.
2 male officers from Workforce Development Agency (WDA)	One is in charge of the security sector's manpower development. The other is responsible for the employment facilitation of low-skilled workers.
1 male executive of Union for Security Employees (USE)	He has been with the USE since 2004.
1 officer from the Work Group of Security Sector Productivity	He has been involved in the work group since its inception in 2011.
Officers (2 males and 1 female) from the Police Licensing and Regulatory Department (PLRD) and the ex-Security Industry Regulatory Department (SIRD)	Two are directly in charge of the day-to-day operations of PLRD. One served the SIRD from 2004 to 2011.
1 female manager from the Employment and Employability Institute	She is in charge of the Inclusive Growth Programme for the security sector.

1 male representative of the Security Association of Singapore	He has more than 10 years of experience in the sector.
1 officer from Ministry of Manpower	He manages the overtime extension issues of the security sector.

I also observed two sessions of the security industry's recruitment exercises. The sessions were part of the monthly recruitment drive organised by SII, which enables security firms to conduct speed-recruitment. Field notes from the sessions form part of the data. My intention was to observe firsthand the process of security recruitment and the interactions between the employment facilitation service, employers, and LWWs. These field notes served as critical supplementary data in my analysis of the interactions between the stakeholders. Creswell (2008), among others, suggested that observation is a useful way to increase the validity of the study, as observations help researchers to acquire an increased understanding of the phenomenon being studied, especially when they complement other strategies such as interview and statistical analysis.

### **Data Analysis**

The interview transcripts of the interviewees were first categorised under three groups — state institutions, firms, and LWWs. The transcripts were manually coded based on the broad criteria of: social position, disposition, actions, relational interactions with other actors, affordances from institutions, and constraints/enablements. The transcripts were individually analysed, and then cross-analysed by group and across groups, to identify consistencies or inconsistencies, as well as their relationships with one another. During the process, secondary data sources (as shown in Table 3.1) were drawn upon wherever applicable to validate the findings.

It is worth noting that the *Security Sector Manpower Development Study* (conducted by The Research Pacific Group in 2010) was particularly useful in the analyses of the behaviours of the firms and security employees. The study involved a large-scale survey of 1,580 participants

that comprised security employees, security agencies, and security services buyers. The study was commissioned by WDA in 2010 to better understand the manpower and training issues of the security sector. For this thesis, I used the three sub-reports on security employees, agencies, and buyers as part of the analysis in this study.

Secondary data ranging from statistics, reports, newspaper reports, speeches, and printed collaterals were used to complement the primary data. Published statistics — systematically collected data by the ministries and agencies — provided “objective knowledge” (Bourdieu, 1973, p. 53) that were applicable to the analysis of interview data. Speeches, newspapers reports, and print collaterals were supplementary sources that showcased “social language” (Gee, 1999, p. 3), thus bringing to the surface the value systems embedded in daily life.

The extensive triangulation of primary and secondary data was necessary to account for the presuppositions that are inherent in the practices of the stakeholders. According to Bourdieu, such a technique, whereby “one may adopt any or all techniques that are relevant and practically usable” is entirely permissible (in Bourdieu and Wacquant, 1992, p. 30). He argued that social researchers should shred narrow rigid compartmentalised theoretical and methodological approaches in order to achieve the goal of constructing “total social facts” (Bourdieu and Wacquant, 1992, p. 26). Aside from Bourdieu, many others have adopted such approaches in the various fields of research (e.g. Oakes & Cooper, 1998; Everett & Jamal, 2004).

Finally, the findings of the analysis will be presented as follows:

- Chapter 4: Perceptions of the skills strategies of security employees at the micro level;
- Chapter 5: Product market strategies, organisation of work, and skills strategies of firms in the security sector at the meso level;
- Chapter 6: The mental model of developmental state institutions at the macro level.

- Chapter 7, Section 1: Discussion that synthesises findings from Chapters 4–6.

### ***Ethical considerations***

In this study, I occupy the role of an insider-researcher. As a practitioner, I am a member of the senior management team of the Singapore Workforce Development Agency (WDA), which has enabled me to gain privileged access to data sources and individuals within the field of my study. For the data sources, I either utilised publicly available data or sought permission for the usage of unpublished reports.

To address the informants' potential concern over power relationships, I implemented the following steps to mitigate such a risk:

- 1) Explained to the participants the purpose of the study;
- 2) Furnished the study's factsheet to the participants prior to the interviews (see Appendix C-1);
- 3) Informed the informants that their participation in the study was entirely voluntary;
- 4) Sought written consent from all participants prior to interviews (see Appendix C-2);
- 5) Used pseudonyms to protect their identities;
- 6) Assured all participants that their views will be treated in the strictest confidence and that their names will not be identified in any of the documents resulting from the study;
- 7) Obtained permission to use the real names of three institutions;
- 8) Kept the audio interview recordings, interview transcripts, and any other documentation relating to the fieldwork in a secure place; and
- 9) Planned to destroy the items listed in (8) once the thesis had been examined and all further writings for publication completed.

All considerable measures were prepared in compliance with the British Educational Research Association's ethical guidelines (2011).

### **3.4 Summary and Conclusions**

In sum, the study utilises Bourdieu's Praxeological analysis in order to provide an adequate examination of the low-wage phenomenon in the Private Security Services Sector in Singapore. While the research design draws upon previous studies of LWWs in the West, it has been adapted to suit the unique setting of Singapore, an advanced economy in East Asia. Over the next three chapters, I will present my analyses of the data obtained from low-wage security employees, security firms, and three developmental state institutions. The decision to sequence the analysis and discussion in the order of micro, meso, and macro levels is to avoid the effect of treating structures in a dominant position (e.g. Ritzer's treatment of America's credit card society, 1995 and Bourdieu's treatment of Parisians' housing choices, 2005). Thus, each stakeholder is accorded a reasonable voice within his/her respective socio-economic sphere. Only when all three layers are pieced together would the total social fact of the low-wage phenomenon in the security services sector be fully revealed.

## **CHAPTER 4: SKILLS STRATEGIES OF LOW-WAGE SECURITY WORKERS**

### **4.1 Introduction**

This chapter will present research evidence for the first of the three-part analysis of the interactions between the three stakeholders — the low-wage security employees, the firms in the security sector, and the state institutions. Specifically, it will focus on how LWWs interpret and facilitate their own mobility, as a consequence of their interactions with institutions and their employers. Through the narratives of five security employees, the chapter will shed light on their rationale for becoming security workers, along with their chances for accessing skills upgrading and their opportunities for upward mobility. Essentially, a previously muted group of workers in Singapore will be given a platform to present their perspectives.

In the next section, I will first present an overview of the profile of the security workforce and the regulatory framework that governs the workforce. Singapore's low-wage worker policies and programmes will be discussed alongside the interviewees' responses. In order to evaluate whether the policy rhetoric of 'skills upgrading for a better life' translates into reality, the skills upgrading facilities and career progression opportunities within the security sector will be assessed. Finally, I also enclosed short write-ups on the five security employees in order to provide a better understanding of the lives of LWWs in Singapore: their individual narratives reflect the collective beliefs of those occupying the lowest rungs of the occupational hierarchy.

### **4.2 Workforce Profile and Regulatory Framework**

There are about 45,000 individuals holding security vocational licences in Singapore. Among them, about 75% are in active employment (MHA, 2011); 85% of the active licence holders work as Security Officers (SO) — an entry-level position. Since 2007, under the revised Private Security Industry Act, all individuals employed in the sectors are required to obtain a vocational licence issued by the Police Licensing and

Regulatory Department (PLRD, 2012a)<sup>2</sup>. Based on the licensing criteria, applicants need to obtain a certificate that indicates that they have no criminal convictions. In addition, they are required to obtain certification in two work-related areas: 'Provide Guard and Patrol Services' and 'Handle Security Incidents and Services'. The certification of additional skills may be required for individuals who are expected to perform special duties such as operating X-ray machines and handling patrol dogs.

Traditionally, the unarmed private security sector typically attracts mature low-skilled workers, many of whom had come from other low-wage sectors. About 32,000 (70%) security workforce employees are 45 years and older with a secondary or lower education level<sup>3</sup>. According to the *Security Sector Manpower Development Study* (SSMDS), the top five reasons cited for joining the security industry are: 1) no other career options; 2) manageable workload; 3) job security; 4) matched education level; and 5) an easier job than other manual labour (TRPG, 2010a).

The SSMDS also showed that the average employment tenure in the security industry is about five years for a SO. However, the tenure with the current employer stands at two years or less: 63% of the respondents have worked for multiple security agencies throughout their security career (TRPG, 2010a). The five security employees interviewed for this thesis shared similar profiles to those reported in the SSMDS. Their details are shown in Table 4.1.

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<sup>2</sup> Prior to April 2, 2012, PLRD was known as the Security Industry Regulatory Department.

<sup>3</sup> In Singapore, low-skilled workers are defined as those who have attained a formal education of a maximum of 10 years. Government policies aim to equip 60% of the workforce with at least post-secondary qualifications at the Institute of Education and Polytechnics, and 30% with tertiary qualifications.

Table 4.1 Profiles of the Five Security Employees

	Age	Education level	Marital status	Year in current job	Nos. of security employers	Time in security sector
Madam J (SOF1)	50	Secondary 2	Married	7mths	3	1 yr 9 mths
Madam H (SOF2)	48	Secondary 4 (did not sit for 'N' Level exam)	Married	1 yr 9 mths	2	2 yrs 3 mths
Mr. N (SOM1)	42	Secondary 4 ('N' Level)	Married	2 yrs	1	2 yrs
Mr. L (SOM2)	53	Secondary 4 ('O' Level)	Divorced	5 mths	3	5 yrs
Mr. G (SOM3)	49	Secondary 4 ('O' Level)	Married	1 mth	3	9 yrs

### 4.3 Incentives to Take Up Low-Wage Jobs

In their studies of six advanced Western economies, Gautie *et al.* (2010) suggested that social and economic institutions have a direct impact on the supply of LWWs, i.e., by influencing their willingness to take up low-wage jobs. They identified a number of institutions as having a direct impact on the willingness of workers to take up low-wage employment: 1) wage-setting institution; 2) employment protection laws; 3) active labour market policies; and 4) the availability (or lack) of social non-wage benefits.

Adopting a similar approach to examine the institutional offerings in Singapore, I drew upon MOE's (2009) report of the Ministerial Committee for LWWs (MCLWW) to analyse the experiences of the interviewees. The report encapsulates all the low-wage policies and programmes in Singapore, which cover housing, social support, employment, skills upgrading, education for children, and the share of economic wealth.

The MCLWW was set up in 2005 to address the employability and income security of LWWs. Its members consisted of representatives of the ministries of Finance, Education, Health, Housing, Manpower, and Social Support. This commission adopted a six-spoke measure to address the well-being of LWWs in 2006. The summary of the six-spoke initiative is presented in Table 4.2.

Table 4.2 Inter-Ministerial Initiatives for the LWWs

Initiatives	Objectives	Schemes
Spoke 1 — Rewarding Work	Encourage economically inactive, low-skilled Singaporeans to enter and stay in the workforce by making work financially worthwhile.	<ul style="list-style-type: none"> <li>· Workfare Income Supplement<sup>4</sup> (WIS) provides cash and Central Provident Fund<sup>5</sup> (CPF) incentives to encourage people to work and prepare for long-term retirement needs.</li> <li>· Additional Housing Development Board<sup>6</sup> (HDB) housing grant is given to help lower-income families own HDB flats.</li> </ul>
Spoke 2 — Social Support to Enable Work	Provide social support to help low-wage families gain self-sufficiency through work.	<ul style="list-style-type: none"> <li>· Work Support Programme provides temporary and urgent financial, medical, and educational assistance during a period of unemployment or skills upgrading.</li> </ul>
Spoke 3 — Higher Skills for Better Jobs	Make skills upgrading opportunities more accessible to and relevant for LWWs.	<ul style="list-style-type: none"> <li>· 95% course fee subsidy is given to LWWs to participate in employment-related programmes.</li> </ul>
Spoke 4 — Expand Job Opportunities	Help to enhance the productivity, employability, and job prospects of LWWs.	<ul style="list-style-type: none"> <li>· Job Re-creation Programme<sup>7</sup> (JRP) helps the unemployed and lowly-skilled to take up better-paying jobs.</li> </ul>

<sup>4</sup> Workfare Income Supplement (WIS) is a job credit paid by the government to citizens whose monthly salary is S\$1700 and below.

<sup>5</sup> The Central Provident Fund (CPF) is a compulsory social security savings plan for citizens and permanent residents, for purposes of retirement, medical needs, and home-ownership. Employers and employees jointly contribute to the fund.

<sup>6</sup> Housing Development Board (HDB) flats are high-quality public housing constructed and managed by HDB, a government agency. Eighty-two percent of Singapore's population lives in HDB flats under the home ownership scheme.

<sup>7</sup> JRP was integrated into the Inclusive Growth Programme as part of the productivity initiative in 2010.

<p>Spoke 5 — Hope for the Future</p>	<p>Provide support to low-wage families so that they are not trapped in the vicious cycle of lower income.</p>	<ul style="list-style-type: none"> <li>· Ministry of Education's financial assistance scheme for needy students covers school fees, textbooks, school attire, and a bursary.</li> <li>· Kindergarten financial assistance scheme and financial assistance are extended for childcare.</li> <li>· School social workers empower pupils to realise their potential and target at-risk students to help them to manage their emotions.</li> <li>· Northlight School and Assumption Primary School run vocational training programmes to help students from at-risk families stay in education and prepare for employment.</li> <li>· Home Ownership Plus Education provides assistance to enable young, low-income families to own HDB flats, on the condition that they upgrade their skills and keep their family small.</li> </ul>
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Spoke 6 — Sharing in the Nation's Progress	Benefit all Singaporeans through surplus sharing exercises, with more given to the lower-income people.	Progress Package and Growth Dividends are distributed during years of good economic performance, based on a progressive rate to citizens, with more going towards low-income families.
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Sources: Extracted from the *Progress Report of Ministerial Committee on LWWs*.

According to the MCLWW report, the six-spoke model is based on the following principles (extracted from pages 9–10 of the report):

- 1) **Continued economic growth and job creation** is the best assurance that LWWs have for a better future. At the same time, we should not erode our workforce's competitiveness and flexibility to respond to unexpected challenges.
- 2) **Preservation of our work ethic.** Singapore has achieved prosperity over the years through our emphasis on self-reliance and a strong work ethic. These values should be adhered to even in our efforts to help the LWWs.
- 3) **Equity and assistance for low-wage workers.** Singapore has an open economy that is heavily reliant on external trade. Artificially raising wages without improvements in productivity will cause companies in Singapore to lose their competitiveness, which will lead to their relocation to other countries and result in more job losses. To help LWWs to improve their income, we must provide adequate opportunities and rewards for them to move up.
- 4) **Focus on Children.** Children from low-income households sometimes face multiple challenges, in addition to financial difficulties. To ensure that these children can maximise their potential, adequate support must be provided to help them complete their education and acquire skills to be employable.

The MCLWW report offers a powerful representation of the developmental state's notion of an 'inclusive' society. Essentially, inclusiveness is developed and sustained through active participation in the workforce. A careful scrutiny of the six spokes shows that having a job, albeit low-paid, delivers a slew of benefits including housing, children's education, the accumulation of CPF for future medical and retirement funds, and a small portion of cash for immediate gratification during years of strong economic growth. Thus, a significant emphasis is placed on self-reliance, as no other alternatives are available. Unlike the West whereby most governments are responsible for a large part of social welfare (see Esping-Anderson's (1990) *Three Welfare Regimes*), in Singapore, the market is expected to generate welfare by getting individuals to work hard to earn their keep. The philosophy of self-reliance (as we have seen in the four principles spelled out in the policies on LWWs) is an entrenched belief because the government deems it as the *only* sustainable way of ensuring economic growth for the country and to motivate individuals to care for themselves. The low tax rates and financial austerity makes the Singapore's 'inclusive' model unique; in fact, the October 24 issue of *The Economist* magazine highlighted it as a model for the West to consider.

Another feature of the 'inclusive society' is the family-centric approach that stems from the Asian values of filial piety towards the elderly and the nurturing of future generations, which also includes the call to provide for one's family. Based on the model, the responsibilities of welfare should be shared between the state, the market, and the family. Essentially, the state re-distributes the economic wealth by putting in place a world-class infrastructure, as well as programmes in education, health, and security. For the bottom 20<sup>th</sup> percentile that need extra help, the state's offerings are conditioned upon their gainful employment.

This model that I call 'developmental state welfare capitalism' offers a conception of 'inclusiveness' that differs from the three Western Welfare Regimes highlighted by Esping-Anderson and Myles (2009): Nordic (Social-democratic), Anglo-Saxon (Liberal), and Continental Europe (heterogeneous, but primarily familialistic), which are described below:

- The Social-democratic regime (Denmark and Sweden) is characterised by universal inclusion, comprehensive social entitlements, and de-familialistic. Through a high tax rate, the State ensures the equal distribution of shares of welfare to all, be they young or old, male or female.
- Though the Continental European Regime (Austria, Belgium, France, Germany, Italy, and Spain) is more heterogeneous, they share a common trait of welfare that is built upon mandatory social insurance based on lifelong employment. The regime also assumes that primary welfare responsibilities lie with family members (except for Belgium and France).
- The Liberal Regime (U.K., US, and Australia) favours minimal state intervention under the assumption that the majority of the citizens can obtain adequate welfare from the market. The role of the government is to nurture the market and provide targeted assistance to the neediest.

While the developmental state welfare capitalism may seem similar to the Liberal Regime, there are differences in the following areas:

- **Economic primacy:** centrally coordinated economic strategies to ensure sustainable growth, competitiveness and job creation;
- **Job as the best social safety net:** social and labour market policies aim to enable and reward works;
- **Skills upgrading is the only way up:** infrastructure and systems available to support the general workforce on the pursuit of education and training;
- **Family: imposition of** primary responsibilities of caring for the old and young on family members; and,
- **Child-Centric investment:** education is expected to provide a level playing field for all to pursue social mobility, regardless of family background.

The combination of the aforementioned conditions has produced “developmental workers” — a term coined by Sung (2006, p. 76). For the developmental state, the ‘pro-economic growth, pro-business’ mantra is sacrosanct (Sung, 2006). As can be seen in the six-spoke initiatives, the focus is on the development of active labour market policies and programmes that support the job-first (priority of securing employment) approach. In addition, the non-wage social benefits of subsidised housing and generous provisions for the next generation’s education, coupled with the self-provision for retirement savings, are designed to instil within the LWWs a desire to be ‘self-reliant’.

Chua (1995), along with Mathi and Mohamed (2011), claimed that the reproduction of labour in Singapore is fuelled by the individual’s perceived need to provide for self and family. The “stake-holding” approach of engaging the workers is designed to cultivate the collective belief of a ‘self-reliance’ mindset in low-wage developmental state workers (Sung, 2006, p. 93). This can be seen in the following extracts from the narratives of the interviewees:

At first, I worked in a factory as an operator for many years; then I was retrenched. Then, I worked as cleaner and cleaning supervisor; the contract also ended. I tried to sell *kuey* (local tidbits)... because I needed to support my family and have a job... They (career centre officers) asked me to take up security job. (Madam J)

I was in manufacturing, doing metal stamping. The company shifted overseas; so I was retrenched. I went for lots of interviews, but nobody wanted me. My wife is not working and my son is in primary school. I have to worry about my home mortgage. So I decided to take up security job. The pay is low, but it is more secure. (Mr. N)

In Singapore, you can’t just sit there. You need a job even if it is low pay. It is also about the future, you know! I have to save for my medical and my retirement. (Mr. L)

Unlike the popular unemployment benefits in the West, the active labour market policies provide temporary assistance to motivate the unemployed to get jobs quickly, as highlighted in ‘Social Support to Enable

Work' (Table 4.2: Spoke 2). As this report explained, the average support period is three to six months, with the exception of some who are given support for up to 12 months. In fact, the scheme caters to "those who can work<sup>8</sup>" (*MCLWW report*, p. 13, para. 18). One of the interviewees shared her experience at one of the Community Development Centres (CDC):

My husband and I both got retrenched from the same factory. We went to CDC for help; they gave us a one-week food voucher and transport voucher. I have no qualification and because of my age, I can only choose between Cleaner and Security Officer. I look at the pay and decide to be security officer. Then, they sent me for an English course and security training. (Madam H)

The stakes are high for them to get a job because of their housing mortgage payments and their desire to save for future medical fees and retirement. Sung (2006) aptly described how the stake-holding approach has successfully encouraged workers to participate in economic activities, even when the latter yields low wages:

The essence of the developmental state strategy is that all workers have to maximise their contribution in terms of their ability, and in the end they all create their own stake-holding vis-à-vis their respective input into economic development process. From this perspective, stake-holding through welfare provision under the developmental state is not about equality. It is all about establishing one's own stake within society under the leadership of the developmental state (p. 93).

The active labour market policies (e.g. WIS and Skills upgrading) and the social non-wage benefits (e.g. housing and progress packages) have induced the willingness of the five interviewees to accept low-wage jobs in the security sector. Madam J, Madam H, and Mr. G, who have been circulating in low-wage jobs because of their low level of formal education,

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<sup>8</sup> Those who are temporarily unable to work due to illness, temporary disability, or caregiving responsibilities are referred to the ComCare Transition scheme. (Ministry of Community Development, Youth and Sports. ComCare. Retrieved from <http://app1.mcsys.gov.sg/ComCare/FindTheAssistanceYouNeed/TemporarilyUnabletoWork.aspx>)

have come to accept their placements into the 'Cleaner, Labourer and Related Workers' category<sup>9</sup>. They were unable to succeed within the meritocratic education system that is designed to prevent the wastage of human resources (Tan, 2010):

I struggled till Secondary four, so stressed-out! I decided not to sit for the 'N' ('Normal') level examination. So I started my first job in a factory assembly line. (Madam H)

I always envy people who can study. If I can study, I won't be here today. I hope my children will be better than me. (Mr. G)

According to Tan (2010), Singapore has an education system that favours the cognitively able from the onset, thus resulting in the following outcome: those who fall out early in the system enter the occupational groups of the lowest strata and move between low-wage jobs — low-wage jobs recycling. In defence of the developmental state policy, Lee Kuan Yew posited:

You are born, the government has to provide conditions for good healthcare, good housing, good education. You must strive. What you make of yourself depends on you. We can't equalise everybody's result. (Han *et al.*, 2011, p. 215)

In response to the critique of the 'sorting' education system, Lee Kuan Yew retorted:

You can only polish a stone if it's worth polishing. But not all stones are like that. That's life. (Han *et al.*, 2011, p. 206)

#### **4.4 Quality of Work in the Security Sector**

The disproportionate increase in low-skilled service jobs in many economies has been identified as the root cause of income inequality (see

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<sup>9</sup> Singapore Standard Occupation Code has eight levels of occupational categories. 'Cleaner, Labourer and Other Workers' is the lowest occupational category. Security Officer is also classified under this grouping.

Green, 2006; OECD, 2000). In addition, there is the related debate about the issue of the deteriorating quality of work (e.g. OECD, 2000; Gallie, 2007; Green, 2006; Appelbaum *et al.*, 2010).

In its simplest form, the concept of 'quality of work' comprises a number of dimensions: fairness of pay, job security, skills upgrading opportunities, work efforts, and personal discretion (Green, 2006; Gallie, 2007; Appelbaum *et al.*, 2010). In the following section, I adopt some of these dimensions to analyse the quality of work within the low-wage security sector. The issue of wage will only be addressed in the meso- and macro- level discussions, as low-wage security employees, in and of themselves, have no power in setting wages.

### ***Job Insecurity Amidst the Abundance of Employment Opportunities***

In the earlier section, we learnt that the security employees once settled into the sector have a relatively long tenure of service that averages at least five years. Yet, their tenures with respective employers tend to be short, averaging a maximum of just two years. Three of the interviewees recounted their experiences:

I went for my first security job interview; they told me I would be deployed to a hospital. It was a nice working environment. But they did not tell me that the site contract would end in six months. Soon, I discovered that I was out of a job. They never bother to tell you. (Madam J)

I worked a permanent night shift at XYZ building, did whatever the clients wanted me to do, including extra duties like changing light bulbs and repairing cabinets. I thought by pleasing the clients, my agency would recognise my effort. Then, one day, they told me they failed to renew the site contract. I was offered a job at another site. But it was far away from my home and there was a \$200 pay cut because the other site's contract sum was low. I calculated that it was not worth my effort; so I had to look for another security job. (Mr. G)

I want a permanent job like before (referring to his previous employment in restaurants) where I can work hard and get a promotion. But with this job, you don't have a permanent relationship with the agency. You always have to start all over again. (Mr. L)

As security service contracts are outsourced, the relationships between the interviewees and their respective employers are transient by nature. The security firm that will be discussed in Chapter 5 has no reason to hold on to excess manpower when contracts (that cover one particular site at a time) are completed. Despite the high growth in the sector and the concomitant high demand for workers, the work in the security sector offers limited job security, as it is dependent on the length of the individual contracts. Moreover, working hard offers no guarantee of any long-term career prospects with the security agencies.

### ***Work Arrangements***

No one could explain how the 12-hour shift and six-workday week has come to be instituted in the security sector. The common explanation that arose repeatedly is: "It has always been like that." The workers appear to be willing to do these hours; and the employment protection authority and the union have not objected to the practice. According to the *Security Sector Manpower Development Study (2010a)*, close to 80% of the security employees worked 72 hours per week, exceeding the average 44-hour work week by 28 hours, and even the permitted maximum of 60 hours per week (inclusive of overtime), stated in the Employment Act, by 12 hours.

Long working hours essentially hamper workers' accessibility to skills upgrading opportunities:

Although my shift officially starts at 8am, we are expected to come in early, change into uniform, and have a handover-duty briefing. I have to arrive half an hour before the shift starts. I do this everyday; so, by the end of the week, I would be so exhausted. Unless I go for training during working hours, I don't think I have time for training after working hours. (Madam J)

Currently, all the training classes are on weekdays between 9am to 9pm. It is totally impossible to attend outside training without the support from my agency. Someone should arrange for training at the workplace, like the type of e-learning I had at the plant, which I thought was good.

They gave us time to complete the learning during our nightshift. (Mr. N)

As their basic pay is low and that overtime pay makes up a large proportion of their gross salary, leaving work for training has a punitive effect on their take-home pay:

I was so happy that my agency finally sent me for training. Later, I was shocked that my pay was cut because they only paid me the basic pay. My family suffered when I went for training. (Mr. G)

A part of the Workfare Skill-Up scheme (WDA, 2012b) seeks to encourage individual LWWs to take up training even when their employers do not support them. The scheme pays for 95% of the course fees; however, it does not take into account the income lost when the LWWs go for training. Yet, employers could claim for absentee payroll when they send staff for training, which compensates them for the loss of productivity during the employees' off-the-job training. The Continuing Education and Training System (CET) that includes the identification of skills desired by employers, the funding schemes that place skills upgrading decisions in the hand of employers, and employment facilitation that focuses on placing the unemployed seems to suggest that the model is employer-centric. Hence, it is not surprising that the Workfare Skill-up programme is dominated by employer-initiated training, with a very low percentage initiated by LWWs<sup>10</sup>.

### ***Skills Upgrading & Career Progression***

Whether 'skills upgrading for a better job' (as spelled out in the low-wage worker policy) is a worthy pursuit, or a broken promise, is ultimately dependent upon the opportunities available within the internal labour market of the security sector. According to the Security WSQ brochure,

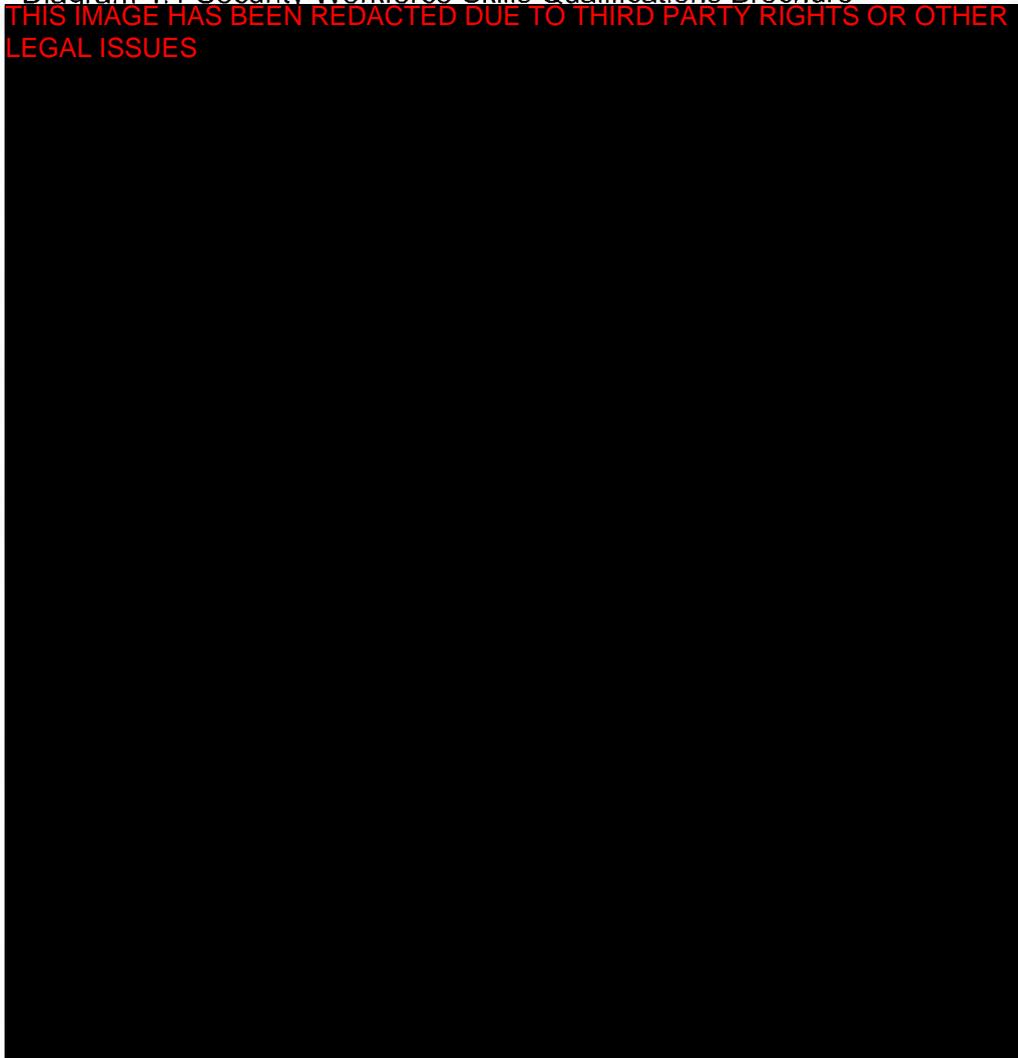
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<sup>10</sup> The Workforce Skills Qualifications quarterly report (May 2012) that covers the Workfare Skill-Up scheme for low-wage sectors reported that 96% of the training programmes were initiated by employers.

the security profession is one “with clear career pathways” and “advancement through Security Workforce Skills Qualifications” (see Diagram 4.1). In other words, career progression in the security sector could be achieved through the attainment of qualifications.

Diagram 4.1 Security Workforce Skills Qualifications Brochure

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However, my interviews did not present such a rosy reality:

I don't think I will have the chance to be supervisor here. There are two other senior colleagues ahead of me. Unless I quit and join another site, ... the chances are slim. My agency hardly knows me; I have not spoken to anyone from the agency since I joined this site. (Mr. N)

I am realistic: one site only has one supervisor. I don't see how I can get the promotion here. Maybe I need to work many years, know some people. I am new. I have not seen a female supervisor yet. (Madam H)

The frustration of having to prove yourself all over again whenever you join a new agency also means your chances of getting the supervisory post is quite unlikely, unless you are so outstanding, or the opportunity is just right. (Mr. L)

Their experiences of skills upgrading opportunities are quite diverse. Both Madam J and Madam H have not attended any training since their entry into the security sector:

It is very shorthanded and there is no relief staff. When someone is sick or something, one of us has to work double shift. I don't see how they can send us for training. (Madam H)

Mr. N, on the other hand, has had opportunities to attend periodic online learning pertaining to workplace safety as prescribed by the multi-national pharmaceutical plant where he was deployed.

In the case of Mr. G, he had had to fight very hard to attend supervisory training:

At first they said they needed someone to be acting supervisor at the night shift and asked me to double up. After more than 18 months, I asked for the training, they kept asking me to wait. When I asked for pay adjustment, they said I didn't have the qualification, hence not entitled. I felt so cheated that I threw in my resignation letter. They had no choice, but to send me for training. That was my second experience. The first time, I was with another agency. I walked away after they refused to send me for supervisory training.

Among the five, Mr. L was the only one sent by his employer for the Advanced Certificate in Security Supervisory programme under the Security Supervisor Conversion Programme (SSCP). Under the SSCP, the government funds 90% of the course fee. Upon successful completion

of the training, the employer would receive a lump sum rebate of 65% of the monthly salary of the employee for the six-month training period. The skills upgrading episode took place after he had completed five years of service in the security sector and was with his third employer. Mr. L regarded the opportunity as 'lucky' because his superior values his management experience; hence, his superior was willing to stand in for him so that he could attend training.

Based on the above discussion, it is evident that upward progression opportunities and access to skills upgrading are limited. The short employment tenures with employers and the long working hours are not conducive for the low-wage security employees to access skills upgrading at all. The limited progression opportunity (a limited number of supervisory positions) also means that there is no economic impetus for LWWs to initiate their own training.

#### **4.5 Five Cases of Security Employees**

The following profiles of the five interviewees have been compiled from the interview data. The data show that they are "developmental state workers" who take pride in their work. All of them were contented with what they have and place their hopes on their children to do well in Singapore. At the same time, these individuals illuminate the collective beliefs of the LWWs in Singapore.

##### Case 1: Madam J (SOF1)

Age: 50

Educational level: Secondary 2 (eight years of formal education)

Occupation: Security Officer at a primary school

Family background: Madam J lives with her husband (aged 70) and youngest daughter (aged 22) in a three-room HDB flat. Her youngest daughter is a registered nurse. Her two older daughters (aged 25 and 28) who are married live with their own families; both daughters are full-time

housewives looking after their young children. Madam J has four grandchildren aged 2–8 from her two married daughters.

My interview with Madam J was conducted over the telephone, as she insisted that it was more convenient for her since she worked shifts and had to rush home to tend to her aged husband. She instructed me to call her at 2pm sharp on the agreed date. Later, during the interview, I learnt that she was hiding in the toilet in order to take my call because she was not supposed to be making phone calls during working hours.

Madam J has had a long career of low-wage jobs. She first worked as a factory operator at a semi-conductor plant where she spent many years on a permanent midnight shift so that she could tend to her children as they were growing up. When the factory moved its manufacturing operations offshore, she lost her job. Then she baked and sold *kueh-kueh* (Malay cookies) for a period of time.

However, mindful that a full-time job comes with a CPF contribution, she took up the job of cleaning offices at commercial buildings. She was subsequently promoted to the position of a cleaning supervisor. As the cleaning jobs were outsourced on a temporary-contract basis, there was no job security.

Hence she approached the Community Development Centre near her residence for assistance, she was sent for workplace literacy training and security licensing training, which landed her in the security sector. Madam J displayed her cheerful disposition in the following comment: “All jobs are the same, pay also *sama sama* (meaning “the same” in Malay). You must like it lah.”

She was aware of the advantages of attending training; in fact, she enjoyed her past training when she was unemployed. However, she related that there was no opportunity for training when she joined security services: “No one wants to send me for training.” Her goal is not to pursue a better wage, but a living wage from a job that makes her feel useful and respected. She wishes to work as long as she could, as she does not want to “depend on people...you need a job to keep yourself going. My daughters all have their own family; they are taking care of their children, not working. I cannot expect them to look after me.”

When I asked if she had joined the Union for Security Employees (USE), she replied that she was not aware of the existence of the union. Her response was notable: the USE is the entity that issues vocational licences to all security officers.

Case 2: Madam H (SOF2)

Age: 48

Educational level: Completed Secondary 4 (10 years of education), but did not sit for the G.C.E. 'Normal' level examination

Occupation: Security Officer at a commercial building

Family background: She has four adult children from her first marriage. She lives with her third husband who is also a security officer in her husband's three-room HDB flat. Her youngest son is studying at a polytechnic. Her three daughters work as a sales assistant, a bank clerk, and a library information officer. All of them live with their biological father.

I visited Madam H at her work site, a commercial building located in a suburban area. I had to negotiate with her supervisor, a male in his late 40s, to relieve Madam H for the interview. He was not very pleased, and only granted her 30 minutes away from the reception counter. The interview took place at a corner of the canteen in the building.

Madam H worked for 25 years at a plant producing electronic parts until 2009 when she was retrenched, as the plant was moved offshore. For the next three months, Madam H received assistance from the Northeast Community Development Centre (CDC) where she attended a series of training programmes. Madam H was proud to show off all her certificates that she had filed chronologically in a big clear folder because they represented her achievement since leaving school.

Upon the completion of her training, Madam H was asked to consider jobs as a retail assistant, a taxi driver, or a security officer. While the job of a taxi driver promised better pay than the other options, Madam H deemed it to be a high-risk occupation, in terms of personal safety and the steadiness of income. She finally opted for the security sector even though the pay was low and the working hours were long.

On the whole, Madam H considers her current post at the commercial building to be relatively easy, compared to her previous employment as a production line operator. She is satisfied with the slightly higher take-home pay, although she works a 12-hour shift daily with only one day off every two weeks. She enjoys her work as a security officer; as with Madam J, she too would like to work in her current job for as long as she could, even though chances of a promotion were slim. She too hopes to be sent for training.

As with Madam J, Madam H had not heard of the Union for Security Employees.

### Case 3: Mr. N (SOM1)

Age: 42

Education: Completed G.C.E. 'Normal' Level (10 years of education)

Occupation: Security Officer at a pharmaceutical plant

Family background: He lives with his wife (aged 40) who is not working and son (aged 11) in a 4-room HDB flat for which he is still paying a 30-year mortgage.

Mr. N asked me to meet him at the shopping mall near his workplace. He was quite shy: he spoke in a whisper and gave very brief answers to my questions. Midway through the interview, he asked if he could speak in Mandarin. Subsequently, he became more expressive.

Mr. N was unemployed for a period of time after the manufacturing plant, where he had worked as a metal stamping operator, was moved offshore. He finally settled for a job in the security industry because of the perceived high level of job security, though it entailed a 25% pay cut. Mr. N was well informed about all the entitlements of a low-wage worker. He told me "every cent count" and "you must know where to apply for the back-to-school fund", as he did for his son every school year.

Though Mr. N perceived his work as a security officer to be a dead-end job because of the limited upward mobility, he noted that he had no other choice: "I can only hope for some pay increment every year. That's

about it.” As for skills upgrading, he periodically receives online training on safety and hazard prevention provided by the pharmaceutical plant. He considers himself to be an outsourced employee at the pharmaceutical plant. Based on his limited relationship with the security agency, he called it an “employment agency”.

What Mr. N would like is to regain his previous monthly salary of S\$2000; however, he is not hopeful. When I suggested that he could visit the CDC for assistance, he replied in an annoyed tone that there were no good jobs at CDC. After a long pause, he added, “I cannot blame them because it depends on the qualifications...”

Ultimately, Mr. N pins his hopes on his young son. He aims to give the best education to his son, “so that he won’t be like me. I hope he will work in an office job.”

Mr. N was a member of USE for a year. However, he decided to discontinue his membership, because he deemed that it did not bring him any benefits.

#### Case 4: Mr. L (SOM2)

Age: 53

Education level: GCE ‘O’ level (10 years of education)

Occupation: Acting Operation Executive

Family background: Divorced; he refused to talk about his family

Mr. L asked me to meet him at his workplace — an integrated lifestyle commercial building with retail, hotel, and hospital facilities on the premises. He donned a dark blue suit (a typical uniform) with a tie and wore a pair of gold-rim glasses. He voluntarily walked me around the premises under his charge before settling down for the interview at an open space near the rooftop garden.

Based on the Security Industry Institute’s student record, Mr. L was a security supervisor. At the time when I managed to secure an interview with him, he had been promoted to Assistant Operations Executive.

Mr. L had spent more than 20 years in the Food and Beverage (F&B) sector, 17 of which were in China, where he managed a number of restaurant chains. At that time, he was earning an average monthly income of close to S\$8,000.

Family reasons brought him back to Singapore after a long absence. Despite his wealth of experience, he experienced difficulties in re-entering the F&B sector. He finally decided to settle for a job as a security officer in order to pay his house rental and save up for old age. During the early part of his security career, he worked at nightspots such as discotheques and pubs, as well as numerous security firms and sites. Reasons cited for the changes of employers were: low pay, delays in paycheques, and issues with the management.

Without relevant qualifications, Mr. L had to start as a security officer whenever he joined a security firm. It was not until the current job that his managerial ability was recognised: he assumed the role of supervisor and then Assistant Operations Executive within a short period of just five months. The opportunity arose because the agency had successfully secured a contract for a brand new development (his current work site).

He recognises the need to acquire a vocational qualification: with the support from his employer, he is pursuing the Advanced Certificate in Security Supervision. Upon the completion of the advanced certificate, Mr. L plans to pursue a Diploma in Security Management.

Mr. L's salary is S\$2500, marginally lower than the workforce's median wage of S\$2710, thus placing him at the lowest end of the managerial pay scale. When I asked him whether he was paid fairly as an Assistant Operation Executive, he replied, "Talk about pay, nobody is happy? What can I do?... At least I have a job." Nevertheless, Mr. L stated that his job satisfaction stems from serving his customer well and having a good team of staff. He had never heard of USE.

Case 5: Mr. G (SOM3)

Age: 49

Education level: GCE 'O' level (10 years of education)

Occupation: Security Supervisor

Family background: Mr. G's wife (aged 45) works part-time as a cashier at a supermarket, while his son (aged 19) is serving conscription and his daughter (aged 17) is attending a Polytechnic. They live in a four-room HDB flat. He is still paying the mortgage of his family home.

The interview was held at Mr. G's home in the northeastern part of Singapore. His home was adequately furnished and tidy. He was the most eloquent of the five security employees I interviewed; moreover, he exhibited the feistiest spirit.

Mr. G began working right after his conscription service at the age of 20, joining his father at a manufacturing plant as the production inspector. However, long periods of standing and carrying heavy weights took a toll on his health. He then left the manufacturing sector to work as an in-house security guard at an upscale hospitality establishment. During his seven-year tenure there, he worked as a guard at various places including a hotel, a service apartment, and a condominium. In 2003 — the year of the economic downturn, to pre-empt potential retrenchment, Mr. G joined the private security industry to maintain his family's income. His hope was to set up a security agency one day.

However, the outsourced mode of security operation was totally different from the in-house guard operation he had previously experienced. His dream of moving up the career ladder in the sector was squashed many times. He fought hard to secure an assistant supervisor position, only to learn that it would involve more duties without commensurate pay, because he lacked a vocational qualification. Though he waited for the chance to be sent for training, his agency failed to deliver on its promise. He managed to move to a bigger agency and attained his supervisory qualification. Unfortunately, he lost his job due to the cessation of the site contract and was then forced to look for a job with other agencies. Mr. G disliked the instability of frequent moves from

agency to agency: he could see that his lateral mobility was not propelling him upward in his career path.

At the time of the interview, Mr. G had just started a new job for two weeks. He is frustrated to see that his job role as a supervisor is not much different from that of the officers, just more intense. Moreover, he has not been given the autonomy to improve work design: whenever he proposes enhancements, he is told: "Just do your job!" In his view, he should be assuming greater responsibilities; unfortunately, no one has noticed his talent as yet.

He has no plans to pursue further education, pinning his hopes on his children instead:

Practical training at work is useful. The academic education is too difficult for me. I envy those who can study and earn good money. Supervisor certificate is enough for me to open up a security agency... I cannot study, but I am proud of my two children: my girl is in Poly and my son will go to university after his national service. I know they won't end up like me.

In the meantime, Mr. G is still harbouring the hope of finding someone who would be willing to invest S\$50,000 to start a security agency with him: "I have enough security work experience. I have the Cert. I only lack the S\$50,000. I can start the agency tomorrow if someone comes up with S\$50,000. I plan to run the best agency."

Mr. G confirmed that he is a member of USE, but lamented that USE could do more for members. Thus far, the only advantage of membership he enjoys is the discounts at the NTUC Fairprice supermarket chain.

#### **4.6 Conclusion**

These profiles of the five security officers offer evidence that addresses the research question: *How do the LWWs' interactions with employers and institutions shape their individual skills strategies?*

On the whole, the evidence suggests that the limited resource capital of the LWWs propels them towards low-wage jobs. Their premature exits from formal education from the onset limit their choice of

employment. All of the interviewees have been recycling in low-wage employment since their first job. The only exception is Mr. L who had initially been downgraded to low-wage jobs upon his return to Singapore.

For the interviewees, the in-employment skills upgrading opportunities were in the hands of their employers who had not granted them much of an opportunity for training and advancement. Mr. L is the only exception after working for more than five years in the security sector and with his third employer. Mr. G has had to fight for the opportunity for training. The others continue to wait for their chances to attend training that may never come.

The only time when they were sent for CET training by the public employment services was when they were unemployed. The training they received was matched to the available types of work that were commensurate with their low educational level. The intention of the public employment services was to get them back into employment swiftly. Moreover, the inculcation of self-reliance in the collective belief of “developmental workers” (Sung 2006, p. 76) also contributes to their willingness to accept low-wage jobs (as we have seen from the LWWs policies and their narratives).

Finally, it is also apparent that low-wage security employees have very limited upward career mobility opportunities within the sector. Mr. N calls it a “dead end job but secure” because it would not be subjected to offshoring. The hierarchical structure of the employment means only a relatively small percentage of employees would ever get promoted to supervisor and operation executives. Hence, self-initiated participation in skills upgrading to higher skills does not make any economic sense.

### ***Collective belief of LWWs***

‘Self-Reliance’, ‘Working Hard’, and ‘Stay Employed’ are the three most prominent dispositions displayed by the five interviewees. They demonstrated a strong awareness of the importance of acquiring job-related credentials and the need for upgrading their skills. From a perspective that takes into account the societal context, one can see that their dispositions are shaped by institutional affordances such as the

absence of unemployment benefits, the minimalist approach of social welfare, and the short-term transitional assistance provided by the multiple ministries (Mathi and Mohamed, 2011). Ultimately, the participants have been motivated to adopt the 'job first' perspective because only when they are employed could they receive income redistribution benefits such as public housing loans, additional education subsidies, or back-to-school vouchers for their children, as well as a workfare income supplement (MOE, 2009).

Given these realities, low-wage work makes the most sense for these participants. Madam J, Madam H, and Mr. G have been moving from low-wage work to low-wage work for a long time; hence, lateral mobility into another low-wage sector is an acceptable move for them. For them, upward mobility is not a realistic expectation. Mr. N who experienced downward mobility at age 40 stated it aptly:

This job is low pay, but at least, I can bring money home. No one can guarantee me a better-paid job. At my age and with my qualification, I cannot expect too much. I hope my son will be better than me.

Based on Sung's (2006) concept of "developmental workers" (p. 76), it would seem that the very existence of the developmental state institutions, their actions, and their interactions with the lowly-educated workers resulted in the creation of a pool of workers who were willing to take up low-wage jobs.

### ***CET — For Enterprises and for Jobs***

Within a meritocratic education system that privileges the cognitively able in support of a high-skills economic model, low-wage security officers such as the interviewees in my research study are often 'sorted out' early from formal education. As a compensatory strategy, the national continuing education and training system (CET) was established with the promise to facilitate "an inclusive society where everyone has the equal opportunity for upward mobility" (excerpt from Deputy Prime Minister Shanmugaratnam's speech in January 2012b).

However, based on the following extract from the WDA Website, the current CET system appears to be skewed towards employers with its aim to “improve labour mobility by allowing companies in growing industries to easily recruit workers with the necessary skills, while improving opportunities for workers to enter these industries”. The quoted passage clearly shows that the primary objective of CET is to supply sufficiently-skilled workers for the different sectors, hence leaving in-employment skills upgrading to employers.

Currently, the CET system operates upon the premise that a “job is the best social safety net” (quoted from a WDA representative during the interview) with the emphasis on preparing the unemployed for employment. However, once the LWWs are employed, there is no mechanism to purposefully facilitate their upward mobility. The severe lack of income and employment risk-mitigating mechanisms thus make CET inaccessible to the low-skilled/low-wage workers because of the presence of circumstantial factors in the security sector.

Moreover, the current arrangement within the CET system is not systematically differentiated in accordance with the social-cultural capital of individuals so as to enable LWWs to overcome any inequalities that might exist, as in the case of the five interviewees working in the security sector. The higher course fee subsidy has proven to be ineffective in helping LWWs accessing skills upgrading because employers see no need to enhance the skills of their workers. Left to their own devices, the LWWs have no means nor economic interest to go for skills upgrading.

The various studies on social class and intergenerational income mobility have proven that the social and economic placements of individuals do affect their mobility (Tan, 2004; Ng, 2007; Yip, 2012). That is, the lowest strata of the workforce have limited chances of moving upward without special assistance tailored for them. Hence, situational, dispositional, institutional, and informational barriers still persist, despite the endeavour to create equal opportunity through funding and programme interventions, as reported in the MCLWW report (MOE, 2009 pp.15–17).

### ***Limited Upward Mobility Opportunity in Security Sector***

Based on the findings, circumstantial factors in the security sector, such as extremely long working hours, a long work week, and limited upward mobility opportunities, have created high barriers for low-wage security employees, which prevent them from upgrading skills. Moreover, the outsourced nature of the security sector that plays a determining role in shaping employment relationships between security employees and employers also undermines the upward mobility of LWWs.

The concept of ‘strive and succeed’ does not apply in this sector, as reported by Mr. G and Mr. L, who were frustrated in their attempts to move up the career ladder. In fact, the traditional firm-based career pathway has been eroded away in many outsourced low-wage sectors (see, *inter alia*, Bernhardt, Morris, Handcock, and Scott, 2001; Osterman, Kochan, Locke, and Piore, 2001). The low-wage and low-skilled phenomenon has also perpetuated the security sector’s journey down the low-skills route. The details of the low-skills route will be discussed in Chapter 5.

This exploration of the LWWs’ skills strategies also refutes the “it’s their own fault” view held by many. The remark by one of the interviewees from the PLRD reflects the labelling mindset of those who are ignorant of the low-wage situation:

Currently, training is quite well-subsidised. So, it is a matter of will, whether they want to make personal sacrifices to attend training. I think security officers must also take care of themselves.

What we saw from the five interviewees was that they were aware and wanted to go for upgrading — the will is present, but the way is obstructed. The aforementioned view thus fails to account for the presence of attitudinal, institutional, and circumstantial factors that place the LWWs in a disadvantaged position. Their upward mobility thus requires deliberate efforts from all stakeholders. However, in order to rise above the convenient judgment of laying blame on firms and institutions, I will

analyse the low-wage phenomenon from the perspectives of security firms and institutions in the next two chapters.

## CHAPTER 5: THE CHALLENGES OF COORDINATING WITH STAKEHOLDERS: STRATEGIES OF SECURITY FIRMS

### 5.1 Introduction

In the previous chapter, we examined how security employees interpret and facilitate their own mobility. For this chapter, we will shift our attention to the firms in the low-wage sector — the unarmed private security agencies. The aim of the chapter is to focus on the perspectives of security firms in order to understand their behaviours in response to the Singapore government's call for productivity enhancement and corresponding wage increase in the security sector.

In Chapter 3, I had set forth the argument that the disposition of security firms towards high-road strategies is shaped by their ability to coordinate with key stakeholders — clients, employees, regulators, and various socio-economic institutions. This chapter will thus examine the evidence that sheds light on this hypothesis. More specifically, it will attempt to illuminate the security firms' interactions with key stakeholders, which result in their decisions and actions that, in turn, affect the upward mobility of LWWs.

In order to examine the complex coordination between firms and stakeholders, I drew upon Gadrey's (2000) societal effect model (as explained in Chapter 2) by choosing three types of business strategies, namely: 1) business/market strategies; 2) the organisation of work; and 3) skills strategies. The literature suggests that these three strategies are critical to the understanding of the pre-existing conditions of the sector (see *inter alia*, Baret *et al.*, 2000; Keep *et al.*, 2006; Gautie and Schmitt, 2010). Moreover, the firms' responses through these strategies reflect the underpinning societal values and attitudes of the developmental state.

To provide the background context for this discussion, the next section will offer an overview of the security sector in Singapore. Next, it will examine each of the three strategies as interpreted and applied by the interviewees. Finally, the attitudinal, institutional, and circumstantial factors that shape the strategies of the interviewees, as well as the productivity enhancement initiative of the sector, will be evaluated.

## 5.2 Profile of Private Security Services Sector

### *The Triumvirate of the Security Forces*

In Singapore, security duties are distributed among three key players: 1) the Singapore Police Force (SPF), 2) the Auxiliary Police Force (APF), and 3) the unarmed private security services (UPS). Put simply, the SPF is the state's law enforcement unit whose role is augmented by the APF and UPS. Table 5.1 provides an overview of the complementary roles of the triumvirate.

Table 5.1 Singapore Police Force, Auxiliary Police Force, and the Unarmed Private Security Providers

	Ownership	Estimated workforce	No. of establishments	Key roles	Act
Singapore Police Force	State-owned; funded by general taxation	14,269 full-time officers, of whom 8,661 are regular police officers; the others are civilian officers, national servicemen, and volunteers (2011a)*	1	<ul style="list-style-type: none"> <li>i. Maintain law and order;</li> <li>ii. Take crime-preventive actions; and</li> <li>iii. Investigate crime.</li> </ul>	Criminal Procedure Code, Police Force Act, and Public Order Act
Auxiliary Police Force (armed)	100%-owned by government-linked corporation; operate for profit	6,204 (2010a)*	3	<ul style="list-style-type: none"> <li>i. Crowd control;</li> <li>ii. Guard key buildings;</li> <li>iii. Protect valuables; and</li> <li>iv. Check property of person entering a restricted area.</li> </ul>	Police Force Act and Public Order Act

Unarmed Private Security Agencies	Private ownership; operate for profit	44,560 licensed Security Officers (2010a)*: 75%, or 33,577, are active	282 (2011b)	i. Guard; ii. Patrol; iii. Access control; and iv. Report incidents.	Private Security Industry Act (PSIA)
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\*Compiled by author from various sources: 2011a *Singapore Police Force Annual Report*, 2010a *Security Sector Productivity Roadmap*, 2011b Police Licensing and Regulatory Department

The APF performs security protection functions at restricted and strategic locations for a profit. The UPS, also for profit, provides general protection to security services buyers.

From the perspective of SPF, the triumvirate makes up the total security protection forces in Singapore. The current ratio of UPS forces to the SPF is 4:1 (with 33,577 unarmed guards versus 8,661 career police). The high ratio of UPS forces to SPF is a common phenomenon in developed market economies (Lim and Nalla, 2011). According to one of the interviewees from the PLRD, the unarmed guards are an extension of the national security forces, as he said:

They form the network of eyes and ears on the ground that not only perform detect and report functions, but also act as critical deterrents in ensuring the national security of Singapore.

### ***Increasing Demand for Unarmed Security Services***

Due to the strong economic growth in Singapore over the last 10 years and increased security concerns following the 9/11 attacks in the United States, the demand for private security services has grown exponentially. Table 5.2 shows the increase in the number of licensed unarmed security officers from 2006 to 2011.

Table 5.2 Number of Unarmed Licensed Security Officers, 2006–2011

	2006	2007	2008	2009	2010	2011
Licensed Security Officers*	21,757	22,995	26,441	29,524	35,929	40,374
Annual percentage increase in demand for guards	-	5.7%	15%	11.6%	21.7%	12.4%

Source: \*Police Licensing & Regulatory Department

The PLRD forecasted an annual growth rate of 5% in the UPS sector over the next few years, whereas the respondents (security firms) of the SSMDS (2010b) reported a higher expected annual growth rate of 10%. Amidst the high growth, due to the tightening labour market, the traditional high labour intensive business model is being challenged.

As the sector is characterised by high labour intensity and high incidence of low wages, it was identified as a key target by the government for the path of productivity enhancement, in order to reduce the sector's dependency on manpower and improve wages. The assumption was that, through productivity enhancement, the real wage of the sector would increase by 3% per year over the next 10 years.

Specifically, the bipartite security sector productivity workgroup set out four key initiatives under the security sector productivity roadmap:

- 1) Promote skills upgrading and manpower development of security officers;
- 2) Enhance buyer awareness and education;
- 3) Promote the use of technology by security agencies; and
- 4) Improve employment and working conditions of security officers.

A brief description of the initiatives is shown in Table 5.3.

Table 5.3 Security Sector's Productivity Enhancement Initiatives

Strategies	Intervention measures
Promote skills upgrading and manpower development of Security Officers (SOs)	<ul style="list-style-type: none"> <li>· Incentivise firms to adopt holistic and comprehensive development plans for employees at all levels;</li> <li>· Develop career ladders with requisite skills for security officers to upgrade;</li> <li>· Mandate specific training for officers performing specialised functions; and</li> <li>· Mandate training for firms' management.</li> </ul>
Enhance buyer awareness and education	<ul style="list-style-type: none"> <li>· Create differentiated security services according to site requirement;</li> <li>· Incentivise buyers to adopt quality-based procurement practices;</li> <li>· Incentivise buyers to adopt security technology, instead of security manpower;</li> <li>· Encourage public sector to take the lead in introducing Best Sourcing initiatives; and</li> <li>· Implement buyer awareness education programmes.</li> </ul>
Promote use of technology by security agencies	<ul style="list-style-type: none"> <li>· Encourage firms to leverage on technology, so that security officers can be more effective at work.</li> </ul>
Improve employment/working conditions of SOs	<ul style="list-style-type: none"> <li>· Reduce officers' working hours;</li> <li>· Increase wages of officers; and</li> <li>· Improve the image of the profession.</li> </ul>

Source: Extracted from Security Sector Productivity Roadmap

The four initiatives sought to: 1) improve the overall skills level of the management and staff in the sector; 2) improve working conditions of SOs; 3) reduce employers' reliance on manual labour; and 4) convert cheap-sourcing to best-sourcing of security services. Such a skills initiative is premised on the human capitalist's assumption that skills upgrading is the foundation of economic development, productivity growth, and innovation (Becker, 1964). Put in another way, a skilled workforce will

propel the productivity agenda, which will lead to wage increases. Hence, wage increases should thus lag behind productivity growth.

The initiative on improving working conditions, coupled with the skills initiative, resembles a job quality agenda — career progression, appropriate level of job intensity, and fair wage. However, my conversations with the representatives from PLRD, WDA, and the Work Group for Security Sector Productivity suggest that they have adopted a narrow perspective of the initiatives for attracting and retaining security workforce. The potential to move the sector away from a low-skills equilibrium through job re-designing and parallel enhancements of job quality was left untapped (see Finland's workplace development initiatives, Alasoini *et al.*, 2005).

Moreover, productivity enhancement through technology adoption simplistically assumes that technology can reduce the firms' reliance on manpower and improve the work efficiency of the SOs. This initiative is also based on the erroneous conception that security firms have discretionary power over the design of their services rendered to clients. Thus, it is not surprising that the 'Inclusive Growth Programme' (IGP), launched by the labour union in 2010 to encourage the adoption of security technologies to improve productivity and the sharing of gains with employees (e2i, 2012) has had modest success. Only about 10% of the security agencies have participated in the programme (as reported by the IGP officer in charge during the interview).

The entrenched practice of cheap-sourcing in which security services buyers award contracts based on the cheapest quote and specify security service requirements in terms of headcount has been acknowledged as an issue of concern. The part of the initiative that addresses buyer education seeks to change this trend. Thus, the relevant authorities have issued a tripartite advisory on best sourcing practices<sup>11</sup> to

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<sup>11</sup> The Ministry of Manpower, together with the National Trade Union Congress and the Singapore National Employers Federation, produced a best-sourcing guidebook that provides step-by-step guidance on best-sourcing practices.  
[http://mom.gov.sg/Documents/employment-practices/Tripartite%20Advisory%20on%20Best%20Sourcing%20Practices%20\(27032012\).pdf](http://mom.gov.sg/Documents/employment-practices/Tripartite%20Advisory%20on%20Best%20Sourcing%20Practices%20(27032012).pdf)

encourage buyers to change their buying habits. However, when I spoke to the five security firms, none was aware of such schemes. Moreover, they were not hopeful about its prospects.

Essentially, the responsibilities of increasing productivity through adopting technology, upgrading the skills of employees, and improving employment conditions fall squarely onto the lap of security agencies. The narratives of the five security firms in the following sections will challenge all the aforementioned assumptions.

### ***Characteristics of the Sector***

The unarmed security sector is dominated by a large number of small and medium-sized enterprises. Among the 282 security firms, 70% (191) are considered small with less than 100 security officers (SOs), while the remaining 30% (82) employ at least 100 SOs each. Close to 80% of the SOs (about 29,000) are employed by larger firms (WGSSP, 2011). The breakdown of the deployment locations of SOs is shown in Table 5.4. The top three sites fall under the commercial, industrial, and residential categories.

Table 5.4 Deployment Locations of Unarmed Security Officers

Deployment location	Percentage
Office complex/Factory/Shipyard/Farm	39.27%
Residential building/Condominium	21.04%
Shopping mall/Centre	7.93%
Protected Areas and Places (e.g. Airport, Power Stations, Waterworks, and Telecommunication facilities)	7.89%
School, Polytechnic, Institute of Technical Education, Institute of higher learning, Private school	7.30%
Government/Statutory board building	5.02%
Construction firm/site	4.54%
Hotel/Country club/Entertainment outlet/Resort	3.67%
Checkpoint	1.64%
Foreign diplomatic mission, or foreign consulate, in Singapore	0.70%
Hospital	0.66%
Place of worship	0.34%

Source: Security Sector Productivity Roadmap

This sector traditionally attracts retired uniformed personnel from the SPF and the Military Service. About 58% of the managers and entrepreneurs in the sector are 50 years old and above. The educational level of many of them (58%) is below the tertiary level (SSMDC, 2010b).

### ***Regulatory Frameworks of Unarmed Private Security Services Sector***

Prior to 2005, the unarmed security sector had been lightly regulated under the Private Security Industry Act 1973 (PSIA). It mandated the licensing of companies and personnel involved in the provision of security and investigation services.

However, with the formation of the Security Industry Regulatory Department<sup>12</sup> (SIRD) in 2004, a greater emphasis was placed on raising the standard of the sector and the skill level of the SOs. In 2007, an individualised vocational licence was mandated for individuals seeking to be SOs and security supervisors. SIRD worked with the Singapore Workforce Development Agency (WDA) to develop mandatory training programmes for the SOs, which trained them to handle security incidents, as well as provide guard and patrol services. Security Supervisors were required to take an additional module on supervising SOs.

Furthermore, during the same year, the government rolled out a more stringent set of criteria for the application of the operating licences of unarmed security firms and personnel, as part of the revision of the PSIA (PLRD, 2012b). The new criteria for firms included:

- Higher minimal paid-up capital (S\$50,000, instead of S\$25,000);
- Higher level of general education attainment (at least 3 GCE 'O' level passes, or equivalent) and relevant Workforce Skills Qualifications (WSQ)<sup>13</sup>; and
- At least two years of managerial experience.

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<sup>12</sup> SIRD was subsequently renamed Police Licensing and Regulatory Department (PLRD) in April 2012.

<sup>13</sup> Workforce Skills Qualifications (WSQ) is the national skills qualification issued by the Singapore Workforce Development Agency (WDA).

Moreover, licensed security firms were required to participate in mandatory annual graded audits as part of the licence renewal process. The grades were then published online.

Table 5.5 shows the grading attainments of the security firms from 2008 to 2011. The objectives of the grading exercise constituted a part of PLRD's efforts to professionalise the sector:

The grading aims to provide an assessment of the performance of the SAs, help service buyers to discern service quality, motivate Security Agencies to improve operation capability, and to strategically elevate standards of private security industry in Singapore. (Chee, 2011, p. 1)

Table 5.5 Grading of Unarmed Security Firms, 2008–2011

	No. of firms	Grades			
		A Excellent	B Good	C Satisfactory	D Unsatisfactory
2011	282	56 (21%)	77 (29%)	85 (32%)	45 (17%)
2010	274	64 (25%)	72 (28%)	64 (25%)	54 (21%)
2009	275	57 (23%)	91 (36%)	65 (26%)	38 (15%)
2008 <sup>14</sup>	263	27 (19%)	58 (41%)	47 (33%)	9 (6%)

Data compiled by author from Security Agencies Grading published online by PLRD.

The grading criteria focused on Operations, Training for Operation, and Support for Operation. On the SIRD website, the declared benefits of the regulatory framework, which included licensing and auditing, were stated as follows: "Increase in the value of security contract for security agencies" and "generous increase in individual guard wages" (SIRD, 2011).

Besides dealing with the PLRD for their operating licensing and annual audits, security firms also have to interact with the Ministry of Manpower (MOM) with regards to the application for exemption from the overtime limit under the Employment Act that stipulates daily and monthly overtime limits. Due to historical practices and market demand, more than 80% of the guards are deployed on a 6-day/12-hour shift arrangement.

<sup>14</sup> As the 2008 audit was not mandatory, 122 SAs (46.4%) did not participate. Newly-licensed agencies are exempted during the year of registration.

Hence, firms are required to apply for site-specific exemption on a case-by-case basis. During the interview with PLRD, I learnt that PLRD have plans in the near future to reduce the long working hours of the SOs, as they are concerned that overworking is affecting the vigilance of SOs. The *Security Productivity Roadmap* has also identified the reduction of working hours as a strategy to enhance the working conditions of guards (see Table 5.3).

### **The Interviewees**

Five unarmed security agencies participated in my study. Table 5.6 provides a brief overview of the five agencies, highlighting their years of operation, size, types of services offered, and PLRD's grades.

Table 5.6 Five Participating Unarmed Security Agencies

Code	Yrs in Ops	Guard	Services	Participate in IGP*	PLRD's grades			
					2011	2010	2009	2008
SAM1	4	100+	Manpower	No	B	A	A	B
SAM2	3	50	Remote monitoring system, manpower	Yes	A	A	B	-
SAM3	31	50-60	Manpower, dog kennel	Yes	C	D	C	Not graded
SAM4	27	680	Technology and manpower	Yes	A	A	A	A
SAM5	30	100	Manpower	No	B	B	B	Not graded

Notes: \*Inclusive Growth Programme

### **5.3 Product/Market Strategies: Ultimately, it is about Price!**

This section presents the interviewees' responses on their product/market strategies as big/medium/small agencies. Regardless of their sizes and the types of services offered, each agency has devised a set of strategies that suit their niche within the unarmed security services market.

As shown in Table 5.4, buyers of security services range widely from the public to the private sector. The security and service requirements of the various locations are also vastly different:

For residential, it is all about customer service, unlike industrial which is mostly theft prevention. Construction site is a mix of access control and theft prevention. Commercial building is access control and customer service. No one site is the same; it all depends on the buyers' needs. (SAM5)

The majority of the security services buyers adopt a 12-month term contract, although there are some that award 24-month contracts (SSMDS, 2010c):

12-month is just right. Too long contract term is not beneficial (to us) because there is no room for contract sum to move up. (SAM4)

However, the contract could be prematurely terminated, if the relationship did not work out. The following comments from the interviewees reflect the unequal power relationship between the buyers and security service providers, which is characterised by transience and distrust:

Every new client is a risk. I had a real bad experience with this client where he imposed unreasonable liquidated damages in the first month of operation. Ended up I have to pay them amount more than the contract sum. We can't work like this, so I said sorry, let's part ways. (SAM1)

The tender specifications dictate the number of security officers and supervisors needed per shift. We just quote based on the specification. Sometimes they (buyers) may not require supervisor on site. Sometimes, they may ask us to quote for walkie-talkies and clocking equipment. (SAM5)

The quotation by headcount is an entrenched practice among the buyers. Data from SSMDS show that the per headcount pricing paid by the buyers ranges from S\$1,200 to S\$2,999 (the median range: S\$2,000–S\$2,199) per SO and S\$1,400 to S\$3,000 (the median range: S\$24,00–S\$2,900) per Supervisor. The difference between the per-headcount

pricing and the salary paid out to SO and supervisors on site is the margin that covers the firms' operation and administrative costs.

According to the interviewees, the PLRD's grading process has not contributed to their business, as buyers tend to choose the cheapest quotes among the bidders:

It is all up to the buyers. They can specify grade B and above in the tender, but they still pick the cheapest. Ultimately, it is about price! (SAM4)

Based on past experiences, I think clients only differentiate between B and above versus C and below. There is no difference between A & B grade. You can see that in the tender bids. (SAM1)

I think it is because of their limited budget. Most of them don't specify grade. Mostly bigger companies or more special locations would do so. Majority would pick the best price that comes with the best grade. (SAM5)

However, not all five of them are passively going for low-price bidding to secure business, as some argued that the strategy of selecting the right buyers is essential:

We choose clients carefully, especially those who are serious about security. We offer value-add services, stay and grow with them. (SAM1)

Among the five, only SAM4, being the bigger player, claimed to be able to "charge a premium" for their services because of their Virtual Supervision System (VSS) and well-trained guards. The VSS allows the firm to track the movements of their employees on site through remote access. SAM4 is the only one among the five that operates a commercial security-training academy. Without these advantages, the smaller firms resort to price-cost strategies to win contracts:

I lower my price to get in, hoping that the client may consider me for other sites. But sometimes, it backfired

because the low price also mean I cannot recruit SOs.  
(SAM5)

Moreover, SAM2 that has ventured into remote monitoring services with the support of IGP commented that security technology has not translated into a premium position, as buyers pay by headcount. In other words, buyers do not pay for the deployment of technology in their contract:

I put in a bid for a government tender. With the remote monitoring, I managed to reduce the number of guards from 16 to 5. So they pay me 5 headcounts based on market rate. I saved cost for them.

Therefore, in this case, while SAM2 might have enhanced its productivity by reducing the number of SOs, it did not increase the per headcount pricing and the SOs deployed remained on low pay. SAM2's experience suggests that the deployment of security technology only achieves the aim of reducing manpower at the site. However, the buyer did not recognise the need to pay for operational efficiency (presumably less downtime and instantaneous reporting of incidents). The increase in operation efficiency did not translate into a corresponding increase in revenue. Therefore, the SOs' wages remained low.

The general sentiment among the five interviewees is that most security buyers do not perceive security to be a priority, since Singapore has a low crime rate. Moreover, a terrorist attack is deemed an unlikely event:

Except for the few genuine buyers who know what they really want for security, the vast majority is buying for various reasons other than security. (SAM4)

The buyers have their limited budget: they know roughly how much they want to pay for the service. They think this is what it is worth. (SAM2)

Their comments are supported by the SSMDs's (2010c) report: about 67% of the buyers stated that their security budget would remain unchanged for the next two years; only 33% had factored in a 10–15% increase in their budget to cater for inflation.

Based on the experiences of the five interviewees, buyers do not usually bundle security manpower requests with security technology in the tender specification because these aspects constitute different considerations. SAM4 who markets a wide range of security systems explained:

Not everyone can and wants to install security systems because of costs. Those who want would prefer to own it than to combine the system procurement as part of manpower contract. They can't be changing the system every now and then when they change the security vendor.

According to the SSMDs (2010c) survey, a high percentage of buyers are already deploying various security systems at their sites: 92% have electronic surveillance systems and 87% have 24-hour central monitoring systems, while 83% deploy guard tour central systems.

Mindful of the price-sensitive market, the five agencies have adopted a common strategy: the “promise of value-for-money” (SAM1) in their quotation. Because job contents are pre-determined, there is little room for a product differentiation strategy: “Clients only want warm bodies to stand around” (SAM3). Another interviewee also noted that the clients are not open to the security agency's suggestions:

If only the customer would listen to us, we are not here to sell them many guards. We are here to tell them the bare minimum they can get away with, but they said ‘just follow the spec’; so we just quote accordingly. (SAM5)

SAM1 and SAM4 whose companies are in a relatively stronger position in the industry (as compared to the firms of the other interviewees) strive to select clients with desirable profiles, i.e. the

'genuine buyers' who see security as a critical operation. According to SAM1 and SAM4, these genuine buyers include large manufacturing plants with 24/7 operations; embassies and government buildings; high-end commercial buildings in central business districts, and high-end retail stores, where security is deemed as essential to their operations.

Some of the interviewees also cited the utilisation of market segment strategies. For example, the commercial segment commands a higher pricing than most residential and industrial segments; however, balancing a portfolio of desired market segment is not an easy task. Business opportunities derive primarily from referrals and the firms' network. A bigger firm like SAM4 with sizeable resources (such as a corporate website and a sales team) is at a greater advantage than smaller firms. The management team of SAM1, formerly from another large security firm, also possesses significant market knowledge. In contrast, the smaller players (SAM2, SAM3, and SAM5) tend to resort to price-cutting to stay afloat. Even SAM2 who has diversified into remote monitoring as a niche market has not been able to circumvent the disadvantages of the per headcount pricing.

#### **5.4 Productivity and Work Organisation: Minimising Liquidated Damages**

The unarmed security service is considered to be an outsourced service whereby security agencies supply manpower to the buyers' premises to perform security protection functions. Like any outsourced business, the recruitment of workers begins after a contract is secured:

Once the contract is secured, we will recce the site and start recruitment. You need to choose the right type of SO for the site. (SAM1)

The hierarchy of command includes an on-site Security Supervisor who leads a team of SOs. The Supervisor in turn reports to an Operations Executive who manages multiple sites. For the purpose of operational needs, the deployed team reports directly to a buyers' representative who

is usually part of the facility management team. Hence, contact between the agency and the site team is minimal, except when manpower issues arise. The Operations Executives from the agencies are expected to liaise with site supervisors regularly.

For security agencies, manpower poses the greatest challenge, as shown by the interviewees' comments below:

I am not afraid of recruitment. It is retention that is the biggest headache. (SAM1)

They (SO) are mercenaries. They would leave for the extra dollars. It is very frustrating! It does not help when PLRD allows the licensed guards to work for two employers; it should be one! Some work for one agency in the day shift, change uniform, and work for another agency in the night. Next day, too tired, did not report for duty. (SAM4)

At the moment, the guards are getting away with murder. PLRD should hold them individually accountable. Agencies like us are toothless. I told the guard: You sleep on duty, I sack you! Sack lor! He goes to the next employer. Then, we are penalised by our customers! (SAM4).

'Liquidated damage' (LD) is a term that evokes tremendous fear in the five interviewees. LD is a list of deductibles that buyers impose on security agencies for their failure to comply with contract terms. SAM4 commented that LD stems from the "human mistrust philosophy". SAM5 offered a more detailed explanation of his concern:

In principle, we always tell our customer: we have no problems with LDs. Because I do understand that you need to use that as an instrument to manage your vendors, but it is how you use it.

According to the five interviewees, LD is a monthly occurrence for all their clients. A sampling of the LD deductibles is presented in Table 5.7. As SAM1 said:

The list of deductibles increases over the years. Buyers learn from experience of dealing with contract agencies. Some contracts have as many as 40 items.

Table 5.7 Sampling of Deductibles in a Security Service Contract

	Shortcoming	Amount to be deducted
1	Unmanned Security/Fire Command Centre	\$500 per occasion
2	Frequent change of security personnel, exceeding limit of the number of times in the contract year	\$500 per occasion per supervisor/guard
3	Patrol vehicles fail to reach site within 30 minutes	\$500 per occasion
4	Contractor fails to comply with any reasonable instructions	\$500 per occasion
5	Failure to provide training to Supervisors and Guards, or deployment of Supervisors or Guards without consent of ABC Ltd*	\$200 per occasion
6	Failure to keep proper records	\$100 per item per day
7	Failure to submit/update (but not limited to), within the specific timeframe, the following data/records to ABC Ltd*, as requested or required by this contract: <ul style="list-style-type: none"> <li>· Bio-data</li> <li>· CID screening reports</li> <li>· Daily reports</li> <li>· Investigation reports</li> <li>· Others as required by this contract</li> </ul>	\$100 per item per day
8	Failure to provide (but not limited to), within the specified timeframe, the following items to ABC Ltd*, as requested or required by this contract: <ul style="list-style-type: none"> <li>· Clocking gun/Printer</li> <li>· Stationery items/Torch lights</li> <li>· Electronic Attendance System</li> <li>· Mobile phone/phone device</li> <li>· Others as required by this contract</li> </ul>	\$100 per item per day
9	Failure to rectify/replace any faulty equipment provided by the contractor	\$100 per item per day
10	Security Supervisor stands in for more than 1 hour (up to 2 <sup>nd</sup> hour from starting of shift)	\$100 per hour
11	Ditto for Guard	\$50 per hour
12	Security Supervisor reporting for work later than the time specified (after 15 minutes), but within the first hour	\$50 per occasion per Security Supervisor

13	Ditto for Guard	\$30 per occasion per Guard
14	Security Supervisor found absent after the first hour (he is deemed to be absent for the whole shift)	\$400 per occasion per Supervisor
15	Ditto for Guard	\$300 per occasion per Guard
16	Security Supervisor fails to perform his duties as stated in the Contract Specification	\$200 per occasion
17	Ditto for Guard	\$100 per occasion
18	Failure to carry out patrolling/clocking (include 15 minutes late or early clocking below 5 points)	\$20 per round
19	Incomplete clocking (missed points, irregularity between points)	\$10 per point
20	Absent Supervisor	\$400 per occasion
21	Ditto for Guard	\$300 per occasion
22	Supervisor leaves workplace without approval	\$400 per occasion
23	Ditto for Guard	\$300 per occasion
24	Abandon Post	\$100 per occasion

Source: Permission granted by SAM2 to reproduce the table. \*ABC Ltd is a pseudonym.

As a result, minimising LD deductibles is one of the core management functions of the interviewees, which involves investigations and negotiations with buyers. Hence, maintaining a good rapport with buyers' representatives is a key part of the operation. SAM1 and SAM5 shared their experiences:

I give my Operations Executives the leeway to deliver what the customer wants. Comes to the crunch, it is the trust and relationship between clients and us that work. (SAM1)

They will definitely issue LD, but some are negotiable. It takes time to investigate every LD item, then we use relationship to negotiate. Of course, there are those who would go by the book. (SAM5)

Among them, SAM4 deploys a combination of bio-metric thumb and attendance systems, a real-time clocking system, and remote cameras to improve the supervision and management of sites:

Essentially, this Virtual Supervision System (VSS) was to help us, firstly, to encourage punctuality, good attendance,

and discourage people from leaving the site without proper authority. And at the same time to make sure that whatever we promised the clients in terms of security patrols are carried out diligently. Lastly, it enables us to observe what's going on at the site without us having to be there. Hence, my Operations Executives and Managers can control multiple sites real-time, via iPhones. So that's very productive.

SAM2 and SAM3 also install CCTV at all the guard posts to monitor the behaviour of SOs on duty. All of them have taken advantage of the IGP grants for such installations.

Ultimately, the interviewees' chief concern is the protection of their profit margin that comes from the monthly service fees charged to the buyers. Their notion of productivity is simple: they deploy technologies to minimise potential LD incurred by their staff. After all, the organisation of work at the client's site is beyond the control of the security agencies. Moreover, providing better security services does not translate into higher service fees. In pleasing their clients, the interviewees' main concerns are "contract renewal and negotiation for lower reduction in LD items" (SAM4). This perception is also echoed by SAM5's reflection of an episode:

Once, for one whole week, I have to deploy SOs to manually operate the carpark gantry that was out-of-order. Frankly, it is not our job, but it is all for goodwill.

According to the interviewees, the most desired productivity enhancement in the area of organisation of work takes place at the head office:

I got to chase business to ensure viability. The fixed cost is here (pointing to his office of staff). It is about reaching the efficient point. The formula is quite simple, for every Operations Executive whom I employed, he needs to have a minimum of 50 guard posts and the optimum may be around 100 guard posts. You need to reach the efficient point. (SAM1)

The concept of 'reaching the efficient point' was also reiterated by SAM4 when he shared his thoughts about using VSS to improve the productivity of his team of six Operation Executives so that they can manage more sites efficiently.

For the security firms, productivity is solely about "minimising LD" and "reaching the efficient point". Essentially, the deployment of security technologies at the site is helpful for controlling and managing the pool of "unreliable" transient staff at the outposts (SAM4). The security agencies are able to enhance their productivity when the head office staff members are able to manage more sites with less manpower input.

However, this conception of productivity contradicts the general belief of productivity, as described in the security sector's productivity roadmap in Table 5.3. For the policymakers, the deployment of security technologies should improve the work efficiency of SOs deployed, thus reducing the reliance on manpower at clients' sites. SAM3 disagreed with the technology replacement concept of productivity:

There is a limit to how security technology can improve the work of SO. Honestly, how much can you improve their work? I don't get paid more if they work harder or faster.

## **5.5 Skills Strategies of Security Firms**

In this section, the skills strategies of the interviewees, which include recruitment, retention, and skills development, will be examined. The examination of their strategies in recruitment-retention-skills development should illuminate the interviewees' conceptions of the skills, skills development choices, and skills utilisation, which are most relevant to their operations.

### ***Recruitment Strategies***

All five interviewees agreed that the tight labour market has made it difficult to recruit SOs and Supervisors. They use multiple channels for recruitment:

We advertise in newspapers, participate in career reviews at SII (Security Industry Institute) and e2i (Employment and Employability Institute), and through word-of-mouth to recruit (staff), but it is not easy. (SAM4)

My scanning<sup>15</sup> of classified job advertisements on security positions in *The Straits Times*<sup>16</sup>, from July 9 to 15 last year, revealed that, on average, there were about 44–64 advertisements related to security recruitment per day. It is interesting to note that, among the advertisements, only a small percentage (about 17%) revealed the agency name, with the vast majority remaining anonymous (see Diagram 5.1). The advertisements with agency names appeared to come from the bigger agencies. The primary information in all the advertisements concerned pay, location, and shift. I noticed that SAM4 advertised thrice in that week, while SAM1 advertised once to recruit security officers for a specific event. As for the other interviewees, it was unclear whether they had put up advertisements, since most advertising agencies were anonymous.

It is interesting to note that the tight labour market has forced agencies to push up wages in order to attract SOs:

We are seeing the market offering higher salary to attract people. It used to be one-two (S\$1,200), then, one-five (S\$1,500); it is going to be one-seven, one-eight pretty soon (S\$1,700, \$1,800). (SAM4)

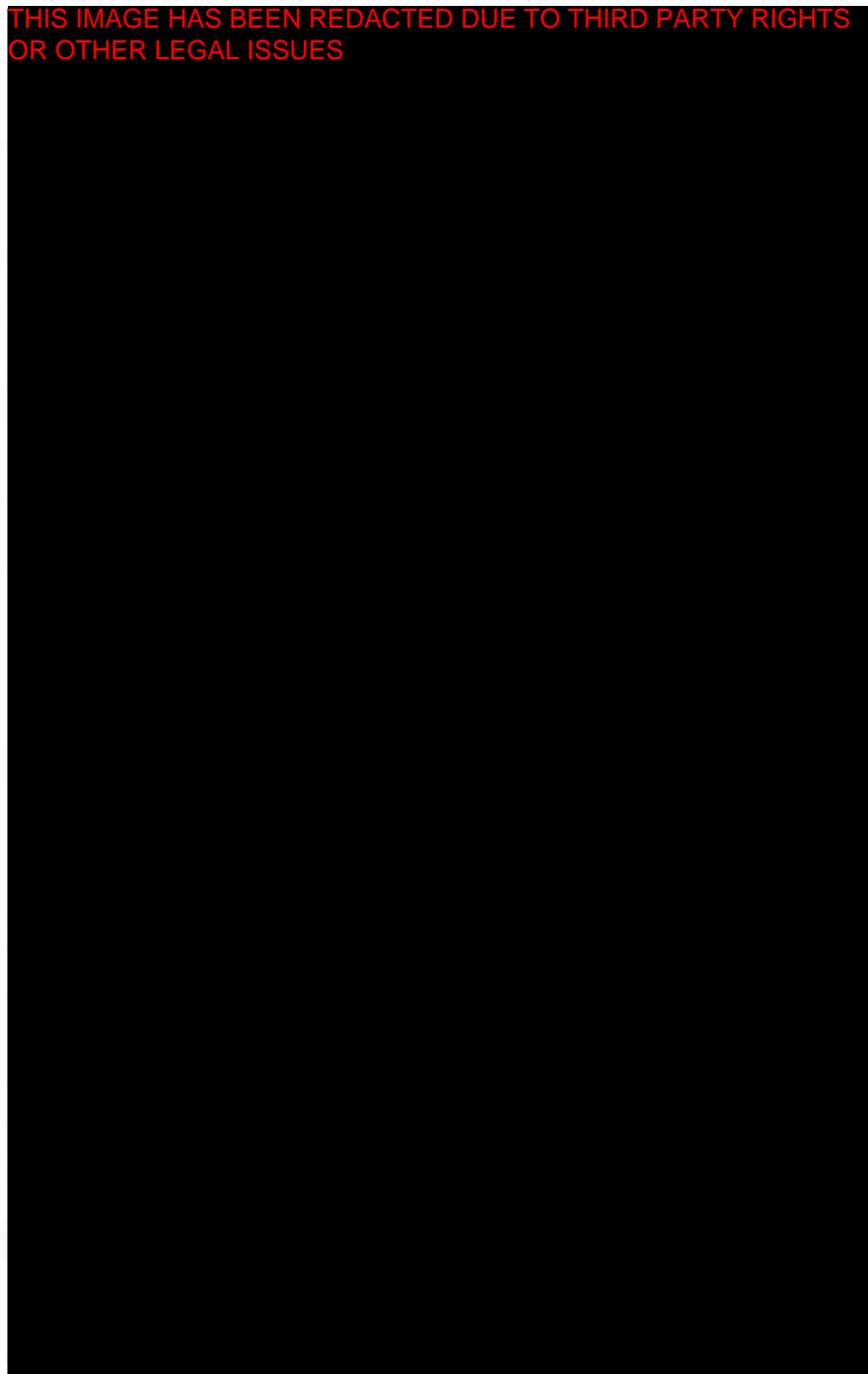
The gross salary advertised for a SO ranged from S\$1,500 to S\$2,000 and S\$1,900 to S\$2,500 for a supervisor. The bigger agencies also added an incentive of a “joining bonus” of S\$3,000 to lure potential candidates (also see Diagram 5.1). Among the advertisements, those for recruiting supervisors were far fewer than those for SOs.

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<sup>15</sup> I analysed classified security job advertisements in *The Straits Times* from July 9–15, 2012.

<sup>16</sup> *Straits Times* is a 160-year old local paper with the highest local circulation of 1.35 million readers: [http://www.sph.com.sg/ourproducts\\_newspaper\\_st.shtml](http://www.sph.com.sg/ourproducts_newspaper_st.shtml)

Diagram 5.1 Sample of Security Employment Job Advertisement



Source: *Straits Times* Classified Jobs, July 9, 2012.

Most of the advertisements did not state any skills requirements. For the exceptions, a minimum education level (lower secondary) and

English literacy were the top two criteria. Some included attributes such as “positive attitude”, “pleasant personality”, and “must be physically fit”. Surprisingly, the attainment of a security vocational licence was not widely stated as part of the requirement.

However, at the SII security mass recruitment session, I observed that the recruiters preferred applicants who already had a licence. The recruiters assessed the English literacy level of the applicants through the form filling and interview process and sized up the suitability of applicants for various sites. Each interview lasted no more than 15 minutes. It is apparent that the current skills requirement for the entry-level job is relatively low: basic level of English literacy and the two modules of mandatory security training for the vocational licence.

### ***Skills Development***

The ongoing development of the rank-and-file staff is not a common practice among the interviewees:

They have to prove their worth, loyalty to company, have the potential to lead, then I may consider sending them for supervisory training. Or, when buyers insist on specific training, such as first-aid. (SAM1)

In general, the interviewees are reluctant to send SOs for more training unless their clients make specific requests. For the interviewees, sending their SOs for training specified by the clients is more about fulfilling contractual obligations than staff development:

Some high-end condo or high security plants may stipulate additional training for guards deployed to their sites. The management would demand to see proof of training within first month of contract. Usually, we submit training certificates as proof. (SAM4)

Besides the mandatory training required by the regulator and clients, the five informants do not see the need for the training of rank-and-file staff. SAM3 used the term “undeserving” to support his decision for not sending SOs for training, whereas SAM1 cited the high turnover rate as the main deterrent. However, the five informants stated their willingness to send high-potential workers for supervisory training. It would seem that few SOs are perceived by their employers to deserve the privilege, based on the low take-up rate of the supervisory training modules.

### ***Retention Strategies***

The retention of staff is also a challenging issue for the interviewees. Security agencies surveyed in the SSMDS (2010b) reported that, on average, 15% of the new recruits left the job within six months. According to the interviewees, the four reasons for high staff turnover are:

- a) Unattractive pay;
- b) Unfavourable working conditions;
- c) Poor job fit; and
- d) Lack of career progression.

When asked to comment on the rank-and-file retention issue, the interviewees insisted that some of these factors are beyond their control:

Buyers dictate the price...unless they are willing to pay more, there is no way for me to pay my guards more. Maybe the government should top up the workers' salary. As for the working hours, it has always been 12-hour shift since the day I joined the industry some 25 years ago. Again, it is the buyers who state it in the tender. (SAM3)

Nonetheless, interviewees have implemented various strategies to retain the rank-and-file staff including: taking care of hygiene factors such as paying salaries on time and making sure that guards deployed are a good match for the deployment site:

Most of them are hand-to-mouth, so they expect prompt payment of wages on fortnightly basis. For some, we even allow them to advance their pay. (SAM3)

It is interesting to note that almost all of the interviewees indicated that the on-site supervisor plays a critical role in staff retention:

Site supervisor is the most important man. He needs to be able to command and galvanise the ground. When he talks, people must listen. Having a good man there would ensure a stable team. (SAM1)

Supervisory skills such as interpersonal leadership, problem solving, and decision-making skills were identified as the top four desired skills of site supervisors in the SSMDs report. The interviewees also confirmed that site supervisors with the desired skills set can reduce SO turnover and minimise the chances of LD deductions.

Among the interviewees, only two (SAM1 and SAM4) use career progression pathway as retention strategies. They also claimed that they paid better wages to their staff to prevent their staff from being poached by competitors. Although they recognise that retaining “good people” is critical in rendering quality security services, SAM1 and SAM4 also stated that it is a daunting task to recruit and retain staff due to low pay and unattractive working conditions. Of the five interviewees, SAM4 is best-placed to manage the manpower situation because the firm has a sizeable professional team of Operations Executives who can leverage on their VSS and put specific work processes in place.

## **5.6 Conclusion**

The evidence above revealed that the five security agencies are constantly engaged in endeavours to coordinate demands from buyers, workers, and regulators. On top of this activity, they are also expected by the other stakeholders to shoulder the productivity enhancement responsibilities. In this section, I seek to address one of my key research

questions: *How do firms' responses to exogenous forces shape their product/market strategies, organisation of work, and skills strategies?*

As for-profit organisations, the five security agencies in this study employ strategies that are driven by their desire to increase profits and minimise losses. Ideally, these objectives could be achieved through a mutually beneficial arrangement between the buyers, security agencies, and workers. However, the historic cheap-sourcing practices (lowest bid wins the contract), coupled with the low-skills equilibrium (low-wage and low-skilled production) and poor job quality (high job intensity, no job autonomy, lack of career progression, low wages, and low skills) have perpetuated the vicious cycle of the perceived low value of security services.

Drawing upon the responses of the interviewees and other sources described above, I now present an analysis of the factors that have influenced security agencies' decisions and behaviours pertaining to their low-wage employees:

- 1) Due to cheap-sourcing practices, firms have responded with price/cost strategies to win bids, thus further depressing wage costs.
- 2) Unlike other businesses where firms have discretionary power over product and process design, the outsourced nature of security services has taken the job design discretion away from firms. Hence, firms have no influence on employees' productivity at the deployed sites.
- 3) Yet security firms are penalised by service buyers for the "misbehaviour of security employees" and the "non-fulfilment of duties". As a result, firms have to commit substantial resources to managing liquidated damages imposed by buyers.
- 4) Due to the price/cost strategies, the skills strategies of the firms are reduced to recruitment and retention. Firms also make do with the minimal skills available; in short, they have settled for low-skills equilibrium.

- 5) The minimal skills training mandated by PLRD for SOs keep entry-level skills low. The SSMDS report showed that the desired skills of security employers and buyers — customer service skills, communication skills, and problem-solving skills — have not been met. The mandatory training only address the PLRD's security skills need.

The firms' perceived powerlessness in the price-cutting game and fixation on a low-skills equilibrium deserves a more in-depth analysis. One contributing factor is an environment that promotes a continuous supply of low-skilled workers who are willing to take up better-paid, low-wage employment in the security sector, which is further bolstered by the official permission granting the extension of the overtime work arrangement. The evidence in Chapter 4 support this claim.

A second factor is the inability of security firms and security employees to work as one collective force to change the rules of the game. Studies by Bosch *et al.* (2010) showed that in sectors where the industry bodies and the labour unions are able to achieve mutually beneficial collective bargaining, sectors are likely to adopt a high-skills equilibrium with a correspondingly lower incidence rate of low wages. In these sectors, collective bargaining achieves the desired outcome of producing higher productivity and higher job quality than other sectors with no collective bargaining. Clearly, such a scenario is absent in the security sector in Singapore. According to developmental state literature, the centralised coordination by state institutions diminishes the social partners' power, specifically by co-opting social partners in the fulfilment of national interest (see, *inter alia*, Johnson, 1982; Wade, 1990). In the next chapter, I will evaluate the phenomenon of the weak social partners.

These two reasons highlight the need for an evaluation of the current institutional arrangements of the developmental state, which contribute to the perpetuation of the aforementioned behaviours of the security firms. The developmental state literature explains that economic primacy is the national interest because the state believes that the creation of economic wealth and employment is dependent on the success

of businesses (Sung, 2006). The government's pro-business stance with regards to the security sector is evident in the following areas:

- a) The authorities permit security employers to schedule extended overtime work arrangements.
- b) Flexible labour market practices allow employers to hire and fire at ease.
- c) They believe that the market itself is effective in setting prices and wages.
- d) They presume that a sustainable wage increase must lag behind productivity growth.
- e) Finally, they consider employers to be apt judges of employees' in-employment skills upgrading needs, who would then furnish the necessary training as needed.

I argue that these entrenched beliefs and practices have contributed to security firms' failure to seek out alternative business models to replace the cheap-sourcing market arrangement and led them to conveniently settle upon the low-skills equilibrium. The institutional arrangements have thus facilitated economic growth on the one hand and produce the unintended consequence of low-skills equilibrium for the security sector. The developmental state's institutional arrangements will be investigated in the next chapter.

In sum, the circumstantial factors identified in this chapter have clearly demonstrated the security firms' limited capacity and willingness to facilitate the upward mobility of their low-wage employees. The security sector productivity roadmap had sought to change the behaviour of security sector through high-skill strategies, improved work conditions, increased wages, and the introduction of best-sourcing guidelines. A key question is whether the well-intended and ambitious plan could take effect when the developmental state institutions continue to cling to their predisposition of economic primacy. I will discuss this question in Chapter 7 after studying the current institutional arrangement in Chapter 6.

## CHAPTER 6: BEHAVIOURS OF DEVELOPMENTAL STATE INSTITUTIONS

### 6.1 Introduction

The examination of the skills strategies of low-wage security employees in Chapter 4 indicates that their chances of upward mobility are slim. Chapter 5 highlighted the challenges security firms face in coordinating with the different stakeholders. While firms feel powerless in the cheap-sourcing environment, they also have no motivation or incentive to move away from the low-skills equilibrium. Therefore, it is not surprising that the state-imposed productivity agenda has exerted little effect on their business practices.

In this chapter, we will look at the macro-level institutions in Singapore to shed light on their perspective, roles, and mindset in facilitating the upward mobility of LWWs. The decisions and actions of these institutions that embody the cultural-historical values of Singapore play an important role in shaping the affordances available to security firms and low-wage security employees. More specifically, this chapter seeks to answer the question: *To what extent does the developmental state mindset shape the institutional behaviour towards LWWs' upward mobility?* This discussion constitutes the final stage of the three-level analysis that completes the exploration of the effectiveness of the “productivity-driven growth and skills upgrading for better life in creating an inclusive society” (MTI, 2010, p. i).

More specifically, I will analyse the policies and practices of three institutions: the Workforce Development Agency (WDA), the Union of Security Employees (USE), and the Work Group of Security Sector Productivity (WGSSP). As mentioned in Chapter 3, these three institutions have had a direct impact on the upward mobility of low-wage security employees.

To provide some background information, I will provide a concise overview of the three institutions and their roles. The WDA is mandated to design policies and programmes pertaining to the skills needs of the entire workforce in Singapore. The upgrading of LWWs is one among many in its

portfolios. The USE is the industry union that formally represents the security sector’s employees. As part of Singapore’s tripartite practices, USE purportedly represents its members at various platforms such as the Security Industry Skills and Training Council and the WGSSP. The WGSSP is a bi-partite platform that constructed the productivity road map to boost the productivity and wages of the security sector.

Drawing upon the developmental state literature, this chapter will set forth the narratives of the interviewees from the aforementioned respective organisations. The discussion should offer insights into the macro-meso and macro-micro interactions between the diverse stakeholders in the security sector. The details of the informants interviewed for this stage of the thesis are presented in Table 6.1.

Table 6.1 Informants from WDA, USE, and the WGSSP

Organisation	Representative	Code	Relationship with security sector
WDA	Government agency	GEA1	Has managed a team of three officers serving the security sector for four years
		GEA2	Manages five career centres that serve the unemployed
USE	Part of National Trade Union Congress	UEM1	Managed the USE from 2004 to 2011
WGSSP	Multiple stakeholders from government and unions: members include individuals from MHA, MOM, WDA, e2i, and USE	MCP1	Senior member of the work group

The following section will first explain the unique roles of each institution before examining how their mindset and actions have affected the security firms and security employees, in terms of supply of and demand for low-wage work in the sector. The chapter will end by evaluating the success of the policy rhetoric on productivity and skills with regards to the security sector.

## **6.2 A Competitive Workforce, Learning for Life, and Advancing with Skills — The Workforce Development Agency**

### ***Mission and Roles of WDA***

Established in 2003, the WDA has been tasked with the mission of “enhancing the employability and competitiveness of the workforce” in order to support the free market economic system and outward-oriented economic policies (MTI, 2012). The WDA’s website states:

For Singapore’s workforce to remain competitive and employable in today’s fast-changing workplace, they must have both knowledge and skills that are relevant, current and sought after by employers. In turn, this will also help companies strengthen their capabilities, remain competitive, and contribute to stronger economic growth for Singapore. The Singapore Workforce Development Agency aims to help workers advance in their careers and lives by developing and strengthening skills-based training for adults. We work with various partners — including employers, industry associations, the union and training organisations — to develop relevant skills-based training that is accessible to all in the workforce, whether young or old, from rank-and-file to professionals and executives.

(excerpt from WDA website,  
<http://www.wda.gov.sg/content/wdawebbsite/L209-001About-Us.html>)

In short, workforce development is a means to bolster businesses and sustain economic growth. Workers bear the onus of having the relevant skills to meet employers’ needs. It is assumed that, for the workers, career advancement and good lives would ensue from being skilled.

The WDA’s roles include the following:

- Supporting sectoral skills needs<sup>17</sup>;
- Enhancing the quality of continuing education and training<sup>18</sup>;
- Providing funding subsidies to incentivise training participation<sup>19</sup>;
- and
- Offering employment facilitation services to jobseekers.

To encourage more LWWs to participate in training, WDA offers additional funding assistance to LWWs under Workfare Training Support (WDA, 2012b) by providing a higher course fee subsidy (95%, instead of 50%–90%) for the general workforce and monetary rewards for LWWs up to S\$400 per year for the successful completion of selected training programmes. Those who complete the first upgrading full qualification are rewarded with another S\$400–S\$1000. The assumption underpinning such a scheme is that the monetary incentives would motivate employers and LWWs to participate in skills upgrading.

In parallel with worker assistance, a suite of productivity-related training programmes has been made available to enterprises across various sectors (WDA, 2012c). Annually, WDA trains about 300,000 workers (15% of the resident workforce) and support nearly 750,000 training places.

### ***Continuing Education and Training, Wages, and Worker Progression***

From the outset, the WDA has adopted a sectoral approach in ensuring that the skills supply matches the skills needs of the security industry, which is done through the deliberative platform of the Industry Skills and Training Council (ISTC) — a tripartite formation. The ISTC articulates the competencies of the security employees in the Security Workforce Skills Qualification (WSQ). The Security WSQ has had a list of

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<sup>17</sup> WDA helps sectors to identify skills shortages and skills gaps before inviting training providers to provide training.

<sup>18</sup> WDA accredits training programmes that meet quality standards.

<sup>19</sup> The funding includes: course fee subsidies to defray course fees; absentee payroll to compensate employers for productivity lost when employees attend training and training allowances to the unemployed, while they attend pre-employment training.

training programmes since 2007. As we saw in Diagram 4.1, the framework is designed with qualifications pegged to respective job roles. GEA1 explained the purpose of such an approach:

We want to ensure that there is occupational progression within the sector. The qualification is designed so that workers can move up through the ranks after acquiring the necessary skills. All the necessary skills for the job roles are incorporated into the corresponding qualifications.

Thus far, only the mandatory training programmes as stipulated by the PLRD, which is required for new workers entering the sector, have the greatest rate of participation. In contrast, the participation rate of training programmes for in-employment upgrading is very low: only 5% of the security workforce participates in further training:

We were puzzled too. Our commissioned study (referring to SSMDs) shows that buyers and employers valued trained staff, but that did not translate into action. (GEA1)

Due to the perceived strategic role of the private security sector in national security, the regulator PLRD plays the primary role of directing the sector's skills strategies as part of its efforts to professionalise the sector. During my interview with security firms, I learnt that they considered the skills agenda to be overly skewed towards security technical skills, with inadequate attention paid to the soft skills that are desired by service buyers. SSMDs (2010c) reported that two-thirds of the buyers who participated in the study expressed dissatisfaction with the current quality of security officers. They stated their willingness to pay 5–20% more for better-trained officers.

Similarly, 75% of the security firm representatives who participated in the study agreed that more training is needed for the workforce. Moreover, buyers highlighted the gaps in the skills of the security workforce: specifically, 98% of the buyers deemed generic skills such as (a) interpersonal/communication skills, (b) customer service skills, and (c)

problem-solving and decision-making skills as more important than technical security skills (79%). Buyers expect SOs to perform more customer service functions, instead of just protecting the premises.

With regards to this discrepancy, GEA1 sought to provide a rationale:

WDA's role is to understand skills needs before designing programmes and schemes that are relevant to the sector. This includes understanding the number of workers needed and the skills they need. So we work closely with PLRD and the industry as well. Our role is to help the sector to have a pipeline of a skilled workforce. We need to know what PLRD's plans and aspirations are for the sector. PLRD is the lead agency; therefore, we need to support their plan. On our own, we have limited influence on training participation.

We do listen to the security firms. For example, they said generic skills are important, so we have included customer service, communication skills, and problem solving as elective modules. But the core competencies on security technical skills must first be fulfilled. The employers can always send their staff for additional training if necessary. That is what PLRD wanted. I guess Singapore is such a peaceful place and crime rate is low. Hence, the trained security officers have practically no chance to apply their security technical skills. That does not mean that technical skills are unimportant.

However, I pointed out that soft skills were considered to be critical by security services buyers and security firms in the SSMDS; yet, in the current design, soft skills are not mandatory. GEA1 responded to my comments as follows:

Anyway, security firms are generally only interested in fulfilling the mandatory training set by PLRD. They always say soft skills are important, but in reality, they don't send staff for training, citing manpower shortage as the reason. It is really up to the employers to send staff for more training if necessary.

I think, at the moment, we have been setting standards based on PLRD's minimum requirements. The industry and the buyers are having a different set of expectations. Unless

PLRD recognises it, there is little we can do. We have done our best to make available all training and funding subsidies, but employers are not subscribing to them because they are not mandated by PLRD.

The two mandatory training modules that form the basic requirement for the vocational license were implemented in 2007. During the initial implementation phase, the high failure rate was a major cause of concern because many low-skilled new entrants were not able to go into employment. Although the passing rate has improved over the years, the regulator has not raised the entry-level skills or the skills level of the incumbent workforce, fearing the potential negative impact on businesses. Moreover, the exponential growth in security service demand also means that security firms have difficulties releasing staff for more training. Loading more skills training for new entrants, which would lengthen the training period, would also not be a welcomed measure.

The statistics provided by GEA1 on the training attainment of the security workforce showed that the actual number of SOs who progressed up the career ladder constituted approximately 5% of the 4,200 security officers trained during the Jan 2010–Dec 2011 period. Hence, despite creating four levels of qualifications to facilitate the upward mobility of security workforce, the take-up rate of the full qualification was relatively low (6%):

We recognised that currently, there is a lack of linkage between the skills attainment and the wages of the security workers. From the employers' perspective, they have major challenges with buyers dictating the price. We even tried to influence the salary of new entrants by subsidising 50% of the first six months of salary, while the new entrants undergo a work-study programme. Honestly, we are not confident that it would change the landscape. Wages and career progression are really beyond our control. (GEA1)

Our study (SSMDS, 2010a) on security employees reported that they perceived they could do a better job after training. This is an indication of progression, isn't it? After all, the poaching of trained security employees is quite pervasive. Now, if they are poached because they are trained, and are

able to secure higher pay by moving to another employers. I should think that they are actually progressing, in a way. (GEA1)

Hence, it would seem that the Security WSQ that is supposedly designed to support the sector's manpower needs has not succeeded in motivating employers and workers to move beyond the two mandatory training modules prescribed by PLRD. One may speculate that the minimal skills requirements, coupled with the cheap-sourcing market environment, have pushed the sector towards a low-skills route.

GEA1 highlighted the issue of the lack of linkage between skills and wage compensation as another possible cause for the preference for low-skills. Progression, in terms of wages (as per GEA1), has been left to market forces, with salaries going up in tandem with labour shortages. Yet the basic wage has fallen over the last few years, which sadly has not triggered any alarm among the regulators and the social partners. The noticeable poor job quality — low wages, long working hours, as well as the lack of career progression, skills upgrading opportunities, and work autonomy — are similarly neglected. Studies have shown that such inaction on poor job quality has perpetuated the low-skills equilibrium of many service sectors (see, *inter alia*, Gautie and Schmitt, 2010).

### ***Job first: Recycling LWWs***

The acute shortage of security manpower has translated into a high number of job vacancies in the low-wage sector. The five WDA-operated career centres referred 40% of the 9,300 job seekers to security training and jobs during the May 2011–May 2012 period (statistics provided by GEA2). These job seekers are predominantly mature (aged 40 & above) low-skilled workers (education level of secondary school and below). When I inquired about the reason underlying the high number of referrals to security jobs, GEA2 offered the following explanation:

Due to their age, qualification, and work experience, the best job available is security. They get into employment quickly after five days of intensive training. Being a Security Officer

is far better than being a cleaner or healthcare support assistant. At least, the nature of the job is less laborious. The pay is also better than the other low-paid jobs.

MOM's *Report on Wages in Singapore 2011* confirmed that the wages of SOs ranked high among the bottom 10% of the occupational group (p. 61). With regards to the skills upgrading of job seekers, GEA2 explained that job seekers were provided with pre-employment preparatory training before they made their employment choices:

We will try to give them as much preparatory training as possible. This includes motivational workshop, job search skills, grooming, basic literacy skills, and soft skills such as personal effectiveness and communication skills. We hope to give them as much confidence as possible. We also arrange work trials for them to try out some jobs. Once they decided on the employment, we would send them for vocational training. For security, it would be the mandatory licensing training.

Skirting around the question of the party that is responsible for helping LWWs progress to better job, GEA2 highlighted his agency's primary focus on getting the unemployed into jobs:

Our job is to help the unemployed get into a job as soon as possible. In a sense, employment facilitation is an important social safety net for the lowest 10% of the workforce. With a job, they would get many other benefits, like Workfare Income Supplement. Without a job, they have nothing.

Currently, we are focusing on placing the unemployed into jobs. Moving LWWs into better jobs is not our mandate. Championing better jobs and better wages is the job of the union, isn't it?

In an endeavour to enhance the accessibility of skills upgrading for LWWs, Workfare Training Support initiatives were launched in 2010 to help LWWs upgrade to better jobs and hence increase their wages (WDA, 2012b):

We target to get 30,000 LWWs annually to participate in the scheme, but we have not met the target yet. Those who participated were primarily sent by employers; individual-initiated training is still very low, about 10%. We went on roadshows, knocked on the doors of poor housing estates, but the people just don't sign up for training. Our objective is also to get the economically inactive low-skilled to return to the workforce. With the tight labour market, we need a greater resident workforce. (GEA2)

Having a job is seen as the main social safety net for the LWWs, or as Esping-Anderson and Myles (2009) explained, "...market is expected to provide main part of the welfare." (p. 645). At the very minimum, the market provides income to the workers. The CET system that includes skills training and employment facilitation thus helps the unemployed get into entry-level jobs in the security sector. The current system, based on the active labour market concept, is designed to place low-skilled unemployed people into jobs as soon as possible, even if the job is low-skilled/low-waged and lacks career progression opportunities. In-employment upgrading is very much left to employers: "Because employers should know best" (GEA1).

The need to serve the security sector's manpower demand also led to the launching of a new scheme by WDA and PLRD in August 2012. Under this scheme, a 'restricted' vocational licence was offered to entice at least 500 housewives and retirees to work as security officers at condominiums and schools (Toh, 2012). This scheme stems partly from the pressure of security firms who lack sufficient manpower and the need to increase the resident workforce's participation rate in order to ease the overall tight labour market situation.

The relentless efforts to supply low-skilled workers and the creation of mini-jobs in the security sector suggest that meeting the sector's manpower needs and a 'job-first' approach are the main foci of the WDA. The upward mobility of security employees is "not their mandate" (GEA2) and "beyond their control" (GEA1).

The effort of WDA in facilitating LWWs' upward mobility may be interpreted as enabling LWWs to remain employed. Thus, CET is made available to facilitate their return to the workforce for the next available jobs when they are unemployed. Though in-employment upgrading courses and funding are made available, it is up to the individual LWWs and employers to access them.

### **6.3 Collaboration, Not Confrontation — The Union of Security Employees**

#### ***National Trade Union Congress (NTUC) and Its Socio-economic Roles***

According to labour analysts (see, *inter alia*, Chew, 1991; Trocki, 2001), labour unions in Singapore have been embroiled in politics since their establishment. In their separate studies, Chew (1991) and Trocki (2001) suggested that the labour unions in Singapore have an exceptionally close relationship with the developmental state that they are perceived as part of the institutions.

The NTUC was officially set up in 1961 when the ruling party came into power. The year 1968 marked a significant change in labour history: the introduction of new labour laws emphasising the promotion of industrial expansion and economic prosperity essentially transformed the traditionally militant union movement into a cooperative one (Lim-Ng, 1986; Rodan, 1989).

In 1969, at the Modernisation Seminar, the NTUC announced, "Collective bargaining became collaborative and not confrontational; and workers were helped to achieve better quality of life through better education and training" (Ee, 2011, p. 15). In 1972, the establishment of the tripartite National Wage Council to regulate wage increases further curtailed the collective bargaining role of NTUC (Chew, 1991). In his studies of the trend of trade union movements worldwide, Baccaro (2008) argued that the roles of unions have diminished over the years due to the rise of neo-liberalism:

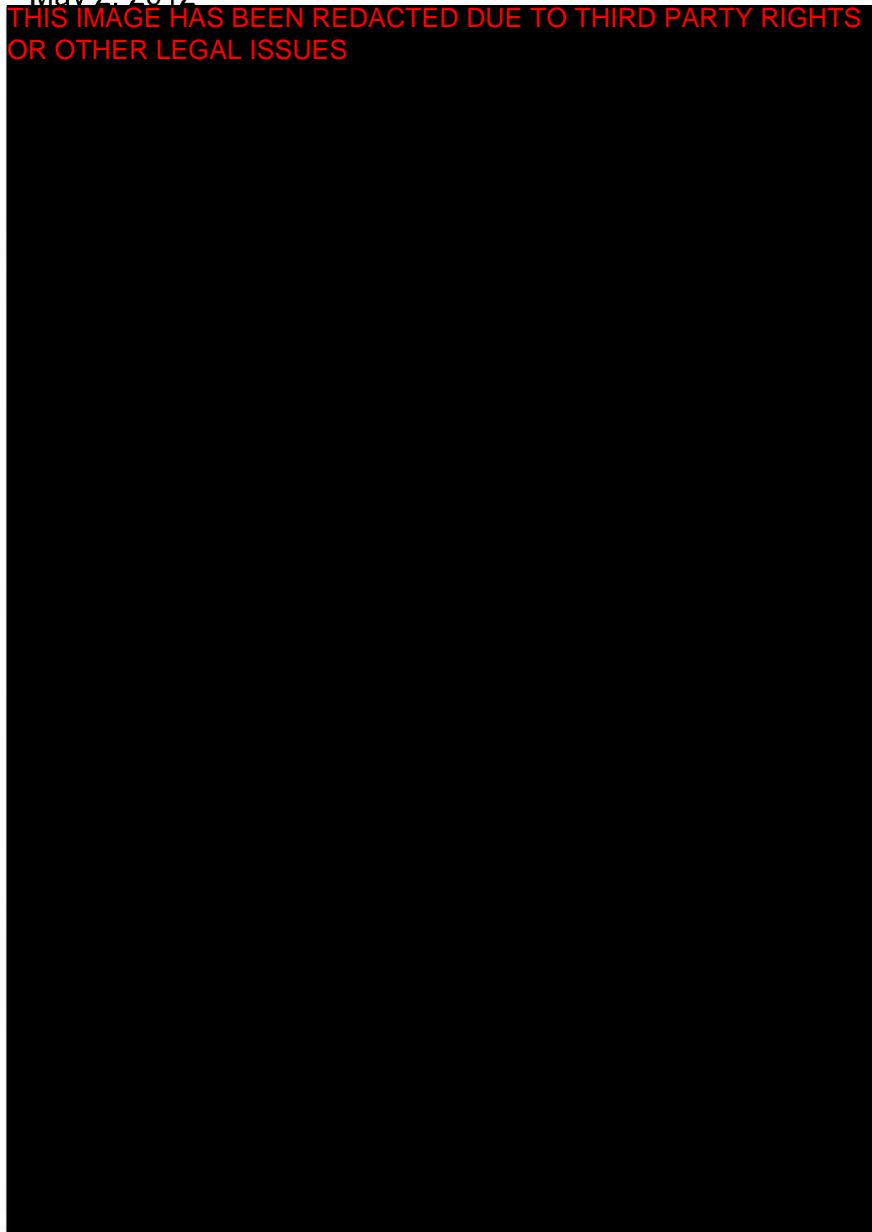
In the era of globalisation and neo-liberalism, the institution that once improved earnings and income distribution have become much less apt at doing so. (p. 1)

In fact, since its inception, the NTUC has been closely associated with the ruling party. Many NTUC leaders are also members of parliament under the ruling party (Chew, 1991).

In the area of helping the workforce in training and employment, the NTUC has been participating in the direct delivery of training programmes, taking up the role of employment facilitation, and championing best-sourcing initiatives and Inclusive Growth Programmes through its cooperatives — the Employment and Employability Institute and the NTUC Learning Hub.

As of 2011, the union density in the workforce is about 19% (MRSD, 2011a). In his study, Chew (1991) concluded that workers who join unions in Singapore enjoy only limited benefits — mainly social benefits. The NTUC has been introducing a slew of social benefits in a bid to push up membership, such as discounts at its co-operative supermarket, its leisure social and sports clubs, its childcare services, and its cooperative insurance services. The perceived image of the NTUC is of a body that runs many cooperatives. In the attempt to rectify their brand image, NTUC put up a full-page advertisement in *The Straits Times* (May 2, 2012; see Diagram 6.1).

Diagram 6.1 Full-page Advertisements by NTUC in *The Straits Times*, May 2, 2012



Ironically, in the advertisement, NTUC concedes that “everyone think that we are just a supermarket”, because its supermarkets are the most prominent aspect of its operation, compared to its other roles. Its claim that it represents 690,000 members (including students and membership for social enterprises) does not resonate with the majority in the workforce, as we have read from the narratives of the five cases of security employees in Chapter 4.

Since its establishment, the NTUC has subscribed to the view that the interests of the nations are prioritised over those of the workers: “Full employment before pay, national competitiveness above wages” (Chew, 1991, p. 97). Chew’s (1991) observation is echoed in the numerous statements made by the current Secretary General of the NTUC, Lim Swee Say, who has been toeing the line on the establishment of a flexible labour market policy and the non-intervention of wages. For example, he rejected the proposition of minimum wage in Singapore in a speech that was reported in Loh (2011):

Mr. Lim said the government is determined to increase wages and improve worker skills through training. This approach will allow workers to remain employable. He also gave an example of a security guard who used to earn \$850 a month. While training will take 3 to 5 years, it will pave the way for a pay increase of \$600 or more. In the meantime, his salary can be complemented through workfare supplements, in some cases, up to 25% of his salary. He said although 90% of the countries worldwide have adopted the minimum wage, Singapore’s model is different from other countries that does not mean what Singapore has done is the wrong thing (p. A5).

The Secretary General of NTUC who is also a minister at the Prime Minister’s Office has also clung to the collaborative approach as the primary strategy for helping workers and businesses in the low-wage sector through the Best-Sourcing Initiative and the Inclusive Growth Programme (IGP) — both of which are administered by the NTUC:

Best-sourcing initiative and Inclusive Growth Programmes are the only way to bring up wages of the LWWs. It may take many years, but it is the best for all (quoted in Toh and Heng, 2012, p. B8)

The Union of Security Employees (USE) that was formed in 1978 is a part of NTUC. USE represents about 22% of the security workforce. Since 2009, USE has assumed the role of processing the vocational licences of SOs. Its mission is:

To provide our members with good welfare, benefits and services, so as to give them a better life. To improve the image and professionalism of the security workforce through strong leadership and partnership with our key stakeholders. (excerpt from USE website <http://unions.ntuc.org.sg/USE>)

Exactly how USE has performed its mission will be revealed by a USE representative in the following section.

### ***USE's Industry-wide, Worker-Centric Approach***

The outsourced nature of private security services means that security employees are deployed to clients' sites throughout their period of employment. This sort of work arrangement challenges the traditional labour union arrangement where the house union within a firm could recruit its members from among the employees. UEM1 lamented about the challenge of membership recruitment:

We realised that to organise the people in the sector is difficult. Here is one company with 100 employees, all at different locations: one condo here, one factory there. There is no way we can represent our members. Every two we recruit, one will drop out, because they can't pay their dues and stuff like that. So, we decided that we needed to work with employers. We go for industry-wide worker-centric approach, so that employers can see the value of the union. That I am paid better contracts, that MOM is not hitting at me anymore.

USE's industry-wide worker-centric approach entails participating in national level initiatives and reaching out to employers, in lieu of the collective bargaining approach, to improve work and pay. UEM1 elaborated:

We were the ones who initiated the tripartite partnership for the security sector. We have achieved a lot since. To ensure that security employers are aware of their employment obligations, we worked with MOM to publish an employment

guide for the security agencies and officers. Pushing for responsible sourcing, we organised best-sourcing awareness education forums for buyers to know the consequences of their action. We even play the whistle-blower role by watching over government's procurement practices on security contracts. I think the employers really appreciate our efforts.

If we go to every employer and start saying I want collective bargaining, give you a form B and serve this section, the war is over! Instead, this industry's upgrading approach has been so successful. Now companies come to us and want that. Today, I have about 80 security firms (30%) as unionised companies.

For the security employees, we were also the ones who insisted on changing the name from guard to officer; the standardisation of uniforms; and the licensing and all that. Today, they are more professional than before. Our efforts in industry redevelopment have resulted in better skills, better pay, and better jobs for everyone. Better pay in the sense that because of all this mandatory training that we introduced in phases, educating buyers, educating employers, educating workers, code of conducts, new laws, grading of agencies, everybody is upgraded and performing better.

When I showed him the wage reports that contradicted his claim of better pay, UEM1 responded as follows:

Gross pay has certainly increased from a low of \$1,000 to today's \$1,500. The fluctuation in basic pay may be a general trend, but I think MOM is looking into it. I am sure that the introduction of the Workfare Income Supplement will surely help the security employees too since they are all low-waged.

My analysis of the trending of basic wage of the SOs from 2004 to 2009 shows that their basic wage declined from \$1,018 in 2004 to \$837 in 2009 (data from annual wage report published by MOM). This fact suggests that the high demand for SO and tight labour market, the security firms might have creatively manage the wage costs by attributing the increase to other portion of compensation package instead of wages.

As for my queries on the employers' reluctance to send employees for skills upgrading, as well as poor working conditions such as extended working hours and low-pay, UEM1 pinpointed causes that were beyond USE's control:

PLRD should mandate skills upgrading, set aside protected time for upgrading, just like doctors, lawyers. They are the regulators — they should do something! Until that point of time, currently with the manpower shortage, employers are already facing so much flak. We tried with e2i to give half-hour trainings at workplaces — just half an hour before they start work. It didn't work because the security officers, they spend one hour commuting to workplace, another hour commuting back, 12 hours at work. They are so tired. Tough! Tough!

The overtime exemption is historical. The pay is low, so overtime gives workers the extra bucks. With the labour shortage, we cannot abruptly stop the exemption; otherwise, the employers would suffer. The drastic move may force many SMEs to go out of business. What happens next, employees would be out of jobs. I think it is also a lack of political will from the government. It is all their doing. Actually, with one stroke, the government can revert many things, the overtime and the wages. It is a lack of political will!

It is evident that these comments reflect a developmental state mindset, the adherence to the pro-business national agenda, and the conformance to the job-first philosophy. The unions' peripheral participation in the security sector and their refusal to take a leading role in addressing job quality issues clearly capture the behaviour of unions in the developmental state. Trocki (2001) offered an apt description:

Within the tripartite framework of labour, capital and government, labour almost always found itself subordinated by the partnership of the government and business (p. 129).

#### **6.4 Productivity has No Strong Correlation with Wages — Work Group of Security Sector Productivity (WGSSP)**

##### ***Role Of WGSSP — Turning Vicious Cycle Into Virtuous Cycle***

The establishment of the National Productivity and Continuing Education Council (NPCEC) in April 2010 resulted in the adoption of productivity as a national agenda, which permeated throughout all sectors. The Ministry of Home Affairs (MHA) was tasked by NPCEC to raise the productivity of the private security sector. The WGSSP chaired by MHA was formed in January 2011, consisting of a multi-agency team (comprising PLRD, MOM, and WDA) and union representatives from USE and e2i. Departing from the typical tripartite arrangement in Singapore, whereby the government, employer group, and unions are represented, this work group however, did not have employer representation. MCP1 explained:

Based on PLRD's experience, the two industry associations do not represent the majority of the security employers; so they don't fully represent the industry. Moreover, the office holders also run security companies: they so-called represent their own interest. So we decided to engage them outside of the workgroup when the road map is approved.

The work group identified the problem in the security sector as being a "vicious cycle" that is related to the outsourced nature of the security service in which buyers dictate the price and other pre-existing conditions, which combine to contribute to the low-wage phenomenon. The approved road map was supposed to convert the "vicious cycle" into a virtuous cycle" for the sector with a targeted goal of increasing real wages by 3% annually over next five years" (MCP1).

### ***A Tough Mission — We Are Not Confident!***

The outsourced nature of private security services has given the productivity-and-wage agenda a complicated starting point. The work group admitted that it would be a tough mission, but they had to figure out how to achieve the national level directive of productivity-led-wage-increase:

The mandate from NPCEC is really to improve the productivity of this security sector so that the real wages of the workers could be increased 3% annually over the next five years. But as we worked on it, we realised that, as with other low-wage sectors in which buyers adopt an outsourced approach, the overall dynamics are different. Even if you improve productivity, you have no way of directly influencing the wages of the workers, because the security agencies are just contractors. This is unlike the manufacturing sector where the value per worker can be enhanced through process improvement. The value-added per worker formula does not apply here.

Actually, the NPCEC realised it too. A study by MTI and MOM shows that in outsourced sectors, the correlation between productivity and wage is not strong. We find our mission very tough. Because when we looked at the last 10 years, the real wage didn't really increase at all in these sectors (security & cleaning); some years, it actually dipped. But we just have to do it and hope that it happens eventually. We have no assurance that it will happen. We are not that confident! (MCP1)

The ambitious four-pronged approach of the security productivity roadmap includes: 1) promoting manpower development; 2) shaping buyer behaviour; 3) reducing reliance on manpower with technology; and 4) improving wages and working conditions of security officers. The first three are based on existing initiatives such as the expansion of mandatory modules, the provision of best-sourcing initiatives, and the implementation of the Inclusive Growth Programme. The component that stands out from the rest is (4): improving wages and working conditions of security officers:

In the end, we realised that we may need to implement a minimum wage; otherwise, the goal of an annual 3% wage increase will never happen. But we are concerned about the possible negative impact on the sector and the ripple effects onto other low-wage sectors. Although we have put it down on the roadmap, we need to study this option very carefully.

We also found out that the overtime exemption enjoyed by security employers have, to a certain degree, suppressed wages. We want to do away with the overtime; so we worked it into the plan and asked MOM to champion it. They said it's very difficult. They are afraid that if they tighten the exemption, many security companies will collapse. (MCP1)

It is also significant to note that the work group would no longer be convening any more meetings since each member organisation would implement the part of the strategy under its care (MCP1). They all hoped that the sum of their efforts would somehow produce the desired outcomes. The cautionary tone in the actual implementation of (4) was evident in the following excerpt from the productivity roadmap:

MHA will work with MOM for security officers deployed at key government premises and selected sensitive locations to comply with the legal working hours requirements in the Employment Act. Further study will be done as reduction in overtime may decrease the gross wages of security officers, and security firms will need time to adjust their contracts, cost structures and recruitment.

To encourage SAs to pay better wages to security officers, the basic wage criterion has been incorporated into the grading system for firms in 2011. The work group will work with MOM to further enhance the criterion for the grading system for 2012. Given the potential implications of setting a basic wage level and its possible negative impact on the sector, this option will need to be studied carefully. To further motivate firms to pay better remuneration to security officers, the work group will also look into the incorporation of a requirement for firms to pay officers better as qualifications for the various incentive schemes under the road map. (p. F7)

While the WGSSP has recognised that it is not appropriate to apply the generic productivity model to the security sector and the need to manage wages and skills head-on, it has elected to conform to the practices of the establishment. This stance is demonstrated in the following comments of a senior official of PLRD:

Some security firms requested us to mandate a minimum price. But we cannot control prices; it has to be by market forces. Hopefully, with MOM coming in with more regulations on working hours and determining appropriate wages, maybe the situation will improve. (SPOF1)

The government has always maintained the position that wages could be adjusted upward once productivity is enhanced:

I am confident that employers and workers will be able to achieve the government's target of 2 to 3 per cent productivity growth each year, and by so doing, wages would take care of themselves. (Prime Minister Lee Hsien Loong, Speech in 2012)

While ensuring that we remain a society, where at the core, people do have a sense of responsibility for their families, they do want to work hard to improve themselves and do take pride in being part of a society where everyone moves up. Government intervenes through education, workplace, housing, and healthcare, while keeping taxes low. This can only be achieved by being a 'market fundamentalist' — one that believes only in letting market forces go to work. (Deputy Prime Minister, Tharman Shanmugaratnam, speech in 2012b)

The aforementioned quotes from Prime Minister Lee and Deputy Prime Minister Shanmugaratnam affirmed the neo-liberal mindset of policymaking in Singapore. The political economic philosophy extols the virtues of a free market economic system with minimal intervention (see Milton Friedman's *Power of Market*<sup>20</sup>) and that wage increase must lag

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<sup>20</sup> *Free to Choose: "Part I Power of the Market"* — a TV series that distills the basic arguments of the neo-liberalism and the necessity for the market to reign supreme. <http://www.youtube.com/watch?v=f1FJ5tzuYBE>

behind productivity growth. It is, therefore, not surprising to understand the concern and the reservation held by the WGSSP since their recommendation is seen as going against the belief of the free market economy.

## **6.5 Conclusion**

This chapter has provided significant evidence to address the research question: *To what extent has the developmental state mindset shaped the institutional behaviour towards LWWs' upward mobility?* Through the analysis of the attitudinal, institutional, and circumstantial factors, I will discuss the cascading impact of the macro-level behaviours on the firms' behaviours at the meso level and LWWs' behaviours at the micro level.

The responses of the three institutions discussed in this chapter, as well as the stance of the top government leaders, display a consistent belief of the “market fundamentalist” (Shanmugaratnam, 2012b) — economic primacy and a pro-business mentality with strong adherence to a flexible labour market, which is based on the mantra that a “job is the best social safety net” (GEA2). This mental model has translated into the institutional behaviours that promotes active labour market policies of ‘job-first’ (any job is better than no job, even if it is low-pay) and the creation of an ‘enterprise-focused’ (employers know best) CET system.

However, newly emerging circumstances on both the social and economic fronts have chipped away at the validity of this developmental state's mental model and the accompanying institutional arrangements. The pressure points are twofold: the need to reduce dependency on labour for sustainable economic growth and the increasing pressure from citizens to improve bread and butter issues for the vulnerable workers.

Singapore has embraced the market economy since day one of nation building. The government has identified the free market economy and outward-oriented economic policies as the sole paths for sustained survival and success for a micro-island state with scarce resources (Han *et*

*al.*, 2011). It is important to note that such a mindset is the norm of neo-liberalism, as Bourdieu (2005) aptly stated:

Economic globalization is not a mechanical effect of the laws of technology or the economy, but the product of policy implemented by a set of agents and institutions (World Trade Organisation, International Monetary Fund, World Bank), and the result of the application of rules deliberately created for specific ends, namely, trade liberation (that is, the elimination of all national regulations restricting companies and their investments). (p. 225)

The developmental state may be perceived as a member of the liberal economy, practising the universal rules of free trade, the free movement of capital, and flexible labour markets, where the development state is expected to keep itself relevant to the world economy. Thus, it plays accordingly to such neo-liberal rules. The developmental state's concept of 'inclusiveness' could thus be considered to stem from its strategies to galvanise its workers towards the nation's goal of economic prosperity. It would appear that exogenous forces have shaped the development of specific policies that have, in turn, led to the low-skilled workers' willingness to take up low-wage jobs, and the low-wage sector's reluctance to participate in the productivity drive.

I posit that the developmental state is a compliant member of the neo-liberal game. In fact, it would seem that Singapore has performed better than other countries on many fronts; thus, it has been hailed as the poster-boy of neo-liberalism:

- Ranked 'best business environment in the world' by the Economist Intelligence Unit in December 2011;
- Ranked top 5 in the world for the 'most business-conducive labour regulations' by the World Economic Forum, 2011–2012;
- Top of the Business Environment Risk Intelligence's (BERI) labour force evaluation measures, 2011; and

- Top 3 in the world for foreign trade and investment by *The Globalisation Index 2010*, among others<sup>21</sup>.

The responses of the developmental state are translated into the application of the “universal rules” (Bourdieu, 2005, p. 224). Bourdieu (2005) accused this phenomenon of being an economic policy that is aimed at unifying the ‘economic field’ (across the world) with a set of juridical-political measures that are designed to remove all limits and obstacles linked to free trade and the nation-state. A chief characteristic of the developmental state is the strong belief in economic primacy — economic growth is the only guarantee for jobs and better life. Hence, a pro-business environment is needed to nurture and attract enterprises, which will, in turn, create jobs and allow the government to continue facilitating the market mechanism to work effectively.

Essentially, for a developmental state such as Singapore, the adoption of flexible labour market policies is, therefore, deemed the most appropriate for supporting an open market economy because of the speed needed for the labour market to adapt to the fluctuations and changes of the economy. A flexible labour market thus leads to flexibility of wages and employment. The moderation of wage costs to ensure that they lagged behind productivity to support the competitiveness of the economy is thus required. As such, skills upgrading and flexibility in switching employment are economically driven. In other words, CET is primarily designed to ensure a pipeline of skilled workers for businesses. Such a pro-business philosophy has thus become an entrenched part of the mindset of the decision-makers of the diverse institutions, which has permeated all key socio-economic decisions of the nation-state.

The successful cultivation of institutions that have been single-minded in their pursuit of Singapore’s national agenda can be attributed to the government’s effectiveness in performing three key functions (Low, 2001; Yeung, 2005; Sung, 2006; Pereira, 2007):

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<sup>21</sup> Details of all Singapore’s world rankings are available on the website of Singapore’s Economic Development Board: <http://www.edb.gov.sg/content/edb/en/why-singapore/about-singapore/facts-and-rankings/rankings.html> accessed on 11 October 2012

- Securing economic growth and ensuring the sharing (or reinvestment) of the growth through education, housing, healthcare and infrastructure;
- Building a highly-efficient, disciplined, and elite-oriented bureaucracy to deliver all national priorities; and
- Creating engagement platforms with private sectors and workers for communication and coordination purposes that include the effective management of non-state economic interests — a critical part of the developmental state's economic model.

The underpinning mindset of the developmental state is prevalent in the three institutions discussed earlier in this chapter. For instance, it is evident that the CET supporting the security sector is primarily regulator-directed and employer-initiated; hence, it is not designed for the purpose of facilitating the upward mobility of LWWs. In fact, the current system limits LWWs' opportunities for upward mobility. The active labour market policies that support the 'job-first' approach has essentially created a conducive environment for providing a steady supply of workers who are ready to step into low-wage jobs in sectors such as security. As there is a readily available pool of LWWs, the security sector has no impetus to reach for a high-skills equilibrium.

The weakness of the representation offered by security employer groups and the sectoral union (USE) means that the two social partners have not been able to leverage on high-skills strategies and improve the job quality of the security jobs. For instance, the USE did not address the lack of linkages between skills and wages during the design of the productivity roadmap, as NTUC has long subscribed to the belief that collective bargaining is confrontational. From their perspectives, undermining businesses will result in losses of potential employment would be lost. Hence, security service buyers have become a convenient target for finger-pointing: "Buyers are our common enemy" (UEM1).

The policy rhetoric of productivity-driven growth and skills upgrading for a better life stems from the developmental state's continuous endeavour to secure its legitimacy amidst diminishing economic growth and the widening of the income gap between the haves and the have-nots. The tenacity of the ideology — productivity-driven growth is the only way to achieve an inclusive society — means that the outsourced services sector such as Private Security Services cannot be exempted from the national interest. However, to push for security firms to enhance the productivity of the sector, the low-skilled, low-wage situation must be reversed. The inability of the USE and the employer groups to take on the negotiation of sectoral level collective bargaining that links skills to wages, as well as the unwillingness of the PLRD or MOM to assume the unwanted role, means that the upward mobility of LWWs in the security sector has remained unachievable.

## CHAPTER 7: CONCLUSION

### 7.1 Introduction

In the previous three chapters, I have presented a variety of evidence at the micro, meso, and macro levels to illuminate the attitudinal, institutional, and circumstantial factors that impede the upward mobility of low-wage security employees. In this concluding chapter, I bring together the different elements of my thesis. This chapter will show how my study has offered an original contribution to the:

- Understanding the low-wage phenomenon in the unarmed private security sector of Singapore;
- Formulation of a new methodological approach to the study of the low-wage phenomenon; and
- Identification of policy implications for workforce development in Singapore.

Just as significantly, the chapter also explores the implications for future research. Though the study was conducted on a small scale, it constituted the first attempt in Singapore to provide a robust platform for the development of a comprehensive picture of the visible and invisible forces shaping the opportunities of career advancement for LWWs. The issues that emerged from the study offer vital input for implementing the national agenda of building an inclusive society, meeting the needs of small-medium enterprises, and enhancing people's life chances.

In Chapter 3, I presented an integrated micro-meso-macro-level conceptual and analytical lens to guide my study, which comprises: the inter-related concepts of economic sociology (e.g. Smelster and Swedberg, 2005); Praxeological analysis (Bourdieu, 2005); the societal effect approach (Maurice, Sellier and Silvestre, 1986; Gadrey, 2000); and the developmental state theory (see Johnson, 1982; Sung, 2006). I argued that the understanding of low-wage mobility must combine the analyses of economic interests and social relations. Essentially, the interrogation of

actors (state institutions, firms, and workers) and their actions requires delving deeply into their relational interplays and the underpinning dispositions of Singapore's society. Thus, unveiling the inter-related attitudinal, institutional, and circumstantial factors at three levels was a logical approach for this research study.

In order to flesh out the influence of the political economy, I have drawn upon the developmental state theory to support the explanation of the externally-shaped and historically-constructed attitudinal factors that shape the behaviours of institutions and workers. Traditionally, the developmental state theory offers an analysis of institutional behaviours (Johnson, 1982; Wade, 1990). Sung (2006) expanded upon the theory by shifting the spotlight onto the workers. Therefore, prior research had not attempted to address the role of the firms within a developmental state. In endeavouring to fill the gap of the meso-level firms analysis, I adapted the concept of the societal effect approach that was originated by Maurice, Sellier, and Silvestre (1986), which was further advanced by Gadrey (2000), to illuminate the complexity of the factors that influence firms' interactions with other major stakeholders.

The investigation of the interactions of multiple actors within a social phenomenon has been adopted in many studies of various disciplines including: Iverson and Armstrong's (2006) study of the working poor in the USA; Ritzer's (1995) analysis of the credit card debt phenomenon in the USA; and Bourdieu's (2005) analysis of the Paris housing market. What these researchers share in common is their adoption of a *relational* and *contextual* approach to construct a more accurate understanding of social phenomena (Bourdieu and & Wacquant, 1992). Felstead *et al.* (2009) offered a concise explanation of the importance of creating a comprehensive picture that encompasses diverse perspectives:

If certain phenomena are studied in isolation and/or extracted from their context, they will burn as individual candles, while the rest of the world remains in darkness. Moreover, by privileging certain phenomena, we begin to formulate incomplete and potentially misleading accounts of the world to which they belong. (p. 190)

I now revisit the research results before proceeding to discuss the Praxeological analysis employed in this thesis.

## **7.2 Explaining the Upward Mobility of the LWWs in Security Sector**

It is important to point out that the low-wage phenomenon is not peculiar to Singapore; in fact, it is common in most advanced economies (Gautie and Schmitt, 2010). This study joins the others in identifying neo-liberalism as the root cause of economic inequality because not everyone can benefit from a high-growth and knowledge-based economic model (Bourdieu, 2005; Sweet and Melsins, 2008). Essentially, the free market is not as effective as Milton Friedman had proposed in catering to the welfare of all stakeholders within a society. Acknowledging the failure of the market mechanism, the International Labour Organisation (2011b) initiated a call for a movement — “Making Markets Work for Jobs”. Specifically, the market failure may be attributed to the neo-liberalists’ ‘unification of rules’ that favour free trade and a flexible labour market, with the state stepping in to take on re-distributive roles in areas where the market fails to deliver the desired welfare.

Singapore’s endeavour to build an inclusive society has been considered to be a model that should be emulated by many (*The Economist*, October 24, 2012, pp. 3–10). While Koh (2012) acknowledged that more can be done by major stakeholders to address economic inequality, he also highlighted Singapore’s achievements in this area:

In defence of Singapore, I would say that Singapore’s gini coefficient does not tell the full story. There is almost full employment, as unemployment rate is only 2%. Housing is heavily subsidised and there are no homeless people in Singapore. Public housing and private housing often exist side by side. There are no gated communities in Singapore. Education is also heavily subsidised, and while there are elite schools, there are no bad schools in Singapore. Healthcare and transportation are good and accessible to the poor and rich alike. The rule of law is strong and the government is non-corrupt. Most important of all is equality of opportunity and social mobility. It is probably better to be poor in Singapore than anywhere else in Asia.

As mentioned in Chapter 1, Singapore places a great emphasis on equality of opportunity (in contrast to Nordic countries that focus on equality of income). Equality of opportunity is supported through the pre-employment education system and the continuing education and training system (CET). In fact, developmental state theorists have praised both systems as the major pillars of Singapore's economic success (Ashton *et al.*, 1999; Sung, 2006). Nonetheless, while the education and training systems have supported the market economy thus far, they do not seem to have rendered similar support to the workers, especially the low-skilled/low-wage individuals. If the CET system is the only path for upward mobility, it needs to help LWWs make progress in their career. Therefore, it is evident that the current systems contain blind spots that should be identified and addressed.

Therefore, it is the intention of this thesis to provide a critical and unbiased evaluation of the current circumstantial factors, influenced by hidden predispositions and institutional arrangements, which are undermining the mobility of LWWs. From the findings, I have pinpointed the levers of change that could overcome critical gaps in the field of CET with regards to the plight of LWWs.

First, the findings on the Unarmed Private Security Services sector provide supportive evidence that the presence of institutional conditions has promoted the supply and demand of low-wage jobs (see, *inter alia*, Gautie and Schmitt, 2010). In Singapore, the supply of low-wage labour is facilitated by the following societal systems: 1) the 'sorter-based' education system that categorises individuals by ability; 2) the availability of wage and non-wage benefits; as well as 3) the active labour market programmes that aim to "maximise individuals' contributions to the economy as developmental workers" (Sung, 2006, p. 93). The demand for LWWs, on the other hand, is driven by the easy supply of low-skilled cheap labour, the persistence of poor-quality jobs, and the cheap-sourcing nature of the sector. Against this backdrop, there are entrenched culturally- and historically-constructed attitudinal factors, stemming uniquely from the developmental state, which continue to pervade the thinking underlying social and economic policies in the country. They are:

economic primacy, the pro-business mentality, self-reliance, the 'job-first' philosophy, and the focus on the next generation.

The unintended consequences of such attitudinal and institutional actions are twofold. First, firms in the security sector persist in taking the low-skills route that deprives the low-wage employees of the opportunities for upward mobility. Second, the low-skilled workers are willing to accept low-wage employment and recycle within a low-wage universe that offers limited upward mobility opportunities.

Based on the evidence presented in Chapters 4, 5, and 6, the government's stance on productivity-driven growth (technological replacements of manpower) is unlikely to produce the desired results under the current conditions in the security sector. Apart from the readily-available supply of LWWs, the reluctance of any stakeholder in the sector to intervene in the pricing and hence the wages of security services has also helped to put buyers in an enviable bargaining position.

The skills upgrading strategies, as envisaged in the security sector productivity roadmap, were designed to equip workers with site- and mission-specific skills. They were based on the human capital logic that when workers are better-skilled, they should attract higher pay (Becker, 1964) because employers would automatically pay more for the skilled-workers. However, the statistics on wages in security sector over the past ten years indicate that the imposition of the mandatory skills certification of security officers as of 2006 has not increased their wages; in fact, basic wages have even fallen during some years (WGSSP, 2011).

Even though policymakers and their subordinates have acknowledged the traditionally outsourced nature of the sector, they still pin their hope largely on the best-sourcing initiative (as opposed to cheap-sourcing) by appealing to buyers to act in a socially responsible manner through monetary incentives in their productivity-led wage enhancement plan. However, such an approach runs counter to the rent-maximising and cost-minimising rationale thinking of corporations. The indifference of the buyers implies that the chances of success of the best-sourcing initiative are slim to none. If the current situation is not corrected soon, the national

goal of building an inclusive society through productivity enhancement and skill upgrading in the security sector will not be realised.

### **7.3 Investigating Upward Mobility of LWWs: A Methodological Contribution to Real-World Research**

As mentioned in Chapter 1, this study aims to contribute to *real-world* research. My prime interests were twofold:

1. Understanding the causal mechanisms and the hidden reasons underlying the actions and rationale of key stakeholders who influence the upward mobility of LWWs in the security sector; and
2. Identifying levers of change to improve the CET system in Singapore to better support the national agenda of building an inclusive society.

Throughout the process, I was guided by the need to present the complexity of social facts, as advised by Bourdieu (quoted in Bourdieu and Wacquant, 1992):

Social science must construct total social facts that preserve the fundamental unity of human practice across the mutilating scissures of disciplines, empirical domains, and techniques of observation and analysis. (p. 26)

To attain Praxeological knowledge, one must weave together structuralist and constructivist approaches to analyse the *modus operandi* — the principles of the production of the regularities inherent in social practice. To put it simply, one must uncover the systems of dispositions (Bourdieu, 1973). The thesis, therefore, adopted the inquiry lens of economic sociology to examine the social relationships among major actors.

Within the context of this study, the state institutions, the firms, and the LWWs were viewed as actors in their own right — agents interacting with pre-existing structures and with one another. The three developmental state institutions encapsulate the neo-liberal disposition of

the developmental state, whose policies and systems have inadvertently undermined the mobility of LWWs. The Security firms operate in a free-market outsourcing sector within constraints perpetuate the vicious cycle of low-skills equilibrium. The low-wage security employees are even more powerless as the “developmental workers” (Sung, 2006, p. 76) who are expected to carve out “their own stake-holding within the development state” (Sung, 2006, p. 97). Within such a system, the dice of life is cast against them because they had failed to excel in the formal school education system. The Praxeological analysis that focuses on the dialectical interplay among the actors has served to address the primary concerns of the study. The strengths of the micro-meso-macro analysis in examining the low-wage phenomenon will be deliberated below.

### ***Micro-Meso-Macro Approach Sharpens Praxeological Analysis***

Some Bourdieusians have claimed that the practice of Praxeological analysis is premised on the primacy of the field theory (e.g. Grenfell, 2008a; Everett, 2002). In my view, this perspective is too narrow because Bourdieu’s “logic of practice” (1977, p. 16) — mechanisms and pre-dispositions that underpin societal practice — has always been premised on the ‘relational’ positioning of actors and the need to unveil systems of dispositions.

Moreover, it is important to note that Bourdieu developed the field theory later to propose a possible way of analysing the logic of practice through analytical tools such as *habitus*, *capitals*, and *field*. Thomson (2008) sought to enhance the understanding of Bourdieu’s concept of field theory by analogising it to the game of football. Thus, the “social field is likened a football field” (*field* as bounded site) (p. 68). There are written and unwritten rules (*habitus*) on how the games are played. Depending on the positions they hold (e.g. goalkeeper versus striker), the players have specific roles to play; concomitantly, they are expected to have specific skills (*capitals*). Thomson (2008) further elaborated upon Bourdieu’s concept of field theory:

The game that occurs in a social field is competitive, with various social agents using different strategies to maintain or improve their position. At stake in the field is the accumulation of *capitals*: they are both the process within, and the product of, a field. (p. 69)

In adopting a multi-disciplinary approach and integrating macro, meso, and micro perspectives in this thesis, I have sought to demonstrate that the Praxeological methodology can be applied without employing field theory. The micro-meso-macro level analysis has the potential to overcome a number of limitations of field theory. One such limitation is the difficulty of defining the scope of the field (Couldry, 2003). Bourdieu attempted to shed light on this issue, as quoted in Wacquant (1989):

The limits of the field are always at stake in the field. Thus the boundaries of the field can only be determined by an empirical investigation. The limits of the field are situated at the point where the effect of the field ceases. (p. 39)

This explanation has not helped social researchers, as it is evident that the 'field' remains a slippery concept. Many who have adopted field theory do so by restricting the field of their research. For instance, Ladwig (1994) claimed that he was informed by field theory in his study of the US education policy with this argument, "The study of policy is best understood strictly with respect to its role in the field of educational policy" (p. 342). Essentially, he treated education policy as a social field and refuted the need to study the relationship between educational policies and the shifts in socio-political and economic conditions. He argued in his conclusion that "the perspective developed here suggests that in the 1980s, US educational policy reforms reveal the historical maturation of a social field, which has developed its own autonomy and its own rewards" (p. 359).

However, limiting the scope of the field, or choosing to study what one wishes to see, places limits on a more in-depth account of the social fact (Naidoo, 2004). In Ladwig's case, not only did he present a distorted

understanding of the US' educational policy changes, he also undermined the principles underpinning Bourdieusian research — the critical need to conduct relational thinking. Now, if I were to restrict the analysis to the security sector as a field, I would be truncating social facts, which could lead to my simplistic classification of the various agents as victims and culprits.

Therefore, in opting for micro-, meso-, and macro-level analyses, I am able to take into account the overlapping and relational socioeconomic spheres. Each sphere has a different set of rules and considerations, even though they are interwoven with the others.

Some may suggest that the developmental state constitutes a field in this study. I refute this argument on two accounts:

First, by taking the concept of the developmental state as one field, one risks taking things at face value without acknowledging the fact that Singapore as a development state is just *one* actor in the neo-liberal game and that its behaviour illuminates the neo-liberal system of dispositions.

Second, the developmental state theory is not adequate for it does not account for the behaviours of security firms at the meso level and the interplay between firms and security employees. Drawing upon the development state theory in this instance facilitates the understanding of the political economy model of Singapore. In so doing, as recommended by Bosch *et al.* (2009) and Appelbaum *et al.* (2010) on the proper treatment of each unique political economy and its national institutions, I was able to present the potential volatility of national economic and social performance due to externality and circumstantial factors confronting Singapore.

Ultimately, researchers' insistence on the use of field theory as the only social theory to complement Praxeological analysis can be attributed to an inadequate understanding of Bourdieu's ideology "against theoreticism and methodologism" (Bourdieu and Wacquant, 1992, p. 26). To Bourdieu, theory and methods are toolkits designed to help solve problems; thus, he warned against the use of theory and methodology as censorship that prevents researchers from grasping the truth. Bourdieu stood against the institution of theory as a self-referential realm of

discourse. My interpretation is that Bourdieu never exhibited an “obsessive preoccupation” (Bourdieu and Wacquant, 1992, p. 35) with his conception of field theory since his ultimate goal is to achieve Praxeological knowledge. Hence, Bourdieu (1972) insisted on the need to move “from the mechanics of the model to the dialectic of strategies” (p. 3). In fact, it is the primacy of relation (Bourdieu and Wacquant, 1992, p. 15), not the primacy of field theory, for which Bourdieu advocated.

Hence, in my view, the micro-meso-macro-level analysis has sharpened the concept of Praxeological analysis without operating under the socio-political paradigm of control imposed by the dominant onto the subordinate. The only way to present a balanced evaluation of the upward mobility of LWWs is to move away from the labelling of victims and culprits so as to offer a comprehensive relational analysis. Thus, the thesis was able to offer an in-depth understanding of the logic of practice in the development state of Singapore, without the tinted lens of class struggle. Although class struggle is a concept that is strongly embedded in Bourdieu’s field theory, it should be considered as a reflection of his personal cultural-historical upbringing in France: throughout his life, he struggled with the class divisions<sup>22</sup> (also see, *inter alia*, Grenfell, 2008b; Robbins, 2008).

From my perspective, class struggle is not a relevant issue in Singapore. While there may be class divisions based on income groupings, there are a number of unique Singapore practices that have eroded away class divisions. In the country’s education system, rich and poor kids attend public schools (only with special approved reasons could kids attend private schools). Another phenomenon is the proliferation of good-quality and highly affordable local cuisine in every community at the local coffee-shops or hawker centres where more than two-thirds of residents lunch and dine everyday. One final example of an absence of a class divide is the compulsory conscription of the male Singapore citizens.

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<sup>22</sup> As a public intellectual, Bourdieu never managed to shake off the dark shadow of his family origin. In the documentary film, *Sociology as Martial Art*, Bourdieu openly expressed his struggles due to his background from Denguin in the Bearn region of French Pyrenees-Atlantiques: <http://www.youtube.com/watch?v=Csbu08SqAuc> accessed on 6 October 2012.

The two years of conscription service bring together boys from all walks of life to serve the nation. These three distinctive phenomena of Singapore offer evidence to counter the existence of class divisions in the country.

The concept of 'capitals' within the field theory (human, social, and cultural) implies that one's capital is entrenched within one's social origin and that the dominant class uses its capital to strengthen its position and legitimacy. This concept runs counter to that of 'upward mobility' as promised by equal opportunity for all. 'Capitals' in field theory suggest intentional class oppression. The concept of upward mobility is premised on the assumption that one could achieve absolute mobility from one's original status. Therefore, under this assumption, capitals can be altered for the better.

Therefore, the macro-meso-micro approach affords an objective lens for understanding the actions, rationale, and the interplay amongst the actors. In the case of this research study, it was able to clearly identify the relational positions of the three actors and their competition for legitimacy in fulfilling their respective roles, as state institutions, firms, and workers. The ultimate outcome that has contributed to the current situation in the security sector effectively stems from the complex interactions between the three actors who occupy unique positions in the developmental state.

In sum, the multi-disciplinary macro-meso-micro integrated approach has enhanced the Praxeological methodological approach in the following ways:

- Allows for the appropriate engagement of multi-disciplinary theories in presenting a more accurate presentation and exploration of social facts;
- Circumvents the 'field bias' of relying on one dominant theoretical lens that could distort the social reality (e.g. social oppression);
- Manages relational thinking effectively without falling prey to the risk of narrowly scoping the 'field'; and lastly,
- Helps in identifying truly actionable levers of change.

As the aforementioned discussion on Bourdieu's corpus has already addressed the first three points, I will be examining the last point in greater detail below.

### ***Identification of Actionable Factors***

For a piece of social science research to be useful, it should strive to offer ideas to solve socioeconomic problems through the identification of actionable factors or areas where changes are feasible (Robson, 2011). Sadly, not all studies have succeeded in achieving this ideal outcome.

I would like to use the low-wage studies commissioned by Russell Sage (Gautie and Schmitt, 2010) as an example to elucidate this point. As I had pointed out in Chapter 2, one main problem with Gautie *et al.*'s (2010) comparative studies of LWWs is their inability to clearly identify the reasons underlying the disparities in the practices of the five industries in the six countries.

To be fair, they did attempt to identify the causal mechanism between labour market institutions and the incidence of low-wage employment. Their analysis led them to conclude that the behaviour of these labour market institutions could be construed as "inclusive" or "exclusive" in the respective countries (Bosch *et al.*, 2010, p. 134). *Inclusive* labour market institutions in certain countries behave in a way that helps to limit low-wage incidence to a relatively low level. Conversely, their counterparts that exhibit *exclusive* behaviour promote conducive environments for the supply and demand of low-wage employment.

As a consequence, Gautie *et al.* (2010) concluded that, ultimately, firms possess the discretionary power to adopt high-road strategies, which places the responsibilities of change squarely on firms. This conclusion is problematic for several reasons:

First, the studies failed to account for the origins of the behaviours of the labour market institutions. Their attempts to make sense of the reasons by drawing from the concepts of "production regime" (Hall and Soskice, 2001, p. 8) and "employment regime" (Gallie, 2007, p. 16) have limited applicable value to policymakers. The deliberation at the

institutional level offers no practical solutions to policymakers on potential areas of change to alter the LW situation — what needs to be done to alter the institutional setting.

Second, the researchers' conclusion that the behaviours of firms constitute the main factor of change in incidents of LW is overly simplistic. Previous studies (see Sung, Loke, and Ramos, 2011) and my thesis have shown that *not* all firms have the discretionary power to adopt high-road strategies.

In my view, the research of Gautie *et al.* (2010) fell short because it did not endeavour to uncover the systems of dispositions within the six advanced economies. The researchers have thus made a mistake of taking things at face value without going beyond pre-constructed facts. In Chapters 4, 5, and 6, I clearly showed how LWWs, security firms, and the three development state institutions have interpreted their logic of practice by taking actions that reflect the *modus operandi* of developmental state. Their interactions with each other provide insight into the low-wage phenomenon, which extend beyond the “phenomenological knowledge” (Bourdieu, 1973, p. 53) of the three actors.

By using an integrated approach that encompasses micro-, meso-, and macro-perspectives, under the guidance of the Praxeological analysis, this thesis has gone beyond the identification of causal mechanisms to reveal the reasons underlying the phenomena being studied, hence helping to pinpoint actionable factors. Moreover, this thesis has shown that leveraging on a multi-disciplinary and integrated approach, coupled with Praxeological analysis, could produce an accurate and comprehensive understanding of the social facts. Accordingly, the understanding of causal mechanisms and the systems of dispositions offers a foundation for the identification of actionable factors for the resolution of socioeconomic problems.

#### **7.4 Implications for Policy and Research**

Throughout the research process, I have shared emerging findings with colleagues and associates who are also involved in research and initiatives related to LWWs to solicit feedback that has proven to be thought provoking. My personal learning from the process is that research-informed policy and practice must go beyond the publication and dissemination of completed findings. It also entails sharing one's research findings in a non-threatening manner, i.e., by seizing upon the right moment and communicating in a genre that is most palatable to the audience. As an insider-researcher, I have been able to bridge the divide between research and practice, which should not be separated into two worlds, in my view. Through the dialectical exchanges with my colleagues, I could definitely see opportunities for change in the current CET system and its accompanying policies.

I remain hopeful that the skills strategies, under the tripartite partnership in Singapore, if managed appropriately, would lead to an inclusive society. The strong developmental state practice implies that the state has to take the lead in facilitating the adoption of a high-skills route in the domestic services sector and ensuring that increased skills will lead to higher pay. The security sector productivity roadmap to steer the sector towards a high-skills route should be better implemented (discussed in greater detail in the next section). Besides pushing for sectoral skills strategies, the state also has to take the lead in reviewing LWWs' access to skills upgrading. Skills strategies targeted at LWWs should not stop at a 'job-first' approach; they need to move beyond this approach in order to fulfil the promise of equal opportunity.

In the next section, I will discuss how the CET policy could better support the security sector's skills restructuring and improve access to education and training for LWWs. The last part of this section will discuss future research implications.

### ***Sectoral Skills Approach to Achieve High-Route Agenda***

A brief summary of the four strategies set out in the security sector productivity roadmap would help in this discussion:

- a) Promote the skills upgrading and manpower development of security workforce (led by PLRD, supported by WDA);
- b) Enhance buyer awareness and education (led by union, supported by PLRD);
- c) Promote the use of technology by security agencies (led by union, supported by PLRD); and
- d) Enhance the employment/working conditions of security officers (led by MOM, supported by PLRD).

According to the interviewee from the WGSSP, these strategies are expected to be independently executed by the assigned partner, with the others playing a supporting role. Moreover, the WGSSP would not oversee the implementation of these strategies.

However, treating the strategies as disparate initiatives has inadvertently undermined the desired outcome of the plan. The chance to create a better architecture to enable the sector to move towards a high-skill route is missed. In my view, integrated implementation is required: putting skills acquisition at the centre of the equation will pave the way towards enhancing productivity and raising wages in a sustainable manner. Moreover, the re-enactment of a tripartite platform (involving the government, the employers, and the labour union) to oversee the implementation will be critical to the success of the endeavour. In my view, the coordinated implementation of the roadmap by the tripartite partners is the *only* way to ensure that the whole is larger than the sum of the parts so that productivity-skills-wage could be effectively implemented.

Experience has shown that security firms, if left on their own devices, have no impetus to pursue a high-skills route because the cheap-sourcing market condition does not reward high skills strategies. In light of these challenges, the security sector requires a coordinated effort from the

tripartite partners to achieve the ultimate goal of shifting the sector towards the high-skills route. Based on the evidence gathered in this thesis, I recommend the following steps:

First, a high-level, centrally coordinated sectoral skills approach should be implemented. The existing tripartite Industry Skills and Training Council (ISTC), under the purview of WDA, could take charge of driving the high-skills route. The desired skills profile of the workforce over the next five years has to be mapped out (beyond the current minimum skills for entry-level jobs). It should include the entry-level training and continuous skills upgrading plans for every level of the security workforce. The productivity roadmap has already spelled out PLRD's desire to establish career pathways to facilitate progression for the incumbent workforce. The site-specific skills training must incorporate security-related technical skills *and* critical generic skills (such as customer service, communication skills, and functional literacy skills).

Second, the tripartite partners have to link skills to pay by establishing wage compensation that is commensurate with skills levels — or, as I call it, the “skilled-wage”. Setting wages in accordance with skills levels should shift the balance of power from buyers to firms and workers. For instance, Carre *et al.* (2010) described how France, through the coordinated efforts of social partners, succeeded in raising the skills level and the corresponding wages of the retail workers. The retail firms had only one choice — adopt high-route strategies of producing high-value merchandise and offering innovative services in order to charge high prices. Similarly, by paying skilled-wages, the security services would no longer be cheaply available.

There is little doubt that instituting such a wage mechanism would be a tough goal as it violates the fundamental belief of a flexible labour market. Essentially, the developmental state would have to acknowledge market failure in addressing the issue of productivity and wage increases in the cheap-sourcing domestic service sectors. Various studies have shown that an effective wage policy can work in pushing firms towards a high-skills route, contrary to the general belief that wage moderation is the only way to push down unemployment (Charpe and Tobin, 2011;

Grimshaw, 2011). Therefore, institutional forces (including the wage-setting institution on skilled-wages and labour market regulations on job quality) are needed to shape firms' product/market strategies.

Raising the skills level of the workforce and linking skills to pay will also gradually eradicate the cheap-sourcing practice. However, to maintain its pursuit of the high-skills path, security firms will need to review their product/market strategies and related organisation of work. Security firms should be encouraged to devise strategies that differentiate their services from their counterparts so that they can command premium fees. Relevant support must thus be made available to the security firms, which will require a review of the existing suite of disparate funding schemes under the NPCEC's (2012) promotional website, "Way to go, Singapore" (the umbrella term for the productivity drive). Currently, the schemes are simply too complicated for enterprises to understand and adopt.

It is likely that the sector's transition towards a high-skills route may result in the elimination of smaller or weaker firms. However, some form of consolidation will need to occur in order for the security services sector to be strengthened.

Moreover, such an approach means that the tripartite partners would have to re-conceptualise the meaning of skills strategies in supporting the varied, yet inter-related, goals of the three stakeholders — the government, enterprises, and labour union:

- The Union for Security Employees must step up in its role of helping firms pursue the high-skills route and ensuring that the outcome is translated into an enhancement of job quality (fair wage, career progression, job discretion, skills upgrading, and job intensity) in the security sector. A collective agreement must take place, at the sectoral level, to institute productivity-skills-quality job as a common goal.
- The government institutions that include the MOM, WDA, and the regulator (PLRD) must not be contented with a weak security

industry association. Helping to build a strong industry association is key to the successful implementation of sectoral-level coordinated skill strategies.

PLRD as the sector regulator could play the role of coordinating productivity-skills-quality job of the security sector. Currently, the annual audit on security firms is based on a compliance model that does not produce the desired outcome for a professional industry, as evidenced in Chapter 5. Ultimately, strengthening the sector will contribute to national security. Thus, moving beyond the minimal skillset, as spelled out in the productivity roadmap, is a critical first step towards the genuine professionalisation of the sector.

WDA, on the other hand, should review its intended CET outcomes. According to its mission statement, the WDA is supposed to serve the national interests of creating a competitive workforce and ensuring full employment. However, it is equally important to ascertain that CET efforts are translated into well-being for the workers. That is, CET must fulfil the promise of equal opportunity for all, especially vis-à-vis the vulnerable segments of the workforce; all workers should be given equal chances of working toward upward mobility.

Of course, for any of these institutional changes to take place, there must be an attitudinal shift away from a mindset that the market mechanism is efficient, such as leaving wages to market forces and fears of a potential negative impact on businesses during the transitional period. The wage-led industrial revolution in the 1980s that shifted manufacturing sectors towards a high-skills route should be the benchmark of success (See Lim, 2012 in *Straits Times*). Re-designing as many low-wage jobs as possible into good jobs should be the desired outcome of national skills strategies. While the contributions of domestic service sectors like the security sector to the GDP may be insignificant, they do have the potential to offer quality jobs. With a strong economic foundation and a proven track

record of implementation capabilities, Singapore is in a better position than most other countries to succeed in the endeavour. This is the only way that skills strategies can effectively support the productivity agenda and build an inclusive society.

### ***Enhancing Upward Mobility through a Parallel Worker-Centric CET Approach***

In Singapore, the meritocratic education system means that the academically able benefit the most from the system; conversely, the less able are 'sorted out' of the education system early in life, thus increasing the likelihood of their landing in low-skilled/low-wage jobs. The five cases of LWWs in Chapter 4 show that most have been recycled in LW jobs since they joined the workforce. Under the rhetoric of equal opportunity, CET should be offering these low-skilled workers a second chance for upward mobility.

The case study of the security sector suggests that skills upgrading opportunities for LWWs are extremely limited, if left in the hands of employers. LWWs themselves lack the capacity to access skills upgrading because of situational barriers such as high opportunity costs and uncertainties of better-paid jobs after training. Moreover, with a focus on keeping the unemployment rate low, the public employment service has contributed to the recycling of LWWs in low-wage jobs. The current operating model is targeted at placing the unemployed into any available job. Thus far, there has been no formal effort to distinguish between 'good' and 'bad' jobs. This approach is premised on the shared belief: as long as the lowly-skilled are gainfully employed, they would be entitled to a slew of social re-distribution benefits (see Table 4.2). In sum, the 'job-first' mindset has caused the CET system, of which the public employment service is a critical component, to overlook the opportunity to facilitate the upward mobility of the low-skilled/low-waged workers.

The current CET system targeted at the lowly-skilled requires a serious review:

First, there is no concerted effort for helping LWWs to get good-quality jobs. This outcome is partly due to the lack of understanding of good jobs. As GEA2 explained, “We are not sure what is good job? Is it determined by pay or employment security?” A more significant cause is the lack of ownership of the issue of ‘upward mobility of LWWs’, based on the various comments from WDA and USE representatives:

Wages and career progression are really beyond our control.  
(GEA1)

Moving LWWs into better jobs is not our mandate. Championing better jobs and better wages is the job of the union, isn’t it? (GEA2)

If we go to every employer and start saying I want collective bargaining, give you a form B and serve this section, the war is over! (UEM1)

PLRD should mandate skills upgrading, set aside protected time for upgrading, just like doctors, lawyers. They are the regulators — they should do something! (UEM1)

Actually, with one stroke, the government can revert many things, the overtime and the wages. It is a lack of political will! (UEM1)

It is evident that there is a lack of collective belief that upward mobility of LWWs is a shared responsibility, which could be attributed to the overriding belief that the free market mechanism works for all — nation, enterprises, and workers.

Second, the limited financial assistance for off-the-job training is premised on the assumption that overly generous financial assistance would inculcate a negative work ethic and discourage the LWWs from getting into jobs quickly. The result of such an approach is that the opportunity cost of leaving employment for training is too high for most LWWs.

Third, the high institutional barrier of getting into training programmes that lead to good jobs (e.g. healthcare, aerospace, and early childhood education) is a critical issue that needs to be resolved. The publicly funded CET institutions are reluctant to provide bridging

programmes for those who need the extra help in literacy, numeracy, and sciences. As one of the heads of a CET centre insisted:

The programme requires applicants to have 'O' level English and Mathematics. If they don't have it, they could go somewhere to study and pass the subjects before joining us.

To enhance the upward mobility of LWWs, we need to put in place a *worker-centric* system (WCS) that places an emphasis on capability development. The WCS would begin by defining 'good-quality jobs' and establish an up-to-date and robust job intelligence database on the availability of good-quality jobs. Moreover, it would be represented by a dynamic line-up of related CET programmes that are accompanied with bridging support and full wrap-around financial assistance. By providing comprehensive financial support that covers living costs, transport costs, and the necessary costs to take care of family needs, LWWs would be better able to navigate the career transition.

A good case in point is the Project-QUEST in San Antonio Texas (Rademacher, Bear, and Conway, 2001). The success of Project-QUEST is attributed to its clear focus on: 1) improving the lives of low-income families; 2) reducing their dependence on social assistance; and 3) turning them into tax-paying citizens.

Project-QUEST first identifies jobs that pay family wages (high enough to cover the costs of raising family) and offer career progression prospects. They work with employers who have vacancies of such jobs and then partner with community colleges to design programmes that would help LWWs to get into these jobs. Special efforts are invested into helping potential employers to re-design jobs and turn them into good-quality ones. The community colleges then offer three-month bridging programmes to prepare the LWWs with the adequate level of academic competencies, prior to their enrolment into vocational programmes. Once they have been selected for the programme, LWWs would be offered a comprehensive financial assistance package (Project-QUEST works as an

integrator of various financial schemes from different government departments).

Comparing Project-Quest and Singapore's CET programmes highlights a fundamental difference underlying the two philosophies. In the case of Singapore that adopts a developmental state mindset, people are considered as human resources to support economic growth — “workers are expected to maximise their contribution in terms of their capability” (Sung, 2006, p. 93). In contrast, the San Antonio project recognises “human development as the end, economic development a means” (UNDP, 1996, p. 3).

Hence, the CET model that is based on meritocracy and personal responsibility must be revamped to achieve the “responsibility for the persons” (Iverson and Armstrong, 2006, p. 211) through the provision of additional effective assistance to underprivileged workers. The low-waged individuals currently constitute the bottom 25% of Singapore's local workforce (estimated to be 450,000 individuals). Sennett (2006), in analysing the order of new capitalism, argued that empowering individuals in this era is the only salvation:

The positives invoked by institutional changes are qualities of self, which might allow individuals to flourish as institutional life becomes more shallow. These qualities are the repudiation of dependence, development of one's potential ability, the capacity to transcend possessiveness. These qualities take us outside the realm of production, into the institutions of the welfare state, education and consumption. The positives invoked by the new order promise to consummate the project of meritocracy and to provide the model for progressive reform. (p. 182)

Essentially, the inclusive society should invest in the future potential of the LWWs by getting them ready for the next move into good jobs so that they can recraft their life narratives.

The key challenge, I foresee, is the mindset of a developmental state institutions — the tendency to wait for instruction rather than take the lead to make a change where deemed fit and inadequate deliberation on

the underpinning assumptions of the CET system. Keep *et al.* (2006) have aptly critiqued the public policy-making process:

The public policy debate concerns itself with the means and manner by which a suite of policies might best be designed and delivered. Comparatively little discussion is devoted to the accuracy of the fundamental diagnosis of the 'problems' policy is meant to be tackling, or to the appropriateness or otherwise of the general lines that policy is taking to deal with them. To put it another way, much of the debate is about matters of details, not about the substance of underlying assumptions. (p. 540)

It will take perseverance and tenacity to advocate for the required change, which should begin with questioning the fundamental beliefs of the developmental state.

In conclusion, I posit that a genuinely inclusive society can be achieved in Singapore, through:

- a) Tripartite collaborative efforts in shifting the services sector towards the high-skills route with the ultimate aim of improving job quality. Institutional influences should be adjusted in order to shape sectoral business strategies. The interventions should result in improved business outcomes and better job quality for workers.
- b) Develop a parallel worker-centric CET approach that truly empowers LWWs for upward mobility, not simply leave the skills upgrading decision in the hand of employers. This entails re-designing CET outcomes targeting at helping every individual workers to realise their potential. Equally important is the efforts in mitigating employment and income risks throughout the life-course of work.

Singapore could and should leverage upon the tripartite network to achieve win-win outcomes for the worker, the business, and the state. Ultimately, this is the *only* way to strengthen the legitimacy of the developmental state.

### ***Future Research on Upward Mobility of LWWs***

This security case study and the Russell Sage series have demonstrated the benefits of a sectoral approach in studying low-wage issues. Sectoral studies can provide contextualised knowledge on the demand for LWWs in relation to firms' responses to market conditions and institutional settings. In this research study, the investigation into security firms' product/market strategies, organisation of work, and skills strategies revealed the sector's predisposition towards the low-skills route and the corresponding demand for LWWs. Thus, it may be worthwhile to replicate similar studies for other outsourced domestic services sectors such as Cleaning and Landscape in which more than 80% of the workforce are in low-wage jobs. More generally, sectoral case studies should be conducted as part of the processes to support the development of sectoral skills strategies, with the aim of shifting such sectors towards the high-skilled route and improving job quality.

In order to enhance the robustness of the sectoral study, I would recommend assembling a cross-disciplinary research team to conduct the studies. My case study has demonstrated the importance of integrating disciplines such as political economy, economics, sociology, and education to achieve a comprehensive understanding of the unique low-wage phenomenon in the security sector. The macro-meso-micro integrated approach adopted in this thesis could be further fine-tuned through its applications to other sectoral studies.

One key lesson of this thesis is that it is important to involve practitioners in the research project. They could then utilise real-time learning to effect change, without having to wait for the full completion of the research project, which usually requires a long gestation period.

Cross-country studies of the low-wage phenomena could also be explored for the purposes of deepening one's understanding and learning with regards to the responses of the same or different sectors to exogenous forces (e.g. Gautie and Schmitt, 2010; Bosch and Lehndorff, 2005; Baret *et al.*, 2000). In particular, comparative studies among advanced Asian economies could be of interest to policymakers. For

instance, Ho (2012) pointed out that Hong Kong has a lower incidence of low-waged workers in the construction and healthcare sector and more compressed wage differentiations in the healthcare sector (between doctors and nurses). The identification of the factors that produced such positive outcomes could be important for Singapore's endeavour to address these issues within our societal contexts.

This revealing research study, with a focus on the security sector, has illuminated the complexity of low-waged issues. If Singapore is genuine about building an inclusive society, more resources and attention should be invested in the research of the multifaceted low-wage issues. Specifically, research projects that promote debates on the underlying assumptions of the many interrelated socioeconomic policies would be most practical.

## APPENDICES

### Appendix A Preliminary Mapping of Relational Network of Stakeholders, Policies and Programmes

Stakeholders	Sub-unit	Remarks
Ministry of Home Affairs (MHA)	Police Licensing & Regulatory Department	Security sector regulator
	Work Group for Security Sector Productivity	Security sector productivity initiatives
Ministry of Manpower (MOM)	Income Security Policy Division	Income security of low-wage
	Workplace Policy and Strategy Division	Employment protection (e.g. working hours)
	Workforce Development Agency	Statutory board in charge of skills upgrading
National Trade Union Congress (NTUC)	Union for Security Employees	Security sector workers representative
	Employment and Employability Institute	In charge of employment facilitation, training referral and schemes such as Inclusive Growth Programme
Singapore Security Association		Security industry body representing security firms
Security Firms		Employers in security sector
Security Employees		Employees in security sector
Singapore Security Institute		Industry training centre
Policies/Programmes	Sources	Remarks
Low-wage policies	Inter-Ministerial Committee for LWWs	Encapsulate all social and economic policies designed for LWWs
Continuing Education and Training programmes for low-wage	WDA's Employment Facilitation Division	Public Employment Services
	Workfare Training	Funding and

	Scheme/ Workfare Skills-Up/ Training Completion Award  Security Conversion Programme	programmes for LWWs  Career conversion and upgrading programme for workers entry/in-employment in security
Inclusive Growth Programme	(NTUC) Employment and Employability Institute	Funding programme that encourages security firms to adopt technologies in order to boost productivity and reduce dependency on labour
Security Sector Productivity Roadmap	(MHA) Work Group for Security Sector Productivity	Details on stakeholders' responsibilities in boosting productivity in order to improve wages

## **Appendix B-1      Sample Interview Questions for the Security Employees**

1. Please share with me your employment history.
2. Why did you decide to join security industry?
3. How long have you been working in the security industry?
4. Is your current employer your first employer in security industry?
5. Why do you change job within the industry?
6. How do you describe your job as security officer?
7. How tough is your current job comparing to previous job?
8. Have you participated in any form of training since you joined the sector?
9. What kind of training do you receive from your company?
10. Do you think training is important? Did you take up training on your own? Why (yes/no)?
11. How much are you paid as security officer?
12. Are you satisfied with the pay?
13. Do you see yourself getting promotion soon? Why?
14. How do you describe career prospect within the sector?
15. How long would you stay in this job? Why?
16. Would you consider going for training and get a better job in other sector?
17. Are you a member of Union of Security Employees? Why?
18. Are you married? Any children? Do you stay in HDB (rent/mortgage/owned)?

## Appendix B-2 Sample of Interview Questions for Security Firms

1. Please share with me your company profile. (Years of operation, staff size, range of services)
2. How would you describe your market share/market segment?
3. In your opinion, are there ways to change the price-cutting competition in this industry?
4. How do you differentiate your services from your competitors?
5. Can you share the business/market strategies of your company?
6. What are top three challenges facing your business? How do you overcome it?
7. Your company is participating/not participating in e2i's Inclusive Growth Programme (IGP). Why the decision?
8. (If participating) Please share the details of your IGP project. How do you see it benefiting your operation?
9. Is the productivity enhancement concept relevant to this industry? Do you apply the concept in your operation?
10. Have you heard of the Best-Sourcing Initiatives? Does the initiative have any positive impact to your business? Why?
11. Does the PLRD's annual audit and grading system have any positive impact to your business? Why?
12. How important is staff competence to business growth? How do you build staff competencies? Do you provide training to them?
13. In each site-contract, how much discretion do you have in designing the site deployment of staff and job design?
14. Is it true that clients charge liquidated damage to security firms frequently? Why such practices? How do you manage this?
15. Shortage of manpower is a major concern for this sector. How can this problem be overcome?
16. Would improvement in working condition and adjustment in wages overcome manpower shortage issue? Why? How?

### **Appendix B-3 Sample interview questions for WDA Representative 1**

1. How long have you been looking after this portfolio of the security industry?
2. Please describe your team's roles and responsibilities for the sector.
3. What are the expected outcomes you wish to achieve for the sector? What do you mean by impact for the workforce?
4. How do you rate the success of your team after all these years of hard work?
5. Do you agree that security employment is low-pay and dead-end job? Why? How do you intent to improve the situation?
6. Why is it that the in-employment training has such a low take up rate?
7. The underlying assumption of WSQ is that if worker goes for skills upgrading (including getting a full qualification), he/she is better skilled and therefore should get better job and better pay. Do you think this is happening in security sector? Why?
8. Since its launch in 2007, WSQ training has been marginally adopted for mandatory entry training. It has not been embraced as part of sectoral skills strategies. Why is it so?
9. Please describe the security sector productivity road map.
10. How can this plan improve productivity and wages for the sector?
11. How do you see the proposed skills strategies making a different to the sector's productivity and wage?
12. What are the major challenges in the implementation of the sectoral productivity initiatives?

## Appendix B-4 Sample Interview Questions for WDA Representative 2

1. Please describe the roles and responsibilities of Employment Facilitation Division (EFD).
2. What are the measures of your team's success? What are some of the key performance indicators?
3. If EFD's main role is to help job seekers get into job, who is responsible to help low-wage workers in getting jobs with better wage and better prospect?
4. What are the procedures of helping low-skilled workers into job? What kind of assistances are rendered to low-skilled/low-wage workers?
5. From statistics, almost all low-skilled workers are placed into low-wage jobs. Why so?
6. Are there efforts in helping low-skilled into non low-skilled jobs?
7. Please share your efforts in Workfare Training Scheme. Is it successful?
8. Why are low-skilled not coming forth to take up the scheme?
9. What are some challenges of low-skilled/low-wage workers in seeking employment and accessing training?
10. Security employment appears to be the most favourable jobs referral by your career centres? Why?

## Appendix B-5 Sample Interview Questions for USE Representative

1. Please describe your role in USE. How long have you been involving in USE?
2. What are the major challenges of security sector that USE has been tackling?
3. What have USE been doing in the recent years in tackling members' employment related issues?
4. Are you happy with the current work situation and wages of the sector?
5. Do you think the excessive overtime work arrangement create negative impact on wages (suppressed wages) and on training access?
6. How do you think these situations can be overcome?
7. The in-employment skills upgrading is relatively low, only about 5% of the security workforce access training. What do you think should be done to improve the situation?
8. What are your plan in improving the career progression and wages of the sector?
9. What are the reasons for the drop in basic wages of the security employees over the past five years? Do you intervene?
10. Why are you not implementing collective bargaining in your sector? Why, instead you prefer to champion for best-sourcing initiative and inclusive growth programme?
11. Are you confident that the security productivity initiatives will improve the life of your member? How? Why?

## Appendix B-6 Sample Interview Questions for WGSSP Representative

1. Please share with me the aim of the workgroup. What are the terms of reference of the workgroup?
2. The work group has recommended a suite of very ambitious strategies. How confident are you in achieving the intended outcome of 15% increase in wages over the next 5 year?
3. How will these strategies be implemented? Who is overseeing the implementation?
4. Is productivity enhancement is workable concept in outsourced services sector like security? What are the major challenges?
5. How does the workgroup intend to measure the success of the plan?
6. Strategy one attempts to create career progression for the security sector. How will this be done? Do you see the need to pack this with corresponding wage-level? How can this be done?
7. Strategy four mentions the need to reduce overtimes arrangement and increase wages. But there is not concrete implementation plan. What are the concerns?
8. Strategy two is a continuation of existing best-sourcing initiative (BSI). BSI has not been successful in the past. Why does the work group continue to pin hope on such approach?
9. Strategy three on security technology deployment is based on the assumption that by using technology, security employers would be more productive. However, WDA's sectoral study shows that firms and buyers are adverse to such approach. Why the persistent in security technologies as the solution to productivity?
10. What are the necessary conditions to ensure the success of the productivity initiatives?

## Appendix C-1 Participant Information Sheet

MM DD YYYY

Dear \_\_\_\_\_,

I would like to invite you to participate in the case study of education and mobility of workers in Singapore Security Sector. The project aims to gain an in-depth understanding of how workers engage with stakeholders in the continuing education and training (CET) system that facilitate their entry into security jobs and their skills upgrading within the sector. And, how security firms' coordination activities with stakeholders influence the education and mobility of their employees. The intended benefit of the study is to shed light on what are the factors within the CET system that facilitate or impede the mobility of the workers within security sector.

What is involved if I take part in the study?

With your permission, the interview will be audio recorded and transcribed. Upon request, a transcription of the interview can be sent to you for verification. A copy of the interview questions will be included for your information close to the date of interview.

What will happen to what I say in the interview?

Neither you nor your organization would be named in the research reports. Your personal details will be removed from the research data before it is stored securely for the duration of the project. It will then be destroyed upon completion of the study.

The study is the doctorate thesis of Ms Gog Soon Joo, who is being supervised by Professor Lorna Unwin of Institute of Education and Associate Professor Lee Yew Jin of National Institute of Education. Soon Joo is contactable at [soonjoogog@gmail.com](mailto:soonjoogog@gmail.com) or 94350819

Yours sincerely,

Gog Soon Joo  
Principal Investigator

## Appendix C-2 Interview Consent Form

Project title: Education and Economic Mobility of Low-Wage Workers:  
The Case of The Security Sector In Singapore

Principal Investigator: Ms Gog Soon Joo  
Mobile: 94350819,  
Email: [soonjoogog@gmail.com](mailto:soonjoogog@gmail.com)

- I have read the Participation Information Sheet and the purpose of the research project has been explained to me. I understand and agree to take part.
- I understand the purpose of the research project and my involvement in it.
- I understand that my involvement is voluntary, and that I may withdraw from the research project at any stage.
- I understand that while information gained during the study may be published, I will not be identified and what I say will remain confidential.
- I understand that the interview will be audio-taped.
- I understand that the tape will be used to create written version of the interview and then erased. I understand that once the transcript has been prepared, I will be offered an opportunity to review it.
- I understand that any publications (report, journal articles, seminar, etc.) will neither name nor identify my affiliated organization and me.

Full name of interviewees	
Contact details (phone or email)	
Signature	
Date	
I would like a copy of my consent form	Yes/No
I would like a copy of my transcript	Yes/No
I would like a summary of the research report	Yes/No

I have provided information about the research to the research participant and believe that he/she understands what is involved.

Researcher's signature:

Date:

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