SUTD 2022 HASS 02.210TS Literature Review Paper Assignment

James Raphael Tiovalen / 1004555

Introduction

Generally, Singapore is considered to be a meritocratic society that rewards merit, hard work, and actual results more than personal contacts and connections (Chua, 2011). Moreover, diversity and equality have been ingrained and embedded in Singapore since its very inception by the late founding Prime Minister Lee Kuan Yew (Lee, 2000). As Singapore becomes more modern, social networks and social capital play even less of a role in the provisioning of employment and entrepreneurial opportunities in this economically affluent city-state as compared to human capital. However, even though non-residents account for a significant 28.1% of the Singapore's labour force by December 2021 (MRSD, 2022), very little attention has been given to analysing the dynamics of the social networks of this foreign workforce in Singapore, as well as how it helps or hinders foreign talent in obtaining employment in Singapore. This literature review would thus first examine the possible social factors that come into play in the determination of work employment for foreign talent in Singapore. Additionally, it also showcases how different groups of foreign talent who live in Singapore might experience inequality in social capital, both among themselves and between them and locals. Lastly, it demonstrates how currently-used meritocratic indicators such as examination grades might not be perfect and thus, social capital might still prove to be useful as a supplementary signal for employers during hiring to at least minimize the effects of implicit biases when evaluating job applicants with differing nationalities.

Literature Review

Firstly, we observe that foreign talent might not be able to accumulate as much social capital as local talent due to some social factors. Supposedly, social capital makes life easier. Social capital improves people's health, provides assistance during difficult times, and leads to better occupations that involve promotions to positions of leadership and higher compensation (Chua et al., 2016). However, this might not be universally applicable for foreign talent who live in Singapore. One factor that might affect this could be the fact that many Singaporeans regard foreign talent as unfair competition in the job market, taking away precious state-funded university spots from qualified Singaporeans. Singaporeans were also angry at foreign talent who they felt were not integrating well and consequently not conforming to Singaporean society norms such as speaking English (e.g., the Chinese were often criticised as only speaking in Mandarin and not being able to speak basic English or Singapore English, which is also known as Singlish). Furthermore, Singaporeans have begun to express a sense of loss in their local identity, as they believe that Singaporean culture is becoming diluted as a result of a growing number of foreign talent living, working, and studying in the city-state (Gomes, 2019). Several experts (Gomes, 2014; Liu, 2014) have noted alarming levels of xenophobia among Singaporeans, potentially due to some of the aforementioned social factors, and thus regarding foreign talent as a threat to the economic, social, and cultural well-being of ordinary locals. As a result, this would impact the perception of foreign talent in the eyes of employers. This also has an indirect

impact of compelling the Singapore government to tighten the foreign talent policy, causing further trouble and hassle for employers who would want to hire or bring in qualified foreign talent. An example of this tightening measure includes the increase in salary thresholds for new Employment Passes (EP) and S Passes, as specified in the Budget 2022 policy (Yang, 2022). While there might still be some more friendly localized contexts whereby foreign talent could attempt to cultivate and grow their social capital such as schools, universities, and more open MNCs, these are very limited in numbers and they might not be sufficient to cater to all foreign talent in Singapore, especially accounting for differing backgrounds and incompatible domains. Hence, it is much harder for foreign talent to even build up sufficient social capital in the first place as compared to locals unless they are especially lucky, and thus, mobilization of social capital for foreign talent to obtain employment is severely limited in Singapore.

As mentioned earlier, the Singapore government would feel compelled to tighten the foreign talent policy due to some demand for it from Singaporeans. However, it is worth noting that Manpower Minister Tan See Leng stated that most EP holders would be unaffected by these changes because they earn significantly more than the qualifying salary (Hui Min, 2022). This curious statement somewhat contradicts some of the sentiments of employers (Yeoh, 2022), startups (Tan, 2019), and several individual foreign talents themselves, such as international students (Pei Ting, 2020), which was worsened by the COVID-19 pandemic. This might potentially indicate some level of wage and social capital inequality among foreign talents. Those in the lower-income brackets would struggle more due to this tightening measure, as compared to those in the higher income brackets. With even lesser chances of establishing a formal work relationship with any potential employers in Singapore due to the lack of opportunities as employers become hesitant from hiring foreign talent, depletion of social capital for foreign talent is inevitable, especially for those who are not earning much or for those who do not even have a job in the first place. The disparate levels of social capital between foreign talent and locals would become even more pronounced, as employers would favour hiring locals instead.

As mentioned by one paper (Chua, 2011), most employers from the state sector are concerned about grades the most, whereas small businesses and MNCs are less likely to be concerned about grades. While academic achievements are one clear and straightforward method to assess one's meritocratic worth and capabilities, it is arguably insufficient to simply use academic achievements as the sole differentiating factor anymore, especially in the context of foreign talent. For instance, some foreign talent might possess incredible achievements in their origin countries, which might translate to a mediocre performance level in Singapore due to the difference in relative average difficulty and quality of education (Davie, 2020). As such, while such talent might still perform incredibly well in practical real-life work, due to the decreasing gap in the relative performance of their academic achievements compared to the performance of locals in Singapore, they might not be valued as greatly as they would have been in their original countries. Thus, coupled with the fiercely competitive nature of Singapore education, this might lead to a potential undervaluation and underutilization of foreign talent in Singapore,

which could lead to a waste of talent. One potential method to mitigate this would be to inspect the social capital of such foreign talent. While, as demonstrated earlier, these foreign talents might not possess that much social capital in Singapore themselves, they might have accumulated more than sufficient social capital back in their hometowns. While this social capital is usually untranslatable and unexchangeable across different countries, and while it might be slightly unreasonable for employers to put that much effort into evaluating job candidates, this approach would at least reduce the effects of the everpresent and inherent biases of foreign talent in the minds of employers. If employers would like to select those foreign talents who are truly qualified for the jobs, putting some effort into analysing the social capital that these candidates might have back home could be worth it, both for the employers themselves, as well as for the long-term impact on Singapore's attractiveness as a business hub and even the income development of local talents.

Proposed Further Studies

While there are plenty of social capital studies being done outside of Singapore, there are very few studies that contextualize these findings in the Singapore ecosystem, and there are even fewer that focus on social networks of foreign talent. The multicultural, multiracial, multiethnic, multireligious, and multinational society present in Singapore provides an interesting case study filled with plenty of potential discoveries that could further our understanding of social networks and social capital in a first world country that attempts to almost obsessively maintain harmony using institutional measures. There are intricate characteristics and dynamics at play in Singapore, and thus, inspecting some of these more deeply could potentially bear insightful results.

One proposed further study that could be conducted would be to compare the social capital of locals against foreigners in Singapore. Such a study would assist us in concretely visualising how different accumulations of social capital in Singapore affect the list of opportunities available for these foreign talents. This could potentially allow us to design and develop better foreign talent policies that remain fair for all nationalities. After all, there exists a very significant portion of around 61% of Singaporeans and Permanent Residents who are willing to emigrate to other countries to seek further education or more opportunities such as a job that is not available in Singapore (Randstad, 2017), effectively rendering them as the foreign talent in foreign lands. If more equitable agreements and arrangements could be made between Singapore and other countries in terms of their foreign talent policies, everyone would benefit.

Another possible study that could be conducted would be to analyse how social networks play a role in securing employment for foreign talent in different career stages and demographics. For instance, one paper (Chua, 2011) mentioned that the well-educated are less likely to use job contacts and that the Chinese are more likely to mobilize their job contacts. Could this be extrapolated to foreign talent as well? For example, would Chinese foreign talent be more likely to utilize their job contacts? Would well-educated foreign talent still rely more on their human

capital instead of their social capital during job hunting? Can the results of a paper that examined social inequality among different genders and ethnicities for Singaporeans (Chua et al., 2016) be extended to foreign talent as well? These are just several potential research questions that could be investigated in the future. Understanding the role social capital plays for different groups of foreign talent might even prove useful for us in determining how social capital is useful for locals, and thus perhaps could shed more light on unexpected social domains that exist in Singapore.

Conclusion

In conclusion, there is still much to learn about how social capital affects the employment of foreign talent in Singapore as compared to local talent. While this literature review has highlighted several issues that foreign talent currently faces in Singapore, as well as possible ways to mitigate inequality in social capital or improve the current situation, there are still many facets of this situation that are currently left unexplored. Through this paper, we hope to inspire others and promote further research regarding this issue in the future. While we understand that this is a sensitive and complex issue with no simple or easy solutions, by ensuring that we treat both local talent and foreign talent as fairly as we can, we hope that we can achieve a more harmonious, peaceful, and better society that everyone can experience and benefit from in Singapore.

References

Chua, V. (2011). Social networks and labour market outcomes in a meritocracy. *Social Networks*, *33*(1), 1–11. https://doi.org/10.1016/j.socnet.2010.08.001

Chua, V., Mathews, M., & Loh, Y. C. (2016). Social capital in Singapore: Gender differences, ethnic hierarchies, and their intersection. *Social Networks*, *47*, 138–150. https://doi.org/10.1016/j.socnet.2016.06.004

Davie, S. (2020, October 22). *Singapore's 15-year-olds top OECD's Pisa global competence test*. The Straits Times.

Gomes, C. (2014). Xenophobia online: unmasking Singaporean attitudes towards 'foreign talent' migrants. *Asian Ethnicity*, *15*(1), 21–40. https://doi.org/10.1080/14631369.2013.784511

Gomes, C. (2019). Identity as a strategy for negotiating everyday life in transience: A case study of Asian foreign talent in Singapore. *Current Sociology*, *67*(2), 225–249. https://doi.org/10.1177/0011392118792929

Hui Min, C. (2022, March 4). *New points system for Employment Pass applicants from September 2023*. Channel News Asia.

Lee, K. Y. (2000). *From Third World to First: The Singapore Story - 1965-2000* (1st ed.). Harper.

Liu, H. (2014). Beyond co-ethnicity: the politics of differentiating and integrating new immigrants in Singapore. *Ethnic and Racial Studies*, *37*(7), 1225–1238. https://doi.org/10.1080/01419870.2014.892630

MRSD, MOM. (2022, March 14). *Labour Market Report 2021*.

Pei Ting, W. (2020, September 20). *International students on S'pore government bond unable to find jobs, desperate for help and answers*. TODAY.

Randstad. (2017, August 18). *Randstad Workmonitor Q2 2017: Brain drain more prevalent in Singapore, Hong Kong and Malaysia*.

Tan, Z. (2019, April 5). *Is Singapore's tech sector being held back by tight immigration laws?* KrASIA.

Yang, C. (2022, February 21). *Budget 2022: Salary thresholds for new Employment Pass, S Pass applicants to be raised*. The Straits Times.

Yeoh, G. (2022, February 19). *Higher foreign employee salary thresholds to impact business costs; important to reskill locals, say observers*. Channel News Asia.