

PUBLIC CONSULTATION ON SELF-EMPLOYED PERSONS' TOP CONCERNS IN THE FUTURE ECONOMY

Aim

The tripartite workgroup¹ on self-employed persons² (SEPs) invites the public to give feedback on SEPs' top concerns in the future economy.

Why focus on SEPs?

2. Employment legislation in Singapore generally require the employer to provide some basic protection to their employees; for example annual leave, sick leave and work injury compensation. Such employees include those on term-contracts, and those who are employed on temporary or casual work. As SEPs do not have employers and have greater control over their work, such protection is usually not available to them.

3. While the share of primary SEPs (i.e. those who did self-employed work as their main job) among residents in the workforce has remained at about 8-10% for the past 10 years, they may benefit from some enhanced protection. There is also a possibility that self-employment may become more prevalent in our future economy.

4. To be prepared for the future, as announced by the Minister for Manpower Lim Swee Say in March this year, a tripartite workgroup has been formed to look into SEPs' concerns and to come up with practical solutions for the wellbeing of SEPs in our future economy.

Who are these SEPs?

5. SEPs form a diverse group. The Labour Force Supplementary Survey on Own Account Workers³ 2016 (LFSS 2016) found that primary SEPs were more likely to be older (50 years and over), and worked in "traditional" self-employed occupations (e.g. taxi drivers, real estate agents). Secondary SEPs (i.e. those who take up self-employed work on the side, while being employed or studying full time for example) were more likely to be younger, and worked as private hire car drivers and private tutors. SEPs are not casual, temporary or term-contract employees who are on employment contracts for fixed periods of time.

What are SEPs concerned about?

6. As part of its work, the tripartite workgroup has been consulting SEPs, SEP associations, intermediaries and service-buyers to identify SEPs' top concerns. Some concerns SEPs raised during the tripartite workgroup's engagements and in the LFSS 2016 are:

- (i) *Getting paid late or not getting paid at all/fully*

¹ At COS 2017, Minister for Manpower announced the formation of a tripartite workgroup to study issues related to SEPs. This tripartite workgroup comprises members from the Ministry of Manpower, National Trades Union Congress and Singapore National Employers Federation.

² Self-employed persons (SEPs) operate their own trade or business, and include taxi drivers, graphic designers, sport coaches and tourist guides.

³ SEPs who do not employ any paid worker and are not contributing family members are also known as "own account workers", which is a more formal term used in the LFSS report.

Some SEPs surveyed said that they were concerned with late or non-payment for work done. During the tripartite workgroup's engagements, SEPs in the media, design and arts sectors shared that disputes over payment often arose because the agreed terms were not recorded, or contract terms did not have clear written requirements and payment terms.

(ii) *Ineligibility for employment benefits*

Some SEPs surveyed said that ineligibility for employment benefits was a concern. During the tripartite workgroup's engagements, many SEPs recognised that it would be difficult for them to have the same employment benefits that employees have (e.g. annual leave) as they generally worked on a project basis, with greater control over their work hours. However, self-employed dancers and sports coaches felt that protection in the event of injuries at work was important, as a serious injury could put them out of work for some time.

(iii) *Uncertainty of finding sufficient work – fluctuating income and its impact on long-term financial planning*

Some SEPs surveyed said that uncertainty of finding sufficient work was a concern. SEPs said this in turn affected their ability to save and make long-term financial plans. During the tripartite workgroup's engagements, SEPs, including older SEPs, said that they needed to save regularly for retirement and healthcare, but had difficulties due to income fluctuations.

7. We would like to seek feedback on the above concerns and other concerns that SEPs face, and the factors contributing to them. You may wish to use these questions as a starting point:

- What are the main causes of late payment or non-payment for SEPs' services?
- Is loss of income while injured a concern for SEPs? What other employment benefits are SEPs concerned about not being eligible for?
- What are SEPs' key concerns when it comes to preparing for retirement? What about when it comes to meeting healthcare needs?
- What other concerns do SEPs face?

Consultation Details

8. The consultation exercise will be open from **9 November 2017 to 22 December 2017**.

9. We seek your support to ensure that the consultation exercise is productive and focused, and would like to request that respondents:

- a. Identify yourself and the organisation you represent (if applicable), so that we know if you are contributing in your personal capacity or as a representative of your organisation/association;
- b. Make your comments clear and concise;
- c. Identify the specific areas that you are commenting on, and provide your comment on how the concerns could be addressed; and
- d. As far as possible, explain your points with illustrations and examples.

10. Please submit your feedback to: mom_consultations@mom.gov.sg with the subject heading "Consultation on SEPs' Top Concerns for the Future Economy".