



OTC INSTITUTE LABOUR RESEARCH

New Types of Employment in Singapore

Fourth topic in the conference proceedings: New Types of Employment in Singapore.

Partnership of research between Ong Teng Cheong Labour Leadership Institute and the Lee Kuan Yew School of Public Policy, National University of Singapore (NUS).

Report presentation by Dr Reuben Ng, Lee Kuan Yew School of Public Policy, NUS.

Ong Teng Cheong Labour Leadership Institute



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Acknowledgements

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RESEARCH REPORT

Report submitted by:

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EXECUTIVE SUMMARY

Singapore enters an unprecedented economic time where traditional businesses face major disruptions by new business models and types of employment. Studies have paid asymmetrical attention on the economy and companies but little on workers. This study found an emerging group of freelancers who work out of co-working spaces, market their skills, and win jobs through online platforms. The majority intend to carry on freelancing, primarily motivated by a flexible work schedule, passion, and the potential impact of their work on society. Despite these refreshing trends, propelled by technology, key concerns of the freelancers remain perennial: Income security, lack of savings for retirement, risk of non/late payment, and the loss of income during skills-upgrading.

INTRODUCTION

The gig economy has permeated daily lives, and transformed the way Singaporeans commute, eat and work. This has led to an expansion of freelancing possibilities, a shifting workforce profile, and new ways of working.

Although freelancing preceded the gig economy buzz, it is regarded as ‘new’ given its increasing prevalence and relevancy for the job market. The International Labour Organization (ILO) refers to such forms of self-employment, especially those salient in the gig economy, as precarious employment: Fixed term labour contracts with the absence of employment security resulting in insecure employment¹. There are also other labels including “casual workers”—hired to meet demand—and “freelancers”—a type of employment that is carried out independently and without any other employees.

Given the changing landscape of freelancing, it is timely to study the profile of these workers, their new ways of working, professional motivations and personal concerns. This will lay the groundwork to design advocacy strategies and programs.

METHODS

The study’s primary aims are to distil the profile of freelancers, new ways of working, professional motivations and concerns with comparisons to the norm group of non-freelancers (e.g. employees). We conducted an online survey that achieved a sample size of 1,563. The survey consisted of demographic questions, work modalities, motivations and concerns.

RESULTS

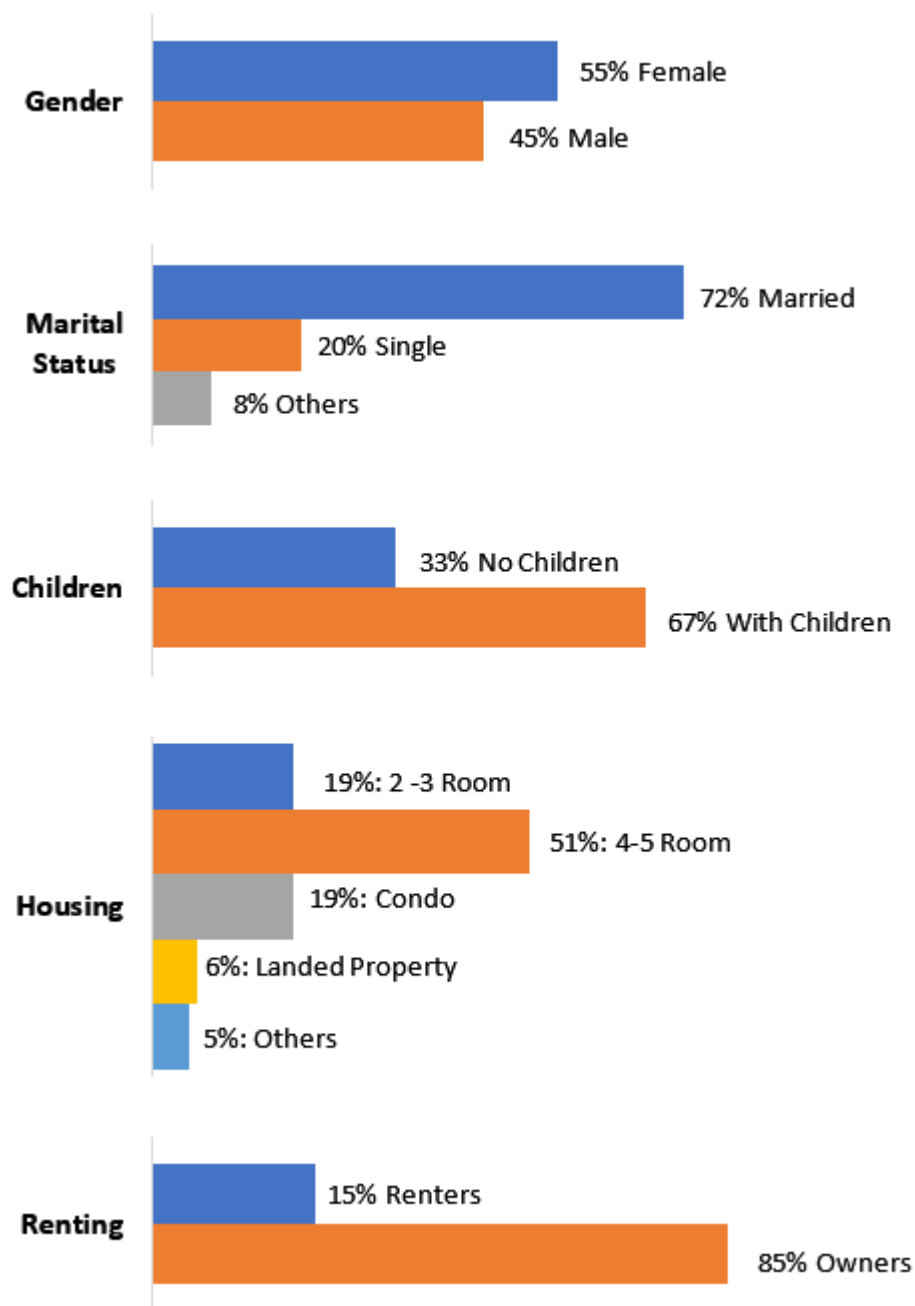
The study results will be presented in the following sequence:

1. Demographics of the freelancers in Singapore
2. New ways of working
3. Motivations
4. Concerns
5. Central Provident Fund (CPF) matters
6. Future plans

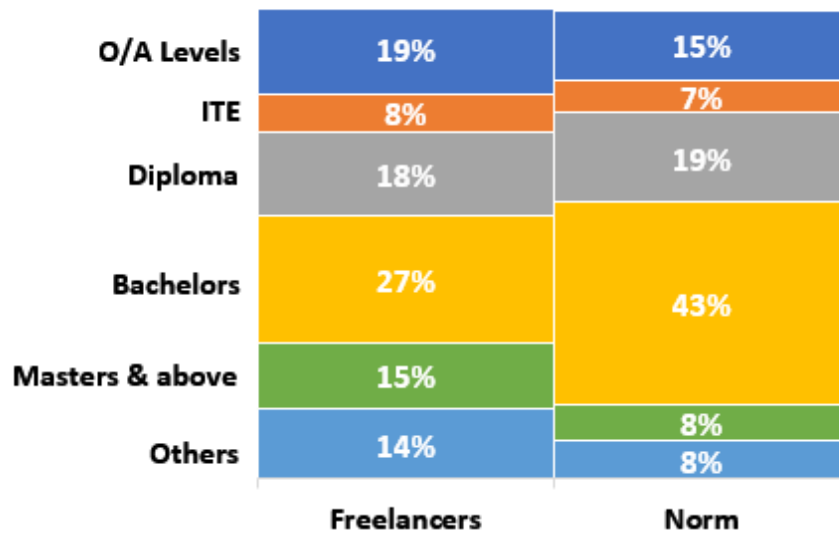
¹ International Labour Office (2015). Non-standard forms of employment. Geneva: ILO Press.

1. Demographics of the freelancers in Singapore

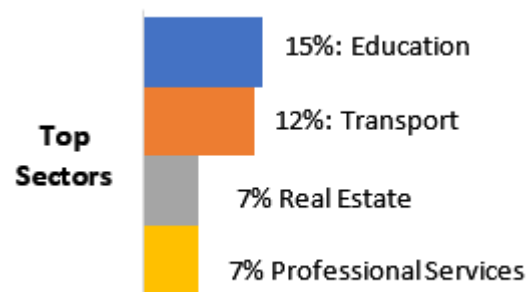
The survey found the following mutually exclusive demographics: A balanced gender (55% female), majority married (72%), 67% with children, 70% living in HDB flats, 85% home owners. Compared to the norm, freelancers are older, work and earn lesser, and telecommute more. The education profile of the freelancers presents an interesting picture. Compared to the norm (non-freelancers), freelancers on both ends of the education spectrum stand out in their elevated proportions: 19% of O/A levels, and 15% with Masters degrees and above. There are 15% O/A levels and 8% Masters and above, respectively for the norm group. There appears to be two distinct groups of freelancers: lower educated and highly educated. The top industries with freelancers are education (15%), transport (12%), real estate (7%), and professional services (7%).



Median	Freelancers	Norm
Age	44	36
Years of work experience	5	6
Monthly income (self)	\$2,250	\$3,500
Work hours per week	39 hours/week	42.5 hours/week
Work-from-home hours per week	10 hours/week	4 hours/week



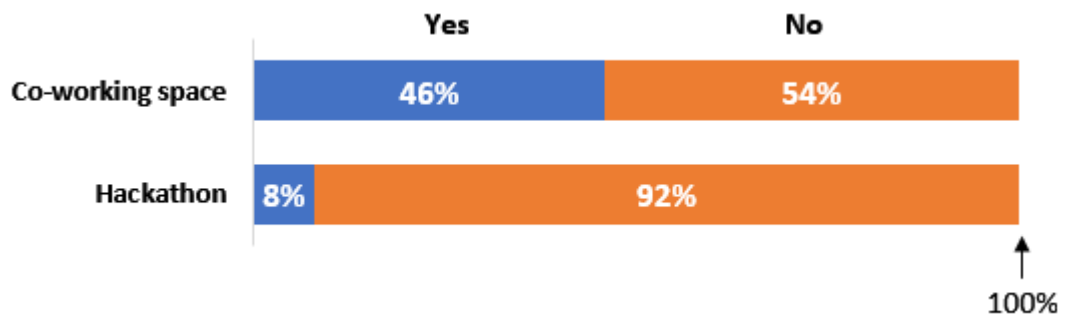
Note: Percentages may not add up to 100% due to rounding.



2. New ways of working

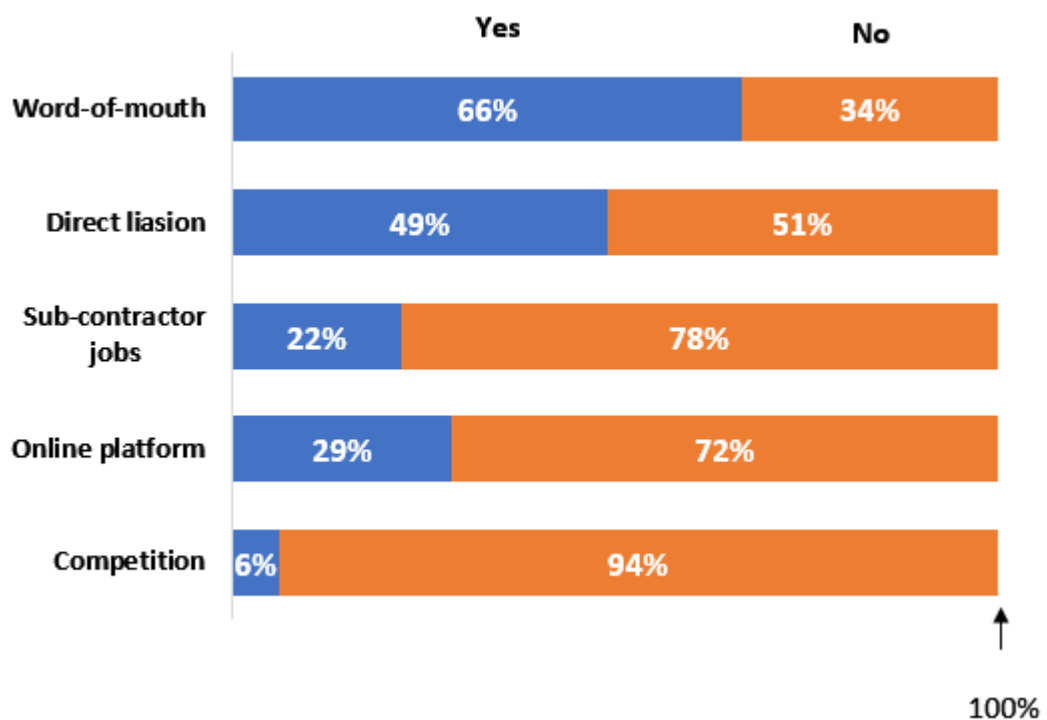
i. Co-working spaces and hackathon participation

About half (46%) of freelancers work in co-working spaces. One interesting characteristic of co-working spaces is the opportunity to network with other freelancers. This hints at the desire of freelancers to get connected with other freelancers outside of their industries for cross-pollination of ideas and out-of-the-box collaborations. Another phenomenon, though nascent (8%), is the participation in hackathons that allow for intensive networking and showcasing one's prowess among potential clients.



ii. Platforms to market skills

Another shifting aspect is the medium freelancers use to market their skills. Traditional ways such as word-of-mouth (66%) and direct liaison (49%) still form the mainstay in a growing repertoire that includes online platforms (29%) and taking part in competitions (e.g., hackathons) that bring recognition and visibility to one's skills.



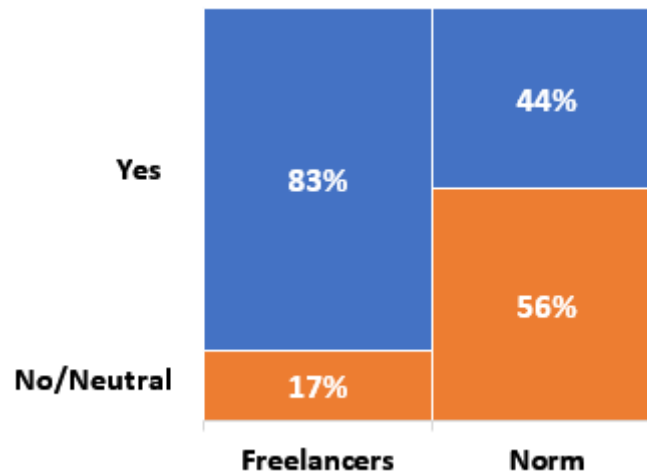
Note: Percentages may not add up to 100% due to rounding.

3. Motivations of freelancers

Overall, there are three key motivators for freelancers: Flexible work schedule, passion, and the ability to create social impact. This section compares the motivations of freelancers with the norm group of non-freelancers.

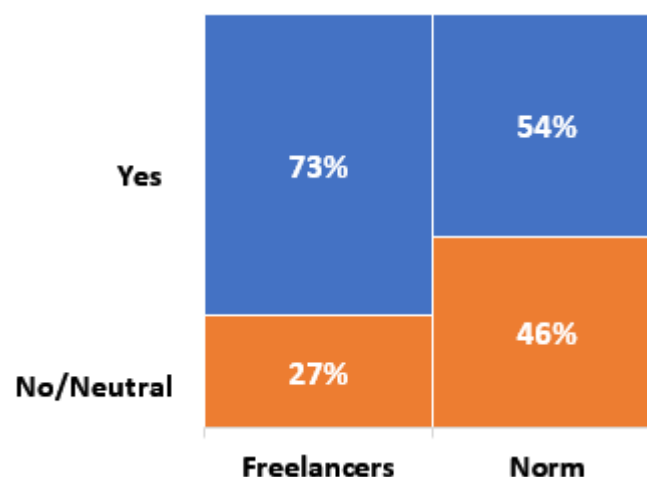
i. Flexible work schedule

A large majority of freelancers (83%) reported that a prime motivator is a flexible work schedule, compared to the norm of 44%.



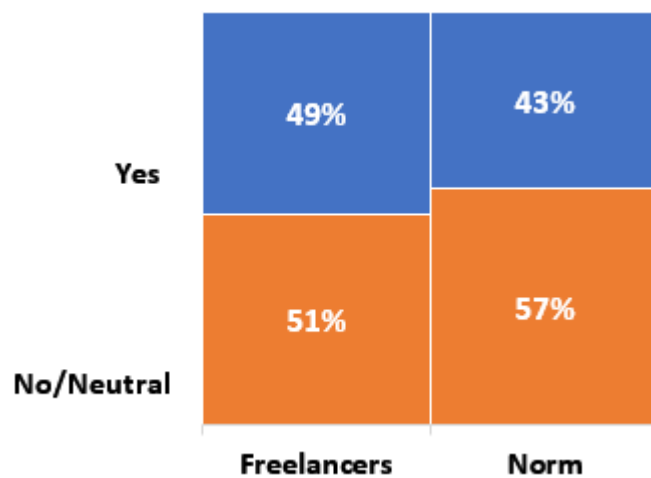
ii. Passion

Passion also features prominently with 73% of freelancers stating that it is a key motivator for entering such a work arrangement, compared to 54% in non-freelancers.



iii. Social impact

Almost half of freelancers entered this work arrangement to create a greater social impact, compared to 43% in non-freelancers.

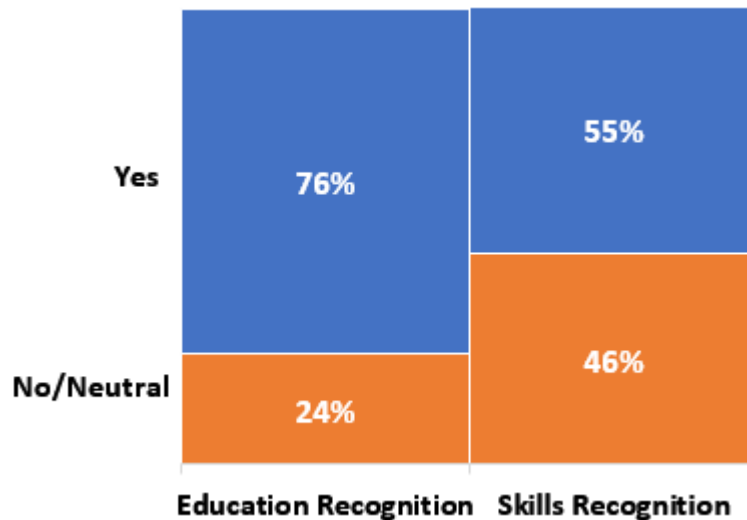


4. Concerns

There are a multitude of concerns espoused by freelancers. Some are personal and perennial such as the lack of income security and not being paid on time. Others point to the economy's outdated, albeit entrenched norms such as the over-emphasis on education rather than skills.

i. Skill recognition is lacking

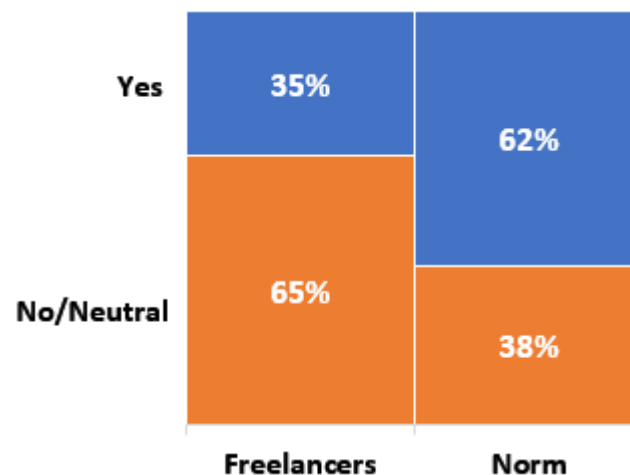
A higher proportion of clients value freelancers for their educational qualifications (76%) than skills (55%). This is an interesting finding since freelancers are typically hired for their skills as a cost-effective means to fill a skills-gap in one's organisation and/or project.



Note: Percentages may not add up to 100% due to rounding.

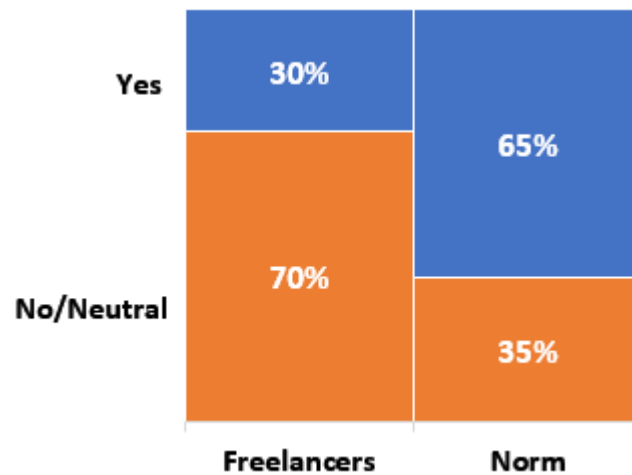
ii. Job security

Job security is a perennial concern with only 35% stating that they have job security, compared to 62% in norm category of non-freelancers.



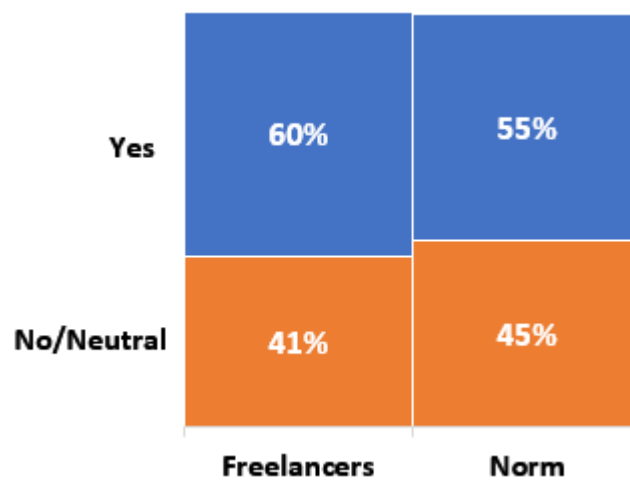
iii. Income security

Dovetailing job security, only 30% of freelancers stated that they have income security, compared to 65% in the norm category.



iv. Not enough retirement savings

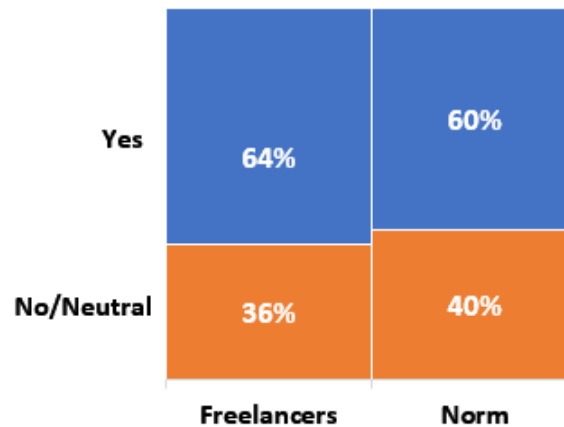
Another evergreen concern is the lack of retirement savings though the percentages are almost similar for both freelancers (60%) and non-freelancers (55%). This shows that the lack of retirement savings may be independent of work arrangements, and not unique to freelancers. This finding should be examined together with Section 5 (i) and 5 (ii) on CPF contribution.



Note: Percentages may not add up to 100% due to rounding.

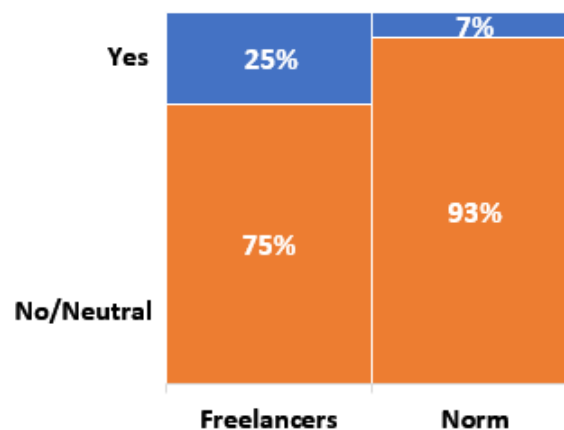
v. Not enough savings for medical expenses

With regard to medical expenses, a majority of both freelancers (64%) and non-freelancers (60%) express an inadequacy.



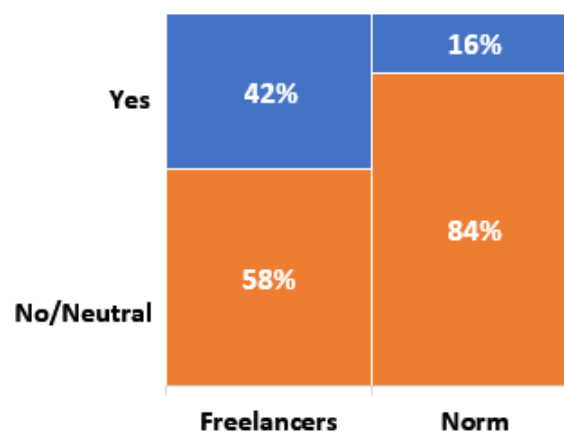
vi. Payment issues

When asked about payment issues, 25% of freelancers answered that they were not paid on time/in full, compared to 7% in the non-freelancer group. One in four freelancers not getting paid in full/on-time highlights a systemic issue that should be taken up by the relevant parties.



vii. Loss of income during training

Almost half of freelancers (42%) reported that the potential loss of income discouraged them from taking part in training, compared to 16% in the norm group.

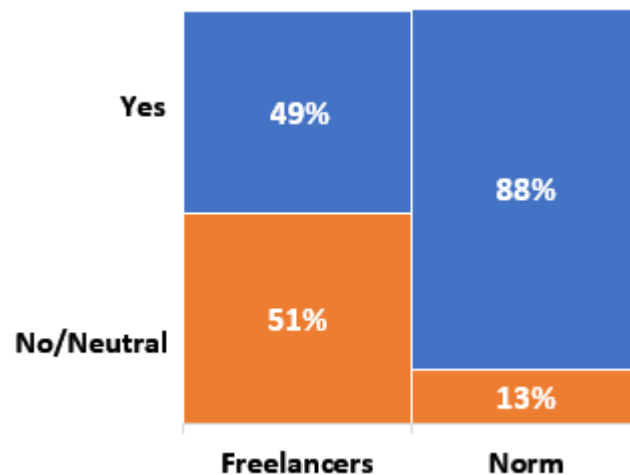


5. Central Provident Fund (CPF)

CPF contributions are an integral component of retirement savings that freelancers and the self-employed expressed the lack of. The survey devoted several questions to this important topic with two key responses presented here.

i. Current contributions to CPF

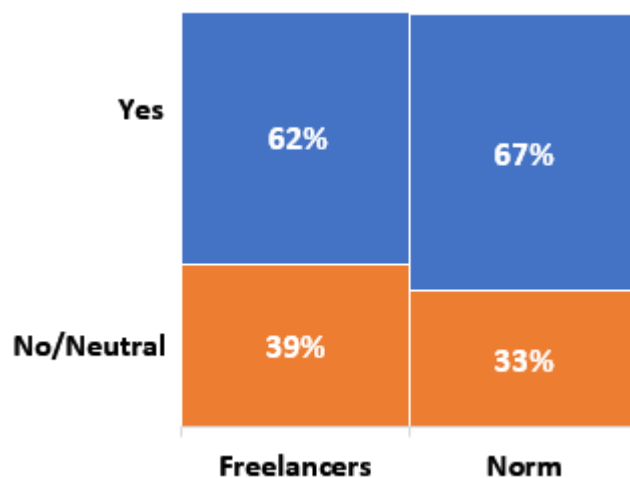
Less than half of freelancers (49%) currently contribute to CPF, compared to a large majority (88%) of the norm (non-freelancers).



Note: Percentages may not add up to 100% due to rounding.

ii. Desire to contribute to CPF

Despite the lack of current CPF contributions (49%), a good number (62%) of freelancers expressed the desire to contribute. This is almost similar to the sentiments expressed by employees (the norm category).



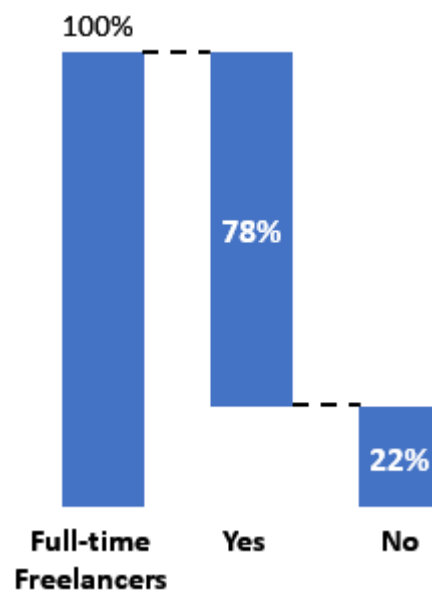
Note: Percentages may not add up to 100% due to rounding.

6. Future plans

The common concern about freelancers is whether this work arrangement is a stop-gap measure in-between jobs, and a systemic weakness in the economy where workers cannot find employment and have to be engaged in freelance work. To achieve insights to these questions, the survey asked participants if they intended to remain full-time freelancers and whether they had a career plan.

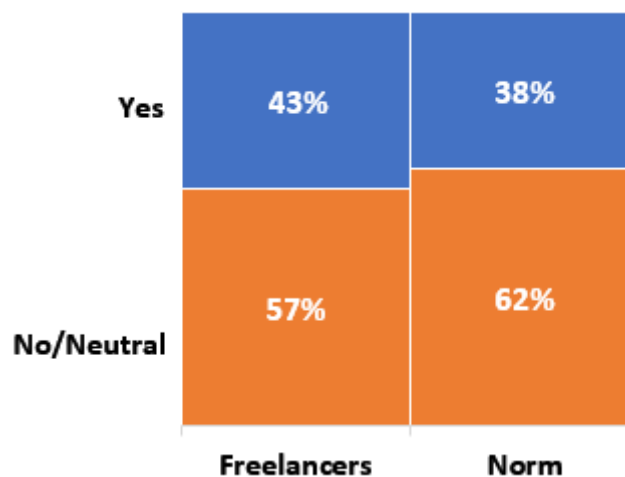
i. Intention to freelance full-time

A large majority of freelancers (78%) intend to carry on their current full-time freelancing work arrangements.



ii. Career plan

As mentioned, a common concern is whether freelancers are in it involuntarily for the short-term or have a plan for the long term. Interestingly, a sizable proportion (43%) of freelancers reported having a career plan, compared to 38% in the norm group of non-freelancers. This suggests that freelancing is increasingly viewed as a viable career option to achieve one's long term career goals.



SUMMARY OF INSIGHTS AND IDEAS FOR NEXT STEPS

A new group of freelancers emerge: Increased prevalence of working at co-working spaces, and marketing skills through online platforms. The key motivators include the desire for a flexible schedule, passion, and ability to impact society.

Though their concerns are perennial (e.g., income and job security), there are issues of not being paid in full and/or on-time that require greater attention and advocacy. Another major concern is the lack of retirement savings that can be alleviated by re-thinking the practices and policies of CPF contributions by freelancers/self-employed. There is potential support for such re-tooling as 62% expressed a desire to contribute to CPF.

Another concern to highlight is the feedback from freelancers that clients still value their education qualifications more than their skills. This is ironic given that the freelancers are typically hired for their skills. This could hint at a systemic economic issue that workplaces in Singapore still value educational qualification over skills. More research should uncover the drivers of and pathways to this undesirable outcome that could lay the groundwork for potential interventions.

Importantly, the survey found that current freelancers have plans to carry on this work arrangement, and some have a career plan. Given that freelancing and self-employment are important cogs in the wheels of a transforming economy, the numbers will likely increase as individuals perceive freelancing/self-employment as a viable career track. Against this background, there is an urgency to put in place laws to protect, and programs to develop freelancers as these new types of employment will form an important pillar of the economy.

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