

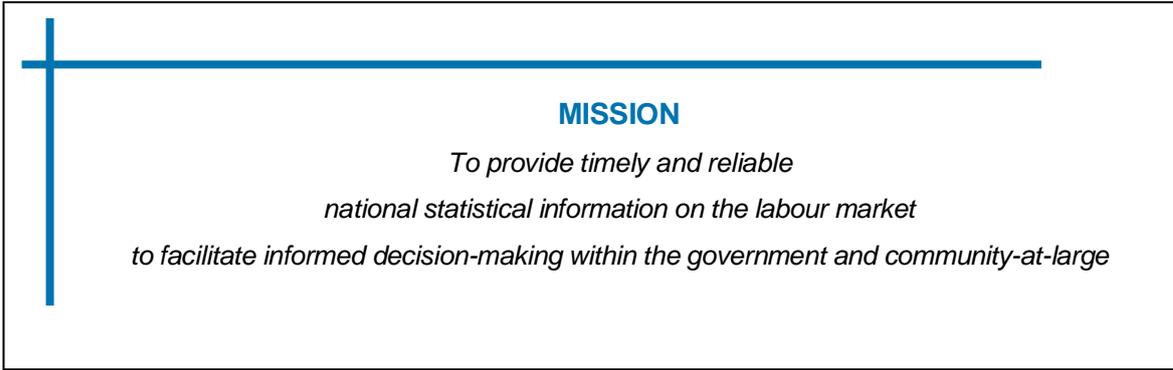
Own Account Workers 2016



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

September 2017



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national statistical information on the labour market
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HIGHLIGHTS

The recent proliferation of online platforms has accorded flexibility in work arrangements, and changed the way people work. This has generated greater interest in the trends of 'independent workers'. 'Independent workers' are typically self-employed persons who provide services or products by assignments or for a specific period of time and do not engage employees. In Singapore, own account workers are used as a proxy for 'independent workers'.

A new Supplementary Survey on Own Account Workers conducted by the Manpower Research and Statistics Department of the Ministry of Manpower found that 200,100 residents were involved in own account work as a regular form of employment in 2016. They included single and multiple job holders. 166,800 (or 83%) engaged in own account work as their primary job¹, while the remaining 33,300 (or 17%) did so on the side².

A higher proportion of primary own account workers were older (54% were aged 50 years & over) or less educated (63% held non-tertiary qualifications). On the other hand, secondary own account workers tended to be younger (77% were aged below 50 years) or better educated (63% had tertiary qualifications).

83% of own account workers engaged in own account work as a preferred choice, of which 67%-points were primary, and 16%-points were secondary own account workers. The remaining 17% who did not engage in own account work as a preferred choice were mostly primary own account workers. Hence, a higher proportion were older or less educated compared to those who did so as a preferred choice, which had a mix of primary and secondary own account workers.

Own account workers were commonly working in traditional occupations such as taxi drivers, real estate agents, working proprietors and insurance sales agents; they were mostly primary own account workers. On the other hand, a higher proportion of private hire car drivers and private tutors were secondary own account workers.

Two in three own account workers indicated that they faced challenges in their work. *Uncertainty of finding work* (50%) was the top concern cited by own account workers, followed by their *non-eligibility for employee benefits* (23%) and *not getting paid in full or on time* (15%).

¹ Henceforth referred to as 'primary own account workers'.

² Henceforth referred to as 'secondary own account workers'.

Own Account Workers 2016

1 Introduction

1.1. The recent proliferation of online platforms has accorded flexibility in work arrangements, and changed the way people work. This has generated greater interest in the trends of 'independent workers'. 'Independent workers'³ are typically self-employed persons⁴ who provide services or products by assignments or for a specific period of time and do not engage employees. In Singapore, own account workers are used as a proxy for 'independent workers'. This report profiles the characteristics of own account workers, based on data obtained from a new supplementary survey conducted by the Manpower Research and Statistics Department.

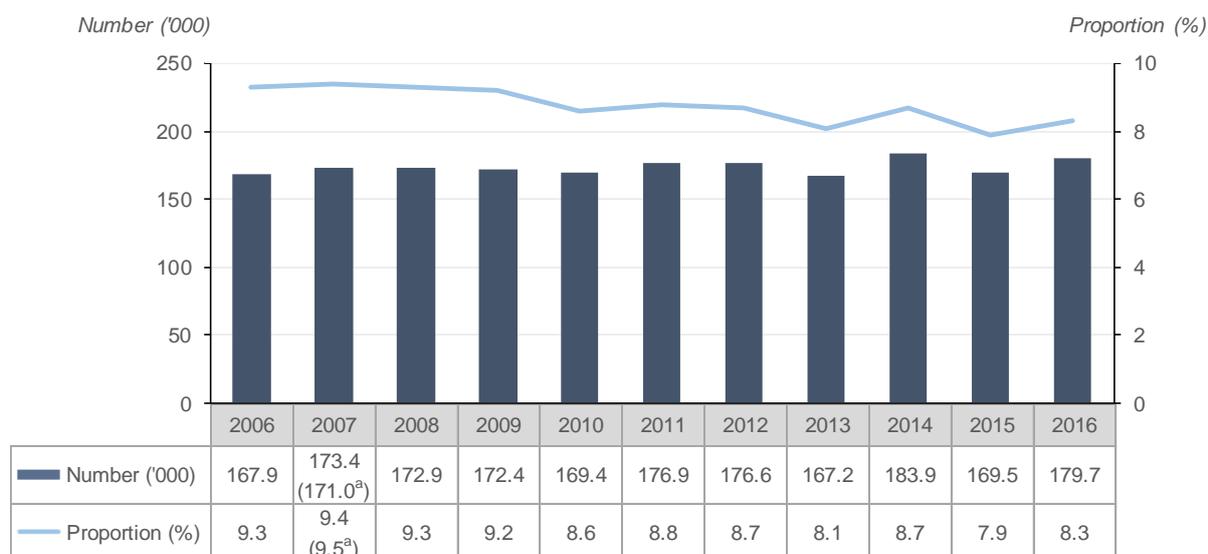
2 Data and Methodology

2.1. Based on data obtained from the annual Comprehensive Labour Force Survey (conducted in June of each year), there were 179,700 residents who were own account workers in their main or primary job during the reference week in June 2016. The share of own account workers has remained within the range of 8% to 10% of employed residents over the past ten years ([Chart 1](#)).

³ There is no internationally agreed statistical definition of 'independent workers'. Studies have referred to them as 'self-employed persons without employees', 'persons who use digital platforms to work-on-demand or to lease assets', 'persons in non-permanent employment', or simply 'freelancers'. This has given rise to a wide range of estimates of the number of independent workers in various countries. However, an inherent characteristic of independent workers is that they do not have an employer-employee relationship between them and their clients. Hence, in Singapore, own account workers who most closely fit this characteristic are used as a proxy. The definition of own account workers follows closely to the International Labour Organisation's classification of Status in Employment (<http://ilo.org/global/statistics-and-databases/statistics-overview-and-topics/status-in-employment/current-guidelines/lang--en/index.htm>).

⁴The majority of the self-employed in Singapore are own account workers who do not employ workers to work for them. Other self-employed persons include employers and contributing family workers who assist in the operation of family business without receiving regular salaries.

Chart 1: Number and Share of Primary Own Account Workers Among Employed Residents in Singapore, 2006 to 2016 (June)



Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Notes:

(1) Figures refer to residents who were own account workers in their main job during the reference week.

(2) 'a': June 2007 data have been adjusted based on latest revised population estimates from DOS to facilitate comparison with June 2008 onwards.

2.2. As the Comprehensive Labour Force Survey tracks the employment status of workers in their main or primary job during the reference week of the survey, it may not capture a group of workers who are own account workers in their secondary jobs. A new Supplementary Survey on Own Account Workers was thus conducted to capture residents who did own account work on the side. The reference period was also extended from one week to a full year so as to capture persons doing such work regularly over a longer period from August 2015 to July 2016 (Table 1).

Table 1: Differences between Comprehensive Labour Force Survey and Labour Force Supplementary Survey on Own Account Workers

<i>Comprehensive Labour Force Survey</i>	<i>Supplementary Survey on Own Account Workers</i>
<i>Conducted annually in June</i>	<i>Conducted for the first time in August 2016</i>
<i>Main job in reference week</i>	<i>Main or secondary job in reference year</i>
<i>Primary own account workers</i>	<i>Primary and secondary own account workers</i>
	<i>Reasons for doing own account work</i>

2.3. The supplementary survey also collected demographic information of primary and secondary own account workers, reasons for engaging in own account work, and whether own account work was a preferred choice of employment.⁵

⁵ Persons for whom own account work is not their preferred choice of work refer to those who engage in own account work because they are unable to find work as an employee. Among multiple job holders, it includes those who are unable to find full-time work.

2.4. Details on the concepts and definitions, survey coverage and methodology are provided in the [Annex](#).

3 Profile

Primary and Secondary Own Account Workers in the Year

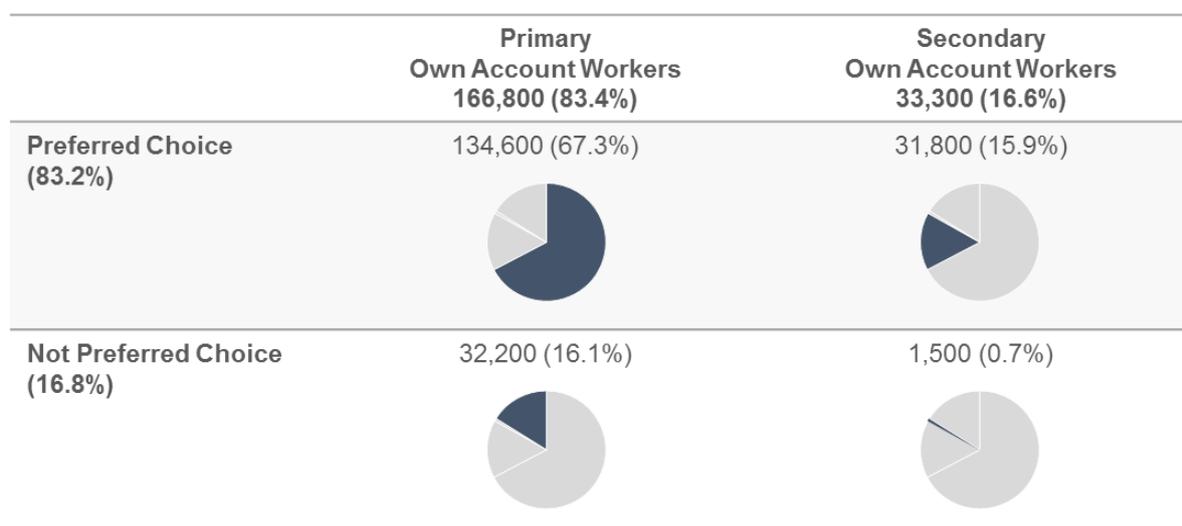
Total of 200,100 primary and secondary own account workers in 2016; majority did so as a preferred choice

3.1. Based on the supplementary survey, there were about 166,800 (83%) primary own account workers in 2016.⁶ Another 33,300 (17%) were secondary own account workers. Altogether, a total of 200,100 residents were involved in own account work as a regular form of employment over the year.

3.2. Among the secondary own account workers, 47% worked in another full-time job, while the remaining held multiple part-time jobs.

3.3. 83% of own account workers did so as a preferred choice of employment. Among the remaining 17% who were own account workers even though it was not their preferred choice, those who were doing this as their primary job accounted for 16%-points ([Chart 2](#)).

Chart 2: Distribution of Resident Own Account Workers, August 2015 to July 2016



Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Notes:

(1) Figures may not sum up to the totals due to rounding.

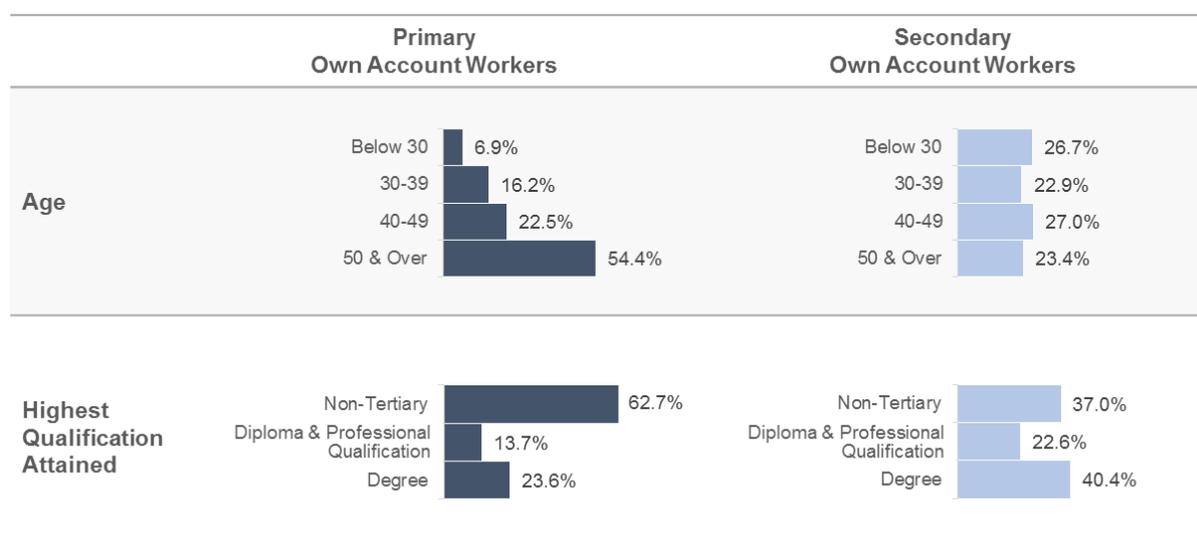
(2) Figures from the Supplementary Survey on Own Account Workers refer to residents who were own account workers in their main or secondary job as a regular form of employment during the reference year.

⁶ The reference period was August 2015 to July 2016. This number is lower than the 179,700 primary own account workers based on the Comprehensive Labour Force Survey as there were more own account workers who were involved in such work in June 2016 as compared to a smaller pool who did own account work regularly over a longer period of a year.

Primary own account workers tended to be older or less educated, while secondary own account workers were younger or better educated

3.4. Primary and secondary own account workers have different age and education characteristics. Primary own account workers were more likely to be older, with 54% aged 50 years and over. They were also more likely to be less educated, with 63% holding non-tertiary qualifications (Chart 3). Comparatively, 77% of secondary own account workers were aged below 50 years. 63% were tertiary educated, comprising 40% degree holders and 23% diploma holders.

Chart 3: Profile of Primary and Secondary Resident Own Account Workers, August 2015 to July 2016



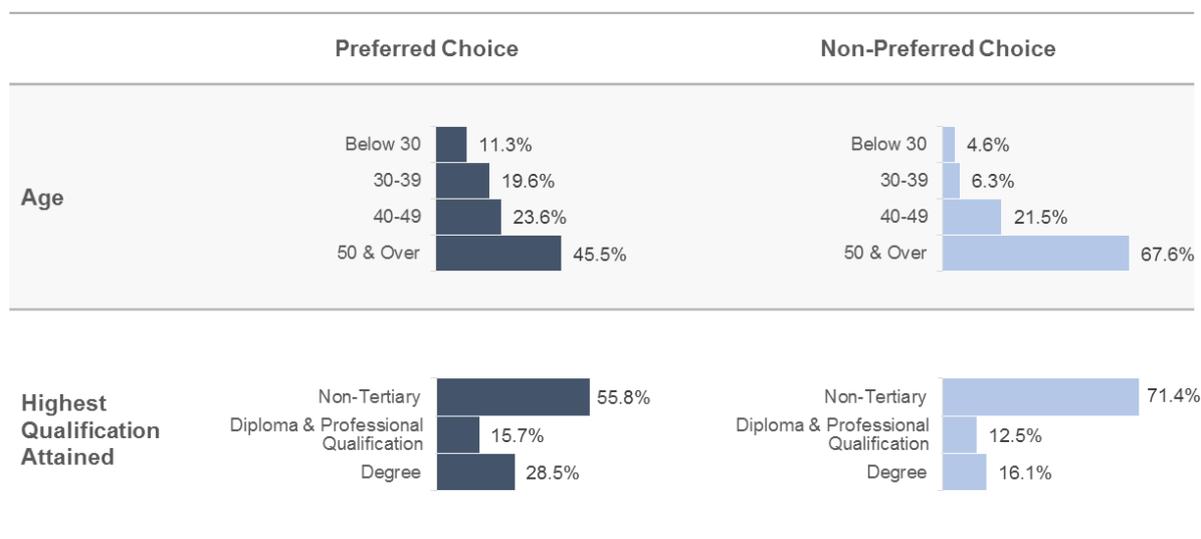
Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Note: Figures may not sum up to 100% due to rounding.

Those for whom own account work was a non-preferred choice were likely older or less educated

3.5. Regardless of their preferences, own account workers tended to be older or less educated, though the proportions were relatively higher among those for whom own account work was not a preferred choice of employment. 68% of this group were aged 50 years and above, and 71% held non-tertiary qualifications (Chart 4).

Chart 4: Profile of Resident Own Account Workers by Preference for Own Account Work, August 2015 to July 2016



Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Note: Figures may not sum up to 100% due to rounding.

Common Occupations

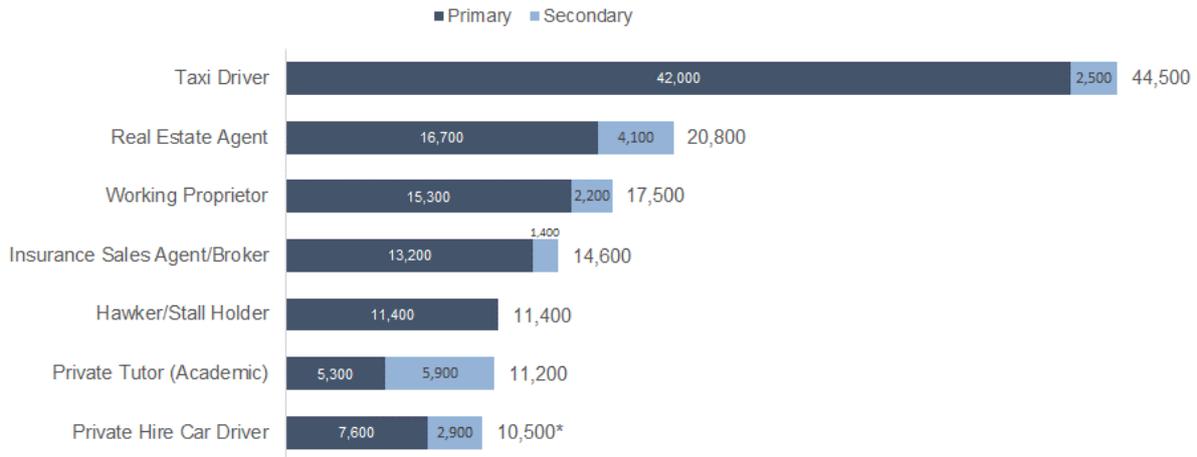
Common occupations among own account workers were mostly traditional occupations

3.6. Common occupations among own account workers included traditional occupations⁷ such as *taxi drivers, real estate agents, working proprietors⁸, insurance sales agents*, as well as an emerging group of *private hire car drivers* (Chart 5). Own account workers working in traditional occupations were likely to do so as their primary jobs; majority were older persons aged 50 years and over. On the other hand, a higher proportion of private hire car drivers and private tutors were own account workers in their secondary jobs; they were younger too.

⁷ These traditional jobs were consistently the top common occupations among own account workers in the past decade as well, based on the Comprehensive Labour Force Survey.

⁸ Working proprietors in this paper refer to self-employed persons who operate and manage their own businesses without any paid worker. Examples include businesses in wholesale and retail trade (e.g. provision shops, blog shops) or service providers (e.g. renovating, printing services). Self-employed professionals, insurance sales agents, real estate agents, hawkers, electricians etc. who perform the principal tasks of their respective occupations are classified in these occupations and not as working proprietors.

Chart 5: Top Occupations Among Resident Own Account Workers, August 2015 to July 2016



* Figures refer to private hire car drivers on online matching platforms (such as Uber, Grab).

Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Income

49% of primary own account workers earned incomes of \$20,000 and above

3.7. Among primary own account workers, 49% earned annual incomes of \$20,000 or more, including 33% who had incomes of \$30,000 or more (Chart 6). The proportion of secondary own account workers (83%) who earned annual incomes of less than \$20,000 was higher than that of primary own account workers (51%), due to the relatively shorter time spent on own account work. They were commonly working as *real estate agents* or *private tutors*.

Chart 6: Income Distribution of Primary and Secondary Resident Own Account Workers, August 2015 to July 2016



Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Note:

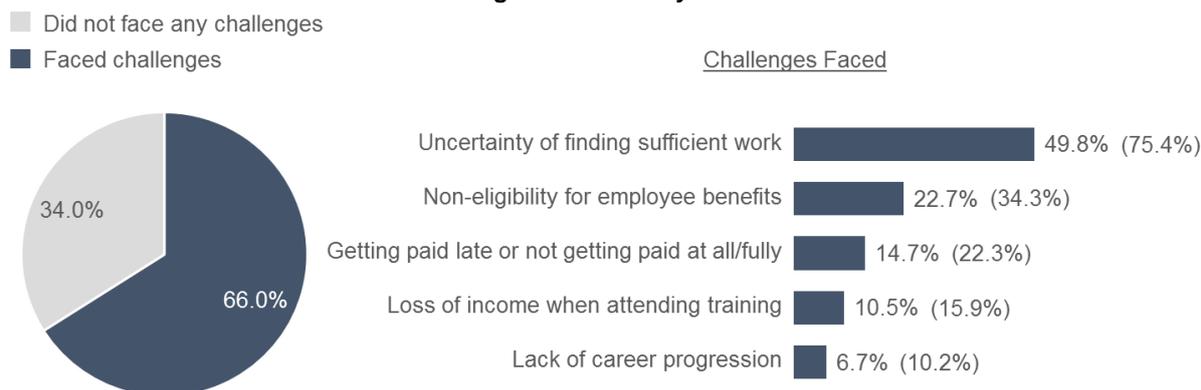
(1) Figures refer to annual income earned from own account work only. Annual income refers to the annual profits from an own account worker's business, trade or profession (i.e. total receipts less business expenses incurred) before deduction of income tax.

4 Challenges Faced

Top concerns were uncertainty in finding work and non-eligibility for employee benefits

4.1. 66% of own account workers indicated they encountered challenges in the course of their work. *Uncertainty of finding work* (50%) was the top concern cited by own account workers, followed by their *non-eligibility for employee benefits* (23%) and *not getting paid in full or on time* (15%) (Chart 7).

Chart 7: Challenges Faced By Resident Own Account Workers, August 2015 to July 2016



Source: Supplementary Survey on Own Account Workers, Manpower Research & Statistics Department, MOM

Notes:

(1) Figures do not sum up to the total, as an own account worker may face multiple challenges.

(2) Figures in parenthesis are based on own account workers who faced challenges/issues in their work.

5 Conclusion

5.1 In summary, we observed that a majority of own account workers were primary own account workers. While primary own account workers were more likely to be older or less educated, secondary own account workers were younger or better educated. Most had engaged in own account work as a preferred choice. Common occupations included traditional occupations such as taxi drivers, real estate agents and insurance agents. In general, own account workers faced challenges pertaining to job uncertainty, the lack of employee benefits and timely payments.

5.2 With online platforms, individuals have more opportunities to take on own account work on a full-time or ad hoc basis. While own account workers in Singapore are already captured in employment statistics through the Comprehensive Labour Force Survey, data from the Supplementary Survey on Own Account Workers enable a more in-depth monitoring of the trends in primary and secondary own account workers. Going forward, the supplementary survey will be conducted annually. Findings will be published in the Report on the Labour Force in Singapore.

SURVEY COVERAGE AND METHODOLOGY

LABOUR FORCE SUPPLEMENTARY SURVEY ON OWN ACCOUNT WORKERS

The Labour Force Supplementary Survey on Own Account Workers, 2016 was conducted by the Manpower Research and Statistics Department under the Statistics Act (Chapter 317). It was conducted from 19 August to 19 September 2016.

OBJECTIVE

The supplementary survey was conducted to obtain in-depth information on persons who operated as own account workers in their primary or secondary jobs as a regular form of employment over a year. The reference period for the supplementary survey was from 1 August 2015 to 31 July 2016. The survey also sought to understand the reasons for engaging in own account work and the challenges faced.

The supplementary survey's scope differs from the annual Comprehensive Labour Force Survey which is designed to collect information on the *main job* of employed persons during a *reference week*. Data on own account workers traditionally captured by the Comprehensive Labour Force Survey therefore relate to persons who were own account workers in their *main job*.

COVERAGE

The supplementary survey covered residents aged 15 years and over who were involved in work over the past year (regardless of their activity status as at June 2016) and randomly selected from the Comprehensive Labour Force Survey, 2016. 4,957 residents (excluding full-time National Servicemen) were surveyed, of whom 4,418 or 89.1% responded. The results of the supplementary survey were grossed up to the resident population using multiple estimation factors.

METHODOLOGY

The supplementary survey was conducted using mail questionnaires, internet submissions, telephone interviews and personal visits.

DATA COLLECTED

All respondents were asked to provide information on their working arrangements as follows:

- Whether they hold more than one job at any time
- Type of employment which best describes their work in the year (full-time or part-time)
- Reasons for operating as an own account worker
- Occupation
- Income
- Challenges

CLASSIFICATION

The occupations were classified according to the Singapore Standard Occupational Classification (SSOC) 2015.

CONCEPTS AND DEFINITIONS

Own Account Worker

This refers to self-employed persons who operate their own business or trade without employing any paid worker in the conduct of their business or trade.

Primary and Secondary Own Account Workers

Primary own account workers refer to persons who are own account workers in their main job. This includes (i) those who are own account workers in their single job (full-time or part-time) or (ii) those who work longer hours in own account work alongside other jobs. *Secondary own account workers* are multiple job holders who spend fewer hours in own account work relative to other types of employment. They also include students, homemakers and retirees who do such work on the side.

Nature of Employment

Employed persons can be categorised into those working on a full-time or part-time basis.

Full-time

This refers to employment where the normal hours of work are at least 35 hours a week.

Part-time

This refers to employment where the normal hours of work are less than 35 hours a week.

Preferred and Non-Preferred Choice of Work

Own account workers are asked about the reasons they engage in this form of work. Those for whom own account work is *not their preferred choice of work* refer to persons who engage in own account work because they are unable to find work as an employee. Among multiple job holders, it includes those unable to find full-time work.

Those for whom own account work is a *preferred choice of work* are those who do not fall into the above estimate of persons for whom own account work is a non-preferred choice of work. They engage in own account work to supplement income, or to have freedom in the choice of work and time spent with their family members. Among multiple job holders, it also includes those who engage in own account work alongside other jobs to get experience or build up expertise, or to enjoy diversity in job tasks.

RELIABILITY OF DATA

In a sample survey, inferences about the target population are drawn from the data collected from the sample. Errors due to extension of the conclusions based on one sample to the entire population are known as sampling errors. The sampling error of an estimate is the extent of variation between the estimated value obtained from a sample and the true value from the population. Factors influencing the sampling error include the sample size, the sample design, method of estimation, the variability of the population and the characteristics studied.

A common measure of the sampling error of an estimate is its standard error, which is a measure of the variation among the estimates derived from all possible samples. An alternative measure is the relative standard error of an estimate which indicates the standard error relative to the magnitude of the estimate. A sample estimate and an estimate of its standard error can be used to construct an interval that will, at specified levels of confidence, include the true value. By statistical convention, the confidence level has been set at 95 per cent.

Estimates of the sampling variability of selected indicators are as follows:

	Estimate (%)	Standard Error (%-points)	Relative Standard Error (%)	95% Confidence Interval (%)	
				Lower	Upper
Proportion of Resident Own Account Workers					
Primary own account workers	83.4	4.3	5.2	74.7	92.0
Secondary own account workers	16.6	2.1	12.3	12.5	20.7
Own account work as a preferred choice of work	83.2	4.4	5.2	74.5	91.9
Own account work as non-preferred choice of work	16.8	2.0	11.8	12.8	20.8

Note: Data pertain to residents who were own account workers in their main or secondary job as a regular form of employment during the reference year.

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Report Title: Own Account Workers 2016

1. How would you rate this report in terms of:

	Excellent	Good	Average	Poor
a) Relevance to your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Providing useful insights on prevailing labour market trends/development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Ease of understanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Which area(s) of the report do you find most useful? Please provide reasons.

3. How do you find the length of the report?

Too detailed Just right Too brief

4. Overall, how would you rate this report?

	Excellent	Good	Average	Poor
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6. Any other comments or suggestions you wish to bring to our attention?

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