

Self employment is great if that's what you want

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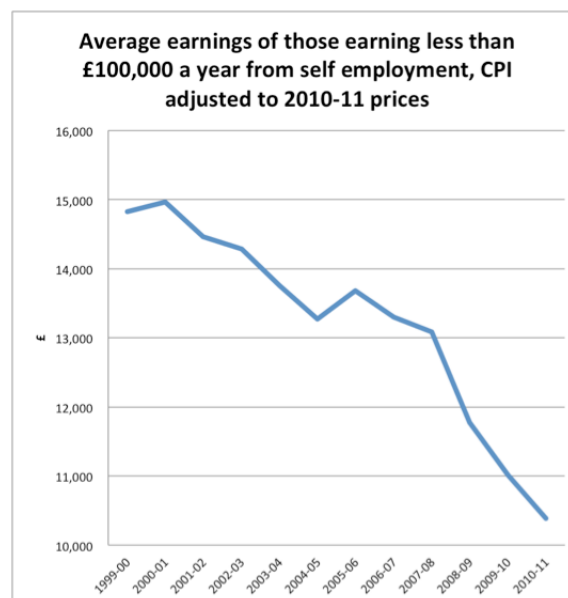
I've been self employed for thirty years. My total employment career lasted just the minimum five needed to secure all my accounting qualifications. Then I was off. I always wanted to be my own boss and I'd recommend self employment to anyone who feels the same way.

The trouble is that we know that self-employment is rising dramatically in the UK economy at present. Something like 80% of all the new jobs created since 2010 are, in fact, self-employments, and there are a number of things that very significantly differentiate self-employments from jobs.

The first is security: there is none.

The second is durability: vast numbers of new small businesses fail, which is one reason why I doubt the official statistics. I am sure they record the supposed start-ups correctly but seriously doubt if they have properly counted the failures.

Then there is the issue of pay. The evidence is overwhelming that in recent years earnings from self-employment have, on average, declined significantly. My [own work on this](#) based on ONS data, published last November, showed the following trend:



Labour has now picked up on this, and rightly so. [They suggest that earnings are falling](#) by an average of £2000 a year, which is more than my data suggests.

However viewed, what is important is that this significant trend in the UK economy, which is suppressing productivity because very few of these jobs are matched by any capital intensity, and which is potentially distorting both unemployment and earnings data, now be fully embraced by the ONS to ensure that appropriate data is available on which macro and micro economic decisions in the UK are made.

What is also important is that it be understood that a very great many of those who are currently self-employed have not adopted this role by choice, but out of necessity. I very much doubt that there is any significant increase in the real underlying trend of those who wish to run their own businesses in the UK that has suddenly become apparent because of the recession. That just seems too unlikely to be true. And if that is the case then the fact that these people are self employed now does not mean that they do not want what they might consider to be 'real jobs' in the future if they can get them. There is no excuse for taking the foot of government investment programmes to create those higher paid, more secure and stable jobs as a result. I strongly suspect that they are what people want.

Self employment is great if that's what you want. If you don't but it's all you can get I suspect it is a cause of constant stress. That is no solution for our economy or for the people of this country. For those who really want to be employed we have to aim to make that option available. That means the current trend is likely to be a blip in the statistics in my opinion. Let's not forget that possibility or we will make some really serious errors of economic judgement.