

Bogus self employment is a recipe for abuse

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As [Anjum Klair at the TUC](#) has noted this morning:

Almost half of self-employed adults aged over 25 are earning less than the minimum wage, according to new analysis by the TUC, that punctures the myth of a growing army of wealthy entrepreneurs. The figures also reveal that self-employed women fare particularly badly, with over half (52 per cent) earning less than the minimum wage of £8.21 an hour.

As she adds:

The numbers of self-employment workers has soared since the early 2000s.

In early 2001 there were 3.2 million self-employed people. By the end of 2007 this had reached 3.8 million.

Following the 2008 downturn, self-employment accelerated. This initially cushioned overall employment falls and then contributed to job growth. The self-employed now makes up 15 per cent of the workforce, some 5 million people.

And:

While men are more likely to be self-employed, 3.3 million compared to 1.7 million women, the number of women in self-employment has grown much faster, up 57 per cent since 2008, compared to 17% for men.

Women are also more likely to be in part-time self-employment. More than half of self-employed women are part-time, compared to a fifth of men.

So what's the problem? This is, because these are concerns I've had since the days when I worked with the TUC:

While some people move into self-employment as a positive choice, others are forced into low-paid self-employment because they cannot find suitable work. The TUC is worried that the growth in self-employment is also driven in part by sham forms of

self-employment, which are used by some employers to reduce their tax liability, avoid the minimum wage and deny workers their rights. Sham self-employment includes some gig economy workers, and people who are contracted to a single employer through a personal service company, rather than being contracted as an employee.

The 1.85 million people in low-paid self-employment [\[1\]](#) are part of at least [3.7 million people in insecure jobs](#). The other 1.83 million include agency workers, casual workers, seasonal workers, and those whose main job is on a zero-hours contract.

For me the issues are threefold and are tax abuse, employment abuse and sham data about employment that misleads the country into thinking the economy is doing vastly better than it is for political gain for the government. All are worrying. All need to be tackled. I doubt Boris Johnson and Sajid Javid will address any of them.