Do we have to worry about the ‘new’ solo self-employed?

Self-sufficiency and precariousness among workers with different types of contract
Background

- Substantial changes in scale and nature of flexible employment
- Limited empirical knowledge about how groups are faring, especially among solo self-employed
  - Traditionally, ‘insiders’ (independent entrepreneurs), but increasingly associated with ‘involuntary’, ‘dependent’ and ‘precarious’ self-employment (Schulze Buschoff and Schmidt, 2009; Westerveld, 2012)
- Examine precariousness/ self-sufficiency among workers with different types of contract
Changing labour markets

![Graph showing changing labour markets with line graphs and scatter plots. The graphs compare temporary employees (EU-27 and NL) and solo self-employed (EU-27 and NL).]
Flexible employment in NL

- Employee permanent contract, flexible hours
- Temporary employee >= 1 year
- Temporary employee < 1 year
- Temporary employee, flexible hours
- Temporary agency worker
- Temporary employee, view on permanent contract
- On-call employee
- Solo self-employed

Structural temporariness

Hybridization
What causes these changes?

- Changing organisation of work, changes in the institutional context, socio-cultural trends, demographic changes...

- In the Dutch debate 3 ‘drivers’ dominate:
  - Globalisation
  - Technological developments
  - Institutional changes

→ Various actors/ institutions play role at the same time and factors may be difficult to disentangle
Precarious, or not?

- Flexible work ≠ ‘bad’ job individual or household situation
- Precariousness defined, conceptualized and examined in various ways (Kalleberg, 2011; Vosko, 2006; Broughton et al., 2016)

→ Focus on three fundamental dimensions:
  a) Income
  b) Regulatory protection and social benefits
  c) Certainty of continuing work
Precariousness in terms of income?

*Income from self-employment: notoriously hard to measure and compare*

- Flexible workers are more vulnerable to poverty than workers on permanent contracts in the Netherlands
- Especially solo self-employed and temporary agency workers relatively often experience income inadequacy
- Involuntariness of the employment relation is a relevant predictor of income inadequacy
Regulatory protection and social benefits?

- Dutch solo self-employed are typically not protected under labour law or social security law
- False or bogus self-employment
- Social security:
  - Unemployment: not an issue
  - Old age: bit of an issue (universal basic coverage, second pillar and ‘unconventional’ savings)
  - Sickness and disability: pressing issue (protection via private market unsuccessful)
Certainty of continuing work?

- Uncertainty of continuing work is regarded a stressor for flexible workers, especially temporary workers and involuntary solo self-employed
- Takes form in various ways (e.g. job insecurity, (lack of) employability, financial unrest) and may have consequences not only in terms of income, but also for individual well-being and family relations
- Training as important stimulus to employability, job insecurity and prospects for career advancement
Implemented policy measures

- Reduce rift between permanent and flexible employees
  - Act on Flexibility and Security (1999)

- Combating bogus self-employment
  - Act on Combating Sham Arrangements (2016)
  - Act Deregulating the Assessment of Employment Relationships (DBA) (2016)
Considerations for future policies

- Income: minimum tariffs, collective bargaining, awareness/morality or sharing information to secure adequate income?
- Social protection of self-employed: collective, voluntary, involuntary or ‘in-between’?
- Induce training among flexible workers
Thank you for your attention

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