

NUMBERS IN THE WORKPLACE (PLACEMENT)

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BACKGROUND

1. Self – Employment accounts for 1 in 7 workers in the UK
2. 49% of UK's self employed are in low pay, in comparison with a fifth of employees (22)%
3. 1.73 million workers are still paid below the National Living Wage (NLW) as it does not cover the self employed

RESULTS

Figure 2b: Number of UK self-employed with hourly earnings below NMW / NLW (£ millions, 2013-2020)

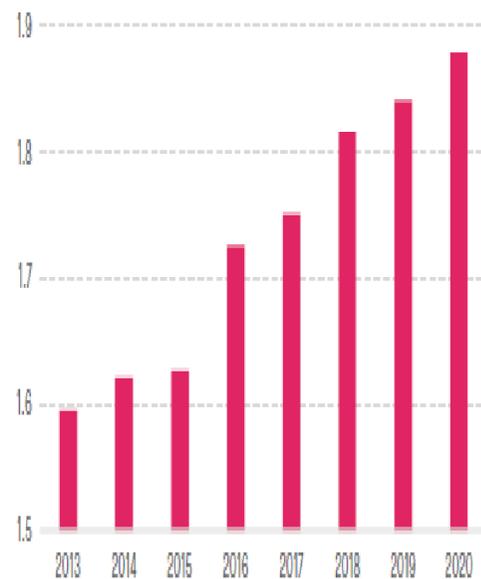
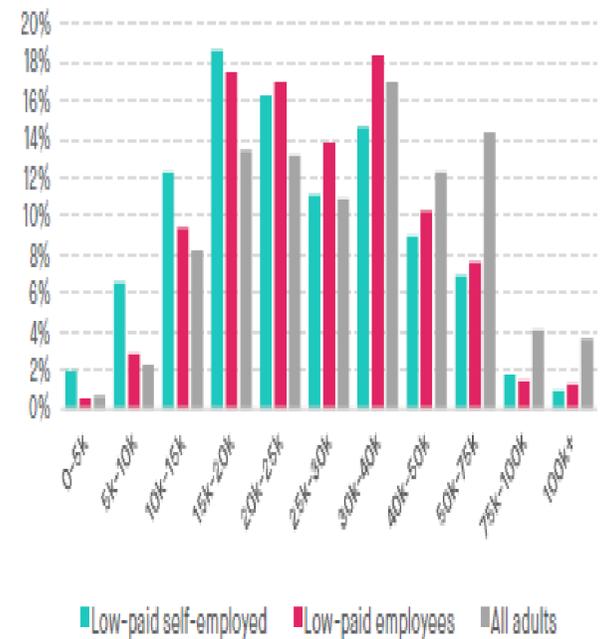


Figure 5: Low-paid self-employed and low-paid employees by equivalised household income (monthly income)



OBJECTIVES

1. To understand why job insecurity and self employment is higher in some sectors than others
2. How the current welfare system currently supports those in low paid self employment
3. To understand how training and support can move the low paid self employed into higher paid work

I. VARIABLES

1. Age – An increase in self employment has been stark amongst older people
2. Gender – Men are more likely to be in low paid self employment than Women
3. Sector – Construction, Admin and Support, Transport & Storage, Wholesale and Retail Trade account for a higher amount of the low paid self employed

Figure A4: UK low-paid self-employed (inner ring) compared to UK self-employed overall (outer ring) (%)



Figure A2: Gender of the UK's self-employed,

Figure A3: Gender of the UK's low paid self-employed, (%)

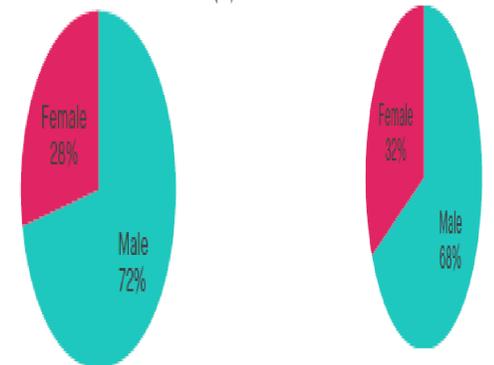


Figure A1: Age profile of UK earners, UK self-employed, and UK low-paid self-employed,



Measuring Low Pay:

1. "Earning two-thirds of median hourly employee pay or below"
2. Estimates derived from the Annual Survey of Hours and Earnings (ASHE)
3. Self Employment data derived from the Family Resources Survey (FRS)

CONCLUSIONS

1. Government should examine how it can minimize tax differences between employees and self employed and avoid future changes which widen tax differentials
2. HMRC should set up an accessible portal to inform workers about their rights and allow them to confidently submit concerns about false self-employment
3. Department for Work and Pensions should ensure Jobcentre Advisors are trained to provide support on making the transition from self-employed to employee
4. The Low Pay Commission's remit should be amended to ensure that it is explicitly required to take into account the effects on self-employment in making future NLW rate rises