

I-WIRE

Independent Workers and Industrial Relations In Europe

National report WP 3 **United Kingdom**

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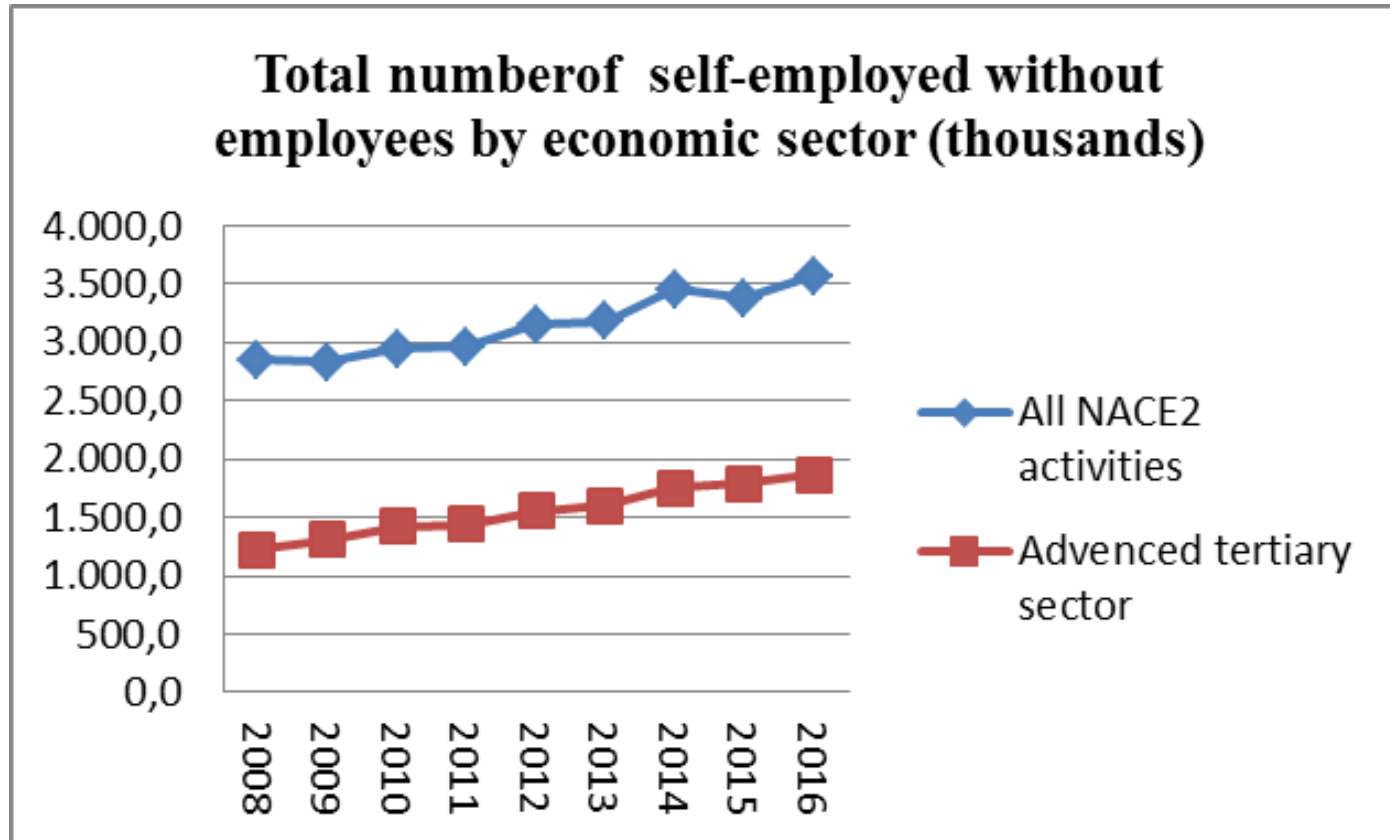


EUROPEAN COMMISSION
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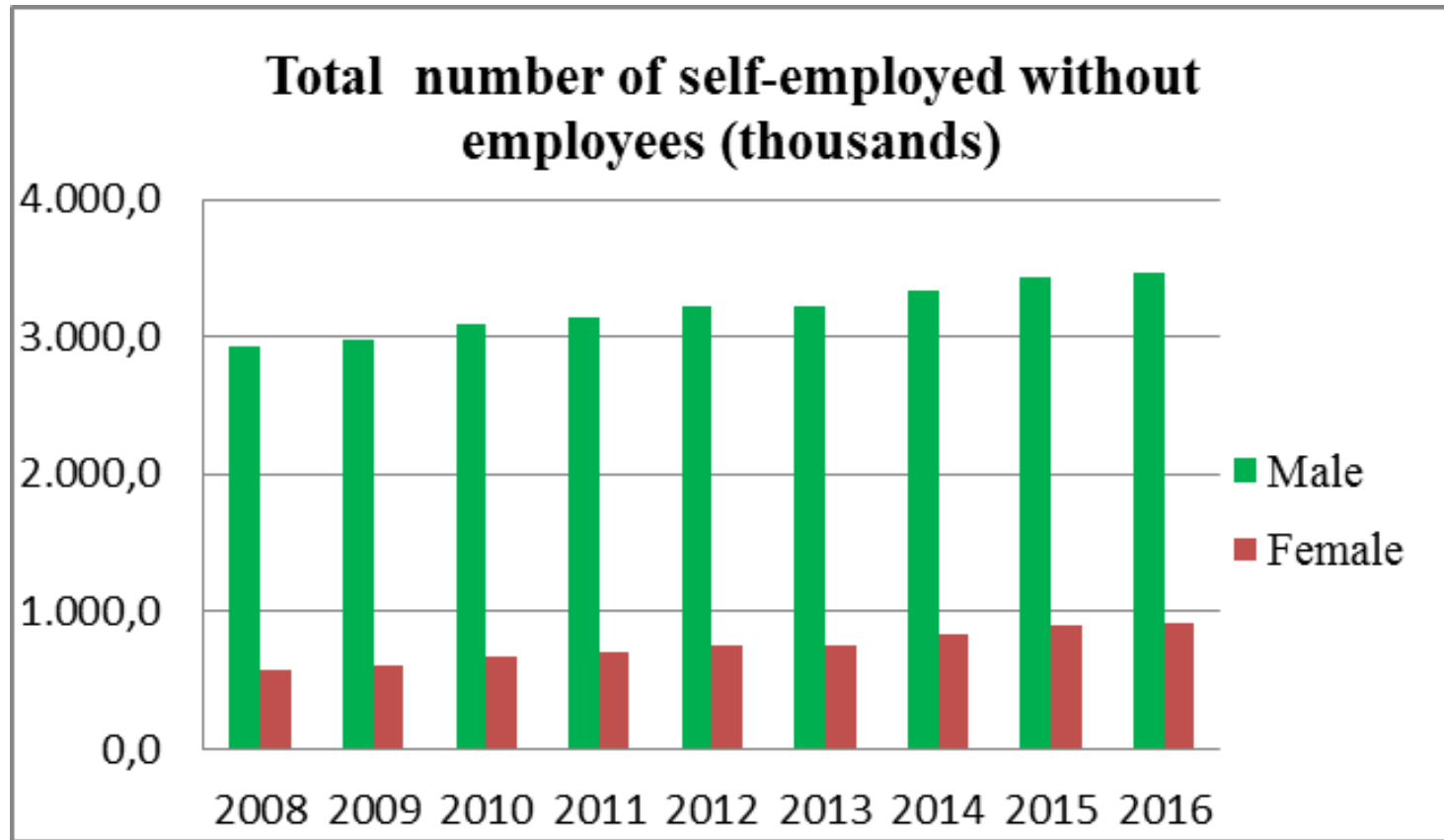
Public and political debate

- Relevant role of self-employment in the British economy:
 - 43% of the net growth in jobs since 2008 has been in self-employment (TUC 2016)
- highest rate in the last 40 years and one of the largest percentage rise in Europe
- Public policies played a central role: privatisation and outsourcing since the 1980s
- Active Labour Market policies promoted to reduce unemployment
 - Enterprise Allowance Scheme**: income benefit for jobseekers who set up their own business

Quantitative overview

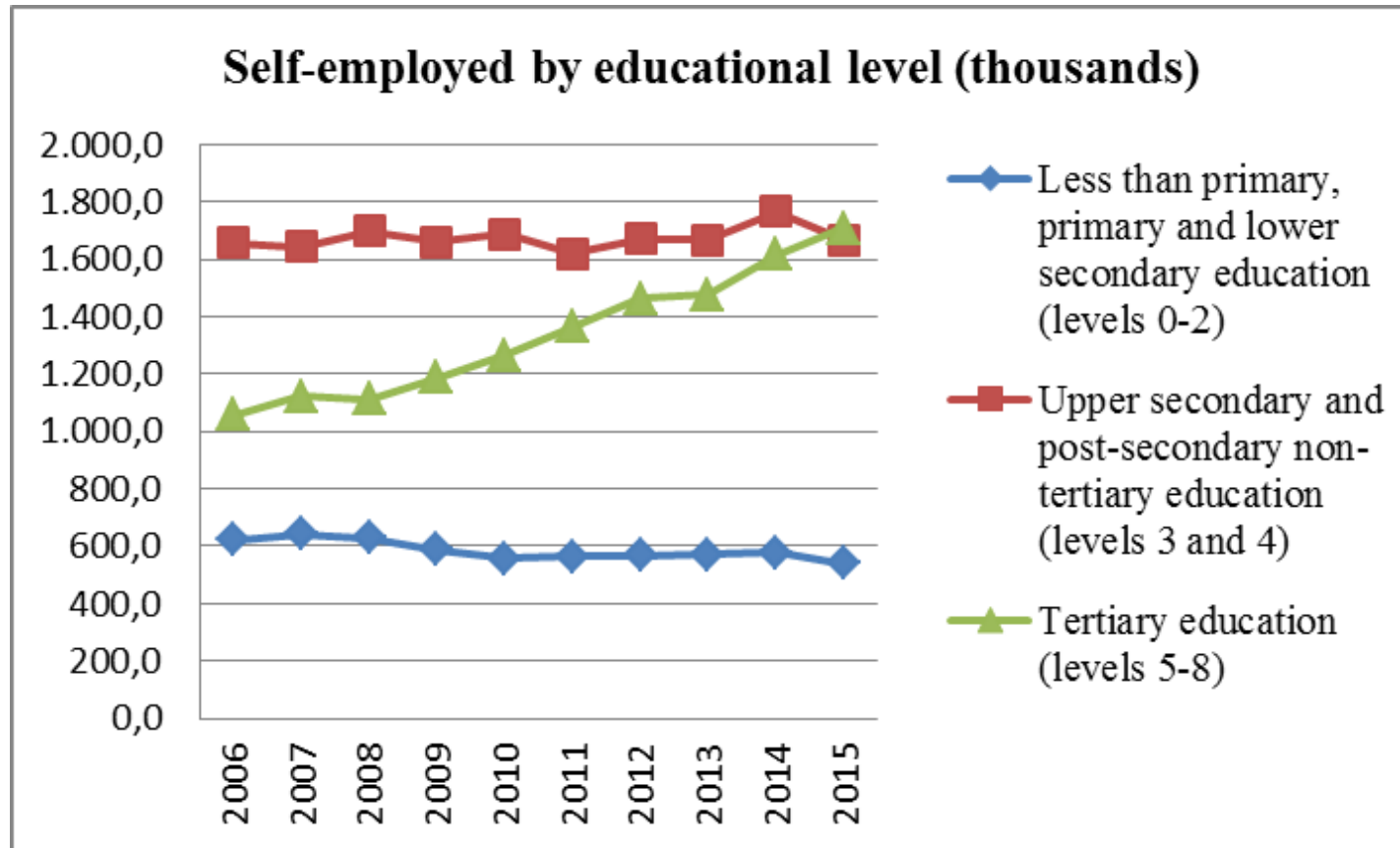


Quantitative overview



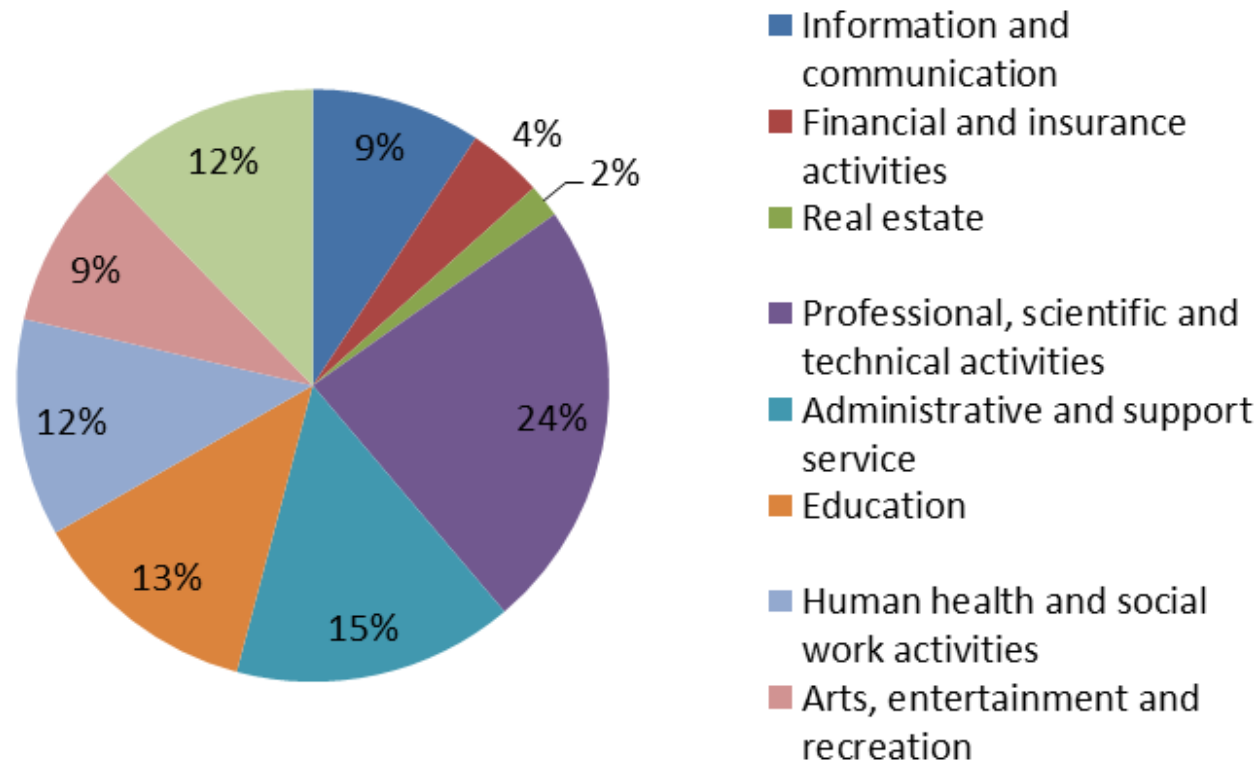
- While women account for 1/3 of the self-employed, they made up over half of the increase since 2008.

Quantitative overview



Quantitative overview

Self-employed in the advanced tertiary sector (2016 Q1)



Legal status

- The British government provides a ‘Guide to employment status’ to determine rights and responsibilities:

“a person is self-employed if they run their business for themselves and take responsibility for its success or failure. They don’t have the employment rights and responsibilities of employees”.

- self-employment can take different legal status: sole trader/sole proprietorship, partnership and limited company are the most adopted forms
- freelancers may operate under PAYE umbrella company: they become employees, but not directors, of the umbrella company.

Legal status

- Very low restrictions to professional practice in Europe (e.g. prohibition to set min/max payment rates)
- Legislative attempts to regulate free competition
→ Competition Act (1998)
- **professions regulated by law**, through statute or act of parliament, whose practice is conditional to registration to a statutory regulatory bodies (medical prof., architects and solicitors)
- majority of professions **regulated by professional bodies** incorporated by Royal Charter, an attribute which institutionalizes the most prominent professions enabling the professional body to self-regulate. Membership is not compulsory

Social security system

General protection system in large part includes the self-employed and dependent self-employed.

- Maternity: not entitled to Statutory Maternity pay and leave, but a maternity allowance is payable to self-employee for at least 26 weeks out of 66
- Pension: can qualify for the contributory (state) Basic Retirement Pension on the same basis as employees (not earnings-related)
- Sickness: not entitled to receive Statutory Sick Pay (like employees) and accordingly they do not enjoy sickness leave benefits
- Unemployment: there is not a protection system for self-employed; they can claim the income-based Jobseeker's Allowance (means-tested)

Bogus self-employment

- **IR35 - intermediaries legislation:** to counter tax avoidance and National Insurance Contributions by freelancers contracted to work for a client through an intermediary
- This tax legislation affects all contractors who do not meet government's definition of self-employment, by taxing disguised self-employment at a rate similar to employment
 - failing to distinguish between independent freelancers disguised employees.
 - IR35 has created a third class of worker , the 'quasi self-employed' with the tax and NI status of employees but without any of the social protection of employees.

Collective representation

Trade-unions

- occupational unions organizing at sectoral level, especially in the creative sectors. They do not represent exclusively independent workers (MU, BECTU, NJU)
- **Royal colleges** that act as trade union and professional association (midwives, nurses)
- **Chartered associations** dealing with both professional and union issues (chartered society of physiotherapy)

Collective representation

Quasi-union

- **PCG – Professional Contracting Group** formed in May 1999 to provide independent workers with a representative voice in opposition to the original IR35 proposals, which placed additional burdens on the self-employed.
- Then evolved from being a single-issue campaign group to a fully-fledged, not-for-profit professional body, now the largest association of independent professionals in the EU.
- In 2014 renamed **IPSE - The Association of Independent Professionals and the Self-Employed**.

Collective representation

LMI

- **Freelancers in the UK!** – a platform created in 2005 for self-employed professionals, consultants and sole traders to advertise their skills and services and where clients can search for a freelance.
- It mainly acts as intermediation body rather than by providing collective voice to the freelance users of the platform
- several specialist websites (intermediation platforms) devoted to the television and audio-visual industries: Mandy, Shooting Pictures, The Knowledge, ProductionBase

Collective representation

Movements

Emerging movement organizing freelancers on-line in specific industries.

→ **TVWrap** is a collective of TV freelance workers established to campaign over the issue of exploitation in factual programming.

Formed by a group of freelance television workers, previously unknown to each other, who realised that they had common complaints regarding working conditions