

# Invitation to Bid – Research Project

## Segmentation of the UK self-employed workforce

### Overview

The Centre for Research on Self-Employment (CRSE) wishes to commission research that will help to identify different segments of the self-employed workforce in the UK and quantify how many exist in each category.

It is intended that this project will provide a definitive framework to segment the self-employed labour market in order to address, or go some way in ameliorating policy concerns in the UK. It is also planned to be used as a guide for other countries wishing to distinguish different forms of employment in their own workforces.

### Aim of the research

The aim of the segmentation research is to overcome the problems for public policy and business practice that have resulted from the self-employed being categorised as a homogeneous group. Self-employment is at the centre of UK public policy, with the government recently announcing that RSA Chief Executive, Matthew Taylor will undertake a ‘Review of Modern Employment’, which will have a significant focus on self-employment.

At present, two of the most pressing problems relate to the debates concerning false self-employment and vulnerable temporary contract workers. Without clear definitions of these workers there is the danger that fiscal authorities will use a broad-brush approach to the taxation and treatment of the self-employed that will undermine genuine professional self-employment. Likewise, attempts to give vulnerable contract workers, who are most likely unskilled, the same contractual terms as employees will weaken the value add that the more highly skilled self-employed professionals can generate in the economy.

Therefore, this project seeks to gain a better understanding of the different segments of the self-employed workforce in order to:

- Provide a demarcation between genuine and false self-employment for fiscal authorities;
- Clearly differentiate vulnerable from privileged self-employment from the perspective of individual welfare (income, work security, work/life balance and personal fulfilment);
- Be able to differentiate between self-employed workers on the basis of the value they provide to the economy; and
- As far as is feasible, we are interested in identifying the average earnings of each segment and the population within each.

Providing clarity in these areas will enable a differentiated policy approach across the various segments of the self-employed labour force. It means that policymakers will be able to provide the appropriate support to those who need it, whilst at the same time enabling those who are driving the economy.

## Structure of the project

Segmenting of the self-employed workforce will involve two phases. The first phase seeks to describe different forms of self-employment using legal factors, the nature of work, personal characteristics and job characteristics as parameters. The second phase will involve using data (official sources of published data and commissioned) to quantify how many workers exist in each segment. Where there is a lack of data, the report will be used to inform requirements for future data collection.

1. **Literature review:** Consolidate ideas, theories and literature (both academic and practice/policy reports) concerning the definition and characteristics of self-employment.
2. **Identify parameters to distinguish different types of self-employment:** Create a framework for segmenting different types of self-employment in terms of legal factors, job characteristics, nature of work and personal characteristics, some of which have been provided as an example below.

### Legal factors

Taxation  
Social security  
Employment rights

### Job characteristics

Earnings  
Skill level  
Education  
Occupation/sector  
Number of employees

### Nature of work

Hours of work – part time or full time self-employment  
Duration of contract  
Number of clients  
Degree of control over work  
Supplies and equipment  
Place of work  
Downtime/capacity at which the worker is productive – risk borne by worker or business/client

### Personal characteristics

Motivations for being self-employed – opportunity or necessity  
Job satisfactions and wellbeing  
Length of self-employment  
Age  
Gender  
Intention to grow  
Intention to stay in self-employment

- 3. Segment the self-employed:** As far as is feasible, use the different parameters to segregate different forms of self-employment in order to provide a means for policy makers and practitioners to distinguish between different types of self-employment.

Segments	Legal factors	Nature of work	Job characteristics	Personal characteristics
Distinguish genuine from false self-employment	E.g. Taxation, social security, employment rights	E.g. Hours of work, duration of contract, number of clients, degree of control over work, place of work, downtime/capacity at which the worker is productive – risk borne by worker or business/client	E.g. Earnings, skill level, education, occupation/sector, number of employees	E.g. Motivations for being self-employed, job satisfaction, wellbeing, length of self-employment, intention to grow, intention to stay in self-employment, age, gender
Differentiate vulnerable from privileged self-employment from an individual welfare perspective				
Differentiate self-employed workers on the basis of the value they provide to the economy				

- 4. Quantify/estimate the size of each population using official data sources:** Where gaps exist, use this as a means for encouraging better sources of data collection.

## Outputs and timings

### Output:

Delivery of an industry/public policy report accessible to the general public and policymakers, which includes:

- Introduction
- Summary
- Chapters describing each segment identified from the research
- Chapters addressing key issues and recommendations for further research and policies

### Timeline:

Activity	Due Date
Proposal/response to bid deadline	19 Dec 2016
Successful researcher/research team notified	13 Jan 2017
Deliver first draft of report	7 April 2017
Deliver final version of report	5 May 2017
Launch report with coordinated press activities	End of May 2017

### Budget

There is a budget of £20,000-£25,000 (excluding VAT) to commission a researcher (or research team) to deliver the report.

### Submission guidelines

Please submit a short proposal by 5:00 pm GMT 19<sup>th</sup> December 2016, to Kayte Jenkins: [info@crse.co.uk](mailto:info@crse.co.uk).

Include in your response:

- Name/s of project researcher/s and, if more than one, their respective roles (e.g. literature search, writing, data collection)
- Detailed cost breakdown
- Your area/s of expertise and evidence
- An outline of the methodology you intend to use and an indication of which disciplines and literature you envisage drawing upon
- Details on your access to academic literature and data sources
- Evidence of writing for practitioner (non-academic) audiences – an example article or report may be included with your submission
- Confirmation that you can meet the project timeline, as well as details on when you would be available to conduct a project set-up meeting

Please also be aware that you may be required to be involved in press and launch activities surrounding the final report.