

Contemporary forms of work need to be incorporated into official statistics

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Policy makers would benefit from official statistics that encompass new forms of work including data on individuals who receive a salary and a self-employed income at the same time and the 'grey area' between the traditional classifications of employment and self-employment.

According to Professor Teemu Kautonen (upper photo) and Assistant Professor Ewald Kibler, this information would ensure better relevance of regulations and welfare regimes for all individuals.

"Official statistics traditionally classify [work](#) in terms of [employment](#) or [self-employment](#). We argue that [policy makers](#) would be better equipped with insights gained from official statistics that capture the contemporary forms of work in a more fine-grained manner than the employment versus self-employment dichotomy," explains Kautonen. "This information would not only allow the policy makers to understand how the world of work evolves, but thereby also better ensure the relevance of regulations and welfare regimes for all individuals."

With the decline of career patterns where workers spend their whole career in one organization, combining elements of paid employment and self-employment is becoming more typical in contemporary careers. Switching employers frequently is as normal as are varying spells of self-employment followed by employment, and vice versa. Portfolio careers, where an individual might have a job and run a business at the same time, are also not untypical.

"Maintaining the relevance of the pension and social security systems in

the face of evolving patterns of work is a challenge for European policy makers. Often employees enjoy a higher level of protection and a more generous benefits status compared to the self-employed, who have more responsibility over their own pensions and insurances," says Kibler.

Hybrid forms of work need to be recognized

Kautonen and Kibler emphasize that 'quasi self-employment' needs to be recognized, meaning work arrangements where an individual is formally self-employed but in many ways, de facto an employee. They propose that official statistics such as the Labour Force Survey should allow for hybrid forms of work and contain variables that capture career dynamics.

"If careers that combine employment and self-employment become more common, the question arises whether making a distinction between the traditional forms of work in welfare policy is meaningful, efficient and equitable," notes Kibler.

"Instead of inquiring, for example, for the present self-defined employment status, survey studies could ask about the relative importance of paid employment and self-employment for the respondent. The question could concern the relative importance of those forms of work in terms of the individual's total income or the weekly number of hours worked," adds Kautonen.

In addition, 'quasi employment' referring to project-based employment where an individual enjoys an employee's legal and social security status, but their status differs from those in permanent employment relationships.

"Individuals whose work meets the criteria for quasi self-employment or quasi employment – which both involve entrepreneurial elements such as

an uncertain level of income – might be quite happy with their work," says Kibler. "If that is the case, excessive regulation making these types of work difficult might do more harm than good. Official statistics that follow the development of the forms of work in the grey area between employment and self-employment would aid in making these assessments."

"'The grey area' between employment and self-employment: implications for official statistics," by Kautonen and Kibler, Aalto University School of Business, was compiled for the conference Power from Statistics; Data, Information and Knowledge organized by Eurostat and European Political Strategy Centre (EPSC).

More information: "The grey area" between employment and self-employment: implications for official statistics, [powerfromstatistics.eu/uploads...s/KautonenKibler.pdf](https://powerfromstatistics.eu/uploads/attachment_data/file/100000/KautonenKibler.pdf)

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