

The 'new deal' for the self- employed

IPSE's response to the Demos report,
*Free Radicals: Britain's self-employed
urgently need a new deal*

The case for a ‘new deal’



For the last 20 years, self-employment has been one of the fastest growing sectors of the economy. Today, there are 4.8 million self-employed people in the UK – almost as many as in the entire public sector.

At IPSE, we have been leading the campaign to support this vital and growing sector since 1999. This year we have commissioned Demos’ report – *Free Radicals: Britain’s*

self-employed urgently need a new deal – to bring the self-employed into mainstream policy debate once and for all.

Self-employment not only gives people the freedom and control to fit their work around their lives; it also gives our economy one of its greatest competitive advantages: flexibility. It’s time this essential sector was given the recognition and prominence it deserves.

The ‘new deal’

The report we commissioned from Demos, *Free Radicals*, confirms what we have known for some time: public policy – particularly on tax, employment legislation and support for vulnerable workers – has not kept pace with the rise of self-employment.

The report points to the urgent need for a ‘new deal’ to bring public policy up-to-date and give the self-employed the support they need.

IPSE agrees with most, but not all, of the 30 recommendations in the report. The recommendations include:

-  Delaying the rollout of IR35 changes in the private sector
-  Writing a definition of self-employment into law
-  No new taxes for the self-employed
-  Shared parental leave should be extended to the self-employed
-  Looking at more flexible pensions options for the self-employed
-  Give self-employed rights to written contracts, timely payments & freedom from retaliation

Three important things the *Free Radicals* report confirmed:

1 The rise in self-employment is the most significant labour market trend of the past two decades.



2 Self-employment has created opportunities for people who may not otherwise be in work.



3 Self-employed people are happy and actively chose self-employment.



The *Free Radicals* report was commissioned by IPSE and authored by Alan Lockey, Head of Modern Economy, Demos