

Europe Solidaire Sans Frontières > English > Europe, Great Britain > Great Britain & Northern Ireland (Europe) > Health (UK) > Epidemics (health, UK) > **Britain: self-employed get less protection from Tory government**

Britain: self-employed get less protection from Tory government

Monday 23 March 2020, by [MASON Paul](#) (Date first published: 21 March 2020).

UK government's workforce bailout shows why the precariat needs to get organised

The UK government's employment protection scheme is a partial victory for crisis economics over the logic of capitalism. Late and inadequate though it is, it should be enough to stop an immediate slump in demand.

But it is teaching millions of people a brutal lesson about the logic of the neoliberal labour market. While up to 27 million people in permanent jobs can get a wage subsidy worth £20,000 a year, there are 5 million self-employed people who will get a quarter of that.

Though they will get a tax holiday, and if VAT registered a VAT holiday, most will be forced onto the wholly inadequate and punitive Universal Credit system. Welcome to the world of "I, Daniel Blake".

It's not simply unjust, it threatens to take down millions of small businesses — like hairdressing, corner shops — and decimate the construction workforce.

There are more self-employed people in Britain than ever before: a product of the casualisation of the workforce and a tax system that tacitly encouraged needless and even bogus self-employment. The two biggest groups are construction workers (921,000) and professional/scientific workers (609,000).

Many people working in barbers, hairdressers and for taxi companies are forced to be self-employed, though money is collected through a single till, by a company — with the tax authorities turning a blind eye. It's a neat trade-off: one sixth of the workforce effectively has no employment rights, and in return they get to pay lower taxes and the businesses that employ them avoid paying national insurance.

But last night they paid the price. Because when it came to designing an unprecedented state bailout, neither the self-employed workers nor the small businesses who "employ" them had a seat at the table.

The unions, via the TUC, forced the government to deliver something fast and adequate for the employed workforce : a £2,500 per month wage subsidy scheme. But it's created a sharp inequity that is being loudly denounced on phone-ins.

Equalise the benefits!

The answer is to allow self-employed people full access to both sick-pay and the employment support scheme — with HMRC acting as their virtual "employer". If we are not going to enact an emergency universal basic income — and most unions are hostile to it — then we need to universalise what was

won on Friday.

By the very nature of self-employment and temporary work, these workers are likely to be the first out of the door as the economy slows down. There is no sense and no economic justice in the move.

There are two lessons to be drawn: first, that unions work. Though they represent only 6.3 million of the 27 million employed workforce, they effectively represented everybody this week. There should be a mass recruitment drive now, by unions, pointing out that — if things get even tougher, being represented helps.

The second lesson is: we need a different kind of labour market. The pubs, hairdressers, taxi firms and construction giants who've been exploiting their workforce through bogus or needless self-employment should be told that the price of the bailout is to start hiring people on the books.

There will of course always be temporary and self-employed people in the professional/managerial sectors, and in retail and culture but in a high welfare economy like Denmark they make up just 8% of the workforce, not 18% as here.

The labour movement has been talking for years about organising the precariat and the self-employed, and the reason most of it has been talk is that these workers need a different structure of dues payments and need representing in different ways.

Now we have to seize the opportunity. Five million people have been shafted — and if the labour movement does not fight for them, you can bet the populist right will.

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