

EXPANDED ABSTRACT

Dependent self-employed workers in Europe

Recent years have shown rapid and profound changes in work organization and job content, materialized in new schemes of economic and labor nature, such as the increasingly common outsourcing or subcontracting of workforce. This trend has contributed to the emergence of dependent self-employed workers, who perform their work responsibilities in a "gray area" between paid and self-employment. The concept of "dependent self-employed" has also been used to label several labor practices or new forms of precarious freelance or professional activities, and although the terminology may vary, it is a clear and well-known reality in Europe. Despite this fact, there seems to be little empirical evidence about its specific characteristics and nuances.

The present work aims to study the main labor characteristics of dependent self-employed workers –individuals with civil or commercial contracts who perform their economic activities depending on or integrated into the company they work for- in the current context of the European Union; to this end, a comparative analysis is conducted to differentiate or associate the profiles of three collectives: salaried employees, and dependent and traditional self-employed workers. Additionally, working conditions of the three groups considered are examined in order to show the specific particularities between them.

The initial premise is intended to face the two groups of self-employed workers to elucidate whether such advantages remain or disappear for dependent self-employed subjects. After an initial bivariate analysis, the working conditions of the three groups under investigation have been compared in pairs: salaried employees, and dependents (false) self-employed and non-dependent (traditional) self-employed workers. The statistical approach used to fulfill the objectives of this work is based on the binary logistic regression model, a particular regression models with dichotomous response. This statistical technique allows the development of a logit model to study the probability of the occurrence of an investigated event –e.g. being part of the autonomous collective- versus the probability of occurrence of the opposite event – e.g. being hire as a salaried employee-, according to a set of variables that bibliographic review has identified as related to the phenomenon under analysis: individual characteristics, organizational factors, and attitudinal variables.

It had been used a sample of 2409 subjects has been obtained from the fifth European Survey on Working Conditions and broken down into three groups: dependent self-employed, independent self-employed, and salaried workers. The results point out that there is a common core in terms of those factors that discriminate between self-employed workers and jobholders; however, there are some

nuances that distinguish and define each group of self-employed individuals with regard to salaried employees. In comparison to wage employment, self-employment presents more precarious extrinsic working conditions –kind of working day, type of economic activity, level of income, etc.- which are compensated, to some extent, by certain elements of intrinsic reward such as greater flexibility or the content of work itself.

Three logistic regression models are proposed to identify the profile of self-employed subjects – both false and traditional- from salaried employees, as well as to compare the working conditions of self-employed workers with each other. So first, we confront the two types of self-employed workers with salaried employees. When comparing both, it is observed that there is a common core with regard to the factors that differentiate between the self-employed workers and salaried employees: among the former, part-time occupations are more frequent, which does not prevent them from working more hours a week, even at weekend, although they enjoy more flexibility in deciding their working schedule; they are also less likely to work in shifts and have greater autonomy over the content of their economic activities compared to salaried employees. Finally, agricultural work is more common among self-employed people, as well as receiving lower remunerations.

The weekly work hours of false self-employed subjects are higher than those of the salaried jobholders, while they are more likely to be forced to work on the weekend and less to do shift works. In addition, the probability for a false self-employed subject to earn below average income is almost triple than that of a salaried employee. This vulnerable position is partly amended by the presence of other elements of intrinsic compensation that dependent self-employed workers –in contrast to wage jobholders- enjoy, such as more flexibility in deciding their working hours or a greater autonomy over the content of their occupational activity. These workers provide their services more frequently in the construction and, above all, agricultural sector. Finally, despite the precariousness of their working conditions, false self-employed people are much more involved with their occupations than those employed by others. All these results are significant at the 1% level; for this level of significance, the logistic regression model indicates that the rest of the variables, that have independently showed a significant relationship with the type of work, no longer bear it when it comes to evaluating its overall impact.

Besides that, we compare non-dependent self-employed subjects with salaried employees, incorporates two personal variables so that the former are more likely to be older men than the latter. As regards working conditions, non-dependent self-employed people work more part-time, as well as many more hours a week and even at weekends, which is associated with lower monthly incomes than those paid to salaried employees. Model 3 establishes a comparison between the two types of self-employed workers. The profile of a false self-employed subject happens to be a woman who performs a "blue-collar" job for a smaller number of hours per week than that completed by the non-dependent self-employed ones, and with a lower income as well. What is more, the component of time flexibility and autonomy over the occupational activities disappears among the false self-employed people when

comparing to the rest of self-employed workers. Similarly, the probability for a dependent self-employed subject to work in the agriculture sector is more than double than that of a non-dependent self-employed one. Despite the situation, the only attitudinal variable that differentiates both groups is the lower degree of job stress shown by false self-employed people. False self-employed workers constitute a collective of great interest to the labor market. Many companies began to resort to this figure in the hardest years of the crisis, justifying it as a lesser evil. However, some of these firms have ended up implementing this kind of external recruitment as a regular practice; a labor strategy oriented towards saving costs. More often than desirable, false self-employed workers perform the same activity as their peers with contracts, but lack the rights stated in the labor law for salaried employees. In spite of this circumstance, empirical research on dependent self-employed people is very limited given the opacity that characterizes the collective. On the one hand, problems of conceptual precision make it difficult to discern in some instances who or who is not a false self-employed subject. On the other hand, the very situation of vulnerability in which these people find themselves causes complications for a researcher to obtain reliable and unbiased information. Nonetheless, it is less common for non-dependent self-employed to work shift or night shift. In spite of this circumstance, empirical research on dependent self-employed people is very limited given the opacity that characterizes the collective. Problems of conceptual precision make it difficult to discern in some instances who or who is not a false self-employed subject and the very situation of vulnerability in which these people find themselves causes complications for a researcher to obtain reliable and unbiased information. Managerial changes have to be focused on the individuals and the values that might help them progress to a new organizational culture where the delegation of authority, open communication systems, participation, collaboration, and continuous learning –among others- prevail. This ideal scenario is clouded by the use of outsourcing, sometimes even fraudulent, as an instrument to circumvent conventional and legal employment contracts. The paradox is that other forces could unbalance the alleged savings attributable to the use of these new forms of work organization. By incorporating new rules to the occupational arena, which smear the organizational board where labor relations within the company are settled, the virus of distrust is inoculated among workers, both those who are subjected to the coercion of dependent self-employment and those who remain in the company being suspicious that they can be selected and reorganized as well at any time. This process irreversibly contaminates the values on which workers sustain their daily behavior, affecting in one way or another the business competitiveness.

KEYWORDS: Self-employed worker; dependent self-employed worker; working conditions; salaried workers; binary logistic regression.