



City Research Online

City, University of London Institutional Repository

Citation: Cohen, R. L., Hardy, K. & Valdez, Z. (2019). Introduction to the Special Issue, Everyday Self-Employment. *American Behavioral Scientist*, 63(2), pp. 119-128. doi: 10.1177/0002764218794786

This is the accepted version of the paper.

This version of the publication may differ from the final published version.

Permanent repository link: <https://openaccess.city.ac.uk/id/eprint/20145/>

Link to published version: <https://doi.org/10.1177/0002764218794786>

Copyright: City Research Online aims to make research outputs of City, University of London available to a wider audience. Copyright and Moral Rights remain with the author(s) and/or copyright holders. URLs from City Research Online may be freely distributed and linked to.

Reuse: Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge. Provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

Introduction to the Special Issue, Everyday Self-Employment

Rachel Cohen, Kate Hardy and Zulema Valdez

Abstract

A 'partial renaissance' of self-employment in labor markets of the global North has attracted policy concern across national, supranational and global scales, yet sociological thought has been somewhat slower to respond to this phenomenon. In response, this special issue focuses on everyday self-employment amongst workers drawn from countries across the world. The collection of articles in this volume originated, in part, from a recent symposium that took place at City, University of London, which highlighted the contribution of sociology and cognate disciplines to the study of self-employment. The volume considers the social and structural forces that condition this economic activity as an ideology and practice, as well as the constraints and opportunities for its maintenance and reproduction. It also examines the everyday lives of self-employed workers and in particular the ways in which self-employment is experienced across a range of geographical, occupational, and industrial contexts, and with regard to social categories including race, class, nationality and gender. As neo-liberal subjects we are increasingly required to inhabit an entrepreneurial self. As such, a sociological understanding of the global patterns and everyday experiences of self-employment – or entrepreneurialism as practice – is essential for a critical understanding of the economy and society and the cultural legitimations associated with this oft-celebrated and aspirational economic activity. The contributors in this volume often challenge the mainstream view of self-employment and entrepreneurship to reveal the complexity and scope of activity; their perspectives provide new insights for researchers and policymakers regarding the function of self-employment in a changing economy and society. This introduction initiates a discussion of the central debates in the study of self-employment, introduces a working conceptualization of self-employment, and presents a brief synopsis of the articles in this volume.

Keywords: self-employment, entrepreneurship, economic sociology, work and occupations

Introduction

The global face of self-employment is undergoing significant change. While almost half of the workers in the world remain self-employed (World Bank 2017), the number is declining at a global scale reducing from 53% to 45.7% in the ten years to 2017 (World Bank 2017). This reduction is particularly due to a decrease in numbers in the Global South, while for over three decades, a 'partial renaissance' has occurred in self-employment in the OECD countries (OECD in Cranford et al. 2005: 5). Yet sociological analysis emerging from the Anglophone 'West' has tended to focus on the formal employment relation as the norm and self-employment as a form of income generation is persistently framed as a diversion from Eurocentric, masculinized norms of standard employment. Even within the more developed countries, there is, however, considerable variety. In OECD countries, for example, rates vary from just 6.4% in the United States to 51.3% in Colombia (OECD 2018).

Yet in the context of rising policy interest within national, supra-national and global institutions, sociological theory has been somewhat remiss in responding to and analyzing this changing phenomenon. Earlier, rapid rises in self-employment in the Global North in the 1980s engendered a flourishing of sociological commentary (c.f. Cromie & Hayes, 1988; Goffee & Scase, 1983; Light and Bonacich 1988; Steinmetz and Wright, 1989; Waldinger et al. 1990). Within some approaches, self-employment is conceived as inherently 'entrepreneurial'. To describe a person, group, organization or economy as 'entrepreneurial' implies creativity, growth and a positive labor-market effect. The 'entrepreneur is the archetype of the American Dream (Valdez 2016). Yet, where 'entrepreneurialism' is defined indirectly as self-employment, or individuals who work on their own account with no employees (Rath 2000), it is measured using individuals' or groups' self-employed activity or national self-employment rates (c.f. Carter 2011; Jones et al. 2012; Rada and Taylor, 2004). Many advocates recognize, however, that self-employment is a poor proxy for entrepreneurialism (Bjuggren, Johansson and Stenkula 2010). This is because self-employment involves considerable heterogeneity (Cranford et al. 2005), a point picked up upon and developed by Bögenhold in this Special Issue. Meanwhile,

and notwithstanding near universal political support for the figure of the ‘entrepreneur’, critical studies of entrepreneurialism have emerged from both business (Watson, 2012) and sociological (Valdez, 2015) traditions.

For many, self-employment is marked as much by insecurity, precariousness and inconsistency of income as by agency, autonomy and independence. What’s more, self-employment encompasses diverse activities, structural relationships and outcomes, many of which confer little economic benefit on the individual or society or fall short of a characterization consistent with innovation or creativity. Various typologies have attempted to distinguish types of arrangements within self-employment. For example, the ILO (2017) distinguishes between employers, own-account workers, members of producer cooperatives and contributing family workers.

Self-employment is also not a fixed category and is contingent on changing structural relationships, both temporally and spatially. The past decade of global economic crisis and contraction has had variable impacts on self-employment, with three clear patterns emerging. First, patterns in the *quantity* of people engaged in self-employments are changing globally. While overall rates for self-employment across the world are declining, numbers of self-employed workers in the OECD countries are increasing (Meager 2016), suggesting something of a convergence between the majority and minority worlds, superficially at least. Even within the global ‘North’ divergence is occurring, as while in the mid-1980s U.S. and U.K. rates of formal self-employment were comparable, recent changes mean that today the U.S. self-employment rate is under half that of the U.K. (OECD, 2016).

Second, self-employment has also emerged in new occupations and industries, including those coordinated by digital platforms (Huws and Joyce 2016). A steady trickle of research has focused on specific aspects of self-employment, including ‘disguised wage work’ or ‘false self-employment’ and the rise of the ‘gig economy’ and ‘contracting’ (Behling & Harvey, 2015; Cruz et al. 2016), as well as the role of self-employment within particular sectors, especially the creative industries (Eikhof & Haunschild, 2006). That said, self-employment remains disproportionately concentrated, not in ‘new’ areas, but either in

‘traditionally’ petit-bourgeois sectors or those in which higher than average rates of self-employment are longstanding (d’Arcy and Gardiner 2014).

Third, a lack of clarity exists in relation to legal definitions of self-employment. Indeed, although self-employment is often defined legalistically, based on employment or taxation law, this leaves considerable room for ambiguity, with large numbers, the majority in some regions, who are ‘marginally’ or ‘informally’ self-employed, operating on the borders of legal regulation. The potential (mis)classification of workers in dependent employment relationships as self-employed has attracted attention from socio-legal scholars (Fudge 2012; Freedland and Kountouris 2011), but also consternation from the European Commission and the ILO (2017) and appears to be gaining visibility in countries of the Global North, in part due to its presence in the growing ‘gig economy’ and other industries including the construction and sex industries (Cruz et al. 2017; Forde et al. 2017). For many workers, then, ‘self-employed status’ may be little more than a device to reduce total taxes paid by the firms and the workers involved’ (Cranford et al. 2005: 5). Indeed, historical accounts indicate that the concept and classification of self-employment have a relatively short history and that it has always suffered from imprecision and a lack of clarity (Deakin 2001; Dale 1986).

The present volume

Sociological analyses of self-employment make clear that self-employed labour relations impact and are impacted by the lived experience of work, the spaces and times within which work is conducted and workers’ relationships with others (Cohen, 2010; Craig et al. 2012). Self-employed work may rely on, or be refracted through, particular histories or practices of class, immigration, race, nationality and ethnicity (Romero & Valdez, 2016; Sanghera, 2002). Additionally, self-employment is gendered, in form and in the narratives used to explain it, for instance, in the rise of ‘mumtrepreneurs’ and ‘fempreneurs’ (Ekinsmyth, 2011; Rouse et al., 2013), and in self-employed workers’ access to familial resources (Marlow et al. 2009) and inheritance (Valdez 2016). Similarly, self-employment practices vary with worker age and over the life course (Burchell et al., 2016; Mallett & Wapshott, 2015; McKie et al. 2013). Yet, despite increasing acknowledgement of the variety

of industries, work relationships, and economic outcomes within which self-employment occurs, as well as the interdependence of micro, meso, and macro-level forces that constrain or facilitate this activity, there has been little attention paid to self-employment *per se*, in the last 25 years.

It is not our aim, however, to add to the contested measurement of self-employment or to develop new typologies. Instead, our focus is on the comparative and everyday experiences of self-employed work and workers in a range of geographical, occupational and industrial contexts. We seek to reveal the role of overlooked social relationships, non-pecuniary goals, non-economic policies or structural shifts in the larger economy and society on conditions of self-employment, locally and globally. The volume opens with the work of Dieter Bögenhold, who applies a macro-level comparative analysis to the study of self-employment to reveal its complexity. Rather than simply equating self-employment with entrepreneurship, or using them interchangeably, Bögenhold centers his analysis on the 'self-employment' class of worker category itself, in an effort to expose the diverse patterns and trends that are intrinsic to this labor force activity. His analysis reveals that the category of self-employment encompasses a range of formal and informal activities that may condition economic mobility, stagnation, or decline, and which vary internationally and by gender. This article reveals the great heterogeneity that constitutes this form of economic action, as well as its relationship to wage-work, and importantly, provides a necessary context from which to consider variations in self-employment activity presented in the cases that follow.

In Burchell and Coutts' contribution, they explore task the issue of job quality amongst self-employed people. Focusing specifically on young workers in the developing world, through the ILO's School-to-Work Transition survey they analyse job quality and associated working conditions in self-employment. Finding that self-employment is frequently less a positively chosen employment relation than one of the only realistic ways to generate an income, they take to task constructions of self-employment as inherently entrepreneurial or consisting of more autonomy or higher quality work. In doing so they generate evidence to fill an important lacuna, since job quality surveys have largely tended to focus on high

income countries and have largely not addressed self-employment, particularly in countries in the majority South. Emphasising the difference between objective and subjective criteria, there seems to be a divergence between the seemingly advantageous status as employees as judged using objective criteria and young people's own perspectives, in which they tend to articulate the benefits of self-employment.

With attention to macro-level processes, and against the traditional immigrant entrepreneurship paradigm, which contends that meso-level, immigrant networks provide resources based on their group affiliation that facilitate enterprise, You and Zhou investigate how the economic and political landscape in China shapes Chinese migrants' small business ownership in the United States. Chinese immigrant (predominantly female)-owned nail salons are brick and mortar establishments that are located in the secondary sector of the economy. Nail salons straddle the formal and informal economies, as business owners must be licensed and operate under government regulations, but at the same time, co-ethnic employees are generally hired informally and paid low wages, often under the table. You and Zhou maintain that Chinese nail salon owners in New York City are engaged in a form of simultaneous embeddedness, whereby market conditions and immigration policies in the home country affect immigrant business in the host country. This study challenges the notion that immigrant entrepreneurs are motivated by a cultural orientation or collectivist ideology toward enterprise, in favor of an approach that identifies transnational forces as shaping immigrant/ethnic enterprise in the United States. In keeping with You and Zhou, Pallavi Banerjee contends that immigrant entrepreneurship among South Asian dependent visa holders has less to do with a cultural proclivity towards entrepreneurship and more do to with structural forces that restrict their labor in an economy that is impacted by immigration policy. As dependent visa holders – the spouses of legal permanent residents who hold work visas – Banerjee's interlocutors are not legally allowed to work. Consequently, they engage in informal and subversive self-employment, an activity that reflects intersections of nativity, race, and class, and related to prior work or sociocultural experiences, such as the former dancer who teaches children to perform, or the mother who runs an underground childcare center out her home. Banerjee's rich qualitative study makes it clear that the benefits of self-employment for South Asian

migrants have less to do with the pecuniary rewards of entrepreneurship and more to do with the non-pecuniary benefits associated with engaging in an illegal or subversive work arrangement that challenges state-imposed dependency.

Whereas the studies above focus on immigrant entrepreneurship among legal permanent residents, Valdez and colleagues investigate informal self-employment among undocumented Latino day laborers in Central Texas. Previous research suggests that undocumented Latinos comprise an easily exploited, low-wage, low-skilled labor pool in the United States, which results in their overrepresentation in day labor work. This supply-side argument, however, fails to consider the rise in precarious work in the new economy, the criminalization and racialization of day labor work, and the increased diversity of the day labor pool to include “documented” Latino immigrants, U.S.-born Latinos, and even formerly-incarcerated white and black American citizens. They investigate the characteristics of day laborers, their working conditions, and economic outcomes, concluding that day labor is a form of precarious entrepreneurship in the informal economy that is increasingly polarized by race, nativity, and legal status.

Beyond the myriad ways in which structural forces in the economy and society and immigration policy at home and abroad condition self-employment among immigrants in the United States, self-employment is also part and parcel of the neoliberal entrepreneurial dream for citizens of advanced industrial economies. Notably, this notion of self-employment is distinct from that ascribed to immigrant entrepreneurs, in that the former emphasizes the effort of individuals whereas the latter focuses on the collective. The entrepreneurial ideology associated with ‘rugged individualists’ maintains that through hard work and determination, ‘self-made men’ can embrace their entrepreneurial spirit and achieve economic mobility (Valdez 2015). In practice, however, the ‘rags to riches’ story is rarely realized. Nevertheless, the strength of the ideology is its function as a rhetorical device that allows for a flexible definition of entrepreneurial success that may or may not include economic considerations. The spiritual marketplace described by Karen Gregory is one such case in point. Gregory examines how Tarot card readers and other esoteric practitioners form a semi-formal business network to help foster their self-

employment activity in the spiritual and digital marketplace. Although making a living is their primary goal, a discourse of personal growth and transformation allows these practitioners to equate entrepreneurial success with building an online presence and personal brand. Gregory shows, however, that social inequalities, especially of wealth, prevent some spiritual entrepreneurs from realizing their personal brands or living the 'good life'.

Where Gregory's article highlights the ways in which workers within a very close-knit occupation struggle to manage their social and digital relationships Cohen's chapter explores the ways in which occupational variation in self-employment relates to differences in the spatial and temporal organization of work. She argues that this helps us to explain gendered differences in self-employment better than seeing this as a product of differences in how men and women *choose* to do self-employment. And, whereas previous studies have seen the spatial and temporal organization of work as a result of self-employment – a sign, for instance, that self-employed workers are exercising freedom – Cohen contends that temporal and spatial 'unboundedness' defines the social locations within which self-employment occurs and therefore cannot be thought of as separate to or a by-product, but instead should be understood as integral to self-employment.

The struggles of the self-employed people for labour representation have frequently been elided, since self-employment does not fit with the standard work arrangements upon which much labour and union organizing is premised as archetypal. In their article on organizing amongst self-employed sex workers in Argentina, Hardy and Cruz asks how can informal self-employed 'hard-to-organise' workers generate a collective identity and political subjectivity? By taking on one of the most marginalized occupations, street sex work, they elucidate some of the fundamental practices which can generate shared identities and interests amongst a group of workers with no existing shared workplace, identity or collective imaginary. Using concepts of affect, emotion and intimacy and by focusing on what they term the 'intangible' and 'ephemeral' in labour organizing, they emphasise the importance of paying attention to the inter-corporeal, micro-scale of collective organizing practices. These are, as it becomes clear, of particular importance for

groups of workers, such as the self-employed, who have no pre-existing sense of shared interests or social location and therefore begin from a more complex positions to generate collective standpoints and consciousness.

Conclusion

This special issue starts from the premise that self-employment is both an ideology and practice that encompasses a diversity of experiences at the micro-, meso-, and macro-level. Taken together, the articles in this volume underscore the critical need to unpack self-employment from entrepreneurship, to better understand the function of self-employment in the new economy. Ultimately, the volume introduces new directions in the study of self-employment, an economic activity that remains understudied and unspecified, especially when compared to its counterpart in the labor market, wage-work. The volume offers new insights and challenges to traditional approaches, especially those that equate self-employment with entrepreneurial dreams, growth, and economic integration. The volume encourages a reconsideration of self-employment that is more nuanced, especially in the context of a changing economy and society.

References

- Behling F and Harvey M (2015) The evolution of false self-employment in the British construction industry: a neo-Polanyian account of labour market formation. *Work, Employment & Society*. 0950017014559960. DOI: 10.1177/0950017014559960.
- Bjuggren, C. M., Johansson, D., & Stenkula, M. (2012). Using self-employment as proxy for entrepreneurship: some empirical caveats. *International Journal of Entrepreneurship and Small Business*, 17(3), 290-303.
- Burchell B, Coutts A, Hall E, et al. (2016) *Self-employment programmes for young people: A review of the context, policies and evidence*. Working Paper No. 198, Employment, April. Available at: http://www.skillsforemployment.org/KSP/en/Details/?dn=WCMSTEST4_174663 (accessed 27 May 2016).
- Carter S (2011) The Rewards of Entrepreneurship: Exploring the Incomes, Wealth, and Economic Well-Being of Entrepreneurial Households. *Entrepreneurship: Theory & Practice* 35(1): 39–55. DOI: 10.1111/j.1540-6520.2010.00422.x.
- Cohen RL (2010) When it pays to be friendly: employment relationships and emotional labour in hairstyling. *The Sociological Review* 58(2): 197–218. DOI: 10.1111/j.1467-954X.2010.01900.x.

- Craig L, Powell A and Cortis N (2012) Self-employment, work-family time and the gender division of labour. *Work, Employment & Society* 26(5): 716–734. DOI: 10.1177/0950017012451642.
- Cranford, C.J, Fudge, J., Tucker, E. and Vosko, L.F. 2005: Self-employed workers organize: law, policy and unions. McGill-Queen's University Press, Montreal and Kingston.
- Cromie S and Hayes J (1988) Towards a typology of female entrepreneurs. *Sociological Review* 36(1): 87–113. DOI: 10.1111/j.1467-954X.1988.tb02936.x.
- Cruz, K., Hardy, K., & Sanders, T. (2017). False Self-Employment, Autonomy and Regulating for Decent Work: Improving Working Conditions in the UK Stripping Industry. *British Journal of Industrial Relations*, 55(2), 274-294.
- Dale A (1986) Social Class and the Self-Employed ,
Social Class and the Self-Employed. *Sociology* 20(3): 430–434. DOI: 10.1177/0038038586020003009.
- Eikhof DR and Haunschild A (2006) Lifestyle Meets Market: Bohemian Entrepreneurs in Creative Industries. *Creativity and Innovation Management* 15(3): 234–241. DOI: 10.1111/j.1467-8691.2006.00392.x.
- Ekinsmyth C (2011) Challenging the boundaries of entrepreneurship: The spatialities and practices of UK 'Mumpreneurs'. *Geoforum* 42(1): 104–114. DOI: 10.1016/j.geoforum.2010.10.005.
- D'Arcy C and Gardiner L (2014) *Just the Job or a Working Compromise? The changing nature of self-employment*. May. UK: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/publications/just-the-job-or-a-working-compromise-the-changing-nature-of-self-employment/> (accessed 7 July 2018).
- Forde C, Stuart M, Joyce S, et al. (2017) *The Social Protection of Workers in the Platform Economy*. Directorate General for Internal Policies Policy Department A: Economic and Scientific Policy IP/A/EMPL/2016-11, November. Brussels: European Union.
- Freedland, M. and Kountouris, N. (2011). *The Legal Construction of Personal Work Relations*. Oxford:OxfordUniversity Press.
- Fudge, J. (2012). 'Blurring legal boundaries: regulating for decent work'. In J. Fudge, S. McCrystal and K. Sankaran (eds.), *Challenging the Legal Boundaries of Work Regulation*. Oxford:Hart Publishing, pp. 1–26.
- Goffee R and Scase R (1983) Business ownership and women's subordination: a preliminary study of female proprietors. *Sociological Review* 31(4): 625–648. DOI: 10.1111/1467-954X.ep5480537.
- Huws U and Joyce S (2016) *Crowd-working survey*. FEPS-Europe. Available at: www.feps-europe.eu/assets/a82bcd12-fb97-43a6-9346-24242695a183/crowd-working-survey.pdf.
- ILO (2017) Dependent self-employment: trends, challenges and policy responses in the EU http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_614176.pdf
- Jones T, Mascarenhas-Keyes S and Ram M (2012) The Ethnic Entrepreneurial Transition: Recent Trends in British Indian Self-Employment. *Journal of Ethnic & Migration Studies* 38(1): 93–109. DOI: 10.1080/1369183X.2012.640020.
- Light, I., & Bonacich, E. (1991). *Immigrant Entrepreneurs: Koreans in Los Angeles, 1965-1982*. Univ of California Press.
- Mallett O and Wapshott R (2015) Making sense of self-employment in late career:

- understanding the identity work of olderpreneurs. *Work, Employment & Society*: 0950017014546666. DOI: 10.1177/0950017014546666.
- Marlow S, Henry C and Carter S (2009) Exploring the Impact of Gender upon Women's Business Ownership Introduction. *International Small Business Journal* 27(2): 139–148. DOI: 10.1177/0266242608100487.
- McKie L, Biese I and Jyrkinen M (2013) 'The Best Time is Now!': The Temporal and Spatial Dynamics of Women Opting in to Self-Employment. *Gender, Work & Organization* 20(2): 184–196. DOI: 10.1111/gwao.12019.
- Meager N (2016) Foreword: JMO special issue on self-employment/freelancing. *Journal of Management and Organization; Lyndfield* 22(6): 756–763. DOI: <http://0-dx.doi.org.wam.city.ac.uk/10.1017/jmo.2016.42>.
- OECD (2000) The Partial Renaissance of Self Employment. OECD. <https://www.oecd.org/employment/emp/2079593.pdf>
- OECD (2018), Self-employment rate (indicator). doi: 10.1787/fb58715e-en (Accessed on 04 May 2018).
- Rath J and Kloosterman R (2000) Outsiders' Business: A Critical Review of Research on Immigrant Entrepreneurship. *International Migration Review* 34(3): 657–681.
- Romero M and Valdez Z (2016) Introduction to the special issue: intersectionality and entrepreneurship. *Ethnic & Racial Studies* 0(0): 1–13. DOI: 10.1080/01419870.2016.1171374.
- Rouse J, Treanor L and Fleck E (2013) The gendering of entrepreneurship: theoretical and empirical insights. *International Journal of Entrepreneurial Behavior & Research* 19(5): 452–459. DOI: 10.1108/IJEBr-06-2013-0083.
- Sanghera B (2002) Microbusiness, household and class dynamics: the embedding of minority ethnic petty commerce. *The Sociological Review* 50(2): 241–257. DOI: 10.1111/1467-954X.00365.
- Steinmetz G and Wright EO (1989) The Fall and Rise of the Petty Bourgeoisie: Changing Patterns of Self-Employment in the Postwar United States. *American Journal of Sociology* 94(5): 973–1018.
- Valdez, Zulema. 2011. *The New Entrepreneurs: How Race, Class, and Gender Shape American Enterprise*. Palo Alto, CA: Stanford University Press.
- Valdez, Zulema. 2015. *Entrepreneurs and the Search for the American Dream*. New York: Routledge.
- Waldinger RD, Aldrich H and Ward R (1990) *Ethnic entrepreneurs: Immigrant business in industrial societies*. Sage Publications, Inc.
- Watson TJ (2012) Entrepreneurship - A Suitable Case for Sociological Treatment. *Sociology Compass* 6(4): 306–315. DOI: 10.1111/j.1751-9020.2011.00455.x.
- World Bank(2017) <https://data.worldbank.org/indicator/SL.EMP.SELF.ZS?end=2017&start=1991>

