

The rise and rise of the self-employed

John Roskam

For the first time in Australian history there are now more people who are self-employed than are members of a trade union, according to official new data released by the Australian Bureau of Statistics.

1.9 million Australians are self-employed compared to the 1.8 million who are trade union members. This demonstrates a dramatic transformation in the Australian economy because as recently as 1998 the union members outnumbered the self-employed by nearly 400,000. In the last few years as self-employment has increased membership of trade unions has declined.

From a total national workforce of approximately 9.6 million people, just under one in five are self-employed. Contrary to the popular idea that the self-employed are predominately in the trades and are male, nearly one-third of all self-employed are female.

More than 60% of the people who work in the agriculture, forestry and fishing sectors of the economy are self-employed. Other sectors in which there are a large proportion of self-employed are construction, where nearly half of all workers are self-employed, and property and business services, where 30% are self-employed.

45% of people classified by the ABS as 'managers and administrators' are self-employed, reflecting a trend towards the increased use by business of outsourcing and consulting services. The occupational group with the next highest percentage of self-employed were tradespeople with a self-employment rate of 30%, followed by advanced clerical and service workers of whom 29% were self-employed.

Perhaps a surprising finding was that 14% of all workers in the lowest skilled occupation group, 'labourers', were self-employed, demonstrating that

the decision to become self-employed is not limited to only the highly skilled and highly educated.

This new information from the ABS is very significant for a number of reasons.

It is further evidence of the move that Australian workers are making towards self-reliance. Self-employment provides the flexibility, the responsibility, and the rewards that are often not found in the traditional employer/employee relationship. Between 1998 and 2004 the number of self-employed grew by nearly a quarter of a million people, or by approximately 14%. By contrast trade union membership fell over that time by around 200,000 or around 10%. An industrial relations transformation is taking place in this country as workers are opting to exercise choice over their working conditions.

The old notion of economic management whereby 'big business, big unions, and big government' decided what was for the good of the country is slowly being eroded. The nature of business is changing, and the dominance that unions had over national policy is being reduced. The extent to which the role

of 'big government' has changed is yet to be determined.

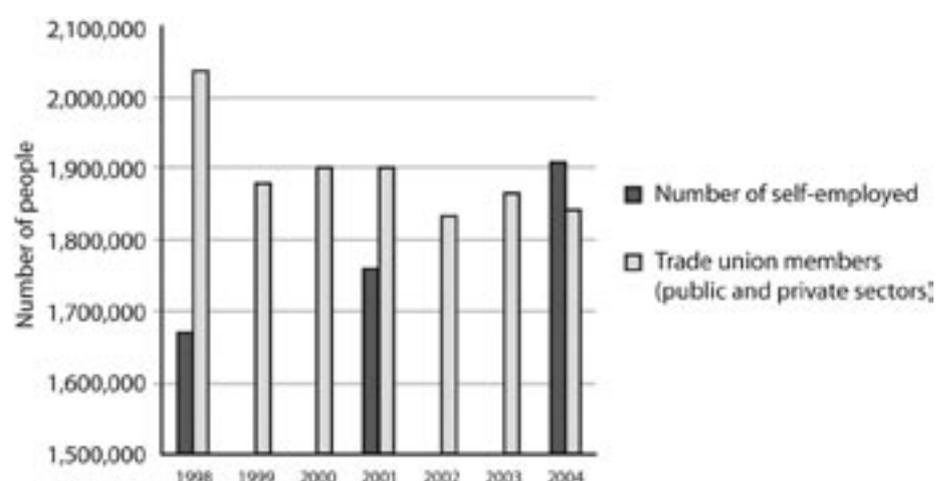
Australia's sustained economic growth over the last decade has been due in large measure to a workforce that has proved able to adapt quickly to the demands of change. This has occurred at least in part because of the growth in self-employment.

Naturally the decision of individuals to work for themselves challenges the power of those who have benefited from the control able to exercised through the traditional employment relationship. State Labor governments around the country, at the behest of the union movement, have attempted to prevent workers from taking advantage of the benefits of self-employment. It is remarkable that even while the ALP and trade unions do everything in their power to reverse the trend towards self-employment, the number of people working for themselves continues to grow. And there are no signs of this trend stopping.

John Roskam is a senior fellow at the IPA

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Union members and self-employed



Source: ABS, IPA