

# Home-based Business and Economic Development

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# UK's economic recovery of the 2007/08 crisis

- Employment rate fell from 73.0% in Q1 2008 to 70.1% in Q3 2011
- Post-recession/recovery 2011-2015

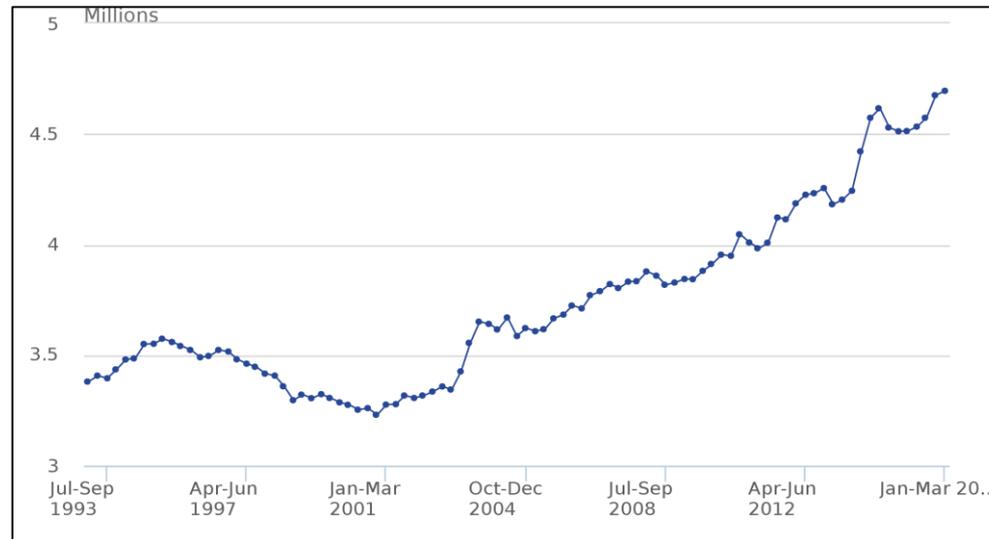
	1979–1983 recession		1990–1993 recession		2008–2010 recession	
	Output	Employment	Output	Employment	Output	Employment
Production <sup>a</sup>	–14.6	–18.2	–6.7	–14.1	–14.7	–9.8
Services	–2.4	–1.9	–1.1	–2.7	–4.6	–1.4
Total	–6.6	–7.3	–2.4	–6.9	–5.7	–2.8

Source: Martin, 2012, 15

# The special pathway of the UK economic recovery

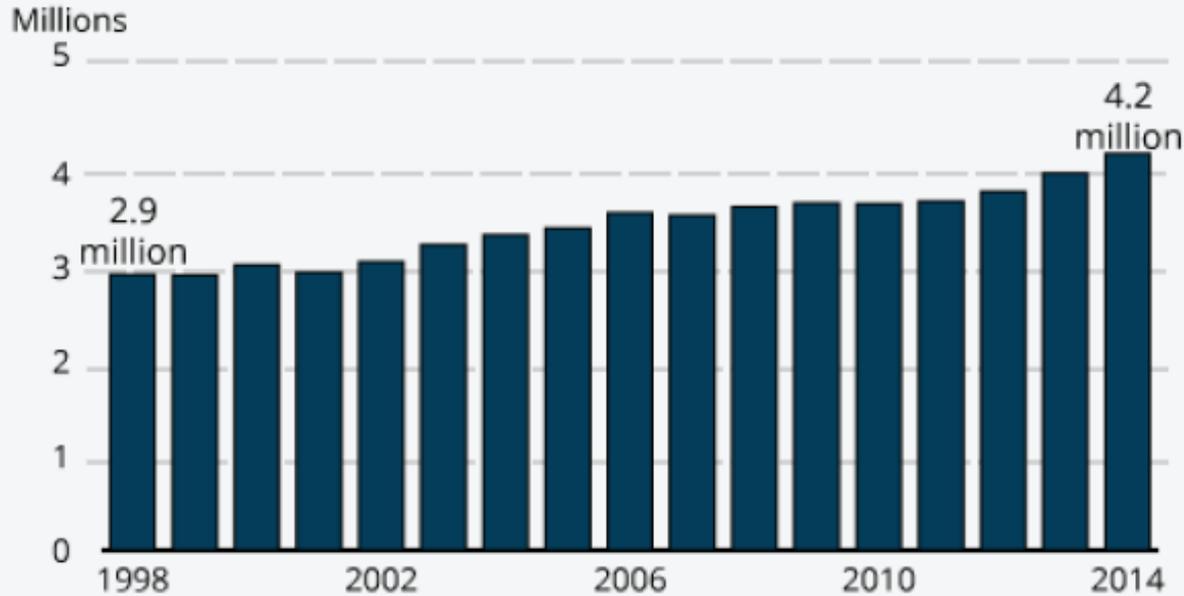
Self-employment increased over 2008-2015

- by 730,000
- 3.8m to 4.6m



Numbers of self-employed workers, ONS, 2016, 4

## THE NUMBER OF HOME WORKERS HAS INCREASED FROM 2.9 MILLION IN 1998 TO 4.2 MILLION IN 2014



## In 2014, 63.5% of home workers were self employed



Source: ONS, 2014

# Economic recovery/resilience

- Role of home-based self-employment in (quick) economic recovery?
- Crisis phenomenon?
- Does the home-based business sector contribute to regional resilience?

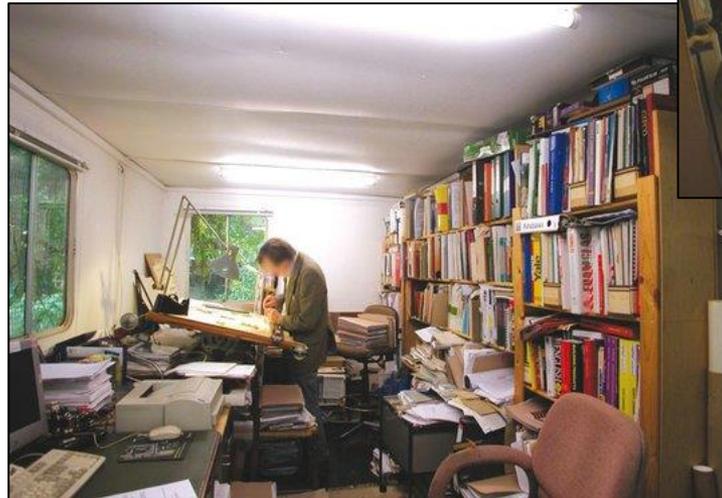
# The home as place for business and self-employed work



Photo courtesy of Ivan Raszl

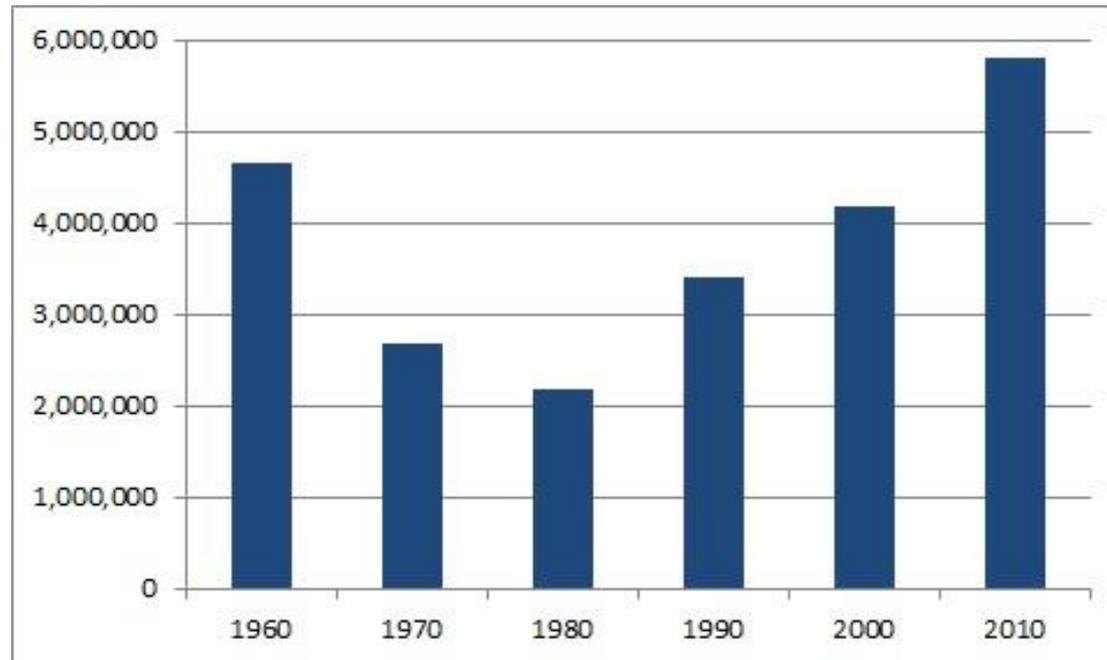


Photo courtesy of Frances Holliss



# The resurgence of homeworking

Number of homeworkers in the USA, 1960-2010

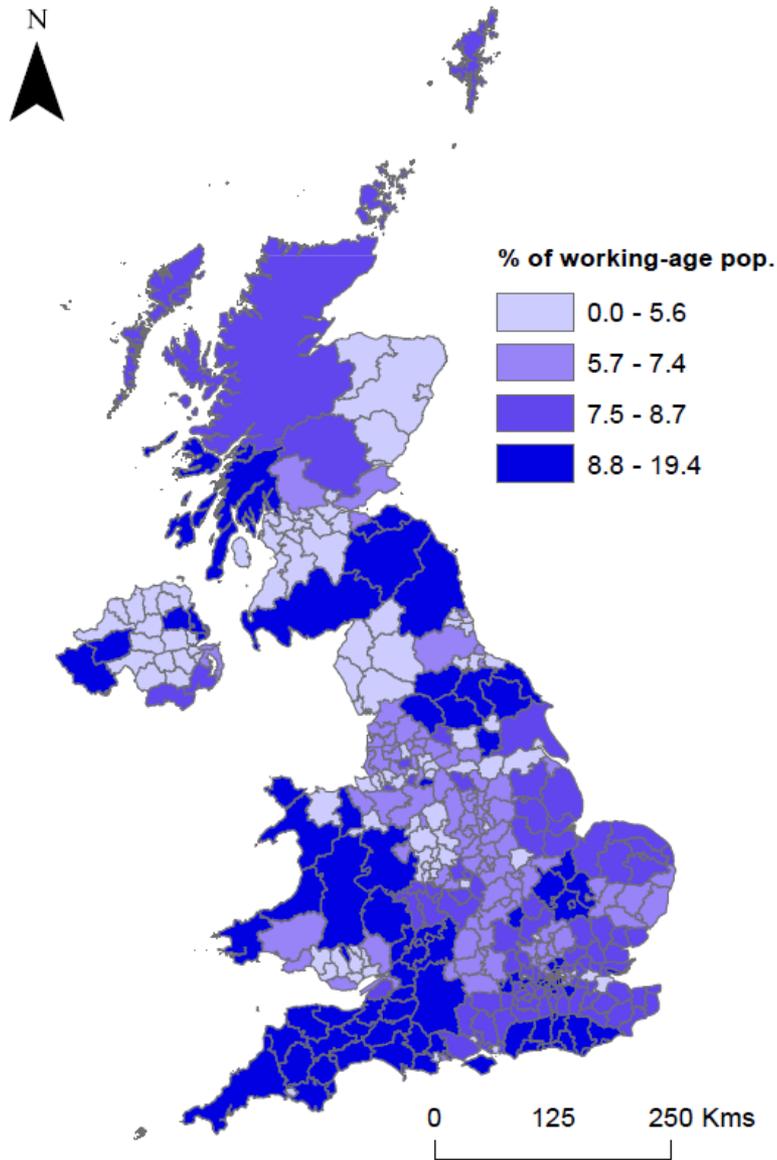


Source: Reuschke, Regions 2015, p. 7

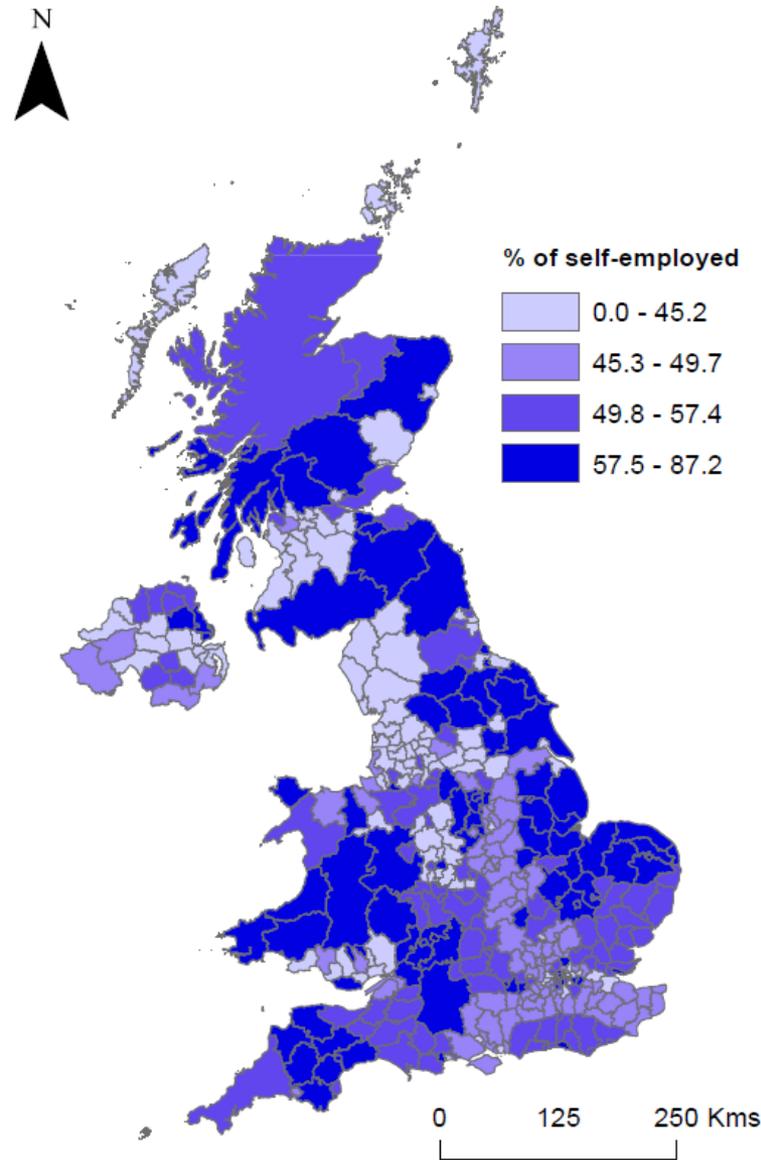
# Measurement and data

- UK Labour Force Survey
- **Primary and secondary** employment
  - Employment status (self-reported)
  - “[In your main/second job] do you work mainly ...
    - **In your own home**
    - **In the same ground or building as your home**
    - **In difference places using home as a base**
    - Or somewhere quite separate from home?”
- Since 1992 (with one gap year)

Home-based businesses, 2015 (% of working-age pop.)

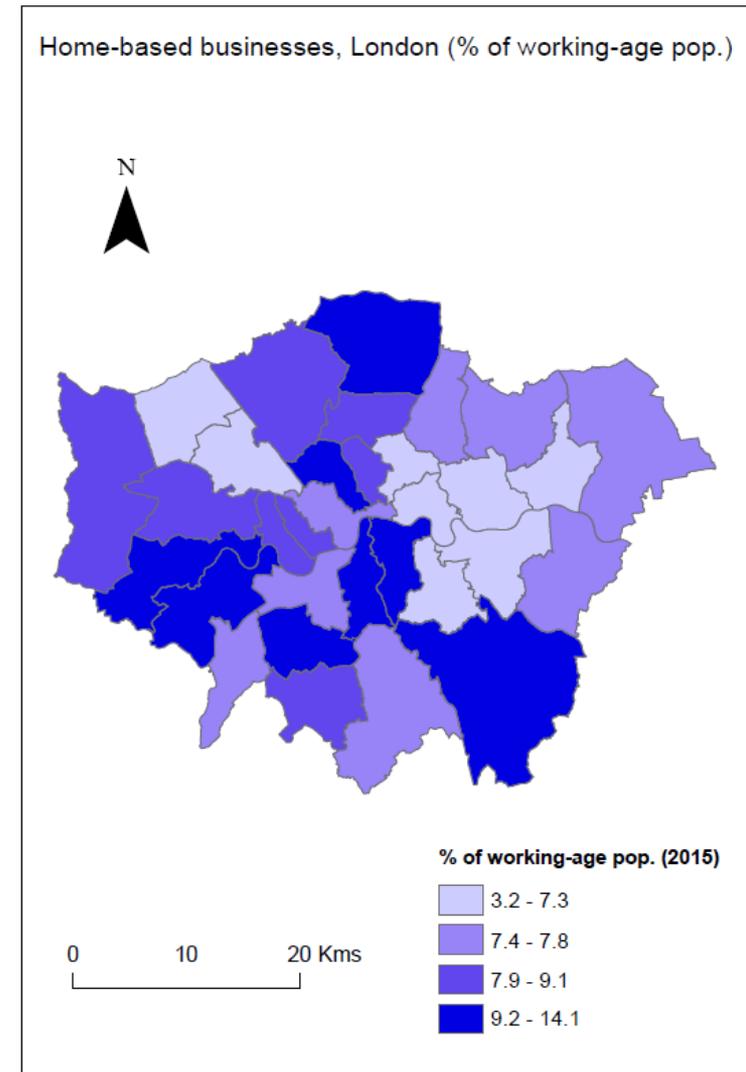


Home-based businesses, 2015 (% of self-employed)



# The Top 10 in UK

Ceredigion	Mid Wales, rural	19.4%
Powys	Mid Wales, rural	14.2%
Merton	SW London, urban	14.1%
Brighton & Hove	SE England, urban	13.3%
Devon	SW England, rural	13.1%
Midlothian	Scotland, mixed	13.1%
North Yorkshire	Yorkshire, rural	12.8%
Enfield	North London, urban	12.1%
Herefordshire	West Midlands, rural	12%
Dumfries Galloway	Scotland, rural	12%



Source: Labour Force Survey, Spring quarter 2015

# Rural and home-based self-employment

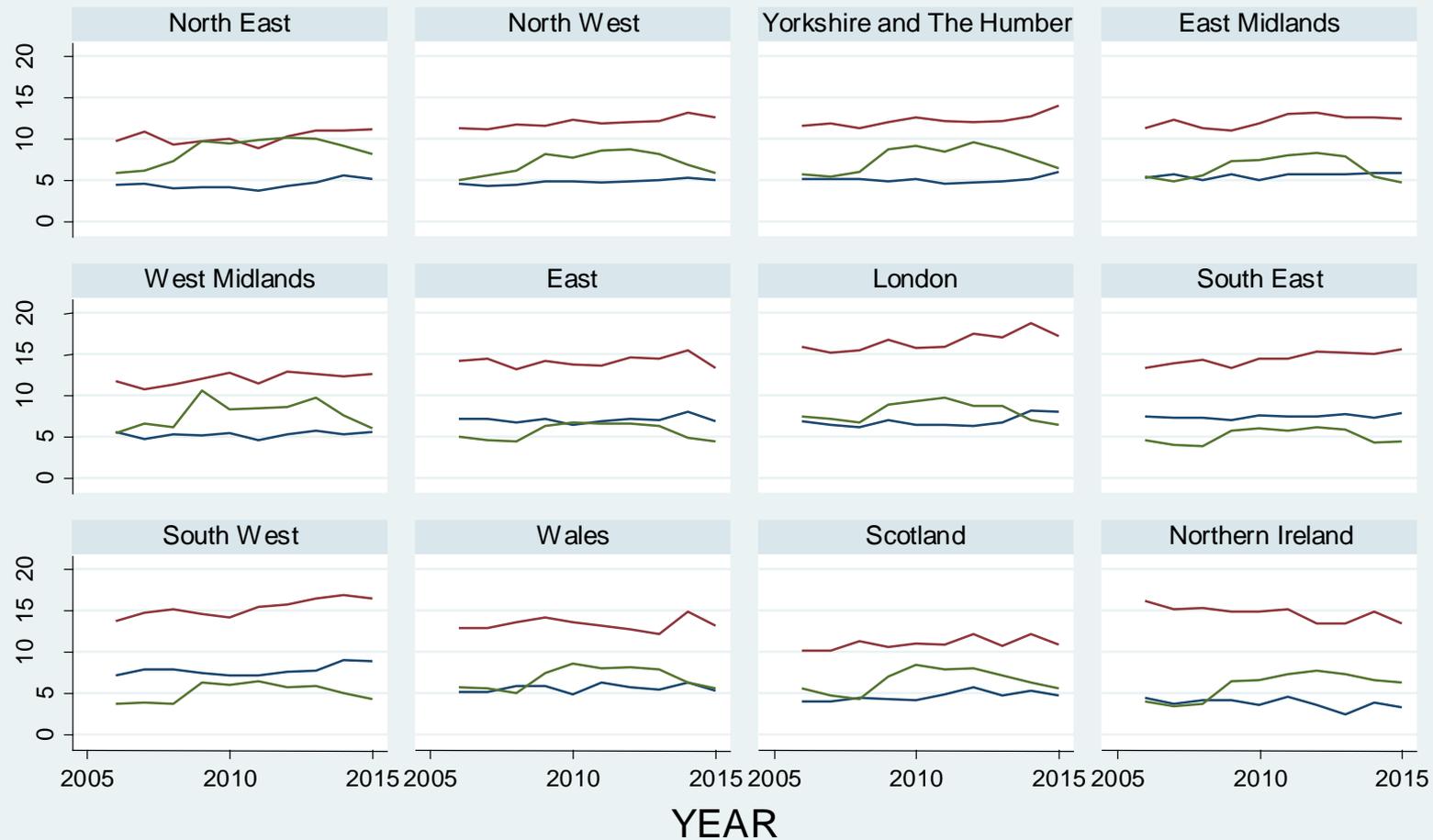
	Ø 2005-2006	Ø 2013-2015
Is Rural (% of all HBS)	30.9	31.1
Is Rural (% of self-employed)	28.6	27.7
Is Rural (% of employees)	20.2	19.9

# Lowest proportion of HBS in working-age pop

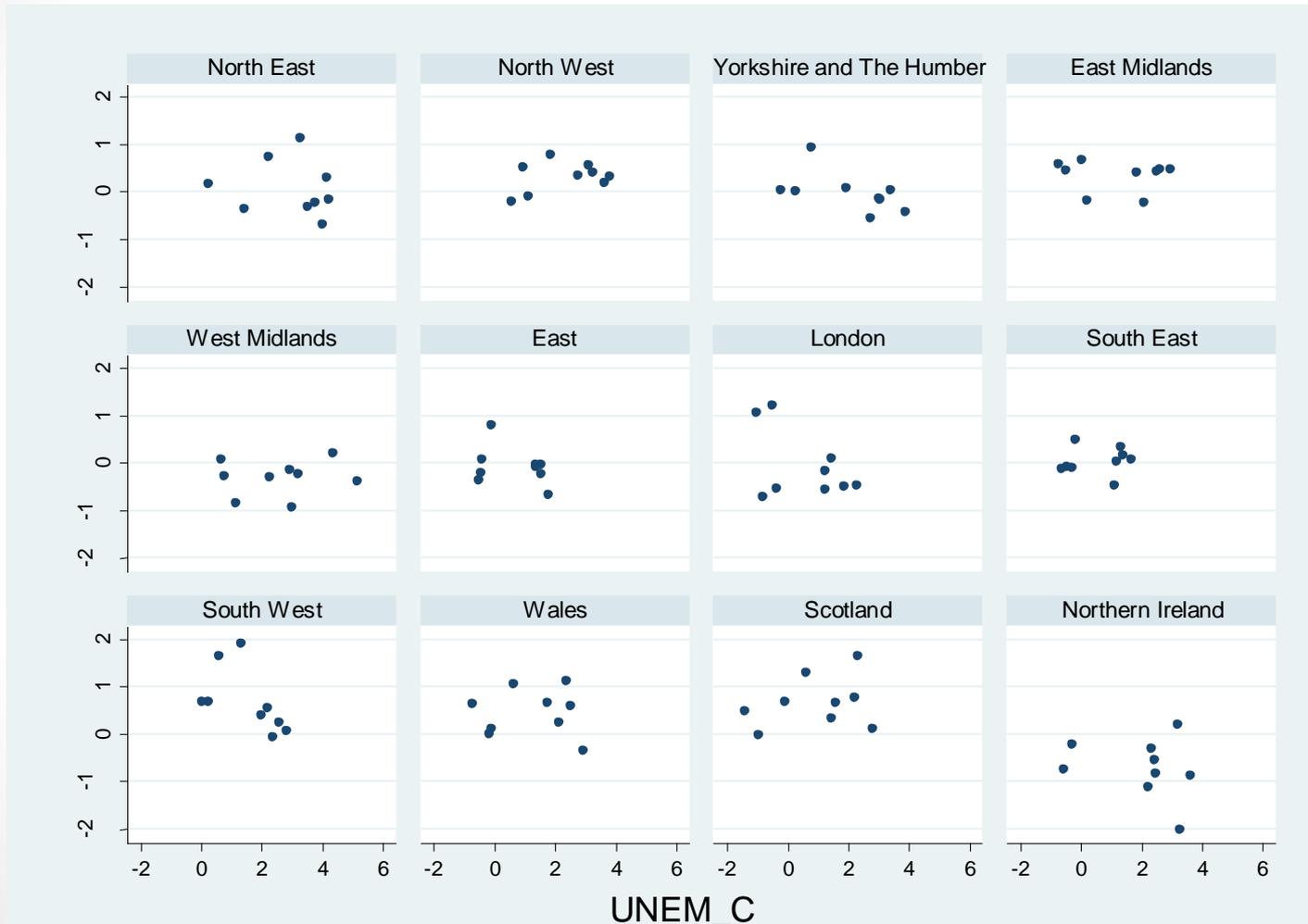
Sunderland	NE England	urban
East Ayrshire	Scotland	mixed
Dundee City	Scotland	urban
Oldham	NW England	urban
Coventry	West Midlands	urban
Belfast	NI	urban
South Tyneside	NE England	urban
West Lothian	Scotland	mixed
Clackmannanshire	Scotland	mixed
West Dunbartonshire	Scotland	urban

Former industrial conurbations and coal mining

# HBS rate in UK regions 2006-15

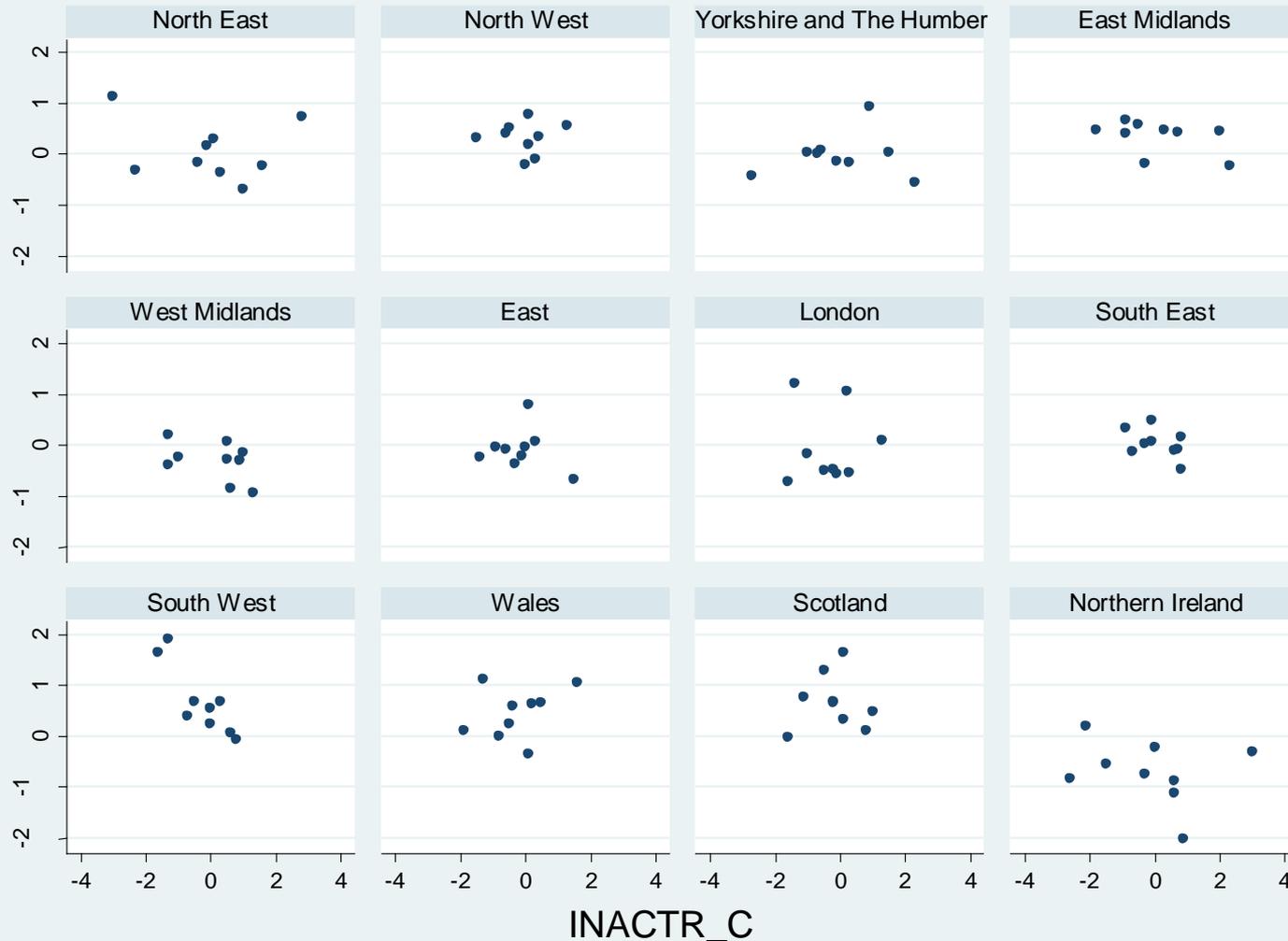


# HBS and unemployment rate



Source: Labour Force Survey, Spring quarters 2006-2015

# HBS and inactivity rate



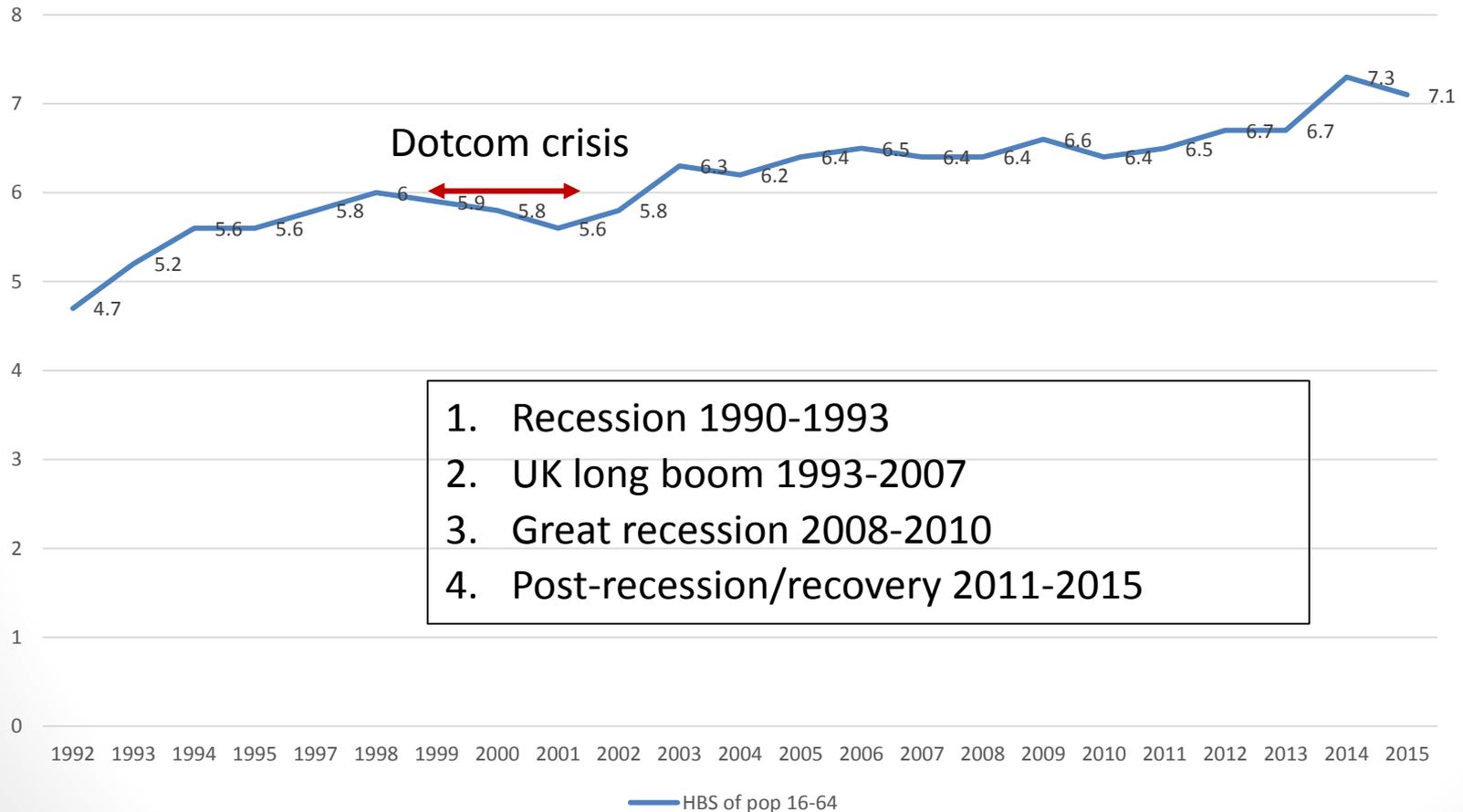
Source: Labour Force Survey, Spring quarters 2006-2015

# Complexity of regional economic recovery

	Recovered in terms of employment level	% Production employment 2012	Index of Production dependency (Martin, 2012)	Home-based s/emp 2007
London	2011	10.3	0.47	8.8
South East	2013	15.6	0.66	9.1
South West	2014	17.4	1.01	9.8
Scotland	2014	17.6	0.88	5.1
North West	2014	18.7	1.14	5.8
East	2011	18.9	1.00	9.1
Northern Ireland	2014	19.9	1.09	5.1
North East	2014	20.0	1.17	6.3
Wales	2015	20.4	1.20	7.0
Yorkshire	2013/14	20.8	1.15	6.8
West Midlands	2013	20.9	1.34	6.2
East Midlands	2014	23.0	1.43	7.4

# Continuous upward trend

Home-based self-employment as proportion of working-age population

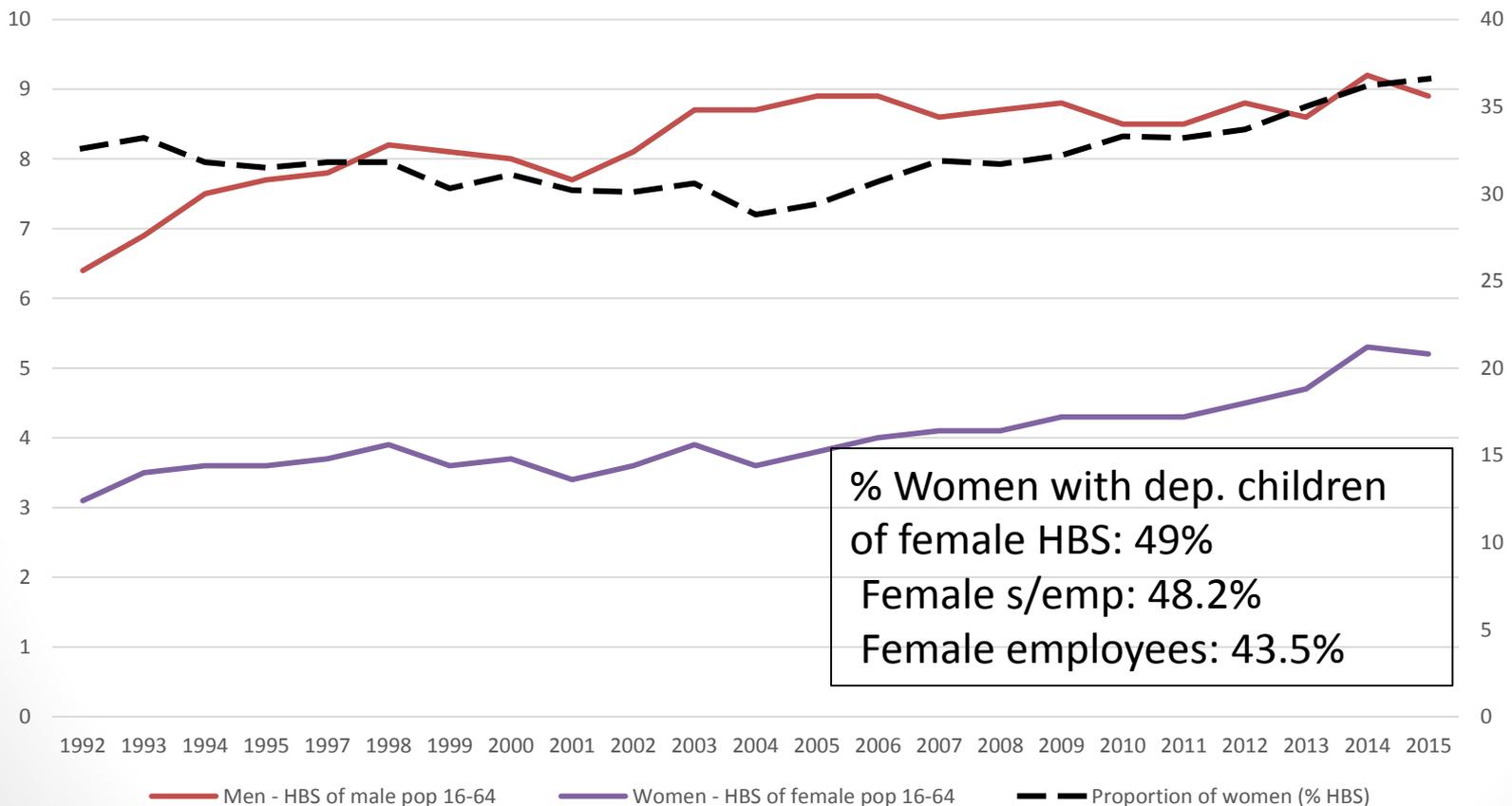


# Industry composition of home-based s/emp

SEC1992	1994-1997	2004-2006	2013-2015	HBS	<i>all employment</i> 1994/97-2013/15
a/b: agriculture, hunting & forestry, fishing	10.3	6.7	7.5	-2.8	-0.35
d:manufacturing	7.0	5.6	5.4	-1.6	-8.26
f:construction	23.7	26.9	19.6	-4.1	0.1
g:wholesale, retail & motor trade	11.6	8.1	7.1	-4.5	-2.85
h:hotels & restaurants	5.0	1.9	2.1	-2.9	0.14
i:transport, storage & communication	4.0	5.4	4.7	0.7	-0.05
j:financial intermediation	1.1	1.3	1.6	0.5	-0.51
<b>k:real estate, renting &amp; business activity</b>	15.2	19.6	25.5	<b>10.3</b>	<b>5.19</b>
m:education	3.6	3.8	4.9	1.3	-1.22
n:health & social work	6.2	6.0	6.8	0.6	<b>3.11</b>
<b>o:other community, social &amp; personal</b>	9.5	11.4	12.8	<b>3.3</b>	0.8

# Rising proportion of women – unaffected by economic crisis

Home-based self-employment of working-age population by gender and in total (left-hand axis) and proportion of women (right-hand axis)



# Industry sectors by gender

	Males	Females
Production	38%	7%
Agriculture	6%	3%
Professional, scientific, technical	12%	15.8%
Administrative and support services	7.8%	10.1%
Information and communication	7.1%	4.5%
Education	4.2%	8.2%
Health and social work	1.5%	16.2%
Arts, entertainment and recreation	4.8%	6.5%
Other service activities	2.6%	10.4%

# Conclusion

- Continuation of an upward trend since 2001
- Changing workforce and changing economy
  - Decline in production (manufacturing, energy, water)
  - Increase in business and personal services
  - Professional, administrative and support services amongst women rather than work/life balance
- In local authorities, industrial legacy rather than economic shock
- Alternative or mainstream?

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