

banking and financial services and in information technology. The terms under which people work are also becoming more diverse. The traditional self-employed person running a business, perhaps with a few employees, is joined by people in casual work or involved with sub-contracting. The measurement framework adopted needs to factor in all these possibilities.

Given the conceptual difficulties in defining self-employment income, it is perhaps not surprising that the collection of accurate income information from the self-employed is one of the most problematic areas for surveys:

- The self-employed often have accounting practices which make it difficult for them to provide accurate responses to survey questions (e.g. they may not separate their business and personal finances).
- Their financial and accounting framework does not relate well to that used by statisticians in constructing national accounts or household income analysis.
- The self-employed are less likely than the employed to respond to income surveys, and self-employment income variables are subject to higher levels of item non-response.
- Not only are the self-employed less likely than employees to respond to surveys, those that do respond are more likely to under-report their income.
- The growth in self-employment as a secondary activity for employees creates additional problems. Unless such secondary activities are properly covered in an income survey with questions that are just as detailed as those for the primary employment, this too will be a source of under-reporting.

Conclusion

The following strategies are recommended to improve estimates:

- The categorisation of the self-employed according to (i) whether they consider that they are running a business or (ii) that they have "work" (a job), and the use of a concept akin to that of earnings for the latter group.
- The collection of data on drawings (in the absence of annual accounts, either for tax purposes or as a business account).
- Updating profit/loss data which are for a time period earlier than the reference period to using an appropriate index.
- Development of procedures for estimating self-employment income net of income tax and social security contributions, procedures which may differ from those used for other income components.

Suggested question:

'During last year (during 2022, income reference period,...), did you receive any income from self-employment (agricultural income, industrial or commercial income, non - commercial income from the practise of a liberal profession, royalties)?'

If the answer is 'Yes' then the amount during income reference period should be recorded. The questions on income should be split up into relevant components where, for each component, it should be first explored what are the national taxation rules and then decide how to ask about net and gross values.