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Review of "Self-Employment: A Labor Market Perspective" by Robert L. Aronson

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Self-Employment: A Labor Market Perspective. By Robert L. Aronson. Ithaca, N.Y.: ILR Press, 1991. Pp. xiii + 156. \$26.00 (cloth); \$10.95 (paper).

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The increase in self-employment in recent years may be debatable; the growth of the literature on the issue is not. The chief merit of Robert Aronson's opuscle—its broad sampling of data on self-employment—reflects the principal weakness of the current debate: an unself-conscious, quantitative orientation unguided by conceptualization of what is being counted. By failing to open up the black box of self-employment, Aronson neglects to explain why it matters socioeconomically whether workers are employees or self-employed.

On proper heuristic grounds Aronson urges researchers to adopt the guideline that "self-employment is basically an alternative means of earning a living by the sale of one's labor" (pp. 28, xi). Yet this robust insight is submerged by misconceiving the context in which advanced capitalism subordinates seemingly independent economic agents: "Self-employment is the oldest way in which individuals offer and sell their labor in a market economy" (p. ix). This ahistorical approach obscures the critical transformation that self-employment has undergone. In particular, Aronson fails to discuss labor unions' view of the self-employed as either wage-cutting employees or embryonic employers.

Aronson is vaguely aware of the socioeconomic and conceptual problems underlying an analysis of self-employment. But his prefatory remark that "the degree of autonomy and control these workers have over their labor . . . theoretically distinguishes self-employment from wage and salary employment" (p. xii) never informs his empirical presentation. Although Aronson concedes that "the meaning and measurement of self-employment is itself something of an enigma" (p. xi), he fails to conceptualize it. Thus he reinforces the empiricist approach, which is rooted in an uncritical acceptance of the solipsistic reification of self-employment.

Unlike many empiricists, Aronson does provide a realistic account of the situation of broad strata of the self-employed by emphasizing that "the central fact about the earnings of the self-employed in the recent period of expansion is their decline from a relatively more favorable level to a relatively less favorable level in comparison with the average earnings of employees" (p. 42). He also reports the below-average income of female self-employed (pp. 60, 65–69), who have accounted for an increasing share of the self-employed in recent years. This approach leads Aronson to express caution regarding the applicability of a neoclassical framework to self-employment.

Aronson does not take a clear-cut stand on the issue of the alleged rise in self-employment. On the one hand, he notes that it is still unclear whether "the growth of self-employment represents a significant and

lasting change in the . . . behavior of labor markets”; on the other, “its reemergence is not a transitory phenomenon.” Yet this renaissance of the self-employed “as a substantial component of the labor force” and “an almost spectacular revival” beginning in the early 1970s turns out to be a rise of about two percentage points as a share of all workers. The discussion is, moreover, impaired by Aronson’s failure to challenge the conceptual underpinnings of the data on self-employment, which may be so infirm as to render them meaningless.

The analysis becomes particularly superficial in the chapter devoted to the impact of the state on the self-employed, which lacks a theoretical framework. Aronson’s potpourri of information on the law is, moreover, studded with inaccuracies. Thus he claims that “social protection is the one area in which governments have recognized that the self-employed are subject to the same hazards as wage and salary workers” despite the fact that public insurance for illness, disease, injury, and unemployment is “virtually nonexistent” for the self-employed. Without documentation Aronson maintains that the growth of industrial homework has not compromised the employer-employee relationship: “Thus far, the federal courts have upheld the very strict standards developed under wage-hour legislation to determine the legitimacy of claims by independent contractors. Those standards . . . have been applied in . . . workers’ compensation and unemployment insurance.” In fact, the statutory and judicially created standards in the latter areas are much laxer.

Because Aronson views his work as a tentative effort to assemble scattered data on which others can build, it is curious that he provides no page references for any of the materials he cites—even for huge statistical works such as censuses. These omissions are exacerbated by sloppiness such as reproducing essentially the same table with the same rubrics and sources but different data (pp. 86, 108) and misstatements of the findings of articles (pp. 30, 118).

In sum, Aronson’s convenient compilation of empirical indicators on the self-employed fails to broaden the cramped scope of the current debate.