

Global Entrepreneurs Enabler Index

GEEIndex

A Government-Rating Tool

The Global Entrepreneurs Enabler Index (**GEEIndex**) starts with the belief that the well-spring of entrepreneurship in societies is found in self-employed individuals who usually constitute 15-25 per cent of developed economies' workforces. The GEEIndex measures the impact of laws and regulations on the ability of individuals to be self-employed and hence entrepreneurial.

Ratings Grid: How Scores Are Allocated

[Full details of the GEEIndex may be found at www.geeindex.com]



GEEIndex developer

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Item	Heavily discriminatory Possible Score -5	Mildly discriminatory Possible Score -1 to -4	Neutral Zero score	Positive Score +1 to +5
Income tax withholding	The income tax withholding laws are entirely dependent on people being employees. The effect is to force people into employment. This is administered with aggression by the taxing authority where it uses its power of the state to intimidate people into employment.	The income tax withholding laws display bias against self-employed people and are part structured in a way that the preference is toward requiring people to be employees. The taxing authority reinforces this by displaying preference for employment in the way it administers the laws.	The income tax authority can collect withholding tax from self-employed people in equal measure to withholding from employers on employees' behalf. There is no evidence of bias against self-employed people in the way income tax is collected.	
Business status available to self-employed people	Tax laws largely or totally prevent self-employed people from accessing business-style tax treatment. The tax authority aggressively administers these laws largely or totally preventing people from conducting their commercial affairs as a business.	Tax laws are unclear, ambiguous, or inconsistent in the way they treat self-employed people as businesses. The tax authority administers the law without transparency setting itself up as the primary determiner creating significant risk for self-employed people.	Tax laws and authorities recognise the right of self-employed people to access the business tax system balanced with the requirement that people only claim legitimate business entitlement/deductions. This is administered with clarity, transparency and fairness.	
Payroll and other tax laws		Tax laws are unclear, ambiguous, or inconsistent in the way they relate to paying tax on engaging self-employed people. The tax authority administers the law without transparency or consistency creating risk around engaging self-employed people.	The payroll and other tax laws provide administrative clarity as to when the tax is to be paid and when not in relation to self-employed people. This is administered with clarity, transparency and fairness.	

Item	Heavily discriminatory Possible Score -5	Mildly discriminatory Possible Score -1 to -4	Neutral Zero score	Positive Score +1 to +5
Compulsory superannuation and pension schemes	The laws are highly confusing and lacking in clarity such that considerable risk is associated in seeking to comply with them. The authority is aggressive in applying its interpretation of the laws such that they use their power as the state to intimidate. The risk thus created is high.	The laws have a measure of confusion and lack of clarity applying to them.	There is clarity at law as to when compulsory superannuation and pension contributions are to be paid and by whom. This is administered and enforced by the authority with transparency and consistency. There is little risk of a business being hit with unknown liability due to unclear laws.	
Workers' compensation laws	The laws are highly confusing and lacking in clarity such that considerable risk is associated in seeking to comply with the laws. The authority is aggressive in applying its interpretation of the laws such that they use their power as the state to intimidate. The risk thus created is high.	The laws have a measure of confusion and lack of clarity applying to them.	The compulsory schemes are clear in who they cover and don't cover. There is no risk of 'misclassifying' an individual because the laws have points of confusion.	
Medical Insurance	The laws are highly confusing and lacking in clarity such that considerable risk is associated in seeking to comply with the laws. The authority is aggressive in applying its interpretation of the laws such that they use their power as the state to intimidate. The risk thus created is high.	The laws have a measure of confusion and lack of clarity applying to them.	The compulsory schemes are clear in who they cover and don't cover. There is no risk of 'misclassifying' an individual because the laws have points of confusion.	

Item	Heavily discriminatory Possible Score -5	Mildly discriminatory Possible Score -1 to -4	Neutral Zero score	Positive Score +1 to +5
Social Security and Unemployment benefits	<p>The laws are highly confusing and lacking in clarity such that considerable risk is associated in seeking to comply with the laws. The authority is aggressive in applying its interpretation of the laws such that they use their power as the state to intimidate. The risk thus created is high.</p>	<p>The laws are somewhat unclear creating potential confusion for businesses in complying.</p>	<p>There is clarity at law as to who is eligible for social security and unemployment benefits and who is not. This is administered in a transparent manner such that only those persons eligible for benefits receive them.</p>	
Occupational Health and Safety laws (work safety)	<p>The laws assume only that self-employed people have an ‘employer’ status, holding them responsible even for matters over which they have no control. The authority administers such laws with aggression to the extent of creating injustices and not serving the interests of safety.</p>	<p>The laws are confused as to how to treat self-employed people, sometimes treating them as employers and other times as employees. The government authority likewise treats self-employed people in inconsistent and unpredictable ways.</p>	<p>The laws appropriately bring self-employed people into the regime which holds self-employed people responsible for only those matters over which they have control. Equally the laws ensure that there is an obligation on other parties that self-employed people are afforded safe working environments.</p>	
Anti-discrimination and equal opportunity	<p>The laws hold self-employed people responsible for discrimination if committed by someone they employ but then fail to protect a self-employed person from discrimination.</p>	<p>The laws don’t quite know how to treat self-employed people and show confusion over the status.</p>	<p>The laws treat self-employed people in equal measure to employees. In other words, that self-employed people are protected from discrimination and not held vicariously liable for the discriminatory actions of an employee (where they employ people.)</p>	

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Industrial relations: Jurisdiction	IR laws specifically declare self-employed people to be employees, taking away their right to be treated as a business. (eg: creating a presumption of employment)	IR laws give the impression of being restricted to employees but have provisions that can pull self-employed people in by stealth. Unions and regulatory authorities actively use such provisions to seek to deny self-employed people their business status.	The laws clearly restrict IR jurisdiction to employers and employees. Self-employed people are secure in being governed by commercial law.	
Industrial relations; Unfair dismissal	Where self-employed people are employers the right to dismiss employees is heavily restricted and costly such that the self-employed people are effectively discriminated against and exploited by the laws and the way they apply in practice.	Where self-employed people are employers the right to dismiss employees is restricted by unfair dismissal laws but are balanced by cheap and quick resolution procedures that work in practice.	Where self-employed people are employers, IR laws ensure that they have a right to 'hire and fire' employees.	
Industrial relations: General	Where self-employed people are employers, IR laws are so oppressive that high risk is associated with employing to the extent that employing people largely becomes unviable.	Where self-employed people are employers, IR laws impose significant restrictions on how the self-employed person can run their business. (For example restrictions on the use of casuals, limitations on rostering, enforced weekend loading rates etc) such that the cost of employing someone becomes prohibitive.	Where self-employed people are employers, IR laws do not generally restrict the ability of the self-employed person to operate their business.	
Prohibition on self-employment	The jurisdiction has laws that specifically prohibit a business engaging a self-employed person or prohibit a person from conducting business as a business of one.		Such laws do not exist in the jurisdiction.	

The following items can offer jurisdictions positive ratings:

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Nature of commercial contracts		Commercial law is silent on whether unfair contracts can exist between large and small business but there is evidence of unfair practices occurring—particularly with government agencies in their commercial dealings with self-employed people.	Commercial law is silent on whether unfair contracts can exist between large and small business but there is little evidence of unfair practices.	Commercial law has addressed the issue of unfairness in standard form contracts at least requiring compliance with ‘fair’ contract principles. Large businesses but particularly governments have incorporated ‘fair’ contract principles in their dealings with self-employed people.
Dispute resolution		Commercial law offers the ‘idea’ of fair and equal treatment but the cost, complexity and time associated with enforcement (litigation) financially or otherwise is so high that the self-employed person cannot justify enforcement. Effectively the self-employed person is excluded from the ‘rule of commercial law.’	The jurisdiction offers cheap, quick dispute mediation processes for commercial disputes involving self-employed people focused on the commercial parties resolving the issues. (For example, by prohibiting the use of lawyers in the first phase of settlement at least.) However larger businesses can ignore the process if they choose.	The jurisdiction offers cheap, quick dispute mediation processes for commercial disputes involving self-employed people focused on the commercial parties resolving the issues and that have real teeth and operate in practice. (For example: laws prevent litigation occurring unless first the parties can demonstrate genuine attempts at resolution through mediation.) Further, governments require their agencies to settle disputes with self-employed people through the mediation process.