1. ITALY [1]

1.1. THE FOCUS OF THE SURVEY

The research looks at all those who work on a self-employed basis in the sectors of the professions and the arts.

To distribute the questionnaire in Italy, the leading associations representing professionals were involved, along with unions, and use was made of social media, as well as occasions tied to freelancer BarCamps.

The population targeted rarely joins professional associations, and so establishing contact with them was not easy. It proved especially difficult to reach much of the world of professional orders, with the exception of journalists, plus more or less the entire sectors of those who work in finance and healthcare.

Once the surveys had been completed, it became clear that the vast majority of the respondents (874 out of 907) worked in professions for which there was no official governing order in Italy, or were journalists (the lone category with a professional order that did participate to a significant degree) or, to a lesser extent, artists.

It was decided to narrow the focus of the survey to those categories of workers for which a significant number of questionnaires were available (874), as compared to the overall target population, ruling out 33 questionnaires taken by members of official professional orders, as well as professionals in finance and health. As a result, the featured subjects of the survey proved to be the new independent professionals (NIP), meaning the second-generation self-employed[2] who work in cognitive and creative professions that are heavily influenced by the new digital technologies.

The sample group presents a number of significant distortions. It is not a random sample, seeing that, as already noted, the questionnaire was distributed through organisations that represent freelancers (associations of professionals from various sectors, as well as union organisations), through direct communication or the use of social media, while the respondents arose from a process of self-selection from among those who had been reached the communication.

The first distortion, therefore, is tied to the modes of distribution. In all likelihood, there was a higher level of response from professionals who are members of organisations representing self-employed workers, or are aware of the activities of such organisations, in particular those involved with ACTA, which, as the promoter of the initiative, played the most active role in its communication.

The second distortion involves the fact that, as a rule, processes of self-selection turn out more respondents who are motivated to cooperate or who have more problematic situations.

Furthermore, certain categories of professionals, such as translators and those who work on the web, seeing that they are accustomed to being connected and interconnected, responded to a

[1] This chapter was written by Anna Soru.

[2] "Il lavoro autonomo di seconda generazione. Scenari del postfordismo in Italia" ("Second-Generation Self-Employment: scenarios of post-Ford industrialism"). Edited by Sergio Bologna and Andrea Fumagalli, Feltrinelli, 1997.
"La new workforce. Il movimento dei freelance: origini caratteristiche e sviluppo" ("The New Workforce. The Freelance Movement: origins, features and developments"). Sergio Bologna, Asterios Editore, 2015.

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

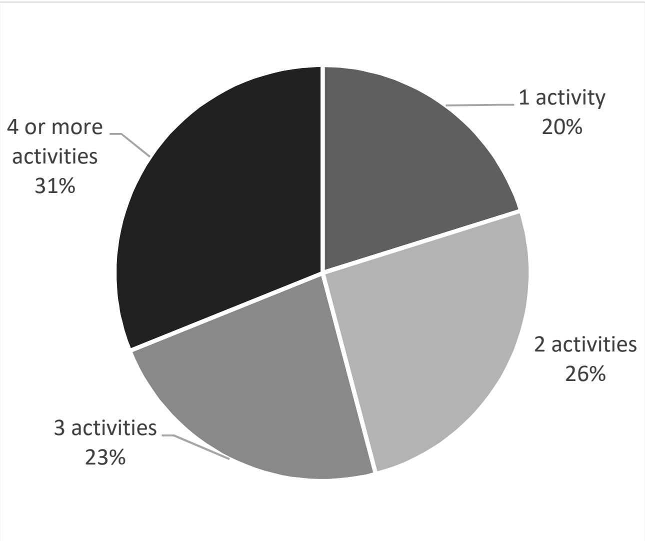
greater extent, while, finally, there was a decidedly higher level of participation among female professionals than males.

To reinforce the validity of the results, it was decided to weight the results by profession, using the different categories of the European Union's NACE classification, and by gender, based on the distribution of the target group following suitable reformulation through further elaboration of the micro-data of the ongoing survey of the workforce carried out by the ISTAT, the Italian bureau of statistics (year 2016).

1.2. A PROFESSIONAL PATCHWORK

The trend is readily apparent in day-to-day reality, as shown by the multiple professional activities listed on the business cards of freelancers or at the end of their e-mails. The responses to the questionnaire further confirm the relevance of multiple jobs: only 20% of respondents say they practice just one profession, while almost a third state that they engage in 4 or more professional activities.

FIGURE 1 – - MULTIPLE JOBS



Source: ACTA, I-WIRE survey, analysis of Italian data

To identify the types of activities most frequently found together, a principle component analysis was run on a subset of the 14 professions[3] that most frequently appear in association with others, pointing to 4 factors that account for 49.65% of the variance, demonstrating which professions are most frequently listed in combination with others.

[3] There are also frequent combinations with and among the other 20 professional activities identified by the questionnaire, but in a very variable way.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

TABLE 1 – COMPONENT MATRIX

	Component			
	1	2	3	4
Advertising	.742			
Web-related activities (web designer, SEO, web analyst,	.685			
Graphic design	.660			
Public relations and communication activities	.610			
Photographic activities	.461			
Support activities for the performing arts (directors,		.816		
The performing arts (actors, singers…)		.763		
Video-maker and other motion picture, video and		.620		
Human resource management consulting			.760	
Business and other management consulting activities			.738	
Education and training			.637	
Technical testing and analysis				.854
Certification of quality, environment and safety				.735
Cartography, geology and environmental consulting				.486
% of variance explained	15.168	11.952	11.628	10.902

Source: ACTA, I-WIRE survey, analysis of Italian data

The following combinations of pursuits are frequently encountered:

1) Professions tied to communications and marketing, such as web design, graphics, advertising and e-marketing, or professions that either came into being with the web or were profoundly transformed by it.
2) Activities as artists, providing support for artists (directors …) and as video-makers.
3) Consulting on business management and human resources, together with training.
4) Technical work, together with technical consulting and certification.

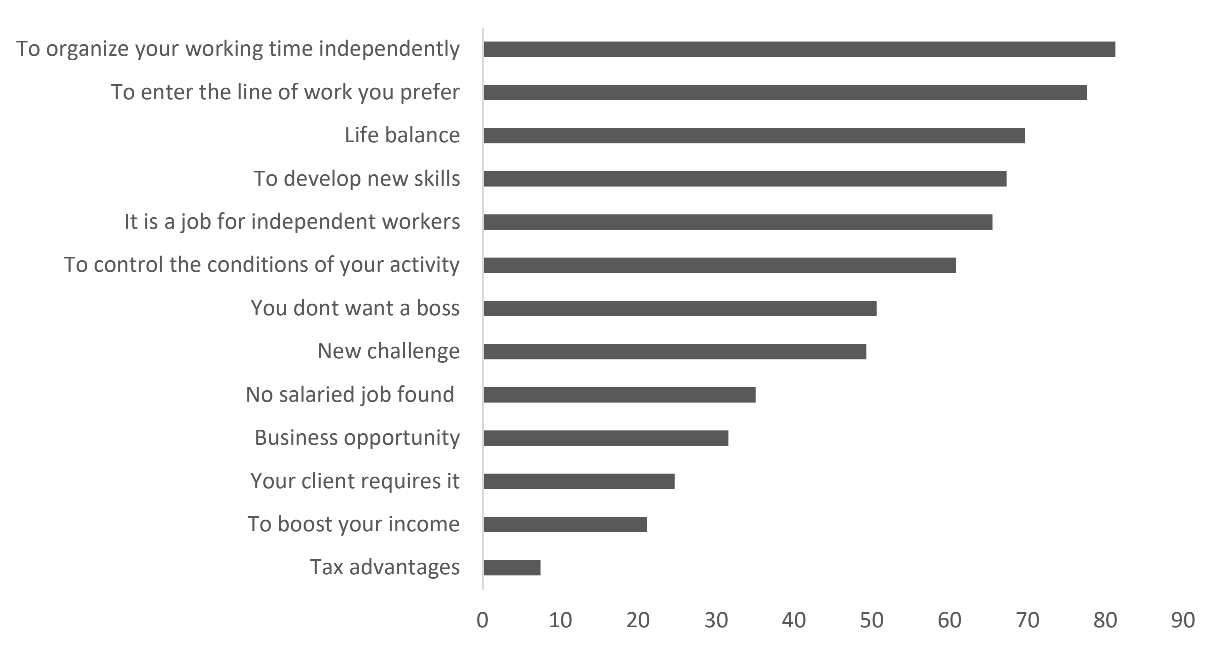
This proliferation of multiple jobs is explained in part the ongoing evolution of many professions, and the close connections between them, all of which makes it difficult to lay down boundaries, as well as by the need to adapt to a market in crisis, where there is pressure to accept whatever work proposals arise, plus the more prosaic fact that, quite often, one job is not enough to make a living. It is not rare to find situations where professional activities are accompanied by totally unrelated pursuits inspired by other passions or skills (crafts, cooking …).

1.3. WHY ARE YOU INDEPENDENT?

The decision to be self-employed is attributable to a number of different motives, of which the most frequent included the desire to be free and independent (among the most noteworthy reasons was the chance to organise working hours as one pleased, resulting in greater flexibility in balancing work with private life), along with the ability to decide and control the type of work done.

Cited less frequently were motivations tied to the prospect of tax advantages or higher income, as well as situations where clients obliged workers to be self-employed, though self-employment was not always an explicit choice of the worker: for roughly 70%, it was an unavoidable feature (in part desired, in part not) of their job.

FIGURE 2 – MOTIVATIONS TO BE AN INDEPENDENT WORKER



Source: ACTA, I-WIRE survey, analysis of Italian data

Application of the principle component analysis to motivations led to the identification of 3 factors that, taken together, account for 51% of the variance.

TABLE 2 – COMPONENT MATRIX

	Component		
	Self-Management 1	Money 2	Forced 3
To develop new skills	,805		
To control the conditions of your professional practice	,687		-,433
New challenge	,680		
To organize your working time independently	,615		-,450
To enter the line of work you prefer	,607		
To take advantage of beneficial tax treatment		,820	
To boost your income		,719	
No salaried job found			,750
Your client requires it			,723
You don't want a boss	,412		-,622
% of variance explained	30,764	11,603	10,539

Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

The first factor ("Self-Management"), which explains over 30% of the variance all by itself, brings together the motivations of those who wish to select and control their own paths of professional development, including the challenges to be addressed and the skills to be developed, and those who wish to organise their work schedules more independently, without having to answer to a boss.

The second factor ("Money") groups together more purely economic objectives tied to the goal of greater earning and/or tax benefits.

Finally, the third factor ("Forced") summarises the motivations of those who did not choose to be self-employed, but had no other option if they wanted to work.

1.4. HOW INDEPENDENT?

To determine actual levels of independence, there were a number of questions that objectively gauged the independence of freelancers, together with a subjective evaluation to be completed by the respondents themselves.

Finally, they were asked to state whether, if free to choose, they would prefer to be independent or salaried employees.

OBJECTIVE CRITERIA OF INDEPENDENCE

The questions designed to determine whether workers were objectively independent were based on the legal parameters traditionally used to evaluate conditions of subordinate employment:

- the use of the tools and the premises of the client;
- work for only one client;
- freedom to manage one's time and work schedule;
- freedom in choosing how to carry out the work.

Generally speaking, all these indicators show elevated levels of independence, especially in terms of how work is organised and the fact that it is done for more than one client.

TABLE 3 - 6 CRITERIA OF INDEPENDENCE

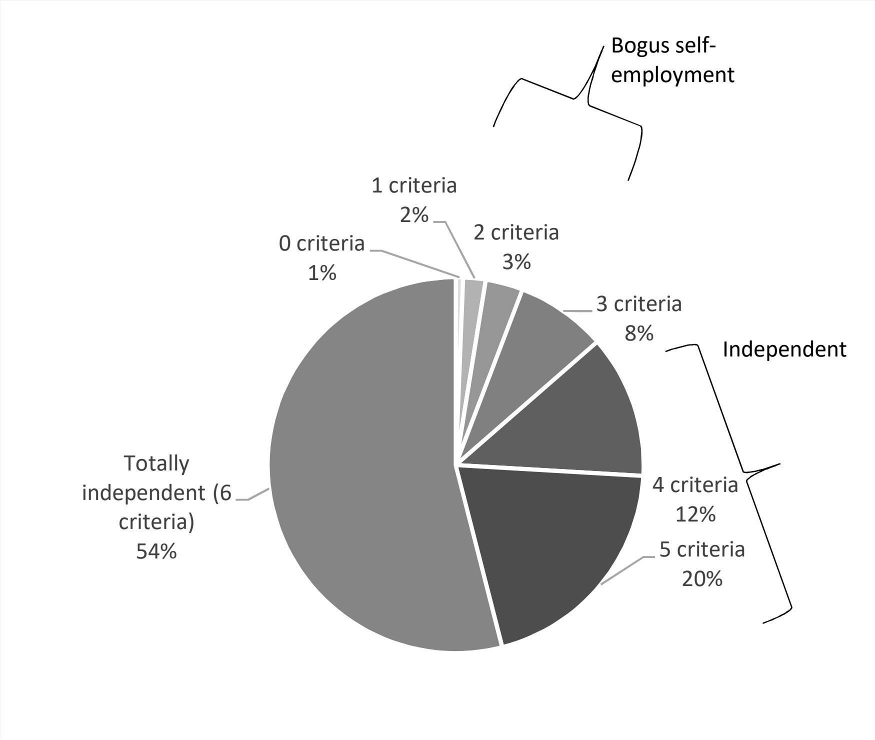
		%
It is up to you to decide:	- Where to work	73.0
	- When to work	73.4
	- How to organize your work	90.6
	- Holidays	81.5
You don't use the client's tools		93.1
More than 1 client		93.6

Source: ACTA, I-WIRE survey, analysis of Italian data

Employment can be considered subordinate when, at any given time, a number of the parameters of independence are missing. For each respondent we determined how many of the 6 parameters of independence were present, with situations of high risk of subordination, or cases of bogus self-employment, being those that satisfied fewer than 4 parameters of independence.

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

FIGURE 3 - CRITERIA OF INDEPENDENCE- BOGUS SELF-EMPLOYMENT



Source: ACTA, I-WIRE survey, analysis of Italian data

More than half of respondents (54%) satisfied all 6 conditions of independence (the "totally independent"), while another 32% met 4-5 criteria of independence ("independent"). There were 13.6% who met less than 4 criteria of independence and whom we can largely consider to be bogus self-employed.

What are the bogus self-employed like?

They are frequently younger and male, workers whom has no choice but to be self-employed, due to a lack of alternatives for salaried employment and/or the client preferring they be self-employed.

It is interesting to note that the bogus self-employed are found most frequently among subcontractors for the public sector, whose contracts are longer than the average, though their situations vary widely in terms of continuity of employment and income. Bogus self-employment, therefore, does not necessarily mean more precarious employment.

Finally, it should be observed that the bogus self-employed represent a minority even in situations where workers are forced to be self-employed, a condition that is probably more a response to market demands than a ruse by businesses to evade the constraints of salaried employment.

TABLE 4 – CHARACTERISTICS OF THE BOGUS SELF-EMPLOYED

		totally independent	independent	bogus self-employed	Total
Gender	Women	56.2	33.7	10.1	100.0
	Men	53.5	31.4	15.1	100.0
Age	< 30 years	48.7	34.0	17.3	100.0
	30-40 years	53.5	29.3	17.1	100.0
	40-50 years	60.9	28.8	10.4	100.0
	50-60 years	47.7	38.8	13.5	100.0
	>=60 years	51.3	40.2	8.5	100.0
salaried work not found	No	59.1	32.2	8.6	100.0
	Yes	44.2	32.6	23.2	100.0
forced to be self-employed	No	62.1	30.1	7.7	100.0
	Yes	28.7	39.2	32.2	100.0
how compensation is determined	Negotiated with client	64.4	26.6	9.0	100.0
	Professional association fee tables	57.2	25.2	17.5	100.0
	Collective bargaining	6.0	92.6	1.4	100.0
	The client decides	13.3	51.1	35.6	100.0
	Market prices	53.5	37.1	9.4	100.0
Type of clients	Public Sector	31.3	61.2	7.5	100.0
	Businesses	57.9	29.8	12.3	100.0
	Private subcontractor in public sector	23.0	41.1	35.9	100.0
	Families and individuals	60.7	26.6	12.7	100.0
	Non-profit sector	72.0	27.3	.7	100.0
You have worked	Continuously, without interruption	58.3	27.5	14.2	100.0
	More than 9 months of the year	57.2	30.1	12.7	100.0
	6-9 months of the year	42.3	40.9	16.8	100.0
	Less than 6 months of the year	42.4	47.7	9.9	100.0
Duration of contracts	A few hours or a few days	55.6	36.1	8.3	100.0
	A few weeks	52.5	37.3	10.1	100.0
	Some months	54.0	37.3	8.7	100.0
	One year	36.7	39.7	23.5	100.0
	More than one year	39.2	24.6	36.3	100.0
Income (as independent worker)	< 10,000 euros	47.4	37.3	15.3	100.0
	< 10,000-30,000 euros	57.6	30.6	11.8	100.0
	< 30,000- 60,000 euros	52.0	28.7	19.3	100.0
	< 60,000-100,000 euros	49.0	47.0	4.0	100.0
	>100,000 euros	66.6	12.2	21.2	100.0
	TOTAL	54.0	32.4	13.6	100.0

Source: ACTA, I-WIRE survey, analysis of Italian data

1.4.2 Subjective perception of independence

The respondents largely saw themselves as independent.

One question asked them to rank how independent they perceived themselves to be, on a scale of 0 to 10.

For 11.4%, the score was less than or equal to 5, while for 42.9% it was very high, at greater than 8.

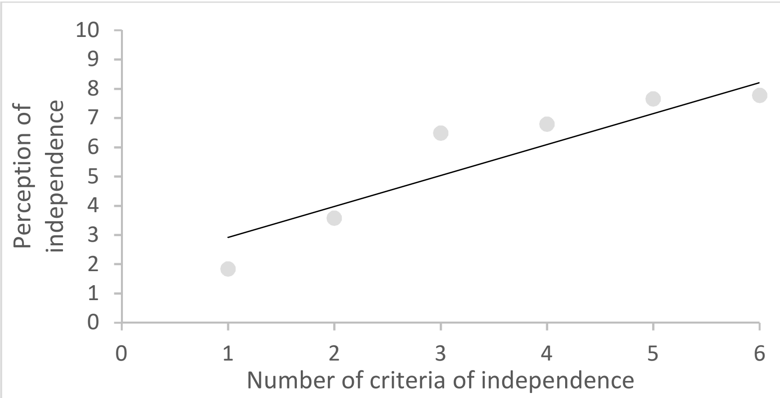
The average score was 7.9, without noticeable differences in terms of gender or level of education, though scores did rise slightly with advancing age.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

Self-perception of independence was lower among those who had not chosen to be self-employed, with the level rising as the number of clients, the period of self-employment and income rose.

The (subjective) perception of independence was in line with the objective evaluation based on 6 criteria of independence, as confirmed by the significant positive correlation (Pearson's Index 0.451, level of significance 0.01) between perceptions of independence and the number of criteria of independence met. This shows both that the respondents are well aware of their situations and that the parameters used to determine situations of subordinate employment are effective.

FIGURE 4 - AVERAGE VALUES OF PERCEPTION OF INDEPENDENCE BY NUMBER OF INDEPENDENCE CRITERIA



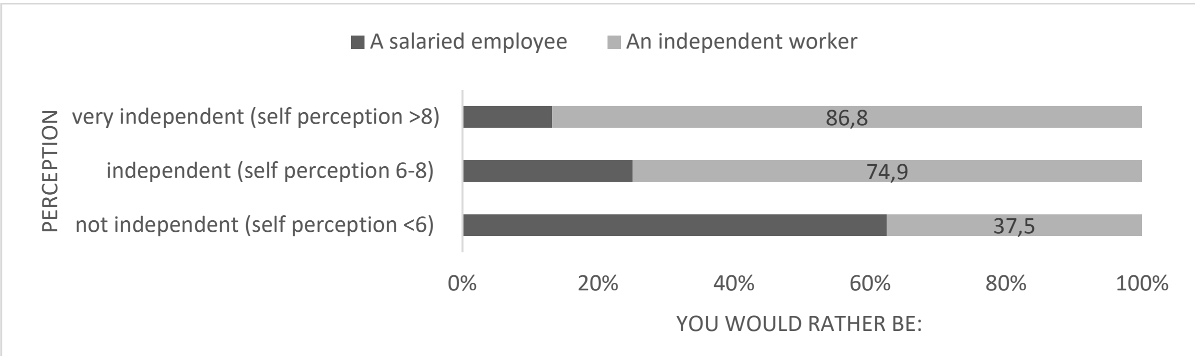
Source: ACTA, I-WIRE survey, analysis of Italian data

1.4.3 WOULD YOU RATHER BE INDEPENDENT OR A SALARIED EMPLOYEE?

Given the choice, more than ¾ of the respondents (75.7%) would prefer to be independent.

The percentage is even higher (86.8%) among those who now see themselves as being completely independent (self-perception of 9-10 on a scale of 0 to 10), while the majority (62.5%) of those who view themselves as not being very independent (self-perception of < 6 on a scale of 0 to 10) would rather be salaried employees.

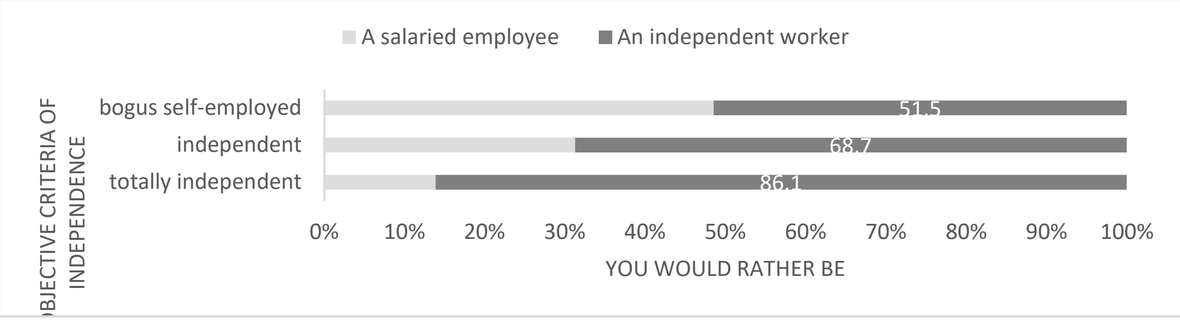
FIGURE 5 DESIRE TO BE INDEPENDENT IN TERMS OF PERCEPTION OF INDEPENDENCE



Source: ACTA, I-WIRE survey, analysis of Italian data

Likewise, the wish to be independent is higher among those who are objectively independent, as compared to those who present number parameters of subordinate employment.

FIGURE 6 DESIRE TO BE INDEPENDENT IN TERMS OF BOGUS SELF-EMPLOYMENT/INDEPENDENCE

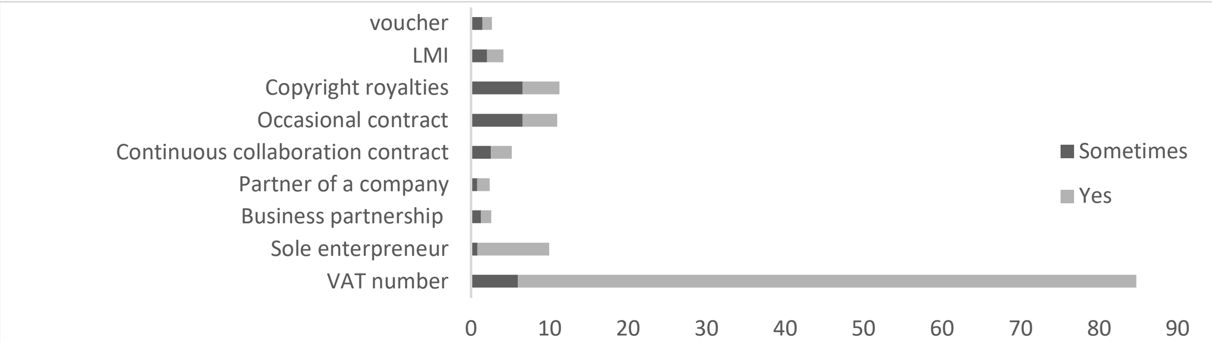


Source: ACTA, I-WIRE survey, analysis of Italian data

1.5. TYPE OF EMPLOYMENT (CONTRACTS AND LEGAL STATUS)

The great majority of the respondents (95%) are freelancers who charge their clients VAT or work as individual firms, two very similar approaches, seeing that the choice depends on the underlying professional activity and tax considerations[4]. The remaining 5% work as occasional outside collaborators, or for copyright royalties, or as partners of companies or professional firms. Relatively few work under umbrella companies (LMIs), and a negligible number use the voucher system[5].

FIGURE 7 – CONTRACTS



Source: ACTA, I-WIRE survey, analysis of Italian data

On the average, each respondent utilises 1.34 employment contracts. Furthermore, 14.5% also work under set-term or continuous contracts of salaried employment.

TABLE 5 – SELF-EMPLOYED THAT HAVE ALSO SALARIED EMPLOYMENT CONTRACTS (%)

	%
short-term salaried employment contracts	10.3
continuous salaried employment contract	8.0
short and/or continuous salaried employment contract	14.5

Source: ACTA, I-WIRE survey, analysis of Italian data

[4] An independent professional who belongs to an official professional order must operate with a simple VAT registration, whereas those not in orders may decide whether to operate with VAT or, depending on their activity, as commercial or small-business firms. The three options are subject to three different person systems involving different costs and benefits.

[5] The voucher system was eliminated during the survey, but the question refers to the period before its elimination.

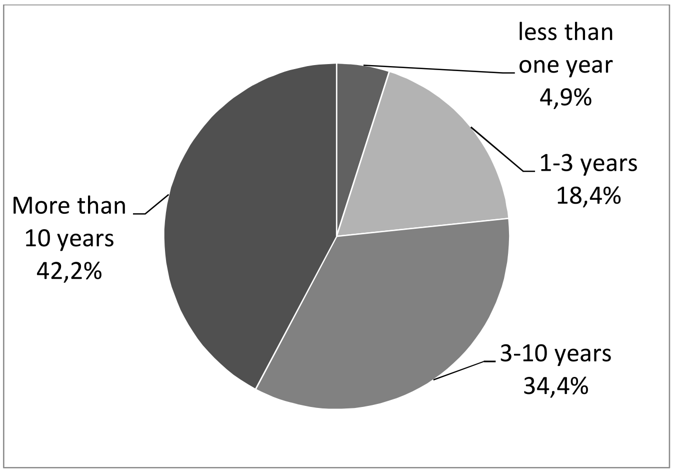
Deciding to work under more than one type of contract may be tied to the different activities performed or be a response to the requests of clients.

Multiple types of contracts, possibly including contracts of salaried employment, are most often found among those registered to charge their clients VAT. In other words, the sector in question tends to remain independent (whether due to a lack of alternatives or a conscious choice), while also enjoying noteworthy flexibility in terms of the types of employment contracts utilised.

1.6. BEFORE BEING AN INDEPENDENT WORKER

The great majority of the respondents (76.6%) has been a freelancer for more than 3 years. Only 4.9% began working freelance just in the last year.

FIGURE 8 – HOW LONG HAVE YOU BEEN AN INDEPENDENT WORKER?



Source: ACTA, I-WIRE survey, analysis of Italian data

The percentage who worked previously as salaried employees is 57.1%, while ¼ began working independently right after their studies. This last portion rises to 31.7% among those who have been independent for less than a year. Few became independent from a state of unemployment.

TABLE 6 - FORMER OCCUPATION (RIGHT BEFORE BEING INDEPENDENT) BY LENGTH OF TIME AS A FREELANCER

	less than one year	1-3 years	3-10 years	More than 10 years	Total
Salaried employment	54.8	52.1	62.7	55.0	57.1
Intermittent jobs	3.1	17.5	14.5	13.5	14.1
Student	31.7	16.5	16.7	26.2	21.4
Trainee	2.1	9.8	5.9	2.1	4.8
Unemployed	8.3	4.1	.2	3.2	2.6
Total	100.0	100.0	100.0	100.0	100.0

Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

1.7. ORGANIZATION OF WORK

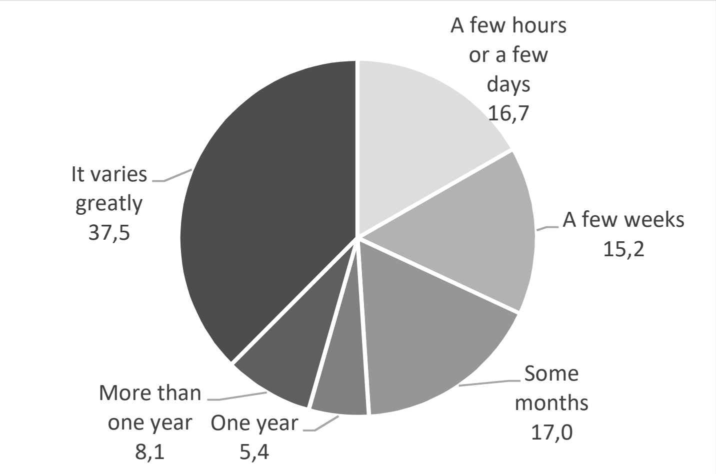
The bulk of the respondents works at home, though, as a rule, not exclusively. The use of workspaces provided by clients is also quite common, albeit generally on an intermittent basis. Little use is made of co-working facilities, despite the fact that they are seen as sites typically frequented by freelancers, or of other office spaces specifically meant for the self-employed. The difficult economic situation likely forces many to work at home, the least costly solution.

FIGURE 9 - WHERE DO YOU WORK?

Source: ACTA, I-WIRE survey, analysis of Italian data

The duration of contracts varies frequently, with 32% working under short-term contracts for no more than a few weeks.

FIGURE 10 - YOUR CONTRACTUAL RELATIONSHIPS TYPICALLY LAST…



Source: ACTA, I-WIRE survey, analysis of Italian data

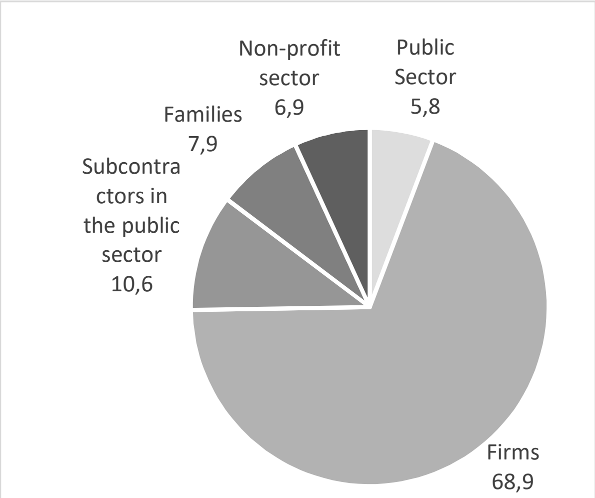
Working on major projects is the norm for 14% of the respondents, while another 65.8% are involved in them occasionally. Participation in large-scale projects usually leads to the assignment being shared with a network of colleagues, either stable or established for the specific initiative. But 23% of the freelancers, even when dealing with a major project, prefer to do everything alone.

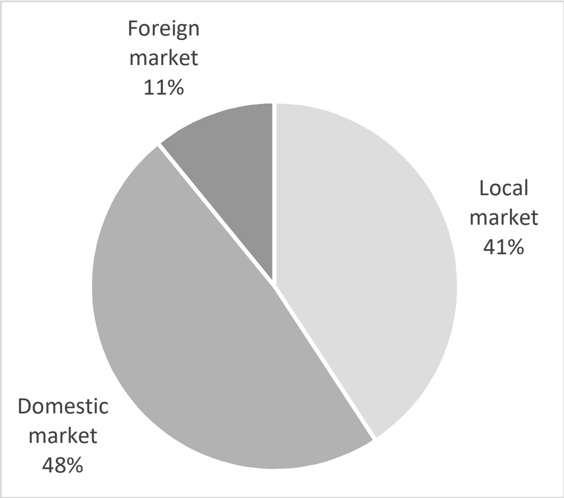
With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

1.8. CLIENTS

The majority of clients are companies that operate on national or local markets, while only 11% of freelancers work with clients on the international market.

FIGURE 11 - CLIENTS

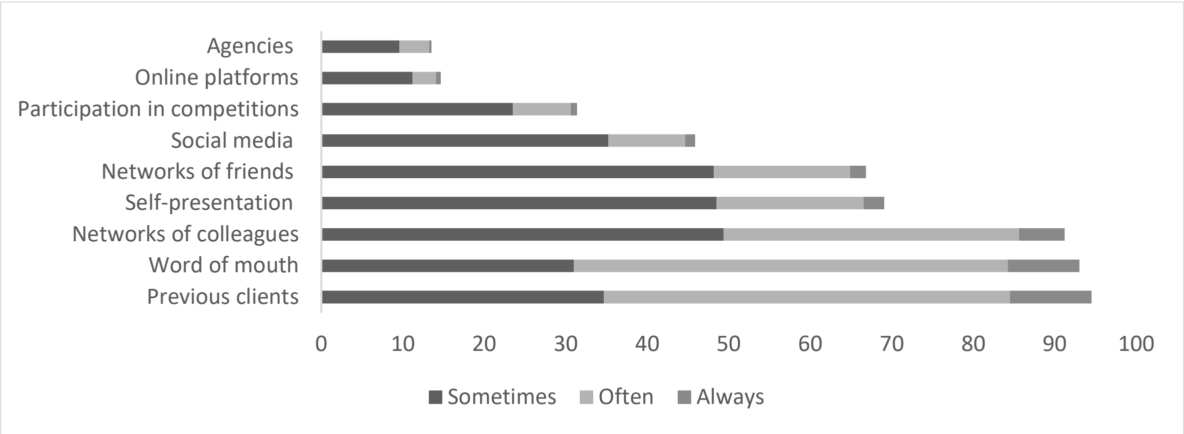




Source: ACTA, I-WIRE survey, analysis of Italian data

The three channels most frequently used to obtain new assignments, all of them based on reputation, are: old clients, word of mouth and networks of colleagues. Direct marketing (self-promotion and social media) is used intermittently, while work is rarely found through intermediaries, be they agencies or on-line platforms, though the latter are definitely on the rise.

FIGURE 12 - CHANNELS USED FOR ACQUIRING CONTRACTS



Source: ACTA, I-WIRE survey, analysis of Italian data

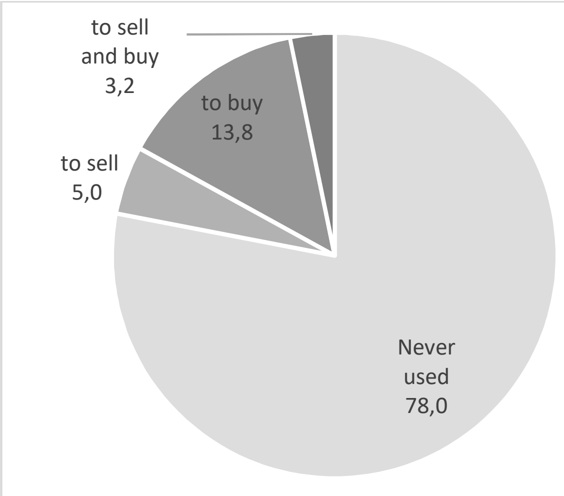
More in-depth analysis of on-line platforms shows that 22% of freelancers use them, mainly to buy. They are viewed with much unease, being viewed as contributing to increased competition and

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

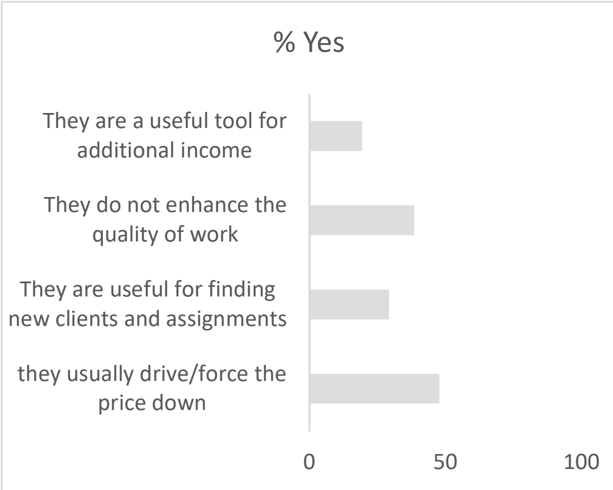
lower prices, and without favouring quality work. At the same time, they are thought to be helpful in finding new clients and generating supplementary income.

FIGURE 13 - PLATFORMS FOR THE EXCHANGE OF PROFESSIONAL SERVICES

Have you ever used online platforms to buy and sell professional services?



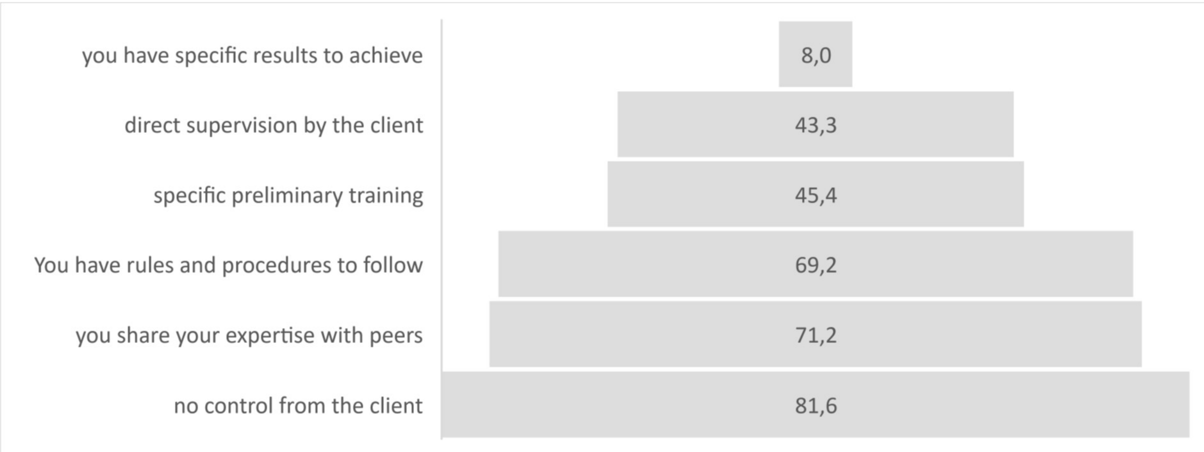
Do you agree with the following statements about online platforms for the exchange of professional services?



Source: ACTA, I-WIRE survey, analysis of Italian data

In terms of relations with customers/clients, they are generally handled independently: 81.6% rule out any direct control by the client, though 45.4% say there is some supervision. Most frequently, the relationship is one between equals, but within a framework of rules and procedures to be followed.

FIGURE 14 - RELATIONSHIP WITH CLIENTS

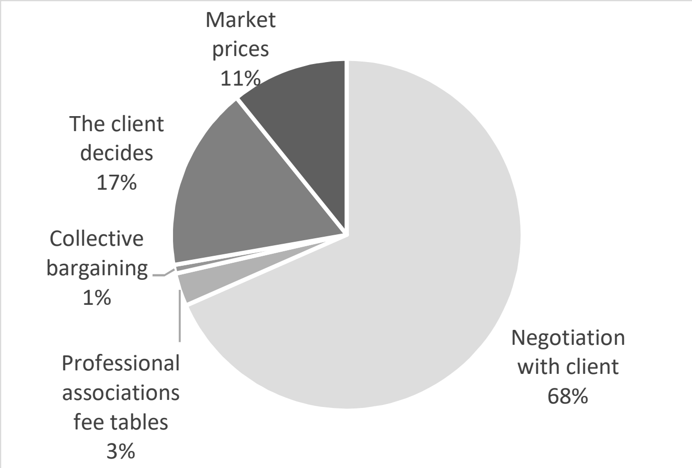


Source: ACTA, I-WIRE survey, analysis of Italian data

As a rule, compensation is determined through direct negotiation, though in 17% of the cases, the matter is completely in the hands of the client. Only in a few cases are there tools guaranteeing minimum pay, such as fee schedules or collective bargaining contracts.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

FIGURE 15 - HOW IS YOUR COMPENSATION DETERMINED?



Source: ACTA, I-WIRE survey, analysis of Italian data

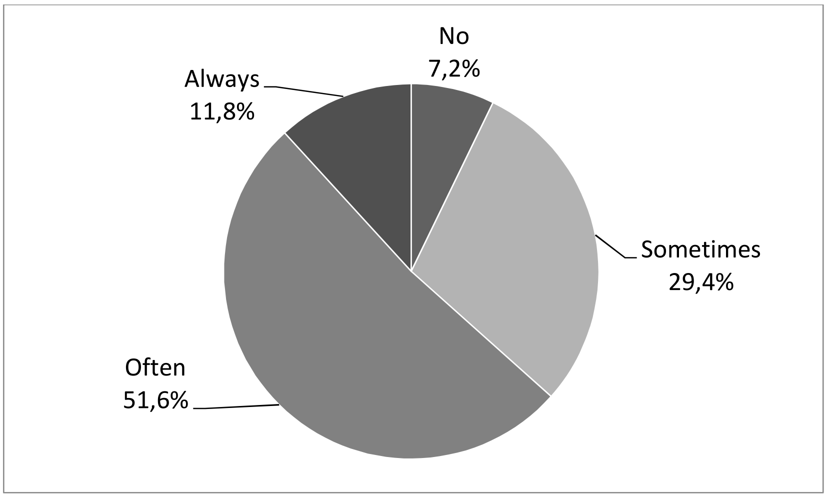
1.9. EVALUATIONS

The questionnaire included sets of questions meant to gather further information on both levels of satisfaction and problems of note. In both cases, factorial analyses were utilised to highlight the underlying factors.

1.9.1 SATISFACTION

All things considered, the respondents are satisfied with their work situations: 11.8% are always satisfied, while another 51% are often satisfied and only 7% never are.

FIGURE 16 - ALL THINGS CONSIDERED, HOW SATISFIED ARE YOU WITH YOUR JOB?

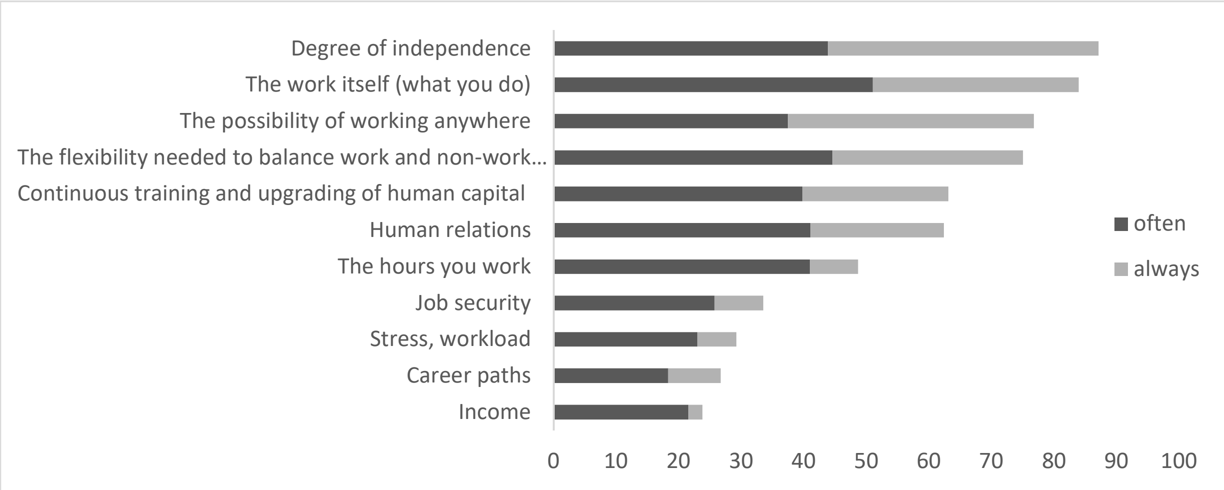


Source: ACTA, I-WIRE survey, analysis of Italian data

The main motives of satisfaction are tied to independence and the possibility of flexible working hours, as well as to the content of the work. In other words, satisfaction depends on the ability to fully maintain one's decision-making independence and creative capacity, so that work is experienced as freedom and self-fulfilment.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

FIGURE 17 - HOW SATISFIED ARE YOU WITH YOUR JOB, IN TERMS OF:



Source: ACTA, I-WIRE survey, analysis of Italian data

On the other hand, satisfaction is low with regard to income, security/continuity of employment, workloads and career possibilities, meaning chances for growth in terms of responsibilities and roles.

When the principle component analysis was applied to the questions on satisfaction, 3 factors that explain 57.4% of the variance were identified.

TABLE 7 - COMPONENT MATRIX

	Component		
	Independence 1	Self realization 2	Solidity 3
Flexibility-life balance	,855		
The possibility of working anywhere	,853		
Independence	,731		
Continuing training and upgrading of human capital		,790	
Career patterns		,665	
The work itself		,635	
Human relations		,592	
Income			,810
Job Security			,761
% of variance explained	30,256	13,992	13,157

Source: ACTA, I-WIRE survey, analysis of Italian data

The first factor (independence) combines the different motivations tied to the freedom to decide when and where to work, while the second could be referred to as self-fulfilment, focussing on the quality of working relations and paths of professional development, and the third, finally, regards expectations of increased income and security. Increased security may seem to be an unusual motivation for freelance work, but for those confident of having a sufficiently extensive clientele, freelance work can offer greater guarantees than a salaried position that depends on a single employer.

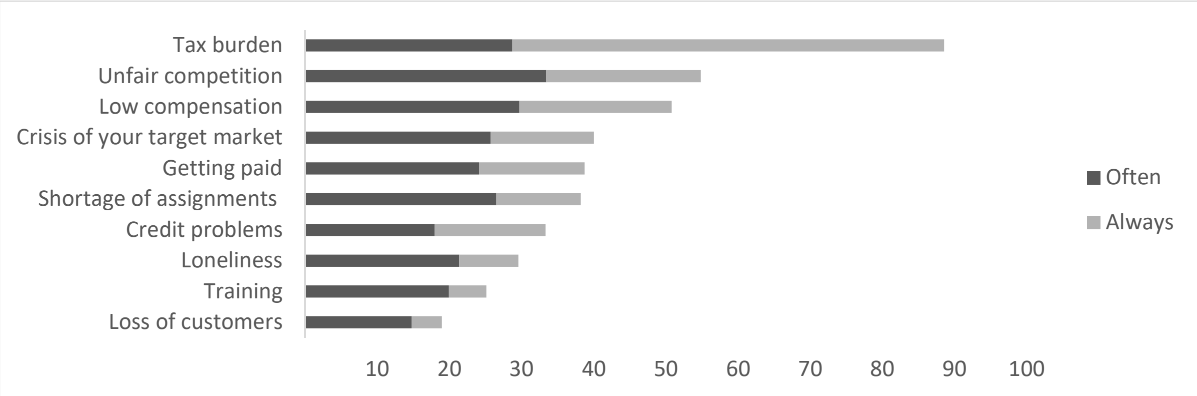
With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

1.9.2 Problems

The problem cited most frequently is the burden of taxes and benefit contributions. Tax pressure on Italian freelancers is, in fact, very high, a situation further aggravated by the awareness of independent workers of precisely how much they pay in benefit contributions and taxes. It is interesting that even freelancers who enjoy highly favourable tax treatment (a flat tax of 5% or of 15%) complain of it, indicating that these tax regimes are perhaps not the best solution.

Next come a number of interrelated problems having to with pay (deemed to be low, and collectable only with delays and difficulties), as well as increasing competition in a market where demand is weak, though this rarely results in a loss of clients. Of note, though less pressing, are problems tied to training and the loneliness of freelance work.

FIGURE 18 - CURRENTLY, HOW PROBLEMATIC ARE THE FOLLOWING ISSUES TO YOU?



Source: ACTA, I-WIRE survey, analysis of Italian data

Here too, the principle component analysis identified three underlying factors that, taken together, explain 51.9% of the variance.

TABLE 8 - COMPONENT MATRIX

	Component		
	Insufficient and unpaid work	Cash difficulties	Isolation
Shortage of orders	,818		
Loss of customers	,740		
Low compensation	,518		
Getting paid (difficulty in collecting payments)		,680	
Unfairl competition		,670	
Credit problems		,665	
Training			,714
Loneliness			,702
Tax burden			,492
% of variance explained	18,814	18,381	14,671

Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

The first factor regards those with low income on account of the combined factors of fewer assignments, loss of clients and reduced rates of pay. The second factor addresses those whose problems are tied primarily to cash flow, due to delayed payments and malfunctioning markets, including the credit market. The third factor focusses on those who feel isolated and left to their own devices, explaining in part their frustration with the tax load.

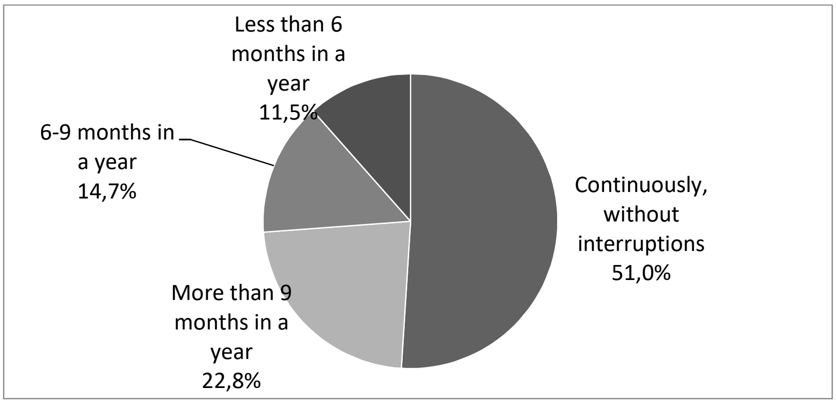
1.10. STABILITY VERSUS PRECARIOUSNESS

In order to evaluate the overall state of precariousness of the respondents, three factors were considered in parallel: the continuity of work, the income it provides and social security.

1.10.1 CONTINUITY OF WORK

Only half of respondents work steadily, while 11.5% work less than 6 months of the year and 14.7% between 6 and 9 months.

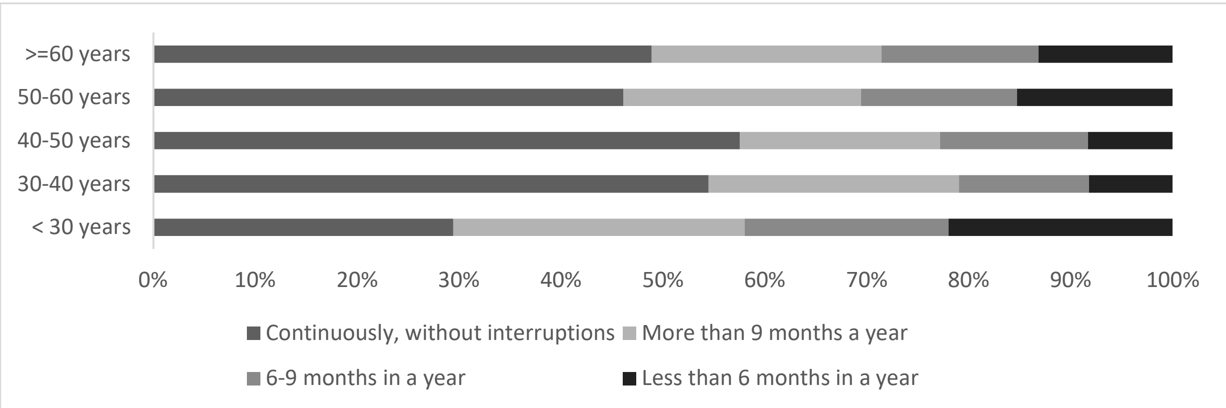
FIGURE 19 - IN THE LAST 2 YEARS YOU HAVE WORKED



Source: ACTA, I-WIRE survey, analysis of Italian data

Those with the least steady work receive fragmented assignments of only a few days, or just hours, especially common among women (30.7% of whom work less than 9 months, as compared to 22.9% of the men) and young people under 30, but also (though to a lesser extent) with workers over 50.

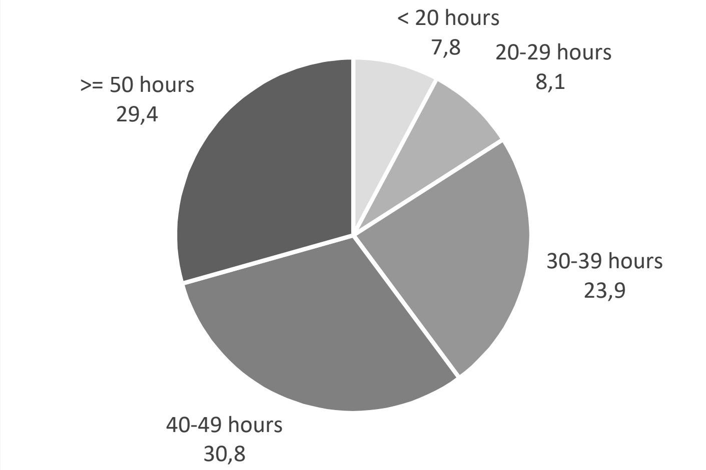
FIGURE 20 - CONTINUITY OF WORK BY AGE



Source: ACTA, I-WIRE survey, analysis of Italian data

The average work-week of the sample as a whole is 40 hours, though the individual situations vary widely, with 16% not arriving at 30 hours a week, while 30% work more 50 hours weekly.

FIGURE 21 - WORK HOURS

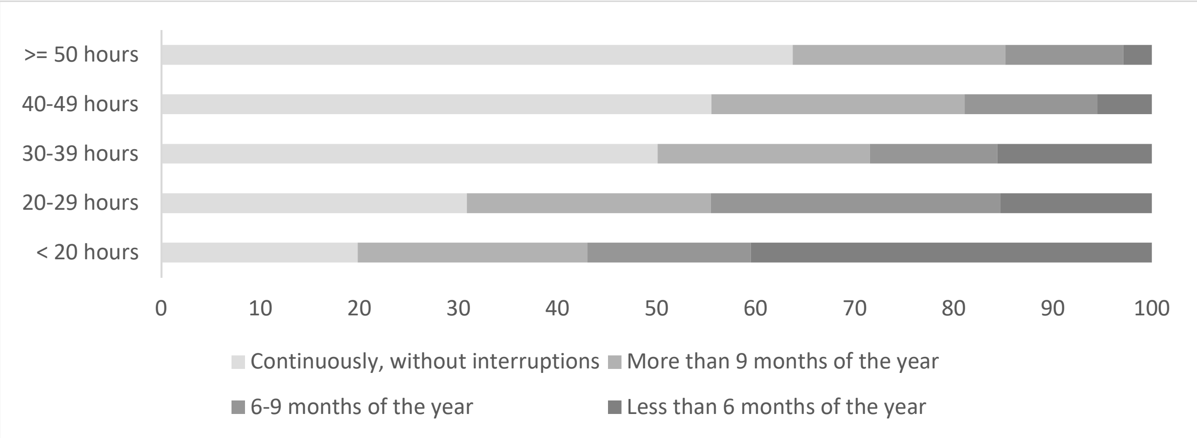


Source: ACTA, I-WIRE survey, analysis of Italian data

Generally speaking, a reduced work week is not a welcomed choice: 60.6% of those who work less than 20 hours a week, and 50.8% of those who work 20-29 hours a week, would rather work more (the percentage falls to 6.9% for those who work 30 hours or more).

Reduced working hours often combine with unsteady employment, creating a sector of occasional work, as 15% of the sample works for less than 9 months of the year and less than 30 hours a week.

FIGURE 22 - WORKING HOURS AND CONTINUITY



Source: ACTA, I-WIRE survey, analysis of Italian data

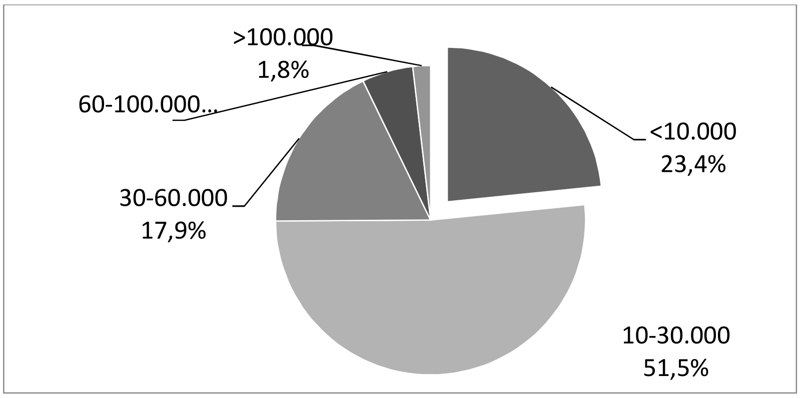
1.10.2 Income

Three-quarters of respondents earned pre-tax freelance income of no more than 30,000 euro a year, while the pre-tax income of 23.4% did not exceed 10,000 euro a year!

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

Even though the incidence of low income may be over-represented, on account of the self-selection of the sample group, the figure is still astonishing!

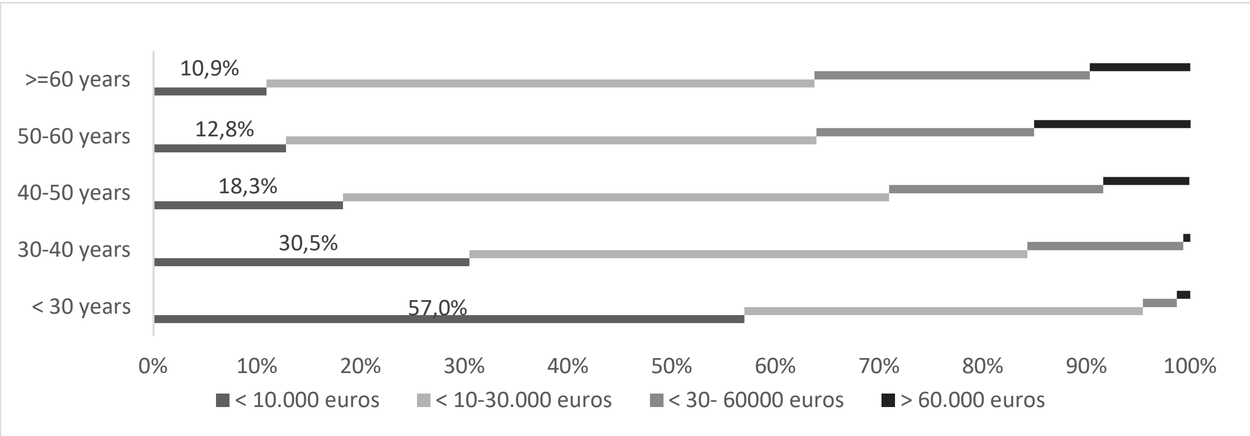
FIGURE 23 - ANNUAL GROSS INCOME AS A FREELANCER (EURO 2016)



Source: ACTA, I-WIRE survey, analysis of Italian data

Income increases together with age.

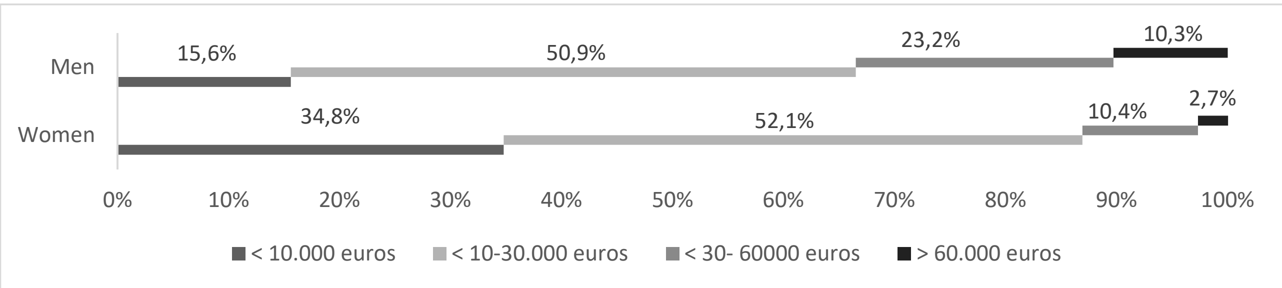
FIGURE 24 – INCOME BY AGE



Source: ACTA, I-WIRE survey, analysis of Italian data

And the gender gap is very wide.

FIGURE 25 - INCOME BY GENDER



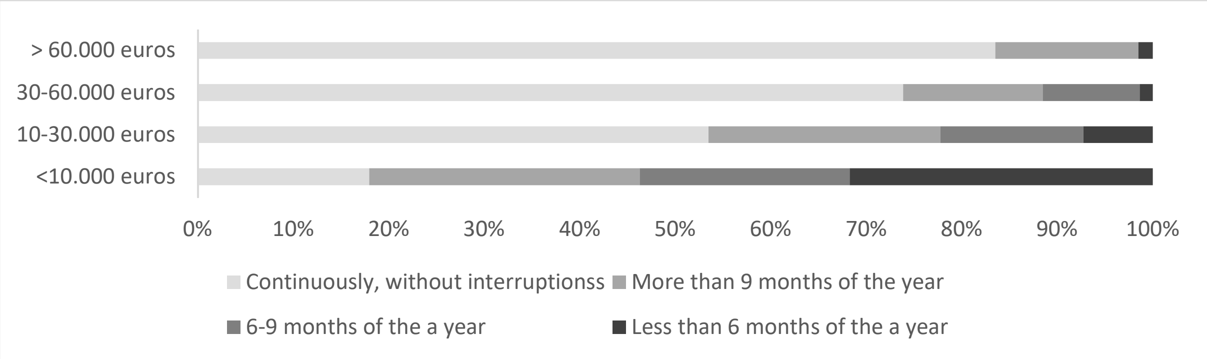
Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

By cross-referencing the figures no income with the other responses from the questionnaire, we can identify two primary causes for the low levels of income.

a. The first cause is discontinuous work: those with incomes of no more than 10,000 euro rarely work throughout the year, whereas those with higher incomes generally have steady work;

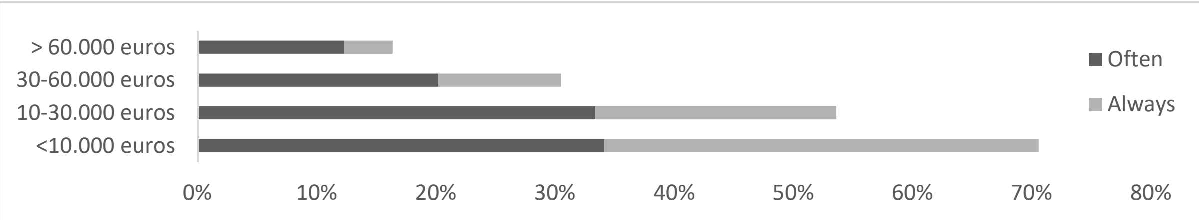
FIGURE 26 - INCOME BY CONTINUITY OF WORK



Source: ACTA, I-WIRE survey, analysis of Italian data

b. The second cause is the low levels of pay. The majority of those with scarce earnings indicate low pay levels as a frequent or constant problem.

FIGURE 27 - INCOME BY % CITING LOW COMPENSATION (AS OFTEN OR ALWAYS PROBLEMATIC)

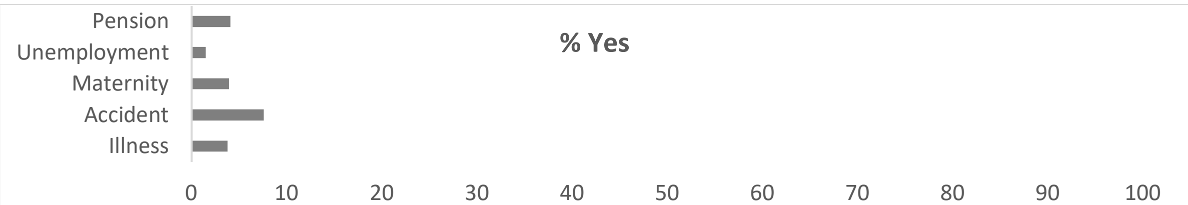


Source: ACTA, I-WIRE survey, analysis of Italian data

1.10.3 PUBLIC AND PRIVATE SOCIAL SECURTY AND SAFEGUARDS

The judgment on social security and safeguards is unsparing: less than 10% of the respondents state that they feel protected in terms of pension, illness, maternity and accidents. Safeguards against unemployment are practically non-existent.

FIGURE 28 - DO YOU FEEL PROTECTED IN THE CASE OF…?

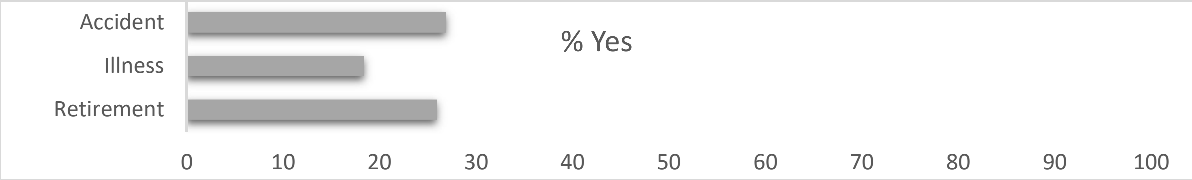


Source: ACTA, I-WIRE survey, analysis of Italian data

And only around 20% pay on their own for insurance against illness or accidents or make payments for a supplementary pension.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

FIGURE 29 DO YOU PAY ON YOUR OWN FOR BENEFIT COVERAGE OR A SUPPLEMENTARY PENSION PLAN?



Source: ACTA, I-WIRE survey, analysis of Italian data

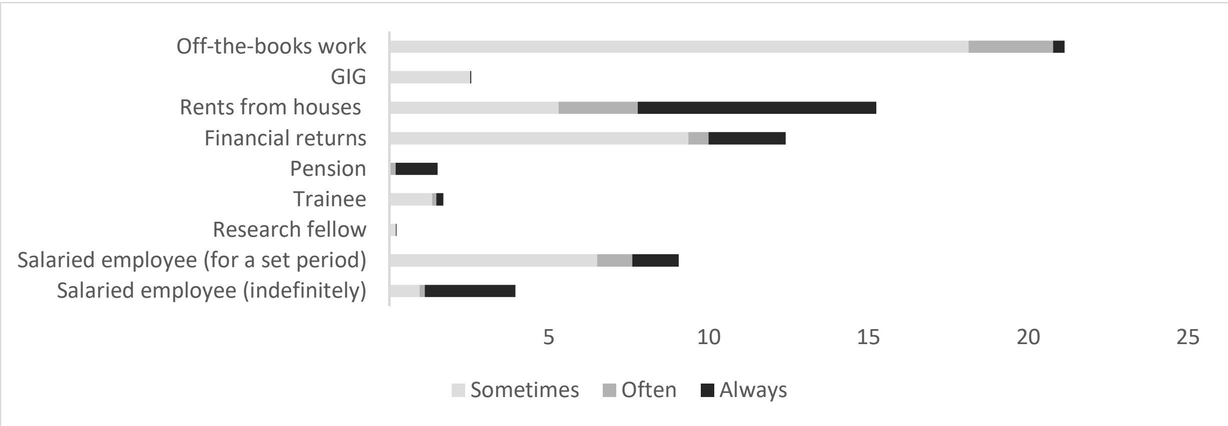
1.10.4 Other sources of income

With low, discontinuous income flows, and no system of unemployment assistance, how do freelancers manage to get by?

There are a number of ways: other sources of income, from work or investments; the possibility of outside support; drawing on savings or loans.

Freelance income is often supplemented, generally with sporadic employment. Roughly 20% of the respondents also have undeclared earnings, though only occasionally. The most stable supplements are rents from homes (or parts of homes) or from salaried employment. The incidence of gig-based work is low, as is traditional service work obtained through platforms (such as Uber, Foodora…).

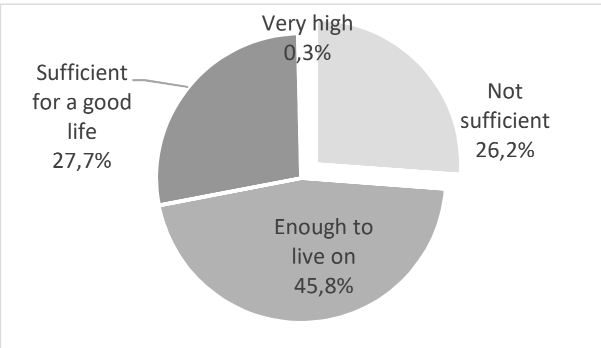
FIGURE 30 - OTHER SOURCES OF INCOME



Source: ACTA, I-WIRE survey, analysis of Italian data

Even taking into account supplementary income, overall income is often not enough to live on.

FIGURE 31 - YOUR TOTAL ANNUAL INCOME IS:

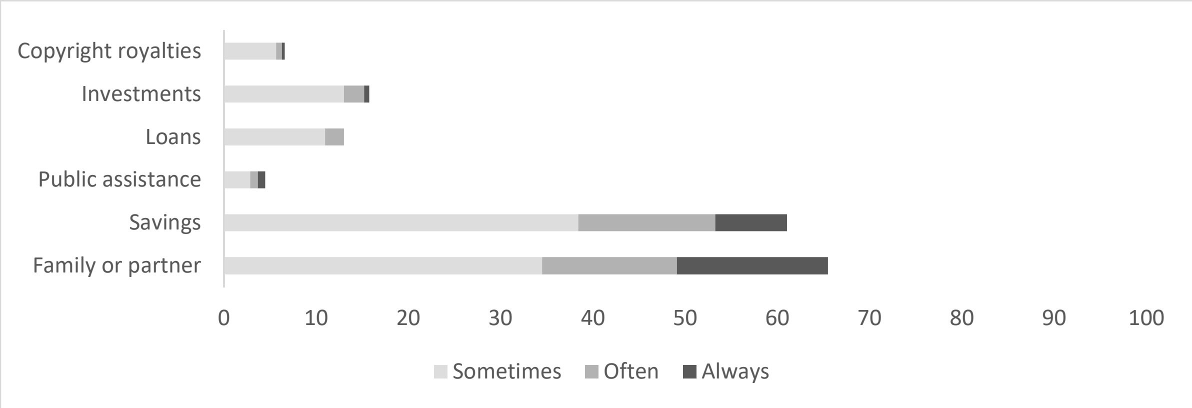


Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

Many freelancers resort to other forms of support, mainly from their families or partners, or by drawing on savings, though this is possible only for those who could count on relatively high incomes in the past. The least frequent source is public assistance, or unemployment insurance.

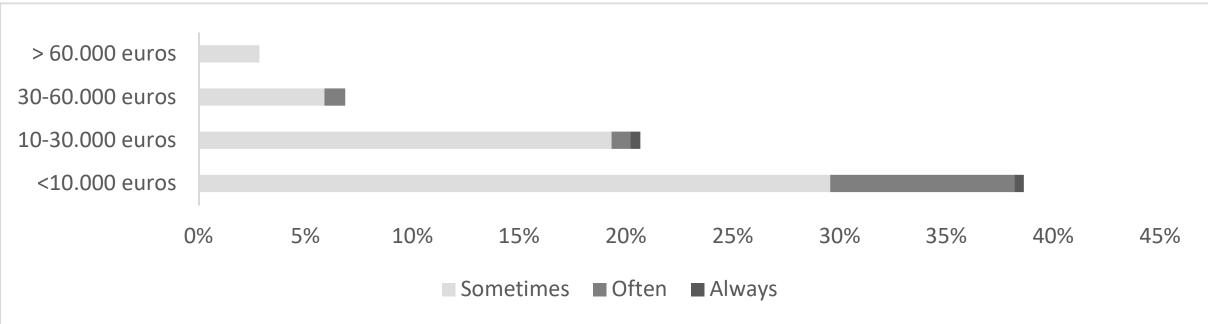
FIGURE 32 - OTHER WAYS TO SUPPORT YOURSELF



Source: ACTA, I-WIRE survey, analysis of Italian data

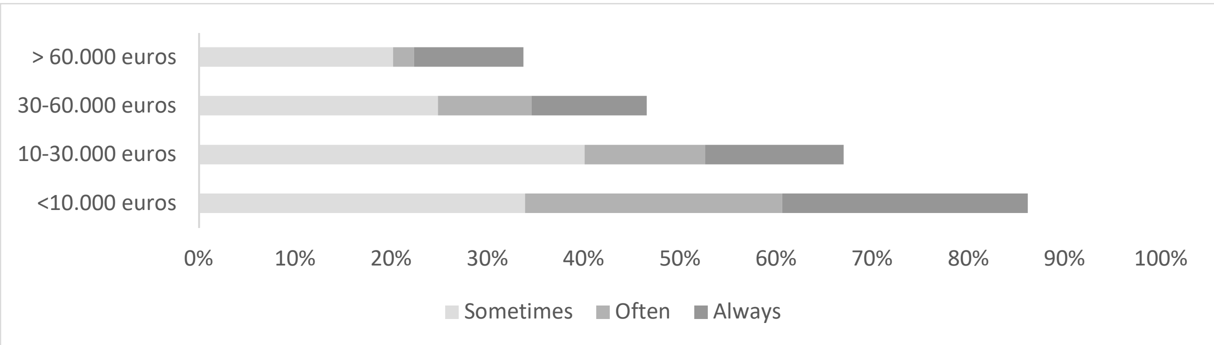
The incidence of work off-the-books and assistance from family is negatively related to income, proving particularly high among those with an income of less than 10,000 euro a year; these represent the lone "social buffers".

FIGURE 33 – WORK OFF-THE-BOOKS BASED ON INCOME



Source: ACTA, I-WIRE survey, analysis of Italian data

FIGURE 34 - SUPPORT FROM FAMILY OR PARTNER



Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

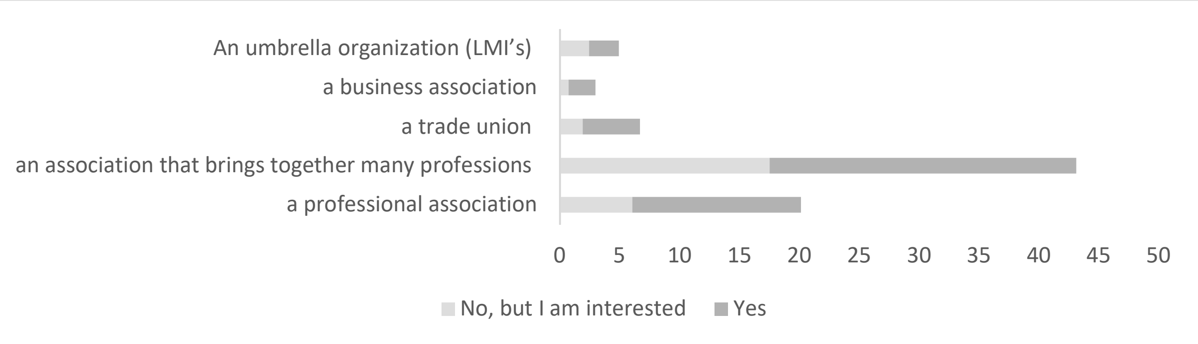
1.11. REPRESENTATION

Membership in a professional association is held by 39%, while 9.1% belong to more than one association.

The type of association preferred by the respondents is open to professionals from a variety of sectors (the way Acta is), though this could reflect the fact that the respondents were largely reached through Acta communications.

Associations for single professions are also important, while other forms of representation play a decidedly smaller role.

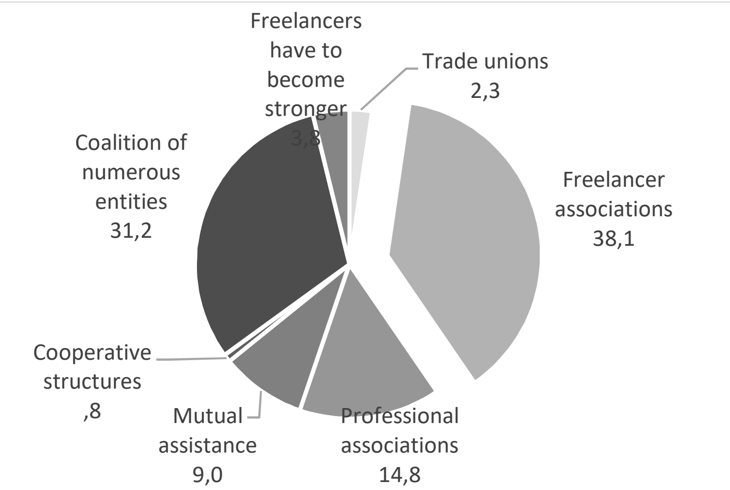
FIGURE 35 - ARE YOU A MEMBER OF ANY UNION OR ASSOCIATION



Source: ACTA, I-WIRE survey, analysis of Italian data

It comes as no surprise, once again due to the role of the ACTA in distributing the questionnaire, that the respondents consider the further growth of associations of freelancers, to better represent the interests of independent professionals, to be a priority concern. It should be noted that more than 30% hold that a coalition of a number of different entities should be established.

FIGURE 36 - IN ORDER TO REPRESENT INDEPENDENT WORKERS, IT IS IMPORTANT TO IMPROVE

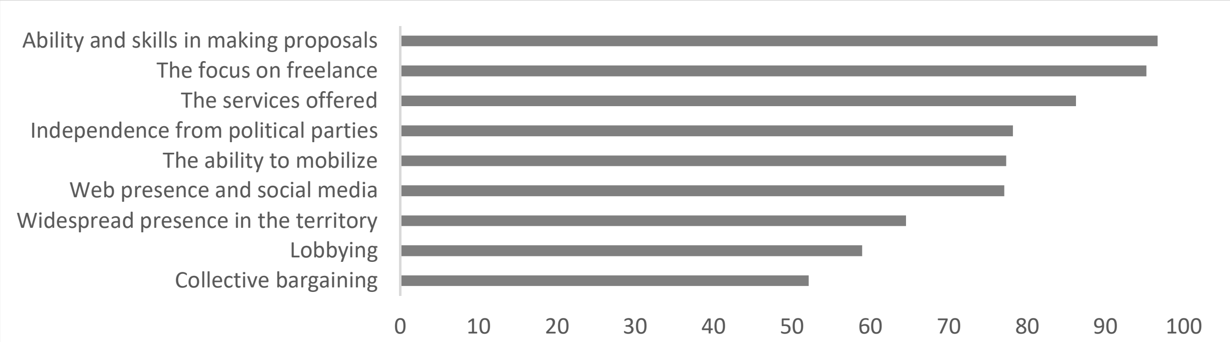


Source: ACTA, I-WIRE survey, analysis of Italian data

In selecting an organisation of representation, almost all the factors presented for evaluation proved relevant, and above all else the ability to make proposals and focus on freelancers. Being part of collective bargaining agreements was given least importance.

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

FIGURE 37 – MAIN FACTORS IN CHOOSING A COALITION OF INDEPENDENT WORKERS



Source: ACTA, I-WIRE survey, analysis of Italian data

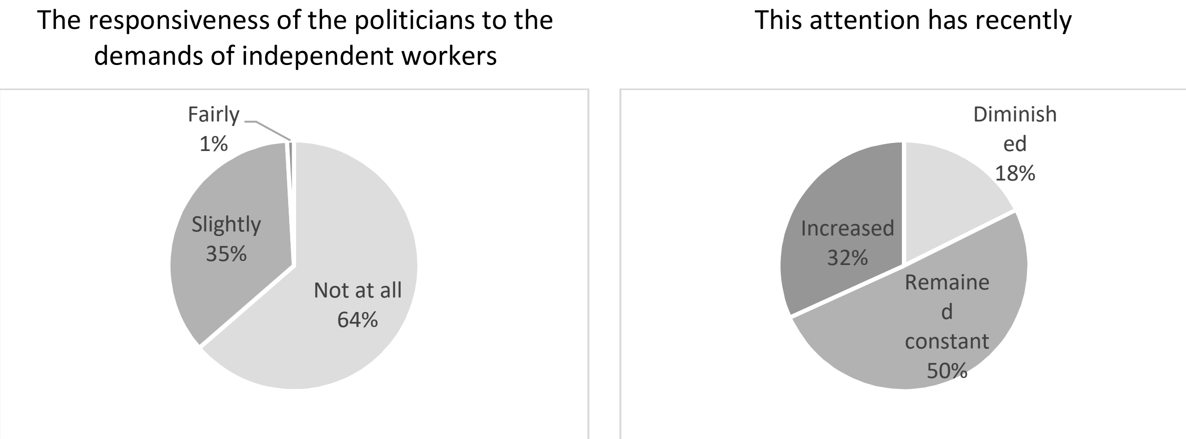
Organisatons of representation are expected to provide a variety of services, espercially in terms of information, consulting and networking.

FIGURE 38 - WHAT SERVICES SHOULD BE OFFERED BY AN INDEPENDENT WORKERS ORGANISATION

Source: ACTA, I-WIRE survey, analysis of Italian data

Generally speaking, freelancers hold that they are ignored by politicians and government. Only 1% hold that they receive a high level of attention. Recent perceptions are slightly more positive: half feel that nothing has changed, but the positive judgments (more attention from the political sphere) outnumber the negative ones (32% vs. 18%).

FIGURE 39 - POLITICIANS AND INDEPENDENT WORKERS



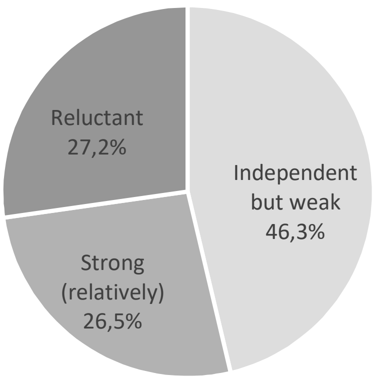
Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

1.12. THREE CLUSTERS OF FREELANCERS

Taking the factors extrapolated from the motivations, both the points of satisfaction and the problems, a cluster analysis was carried out, resulting in the identification of 3 clusters, 2 of them, each accounting for approximately 27% of the total, with features that frequently stand in contrast, while the characteristics of the third, more numerous cluster fall, in part, between the other two.

FIGURE 40 - THE CLUSTERS



Source: ACTA, I-WIRE survey, analysis of Italian data

TABLE 9 - FINAL FOCUSES OF THE CLUSTER

	Cluster		
	Independent but weak 1	Strong (relatively) 2	Reluctant 3
MOTIV_Self management	,32232	**,53315**	-1,01321
MOTIV_Money	-,34376	**1,03526**	-,26898
MOTIV_Forced	-,30415	-,31348	**,98306**
SAT_Independence	**,40595**	,22724	-,91026
SAT_Self realisation	,28683	**,44958**	-,92393
SAT_Solidity	-,38700	**1,05478**	-,36744
PROB_Insufficient and unpaid work	,00965	-,52134	**,49010**
PROB_Cash difficulties	**,30544**	-,57406	,03894
PROB_Isolated	-,13763	-,17576	**,40451**

Source: ACTA, I-WIRE survey, analysis of Italian data

The "**Reluctant**" group, which accounts for 27% of the total, consists primarily (almost 80%) of individuals forced to be self-employed, due to a lack of other opportunities or requests from their clients. They are isolated (rarely belonging to professional networks) and decidedly unsatisfied with their work (overall, only 22.4% are satisfied) from practically every perspective, but especially in

With financial support from the European Union
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

terms of income, career opportunities and workload. Levels of satisfaction that were relatively high, though still well below those of other groups, were expressed only with regard to the content of their work and their degree of independence. As for problems, the great majority point to all the ramifications of scarce, unsteady work (18.7% work less than 6 months of the year), pay, income (36.1% have annual income of less than 10,000 euro, and 44.6% declare that they cannot get by on their income), as well as loneliness. The "bogus self-employed" are relatively numerous within the group, the majority of whose members (59.5%), would become salaried employees, if they could. To an above-average extent, they work for subcontractors active in the public and non-profit sectors. The group is multifaceted, including, at a relatively higher level than the other groups, women, young people with doctorates and 50-60 year-olds.

TABLE 10 – PERSONAL INFORMATION AND ORIENTATION BY CLUSTER

		Independent but weak	Strong (relatively)	Reluctant
Gender	Women	42.7	27.5	**44.4**
	Men	57.3	**72.5**	51.0
	Other			4.7
Level of education	Upper secondary	24.1	18.8	**26.8**
	Bachelor	17.6	**18.1**	11.5
	Master	41.6	**46.5**	32.0
	Doctorate	16.7	16.6	**29.7**
Age	< 30 years	7.3	11.0	7.5
	30-40 years	31.8	28.3	27.5
	40-50 years	33.0	37.2	26.7
	50-60 years	21.6	18.4	34.4
	>=60 years	6.3	5.1	3.8
are you	Member of an association	39.2	**41.2**	36.6
	Part of a professional network	48.2	**53.7**	26.6
You would to be	A salaried employee	13.2	7.4	**59.5**
	An independent worker	**86.8**	**92.6**	40.5

Source: ACTA, I-WIRE survey, analysis of Italian data

At the other end of the spectrum is the "**(relatively) strong**" group. The same size as the preceding cluster (at 26.5% of the total), it brings together freelancers motivated by a desire for self-fulfilment, but also by expectations of higher earnings. They are relatively satisfied (94.6% express satisfaction, all things considered), and they do not point to any particular problems in terms of the market, their clients or their earnings. They are very independent and wish to continue to be so: given the choice, 92.6% would remain independent. The incidence of males is much higher in this group (72.2%), with a larger presence of engineers and computer experts. They work primarily for businesses, including those active on international markets (21.1%), and they are often involved in large-scale projects. The majority belong to professional networks and they use co-working facilities, or have offices outside their homes, at a level above the average for the sample as a whole. The majority work on a continuous basis (69.6%, while only 8.6% work less than 9 months of the year), and their incomes are significantly higher than the average, allowing them, to a greater extent than other groups, to benefit from a private safety net.

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

TABLE 11 – WORK AND CLIENTS

		Independent but weak	Strong (relatively)	Reluctant
Where do you work (sometimes + always)	At home	72.0	53.3	46.6
	In your working space	15.3	20.3	5.8
	In a co-working space	13.8	16.7	4.7
	In a space provided by the client	19.0	17.5	**35.2**
	In different working spaces	25.1	20.6	30.2
Independent?	totally independent	62.5	66.7	26.8
	independent	33.2	22.8	40.2
	bogus self-employed	4.3	10.5	**33.0**
Primary clients	Public Sector	5.0	6.3	6.5
	Firms	**73.1**	**73.9**	57.1
	Private subcontractors working for the	7.5	5.5	**20.6**
	Families and individuals	8.0	**9.1**	6.4
	Non-profit sector	6.4	5.1	**9.3**
Your clients mainly belong to	Local market	44.4	25.6	**49.2**
	Domestic market	48.6	**53.2**	43.2
	Foreign market	7.0	**21.1**	7.6
Are you engaged in large scale projects	No, never	20.1	10.2	**29.8**
	Sometimes	**71.1**	64.1	58.7
	Always	8.8	**25.8**	11.5
Have you ever used platforms	Never used	72.8	81.6	83.5
	used to sell professional services	**8.2**	3.2	1.1
	used to buy professional services	**15.1**	12.5	12.7
	used to sell and buy professional	**3.9**	2.7	2.7

Source: ACTA, I-WIRE survey, analysis of Italian data

TABLE 12 – SATISFACTION AND PROBLEMS BY CLUSTER

	Independent but weak	Strong (relatively)	Reluctant
SATISFACTION			
Income	5.0	**72.1**	8.7
Job security	26.2	**57.9**	22.3
The work itself (what you do)	**94.1**	**94.2**	56.8
The hours you work	51.2	**63.2**	30.3
The flexibility needed to balance work and private life	**87.6**	**83.1**	46.1
The possibility of working anywhere	**91.6**	**83.0**	45.7
Human relations	**71.1**	**74.3**	36.3
Degree of independence	**98.1**	**98.6**	57.4
Career paths	29.0	**45.2**	5.0
Continuing training and upgrading of human capital	**76.7**	**74.4**	29.1
Stress, workload	28.1	**40.6**	20.2
All things considered, how satisfied are you with your	69.5	**94.9**	22.4
PROBLEMS			
Shortage of assignments	42.0	12.4	**56.9**
Loss of customers	15.2	8.0	**35.9**
Low compensation	58.9	15.3	**71.5**
Social security contributions and tax burden	89.2	83.9	**92.0**
Credit problems	**41.0**	15.5	37.6
Unfair competition	**65.5**	30.3	**60.6**
Getting paid (difficulty in collecting payments)	**48.9**	17.0	42.6
Crisis of your target market	44.7	11.4	**59.8**
Training	21.6	19.2	**36.9**
Loneliness	26.1	14.7	**49.8**

Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

The third cluster, “Independent but Weak”, holds the most freelancers (more than 46% of the total), and namely those who, having chosen to be independent, place great importance on their freedom, are very satisfied overall with freelancing (69.5%), as well as with the content of their work. Satisfaction is lower in terms of the continuity of work (31% worked for less than 9 months last year), and security and income (only 5% are satisfied with their income, understandably, seeing that the cluster’s income range is 10,000-30,000 euro a year). They also point to problems in getting clients to pay and in obtaining credit. They work primarily for businesses, on the national market, often taking part in large-scale projects. They show a greater willingness to use on-line platforms for the purchase and sale of professional services. Despite the many problems encountered, they are convinced of the wisdom of their decision to become freelancers. Given the choice, the great majority (86.8%) would remain independent.

This is the most interesting group: a new type of freelancer motivated by a desire for freedom and control of all aspects of his or her work: professional commitment and quality, training and time committed to the work, working hours and the choice of the workplace, with the result that these freelancers would not trade their independence for greater income or security.

TABLE 13 – INCOME, TAXES

		Independent but weak	Strong (relatively)	Reluctant
You have worked	Continuously, without interruption	46.1	**69.6**	41.2
	More than 9 months of the year	23.2	21.9	23.2
	6-9 months of the year	**18.1**	6.5	16.9
	Less than 6 months of the year	12.7	2.1	**18.7**
Determination of remuneration	Negotiation with client	70.2	**80.8**	53.3
	Professional association fee tables	2.7	**5.4**	1.3
	Collective bargaining	1.2	1.0	
	The client decides	11.7	4.5	**38.0**
	Market prices	**14.2**	8.3	7.4
Freelacer income	< 10,000 euros	23.9	9.4	**36.1**
	< 10,000-30,000 euros	**62.7**	40.4	43.5
	< 30,000- 60,000 euros	11.3	**29.4**	18.0
	< 60,000-100,000 euros	2.2	**20.8**	2.4
Total income	Not sufficient	28.3	5.8	**42.4**
	sufficient to live on	**57.7**	26.5	44.5
	sufficient for a good life	14.1	**66.4**	13.1
	Very high		**1.3**	
Other ways to support yourself	your family or your partner	28.0	21.9	**44.7**
	Savings	23.2	**23.3**	20.9
	Public assistance	1.9	1.7	1.1
	Loans	2.4	0.7	2.7
	Investments/dividends	3.8	3.0	0.8
	Copyright royalties	0.6	2.4	0.2
voluntary contribution for	retirement	19.9	**31.4**	**30.9**
	illness	17.6	**24.3**	14.0
	Accidents at work	26.8	**30.9**	23.2
do you benefit from a special tax regime?	No	49.1	**62.7**	51.6
	“minimum regime”	22.9	18.8	26.8
	Flat tax 5%	11.6	6.7	8.9
	Flat tax 15%	16.4	11.7	12.6

Source: ACTA, I-WIRE survey, analysis of Italian data

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

1.13. CONCLUSIONS

The survey, focussed on independent workers of the second generation, provides a series of close-ups and descriptions of a world traditionally ignored by such research.

These self-employed workers involved are active in cognitive and creative professions, many of which are relatively new, and thus unlikely to be recognised with official professional orders or rolls.

Such freelancers are generally independent by choice, in order to give free rein to their creativity while maintaining greater control over their work and their lives.

The overview that emerges, even accounting for a possible distortion due to over-representation of passing difficulties, is that of a highly educated population determined to continue its instruction[6] , but also one weakened by work that is often discontinuous, and poorly paid, leading to low incomes, all within a poorly funded, utterly inadequate system of social welfare.

In the past, there was compensation for the increased risk of independence, whereas today's freelancers appear willing to accept lower incomes, provided they can maintain control of their work and their time. For many, the chance to decide their own professional paths and work independently is something they will never give up. All this reflects a powerful cultural transformation.

But exactly what types of occupations are we talking about? They are extremely flexible, with a prevalence of multiple jobs (only 20% of the respondents say they practice just one profession), both because clear boundaries between the professions do not exist, but also because low incomes and market difficulties call for adaptability and expansion of the services offered.

The risk is lost specialisation and quality, due to downward pressure on wages, setting off a perverse cycle that would appear difficult to interrupt, unless the market is willing to pay for quality.

An analysis of the data confirms the variegated nature of the different scenarios, but with the aid of cluster analyses they can be broken down, to better understand their make-up. Unsatisfied freelancers, who make up 27% of the total, did not chose this type of employment and/or complain because their work is of marginal importance, discontinuous and low-paid. The bulk of freelancers, however, are happy to be independent, though the majority are underemployed and underpaid. This last group is the most interesting, seeing that it corroborates the spread of a new type of worker whose first priority is independence, even though it is accompanied by a lack of security on the job market and by low wages.

In other words, we are far removed from the stereotype of the precious self-employed worker who wishes to become a salaried employee, but also distant from the fabulous world of freelancers[7] in which highly developed skills are associated with high income, while positions of weakness are the lot of the low skilled. It has been found that a far from negligible number of these workers, and

[6] At least 76.5% have university degree, 20.2% a doctorate, and77% have taken training courses in the last 2 years.

[7] See, for example, The Handbook of Research on Freelancing and Self-Employment CRSE (Centre for Research on Self-Employment), A. Burke (edited by) 2015, Senate Hall Academic Publishing.

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion

especially among women, can be classified as working poor[8], victims of an especially critical situation, seeing that they are excluded from labour policies, both active and passive.

The plurality of contractual formats and professions changes the framework in which representative organisations have traditionally operated.

Workers are not necessarily independent or salaried for life, seen that two conditions can alternate, or even run in parallel. Within such a context, the current system of social welfare, by establishing a rigid dichotomy between independent and salaried employment, would appear to be totally inadequate, and for any number of reasons:

a) because it does not reflect this new way of working, in which the distinction between salaried and independent employment in increasingly complex, and often tenuous;
b) because it does not cover situations of transition, which have become increasingly frequent;
c) because it fails to provide those who choose to be self-employed with the chance to benefit from a system fully equipped with safeguards. The old model, which enabled the self-employed to deal with moments of difficulty on their own, thanks to their savings, no longer holds, seeing that the incomes of independent workers are lower, on the average, than those of salaried employees, and also, they are no longer able put aside sufficient resources. Up until now, family assistance and work off-the-books have served as "social buffers", the problem being that the first channel is becoming gradually more impoverished, while the second proves more costly, in economic and social terms, than an all-inclusive welfare system.

The predominance of "patchwork" professions also calls for a change in forms of representation, making necessary modes of collaboration that increasingly cut across the different sectors. Traditional professional associations will certainly continue to have a role, but employees' rights can only be represented and furthered if the distinctions between the different categories are overcome.

Policies addressing self-employment, centred primarily around the tool of taxes, and especially beneficial tax regimes, some meant to pursue objectives of employment, must also be reformulated. This tool has had a fair number of perverse effects, on the one hand providing an incentive for ill-considered forms of self-employment that proved low on skills and experience, ultimately contributing to lowering the quality of services and driving prices down, while, at the same time, creating what amounted to a "trap", given that, past the threshold of 30,000 euro of turnover, a sharp increase in the tax burden kicked in, effectively discouraging growth.

[8] A 2014 analysis pointed out that there are increasing numbers of working poor among the self-employed and freelance professionals with university degrees. "I working poor, un'analisi dei lavoratori a basso reddito dopo la crisi" ("The Working Poor: an analysis of low-income workers after the crisis"), Claudio Lucifora, CNEL.

With financial support from the European Union
European Commission
EUROPEAN COMMISSION
DG Employment, Social Affairs & Inclusion