3. Germany[1]

3.1 The focus of the survey

The research is focused on independent workers engaged in the professions and the arts under a variety of different contractual formats.

The overall objective is to take a closer look at the chief features characterising the work of New Independent Professionals (NIP) within the European Union. The specific goal is to highlight the socioeconomic conditions, the professional status and the perceived expectations and needs of such workers.

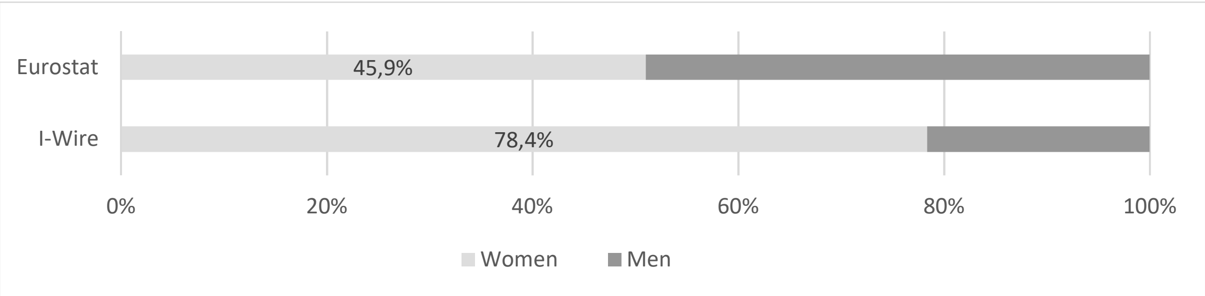
In the case of Germany, the respondents to the questionnaire are 231.

Compared to the make-up of the reference universe (Eurostat data), the German sample group for the I-Wire survey showed a decisive imbalance in favour of women (78.4%) and of 2 professional sectors (publishing and translation/interpretation activities), which, taken together, accounted for 74% of the cases. The fact that the process of self-selection was so heavily biased meant that any operations to weight the cases would have been methodologically inappropriate.

3.2 Who are the German NIP?

Women were predominant in the German sample group for the I-Wire research (78.4%), as compared to 45.9% incidence of women NIPs in the reference universe as a whole (Eurostat, 2015).

FIGURE 1 – GENDER I-WIRE SAMPLE AND EUROSTAT 2015



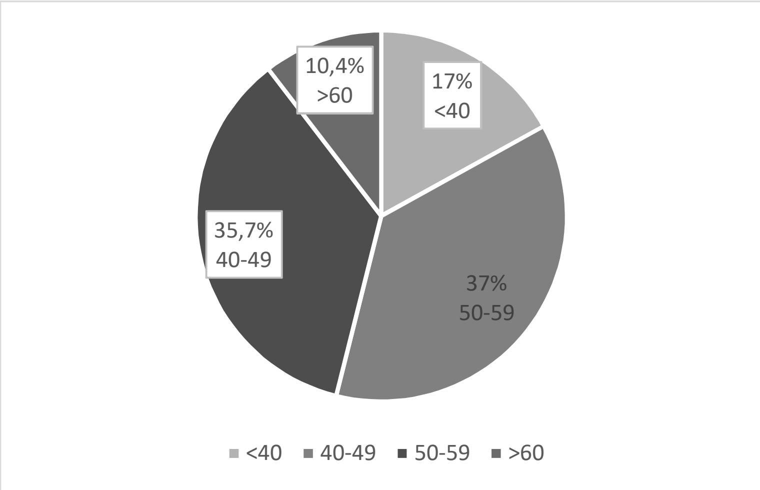
Source: ACTA, I-WIRE survey

In terms of age, the modal class is the 40-49 year-old age group; approximately ¾ of the sample consisted of the central age groups (from 40 to 59 years old); the average age of the respondents was approximately 48 years old, the minimum age was 25 years old, and the maximum was 70. These figures are in keeping with the average percentages for the reference population in Europe as a whole (cf. par. 6), which showed a lower incidence of NIPs among under-40's and over-60's.

[1] This chapter was written by Elena Sinibaldi.

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

FIGURE 2 – AGE



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

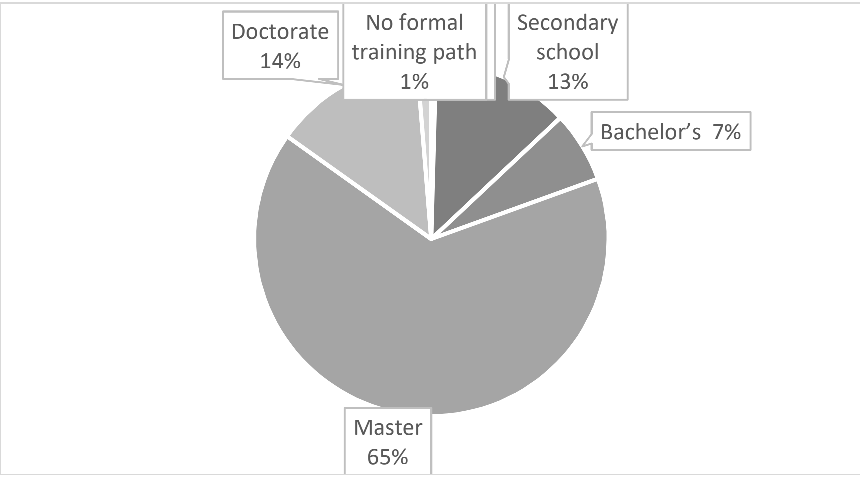
The majority of the respondents – who, as we have already seen, were born in and around the 70's – state that they live as a part of a couple and/or a couple with children (64.5%), while ¼ of the sample group lives alone. An analysis of the variance by age shows no noteworthy differences in terms of family status.

As for the size of the town or city of residence, nearly half the respondents live in an urban area with more than 1 million inhabitants (49.4%) or in a medium-large city (32.9%). The metropolitan make-up of the I-Wire research sample group is consistent with the fact that large scale cities give a greater role of tertiary-sector activities, which are those that call for consulting services and specialised skills.

The sample group presents high levels of education, coherently with the definition of NIPs: more than 3/4 of the respondents have university degrees, meaning bachelor's (6.5%) or master's (65.4%), while 14% have a doctorate. Approximately 13% of the sample has only a secondary school education, while the percentage with a lower level is very small (1.7%).

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

FIGURE 3 - LEVEL OF EDUCATION



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

In terms of fields of specialisation, there is a distinct prevalence of the Social and Cultural activities among the areas studied (59.7%), followed by far lower percentages of the Creative Arts (7.4%), the Natural Sciences (6.9%), Economics (4.8%), Education (3.5%) and the Law (2.6); the remaining areas[2], taken as a whole, account for slightly less than 10%.

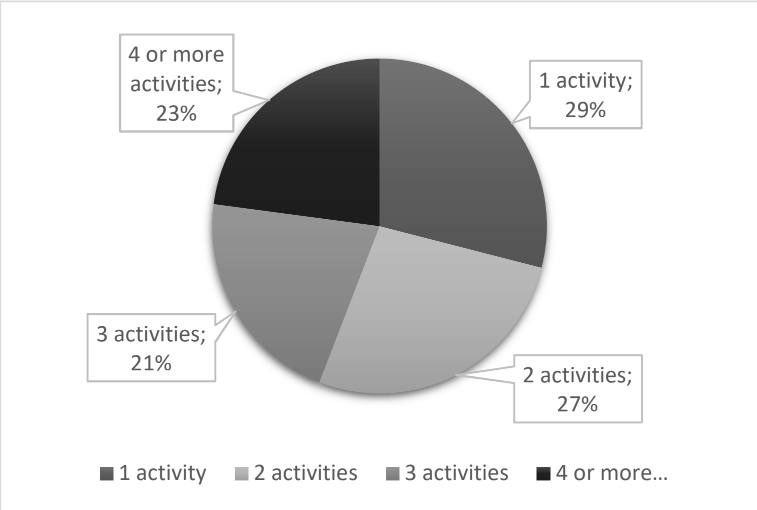
Finally, in keeping with the title of the study, the descriptive profile of the NIPs that responded to the questionnaire is completed with a break-down of the professions in which they work. Considering only those who stated that they regularly practice a profession, the largest number are active in the field of publishing (57.1%), followed by translation and interpreting (16.8%) and then professions involving training, web-activities and journalism (10.2%).

A consideration of note is the number of activities performed by the respondents: 1/3 practice only 1 profession, while the remainder engage in at least two. The absolute majority of the sample group consists of professionals who engage in up to a maximum of 2 activities. Those who work in publishing (roughly 60% of the sample) tend to focus on just a few activities, while those who work in the 4 other primary sectors (translation and interpreting; journalism; training and web-activities) are over-represented among professionals who engage in more than 4 activities.

[2] The remaining areas covered by the study are: engineering; agriculture; the environment; other health-related fields; ICT; architecture and building; medicine.

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

FIGURE 4 – MULTIPLE JOBS



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

3.3 WHY ARE YOU INDEPENDENT?

The majority of the respondents showed a marked propensity for independence traceable to the wish to organise their time flexibly and to organise the contents of their work, without being subject to the constraints set by an employer. In this respect, the 3 responses tied to independence as a conscious life choice (to organize your working time; to control the conditions of professional practice; don't want to work for a boss) constitute 3 of the 4 most frequently selected outlooks.

Independent employment also offers new challenges, together with the opportunity to improve one's own business, increase the resulting income and develop new skills to use on an extremely dynamic market.

In some cases, the decision to work independently is tied to the possibility of balancing the worker's private and professional lives or engaging in an activity close to the preferred field of endeavour. In other instances, independent employment is the only option for practicing a profession in a given sector.

Finally, for a minority of the respondents independent employment is not a choice but a constraint: there are those who use it as a form of self-employment that allows them to enter or re-enter the job market, should they fail to find salaried employment; for others, whose principal client has forced them to become independent, it is a condition of bogus self-employment. In certain cases it can also be a way of obtaining tax advantages.

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

FIGURE 5 – MOTIVATIONS TO BE AN INDEPENDENT WORKER

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

3.4 How independent?

To determine the respondents' effective level of independence, consideration was given to the 2 primary aspects that define the concept of independence:

- the operational/professional set-up, tied to the way in which the work activities are organised;
- the economic reality, tied to there being more than one client.

The objective is to establish to what extent situations of formal independence, in legal terms, actually mask instances of opportunism or illicit exploitation, in particular when the employing enterprise, in order to evade constraints or elements of rigidity found on the domestic labour market, insists that employees work under contracts of self-employed (the so-called "bogus self-employed"). Further consideration shall also be given to working conditions under semi-independent contractual formats.
In this sense, it should be noted that 2 European countries, Germany and Spain, have arrived at the specific statutory concept of "economical subordination". In Germania, "economically subordinate workers" (Arbeitnehmerähnliche Person) are those who provide a professional service without any employees of their own, with more than 50% of their turnover being generated by a single client[3]. Despite these criteria established in the Act to Promote Self-Employment, another set of criteria, based on case law, has been developed by the Federal Labour Court (Bundesarbeitsgericht, BAG). An economically subordinate employee:

- follows the client's instructions in terms of the place of work;
- follows the client's instructions in terms of working hours;
- follows the client's instructions in terms of the content of the work;
- is part of the client's organisational structure;
- uses the client's equipment.

[3] I-WIRE, Country Case Germany, Paolo Borghi, 2017.

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

Finally, in order to give the analysis greater depth, we have assessed the respondents' subjective perception of their working independence, along with their preferred mode of employment (independent vs. subordinate).

3.4.1 Objective criteria of independence

In gauging the level of independence or subordination of the respondents, the I-Wire took the following factors into consideration: the worker being able to choose: (i) the place of work; (ii) the hours; (iii) the content of the work; (iv) free time; (v) the working tools. Together with these elements, we also considered: (vi) the number of clients.

As shown by table 1:

a) in terms of their operational/professional realities, a clear-cut majority of the sample group declares that they enjoy a great deal of independence in terms of the elements considered (place of work, hours, organisation of content of work and free time);
b) almost none of the respondents used their clients' working tools;
c) in terms of their economic reality, almost all of the sample group has more than 1 client.

TABLE 1 - 6 CRITERIA OF INDEPENDENCE

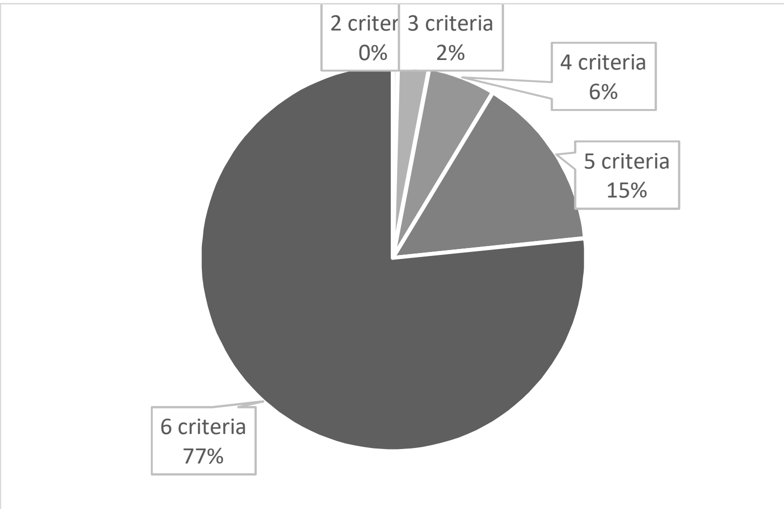
		%
It is up to you to decide:	- Where to work	91.8
	- When to work	86.1
	- How to organize your work	98.7
	- Holidays	92.2
You don't use client's tools		96.5
More than 1 client		97.8

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

A more in-depth analysis confirms that the German sample group of the I-Wire research is characterised by a high level of independence: almost all the respondents (91.3%) meet from 5 to 6 of the criteria that denote independence, while ¾ meet all 6 conditions. Only slightly less than 10% meet just 3-4 criteria of independence (8.2%), while no respondent states that they have absolutely no freedom.

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

FIGURE 6 - CRITERIA OF INDEPENDENCE



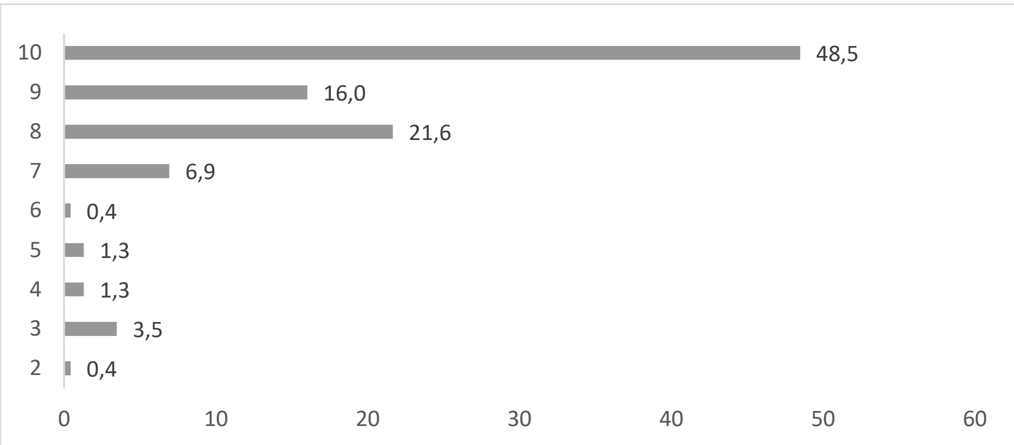
Source: ACTA, I-WIRE survey, analysis of German data

3.4.2 Subjective perception of independence

Self-assessment of working independence was gauged by a question that measured subjective perception on a scale of 1 to 10.

The results were consistent with the objective evaluation: almost 2/3 of the sample group consider themselves totally independent (scores of 9 and 10); more than 1/4 of the respondents hold themselves to be highly independent (scores of from 7 to 8); slightly less than 2% claim their independence is barely adequate; a minority (5.2%) state that they have a low level of independence (below a score of 4). No one feels that they enjoy absolutely no independence (score of 1). Generally speaking, the average level of perceived independence is very high (equal to 8.7).

FIGURE 7 - VALUES OF PERCEPTION OF INDEPENDENCE



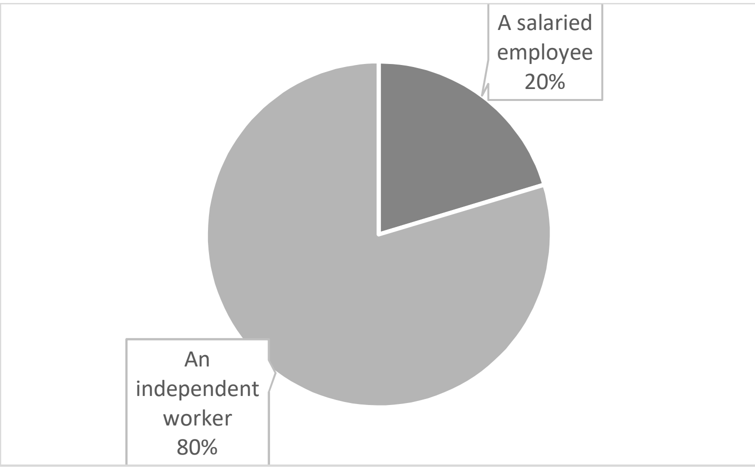
Source: ACTA, I-WIRE survey, analysis of German data

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

3.4.3 WOULD YOU RATHER BE INDEPENDENT OR A SALARIED EMPLOYEE?

Asked whether, given the choice, they would prefer to be independent or to work as salaried employees, approximately 80% of the sample group opted for independence.

FIGURE 8- DESIRE TO BE INDEPENDENT



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

How does the wish to be independent or subordinate relate to actual independence? We attempt to answer this question by distinguishing between: (i) perceived independence (subjective criterion); (ii) number of criteria met (objective criteria); (iii) types of criteria met (objective independence).

The analysis shows that there are no statistically meaningful differences between (i) preferences for being independent or salaried employees and the self-perception scores (overall average 8.7; average of the "independent" group = 8.9; average of the "subordinate" group = 8.2; significance level of 0.18).

However there is a statistically significant difference (0.001) between the number of objective criteria of independence met (ii) by the 2 groups ("subordinates": average of 5.2; "independents": 5.7).

Finally, looking at the type of criteria of independence (iii), and not their number alone, statistically significant differences emerge between the two groups regarding:

1. place of work (Where);
2. working hours (When);
3. free time (Holidays).

In other words, independent workers who would rather be salaried employees more frequently state that they enjoy less independence in terms of the 3 aspects indicated above.

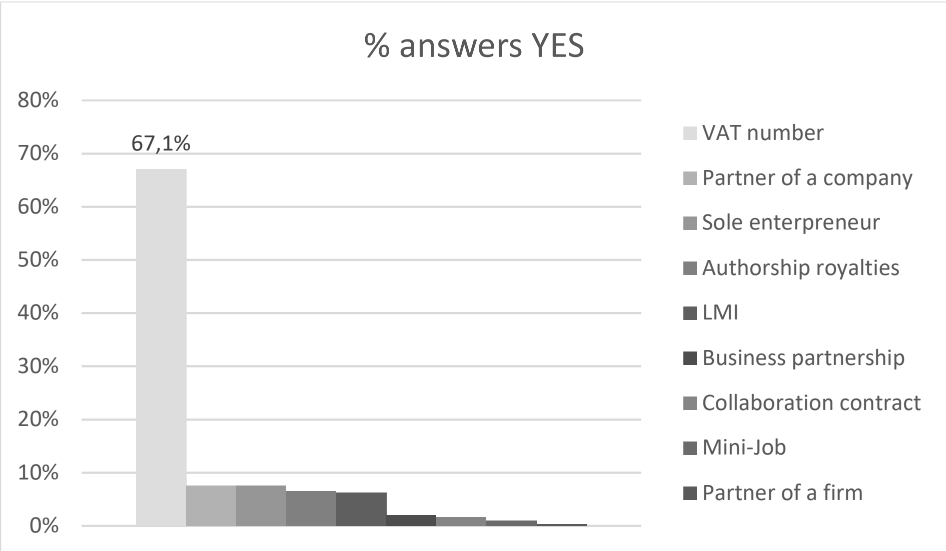
3.5 CONTRACTUAL ARRANGEMENTS

The majority of the respondents are professionals who charge VAT (91.5%) or lone entrepreneurs (10.3%). Next come those who earn copyright royalties and LMIs (Anteilseigner/in; Selbstständige/r; Selbstständig erwerbstätig für eine Kooperative), who work through umbrella companies/cooperatives.

Specifically, considering only the responses of those who "regularly" work under a given type of contract arrangement[4], it was found that:

- 2/3 of the sample group (67.1%) state that they are professionals who charge VAT;
- Approximately 15% are partners in an enterprise or lone entrepreneurs;
- Approximately 7% work primarily through copyright royalties, while a slightly smaller group (6.3%) operates through the intermediation of umbrella companies/cooperatives:
- The remainder (4.9%) are employed (i) in mini-jobs or (ii) under outside staff contracts or are (iii) partners in firm of professionals or (iv) a company.

FIGURE 9 – CONTRACTS



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

More than half the sample group states that they use only one type of contractual arrangement (52.8%): it is mainly freelancers charging VAT who use only 1 approach (51.6%), while 32.4% use 2. The average number of employment arrangements per respondent is 1.6.

4% of the respondents also have contracts of salaried employment, either fixed-term or ongoing.

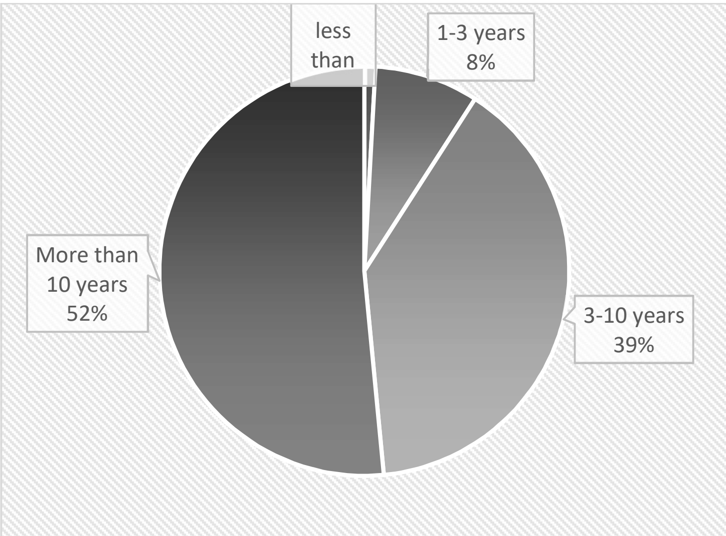
[4] Only the responses of those who regularly work under a certain type of employment arrangement (YES) were considered. The analysis addresses only percentages of response (total 100%) and not the number of cases.

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

3.6 BEFORE BEING A FREELANCER

Over half the sample group has worked freelance for more than 10 years, and almost all the respondents have worked under this type of contractual arrangement for more than 3 years; slightly less than 1% have been freelancers in the last year.

FIGURE 11 – HOW LONG HAVE YOU BEEN WORKING AS AN INDEPENDENT WORKER?



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

As for the type of contractual arrangement the respondents had before becoming freelancers, almost half the sample group worked as salaried employees, while approximately 1/5 of the respondents became independent workers immediately after their studies. Approximately 18% turned independent after working at intermittent jobs, with half this group exercising their profession for less than a year.

TABLE 4 - FORMER OCCUPATION (RIGHT BEFORE BECOMING AN INDEPENDENT WORKER) BY YEARS AS A FREELANCER

	less than one year	*1-3 years*	*3-10 years*	*More than 10 years*	*Total*
A salaried employee	50%	47.4%	46.2%	51.3%	48.9%
Intermittent jobs	50%	10.5%	24.2%	14.3%	18.2%
Student		21.1%	15.4%	22.7%	19.5%
Trainee		5.3%	1.1%	2.5%	2.2%
Unemployed		15.8%	13.2%	9.2%	11.3%
Totally	100.0	100.0	100.0	100.0	100.0

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

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

3.7 ORGANIZATION OF WORK

The interviewees work primarily at home, though not exclusively: occasionally they use working spaces made available by clients, and less frequently spaces shared with colleagues or co-working facilities. The modes of work probably depend on the distinguishing characteristics of the sample group, which consists of professionals who: (i) possess a considerable amount of organisational independence and (ii) have practiced their professions for lengthy periods of time, given their relatively advanced average age (approximately 48 years old).

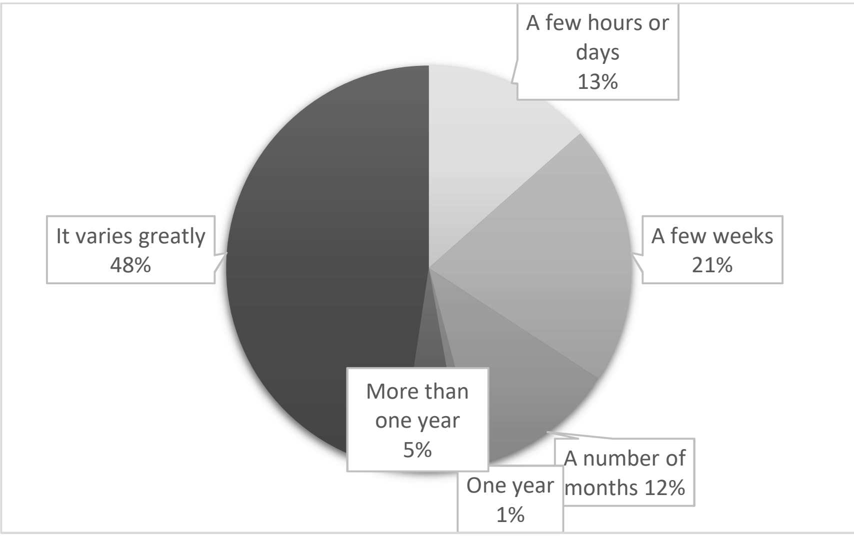
FIGURE 12 - WHERE DO YOU WORK?

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

Almost half the sample group (48%) works under contractual arrangements whose lengths vary considerably, depending to a great extent on the sector of employment: contracts are often for brief periods in the publishing sector, the areas of translation and journalism, in which the majority of the respondents are employed. Only 6.5% of the I-Wire research sample group has a contract that lasts at least 1 year; the largest group by far (45.9%) have contracts for periods of days, weeks or months.

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

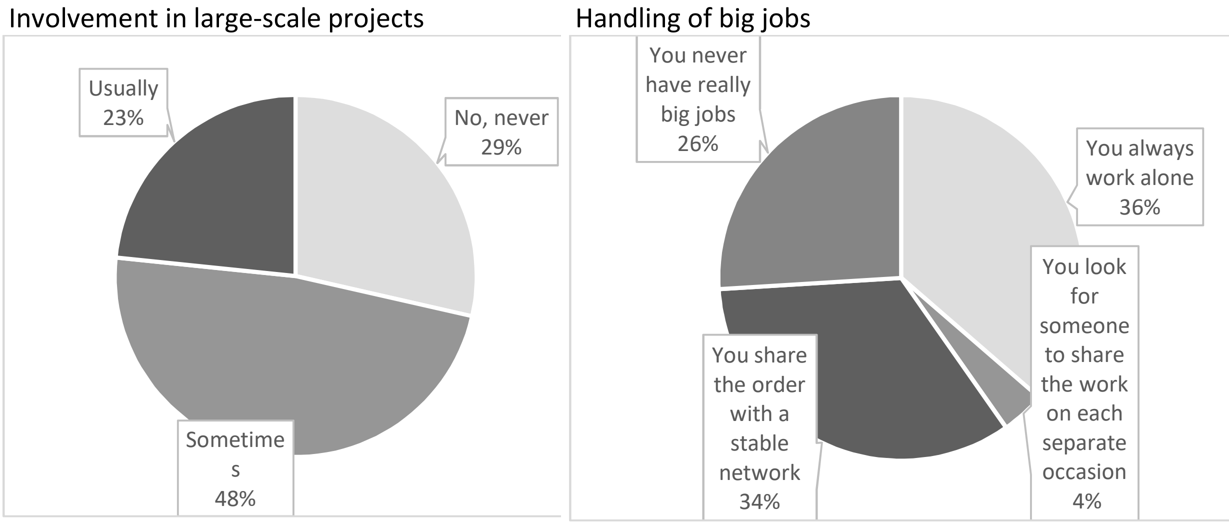
FIGURE 13 - YOUR CONTRACTUAL RELATIONSHIPS TYPICALLY LAST…



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

Participation in large-scale projects is a standard practice for 23% of the sample group, while almost half of the respondents do so occasionally. When they work on major projects, approximately 1/3 of the freelancers responding to the survey do so alone (36%) or they divide the work with a stable network of colleagues (34%).

FIGURE 14– LARGE PROJECTS



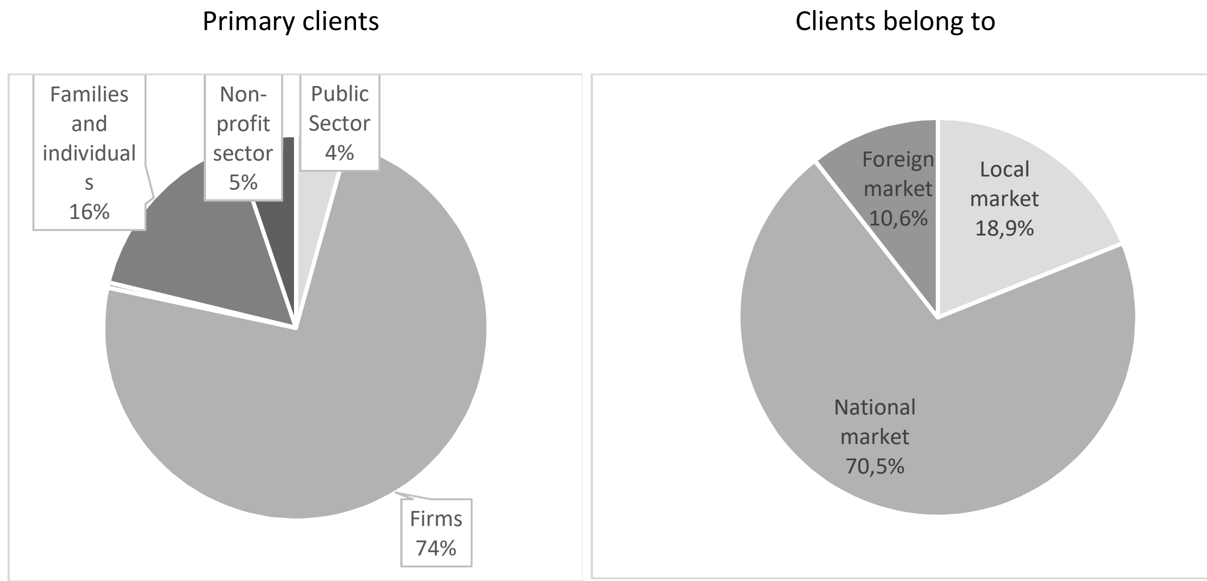
Source: ACTA, I-WIRE survey, analysis of German data

3.8 CLIENTS

In terms of their sphere of employment, ¾ of the sample group works primarily for businesses, while only a small portion of the freelancers works on behalf of the public administration (PA) or for subcontractors that supply consulting services to the public sector (5%).

As for the markets involved, almost all clients are found on either the national or regional market, as only a smaller percentage of the professionals make use of foreign markets (10.6%), tending to be more firmly rooted in their country of residence than oriented towards working internationally.

FIGURE 15 - CLIENTS



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

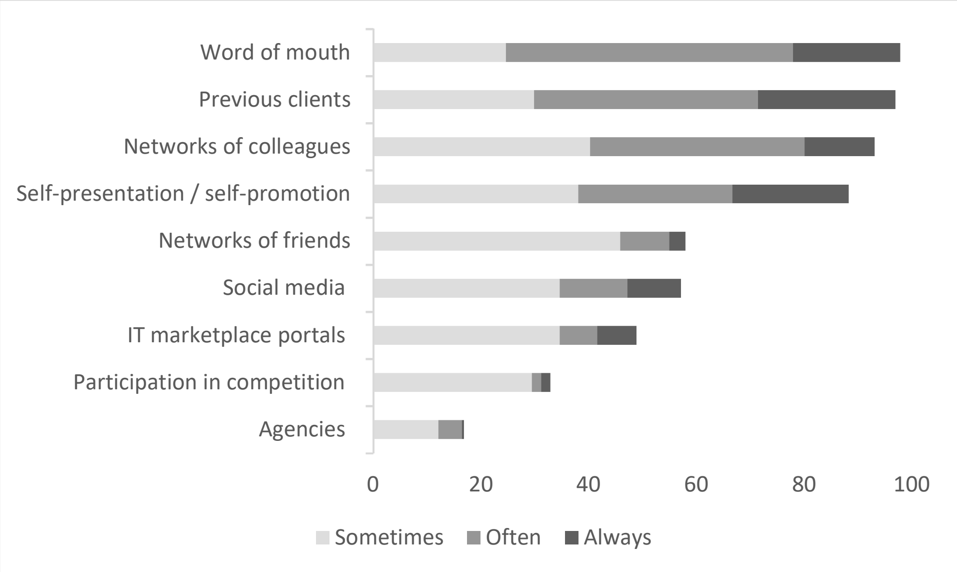
There are 4 primary channels used to obtain new assignments:
- word of mouth;
- existing clients;
- networks of colleagues;
- self-promotion.

This would appear to confirm the position that firmly embedded markets[5], meaning those calling for the high levels of know-how typical of professional services, are influenced by mechanisms other than price, and specifically confidence and the factor of human relations.

[5] Granovetter, M. (1985), *Economic Action and Social Structure: The Problem of Embeddedness*, in American Journal of Sociology, vol. 91, No. 3, pp. 481-510.

At the same time, the responses point to the new role of the web ad digital technology. The promotion of one's own work, which often occurs on websites, along with the use of social media, play noteworthy roles in building what amounts to «social digital capital»[6].
A freelancer's reputation, therefore, entails both on-line and off-line investment, serving as a key element in establishing a relationship of trust between the client and the professional, all as part of an interaction often carried out remotely.

FIGURE 16 - CHANNELS USED FOR ACQUIRING ASSIGNMENTS



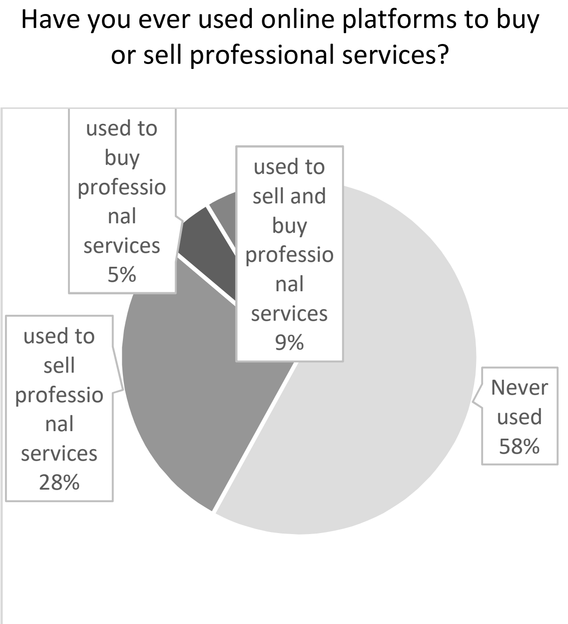
Source: ACTA, I-WIRE survey, analysis of German data

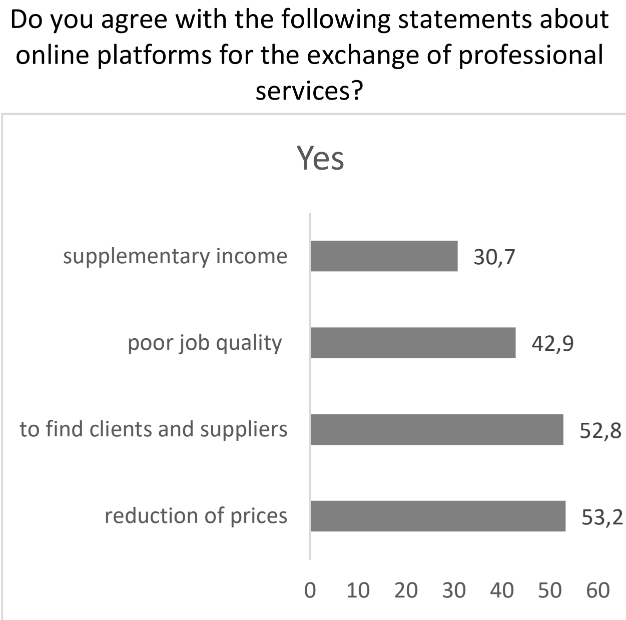
Closer examination of the tool represented by IT marketplaces shows that more than half the respondents have never used them. Still, a noteworthy portion of the professionals have bought/sold professional services on such marketplaces (37%). Asked whether on-line platforms are of use, the sample group was equally divided between those who saw a threat that could push down prices and others who detected an opportunity for enlargement of the professional market.

[6] Gandini, A. (2015), Il lavoro freelance: reputazione e capitale sociale nell'era del "lavoro digitale" [Freelance work: reputation and social capital in the age of "digital work"], in Quaderni di Sociologia, No. 69.

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

FIGURE 17 - PLATFORMS FOR THE EXCHANGE OF PROFESSIONAL SERVICES





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

The nature of relations with client confirms that the professionals are independent: they organise services as they see fit, based on an established project. The relationship, which occurs within a framework of rules set in advance, is on an equal footing. Roughly ¼ of the sample group is subject to greater supervision by the client.

FIGURE 18 - RELATIONS WITH CLIENTS

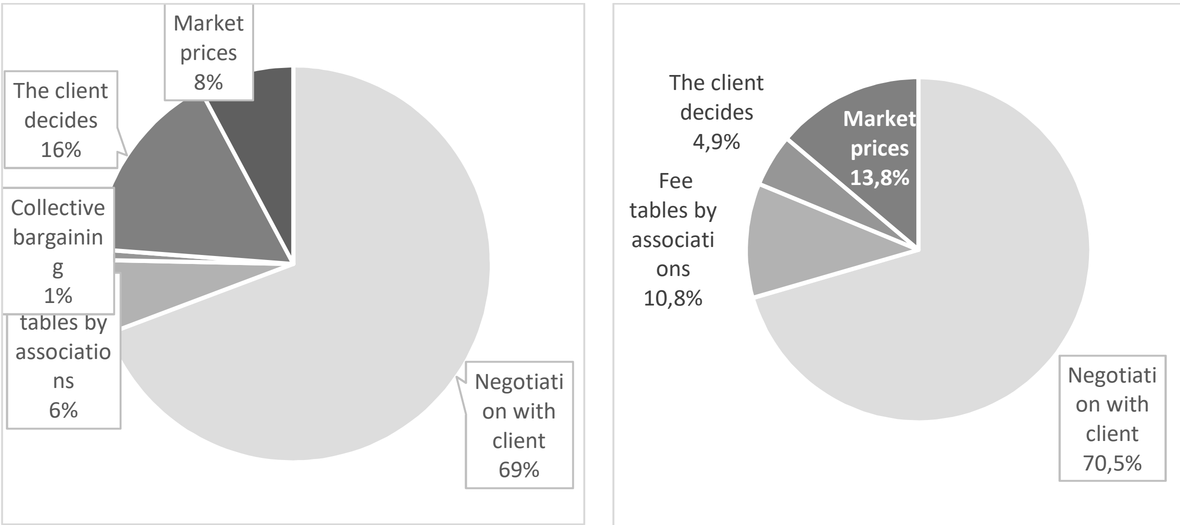
Source: ACTA, I-WIRE survey, analysis of German data

In terms of setting compensation, ¾ of the sample group say they negotiate directly with clients, while 16% have limited possibilities for negotiation, as the relationship is overly favourable to the client. Only a small percentage of the respondents (1%) is covered by collective bargaining, despite the efforts of some German unions to expand collective agreements to include independent workers as well, especially in the sectors in which the majority of the respondents work.

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

On this subject, it should be remembered that, starting in the 2000's, the Ver.di union reached a number of collective agreements on minimum fees in the media sector with the Federation of German Newspaper Publishers, as well as with a number of regional publishers associations. These agreements were subsequently extended to include freelance journalists and photographers as well[7]. The setting of minimum fees served as a benchmark for the entire sector[8]. Ver.di also managed to arrive at agreements for compensation for writers, taking advantage of the Copyright Act introduced in 2002 to safeguard royalties.

FIGURE 19 - HOW YOUR COMPENSATION IS DETERMINED



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

3.9 EVALUATIONS

The questionnaire included sets of questions meant to gather further information on both levels of satisfaction and problems of note.

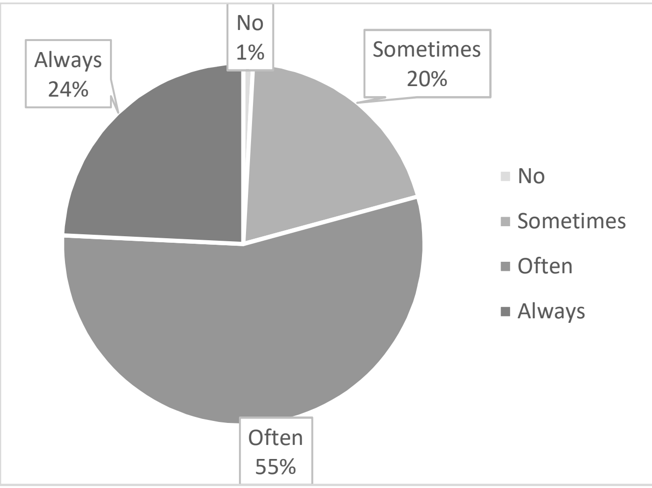
3.9.1 SATISFACTION

Approximately 80% of the sample group, when asked if they were satisfied with their jobs, said they almost always were, while roughly 1/5 said they were only a little satisfied (20%) or not at all (1%).

[7] Pedersini, R. (2010), *Trade union strategies to recruit new groups of workers*, in European Industrial Relations Observatory on line, Dublin: European Foundation for the Improvement of Living and Working Conditions, Available at: www.eurofound.europa.eu/docs/eiro/tn0901028s/tn0901028s.pdf

[8] Leighton, P. (2013), *Future Working: The Rise of Europe's Independent Professionals (iPros)*, report for the European Forum of Independent Professionals, Available at www.efip.org/future-working-the-rise-of-europeans-independentprofessionals

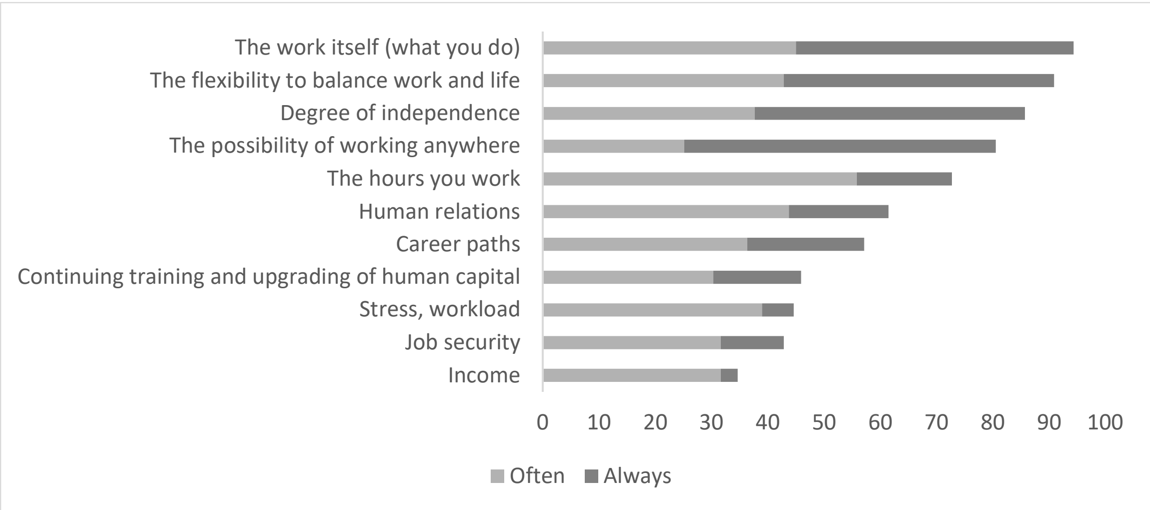
FIGURE 20 - ALL THINGS CONSIDERED, HOW SATISFIED ARE YOU WITH YOUR JOB?



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

The main reasons for satisfaction involve the content of the work and the flexible procedures that make it possible to balance family and professional life. Professional independence is again seen as a plus. Less satisfaction was expressed with the levels of income and social-security protection associated with such employment, with other reasons for dissatisfaction including workloads and stressful timing.

FIGURE 21 - HOW SATISFIED ARE YOU WITH YOUR JOB IN TERMS OF:



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

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

3.9.2 Problems

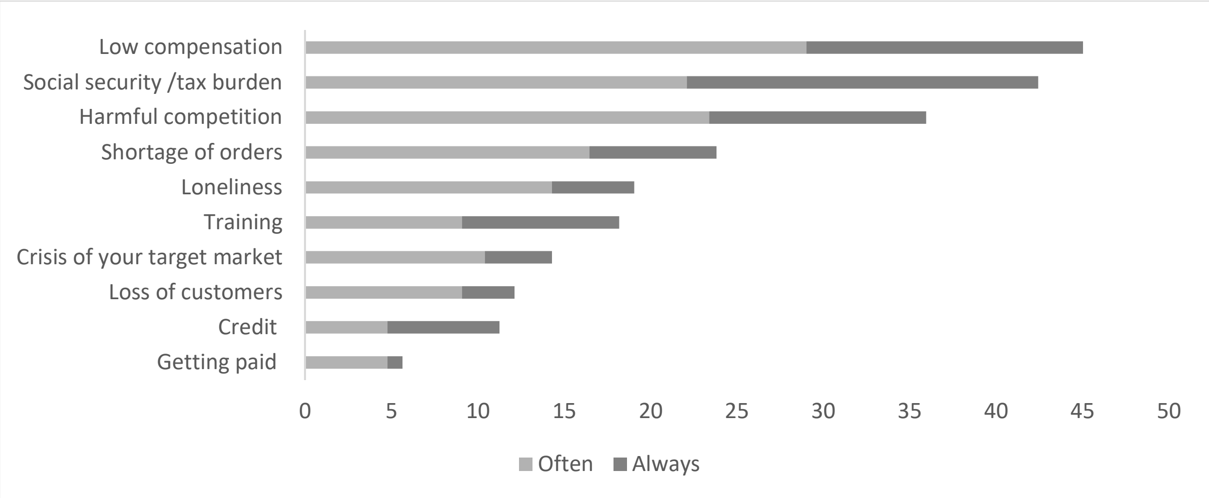
The questionnaire also assessed what problems new independent professionals perceive as most pressing.

In keeping with the earlier question on reasons for satisfaction, the German respondents focused on three main sets of problems: (i) low pay; (ii) high social security charges/taxes; (iii) undermining of competition (price-cutting, unfair competition). These are problems "of" and "in" the market in which the professionals operate.

A number of working conditions were identified as problems: loneliness during work activities, probably due to the fact that the majority of respondents regularly works at home (cf. para. 5); availability of training for a professional category that, in order to be competitive, must constantly update its skills.

Unlike what was observed in other countries (such as Italy), the German I-Wire sample group holds access to credit and difficulties with payments from clients to be less pressing problems.

FIGURE 10 - CURRENTLY, HOW PROBLEMATIC ARE THE FOLLOWING ISSUES?



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

To get a summary of the different responses, a principal components analysis was performed, resulting in identification of 2 key factors that, taken as a whole, explain 43% of the variance. Both these factors focus on the economic weakness of the new independent professionals.

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

TABLE 3 - COMPONENT MATRIX

	Component	
	1	2
	Weakness in relations with clients	Weakness in the overall working reality
Shortage of assignments	0.694	
Loss of customers	0.701	
Low compensation	0.641	
Social security contributions and tax burden		0.598
Credit problems		0.648
Unfair competition (low prices or unfair practices)		0.675
Getting paid		0.634
Crisis of your target market	0.591	
Training	0.448	
Loneliness	0.498	
% of variance explained	23.4	19.6

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

The first factor (*weakness in relations with clients*) groups together the problems that NIPs have with clients (from drops in assignments and clients to low pay); the second (*weakness in the overall working reality*) regards difficulties in the eco-system in which the worker operates: from the tax burden to the undermining of competition, all of which lessen overall competitiveness.

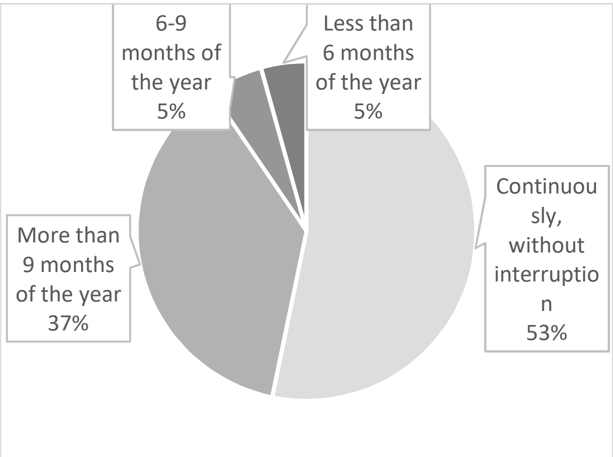
3.10 Stability versus precariousness

In evaluating the socioeconomic situations and the conditions of employment of the respondents, we consider 3 dimensions: continuity of work, the income it provides and the social welfare system.

3.10.1 Continuity of work

Analysing the discontinuity of freelance work is no easy matter, given the distinctive features of this form of employment. In the case of those who work multiple short-term jobs (for days, weeks or months) for different clients, engaging in different activities at once, it is generally hard to quantify the length of periods of inactivity. Still, when asked about discontinuity over the last two years, the majority of the sample group (53%) said they had experienced no period of interruption, and more than 1/3 had worked at least 9 months of the year. A period of only 6 months of continuous work was reported by 5%, while a similar percentage worked continuously for 6-9 months.

FIGURE 22 - IN THE LAST 2 YEARS YOU HAVE WORKED

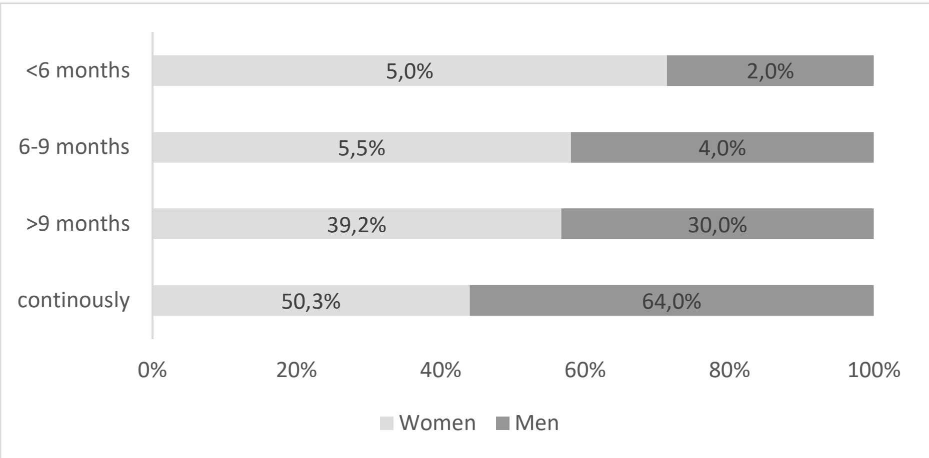


Source: ACTA, I-WIRE survey, analysis of German data

In terms of age, there are no noteworthy differences between the various groups.

Of greater interest is gender, as it shows that men who work continuously, and for longer periods of time are over-represented compared to women.

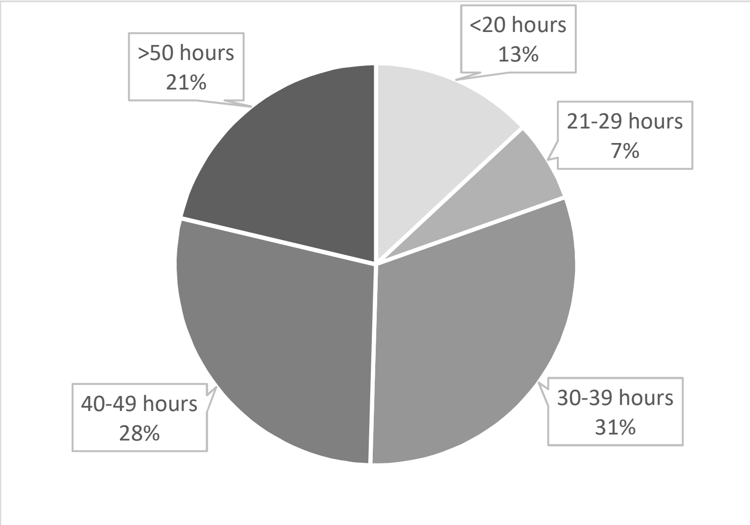
FIGURE 23 - CONTINUITY OF WORK BY GENDER



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

The sample group works an average of approximately 38 hours a week, and specifically: 1/3 reports a standard work-week (30-39 hours), while a slightly lower percentage has a work-load of 40-49 hours. The rest of the group divides in half between those with a work overload (21% exceed 50 hours) and those who work less than 30 hours (20%).

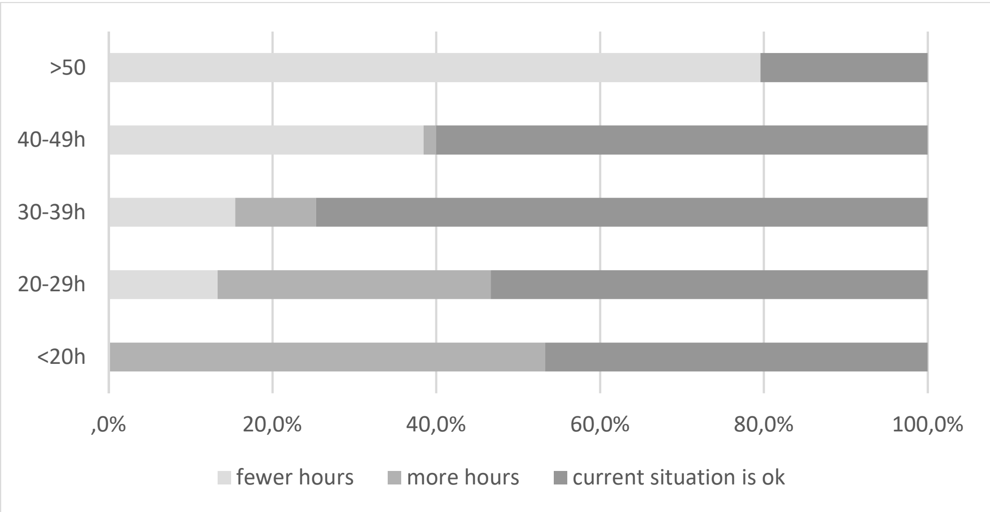
FIGURE 24 - WORK HOURS



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

Asked what working hours they would prefer, more than half of the respondents said they were satisfied with the current situation (53%); 1/3 would like to work less, with this last group made up mainly of those with a weekly workload of more than 50 hours. In contrast, those who work less than 30 hours (20%) would like to work more.

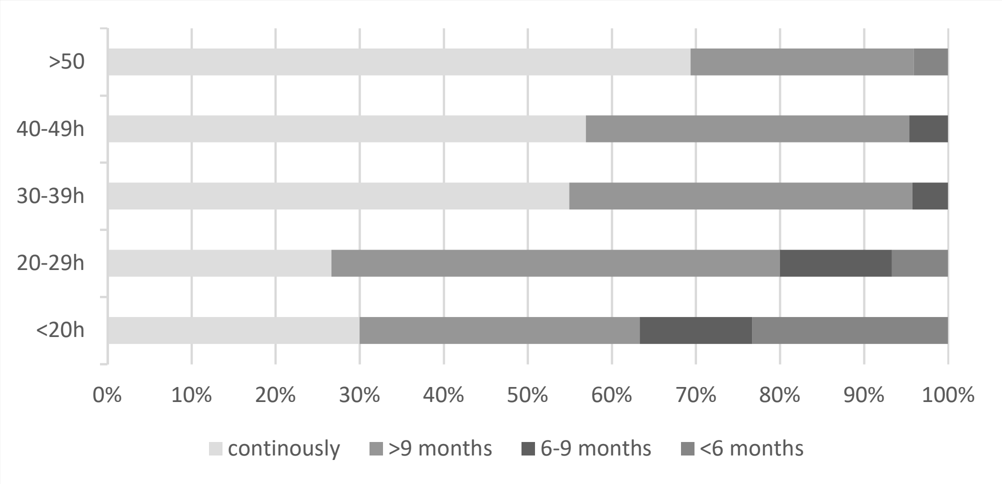
FIGURE 25 – WOULD YOU LIKE TO WORK MORE HOURS?



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

A work week of less than 30 hours is frequently found together with short-term employment (<9 months); work overloads, on the other hand, more often involve those with continuous work.

FIGURE 26 - WORKING HOURS AND CONTINUITY



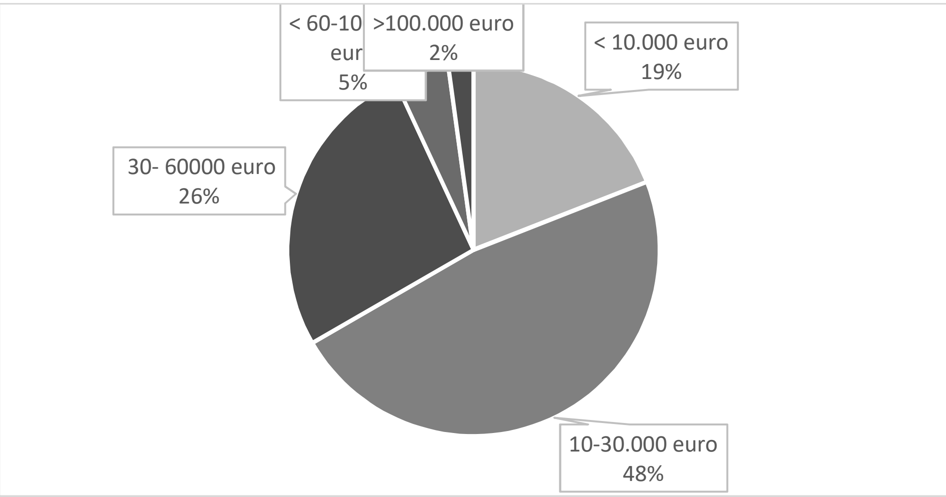
Source: ACTA, I-WIRE survey, analysis of German data

3.10.2 Income

An analysis of pre-tax income shows that:

- roughly half the sample group (48%) has annual pre-tax income of less than 30,000 euro;
- about ¼ of the sample group has an income of 30,000-60,000 euro;
- approximately 1/5 of the respondents have an income of less than 10,000 euro.
- The freelancers with the most favourable economic conditions, at incomes of more than 60,000 euro, represent only a small percentage (7%).

FIGURE 27 - ANNUAL PRE-TAX INCOME AS A FREELANCER (EUROS 2016)



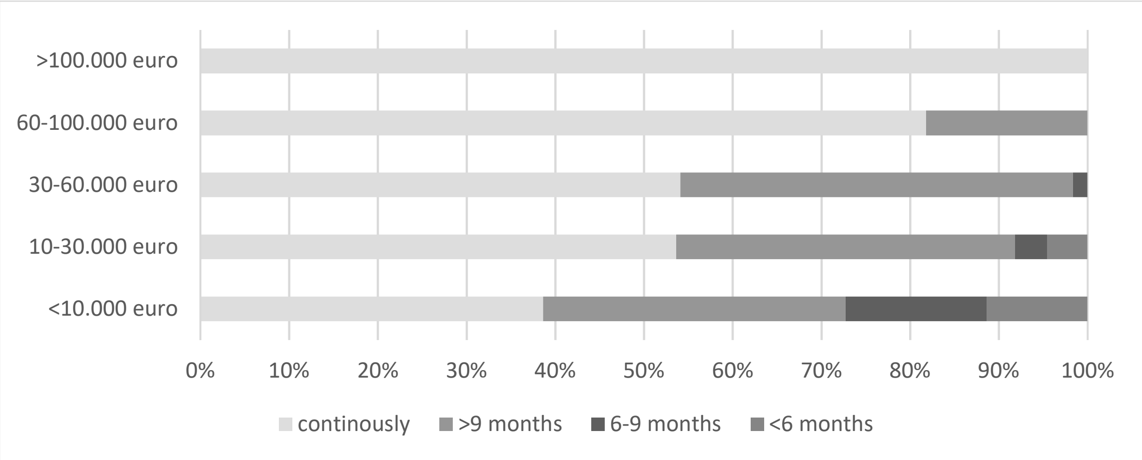
Source: ACTA, I-WIRE survey, analysis of German data

Opinions on economic conditions point to noteworthy difficulties: slightly less than half (49%) hold their income to be sufficient to get by on, while roughly 1/3 consider it to be adequate (26%); however, almost 1/5 of the respondents that they do not earn enough to meet day-to-day expenses, while only a negligible number consider their income to be high (1%).

A cross-analysis of income and gender does not point to noteworthy differences, nor are meaningful differences produced by a cross-analysis of income and age, explained in part by the make-up of the sample group, which contains relatively few young people.

As was foreseeable, the highest incomes were earned by those who work the most hours. There was also a noteworthy link between low incomes and discontinuous employment, as well as, on the other end of the spectrum, between those with very high incomes (more than 100,000 euro) and uninterrupted employment (the Pearson's chi-squared is significant, at 0.002).

FIGURE 28 - INCOME CROSS-ANALYSED WITH CONTINUITY OF WORK



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

3.10.3 Public and private Welfare

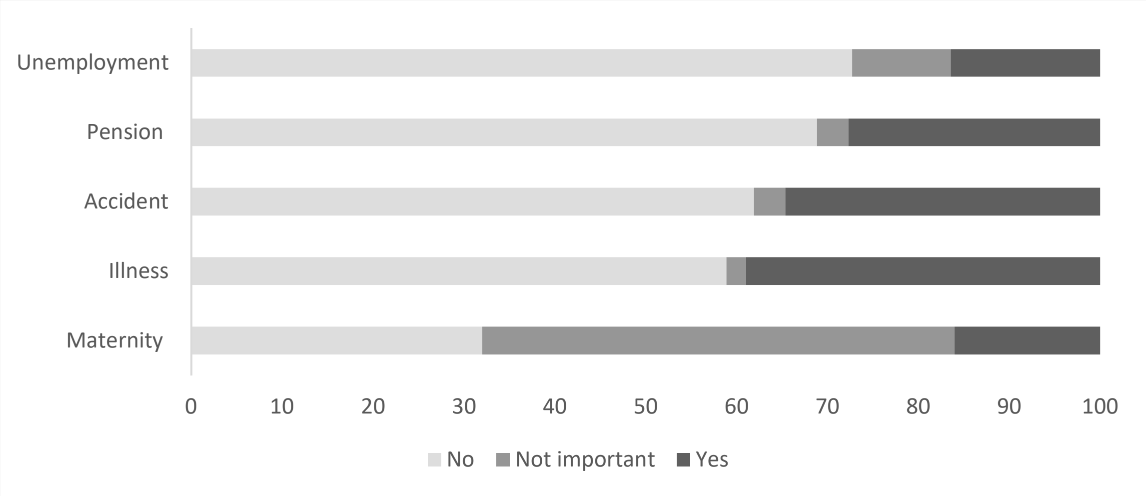
As for social safeguards, the I-Wire sample group perceives that it does not have adequate protection against the risk of unemployment and future pension coverage. Of note is the fact that, in the wake of the reform of the social welfare system initiated in 2004 by the Schröder government (the Hartz reform) and pursued by subsequent governments, pension coverage is obligatory in Germania only for certain categories of independent workers (craftsmen, artists and freelance journalists, as well as the professions for which there are official orders) and voluntary for everyone else. However the high costs of the pension system are a barrier for independent workers with low incomes; plus, the benefit contributions paid do not always entitle workers to forms of support in times of employment discontinuity[9]. In the specific case of unemployment insurance, since 2006, independent workers who have previously been salaried employees are entitled to remain in the insurance system that covers periods of unemployment, paying the contributions on a voluntary basis[10].

9 Bologna S. and Banfi D. (2011), *Vita da freelance*, Milano, Feltrinelli.

10 I-WIRE, Country Case Germany, Paolo Borghi, 2017.

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

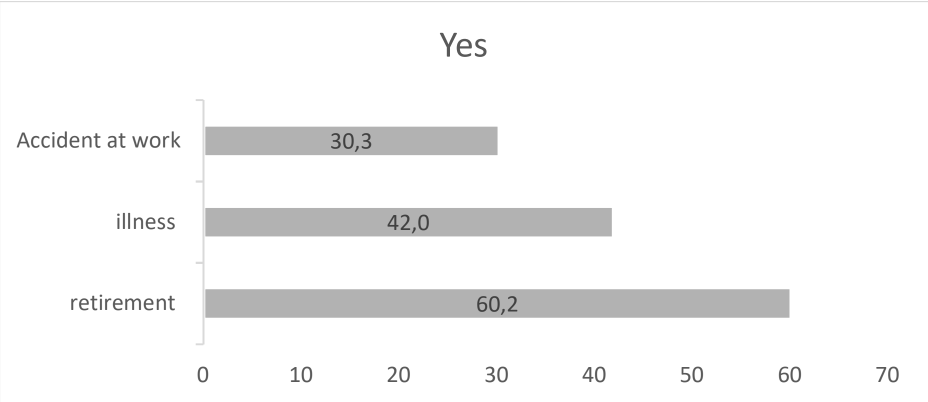
FIGURE 29 - DO YOU FEEL PROTECTED IN THE EVENT OF …?



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

For protection against the main perceived risks, a significant number of the respondents pay benefit contributions voluntarily or purchase private pension plans.

FIGURE 30- DO YOU PAY VOLUNTARY CONTRIBUTIONS OR PURCHASE COMPLEMENTARY INSURANCE?

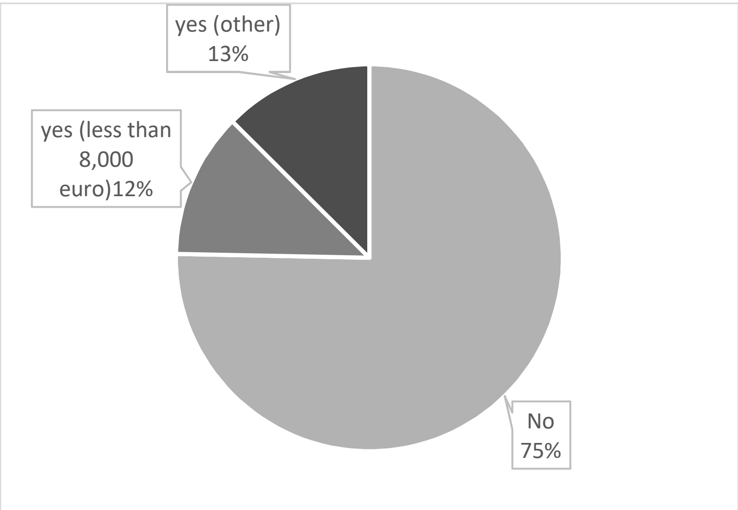


Source: ACTA, I-WIRE survey, analysis of German data

3.10.4 Tax benefits

Regarding tax benefits, more than ¾ of the sample stated that they enjoy no special conditions. Most of those who use a beneficial tax regime (less than 8,000 euro) are professionals that charge VAT.

FIGURE 31 – USE OF TAX FACILITIES

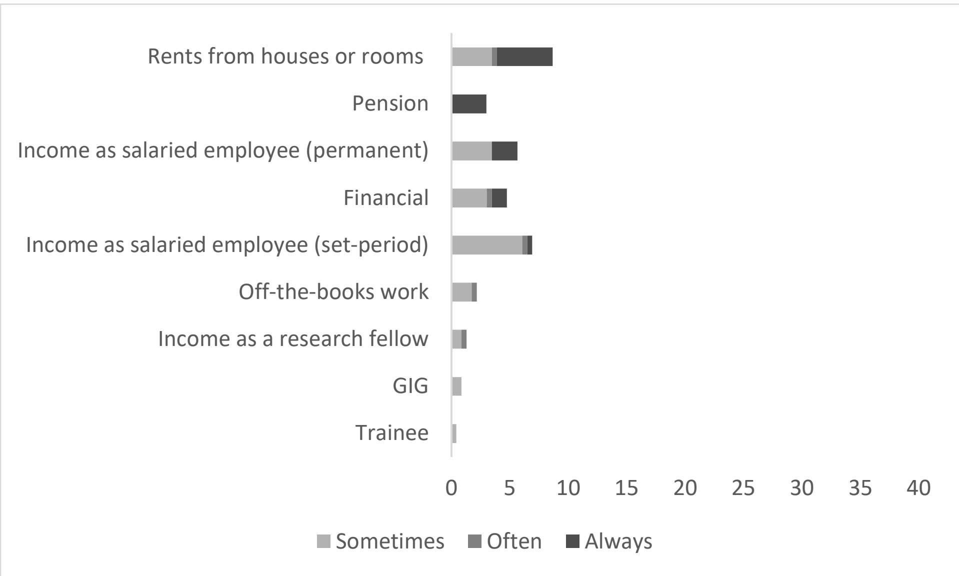


Source: ACTA, I-WIRE survey, analysis of German data

3.10.5 Other sources of income

A minority of the sample group has other sources of supplementary income, and specifically: yield from real-estate holdings is the most frequent supplement; additional income primarily takes the form of: (i) pensions; (ii) a salaried job, most often for a set period; and (iii) stock ownership. There are few instances, on the other hand, of work done off the books or in the "gig economy".

FIGURE 32 - OTHER SOURCES OF INCOME

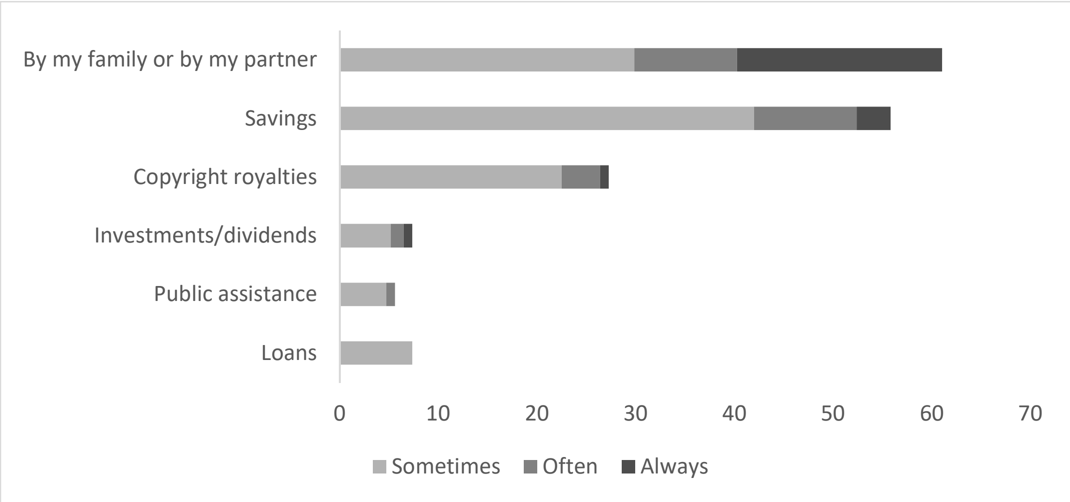


Source: ACTA, I-WIRE survey, analysis of German data

Asked on how they deal with uncertain economic times, the majority of those interviewed say that the risk is shared with a partner or with their family of origin. The average age of those who draw on family resources is 48, making the approach compatible with the dual-earner strategies that, as confirmed by the literature on the subject, meet the need for self-fulfilment, individual independence and adjustment to a flexible labour market.

Income from savings and copyright royalties also appears to be increasingly frequent, with the latter proving consistent with the characteristics of the sample group, which is largely made up of professionals active in the sectors of publishing, translation and journalism.

FIGURE 33 - OTHER WAYS TO SUPPORT YOURSELF



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

3.11 Representation

The topic of representation was analysed with a set of questions meant to analyse the role of professional associations, the extent of participation and the opinion of the NIPs with regard to collective action.

The great majority of the I-Wire research sample group belongs to an association; membership in traditional unions is fairly significant, while fewer of the respondents belong to horizontal organisations that group together different professions.
The responses show that union membership has a greater force of attraction in Germany than in other countries covered by the I-Wire survey (such as Italy and the Netherlands); indeed, union efforts and initiatives have been more effective in addressing the needs of independent workers in the context of Germany. Starting from the early 2000's, the Ver.di union organised independents in the sectors of the media and culture, through first-level affiliated associations, such as that for writers, which includes, internally, the association of literary German-language translators, plus the union of German journalists and the media union, which even before joining Ver.di could point to more than 10,000 freelancers[11]. Ver.di also established an assistance outlet specifically for workers in the media sector:

[11] Pedersini, R. (2010), *Trade union strategies to recruit new groups of workers*, in European Industrial Relations Observatory on line, Dublin: European Foundation for the Improvement of Living and Working Conditions, Available at: www.eurofound.europa.eu/docs/eiro/tn0901028s/tn0901028s.pdf

the Media fon GmbH service (www.mediafon.net) provides consulting on tax and legal affairs, pensions, training, social security and representation before labour courts. These customised consulting activities, meant both for Ver.di members and for non-members who pay for them, serve as a support for freelancers within a regulatory framework designed with salaried employees in mind[12].

FIGURE 34 - ARE YOU MEMBER OF A UNION OR ASSOCIATION?

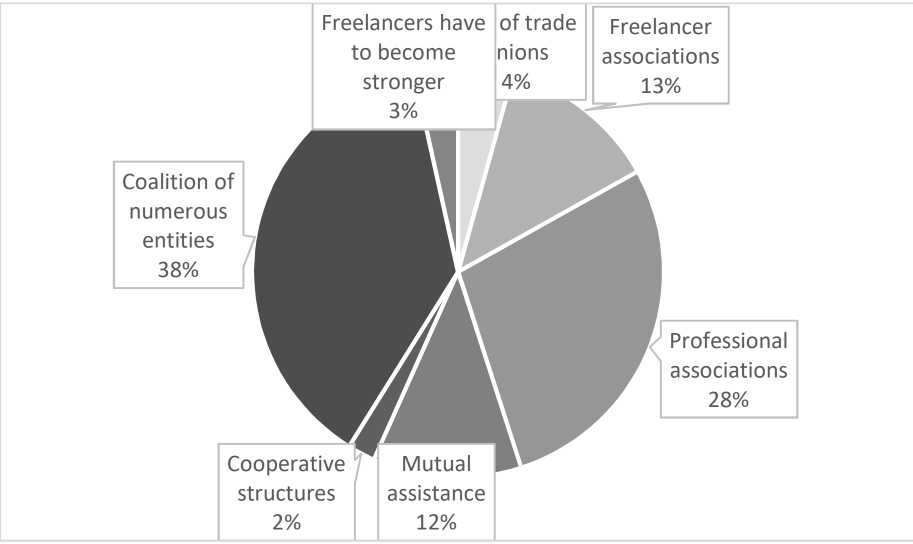
Source: ACTA, I-WIRE survey, analysis of German data

Questioned as to what type of entity would best be able to represent freelancers, the majority of the sample group (38%) favours an alliance of the various organisations active in the field. The respondents appeared to suggest that a networking strategy involving unions, professional associations and self-established organisations could prove most effective in championing the needs and demands of the category. There is a clear-cut preference for this networking solution, as opposed to individuals representing themselves on the market (3%) or reinforcement of traditional unions (4%).

[12] Bologna S. and Banfi D. (2011), *Vita da freelance*, Milano, Feltrinelli.

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

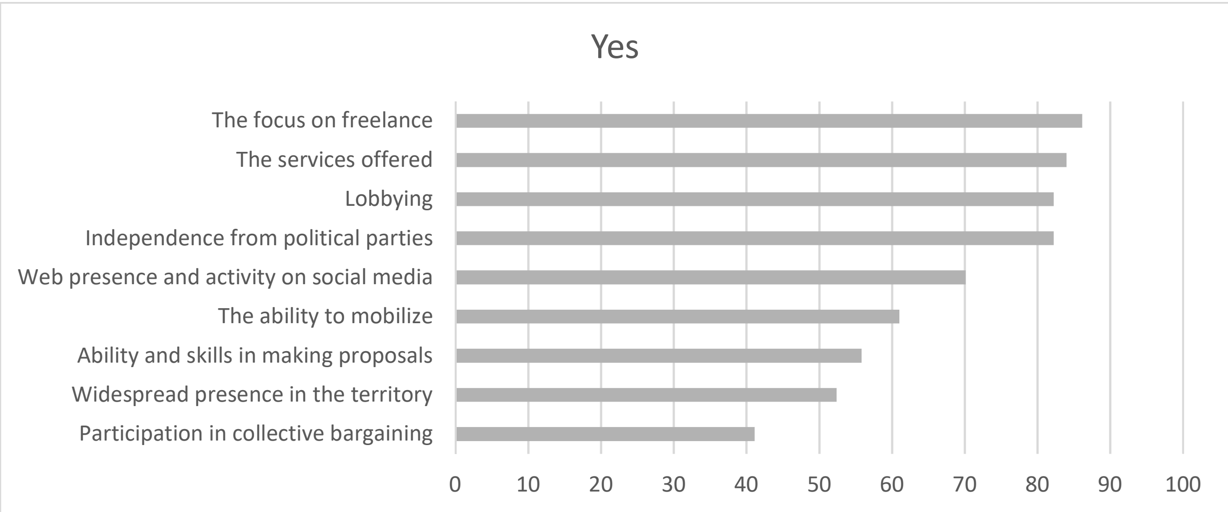
FIGURE 35 - IN REPRESENTING INDEPENDENT WORKERS, IT IS IMPORTANT TO IMPROVE



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

When asked about the most important considerations in selecting an organisation of representation, the respondents give priority to a focus on freelancers, expressing the need for efforts custom tailored to serve the category; other, equally important factors are the organisation's ability to provide consulting services and to lobby political decision-makers. The least important consideration is whether the professional group participates with unions in collective bargaining.

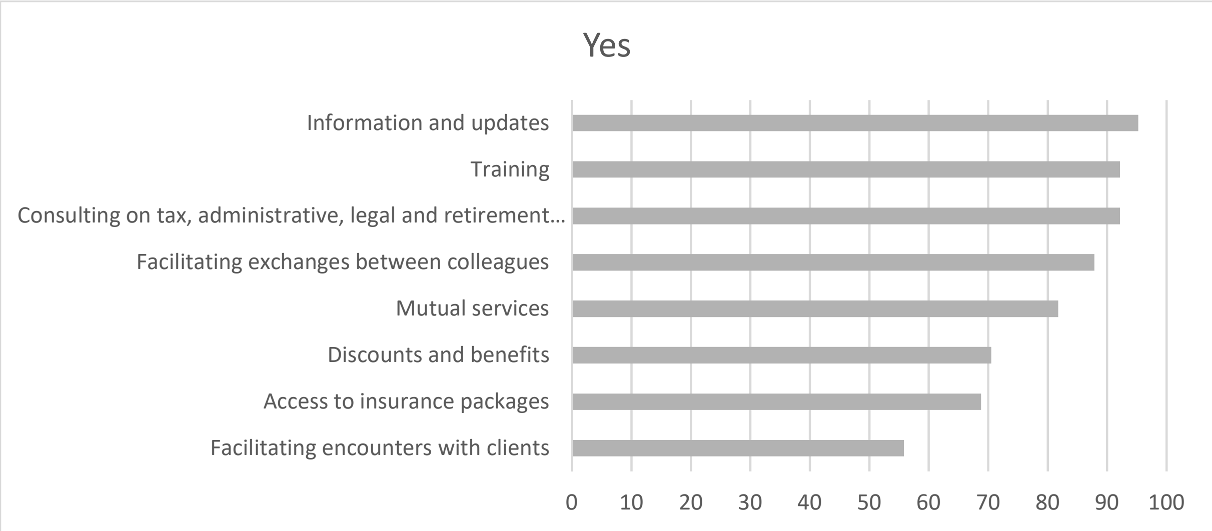
FIGURE 36 – MAIN CONSIDERATIONS IN CHOOSING AN ORGANISATION TO REPRESENT INDEPENDENT WORKERS



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

The services requested by the respondents consist primarily of "individual" activities, though they also appreciate "collective" services, such as networking activities and access to private insurance packages.

FIGURE 37 - WHAT SERVICES SHOULD BE OFFERED BY AN ORGANIZATION OF INDEPENDENT WORKERS

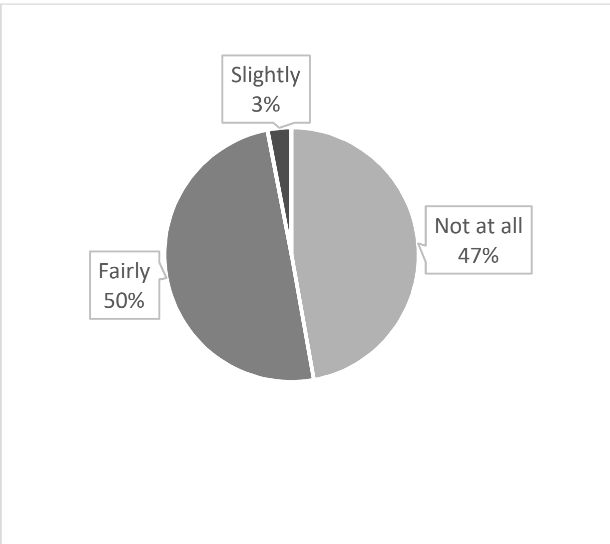


Source: ACTA, I-WIRE survey, analysis of German data

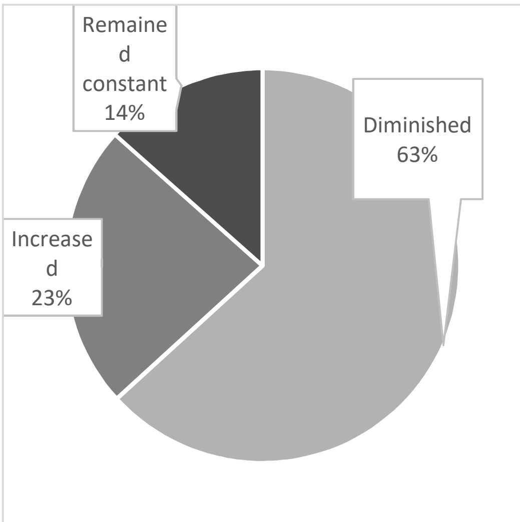
Finally, when asked about the attention paid to their professional group by political-institutional figures, the opinion of the majority of the respondents was positive overall, though they felt that this attention had dropped off sharply in recent years.

FIGURE 38 –ATTENTION PAID BY POLITICAL WORLD TO NIP

HOW RESPONSIVE DO YOU BELIEVE YOUR COUNTRY'S POLITICIANS AND INSTITUTIONS ARE TO THE DEMANDS OF INDEPENDENT WORKERS?



THIS ATTENTION HAS RECENTLY ...



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

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

3.12 Conclusions

As shown on the preceding pages, the German sample group of the I-Wire research presents a number distinctive socio-demographic characteristics:

- ✓ Gender: the distribution is imbalanced, strongly favouring women (78.4%);
- ✓ Sector: there is a clear-cut prevalence of certain sectors. Two in particular (publishing and translation/interpreting activities) account for 74% of the cases;

With the self-selection process of the sample group being so tightly focused, the socio-professional groups included presented empirical characteristics that proved consistent with respect to 3 sets of considerations:

- ✓ working conditions;
- ✓ market conditions;
- ✓ strategies against economic risks.

An effort to summarise these factors is made below.

With regard to working conditions, approximately 90% of the sample group consists of professionals who charge their clients VAT and have worked this way for a significant period of time: more than half the sample group have been freelancers for more than 10 years; almost all of them (90.9%) have worked under this type of contractual arrangement for at least 3 years. The relative majority of the respondents engages in no more than 2 activities; for the most part, these are professionals in publishing, where, unlike what takes place in other sectors, they are able to avoid fragmenting their profession into multiple "jobs" more or less connected with one another. There is a marked propensity for independence, fuelled by the wish to organise their time flexibly and control their work projects, without being subject to constraints imposed by clients. In keeping with this mind-set, roughly 80% of the sample group, given the choice between independent and subordinate work, would opt for independence, a choice influenced both by the content of their activities and by the manner in which they are carried out. In fact, a clear-cut majority of the sample group operates with a significant degree of independence, deciding where they work, the working hours, how the content of the work is organised and the question of free time; furthermore, almost none of the respondents use the working tools of clients, and they enjoy economic independence as well (having more than 1 client). Their subjective perception of their independence is confirmed by the objective conditions observed (almost 2/3 of the sample group is totally independent, with a score of 9 or 10 on a scale of 1 to 10).

In contrast to the high level of satisfaction with their work situations, the respondents see themselves as possessing little protection against difficulties caused by market conditions. In particular, the professionals surveyed in the course of the I-Wire research focused on three primary problem areas: (i) low earnings; (ii) high taxes/benefit contributions; (iii) deterioration of the competitive framework (price cutting; unfair competition). These are problems "*of*" and "*in*" the market in which freelancers operate. In analysing their principal components, the focus was for 2 factors: *weakness in relations with clients*, which summarises the difficulties experienced by professionals in dealing with their clients (from drops in number of assignments and clients to lower pay); *weakness within the overall working context* (from the weight of taxation to the deterioration of competitive framework, all of which has repercussions on the overall level of competitiveness).
Both factors highlight the economic vulnerability of freelancers, a condition further exacerbated by the discontinuity of work and the levels of income. For almost half the sample group (48%), the length of employment contracts is extremely variable and working relations are short-lived: only 6.5% have

contracts lasting for at least 1 year; for the most part (45.9%), the length of the respondents' contracts can be measured in days, weeks and months. As for economic considerations, roughly half the sample group (48%) has a pre-tax annual income of less than 30,000 euro, almost ¼ earns between 30,000 and 60,000 euro a year, and no less than 1/5 of the respondents have an annual income of less than 10,000 euro. The freelancers with the most favourable economic conditions, meaning annual income of over 60,000 euro, constitute only a small percentage of the total (7%).

To deal with the difficult economic situation (a full 20% hold their income to be insufficient for meeting day-to-day expenses), the majority of the sample group receives income support from their partner or family of origin. The empirical analysis confirms the assumption that dual earner strategies are at work, as the average age of those who draw on such resources (48 years old) rules out the possibility of it being assistance from parents; for that matter, the low-income (< 10,000 euro a year) and medium-low income (10,000-30,000 euro) subgroups are over-represented among those who state that they count on extra "family" income (Pearson's chi-squared: 0,001). The combination of these two elements leads us to conclude that: (i) the income is supplemented between the couple; and (ii) the double income allows the respondents to engage in an activity whose content is highly gratifying, though difficult to "sustain" economically. In this sense, the I-Wire sample group would confirm the findings presented by the literature on the topic: namely that dual earner strategies constitute a response to the need for self-fulfilment and adjustment in a flexible labour market.

How do the respondents of the I-Wire sample group view associations or other forms of representation? The question is of particular interest in light of the considerations formulated above, which depict a group of freelancers "by vocation" who experience problematic economic conditions and market situations and resort to strategies of family support to deal with economic risks. What space remains, therefore, for collective action?
On this point, it should be noted that the majority of the respondents belongs to a professional association, with 20% holding membership in a traditional union. Unlike the situation in other countries covered by the I-Wire survey (such as Italy and the Netherlands), union organisations in Germany hold a greater power of attraction, most likely due, at least in part, to the initiatives undertaken by Ver.di – the union active in the services sector – efforts aimed specifically at independent workers, including: (i) organisation of freelancers in the cultural sectors through affiliated professional associations; (ii) the opening of a consultation outlet for professionals in the media sector: Media fon GmbH; (iii) the extension of collective bargaining to include a number of professional categories: journalists, writers and photographers[13]. But despite the various attempts to provide independent workers with representation and include them in a system of safeguards based on union tools, the efforts of Ver.di would appear to have had a limited effect on the respondents, as only 1% of the sample group states that they are covered by the pertinent collective bargaining contract[14]. Furthermore, the economic difficulties referred to, together with the low level of safeguards perceived by the respondents, point to a weakness that the efforts of union have not managed to deal with in adequate fashion. The fact is that, in the German system, agreements on minimum compensation are

[13] Eurofound (2010), *Trade Union Strategies to recruit new groups of workers*, Publications Office of the European Union, Luxembourg.

[14] This is largely an outcome of the "German model", which is highly focused on salaried employment, with representation of the new independent professionals complicated by at least two sets of considerations: first of all, the unions cannot utilise the technique of collective bargaining, seeing that, under antitrust laws, such workers are viewed as individual enterprises, mean they are not allowed to set common fee and expense levels; nor can independent workers sit on workers' councils, which, as a result, do not represent them (Pedersini, 2010).

limited to specific sectors. At the same time, the reform of the social welfare system, initiated in 2004, gave rise to marked differences in treatment: pension coverage is obligatory only for certain categories of independent workers (craftsmen, artists and freelance journalists, as well as the professions for which there are official orders), while it is voluntary for everyone else, only the high benefit payments required prevent low-income freelancers from taking advantage of the system.
The question on “what entities could best represent freelancers” also points to the distance separating them from traditional unions: the largest part of the sample group (38%) would like for the different subjects in the organisational field to create an alliance, holding that the joint efforts of a number of different subjects would prove more effective than union initiatives per se. In other words, respondents would appear to suggest that networking strategies revolving around positive-sum interplay between unions, professional associations self-established associations could prove more successful in addressing complex problems, such as the generalised decrease in compensation, the difficulty of sustaining high pension costs and the risk of poverty in old age.

An important element in optimising this cooperative interplay between the various entities involved in representation (unions and associations) should be the role of the political sphere: for the majority of the respondents, the attention shown by political-institutional authorities for freelancers is positive, on the whole, though in recent years it appears to have decreased.

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