I-WIRE

Independent Workers and Industrial Relations in Europe

AGREEMENT NUMBER: VS/2016/0098

WP4. Survey

(January 2018)

(ACTA)

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RESEARCH DESIGN

The general objective is to take a closer look, within the context of the European Union, at the chief characteristics of the professional group that we have defined as Independent Professionals (IP). The questionnaire, meant to highlight the socio-economic characteristics, the professional condition, the expectations and the perceived needs of such workers, consisted of 66 questions divided into 6 sections: description of the profession and the sector; the perceived working conditions; description of the market conditions; relations with union and quasi-union organisations; socio-demographic data.

The data were gathered by means of an on-line questionnaire that was uploaded onto the platform Google Forms, where it remained available from 15 June to 30 September 2017. The questionnaire was made known primarily on the website of the I-Wire Project (http://www.i-wire.eu) and by associations of freelancers, as well as union organisations. News of the survey was placed on the main social media (Facebook and Twitter), with information also channelled, whenever possible, by sending e-mails to the members of the various associations (mailing lists and newsletters). Underlying the decision to conduct the survey on-line were the advantages in terms of reducing costs and being to reach, by "digital word of mouth", an IP population that otherwise would prove difficult to contact, precisely on account of the group's characteristics: the wide variety of professions practiced and methods of organising their work, the lack of physical sites where they gather, the fact that only a small percentage belong to traditional trade unions etc..

A non-probabilistic, snowballing approach was taken to forming the sample group, a technique well suited to the use of the on-line questionnaire.

Overall, 2,054 questionnaires were collected, of which cleaning operations ruled out 47 that were not consistent with the objective of the survey or that were incomplete or contradictory.

TABLE 1 – I-WIRE SURVEY- THE INTERVIEWS PERFORMED AND USED

	Questionnaires collected	Questionnaires deleted	valid Questionnaires	Questionnaires used in analysis
Belgium	246	10	236	234
France	163	10	153	148
Germany	231	0	231	231
Italy	914	7	907	874
The Netherlands	244	7	237	223
Slovenia	33	2	31	31
Spain	101	10	91	91
Sweden	46	0	46	46
United Kingdom	22	0	22	22
Other countries	54	1	53	53
TOTAL	2.054	47	2.007	1.953

Source: ACTA- I-WIRE Survey

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Apart from being difficult, distribution of the questionnaire proved to be varied in terms of:

- the number of questionnaires gathered, which ranged from 20 in the UK to more than 900 in Italy, a diversity not always explained by the different economic structures of the countries involved or by their respective levels of freelance workers;
- the distributions channels utilised, with associations being the primary channel everywhere, though the target groups reached through such organisations presented noteworthy differences in terms of professional categories, types of employment contracts and the economic force of the respondents;
- the types of professional activities and working arrangements of the respondents, who consisted almost exclusively, in countries such as Germany and Sweden, of professionals active in the sectors of publishing and journalism, while in other countries the majority of the respondents were professionals organised under cooperative structures and umbrella companies (Belgium and France).

For the above reasons, it was decided not to compare the different country scenarios directly. Instead a separate analysis was carried out for each country whose sample group exceeded 100 questionnaires, while a brief summary report was drawn up for the countries below that threshold.

This analysis was preceded by a preparatory phase during which the data collected were cross-analysed with those of the reference framework (drawn from national statistical sources or, when these were not available, from EUROSTAT data), in order to:

a) determine the scope of the sample group, with it proving difficult, almost everywhere, to reach those who work in finance or healthcare, while difficulty was also encountered, as a rule, when it came to involving those in the regulated professions in the research, especially in the case of the law and architecture, as well as other individual sectors that varied from country to country;
b) evaluate the possibility of reformulating the reference universe through percentage weightings meant to correct distortions brought about by participation that frequently proved imbalanced in terms of the distribution of the professions (especially in Germany, where the publishing sector is predominant), socio-demographic variables (age in Holland or gender in Italy) or modes of employment (those work for cooperatives and umbrella companies are overrepresented in France and in Belgium). The weighting operation was deemed to be appropriate only for Italy and Holland, where it was possible to reformulate the reference universe (using 2016 ISTAT data for Italy and 2015 Eurostat data for Holland), and a suitable number of questionnaires was reached for that universe.

To better interpret the data gathered with the questionnaires, a preliminary analysis was carried out on the EUROSTAT statistics to determine the sum total of independent professionals. It should be noted that this classification could not be applied to umbrella companies and cooperatives, given that such distinctions are not made by EUROSTAT. Furthermore, in the case of France, we had access to the national source, making it possible to look at the specific category of 'salaried entrepreneur', which, in any event, the INSEE classifies as independent employment.

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This report is organised in two main sections:

1. in the first section, consideration is given to the main empirical trends of the professional group referred to as Independent Professionals (IP), based on statistical work-ups of Eurostat data (2015);
2. in the second section, the results of the survey shall be illustrated for each country scenario.

This report was produced by ACTA.

Research group: Anna Soru, Cristina Zanni, Elena Sinibaldi. Supervision by Anna Soru

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FIRST SECTION

INDEPENDENT PROFESSIONALS (IP)

IN THE EUROPEAN UNION

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1. DEFINITION, CHARACTERISTICS AND TRENDS OF INDEPENDENT PROFESSIONALS IN THE EUROPEAN UNION[1]

1.1. DEFINITIONS AND SOURCES OF DATA

The use of official statistics to describe the population addressed by the research is significantly complicated by the inadequate development of the techniques used to collect those statistics, inevitably making it necessary to resort to simplifications. In explaining the analytical approach chosen, we shall first refer to what was done by those who preceded us in analysing the statistical or empirical data pertaining to this universe.

The first to carry out empirical analyses were Friedman and Kuznets[2]. In a 1945 work, the two scholars defined as "professional" those occupations which: "*are alike in that all require prolonged and specialized training and involve work that has something of an academic and intellectual flavor—no purely mechanical or commercial pursuit*". Friedman e Kuznets stress the intellectual content of the activity, observing that there are no precise boundaries, but rather ever-changing ones, and that the level of training required can vary significantly among the different professions[3]. Finally, they specify that the definition covers both regulated and non-regulated professions[4]. Their analysis focusses on independent workers, meaning those who receive not a salary but payment for services offered.

In short, independent professional activities are those that:

- call for extensive, though not necessarily formalised, training, and whose content is intellectual;
- can be either regulated or not regulated;
- are exercised without ties of subordination, with services performed for a fee.

Even though their definition was decidedly broad and inclusive, their empirical research only addressed regulated professions, being limited by the type of data available.

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[1] This section was written by Anna Soru.

[2] Milton Friedman, Simon Kuznets "Income from Independent Professional Practice", National Bureau of Economic Research, 1945.

[3] "*Its boundaries are neither precise nor stable. A century ago the 'learned professions' meant medicine, law, and theology; today they include a host of other occupations; and a century hence they will include still others. These occupations are alike in that all require prolonged and specialized training and involve work that has something of an academic and intellectual flavor—no purely mechanical or commercial pursuit can qualify*"

[4] "*While all professions require specialized training, there are sizable differences in the amount of training required and in the extent to which the requirements are formalized*" (…) "*A growing number of professions are restricted to persons 'licensed' by the state; and candidates for licensure must ordinarily satisfy minimum educational requirements and demonstrate an acceptable level of competence. In other professions not under state licensure, educational requirements are a matter of custom*."

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It was due precisely to the restricted scope of their research that Rapelli[5] (2012) wished to improve on Friedman and Kuznets's approach, which he deems to be inadequate, by examining independent professional employment under a new definition[6].

In Rapelli's analysis of the data, independent professionals, whom he refers to as "I-pros", consist of all independent workers who:

a) have no employees;
b) engage in a service activity and/or intellectual service not in the farming craft or retail sectors.

This pragmatic definition, though most likely conditioned by which statistical sources were available, has the advantages of being objective, and of permitting trouble-free identification of the category, which also makes possible international comparisons, though, at the same time, it losses the characterisation based on the cognitive content of the profession. As such, it includes many independent activities (such as hairdressers and beauticians, footwear repairers) that are more closely related, in terms of problems and practice, to the trades than to intellectual professions. When identified in this manner, the activities do not point to the distinguishing characteristics of the new independent professions.

In this work, therefore, it is proposed that the available statistical sources be used for an estimate of professional employment that accepts the conditions of an absence of employees, as posited by Rapelli, in order to distinguish the less structured situations, but that recovers the dimension of cognitive content underlying the classification of Friedman and Kuznets. Such an operation is possible at present because EUROSTAT, in recent years, not only keeps data on all the countries of the European Union[7], but has also classified working activities on the basis of professional qualification, using the ISCO categories.

To identify the I-Pros, Rapelli has used the data on independent workers who have no employees and provide non-commercial services (NACE, sectors J-S).

In identifying those whom we shall refer to as Independent Professionals (IP), we shall use a further restrictive condition, stipulating that they must possess a high professional ranking, such as manager, professional or technician, as identified under the ISCO 100-352 categories.

It should be remembered that, unfortunately, the official statistic do not also make possible estimation of salaried workers who create their work opportunities and are autonomous in the execution of their work.

[5] Rapelli, European I-pros, a study, 2012.

[6] In realty, as seen earlier, the shortcomings of the analyses of Friedman and Kuznets were due not to the definition utilised, but rather to the scope of the empirical research.

[7] It should be remembered that the data consist of the results of national sampling surveys rendered uniform.

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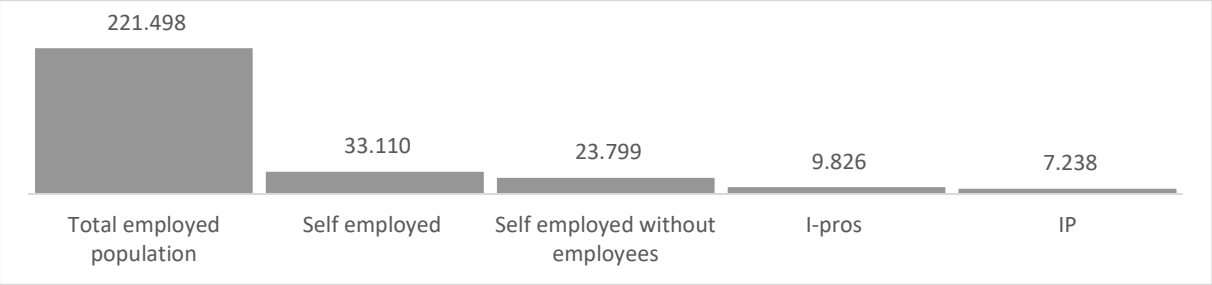
1.2. INDEPENDENT PROFESSIONALS IN EU-28

The following graph shows the procedure used to select out the independent professionals from the total employed population.

FIGURE 1 – EU-28: FROM TOTAL EMPLOYED POPULATION TO IP (2015)



Source: ACTA, analysis of Eurostat microdata

In Europe, there were 23 million 799 thousand self-employed workers without employees active in 2015, equal to 10,7% of the total employed[8], and 7 million, 238 thousand IPs, equal to 3.3% of the total employed and 21.9% of the self-employed.

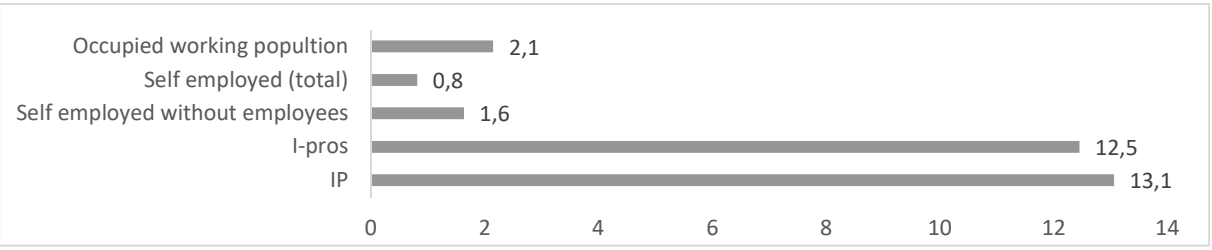
TABLE 2 – FROM TOTAL EMPLOYED POPULATION TO IP IN EU-28 (2015)

	EU 28	% of all employed	% of self-employed
Total employed population	221,498	100.0	
Self-employed workers	33,110	14.9	100.0
Self-employed without employees	23,799	10.7	71.9
I-pros (NACE sectors J-S)	9,826	4.4	29.7
IP (ISCO 100-352, managers, professionals and technicians)	7,238	3.3	21.9

Source: ACTA, analysis of Eurostat microdata

During the period 2011-15, though total self-employment (and even self-employment without employees) grew at a lower rate than total employment, the IP growth rate was significantly higher, at +13.1%, just above the average rise for I-pros[9] (+12.5%).

FIGURE 2 – EMPLOYED, SELF-EMPLOYED AND IP IN EU-28: TRENDS 2011-15



Source: ACTA, analysis of Eurostat microdata

[8] Data of self-employed without employees are consistent with Eurofund (2017), Exploring self-employment in the European Union, Pubblication Office of the European Union, Luxembourg.

[9] The I-pros are calculated using Rapelli's procedure.

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Not including IPs, independent employment fell by 2.4% in the EU-28. The higher IP growth rate is attributive, in part, to rising employment in sectors where IPs are present (services to businesses and social services), as compared to sectors where they are not (farming, commerce, manufacturing), signs

A comparison with the USA

The incidence of self-employed workers with no employees in the EU-28 is 10.7%, a noteworthy figure, but apparently far below those provided by the Freelance Union (FU) of the United States, which goes so far as to forecast that freelance workers shall become the majority of all workers within the next ten years. In any event, we shall show that, when a uniform set of definitions is used, the numbers prove higher in Europe than in the USA.

The FU research estimates 53 million freelancers in 2014[1], 53.7 million in 2015[2] and no fewer than 57.3 million in 2017, representing 35.8% of all workers, for growth that would bring freelancers to account for more than 50% of the workforce by 2027[3]. Except that the Bureau of Labor Statistics (BLS) provides very different numbers, according to which self-employed workers in the United States numbered 14.8 million in 2014, equal to 10.1% in total employment, making for a downward trend over the last two decades.

In a 2015 report[4], Lawrence Mishel of the Economic Policy Institute (EPI) explained the divergence between the different sets of data, illustrating how both the BLS and the FU encountered noteworthy methodological problems when it came to establishing who exactly should be classified as self-employed. The BLS also included the self-employed with employees of their own, while the FU expanded the freelancer category to include anybody who engaged in an independent, even if it was their second job or of only marginal importance[5], calculating their percentage weight out of the total workforce and not just employed workers.

Based on the BLS data, the EPI estimates that self-employed workers who have no employees themselves numbered 11.3 million 2014, accounting for 7.7% of all employed workers[6].

Based on these estimates, the percentage of self-employed workers without employees themselves in the EU-28 (10.7%) is higher than the same percentage in the United States (7.7%), while prospects for future growth are similar in both countries, with the rate for the self-employed being lower than the average for all employed workers.

Concealed within the overall data on the self-employed, however, are a number of divergent trends traceable to decreases in the more traditional components independent employment, with the problem being that we have no American data suitable for comparison with the Eurostat figures on Independent Professionals.

……..

[1] Freelancing in America: A national survey of the new workforce, Edelman Berland (commissioned by Freelancers Union and Elance-oDesk), 2014.
[2] Freelancing in America: 2015, Edelman Berland (study commissioned by the Freelancers Union and Upwork), 2015.
[3] Freelancing in America in 2017, (study commissioned by the Freelancers Union and Upwork) https://www.upwork.com/i/freelancing-in-america/2017/
[4] Lawrence Mishel "Despite Freelancers Union/Upwork claim, freelancing is not becoming the Americans' main source of income", Economic Policy Institute, December 9, 2015.
[5] Which also includes those with no "1099 income", or who have not received any of the 1099 forms that must be sent out by clients who have paid a worker at least $600 during a given tax year.
[6] These percentages are confirmed by the BLS's latest figures for 2016, which show a total of 15 million self-employed workers, of which 11.3 million are self-employed workers without employees themselves https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/pdf/self-employment-in-the-united-states.pdf

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of the continuing shift of the economy to the tertiary sector. But even if the comparison is limited to the sectors of non-commercial services, IP growth is almost double that of the rest of the employed population: 13.1% as compared to 7.1%.

The countries with the most IPs in absolute terms are the United Kingdom, Italy and Germany, with these three countries accounting for more than half (53.5%) of the IPs of the European Community.

TABLE 3 –IP IN EU-28

	N (000)	%
United Kingdom	1,364	18.8
Italy	1,352	18.7
Germany	1,158	16.0
France	661	9.1
Spain	532	7.4
Netherlands	426	5.9
Poland	381	5.3
Czech Republic	201	2.8
Belgium	192	2.7
Greece	161	2.2
Sweden	130	1.8
Austria	110	1.5
Portugal	91	1.3
Hungary	68	0.9
Finland	67	0.9
Slovak Republic	57	0.8
Denmark	56	0.8
Ireland	53	0.7
Bulgaria	43	0.6
Romania	35	0.5
Slovenia	22	0.3
Lithuania	16	0.2
Croatia	15	0.2
Latvia	14	0.2
Cyprus	12	0.2
Estonia	11	0.2
Luxembourg	7	0.1
Malta	3	0.0
Total	7,238	100.0

Source: ACTA, analysis of Eurostat microdata

In terms of their relative weight out of the total number of employed, the elevated incidence of Italy and the United Kingdom are confirmed, but not that of Germany. Percentages of IP are also high in Holland and Greece, plus, though slightly further back, Belgium, the Czech Republic and Spain.

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FIGURE 3 – IP IN THE EU-28 (PERCENTAGE OF TOTAL EMPLOYED POPULATION) – 2015

Source: ACTA, analysis of Eurostat microdata

The following graph plots the situations of all the countries, with y axis showing the IP trends for the period 2011-15 and the x axis the incidence of IP out of the total employed population.
The intersection of the axes constitutes:

- for the y axis (growth trend), 0
- for the x axis (incidence of IP out of total employed population), the average value for the EU-28, which is 3.3.

The first quadrant (upper-right) identifies those countries whose incidence of IP is high and on the rise. Of these, Holland has the highest growth rate; rates are also strong in Belgium and the United Kingdom, but more modest in Italy, nevertheless shown to be the country with the highest presence of IP.

The second quadrant, in the lower right, includes only Greece, whose incidence of IP is high but falling.

In the third quadrant, which combines the conditions of an IP presence lower than the European average and negative growth, we find Germania and Croatia.

Most of the counties are positioned in the fourth quadrant (low presence but positive growth).

Some Eastern European countries show strong growth: Lithuania (whose +128% would be off the graph), Bulgaria, Latvia, Poland and Estonia, plus the Scandinavian countries, Spain, France and Austria.

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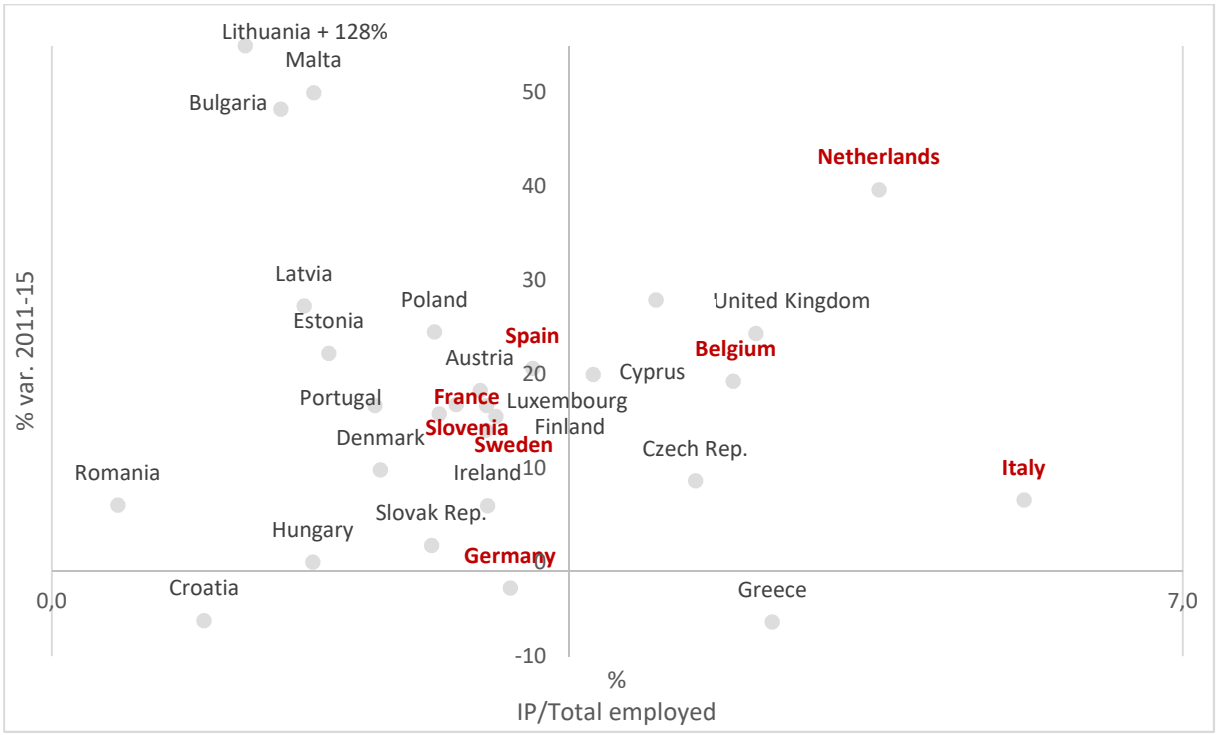
FIGURE 4 – EU COUNTRIES ON THE BASIS OF % IP AND TREND



Source: ACTA, analysis of Eurostat microdata

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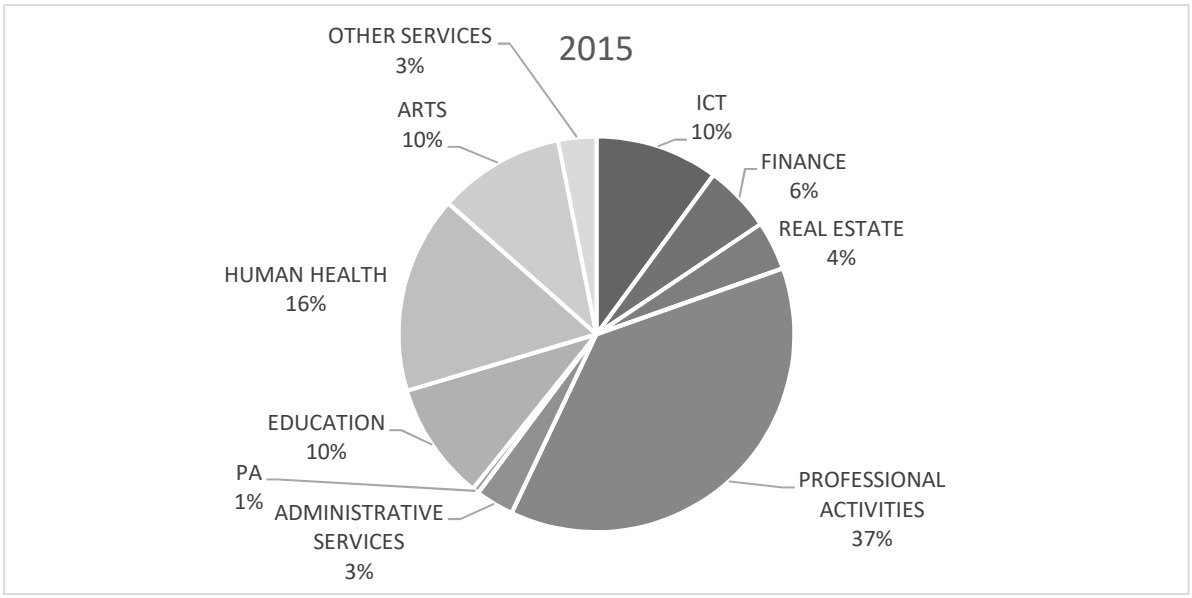
1.3. IP SECTORS IN EU-28

Professional activities account for 37% of EU IPs, while 16% are employed in the human-health sector. Other sectors of note are ICT, plus education and the arts, each with 10%.

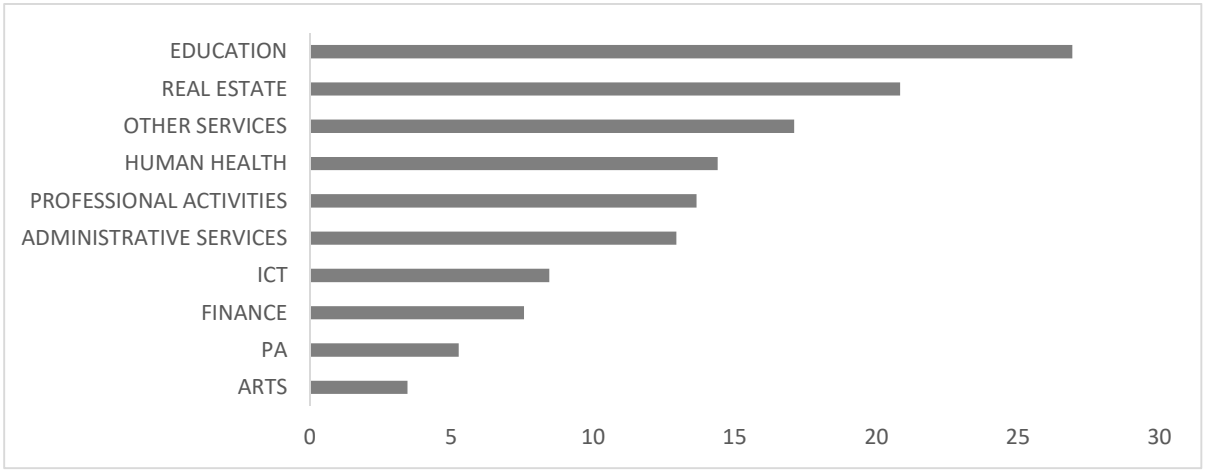
FIGURE 5 – IP SECTORS IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

During the period of 2011-15, the sectors with the greatest IP growth were education and real estate.

FIGURE 6 – IP TRENDS BY SECTOR 2011-15



Source: ACTA, analysis of Eurostat microdata

An interesting comparison is that between growth of IP and of other employed workers in the same sectors. IP growth is significantly higher than that of other employed workers in education, other services and human health, all sectors where the incidence of IP is not currently high (figure 6). In

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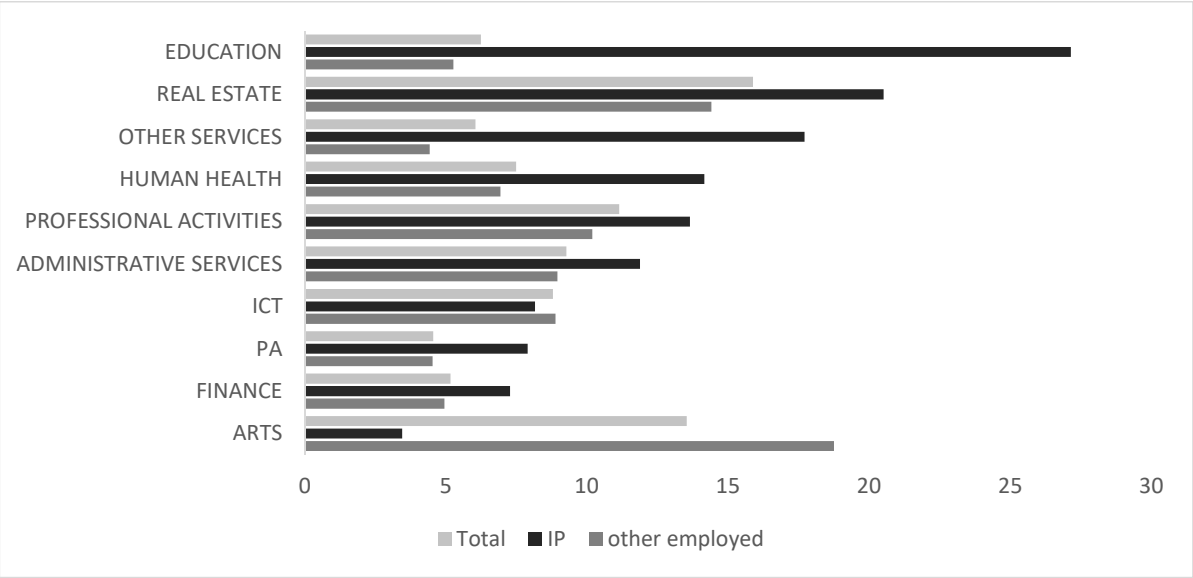
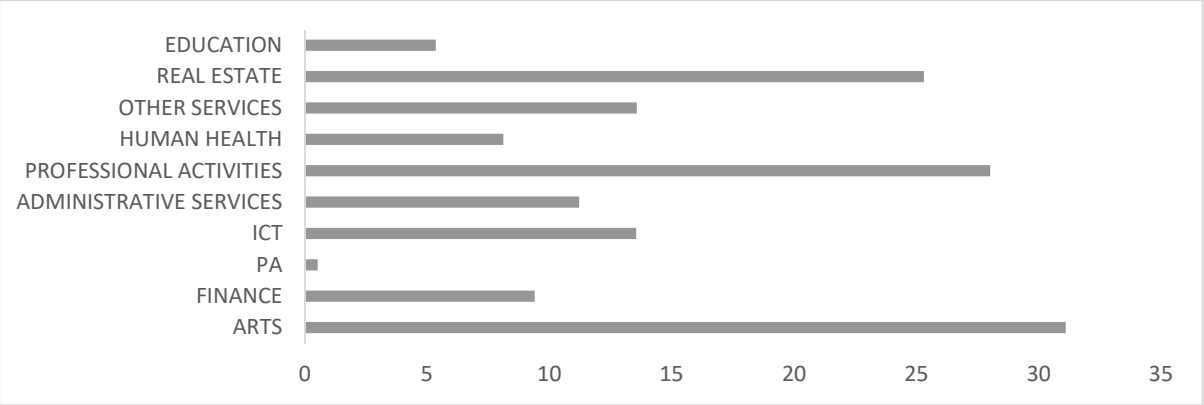
contrast, IP growth was lower than that of other employed workers in the arts and ICT, two sectors with noteworthy levels of IP.

FIGURE 7 –TRENDS BY SECTOR 2011-15: COMPARISON BETWEEN IP AND OTHER EMPLOYED



Source: ACTA, analysis of Eurostat microdata

FIGURE 8 – % OF IP OUT OF TOTAL EMPLOYED BY SECTOR



Source: ACTA, analysis of Eurostat microdata

All this suggests that the factors behind ongoing IP development are different than in the past:

- artists, always largely independent, increased significantly in the period considered, but mainly as salaried employees;
- the business service sectors, which played a key role in the strong growth of IPs in the two decades before and after 2000, due to outsourcing by business enterprises, maintained a growth rate of independents well above the average, but with a significantly reduced differential;
- independent professionals, on the other hand, made a much higher contribution than salaried ones to recent growth in the social services, and especially education, as well as services to individuals (included in other services).

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The following table shows the sector distribution of IPs in the leading countries of the European Union. Almost everywhere, the sector with the highest incidence of IPs is professional activities, except in France, where the highest concentration of IPs is to be found in the human-health sector, which is also well represented in Italy, as well as in Romania, Slovenia, Sweden and Spain.

The UK, France, Germany and Holland have the most widely distributed IP break-downs.

TABLE 4– DISTRIBUTION OF IP BY SECTOR IN THE MAIN EU COUNTRIES

	ICT	Finance	Real estate	Professional activities	Administrative services & PA	Education	Human health	Arts	Other services
Austria	**11.8**	4.5	**5.5**	33.6	1.8	7.3	**18.2**	**14.5**	2.7
Belgium	**11.0**	2.6	3.7	37.2	3.7	2.6	**33.0**	4.7	1.6
Bulgaria	4.7	4.7	**7.0**	**44.2**	0.0	0.0	**20.9**	**14.0**	4.7
Czech Republic	**13.9**	**15.4**	**6.5**	**39.8**	2.5	8.5	5.0	7.0	1.5
Germany	**11.3**	5.2	2.8	28.9	**4.8**	**13.1**	16.1	**13.2**	4.6
Denmark	**16.7**	1.9	1.9	**44.4**	3.7	5.6	14.8	9.3	1.9
Spain	8.5	4.5	**7.3**	**46.1**	3.2	8.6	11.7	8.6	1.5
Finland	8.8	4.4	**4.4**	**42.6**	1.5	4.4	14.7	16.2	2.9
France	6.2	1.5	**5.0**	25.4	2.1	9.1	**36.6**	11.8	2.4
Greece	3.1	6.2	1.2	**53.7**	1.9	6.8	22.8	3.7	0.6
Hungary	10.3	**10.3**	1.5	**41.2**	**5.9**	5.9	10.3	11.8	2.9
Ireland	**15.1**	5.7	1.9	34.0	1.9	9.4	11.3	17.0	3.8
Italy	7.4	6.4	3.9	**51.6**	2.1	5.6	14.8	6.1	2.1
Netherlands	10.8	3.5	2.1	35.2	**5.4**	**12.0**	15.7	12.7	2.6
Poland	**12.8**	**10.7**	**4.5**	**38.2**	2.4	6.3	**18.1**	5.0	2.1
Portugal	6.6	7.7	**6.6**	**44.0**	2.2	**11.0**	11.0	8.8	2.2
Romania	8.6	2.9	2.9	**48.6**	0.0	2.9	**20.0**	11.4	2.9
Sweden	**15.4**	1.5	2.3	**46.9**	2.3	4.6	6.9	15.4	4.6
Slovenia	**17.4**	4.3	0.0	**47.8**	**4.3**	4.3	4.3	13.0	4.3
Slovak Republic	**14.0**	**15.8**	3.5	**40.4**	**5.3**	5.3	5.3	7.0	3.5
United Kingdom	**12.6**	5.3	3.8	29.1	**6.1**	**15.0**	9.7	13.6	4.8
EU 28	10.1	5.5	4.0	37.5	3.7	9.6	16.1	10.4	3.1

Source: ACTA, analysis of Eurostat microdata

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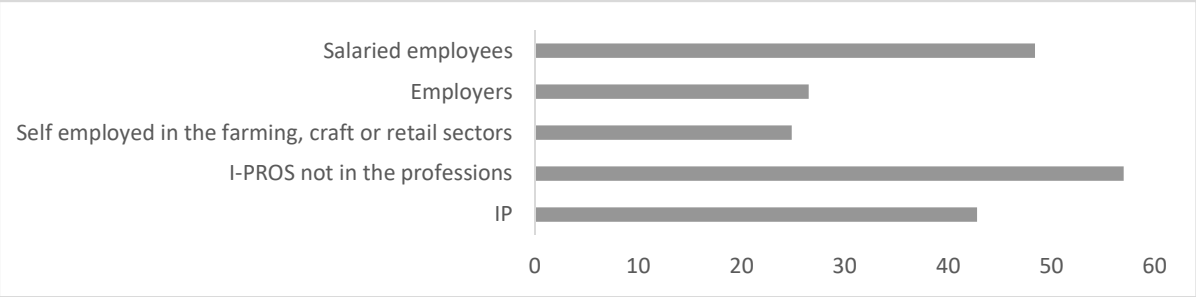
1.4. WOMEN

The EU average for the incidence of women out of all IPs in 2015 is 42.8%, an increase over 2011 (41%).

Female participation in IPs is lower with respect to both salaried employment and work not in the professions (I-pros not in the professions), while it is higher respect to employers and independents in the sectors of trades, crafts and farming.

FIGURE 9 – % WOMEN BY CATEGORY OF WORKER IN THE EU-28 (2015)

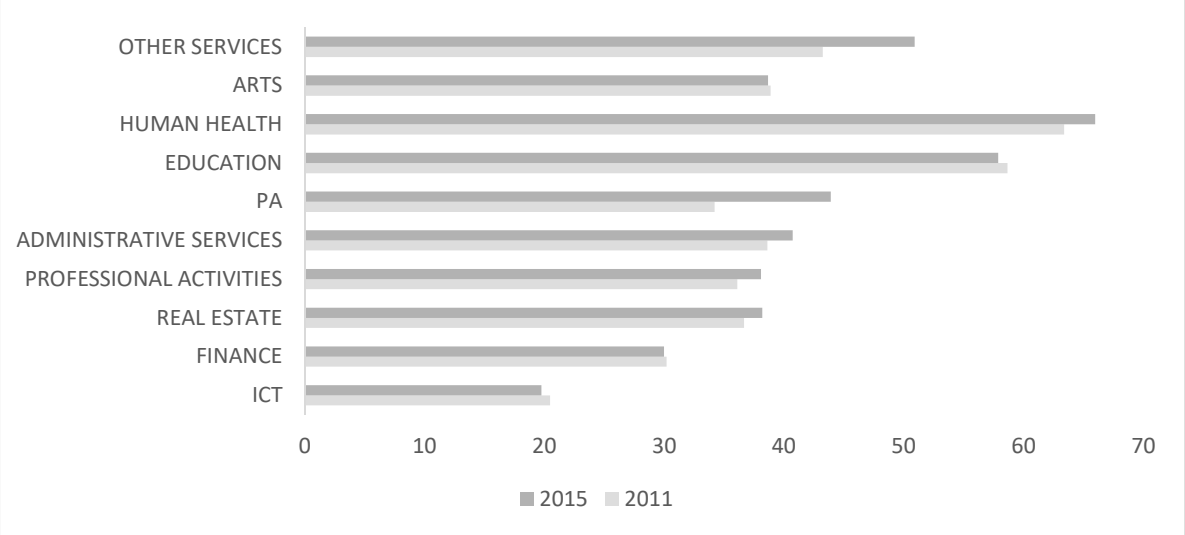


Source: ACTA, analysis of Eurostat microdata

As always, women account for the majority of those in the caring sectors (education, human health and other services).

In contrast, there are far more men in ICT and finance.

FIGURE 10 – % WOMEN BY SECTOR IN THE EU-28 (2015)



Source: ACTA, analysis of Eurostat microdata

Women IPs are present in number essentially equal to men in Finland, France and the Baltic Republics, and their number is also decidedly high in Portugal and the countries of central-eastern Europe (Hungary, Bulgaria and Romania), falling below 40% only in Ireland, Croatia and Malta.

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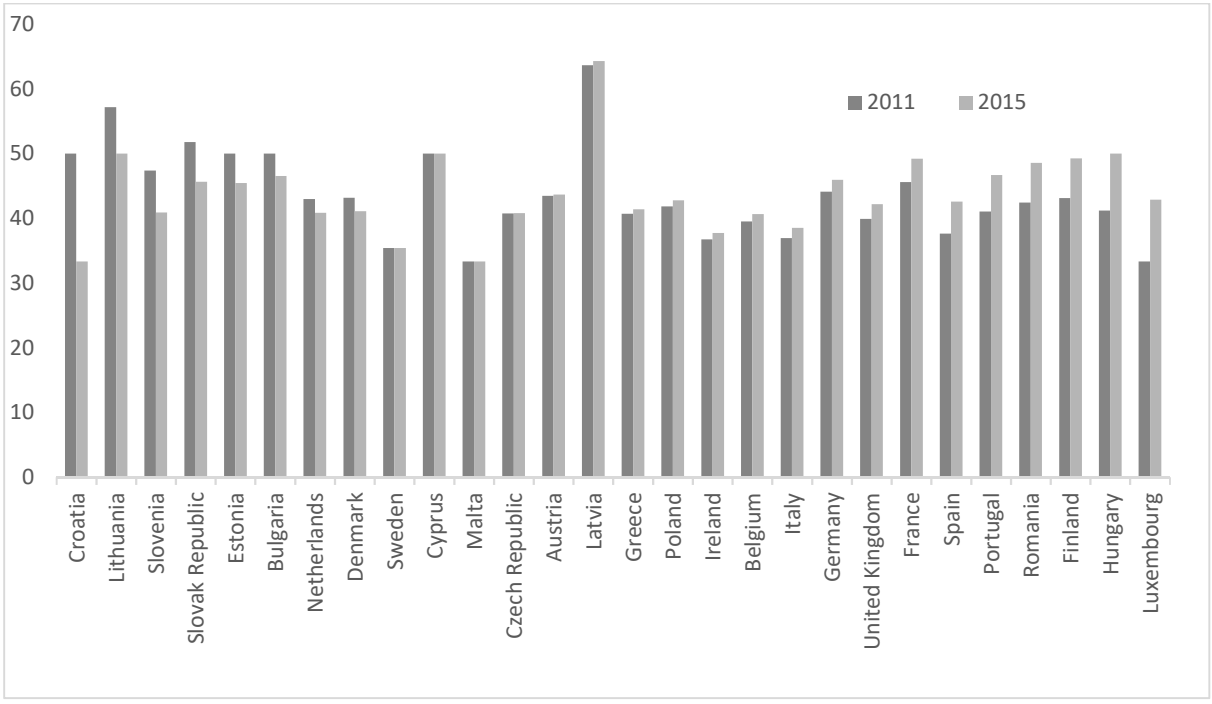
FIGURE 11 – % WOMEN OF TOTAL IP IN THE EU-28

Source: ACTA, analysis of Eurostat microdata

The percentage weight of women IPs is falling in Holland, Denmark and many eastern European countries (Slovenia, Slovak Republic, Croatia, Estonia, Lithuania, Bulgaria).

FIGURE 12 – WOMEN OUT OF TOTAL IP - 2011-15



Source: ACTA, analysis of Eurostat microdata

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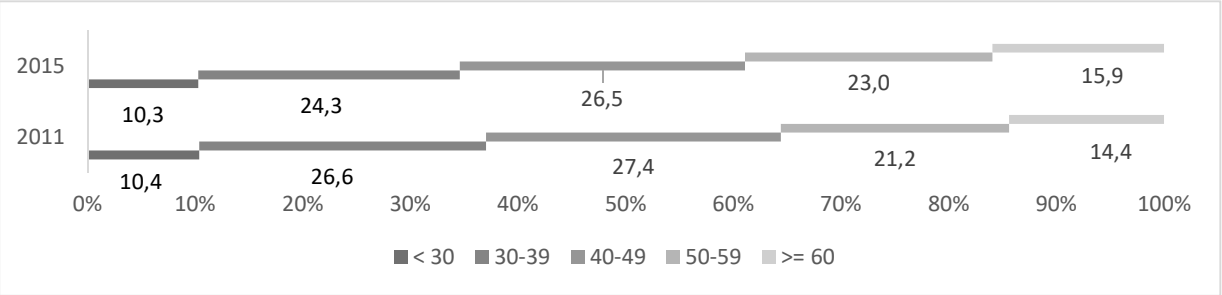
1.5. AGE

The age groups with the most IPs are the central ones, and especially 40-49 years. The older age groups are growing. There are few over-60's, and even fewer young people under 30. Of course, initiating a professional activity generally calls for a higher level of instruction and a certain amount of working experience.

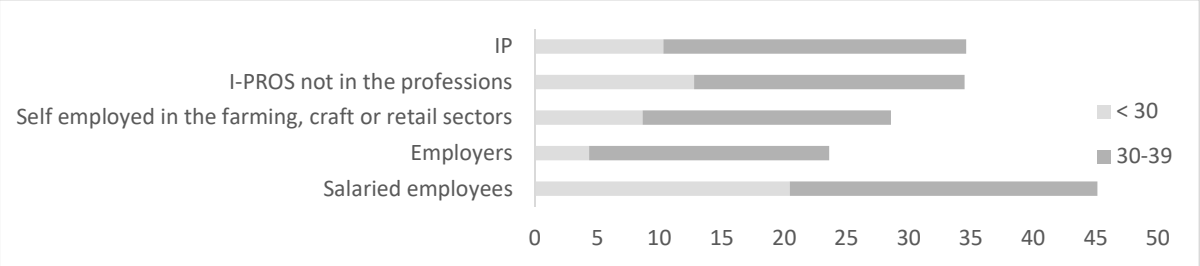
FIGURE 13 – DISTRIBUTION OF IP BY AGE IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

Indeed, the presence of young people among IPs is decidedly lower than among salaried employees, though it is higher than among entrepreneurs and the self-employed in traditional sectors.

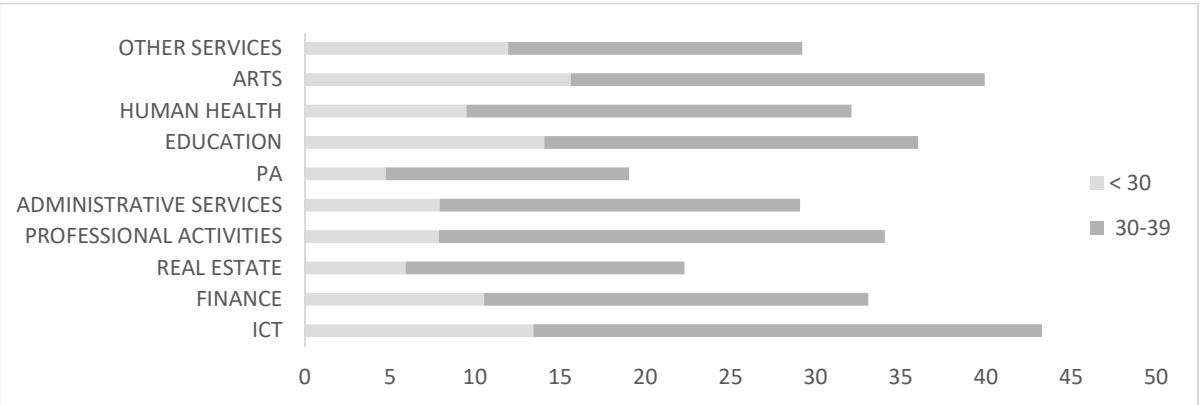
FIGURE 14 – % OF YOUNG PEOPLE (< 40 YEARS) BY CATEGORY OF WORKER IN THE EU-28 (2015)



Source: ACTA, analysis of Eurostat microdata

The participation of young people is noteworthy in the sectors of ICT, the arts and education.

FIGURE 15 – % OF YOUNG PEOPLE (< 40 YEARS) BY CATEGORY OF WORK IN THE EU-28 (2015)



Source: ACTA, analysis of Eurostat microdata

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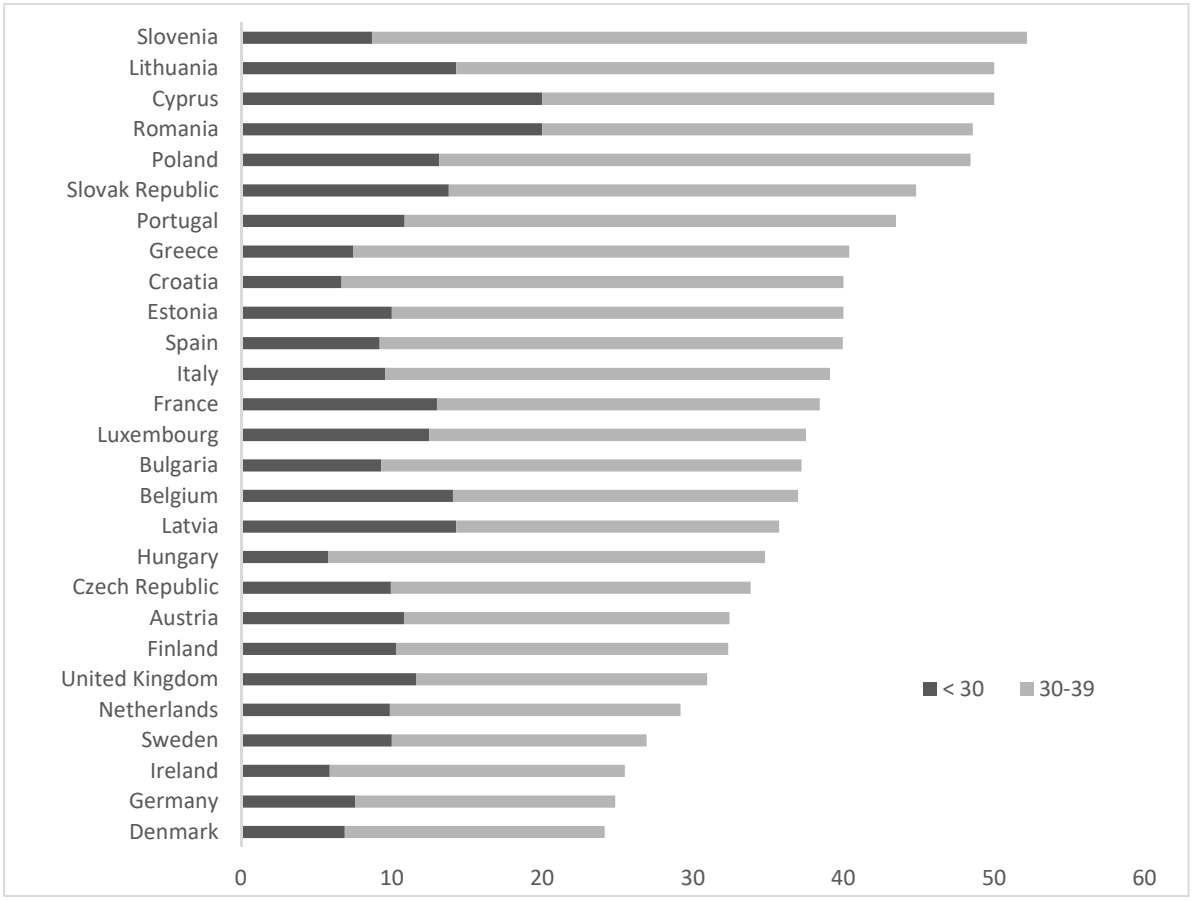
This graph shows young people playing an especially significant role in the Eastern European countries.

FIGURE 16 – IP - % OF YOUNG PEOPLE (2015) BY COUNTRY



Source: ACTA, analysis of Eurostat microdata

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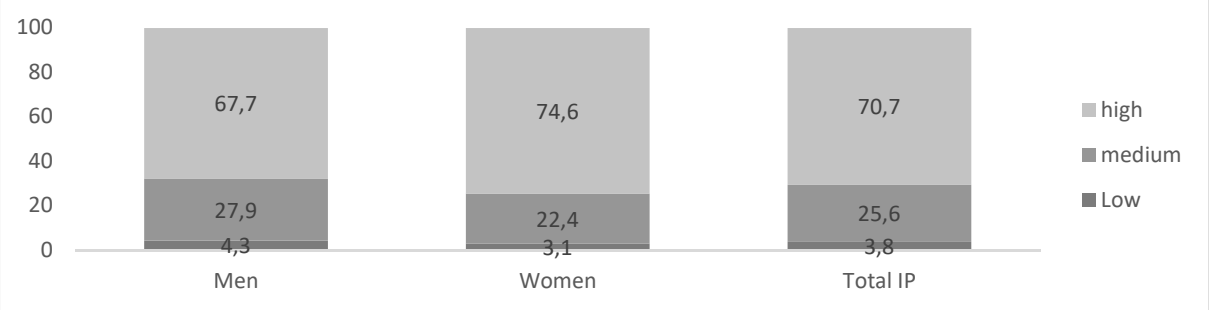
1.6. EDUCATION AND TRAINING

The levels of education among IPs are very high: 70.5% have an advanced level[10], while only 3.8% have a low level. The women are slightly better educated than the men.

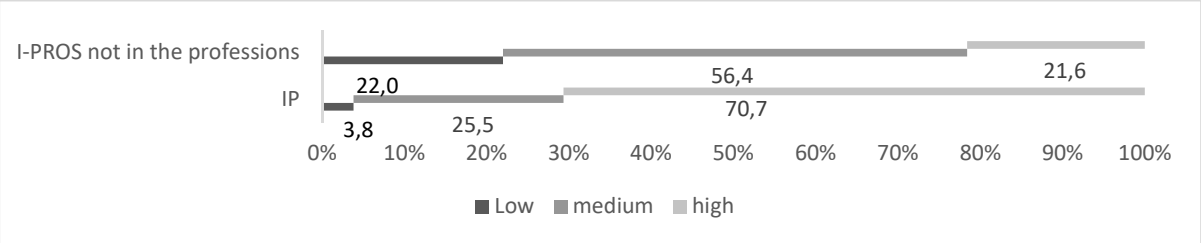
FIGURE 17 – EDUCATION LEVEL OF IP BY GENDER (2015) IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

There is no mistaking the difference with the other I-pros, confirming that the definition used effectively takes in professions calling for higher qualifications. Advanced levels of education are possessed by 70.7% of the IPs, as opposed to 21.6% of the I-Pros not in professions.

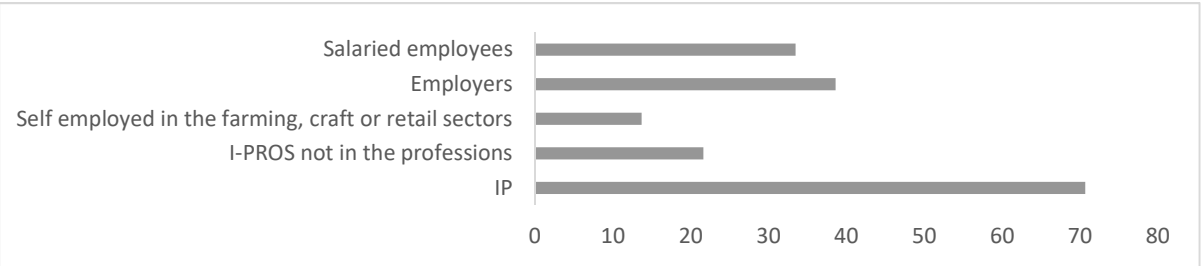
FIGURE 18 – EDUCATION LEVEL OF IP AND OTHER I-PROS IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

The advanced level of education among IPs is also corroborated by a comparison with other categories of workers, including employers.

FIGURE 19 – % HIGHLY EDUCATED PEOPLE BY CATEGORY OF WORKERS IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

[10] The figures for 2015 contain the ISCED classification of the level of education. Levels 1-2 are considered high, levels 3-4 medium and levels 5-6 low. The 2011 figures were not uniform, and so they were not used.

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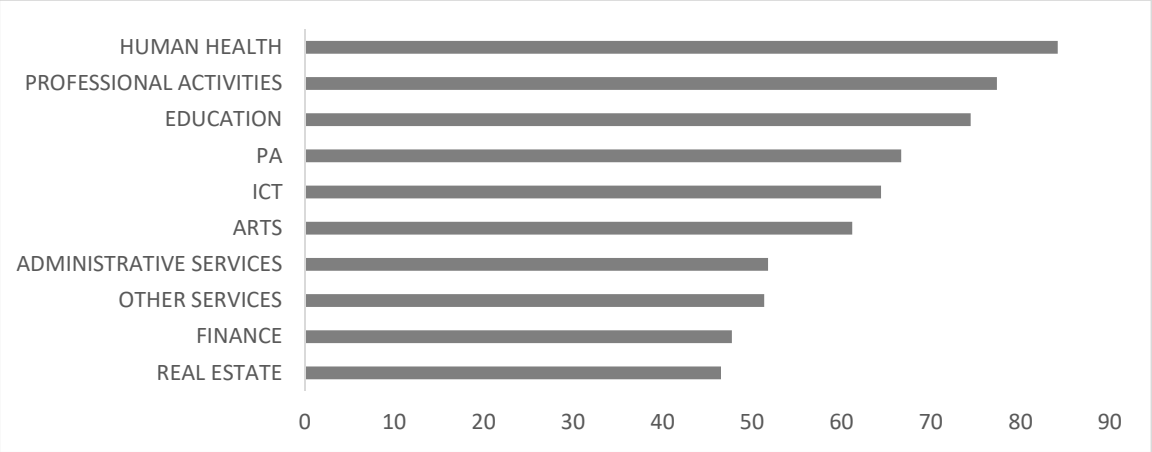
The levels of education are particularly high in the human-health sector and the professions, for which a university degree is more often required by law, and lower in real estate and finance, though even in these sectors the incidence of the highly educated is elevated, approaching 50%.

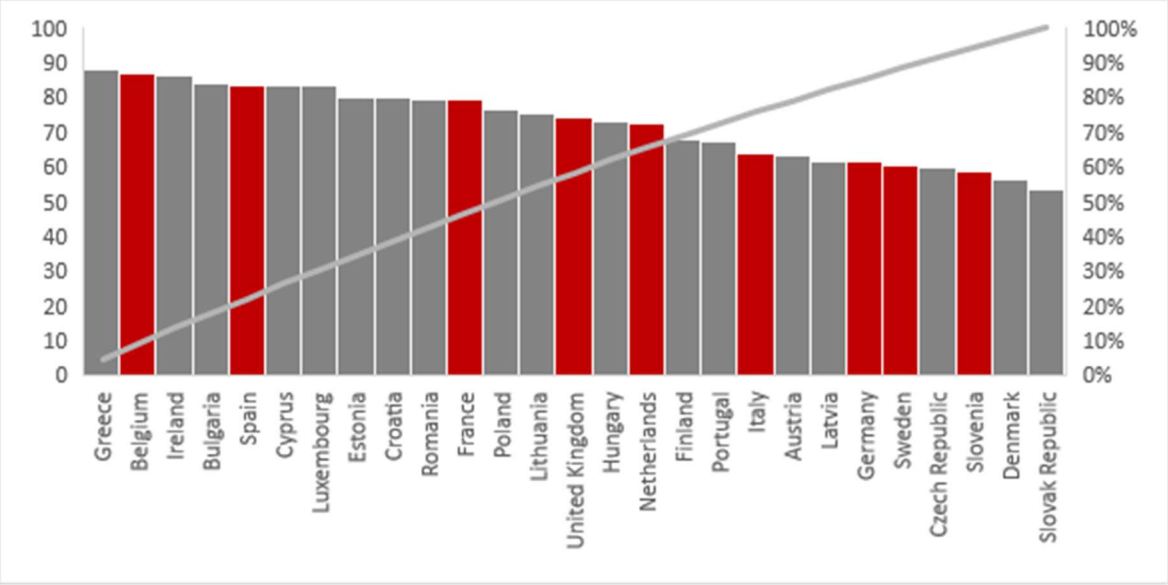
FIGURE 20 – IP- % HIGHLY EDUCATED IP BY SECTOR



Source: ACTA, analysis of Eurostat microdata

Taking the average of all the countries, at least 50% of the IPs are highly educated. The lowest levels are found in the Slovak Republic and Denmark and the highest in Greece and Belgium.

FIGURE 21 – IP - % HIGHLY EDUCATED IP BY COUNTRY



Source: ACTA, analysis of Eurostat microdata

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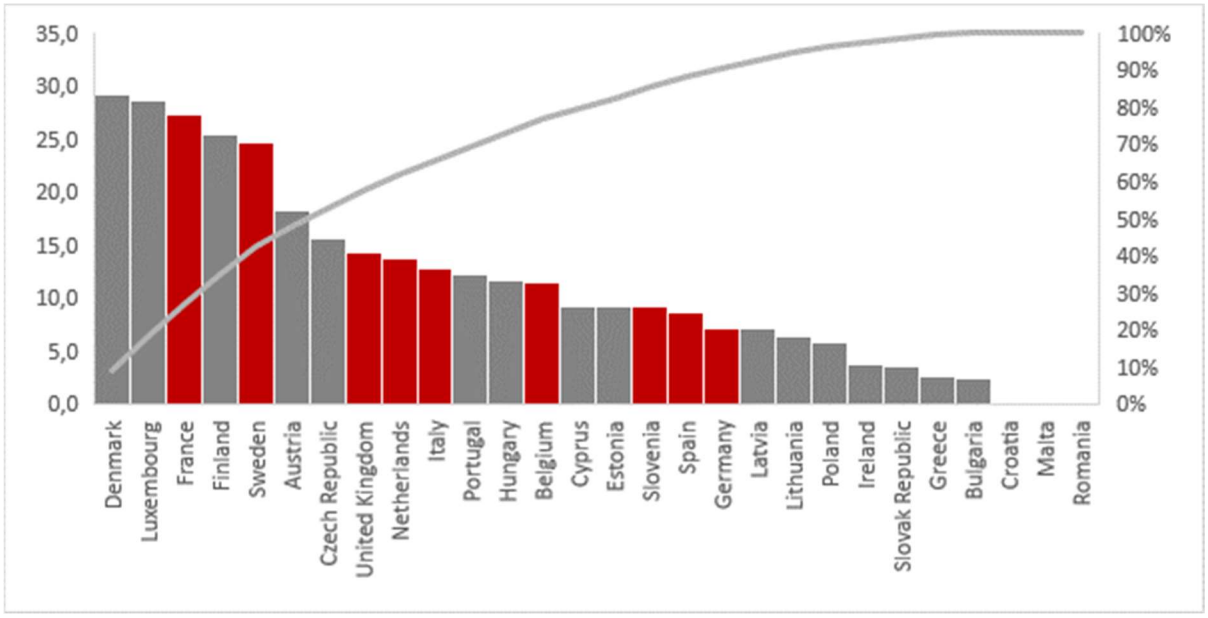
The higher level of participation of IPs in courses of lifelong learning is also confirmed.

FIGURE 22 –TRAINING ACTIVITIES TAKEN* BY CATEGORY OF WORKERS

**Non formal education during last 4 weeks*
Source: ACTA, analysis of Eurostat microdata

The propensity of IPs to engage in ongoing instruction is higher in the Scandinavian countries and in Luxembourg and France.

FIGURE 23 – % OF IP THAT HAVE ATTENDED TRAINING ACTIVITIES* BY COUNTRY



**Non formal education during last 4 weeks*
Source: ACTA, analysis of Eurostat microdata

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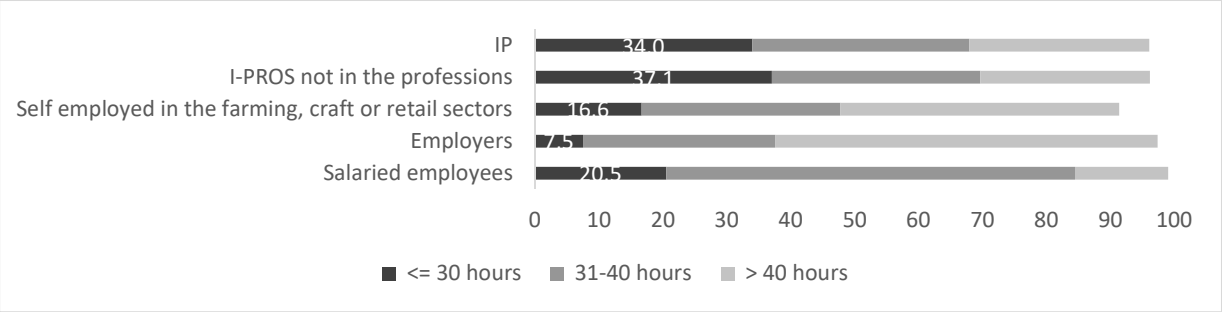
1.7. PART TIME

Working hours vary considerably, depending on the type of worker.

Though the term "part-time work"[11] is generally used in reference to salaried employs, it is actually more widespread among I-PROS not in professions and IPs (37.1% and 34% respectively).

A large number of employers and the self-employed in in the farming, craft or retail sectors work more than 40 hours a week (59.8% and 47.3% respectively), while salaried employees, as was to be expected, have more standard work weeks, generally between 31 and 40 hours.

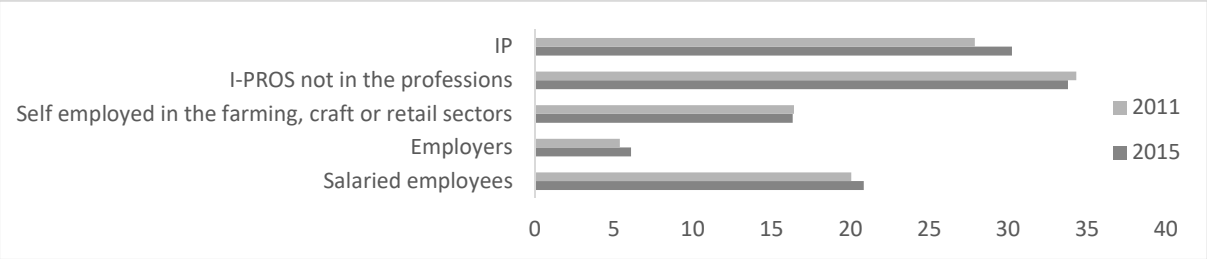
FIGURE 24 – NUMBER OF HOURS WORKED BY CATEGORY OF WORKERS IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

Growth in part-time work is especially strong among IPs.

FIGURE 25 – PART TIME BY CATEGORY OF WORKERS IN THE EU-28



Source: ACTA, analysis of Eurostat microdata

Part-time work is not always voluntary, as over 1/3 of part-time workers would like to work more hours, with this holding true for IPs as well.

FIGURE 26 – PART TIME IN EU-28- % OF WORKERS WHO WOULD LIKE TO WORK MORE HOURS

Source: ACTA, analysis of Eurostat microdata

[11] In the Eurostat statistics, "part-time" is defined as working no more than 30 hours a week.

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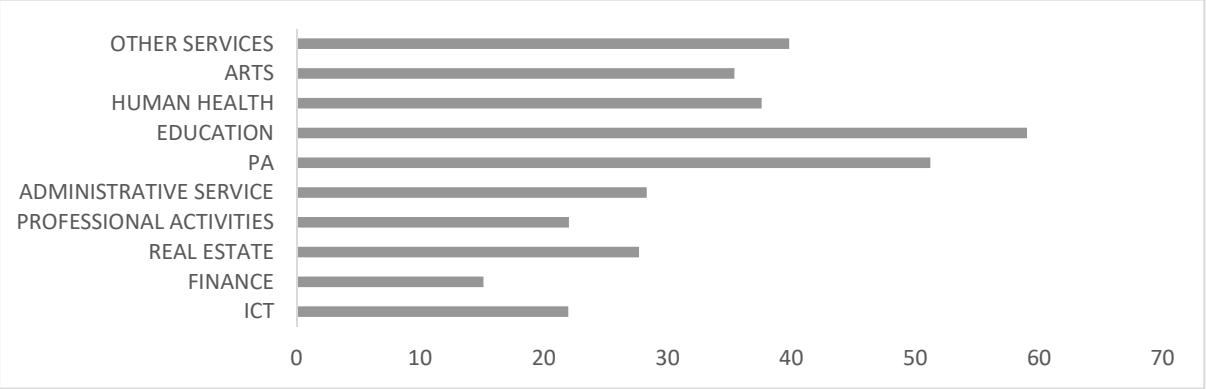
Among IPs, part time was found to be more frequent for women (40.2%, as opposed to 22.8% for men) and for the lower and upper age groups: 1/3 of workers younger than 30 are part-time, as are more than half of those 60 or older, while the percentage in the central age groups is 23%.

The sectors in which part-time work is most frequent are education and other services, social and personal, while it is rare in finance.

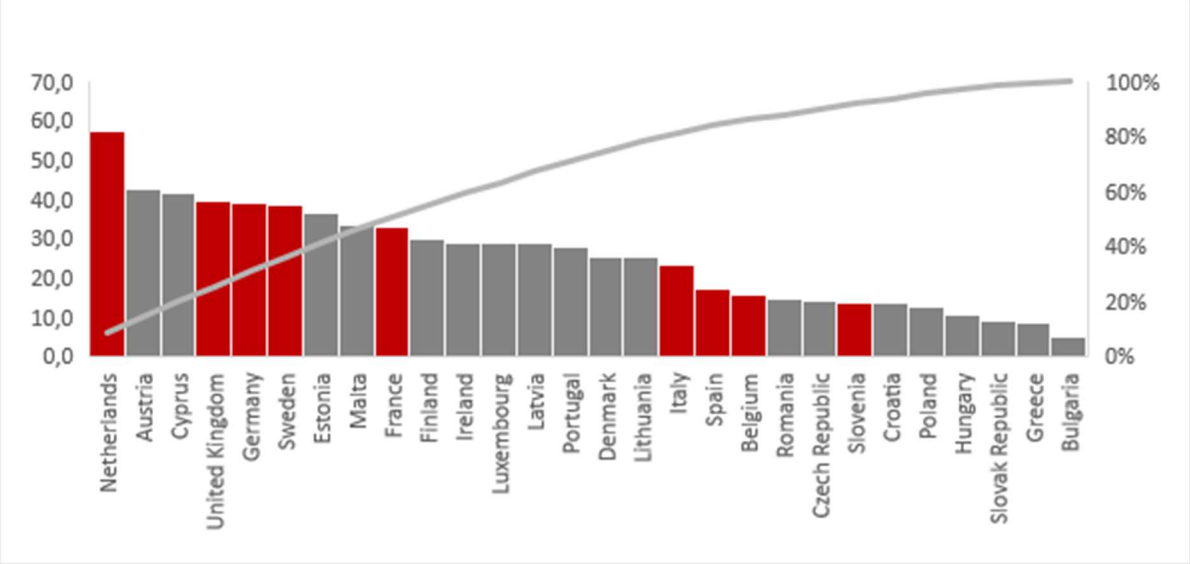
FIGURE 27 – IP- PART-TIME BY SECTOR



Source: ACTA, analysis of Eurostat microdata

Part-time is used most frequently in Holland and Austria, but is rare in Eastern Europe and Greece.

FIGURE 28 – IP - % PART-TIME BY COUNTRY



Source: ACTA, analysis of Eurostat microdata

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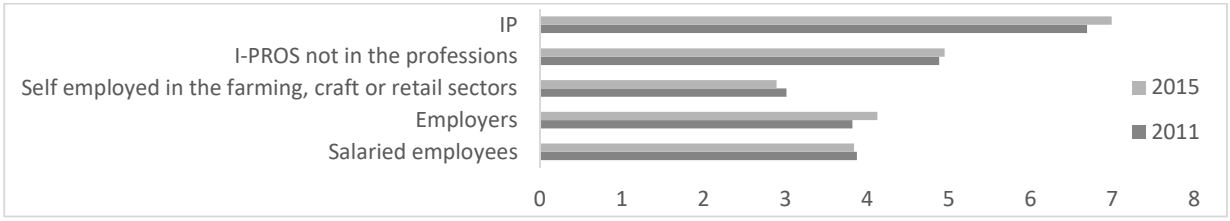
1.8. MULTIPLE JOBS

An ever increasing number of independent workers has more than one job. This is particularly true of IPs, 7% of whom have a second job.

FIGURE 29 – % OF WORKERS WITH MULTIPLE JOBS BY CATEGORY OF WORKERS IN THE EU-28

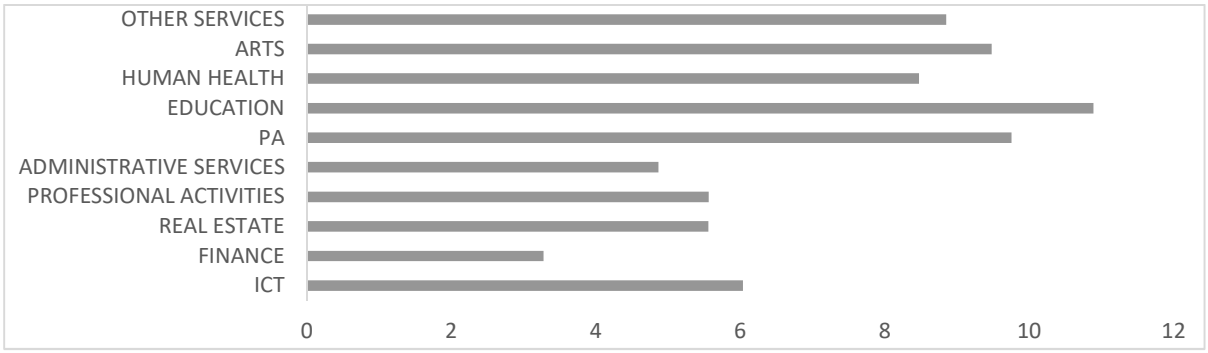


Source: ACTA, analysis of Eurostat microdata

It is increasingly women who hold second jobs (7.7% among IPs, as compared to 6.5% of the men) and workers of medium-high age: in their forties (7.4%) and fifties (8.4%); while it is rare among over-60's.

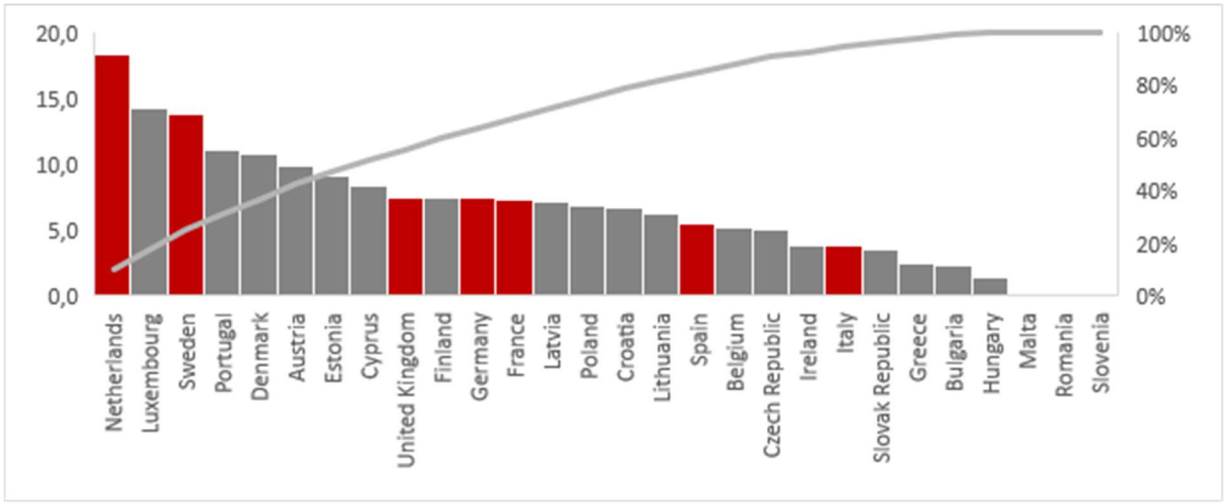
As in the case of part time, multiple jobs are most frequent in education and less frequent in finance. In contrast to part-time, multiple jobs are also relatively frequent in the arts.

FIGURE 30 – IP % OF WORKERS WITH MULTIPLE JOBS BY SECTOR



Source: ACTA, analysis of Eurostat microdata

FIGURE 31 – % OF WORKERS WITH MULTIPLE JOBS BY COUNTRY



Source: ACTA, analysis of Eurostat microdata

Holland, Luxembourg and Sweden are the countries where second jobs are most frequent. In 53.5% of the cases, the second job is an independent one, but it is in a different sector from the first job.

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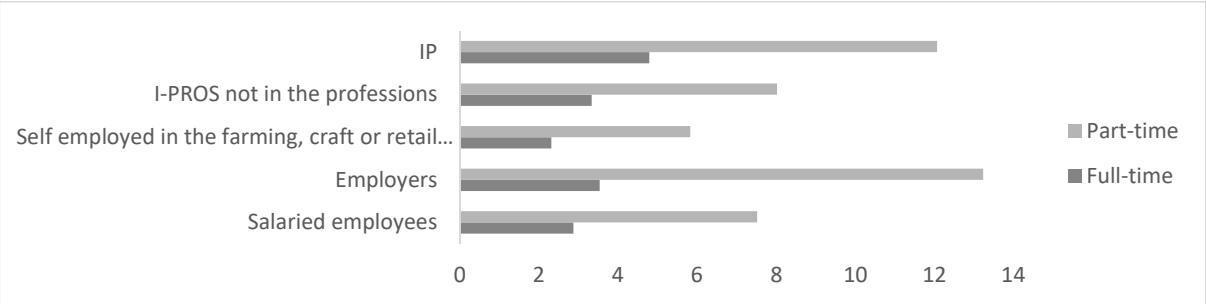
There is a high level of correlation between part-time work and multiple jobs, demonstrating that the decision to work a second job is often motivated by the need to supplement the first.

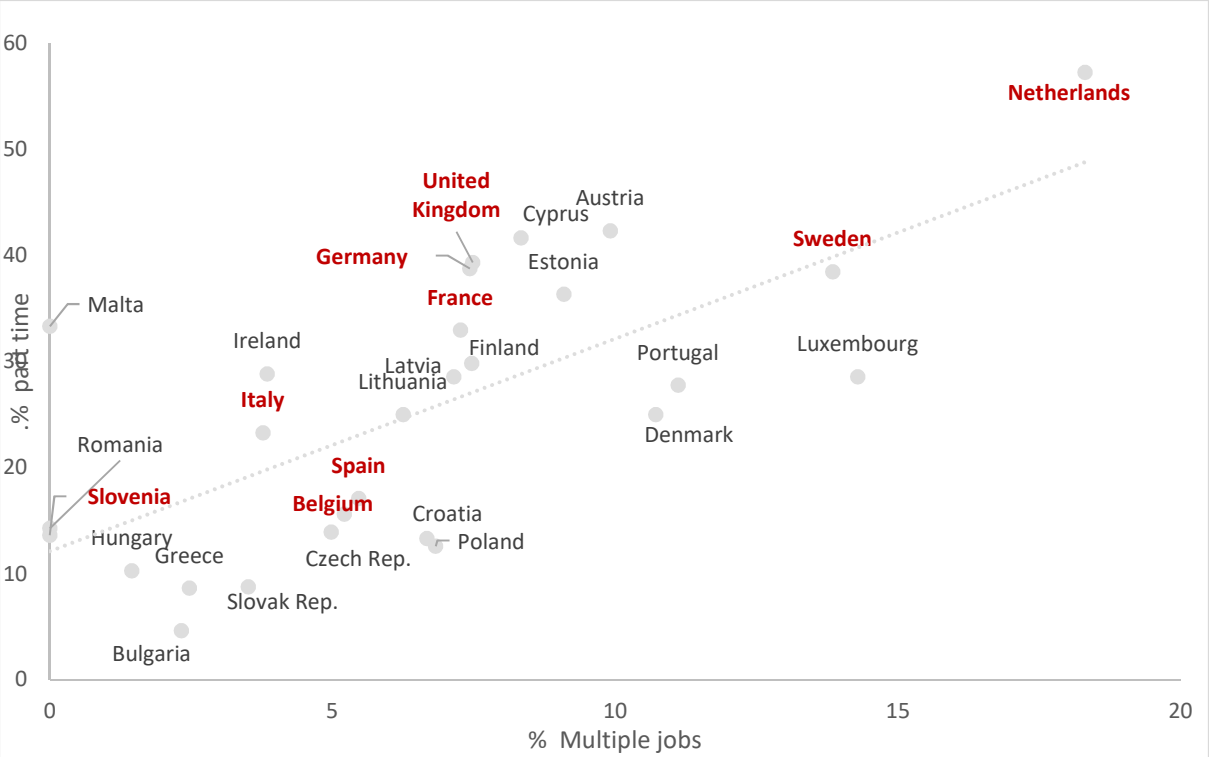
FIGURE 32 – % OF MULTIPLE JOBS IN THE EU – 28 BY PART TIME/ FULL TIME



Source: ACTA, analysis of Eurostat microdata

An analysis by country confirms that the growing frequent of part-time work is accompanied by an increase in multiple jobs.

FIGURE 33 – IP – PART-TIME AND MULTIPLE JOBS IN EU-28 COUNTRIES



Source: ACTA, analysis of Eurostat microdata

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1.9. DEGREE OF URBANISATION OF THE LIVING AREA

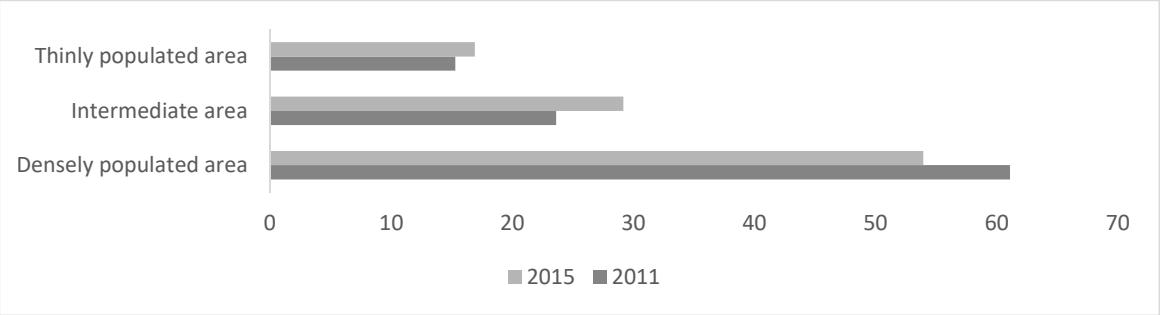
IPs are highly concentrated in densely populated areas, which is where more than half the professionals live.

FIGURE 34 – URBAN DENSITY OF THE LIVING AREA (2015)

Source: ACTA, analysis of Eurostat microdata

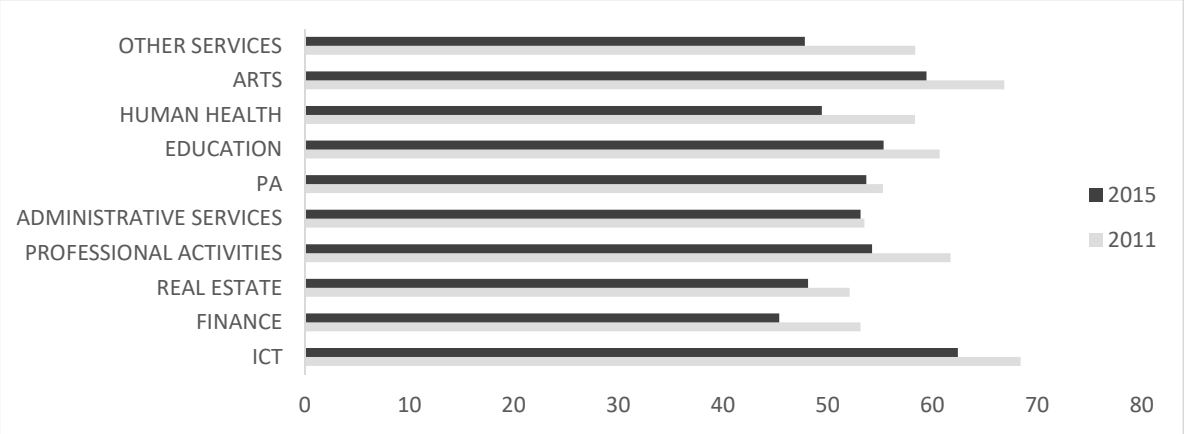
In recent years, however, the incidence of IPs has also increased in less populated areas, especially those of medium density. Thanks to new technologies, remote work is increasingly possible, and so the place of residence can be chosen without reference to where clients are located.

FIGURE 35 – IP – URBAN DENSITY OF THE LIVING AREA (2011-2015)



Source: ACTA, analysis of Eurostat microdata

FIGURE 36 – IP - % OF DENSELY POPULATED AREA BY SECTOR



Source: ACTA, analysis of Eurostat microdata

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1.10 THE INCREASE IN IPS AS PART OF THE GROWTH IN CONTINGENT WORK

The IP trend can be seen as part of the growth in contingent work, which includes all outsourced and non-permanent workers hired on a per-project basis (temporary workers among them).

Estimates the United States (Katz Krueger[12], 2016) indicate that contingent work accounted for 10.1% of all employment in February of 2005 and 15.8% at the end of 2015. The two authors hold that all the net growth in jobs in the US is attributable to contingent workers[13]. The estimates are also consistent with those found in the Osborne report[14], which assesses the incidence of contingent work at 20% in 2017, as compared to 15% in 2014.

A key contributing factor to the recent growth in the number of contingent workers is technology, not only in terms of increasing the offer of new professional skills on supply, but even more importantly through its effect on demand, seeing that the sum total of new technological developments has revolutionised corporate organisational structures[15], reducing transaction costs (Coase) and favouring outsourcing. Thanks to technology, work can be monitored without the need for a physical presence, due in part to the standardisation of many activities, while access to elements of reputational evaluation can be accessed, facilitating the selection of skills and know-how.

External constraints, including red-tape, can be reduced through outsourcing bureaucratic, and noteworthy cost savings are possible: no minimum contractual pay levels; no social security costs; lower office and equipment costs; training becomes the responsibility of the workers themselves etc.. The employment of external workers has become especially attractive in the case of functions that do not play key roles.

At the same time, the supply of contingent work has increased with the spread of the wish to be independent, to be able to work flexible hours and to be in control of one's own working activities, as is clearly shown by the results of this survey, with the move in this direction only heightened by the economic crisis, seeing that even salaried employment no longer seems able to provide security[16], while a weak job market leaves increasingly small margins of bargaining power, at the same time as it narrows the options for salaried employment.

A portion of this growth is not real, being the outcome of workers being classified as independent, whereas they are actually bogus self-employed, but even the increase is the result of a

[12] Katz, Lawrence F. and Alan B. Krueger. 2016. "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015." NBER Working Paper No. 22667.

[13] There are a number of other estimates that provide very different results, but based on data that do not account for occasional workers. One component of the increase in contingent work is the growth of the gig economy, still quite recent, and not very significant (0.5% of all employment, according to Katz and Krueger), but growing strongly.

[14] The Future of Work, Contingent workers and new employment models, Osborne Clarke 2017.

[15] Reference is made to the IoT (Internet of Things) and Industry 4.0, meaning the systematic application of technology to optimise production processes on a global scale.

[16] Experience of unemployment eases the transition from salaried employment to independent work, The Role of Unemployment in the Rise in Alternative Work Arrangements, Lawrence F. Katz and Alan B. Krueger, December 31, 2016.

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misclassification, the rise of contingent work leads to a lessening of rights, compensation and safeguards. Katz and Krueger speak of a fissured marketplace, a concept introduced by David Weil[17]. In response to competitive pressures, businesses attempt to both to reduce turnover with regard to the core group of workers (employed on a stable basis) and to utilise external staff to deal with moments when a greater supply of labour is needed.

As David Weil sees it[18], processes of outsourcing (often occurring on various levels, seeing that the company to which the work is outsourced may, for its part, outsource) leave the subcontractor with profit margins that become increasingly smaller the greater the distance from the enterprise actually using the service. Given that cost of labour constitutes a growing component of decentralised business activities, the pressure to save in this area is increasingly strong. Pay and rights are reduced, with empirical examples found mainly in the non-advanced services, though there are also instances in the sectors of legal and media activities.

It is interesting to note that many of the trends observed by Katz and Krueger[19] with regard to contingent workers were also found to hold for IPs.

In both cases, the following factors were present:

a. Noteworthy presence of university graduates. According to the Osborne report, this will be increasingly true, seeing that the more recent technological advances will tend to destroy the more routine contingent work focussed merely on implementation while creating non-routine, skill-based contingent work;
b. A high percentage of women;
c. A significant presence of individuals with more than one job, a development we shall indeed see confirmed by the I-WIRE survey;
d. A high incidence of services to businesses, though in recent years there has been greater growth in the sectors of education and health.

[17] David Weil, The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It, Cambridge, Massachusetts: Harvard University Press, 2014.

[18] David Weil, How to Make Employment Fair in an Age of Contracting and Temp Work, Harvard Business Review, March 24, 2017

[19] Katz, Lawrence F. and Alan B. Krueger. 2016. "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015." NBER Working Paper No. 22667.

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SECOND SECTION

THE RESULTS OF THE SURVEY

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