



Understanding Independent Professionals in the EU, 2015

Executive Summary

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Introduction

Independent professionals make up a large part of the self-employed workforce and are increasing rapidly in numbers across the 28 European Union member countries (EU-28). Their increasing size has resulted in this demographic drawing more attention and leading the structural changes that are occurring in the labour force.

Generally the EU's labour market is older, has a greater proportion of females, adopts more flexible work practices and is better skilled than it was a decade ago. For independent professionals, these shifts have been more pronounced than any other labour market division. While it is difficult to draw firm conclusions on causation, it is clear that the independent professional population will continue to increase in size as the structural, long-term trends that underpin its growth remains.

This summary relates to the report titled *Understanding Independent Professionals in the EU, 2015*, which is an update to the 2012

report, *European I-Pros: A Study*, by Stéphane Rapelli. It outlines independent professionals' demography and the countries they are concentrated in, as well as exploring the trends and drivers of their growth within the EU-28.

The principal source of data for independent professionals used is Eurostat (2015aⁱ, 2015bⁱⁱ, 2015cⁱⁱⁱ), extracted by Economist, Stéphane Rapelli in July 2015. For the analysis, the latest available data (quarter one 2015) has been used. Where data for quarter one 2015 is not available, quarter four 2014 data has been used.

Employment workforce data was extracted from Eurostat (2016a^{iv}, 2016b^v) by IPSE Economist, Lorence Nye, in February 2016, which means that the latest revision of the data (published in February 2016) has been used in these instances.

Definition of independent professionals

Independent professionals are self-employed people who do not have employees and work in services sectors including:



Information and communication
(e.g. programming and publishing)



Financial and insurance activities
(e.g. fund and risk management)



Real estate activities
(e.g. real estate agents)



Professional, scientific and technical activities
(e.g. lawyers, accountants and engineers)



Administrative and support services
(e.g. office administrative and business support)



Education
(e.g. teaching)



Human health and social work
(e.g. doctors and nurses)



Arts, entertainment and recreation
(e.g. performing arts and sport)



Other service activities
(e.g. trade union operations, hair and beauty operations)

This definition therefore excludes self-employed people who are employers and those who work in manual labour sectors such as crafts and farming.

ⁱ Eurostat (2015a), LFS Series - Detailed Annual Survey Results, Eurostat database, consulted in July 2015

ⁱⁱ Eurostat (2015b), LFS Series - Detailed Quarterly Survey Results, Eurostat database, consulted in July 2015

ⁱⁱⁱ Eurostat (2015c), EU LFS data extractions, Eurostat Directorate F, Social Statistics Unit F3 Labour market database, consulted in September 2015

^{iv} Eurostat (2016a), LFS Series - Detailed Annual Survey Results, Eurostat database, consulted in February 2016

^v Eurostat (2016b), LFS Series - Detailed Quarterly Survey Results, Eurostat database, consulted in February 2016



Total number of independent professionals

In the first quarter of 2015 independent professionals totalled 9,562,800 in the EU-28. This is 29% of all self-employed people, and 4% of the entire EU-28 workforce.

Growth

The total number of independent professionals in the EU-28 has risen markedly by 99% since the start of the millennium. This compares to an almost flat trend in the broader workforce. It is clear that more workers are being drawn to working independently in professional roles than working in any other way.

Country distribution

Independent professionals tend to be concentrated in a number of large countries with large services sectors. The United Kingdom, Italy and Germany make the largest contribution to the overall population of EU-28 independent professionals, and together account for more than half the entire independent professional population (within the EU-28).

Main sectors of activity

By far the largest proportion of independent professionals work in the professional, scientific and technical activities sub-sector, making up 30% of all independent professionals in the EU-28. Second to that, albeit contributing a much smaller percentage, is the human health and social care sector, which accounts for 15% of all independent professionals in the EU-28.

Skill level and education

Independent professionals tend to have the highest level of training (e.g. higher education qualification or equivalent) when compared to other parts of the labour market; 57% of them fall into the highest skill level category. The roles they work in require a high skill level and it appears as though people are likely to work independently after acquiring some years of experience in the workforce.

Gender distribution

Within the EU-28 independent professional population, 53% are male and 47% are female. There was a larger increase in the number of female independent professionals than males between quarter one of 2008 and quarter one of 2015 – 29% and 20% respectively.

There is a high proportion of females working in the human health and social work (70%) and education (56%) sectors. The information and communication and financial and insurance activities sectors are heavily male dominated – men accounting for 80% and 70% of these groups respectively.

Age

The majority (60%) of EU-28 independent professionals fall into the 25-49 age group. The second largest segment is those aged 50-64 (30%). Independent professionals tend to be older than those in the broader EU-28 workforce. This remains true when they are compared to others that work in equivalent services sector roles as employees, suggesting that working independently becomes increasingly attractive with age and experience.

Conclusions

Independent professionals appear to be leading a number of trends in the EU-28 workforce. The EU-28 workforce has seen a significant increase in older, female and skilled workers among the services sectors in recent years. The growth in these types of workers has been greater among the services sector's self-employed than they have within any other labour market group. We can therefore expect the independent professional population in the EU to continue to grow.

Independent Professionals in the EU-28 at a Glance

9.6m

independent
professionals
in the EU28
(Q1 2015)

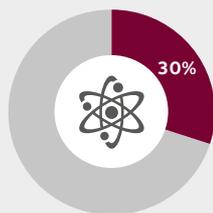
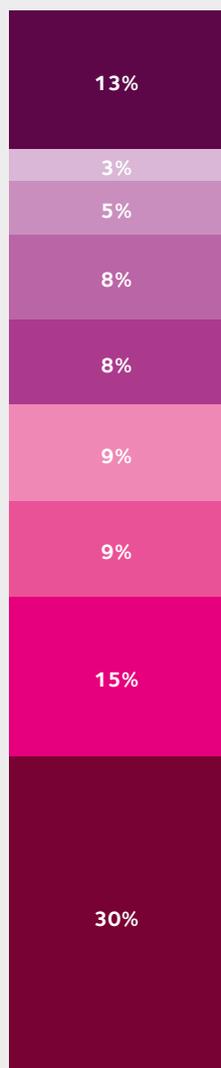
29%

of all
self-employed
people

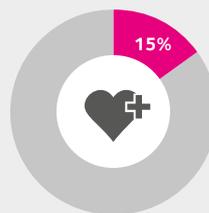
4%

of the EU-28
workforce

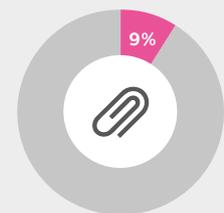
Sector distribution



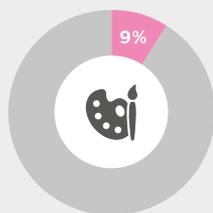
Professional, scientific
and technical activities



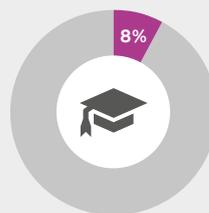
Human health and
social work



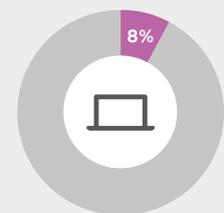
Administrative and
support services



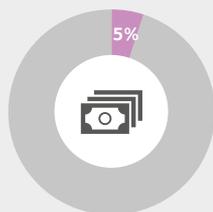
Arts, entertainment
and recreation



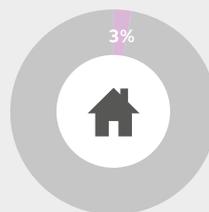
Education



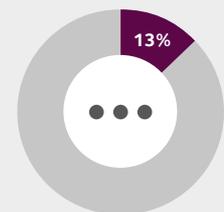
Information and
communication



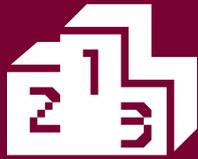
Financial and
insurance activities



Real estate
activities



Other service
activities



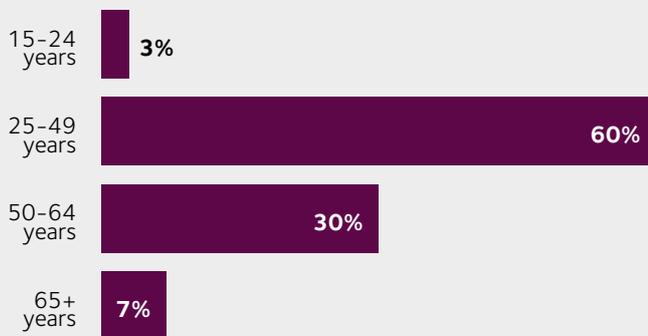
57%
of independent
professionals are
highly skilled

Growth



Age distribution of freelancers

The largest proportion of freelancers are **aged 25-49 (60%)**



The UK, Italy and Germany account for **more than half** of the entire independent professional population within the EU-28

Gender split



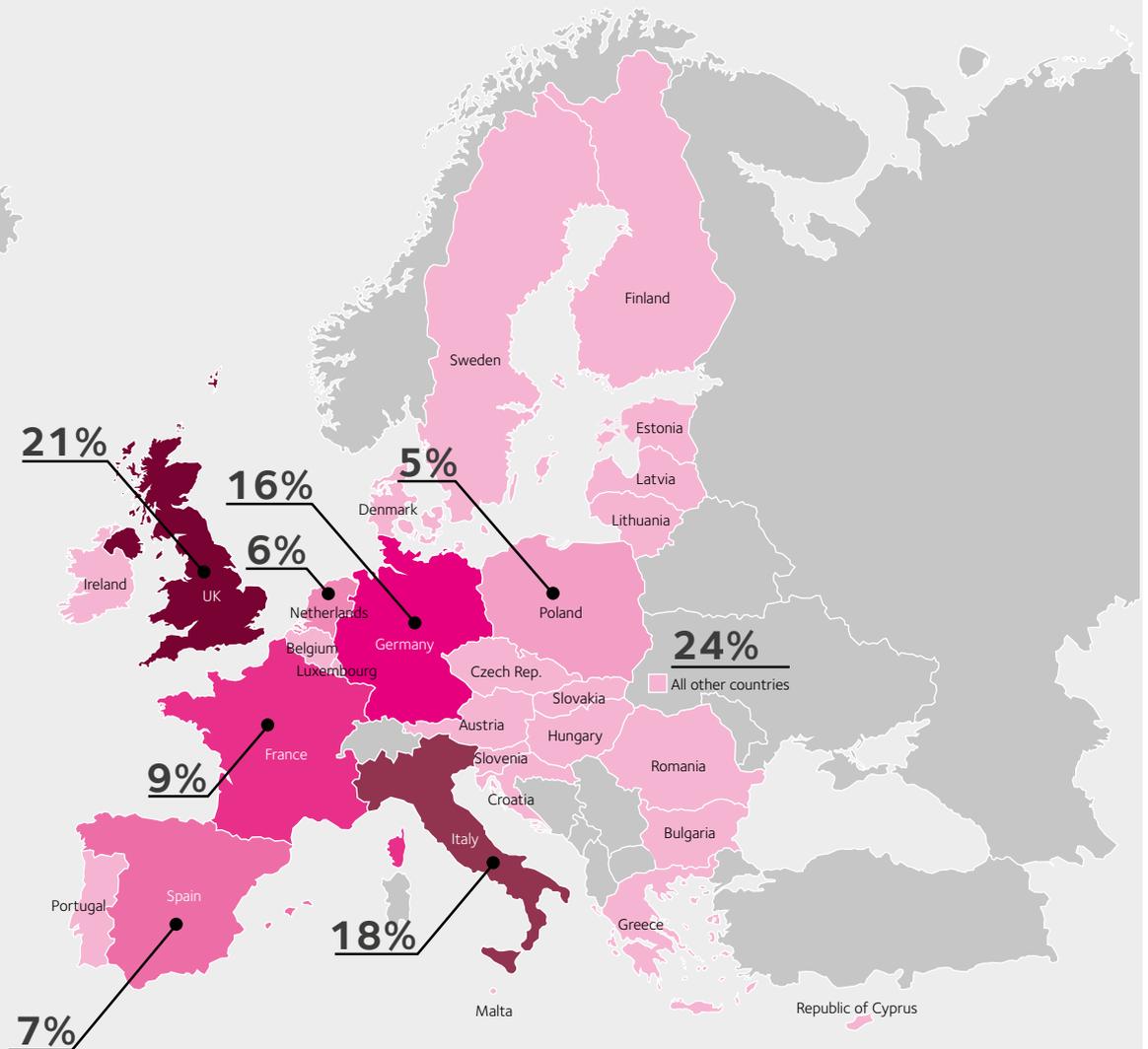
47%
Female



53%
Male



Geographic distribution



Percentages do not sum to 100 due to rounding

Growth within countries between Q1 2008 and Q1 2015

Substantial growth from a low baseline:



Latvia **192%**



Romania **139%**



Slovenia **124%**

Considerable growth from an already significant independent professional population:



UK **49%**



France **70%**



Netherlands **52%**

Modest increase from countries contributing a large amount to the total independent professional population:



Italy **1%**



Germany **3%**

About IPSE

IPSE is the largest association of independent professionals in the EU, representing over 67,000 freelancers, contractors and consultants from every sector of the economy. It's a not-for-profit organisation owned and run by its members.

We believe that flexibility in the labour market is crucial to Britain's economic success, and dedicate our work to improving the landscape for the freelance way of working through our active and influential voice in government and industry.

With highly professional staff working for you, IPSE has the unique ability to demonstrate the economic value of freelancing to those in power and ensure freelancing is both considered and supported in all areas of regulation and policy. As well as being a campaigning body, IPSE provides a wide range of support services to help its members succeed in business, including tax and legal helplines, IR35 support, and compensation for illness/injury.

Founded in 1999 by a community of freelance contractors, IPSE has become the leading authority on freelancing in the UK. The association is governed by its members and any member is eligible to stand for election to the Consultative Council, and from there, for election to the Board of Directors.

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