

# FUTURE WORKING: THE RISE OF EUROPE'S INDEPENDENT PROFESSIONALS (iPROS)

**Patricia Leighton**

*Professor of European Social Law  
at the IPAG Business School, France.*

*with*

**Duncan Brown**



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invisible in academic  
literature ”**

**EFIP**

European Forum of Independent Professionals



# SUMMARY

“Traditional hierarchical organisations are struggling. People are increasingly rejecting traditional employment with its lack of personal control and repression of creativity. New ways of working are emerging, new forms of collaboration, new structures, new alliances and new opportunities. iPros are at the heart of this.”<sup>1</sup>

By the beginning of 2013, five years since the onset of the recession, there had been a loss of around seven million jobs across the European Union. On average, one in ten people were left without work, with countries such as Spain and Greece facing much higher unemployment rates. Yet one part of the labour market bucked this trend.

The EU has seen a new phenomenon - the rise of the independent professional, or iPro, often referred to as freelancers. Their rise represents a major shift in the nature of work and ways of working. No longer can work be defined simply in terms of working for a big corporation, public sector employer or an SME. iPros, with their different approaches to work and distinct philosophy, have the ability to be flexible and innovative, and provide value-added to businesses and economies.

## Who are the iPros?



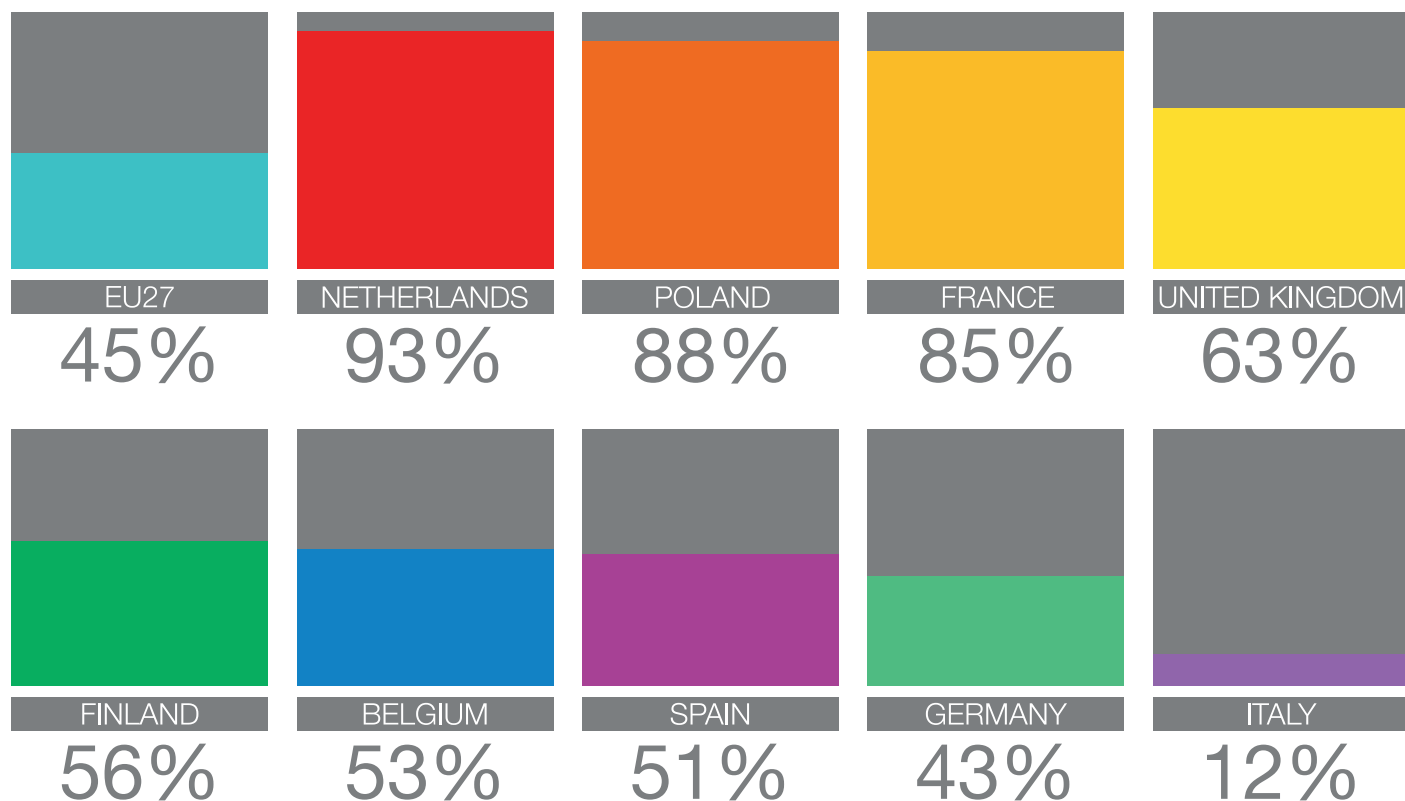
iPros are highly skilled self-employed individuals who work for themselves but do not employ others. They range from journalists and designers to ICT specialists and consultants. iPros represent a significant segment of professional working generally, making up 25% of all those working in professional, scientific and technical work and 22% of all those in arts and entertainment. The growth in iPros in the EU since 2004 has been remarkable. Numbers have increased by 45% from just under 6.2 million to 8.9 million in 2013, making them the fastest growing group in the EU labour market.

The growth in iPros has not been consistent across EU states, but in the Netherlands, Poland and France it has been especially marked. The EU still faces unprecedented levels of unemployment and without this growth in iPro working, the picture would be much gloomier.

# What do we know about iPros?

In spite of this growth little is known about iPros, the way they work and the barriers they face. Who are they? Why do they choose to work this way and how do they cope with uncertainty and risk?

## Percentage growth in iPros 2004-2013



iPros are virtually invisible in academic literature, and in official statistics they are subsumed in either self-employment or SME data. Yet they provide a responsive, competitive supply of expertise to cater for constantly changing client needs and contribute to economic growth. At a time of rapid change and increased competition, it is critical that European policy makers and the business community understand iPros, the skills and innovation they provide, and ways in which their contribution to the economy can be nurtured.

## Finding out more about iPros

This research aimed to find out more about iPros and understand the reality of their working lives, the regulatory framework they work within, and the wider context of their work. The research was carried out in two phases between June 2012 and May 2013. The first phase involved the analysis of existing data and trends in iPro working across the EU with a focus on nine states<sup>2</sup>. Phase two consisted of 87 face-to-face or telephone interviews with three groups: iPros drawn from three representative professions<sup>3</sup>, leading academics, and leaders of professional bodies and trade unions, administrators and politicians familiar with the issues around iPro working.

# **What did the research find?**

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The research confirmed there is a major change in the way work is performed - a shift from having a job to working for clients. A new and exciting radical agenda based on collaboration rather than competition has emerged as a response to perceived failures in existing business and management strategies. However, there are also many barriers to being an iPro and working in this way is complex. It demands policy makers and client organisations to devise customised initiatives to support iPro working.

## **Attitudes towards iPros**

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The importance of iPro working is increasingly being recognised as having legitimacy. However, iPros do face constant accusations of ‘sham’ self-employment, where employees are forced or voluntarily become self-employed to minimise tax and other liabilities. They feel they are treated with suspicion and hostility by fiscal authorities, ignored by politicians developing initiatives to support new enterprises, and marginalised by the wider business community.

## **Becoming an iPro**

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iPros find this way of working fulfilling. Many choosing to work in this way have rejected standard employment, which they feel requires conformity and represses creativity. Survey data indicates that many EU citizens (37%) share these views and wish to work independently but are deterred by fear of failure, a lack of finance and skills, and red tape.

There is a scarcity of support for those starting out as an iPro. The perceived unavailability

of relevant and affordable information and advice has resulted in iPros being concerned with their lack of business skills.

## **iPro working**

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The rise of iPro working marks a distinctive shift to a more collaborative way of working. iPros value autonomy and freedom, yet to be effective they need the appropriate support. As their specific needs are not recognised, iPros have developed their own supportive environments in the form of co-working spaces and professional hubs. The current regulatory and support frameworks within which iPros work require adjustment.

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## **Professional bodies & training**

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iPros in regulated professions regard professional bodies highly, including for training purposes. However, others generally reject the need for such organisations and look to less formal and contemporary forms of professional support such as online training, social clubs/networks, and interdisciplinary facilities. iPros operate in fast moving knowledge areas and the lack of continuing professional development amongst them emerges as a critical issue.

## Policy implications

Placing iPros in SME or entrepreneur categories is considered misconceived. This emphasises the definitional and categorisation problems relating to iPros. Government policy favours traditional employment patterns and iPros feel this is because they are difficult for policy makers. Policy makers tend to focus on job creation rather than work creation, an area where iPros actively contribute. They neglect the indirect job creating potential of iPros who help businesses to cut costs and become more efficient.

## Recommendations

The findings of the research has led to a series of recommendations targeted at policy makers, professional bodies, clients of iPros and iPros themselves. If implemented, these recommendations will enable iPros' contribution to businesses and economies to be nurtured, and iPro workers in the EU will grow at an even faster rate.

The recommendations relate to:

- Awareness, recognition and the contribution of iPro working.
- Finding a voice for iPros.
- Training and development.
- Providing support for iPros.

### **Policy makers and public officials should:**

- Ensure that iPros are properly researched and identified in national and EU data.
- Recognise that iPros are a distinct group: they are neither SMEs or entrepreneurs and are not 'sham' self-employed either.
- Recognise the contribution of iPros to economies and ensure that iPros' characteristics and needs are specifically recognised in policy development.
- Ensure that iPros are expressly considered where policy issues with particular relevance (e.g. late payment, access to public procurement contracts, enhancing employability) are being addressed for SMEs.
- Ensure that policy and legal developments



do not negatively impact iPros and that iPros are not disproportionately penalised through fiscal and other regimes.

- Ensure that there is an emphasis on work creation in publicly funded schemes to support the creation of jobs so that iPros are not excluded or disadvantaged.
- Recognise that iPro working is a legitimate and realistic career option, and encourage this way of working by funding those transitioning from traditional forms of employment into iPro working.
- Facilitate iPros in gaining a voice to express views and concerns, and ensure they have adequate representation at EU level through committee and consultative body membership, and seats on advisory boards so they can be consulted when change is proposed.
- Develop new models of work support with greater flexibility and creativity in order to explore different ways of responding to iPros' needs.
- Encourage iPros to engage in continued professional development by considering their specific training needs and providing funding through the form of tax concessions, subsidies or vouchers.

**Professional bodies should:**

- Clearly identify and take into account the distinctive needs of iPros as well as employee members.
- Recognise that the growth in iPro working presents new opportunities and take an innovative approach to recruiting iPros.
- Consider how best to provide iPros with support, particularly in terms of useful training and offering a wider range of relevant services.

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- Ensure the delivery of training is practical and attractive to iPros through increased use of online and other flexible forms of training.
- Ensure that iPros are represented on relevant committees so they have a voice.
- Collaborate more effectively with other bodies and associations, and form alliances to strengthen the support for iPros.

### **iPros should:**

- Consider the most effective ways of achieving a voice and identify avenues to express unifying views and promote iPro working.
- Identify specific issues and concerns relating to iPro working and develop a policy agenda to highlight these.
- Continue to develop and gain support for innovative support structures.
- Take responsibility for career development in a more active and coherent way.
- Recognise that collaboration does not undermine independence and find the right balance between working in isolation and with others.

### **Clients of iPros should:**

- Clearly identify and take into account the distinctive needs of iPros.
- Recognise that the growth in iPro working presents challenges to traditional management practices and develop new models of working in response to this.
- Review existing contractual and other issues that may inhibit the way in which iPros work.
- Recognise the implications of late payment and other practical concerns that iPros often encounter.

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1. *Professor Leo Witvliet, Business University, Nyenrode, Netherlands.*
  2. *Belgium, Finland, France, Germany, Italy, Netherlands, Poland, Spain and the UK*
  3. *Lawyers, writers of various sorts and IT professionals*
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# About EFIP

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Founded in 2010, the European Forum of Independent Professionals (EFIP) is a collaboration of national associations which represent independent professionals at EU level through targeted research and advocacy. EFIP is a not-for-profit organisation that is not affiliated to any political party. Our mission is to promote the value of independents to the European and national economies and to ensure that independent working is respected as a legitimate alternative to employment.

# Contact EFIP

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W: [www.efip.org.uk](http://www.efip.org.uk)

E: [efip@pcg.org.uk](mailto:efip@pcg.org.uk)



# About PCG

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PCG, the voice of freelancing, is the cross sector association for freelancers, contractors and consultants in the UK, providing its members with knowledge, representation, community and insurance. With around 21,000 members, PCG is the largest association of independent professionals in the EU. It is PCG's fundamental belief that flexibility in the labour market is the key to ensuring Britain's future economic success.

# Contact PCG

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Heron House

10 Dean Farrar Street

London

SW1H 0DX

T: +44 (0)208 897 9970

W: [www.pcg.org.uk](http://www.pcg.org.uk)



The voice of freelancing