

# Freelancing in Europe

EFIP<sup>★</sup> |  malt

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# Introduction

The European world of work has changed profoundly. New jobs have emerged while others have declined or disappeared. But the single most striking evolution of the past two decades could well be the rise of European freelancers. Salaried work peaked around the year 2000, and since then, the number of independent workers has been on the rise across Europe. Among them, freelancers are spearheading the growth of independent work: they are the **fastest-growing segment of the EU labour market, about 11 million EU workers today.**

More and more European workers aspire to work with increased autonomy. Remote work, flexible work arrangements, and co-working spaces have become ever more common among salaried and non-salaried workers alike. Management sometimes struggles to keep up with the pace of change. Freelancers are showing the way towards a new

definition of organisations, whereby organisations become open networks or ecosystems of talented individuals who collaborate on projects. The digital revolution has empowered many talented people to become freelancers, i.e. self-employed workers who have their own company but do not employ other people—consultants, graphic designers, web developers, SEO experts—who provide technical or artistic expertise and services to companies via on-demand work platforms or without them. This new class of independent workers is quite different from the traditional kind that has not disappeared: unlike shopkeepers and artisans, they do not have fixed assets; unlike solicitors or notaries, they do not have a licence to practice a regulated profession.

More and more companies today view working with freelancers as the best way to gain access to scarce high-potential talent. Project-based organisations rely on them more and more. But even more traditional corporations, who find it increasingly hard to recruit targeted tech talent, are beginning to realise that working with freelancers provides access to a wider pool of scarce resources. The extra benefit of these particular resources is that they tend to keep up with new trends and technologies and learn new skills along the way.

Freelancers are a traditionally neglected group within the EU workforce. A lot of studies and surveys focus primarily on employees and SMEs. That's why Malt, the leading freelancers platform in France, together with EFIP (European Forum of Independent Professionals) carried out a landmark survey<sup>1</sup> across Europe to get a better picture of this new class of workers. What are their aspirations and motivations? What are the difficulties they encounter in their daily lives?

“Decision makers need to obtain better data on the independent workforce through new and more regular surveys, with up-to-date categories and criteria.” - Marco Torregrossa, EFIP

**Popular opinion wrongly assumes most freelancers were forced to become freelancers for lack of better, more stable professional opportunities.**

Nothing could be further from the truth. On average, **77% of them chose to be freelancers.**



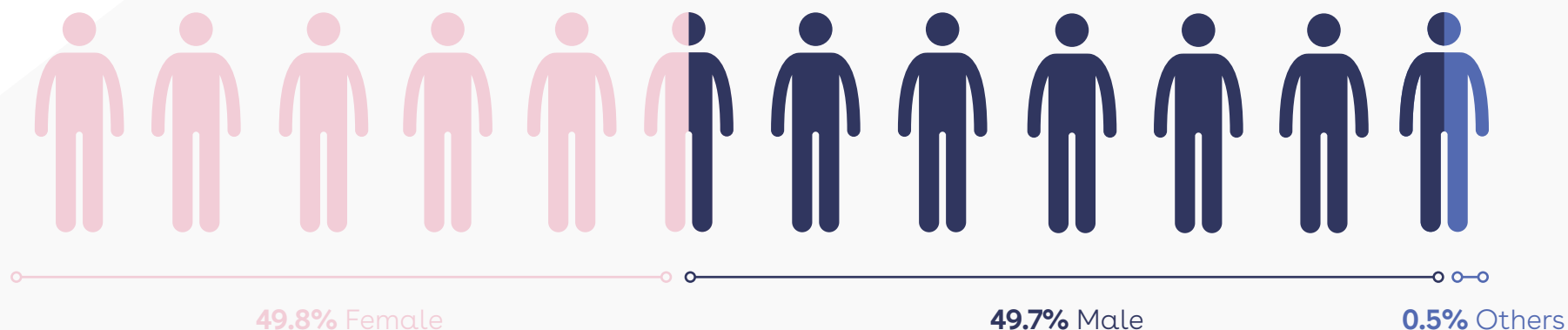
**77%**

of freelancers  
chose to **work  
independently**

# Who are the freelancers?

## Freelancers by category, gender, age and degrees

Freelancers now work in multiple fields. Though it's true the freelancer movement was at first driven strongly by the rise of the IT sector and its software developers, a wide variety of workers in other jobs have followed suit. In our survey, as many as **30.9% of the participants say they are in the "marketing and communication" category, which is now the largest group. With 26.5%, the IT / tech category** is the second largest. And 18% of the participants are in the "Arts, entertainment and recreation" category. 26.4% of them work in other fields.



**There's still a dearth of women among IT freelancers (as in the IT field overall), but there's roughly the same number of female freelancers as male freelancers among all categories combined.**

(49.8% of the survey participants identified as female). Freelancing is increasingly popular with women (and men) who used to struggle to juggle the constraints of family and work in their previous non-flexible work arrangements. 41.8% of the respondents, however, are single (never married) (35.3%), separated (1.6%) or divorced (4.9%). Further, 64.3% do not have any children or other dependents to look after.

Freelancers aren't all 'millennials', far from it! **Over 57% of freelancers are aged 35 and over.** 43% (the largest cohort) are aged between 35 and 49. 14% are over 50. As more and more professionals capitalise on expertise, network and reputation to start a career as freelancers, it is no surprise freelancers aren't that young on average. Still, 38% of freelancers are aged between 25 and 34, as a growing chunk of today's graduates start their work life as freelancers. Some of them may never be salaried workers.

Most freelancers are very qualified and have a university education. 19% of them hold a Bachelor's degree, and as many as **52.2% of the respondents have a master's degree or a PhD (30.5% females and 21.7% males).** **That being said most of them value lifelong education before all else.** Some are self-taught. Among software developers, for example, degrees matter a lot less than how well you can code. Freelancers tend to want to cultivate a growth mindset. They want to learn new things on different projects and adapt fast to the evolving needs of the market.



**57%**

of freelancers are  
**over 35 years old**



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**or a PhD**

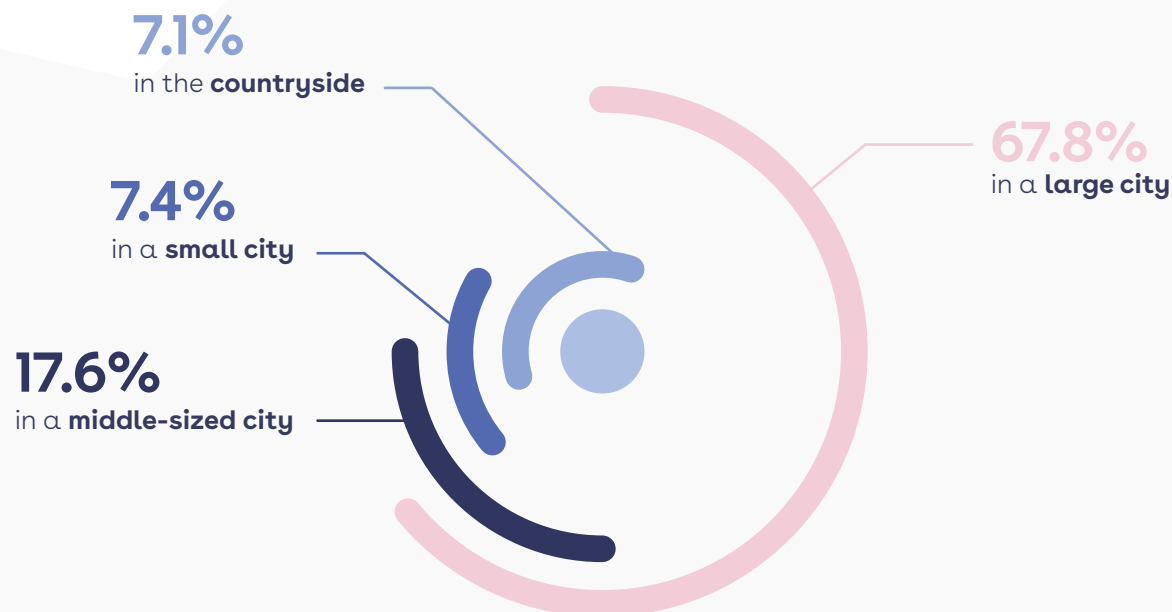
## Where they live

Technology seems to have abolished distance: people are increasingly connected and communication is cheaper than it's ever been. With an internet connection and a smartphone, you can work anywhere! **The fantasy of the digital nomad is long-lived. Yet the reality of our survey (and other surveys) figures is that digital nomadism remains a marginal phenomenon.** Overall, it's easier to have a good career as a freelancer if you're within a relatively short distance of where most of your clients are located.

In reality, economic activity and population are increasingly concentrated in just a few areas, while other places become economic deserts. Though it's

theoretically possible to work remotely, most freelancers choose to remain well connected to their networks and live in denser places: **67.8% of freelancers across Europe live in large cities**, and 17.6% in mid-sized cities. Only 7.1% live in the countryside and 7.4% in small cities.

Why are digital nomads—a growing trend in the startup world—still so marginal? It turns out that for individuals (freelancers or not) whose careers are full of ups and downs and turns, it's never been more important to live in a dense ecosystem. "Distance may be dead, geography has never mattered so much!"



## Duration of missions

The majority of the freelancers who participated in the survey (75%) said their freelancing activity was a full-time job. But 19% said they had multiple jobs: for some their activity as freelancers was the primary job, for others the second. Increasingly freelancing can also be a vehicle for a career change as you can test the viability of a project part-time. 49% of the participants said they worked more than 36 hours per week.

In most cases, their missions are 'full-time' too. Contrary to the idea that 'gigs' are brief and freelancers aren't really engaged, a lot of their missions are in fact long ones: **38% of freelancers have missions longer than 3 months**. But even with shorter missions, freelancers feel engaged, and sometimes develop strong long-term relationships with clients who may need them repeatedly for short missions at regular intervals. **36% of freelancers have missions that last one week or less**.

Interestingly there are significant differences between European countries. In France, more freelancers work full-time as freelancers (84%) than in Spain (71%) or Croatia (66%), where freelancing is more often regarded as a way to generate additional revenues.



# 38%

of freelancers  
stated their  
average project  
lasts **over 3 months**



# Why do they get up in the morning?

## Motivations and experience

Freelancers are perceived either as the “new precariat”, or as feckless millennials unable to hold a “real” job. And because salaried work remains overwhelmingly dominant, **many people sometimes find it hard to realise freelancing can be a choice made knowingly and freely by actual professionals.** Others don’t know how to become freelancers and what they could do.

**The Malt / EFIP survey reveals that it is indeed a choice made knowingly and freely by 76.6% of them.** The rest, 24.4% of the respondents may be on the lookout for a salaried position. Their client may not be willing to hire them as employees. Naturally, there are differences depending on the country: for example, the figure is higher in France than in Croatia (68%) (it is a choice for more freelancers in France).

**For an increasing proportion of freelancers, freelancing is now a career,** not just a series of gigs “in the meantime”, for lack of a “real job”. Building expertise and reputation and developing a client base takes time. It’s usually only after a couple of years of experience that freelancers can start charging higher prices. **More than half of survey participants (50.7%) have more than 4 years of experience as independent workers.**

**43.1% run their business as sole traders, 27.8% have no business entity, and 25.1% are registered as some legal entity / limited company.**



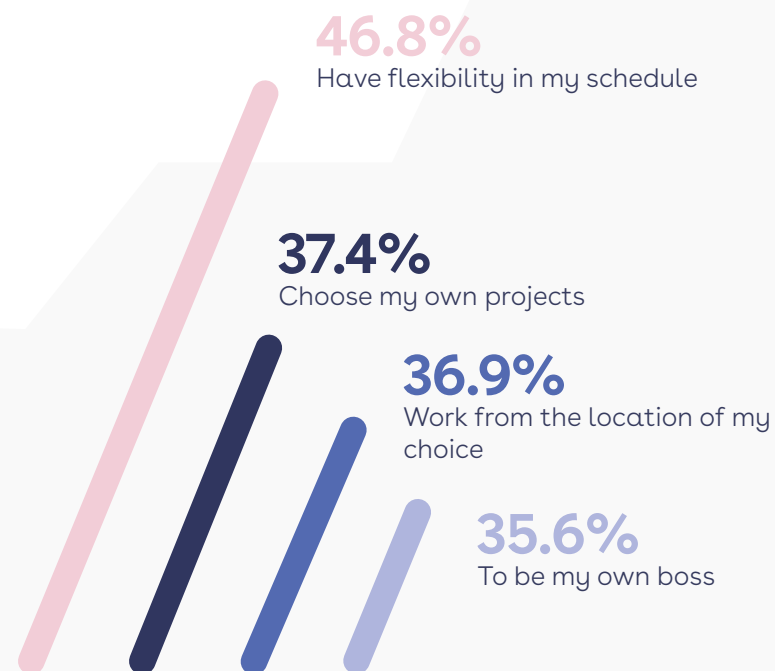
50.7%

of freelancers have  
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as independent workers

## The main reasons for becoming a freelancer

The choice to become a freelancer is generally justified by a **strong desire for autonomy at work**, flexibility in the organisation of one's work, and the possibility to choose one's missions. Some would not even consider a salaried position if they were offered one. Others (it's often the case with software developers) may have chosen freelancing because it enables them to earn more.

When asked what their reasons were for choosing to become freelancers, many put several things forward. **47% put forward flexibility in their schedule as an important factor; 37% the possibility to choose the projects they work on; 37% the possibility to choose where they work; 36% want to be their own bosses; etc.**



## How long they work

**Though they escaped the rigid constraints of nine-to-five jobs, most freelancers tend to work as many if not more hours than salaried workers.** Whereas salaried workers get a paycheck at the end of the month regardless of how many hours of actual work they put in, freelancers can only charge their clients for actual work done. As a result they often feel a lot of pressure to be more productive. The vast literature on productivity and how to manage one's time is usually quite popular with freelancers.

**20% of freelancers say they work more than 46 hours a week. 29% work between 36 and 45 hours a week. 27% work between 26 and 35 hours.** And 23% work less than 25 hours. Among them, some have multiple jobs (another salaried job on the side) and some do not have as many clients as they would like. Last year 54.7% earned more as self-employed than as an employees, and 12% earned the same.

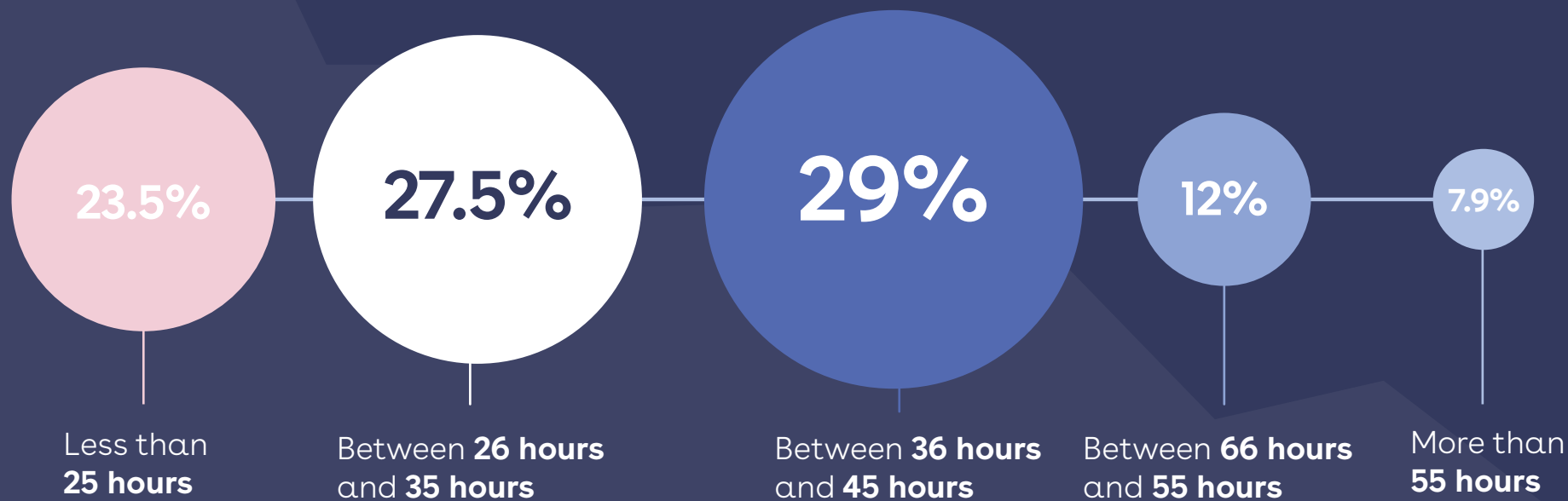
So how much do European freelancers earn on average? While the daily rates of 12% of those surveyed fall between €501 and €1000, 55.8% of

them earn less than €250 per day. 30.6% earn between €250 and €500 per day. Freelancers' average monthly net earnings in euros over the past 12 months were roughly less than €1000 for 37.2% of them, €1 000 to €2000 for 26.6%, more than €2000 and less than € 3000 for 19.9%, and more than €3000 for 16.3% of them.

Of course, the comparisons between the different countries reveal significant differences. For example, while the daily rates of 82% of the surveyed Croats are lower than €250, there is only 11% of the surveyed Belgians, or 25% of the French freelancers who fall into the same category.

**“Freelancing offers many opportunities, but we need to find the ways for freelancers to be fairly treated** and their workers' rights (such as fair wages) equally protected in each and every country in the EU. These rights are claimed human rights, which are egalitarian in the sense of being the same for everyone.” – Marija Raos Fitzhugh, R&D, Croatian Independent Professionals Association (CIPA)

Per week, they work...



## Where they work

Being able to choose where and when to work was cited by many as an important reason for choosing freelancing in the first place (see above). It is no surprise that **a wide majority of freelancers (65.6%) work primarily from home**, thus avoiding the hassle of daily commutes. **15% work primarily at their client's location. And 10% work primarily in coworking spaces.**

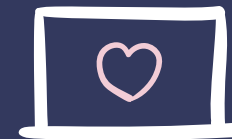
But most importantly most freelancers do not work at one location only. **Those who work mostly from home do also spend time at their clients' and / or in coworking spaces. For freelancers the workplace is a split space.** They use different spaces at different times. Mostly they appreciate the flexibility.

**In many ways freelancers are pushing a transformation of the workplace that affects every worker in Europe**, as more and more employees are allowed to work remotely a few days a week, and more and more are offered coworking spaces in addition to their regular office spaces: case in point, the exponential growth of coworking spaces in Europe—more than 3,000 coworking spaces in Europe in 2017.



# 74.7%

of freelancers are **full-time** independent professionals



# 65.6%

of freelancers work most of the time **from home**

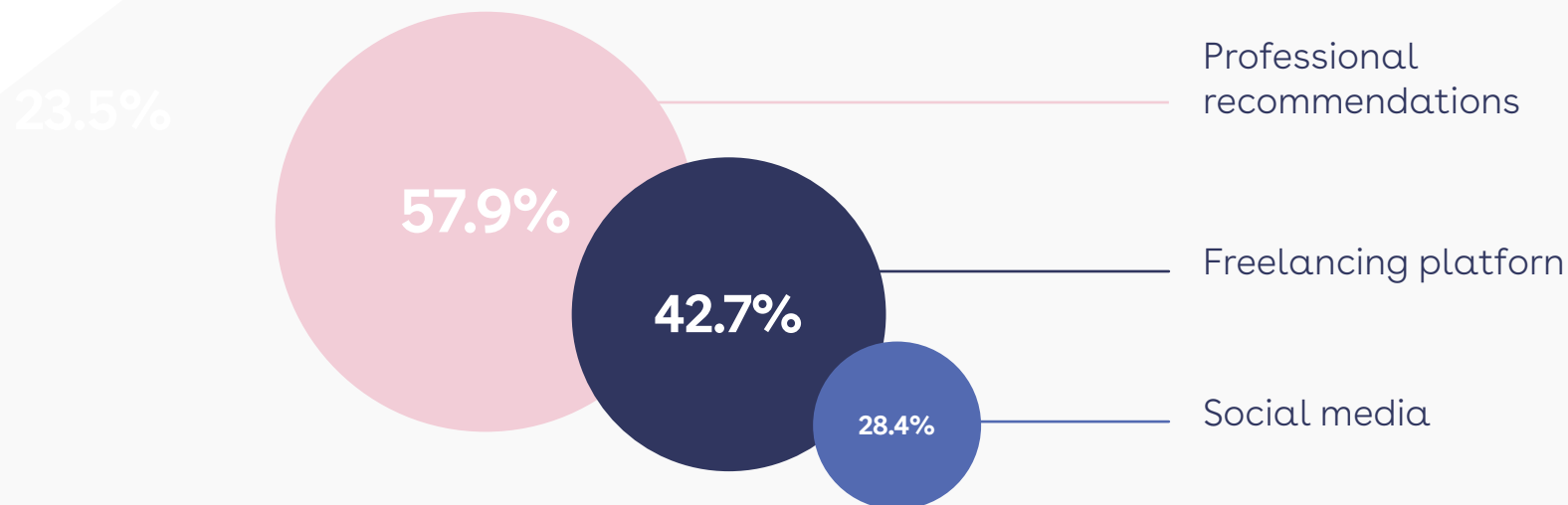
## How they find work

Probably the most daunting aspect of living a freelancer's life, in particular at the beginning, is finding enough work. Every freelancer's ultimate goal is to have clients coming to them, to have a reputation so strong that work will just come to them. But often they have to be a bit more proactive in looking for work: **42.7% use freelancing platforms to find work.**

In a world where reputation and network are of the essence, social media naturally play a big role: **28.4% of freelancers say they find work through social media**, which are instrumental in building up and leveraging network and reputation. Often, these networks are mostly local. Most freelancers find work locally. Their clients are all within the EU.

But a freelancer's best source of future work is their past work. **A majority of freelancers (57.9%) find work through professional recommendations.** Never underestimate the power of word of mouth!

Once their reputation is firmly established, most freelancers (54%) spend less than three days a month looking for new clients. Those starting a freelancing career or transitioning to one might need to spend more time on business development: 28% of the survey participants say they spend between three and six days a month developing their business, and 17% of them need more than six days.



# Do freelancers feel understood?

## What topics freelancers want to see addressed

**Most freelancers seem to agree their social protection leaves much to be desired.** In a lot of European countries with strong welfare states, social protection for the employees is usually (still) quite comprehensive. **By contrast, independent workers are left to choose the degree of protection they want to pay for.** Unlike their salaried counterparts, they have no (automatic) unemployment insurance or disability insurance, for example. That's why 26% of them would like the subject of unemployment benefits to be addressed in the public debate. 23% of them say they are also concerned by their retirement situation, which they would like to see clarified.

Among freelancers, many young workers do not feel sufficiently concerned and / or are not informed enough about what their social protection needs might be in the future. Those who had a salaried position and experienced the contrast tend

to be more sensitive. As are those who are a little bit older. **89% of the survey participants say they believe social security should be improved for freelancers.** Although only 7.8% feel financially secure, and less than a quarter of them (22.65%) feel less anxious than a salaried employee, 39.8% believe all stakeholders (including themselves) should be asked to contribute. The needs of freelancers have not been heeded sufficiently as, until recently, they did not constitute a large enough group to leverage political influence. A majority now think this ought to change in the future: **63% believe "freelancers should be better recognised and supported by policymakers". Only 36% of them feel that their friends and family support and understand them.**

Apart for social protection, the topics of concern include the red tape and legal complications that many European freelancers have to deal with. 37% of the participants cited the simplification of administrative procedures (taxes, setting up a company, etc.) as one of the two topics they would like to see addressed in the public debate.





63.1%

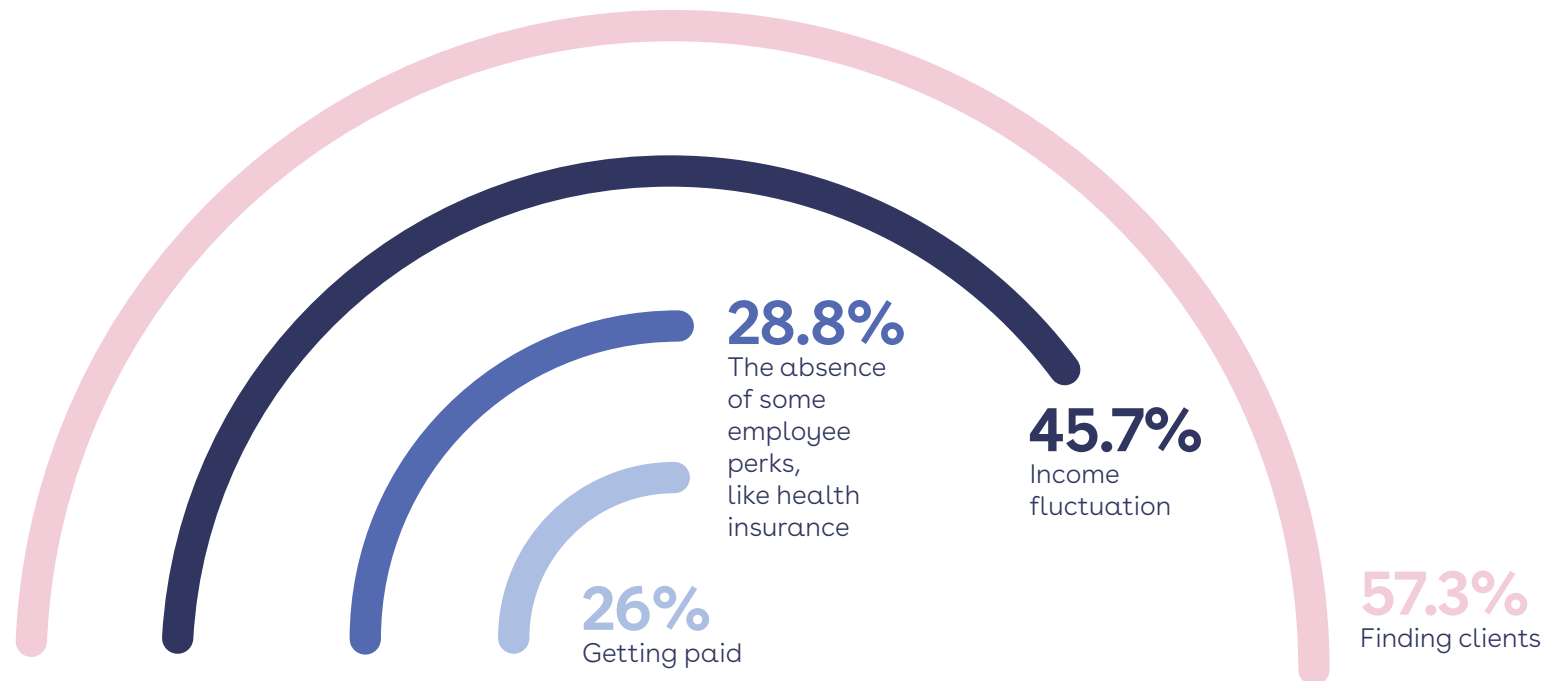
of freelancers think they should be  
**better recognized and supported**  
by policymakers

## The biggest obstacles in a freelancer's life

Freelancers may have chosen to be independent workers, it doesn't mean it isn't fraught with difficulties. **Like entrepreneurs, shopkeepers, artisans and everyone else who doesn't receive a monthly paycheck, freelancers list "finding clients" (57%) and "income fluctuation" (46%) as the main obstacles in their lives.** In some countries (or situations), the absence of employee perks, in particular health insurance is also a major concern (29%).

Unlike employees, freelancers also have to worry about getting paid. **"Getting paid" is cited as an obstacle** by 26% of the participants. Because technically they are suppliers, those who do not use digital platforms often have to wait weeks (or months) before their invoice receives payment. Late payments or payment defaults are not uncommon. So sending emails or making phone calls to remind their clients of paying their invoices can take up some time.

According to Priceonomics, an average 29% of freelancers' invoices get paid late in the US: "In addition to irregular income streams and projects, freelancers have to deal with clients that don't pay on time." (And "Female freelancers get paid late more often than male freelancers"). In that respect, European freelancers are no exceptions: to succeed they need to learn to "run a business".





**Marco Torregrossa, Secretary General,  
European Forum of Independent Professionals EFIP**

*Freelancers are an important, but somehow hidden, part of the small business population, and one that is largely miscalculated and misunderstood.*

*The results of the first ever European Freelancers Survey offer a sophisticated perspective of the freelance workforce in Europe. They serve as a compass to better understand freelancers' experiences, the challenges they face and the improvements they demand.*

*The tremendous variation of interests, incomes, and affiliations among independent workers has always made it problematic to forge a strong and unified voice. The time has come to right that wrong. The debate around independent work should no longer be confined to the margins. It's a mainstream employment arrangement, and the atypical has now become typical.*

*But we must do more if we truly want to democratize self-employment. Policymakers need to nurture this growing sector of the workforce, create low entry barriers, and ensure everyone has a reliable option to work in the way they choose, as a way to increase labour market participation and inclusion, while having access to a social safety net.*

*As elections are looming in the European Parliament and in a number of European countries, it would be a lost opportunity for political establishments not to gather support of this large and engaged constituency, to whom elected officials should pay more attention.*



**Shiraz Mahfoudhi**  
Country Launcher 

*Freelancers have become an important part of the working population that cannot be underestimated and misunderstood anymore. In the US for example, they contributed \$1.4T to the economy in 2017, a rise of 30% from the previous year. In the UK alone, where freelancers account for 2 million people, they contributed £119 billion to the economy in 2016.*

*Across Europe, a few initiatives have emerged to support the growth of freelancing in the wake of the creation of the EFIP: EU Affairs Freelancers Association was launched in 2013 and European Freelancers Week in 2015. However, there is currently no united voice of freelancing in Europe and the few reports that were published on the topic at European level usually tackle what freelancers can do for their clients but never investigate what freelancers actually need.*

*At Malt, our heart is set on empowering each member of our community to thrive in their work, to be autonomous and to make choices that are aligned with who they really are. Hence, it was only natural for us to launch the first ever European freelancers survey in order to help freelancers be better heard and understood by public opinion as well as be more recognized and supported by policymakers.*

*We believe platforms like ours have a key role to play in the support of self-employment. Gathering freelancers so that they can speak with a common voice and help each other is a first step towards creating a credible counter-force able to influence political debates and instigate a fully fledged freelancer status. The second step that we have endeavored to achieve, through specific partnerships, is to facilitate freelancers' access to some services such as banking, health insurance, online training and coworking.*

*We are truly convinced that we need to go much further and help decision-makers work hand in hand with freelancers to shape the Future of Work!*

# Conclusion

Despite the obstacles and the (relative) lack of recognition by public opinion and authorities, an overwhelming **majority of EU freelancers are happy about their situation**. Most of them chose to increase their level of freedom and autonomy at work. They are driving a silent employment revolution in the EU (and the world). They are changing organisations and work space. Last but not least, as we move into the digital age, they are also challenging the definition of work that we inherited from the industrial age.

There is no reason to believe to growth of freelancing is about to stop any time soon. As freelancers become a larger part of the European workforce, their needs will have to be heeded more by policymakers and all our institutions. In particular, our social protection will have to evolve to take their situation into account.

Also, as more and more people become freelancers or want to have an additional activity as freelancers, we will have to make it easier for them to start their activity, pay their taxes or collect their benefits. In many European countries, red tape and bureaucracy are still stifling a lot of economic activity.

The European Commission has called to revise the European SME Definition in a recent Inception Impact Assessment to “acknowledge freelancers as a stand-alone category within the definition and legitimise the smallest of small businesses, those who – with a 45% increase since 2000 – are the fastest growing segment of the EU labour market”. Our survey aims to shed light on this growing group of European freelancers. They’re bound to become a force to be reckoned with in the future. In all likelihood, we will see further institutional changes in the near future as many European countries are currently planning to give freelancers increased recognition.



Laëtitia Vitaud

# Authorship credits

**Data collection:**

Shiraz Mahfoudhi, Marija Raos, Matija Raos & Marco Torregrossa

**Survey design:**

Margaux Reinaudo

**Data analysis and interpretation:**

Marion Bernès, Shiraz Mahfoudhi & Laëtitia Vitaud

**Drafting the report:**

Shiraz Mahfoudhi, Marija Raos, Marco Torregrossa & Laëtitia Vitaud

**Critical revision of the report:**

Marion Bernès, Shiraz Mahfoudhi & Marija Raos

**Final approval of the version to be published:**

Marion Bernès & Shiraz Mahfoudhi