IV Report on the liberal professions in Italy - Year 2019

Abstract

The annual Report of Confprofessioni aims to provide an increasingly reliable quantitative and qualitative picture of the characteristics of the entire range of professions (regulated and no-regulated) and their dynamics in the medium and long term.

It starts from the dynamics of employment in the last ten years. According to ISTAT data, the number of 'self-employed' decreased from 5˙748˙000 in 2009 to 5˙319˙000 in 2018, a decrease of almost 430˙000 (-7.5%). However, in the same years, in contrast, the component of the 'freelancers' increased from 1˙148˙000 units in 2009 to 1˙430˙000 units in 2018, with a growth of over 280˙000 units (+24.6%). The explanation seems to be in two concomitant phenomena: on the one hand, the economic crisis and the impact of the digital revolution that have affected traditional self-employment, on the other hand, the increasing attractiveness of free professional choice for the younger and more educated sections of the labour market, also in virtue of the progressive push towards the digital economy.

The decline in the number of self-employed workers and, at the same time, the strong growth in the number of freelancers can be observed in all the countries of the European Union, albeit to varying degrees.

The Report then tries to overcome the fragility of the definitions and the perimeter of the free professional world and, therefore, the difficulty of understanding who really is part of it: there are workers who present the characteristics of the free professional even if they do not declare it and other workers who, even though they do not have these characteristics, declare themselves freelancers. The study estimated that there are about 1˙800˙000 freelancers working in our country today, about 400˙000 more than the usual reference number.

A further aspect addressed by the Report concerns the centrality of freelance professional work in contemporary economies, which today presents new aspects compared to the past: some profiles continue to show job losses while double-digit growth is observed for other types of freelance professions. This duality word leads to a fragmentation of both the regulated professions and the no-regulated professions, redrawing the weights of each profession and producing many uncertainties in the choice of the academic career. It is a subject that requires specific attention and targeted study in order to offer an increasing capacity for school orientation, especially with regard to higher education and post-graduate studies.

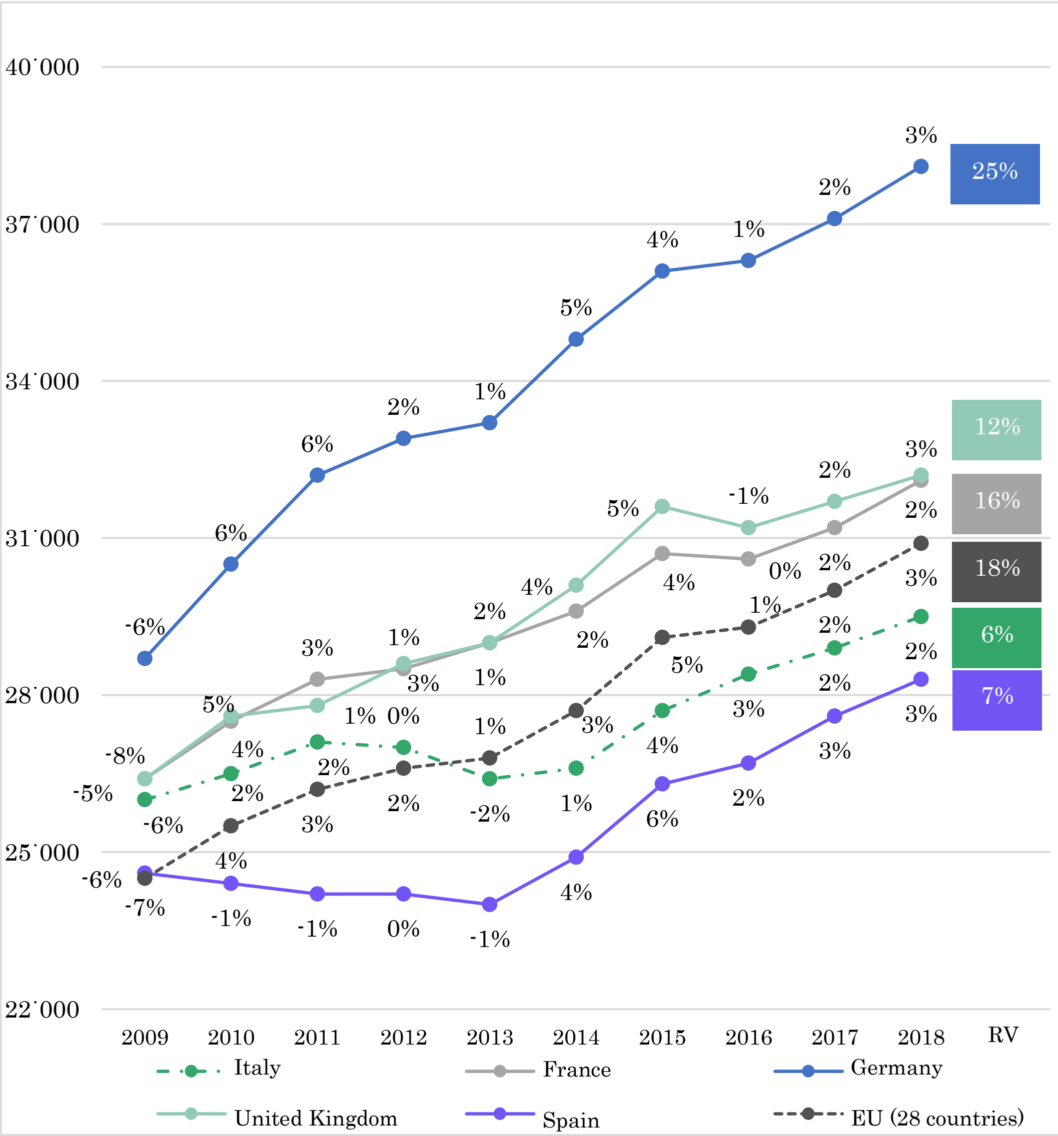
The analysis carried out on the incomes of professionals, trying to take into account the effects of the introduction of the flat-tax scheme covering at least 40% of the liberal professions (about 313˙000 out of the 854˙000 of the universe of the liberal professions AdEPP), also confirms the ongoing process of polarization, which sees a number of professions significantly increase their incomes, while many other professions have stagnant or declining incomes.

The national economy in Europe. A comparison

Chapter 1 proposes a comparison between the situation in Italy and that of the major European economic systems: France, Germany, the United Kingdom and Spain. The analyses are aimed at better contextualising the role and contribution of the liberal professions at European and national level. It also explores data on tertiary education, which is a key factor in the structure and dynamics of the intellectual labour market and highly skilled professions.

Figure 1: GDP per capita in PPP (Purchasing Power Parity) values in €, annual and relative variation in Italy, France, Germany, the United Kingdom, Spain and EU (28 countries)

GDP per capita in PPP (Purchasing Power Parity). Years 2009-2018.



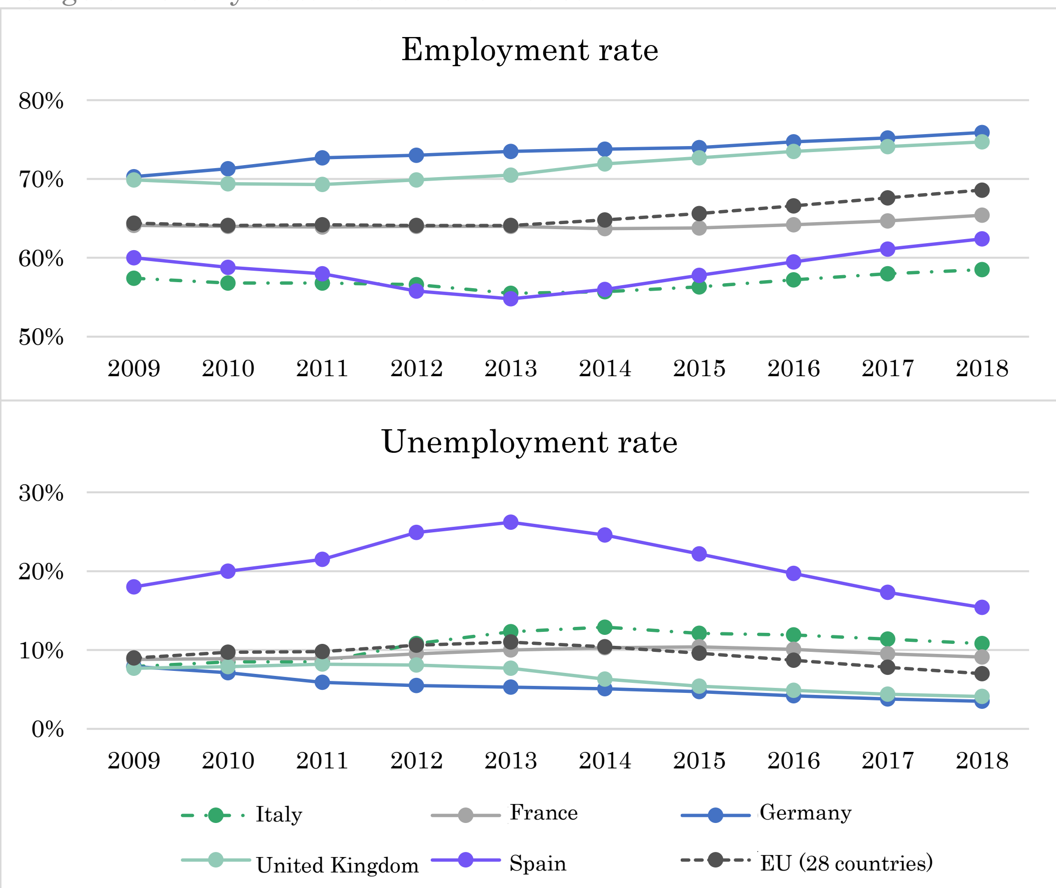
Source: work of Osservatorio delle libere professioni on EUROSTAT data 'European Union labour force survey' 2018

A first fundamental element of analysis is the gross domestic product per capita: the fall in GDP in 2009 affected all countries to a similar extent, but national economies showed different reaction capacities. In particular, Germany, France and the United Kingdom quickly embarked on an upward trend that led to positive changes in GDP as early as the year following the onset of the great crisis of 2008. In Italy, the national economy first recorded a positive reaction (2010 and 2011), followed by a further fall in GDP (2012 and 2013). Starting from 2014, the annual changes in GDP in Italy also remain positive, but our country is the one that in the medium to long term shows the most limited increase: +6%, compared to a growth that on average is 18% in Europe and that in Germany reaches 25% (Figure 1).

There is a similar gap in terms of employment rate: in 2018 the national employment rate (58.5%) returned to the values recorded in the pre-crisis period (2007 and 2008). However, the differential with the European average remains high (about 10 percentage points) and is on the increase. Even looking at the unemployment rate as a whole, Italy's performance in the post-crisis period is worse than that of other countries (with the exception of Spain) (Figure 2).

Figure 2: Employment and unemployment rate in Italy, France, Germany, the United Kingdom, Spain and EU (28 countries)

Range of 15-64 years. Years 2009-2018.

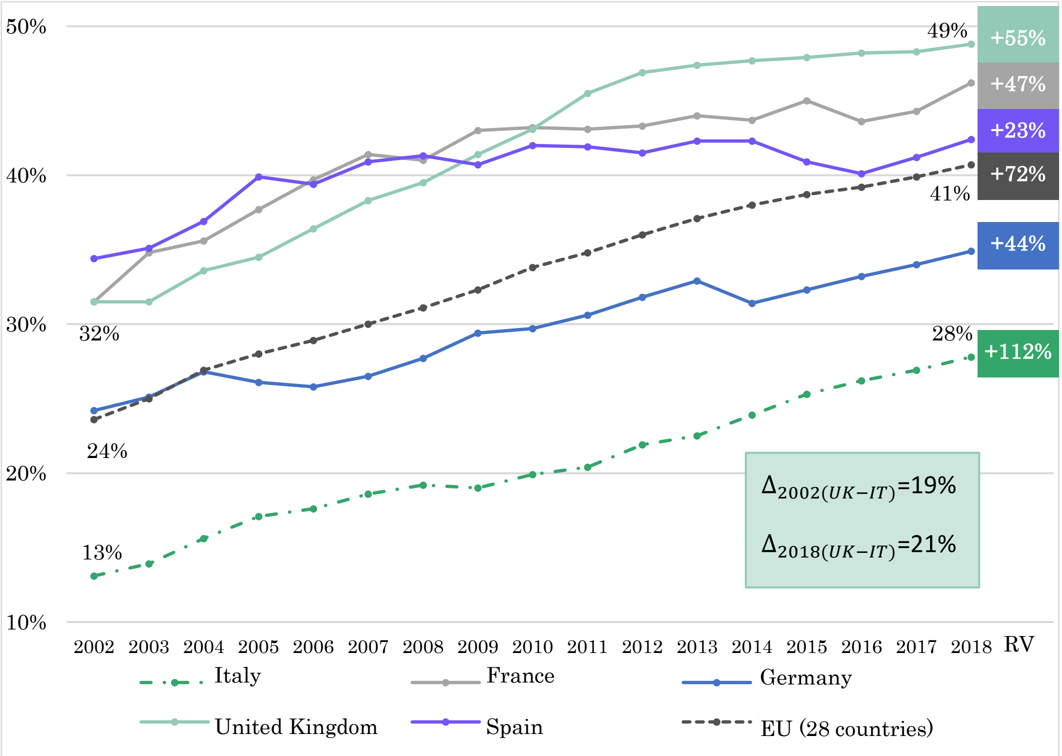


Source: work of Osservatorio delle libere professioni on EUROSTAT data 'European Union labour force survey' 2018

The analysis of employment by age group shows first of all that Italian employment rates as of 2018 are systematically below the European average for all the age groups considered (15-24; 25-49; 50-64). The only exception is the employment rate of the 50-64 year-old population, which is close to 60%, just above the level recorded by Spain for the same group.

Figure 3: Graduation rate 30-34 years in Italy, France, Germany, the United Kingdom, Spain and EU (28 countries)

Years 2002-2018.



Source: work of Osservatorio delle libere professioni on EUROSTAT data 'European Union labour force survey' 2018

Italy also has a lower growth in female employment than the European average (+7%) and is the only country that, at the same time, has a fall in male employment (-1%). In addition to the gender gap, Italy historically has an important education gap despite the strong growth recorded in recent years. Looking at the rate of graduates aged 30-34, the accelerated trend of Italy emerges clearly. In fact, in 16 years, the rate is increased more than the double of its value, going from 13.1% to 27.8% (+112%).

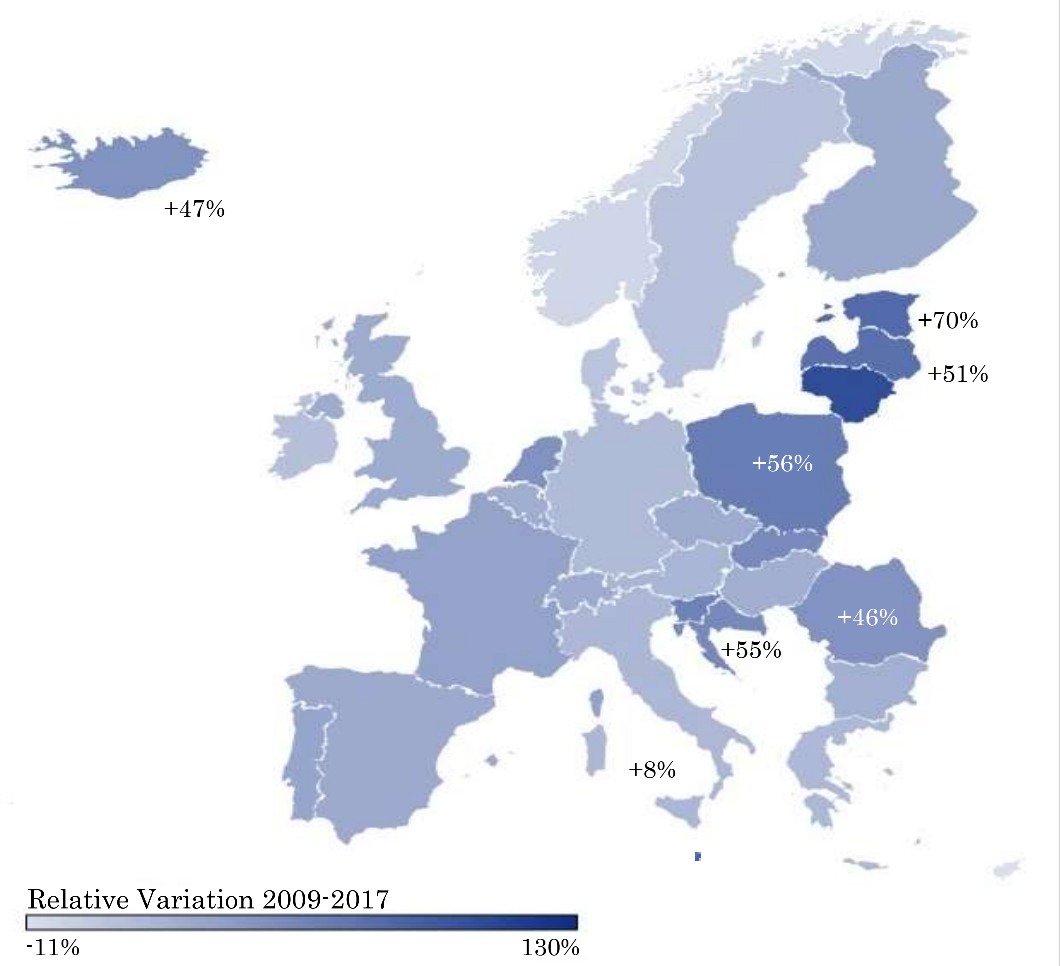
However, this acceleration does not make it possible to balance the gap between Italy and the European average (Figure 3).

Trends in the European context

Independent employment fell by -3.5% at EU28 level and by 10% at national level, with an annual average of -0.4% and -1.2% respectively. At the same time, the number of freelancers has continued to grow at European level, rising from 4 million 800 thousand in 2009 to over 5 million 700 thousand in 2018.The proportion of freelancers on the self-employed, which stood at 15.5% in 2009 at European level, rises to 19% in 2018. In Italy it goes from 19% to 23.6%.

Figure 4: Relative variation of freelancers* in the European countries

Variation % on Moving Average on three years. Years 2009-2017.



*Data are referred to only freelencers that work in the professional, scientific and technical activity or health and social work activity

Source: work of Osservatorio delle libere professioni on EUROSTAT data 'European Union labour force survey' 2018

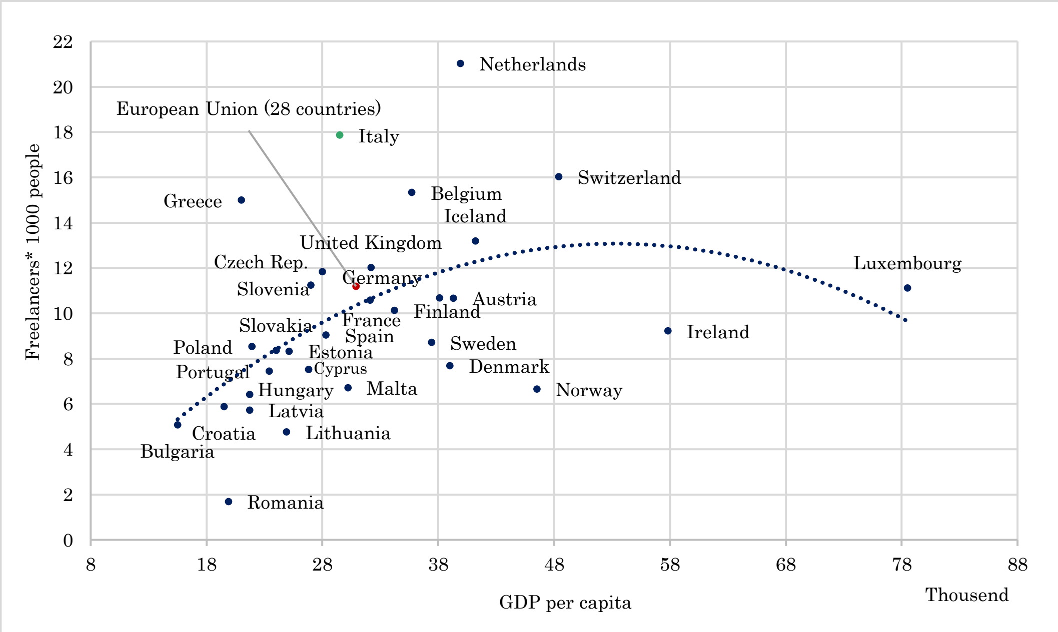
This is also an important contribution from an economic point of view, since the consolidated presence of the liberal professions is to some extent a predictor of the wealth of countries (Figure 5).

A further unifying feature of the liberal professions in Europe is that it concerns the imbalance of this occupational group over the older age groups.

The share of 55-64 year olds has been growing over the years and today is just under 40% at European level.

Figure 5: GDP per capita in thousand € and freelancers* per 1000 people in Europe and in the European countries

GDP per capita in PPP (Purchasing Power Parity). Year 2018.



*Data are referred to only freelencers that work in the professional, scientific and technical activity or health and social work activity

Source: work of Osservatorio delle libere professioni on EUROSTAT data 'European Union labour force survey' 2018

Economic trends in Italy

This chapter analyses some data referring to the national economic and employment context, deepening them at a sectoral level. The composition of GDP by branch of activity reflects the structure of employment, 73% of which was employed in services.

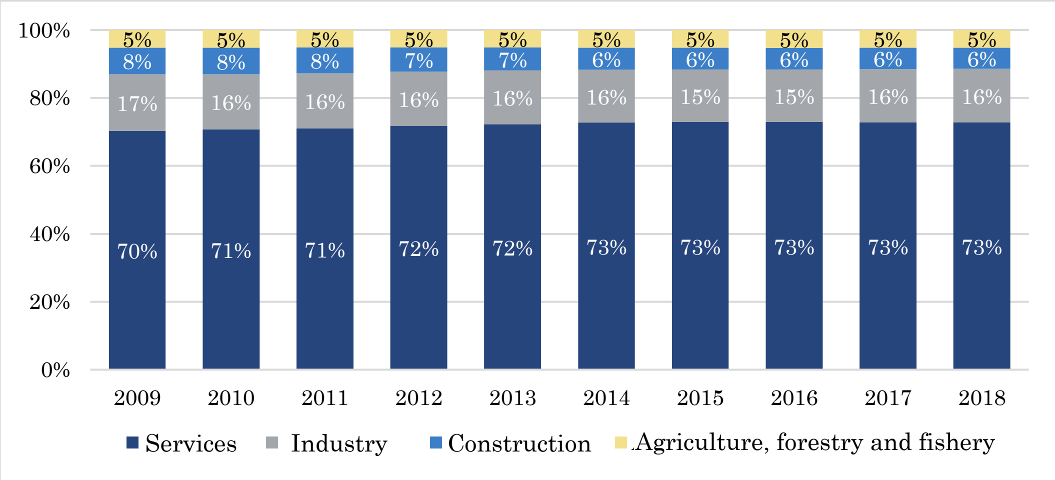
Industry contributes are of 19% in terms of GDP and of 16% in terms of employment. The contribution of services to employment has further strengthened over the years, rising from 70% in 2009 to 73%, with a growth of about 1 million employees (Figure 6).

The export leverage has been a determining element in the dynamics of the national GDP of the post-crisis period. Despite the impetuous process of outsourcing, Italy maintains an important manufacturing vocation, more significant than that which characterizes countries such as the United Kingdom and France; and the national production system expresses a good propensity to export, higher than that of France and Spain.

In all economies, the dynamics of exports predominantly concern the goods market rather than the services market: the tertiarization of the economies has not led to a leverage for internationalisation, except in terms of increased mobility of human capital.

Figure 6: Employment composition by economic activities in Italy

Unit labour. Years 2009-2018.



Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

In 2018, the value of exports of services was below 6% of GDP, compared to 8.3% in Germany, 9.3% in France and 10.5% in Spain.

Table 1: Employment composition by professional status

Absolute values in thousand, composition % and relative variation. Years 2011 and 2018.

	2011	2018	Composition % 2011	Composition % 2018	RV % 2011-2018
Qualified and technical professions	7'628	8'170	33.8%	35.2%	7.1%
managers	695	627	3.1%	2.7%	-9.8%
intellectual professions	2'904	3'400	12.9%	14.6%	17.1%
technical professions	4'029	4'143	17.8%	17.8%	2.8%
Employed and Services and Sales Workers	6'655	7'064	29.5%	30.4%	6.1%
employed	2'703	2'619	12.0%	11.3%	-3.1%
Sale and personal services	3'952	4'445	17.5%	19.1%	12.5%
Farmers and craftsman	5'820	5'217	25.8%	22.5%	-10.4%
craftsman, skilled and farmers,	3'955	3'402	17.5%	14.7%	-14.0%
plant operators	1'866	1'815	8.3%	7.8%	-2.7%
Unqualified workers	2'255	2'525	10.0%	10.9%	12.0%
Armed forces	240	237	1.1%	1.0%	-1.0%
Total	**22'598**	**23'215**	**100.0%**	**100.0%**	**2.7%**

Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

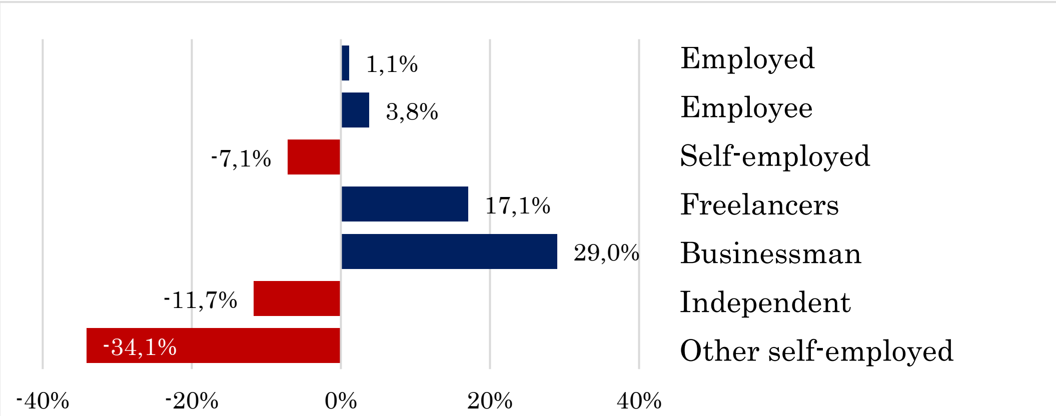
Turning to employment data, it is possible to observe how the progressive growth of services modifies in a structural way the labour demand, generating the polarization that is generally found in all advanced economies. The employment growth of recent years mainly concerns the most qualified professional figures, among all the intellectual professions, which increase by 17% in seven years, and the unqualified workers (+12%). In contrast, is possible to observe a decline in the labour demand referred to intermediate positions (Table 1).

Numbers and trends in Italy

With just over 1 million 400 thousand units, the aggregate of freelancers constitutes in 2018 more than 6% of the employed in Italy and almost 27% of the total of self-employment.
The growth of the free professions (+17%) can be seen in all professional areas, albeit with different intensities. The professions of the social-health sector are at the first place in terms of employment growth (+53%); the growth of the scientific professions is also very marked (+38%) (Figure 8).

Figure 7: Employment trends * dipendente e indipendente in Italy

Variation % 2011-2018.

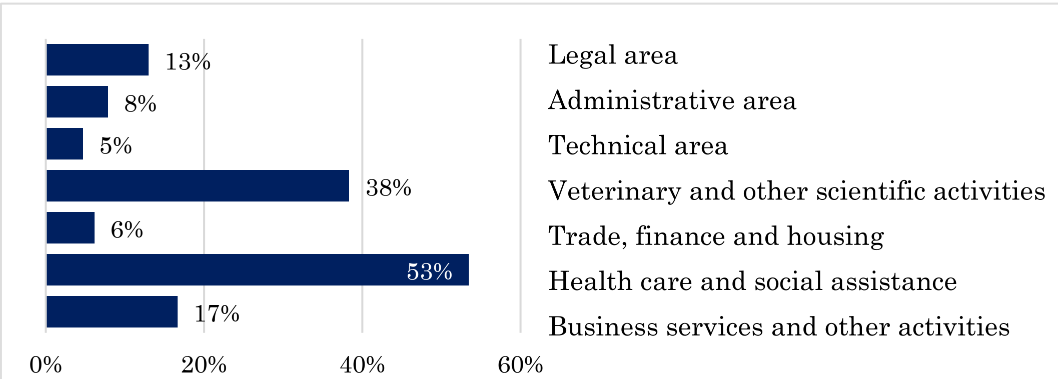


*Data are referred to principal work

Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

Figure 8: Employment trends in the liberal professions* by field of economic activity in Italy

Variation % 2011-2018.



*Data are referred to principal work

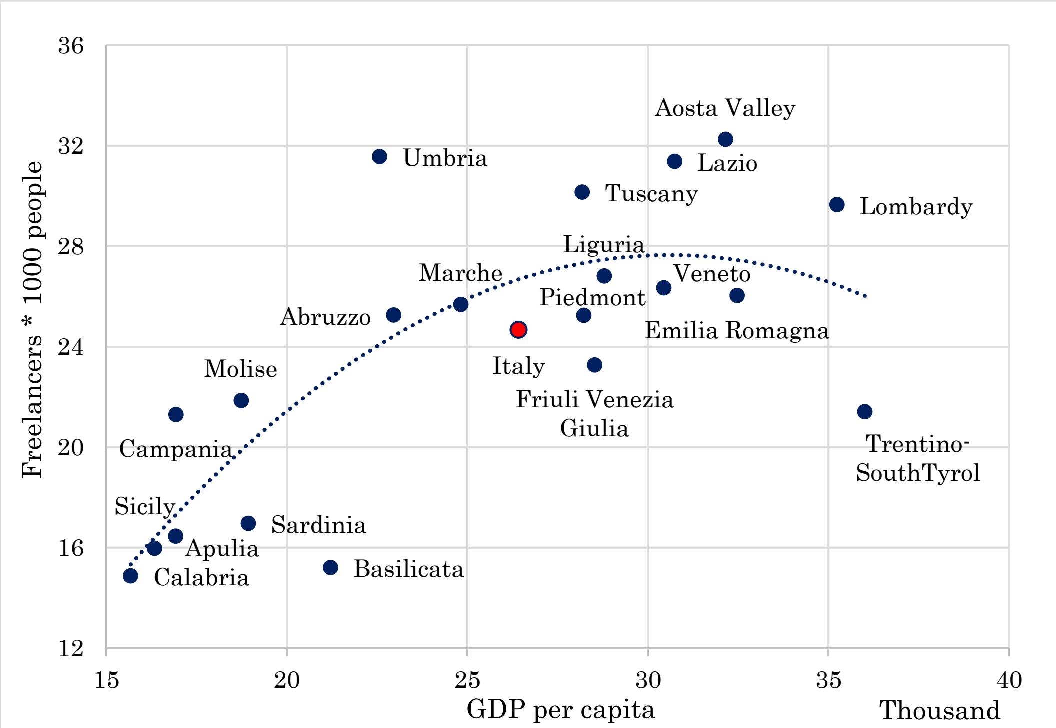
Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

From a territorial point of view, free professionals are constantly growing in almost all regions except Calabria and Liguria, which recorded a reduction of -8% and -4.5% respectively compared to 2010. The regions that show the greatest increase are Campania, Molise, Veneto and Marche, which show variations of more than 30% during the period.

There is also a positive relationship between GDP per capita and the presence of free professionals: higher values of GDP per capita correspond to a greater density of free professionals. The regions with the lowest values for both dimensions are those of the South. Lombardy is the region with the highest pair of values (Figure 9).

Figure 9: Freelancers per 1000 people and GDP per capita (€) in Italy and in the regions of Italy

Values in thousand. Year 2018.



Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

Freelancers also play a key role in terms of creating employment: in 2018 there were more than 204 thousand freelance with employees, 14.4% of the total. This amount, although positive, is slightly down compared to the previous year. INPS data, relating only to the sector of 'Scientific and technical professional activities', show a constant increase in the number of employees, which rose from 363 thousand (2007) to 484 thousand (2017), with a growth of about 120 thousand units (+33%) and an annual growth of 3.3%.

Socio-demographic characteristics

The composition of Italian freelancers shows significant differences between sectors of activity and at the territorial level.

Between 2011 and 2018 there was a slight but progressive ageing of the sector: the average age went from 45 to 47 years. This trend crosses all disciplinary areas with different intensities, with the exception of the social health and assistance sector.

The age of the self-employed and the freelancers is on average higher than that of the employees. Among the former, the average age is 47 years, while in employment it does not reach 44 years.

The process of progressive ageing, which has affected all occupational segments, is present with less intensity in the free professions sector: the average variation over the period is in fact equal to +1.8 years in the free professions while it rises to +2.3 years among employees and even +2.6 years among the self-employed (Table 2).

Table 2: Average age of dipendenti, degli indipendenti e dei liberi professionisti, per settore di attività economica

Years 2011-2018.

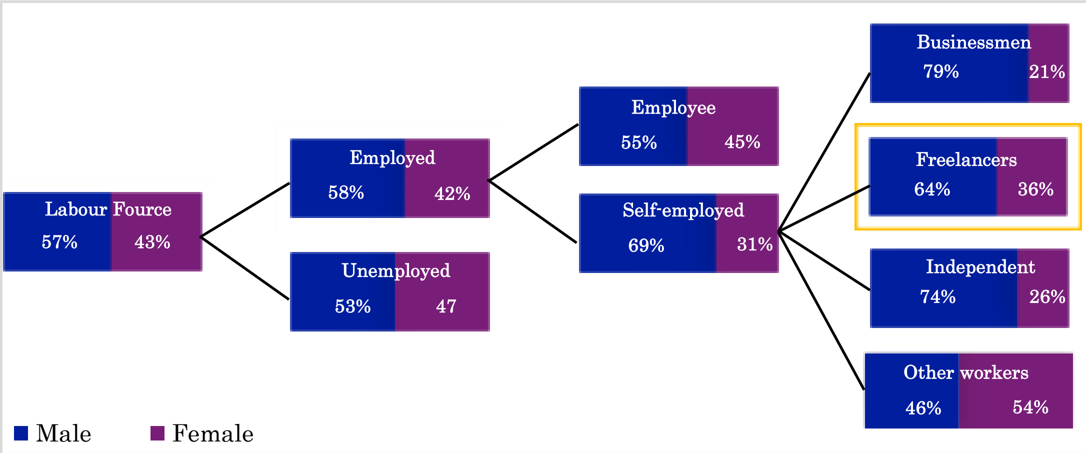
	2011	2012	2013	2014	2015	2016	2017	2018
Employee	41.3	41.7	42.3	42.8	43.1	43.3	43.5	43.6
Self-employed	44.8	45.1	45.5	46.0	46.3	46.6	47.0	47.4
Freelancers	**45.2**	**45.4**	**45.5**	**45.8**	**46.0**	**46.5**	**46.8**	**47.0**
Legal area	43.2	43.6	43.4	43.8	44.8	45.2	45.5	45.9
Administrative area	46.9	47.9	47.8	48.3	48.2	48.8	49.0	47.7
Technical area	44.6	44.8	45.1	45.6	45.6	46.0	46.6	47.5
Veterinary and other scientific activities	42.9	43.8	43.4	44.0	43.6	43.3	44.8	45.2
Health care	47.9	47.3	47.2	48.4	48.1	47.8	47.5	47.7
Social assistance	46.0	41.8	41.0	41.1	40.1	41.2	39.4	40.3
Trade, finance and housing	45.5	45.6	46.3	45.9	46.2	47.9	48.6	49.7
Business services and other activities	44.5	44.9	44.8	44.4	44.7	45.2	45.4	44.7

Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

Turning to the gender dimension, independent employment as a whole maintains a larger gap than employment. The percentage of males is 55% among employees and rises to 69% among independents. The freelance professionals are characterized by a greater male-female gap than that found in dependent work: the percentage of males is in fact 64% and women represent only 36% of the total (Figure 10). However, there is a trend towards a reduction in the gender gap in fact for younger professionals (15-34) is almost zero.

Figure 10: Composition of labour force in Italy by sex

Composition %. Year 2018.

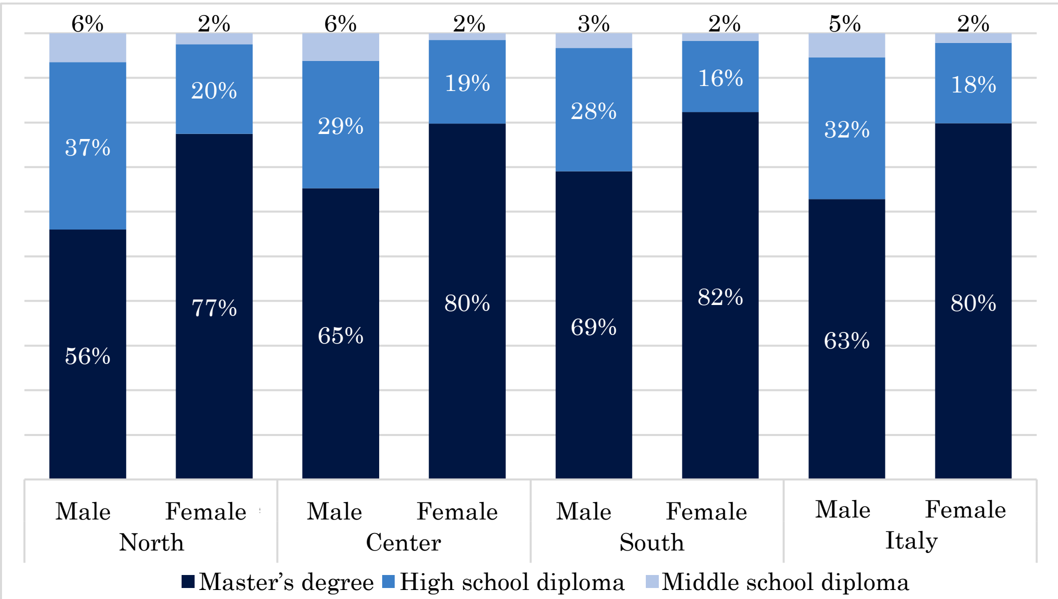


Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

The free professions sector represents a highly qualified employment segment: in 2018, more than two-thirds of freelancers hold a degree. In particular, female freelancers have higher levels of education than male: the proportion of female graduate is 80% at national level, compared with 63% for men (Figure 11).

Figure 11: Freelancers level of education by sex and geographical area

Composition % by sex. Year 2018.



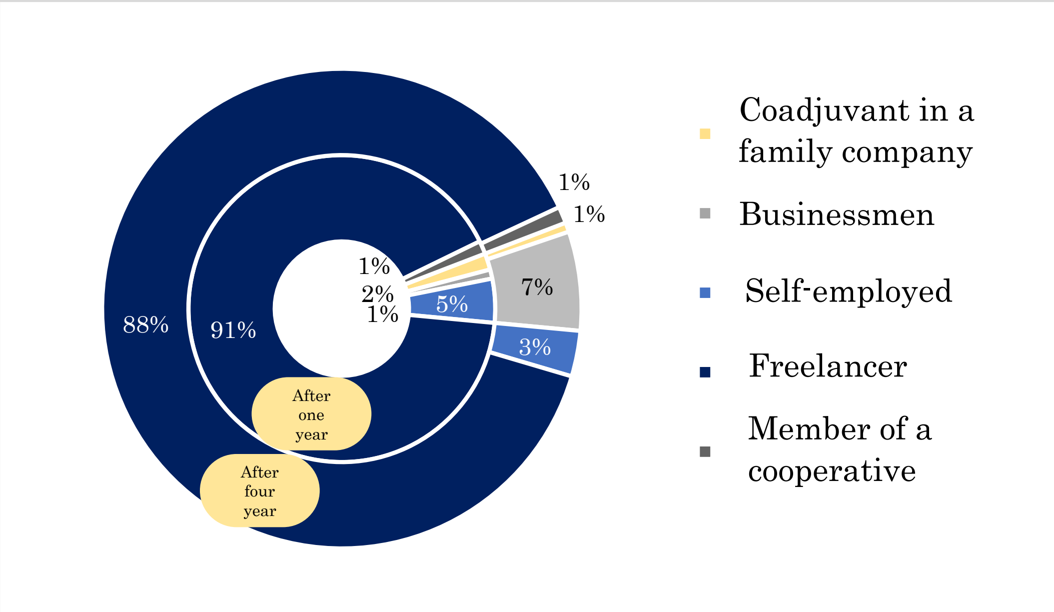
Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

Higher education and career opportunities

The occupational status of those who have obtained a PhD in recent years has been analysed, focusing mainly on those who have embarked on a career as a freelancer.
Until a few years ago, the PhD was a path reserved almost exclusively for students who aspired to an academic career. Today this is no longer the case: self-employment accounts for a total of 11-12% and coincides almost exclusively with the exercise of the free profession (Figure 12).

Figure 12: Composition of PhD students that work as independent, division for employment. Cohort 2014

Collection of 2018.



Source: work of Osservatorio delle libere professioni on ISTAT data 'Indagine sull'inserimento professionale dei dottori di ricerca' 2018

For a large number of freelancers, the doctorate is mainly a path of further specialization for the purpose of exercising their profession and is less frequently used as a way for initial employment.

Income of the freelancers

The analyses on the incomes of freelancers are based on two sources: the times series of SOSE and the statistical data collected by AdEPP. These are two sets with different characteristics and not immediately comparable.
However, the use of the two sources is useful to have an overall view of the incomes dynamics in the free professions, with the caveat that the incomes indicated by SOSE are determined on a smaller number of professionals and are on average higher as they do not count the professionals who have adopted the flat-tax system. The comparison between the two sources shows that there are over 300,000 freelancers who adhere to the flat-tax system with an average annual income of just over € 10,000 (Table 3).

Table 3: Average income* and numerousness of freelancers based on AdEPP and Sose, and an estimate of the average income dei forfettari[1]

Year 2017.

	Numerousness AdEPP	Average income AdEPP	Numerousness Sose	Average income Sose	Numerousness forfettari	Average income forfettari
Notaries	4'938	148'290 €	3'973	293'200 €	965	-**
Chartered accountants, accountants and labour consultants***	111'163	53'850 €	92'545	60'690 €	18'618	19'848 €
Doctors surgeon and dentists	172'611	50'776 €	159'376	63'488 €	13'235	-**
Lawyers	229'213	37'288 €	116'796	54'900 €	112'417	18'990 €
Industrial technicians	12'074	34'225 €	8'005	41'500 €	4'069	19'911 €
Architects and Engineers	155'125	24'844 €	98'734	33'052 €	56'391	10'474 €
Surveyors	79'874	19'540 €	39'748	26'700 €	40'126	12'447 €
Veterinarians	29'223	17'396 €	8'294	25'400 €	20'929	14'224 €
Psychologists	55'147	16'834 €	21'185	23'000 €	33'962	12'988 €
Agro-technicians and agricultural experts	4'982	13'704 €	2'300	29'000 €	2'682	587 €
Total	854'350	36'709 €	541'270	52'152 €	313'080	10'011 €

*The average incomes are calculated only for the professions that are both in AdEPP and in Sose
**The social provisions of the Cassa does not allow a direct comparison with tax base
***Referred to NACE 69.20.11, 69.20.12, 69.20.30 and also NACE 69.20.13

Source: work of Osservatorio delle libere professioni on AdEPP and Sose data

In the period 2009-2017 there were very different trends for the average income of the main regulated professions. In particular, the professions that have distinguished themselves for a strong reduction are the 'Activities of

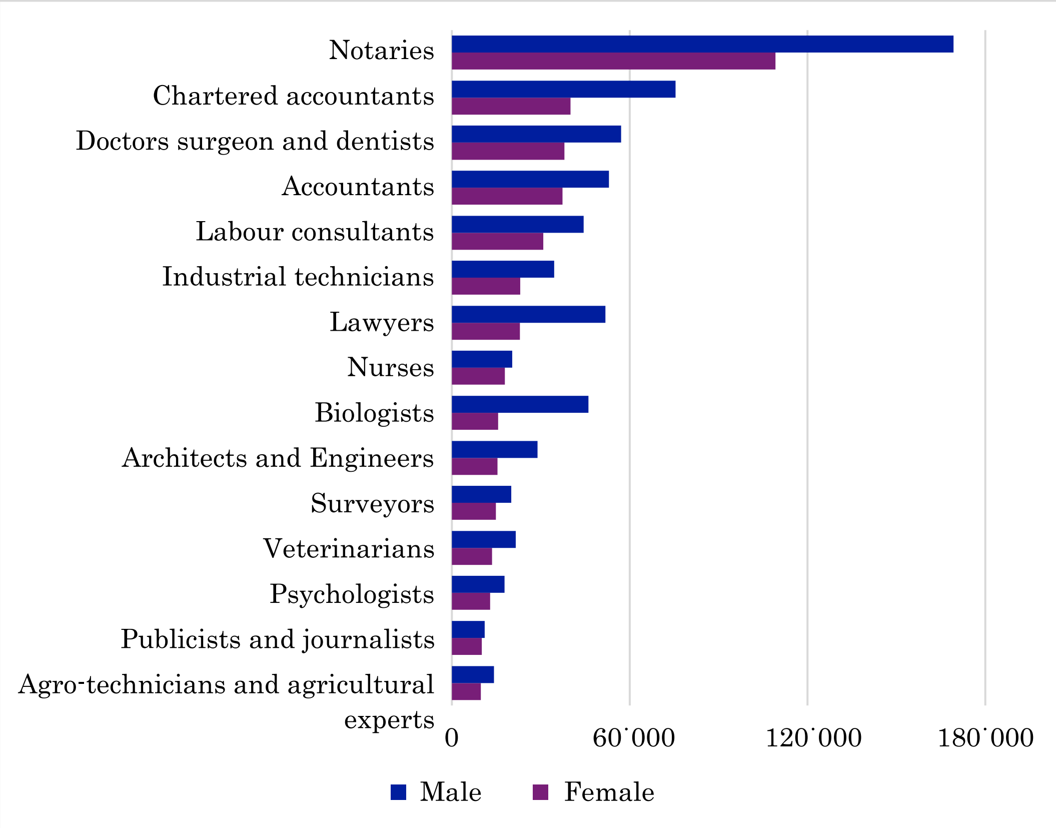
[1] Al fine di consentire la confrontabilità tra i dati AdEPP e i dati Sose, le professioni sono state aggregate in funzione dell'appartenenza a un'unica Cassa e dell'applicabilità di un unico studio di settore in modo tale da rendere omogenei i diversi universi da confrontare.

architectural studies' (-12.1%) and the 'Activities of engineering studies' (-12.8%). On the contrary, 'Services provided by auditors, experts, consultants, etc.' have seen strong growth over the years considered (+15%); also 'Veterinary services' (+32.3%).For almost all sector studies, there was a sharp fall in average income between 2011 and 2014, followed by a steady recovery from 2015 onwards.

The typical gap between the average incomes of men and women is also found between the male and female freelancers (Figure 13).

Figure 13: Average income of freelancers in the regulated professions, for sex (AdEPP)

Values in €. Year 2017.



Source: work of Osservatorio delle libere professioni on AdEPP data

The main no-regulated professions also performed differently. The professions that have distinguished themselves for a strong reduction in average income from 2009 to 2017 are 'Clinical analysis laboratories', 'Integrated engineering services' and 'Rental, development and sale of real estate' (-22.4%, -17.4% and -13.1%). On the contrary, the 'Real Estate Brokerage Agencies', the 'Auxiliary activities of financial and insurance services' and the 'Beauty salon services' have recorded a strong growth over the years considered (64.1%, 48% and 43.4%).

All the sources analysed indicate the depth of the crisis of 2008-2011. The recovery of incomes took place since 2012 at different speeds according to the profession and, within the profession, according to gender, age and geographical distribution. The final outcome of these trends is an increasingly polarization of the structure of incomes: on the one hand, a limited group of freelancers who have entirely recovered the pre-crisis levels and in some cases exceeded them; on the other hand, an increasingly large number of professionals with stagnant or declining incomes.

A broader view of the free professions

The hypothesis underlying the analyses illustrated in this section is that the Labour Force Survey carried out by ISTAT may lead to an underestimation of the world of the free professions. This problem is connected with the new no-regulated professions, where the boundaries between self-employment and free professions are less clear because the determination of the number of liberal professions is based on the self-declaration.

The product of the analyses has led to the identification of a new category of 'Self-declared freelancers': these are independent workers with the characteristics of freelancers who, however, do not recognise themselves as such. The amount of this group is over five hundred thousand. This is an aggregate which, in addition to the number of declared freelancers (1,491,804 in 2018), brings the number of freelancers to just over two million.

Autonomy and subordination

A cluster analysis has been developed with the aim of assessing whether the two groups of professionals – those who claim to be freelancers and those who have been estimated by the previous analysis – are close to each other in terms of autonomy profile and to quantify how many professionals have a limited degree of autonomy.

The analysis allowed to identify two clusters in which the declared free professionals (who practice the free profession as a first or second job) and those estimated on the basis of professional characteristics are found in a similar amount.

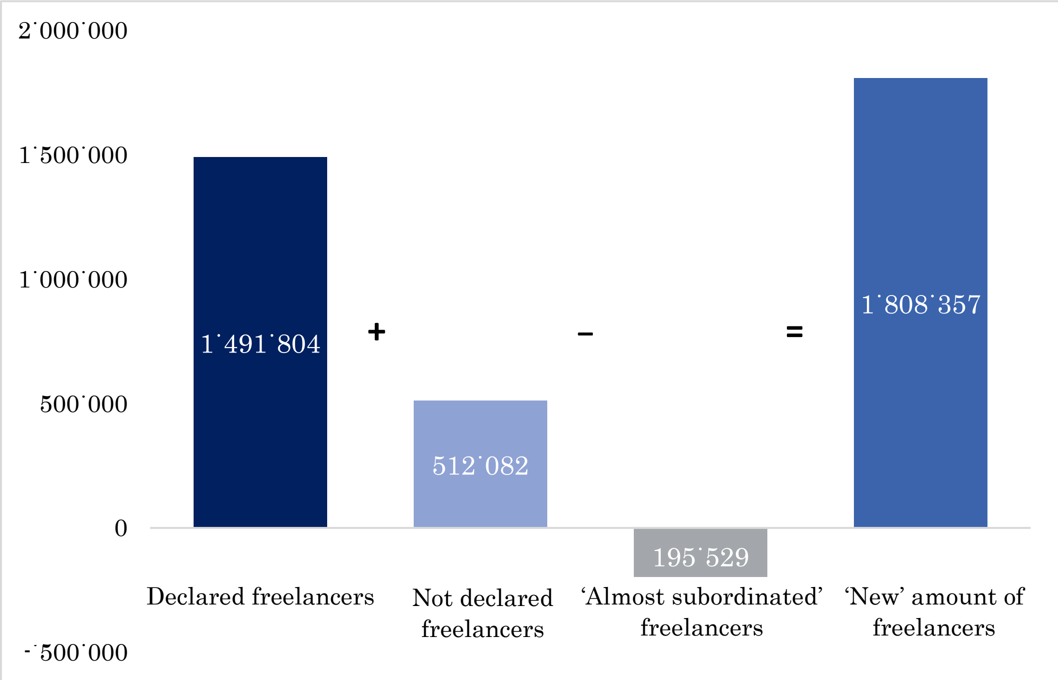
The data seem to suggest that – as far as the free profession is concerned – the phenomenon of quasi-subordination is less present in traditional and regulated professions and concerns more emerging professions.

Features of the wider basin of freelancers

The analyses have led us to estimate at about 500 thousand the number of freelancers who have characteristics that are fully compatible with the freelancer's world. These are in addition to the universe of declared freelancers, composed of almost 1˙500˙000 workers. From this overall aggregate (about 2˙000˙000 units), should be subtracted those professionals who are characterized by a limited degree of autonomy. This group is about 9% of the total (200 thousand workers), this leads to an estimate that indicate in little more than 1˙800˙000 the number of freelancers (Figure 14).

Figure 14: An estimate of the extension of freelancers: partial aggregates and final value

Year 2018.



Source: work of Osservatorio delle libere professioni on ISTAT data 'Labour force survey' 2018

The legislative and regulatory activity on the liberal professions and the activities of representation

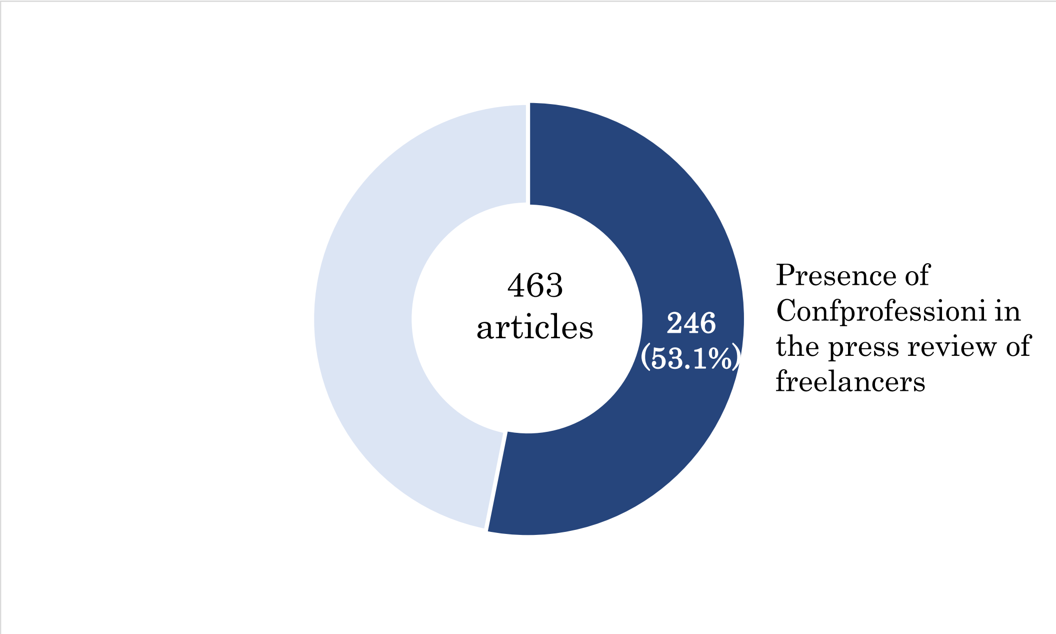
The Report also contains five further chapters describing the new regulations on freelancers at both national and regional level and the representative activities carried out in 2019. In particular, the new flat-tax system, the economic incentive 'Rest in the South' and the fair compensation for professional services in its regional declination are illustrated.

Moreover, are reported a year of relations with political institutions, the presence in the Cnel as the most representative organisation of the free professional world and the commitment of the Confederation in relations with the European institutions, thanks to an autonomy process and by supporting the work of the Ceplis (European Council of the Liberal Professions).

A specific chapter is dedicated to 'Professionals and Confprofessioni in the press' from which emerges the constant presence and control of Confprofessioni with regard to the issues and problems that concern the entire world of free professions (Figure 15).

Figure 15: Presence of Confprofessioni in the press review of freelancers

Total number of articles and the presence of Confprofessioni. Year 2018.



Source: work of Osservatorio delle libere professioni on press review storage data