



## **Independent Workers and Industrial Relations in Europe**

### **WP3. Country case study: Spain**

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## **Acronym**

ATA (Asociación de Trabajadores Autónomos).

CEAT (Federación Española de Autónomos),

CIAE (Confederación Intersectoral de Autónomos del Estado Español)

FOPAE / OPA (Organización de Profesionales y Autónomos)

EPA. Encuesta de Población Activa (Active Population Survey)

EWCS (European Working Conditions Survey)

INE. Instituto Nacional de Estadística (Nations Institute of Statistics)

Employees)

LETA. Ley del Estatuto del Trabajo Autónomo) (Statute's Law of Autonomous Workers)

MCVL. Muestra continua Vida Laborales (Continuous Sample of Working Lives allow Social Security)

PIMEC. Pequeña y Mediana empresa de Cataluña (Small and Medium Entreprisise of Catalonia).

TRADE: Trabajadores autónomos económicamente dependientes (Autonomous workers economically dependents)

RETA. Régimen General Trabajadores Autónomos. (General Regime of Autonomous workers)

UPTA. Unión Profesional de Trabajadores Autónomos. (Union of Professionals and Self-Employed Workers)

UATAE (Unión de Asociaciones de Trabajadores Autónomos y Emprendedores)

## **PART I: NATIONAL OVERVIEW OF THE AUTONOMOUS WORK**

## Summary of key findings

- *Spain is one of the EU countries with the highest percentage of self-employees in total employment in the EU-25. Even though there was a decrease during the economic crisis, the recovery starting since 2013 has been accompanied by an increase in total self-employment. This increase is also explained by growing outsourcing patterns.*
- *In many cases, self-employment is considered a way to escape from (long-term) unemployment, particularly during the recent economic crisis. This partly explains the high volume of inflows and outflows from self-employment.*
- *Self-Employment in Spain has experienced to a limited extent an upgrading process in recent years. It accordingly remains a predominantly low skilled category, concentrated in agriculture, construction and retail activities.*
- *Compared to employees, the most valued aspects of self-employment are autonomy. Incomes, protection and security are the most negative aspects according to the self-employed*
- *In 2007, the Statute for Self-employment was approved. This constitutes the first attempt at regulating the working conditions and access to social protection of self-employees. Moreover, it recognised and regulated the figure of bogus self-employment through the so-called TRADE. The Law made an attempt to close the gap between dependent and self-employment, by endorsing the later with some of the rights that characterise dependent employment.*
- *Despite the positive aspects contained in the 2007 Law, there remain many problems for self-employees, including income uncertainty and the difficulties it poses for paying social security contributions necessary to have unemployment protection.*
- *The main challenge for the regulation of self-employment is the need to put limits on abusive practices related to outsourcing and leading to an increase in bogus self-employment.*
- *There is no legal distinction across different types of self-employed, with the exception of the abovementioned TRADE. All the other self-employed fall under the same legal status. I-Pros are accordingly considered under the same rules than any other self-employees.*
- *The representation of self-employed in Spain is very fragmented and mirrors the diversity we found under this category. Even though organizations representing*

*self-employed provide similar services and incentives, there is some specialization according to the dominant self-employed profile.*

- *In order to give stronger voice to self-employed, the 2007 Law established the Self-Employment Council, and advisory body to the government where the most representative organizations are represented.*

## **1. Definition of the national framework on new autonomous workers**

### ***2.1. Self-Employment in Spain: a very diverse and fragmented landscape***

Self-employment is a multifaceted and changing phenomenon, hence making difficult its identification, regulation and protection. Different types of self-employed are usually identified:

- Entrepreneurs who with their own, or others' resources, develop an economic activity and regularly make use of wage labour.
- Traditional liberal professionals who perform work under specific requirements of professional certification and are usually collegial. Although they may hire paid work, they usually develop their own activity in partnership with other colleagues.
- Artisans, traders, transporters and those who have jobs in construction or installers. This group forms the "hard core" of self-employment.
- The "new independent" workers who carry out highly qualified activities linked to the cultural sector, leisure, art, entertainment computing, digital economy, communication, aesthetics, etc.
- And "other new independent or bogus self-employed" who are workers with different skill levels, but their work is a result from outsourcing practices by companies. Here we find a significant proportion of bogus self-employees as they provide in a permanent and regular basis services for another companies.

In short, even though there is a multiplicity of forms, we can collapse this multiplicity into four large categories of self-employed: small entrepreneurs with or without employees, self-employed professionals (here is where most of the I-Pros would be), traditional self-employed (in agriculture, construction and related sectors), self-employed and new "false" economically dependent autonomous workers. A common fact is that these self-employed workers have a "business relationship" so the ("false") "economically dependent self-employed" is 'de facto' a form of legal fraud. The "economically dependent self-employed" (TRADE) has become an important category established itself as a working figure to promote new forms of union organization. But today there is a difficulty of quantifying economically dependent self-employed (see Zufiaur 2010; Rocha 2017).

## 2.2. New Self-employment; general characteristics

It is difficult to know the number of self-employed without employees. But a recent report coordinated by UPTA (2014) for a European research project provided an estimate of the percentage representing the self-employed without employees: in Spain this group is estimated to account for 27.8% of total self-employment. A large portion of these self-employed declare that work for more than one client. These self-employed workers with no employees are mostly men (57%). 66% of respondents to this survey are in the age range of 30 to 39 years old. The level of education is high: 67% of respondents have university studies. This fact is remarkable for the high proportion of workers with higher education level. Table 1 shows the distribution by activity.

Table 1: Self-Employed by Sector, 2008-2016

	Absolute number		% Distribution of Self-Employees by Sector	
	2008	2016	2008	2016
<b>A Agriculture, forestry and fishing</b>	481,1	675,5	10,4	12,4
<b>B Mining and quarrying</b>	2,0	4,4	0,0	0,1
<b>C Manufacturing</b>	342,6	487,4	7,4	8,9
<b>D Electricity, gas, steam and air conditioning</b>	3,0	2,4	0,1	0,0
<b>E Water supply, sanitation activities, waste management and decontamination</b>	7,3	6,3	0,2	0,1
<b>F Construction</b>	480,4	794,4	10,3	14,5
<b>G Wholesale and retail trade; repair of motor vehicles and motorcycles</b>	1152,4	1297,5	24,8	23,7
<b>H Transportation and storage</b>	290,5	323,0	6,3	5,9
<b>I Accommodation</b>	439,7	481,1	9,5	8,8
<b>J Information and communication</b>	114,7	105,0	2,5	1,9
<b>K Financial and insurance activities</b>	55,5	87,1	1,2	1,6
<b>L Real estate activities</b>	61,2	76,7	1,3	1,4
<b>M Professional, scientific and technical activities</b>	518,3	510,5	11,2	9,3
<b>N Administrative and support services</b>	135,2	110,0	2,9	2,0
<b>O Public administration and defence; compulsory social security</b>	0,0	0,0	0,0	0,0
<b>P Education</b>	78,2	87,1	1,7	1,6
<b>Q Health activities and social services</b>	145,2	92,0	3,1	1,7
<b>R Arts, recreation and entertainment activities</b>	96,3	82,4	2,1	1,5
<b>S Other services</b>	241,4	244,7	5,2	4,5
<b>Total</b>	4645,3	5467,4	100,0	100,0

Source: EPA

The so-called “new autonomous” or new self-employee is a growing phenomenon in Spain. Within this category, we may find very different types of

workers. Three of them are of particular importance: ITC-based mobile self-employee, crowd worker and collaborative employment worker. The first, ICT-based mobile work refers to a type of worker workers that operate with new computer technologies and are develop their tasks in different locations (at home, in the company of the customer, or "on the road"). The second, crowd employment, are characterized because they are not set in a particular site, but works for virtual platforms that act as intermediaries between companies asking for a particular service, and a pool of self-employed workers. And third, called "collaborative employment" goes beyond the traditional forms of business relationship (see Eurofound 2014).

In the case of crowd employment, the economic crisis has certainly played an important role in increasing the number of workers looking for alternative forms of employment. The high and persistent unemployment among young professionals holding a university degree has led to the expansion of part-time and to a lesser extent self-employment (Molina and López-Roldán, 2014). Similarly, due to the financial problems companies started implementing cost-cutting strategies, including firing existing personnel, restructuring, re-dimensioning, and outsourcing. Companies started relying more on crowdsourcing because of the cheaper access to marketing and communication services (Galmés and Arjona, 2012). However, it is important not to overstress the short term economic reasons in the development of these platforms. The possibilities offered by new technologies, together with a well-educated population as well as the difficulties to reconcile family and work life have all contributed to the steady growth of this new form of employment.

The direct translation of crowd work in Spanish is 'massive outsourcing' (externalización masiva) and refers to a business practice that relies upon the 'crowd' in order to carry out some very specific tasks. In this way, the development of crowdsourcing has to be viewed as a quantitative but also qualitative change towards the decentralisation of production and outsourcing. It nonetheless has some very specific and distinctive features with respect to the traditional understanding of outsourcing. First of all, it relies upon new technologies. Secondly, it implies (in most cases) relying upon individuals and not companies. Finally, it mostly implies external implementation of very specific tasks without continuity in the provision of that service. Estelles and Gonzalez (2012) provide a definition that allows identifying a crowdsourcing initiative on the basis of eight elements. According to them, there are two

necessary conditions any crowd work initiative has to meet. Firstly, there has to be a large and heterogeneous crowd of registered workers. Secondly, there has to be a specific task to be performed whose realisation is open to proposals from this crowd (Estelles and Gonzalez, 2012a: 284). These authors developed a very detailed analysis of existing definitions and classifications of crowdsourcing initiatives.

One of the most important implications of the growth in crowdsourcing for employment and employment relations is the protection of self-employees participating in these activities. As a matter of fact, some authors consider this extension as a strategy to circumvent existing labour law regulations (Ginés and Duran 2016).

A recent study carried out by Upta (2014) provides useful information around some of the groups which are of particular interest in the context of this project. In this regard it should be noted:

- 15% of the activity of self-employed without employees is grouped into ICT related professional and technical services.
- 13% working in specialized services activities. This category includes advisors, consultants, legal advisory services, human resources and other specialists.
- 11% in training and retraining.

Many of these self-employed workers have been paying social security contributions over a long period of years: around 34% of them have done so for more than 10 years; 22% of them between 5 and 10 years. And 20% have been paying contributions to social security for less than 2 years

The registry data from the Continuous Sample of Working Lives allow Social Security to explore with more detail this profile of professional or highly skilled self-employee and explore how it has varied between 2007 and 2015 (see table 2). Overall the percentage of self-employed has been reduced as a result of the economic crisis that has hit the Spanish economy. The subsector that has increased participation is the secondary financial intermediation, which has reduced the number of employed during the economic crisis; followed by the manufacturing of office supplies and computer. This subsector has not changed during the study period and third the subsector of machinery and equipment

rentals. In almost all subsectors there has been a reduction in the percentage of self-employed over the period considered.

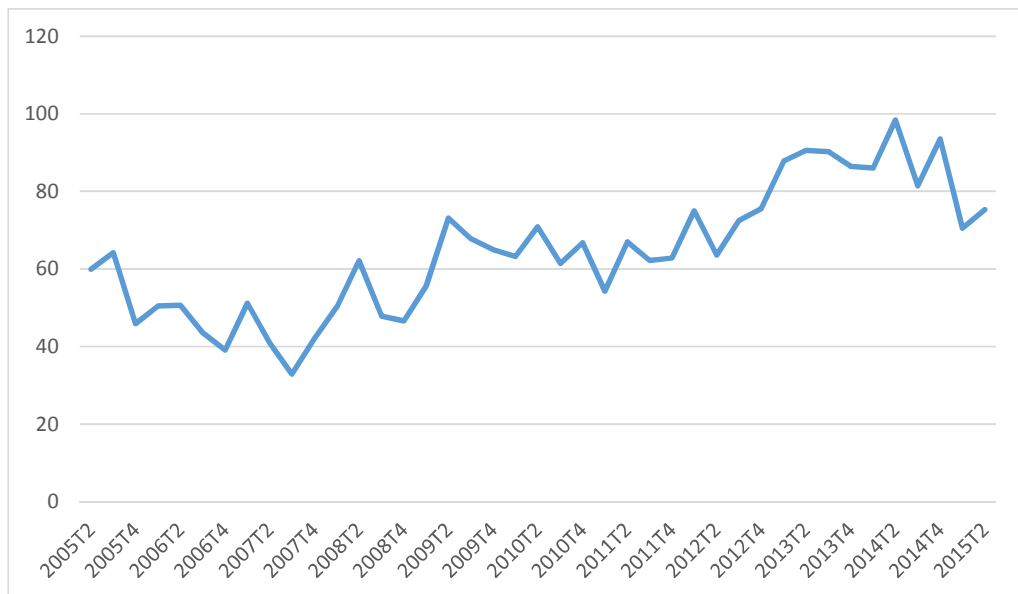
Table 2: Percentage of Self-Employment in different activities / sub-sectors, 2007-2015

	2007	2015	Variation 2007-2015
<b>Manufacture of surgical instruments</b>	18,2%	11,0%	-7,2%
<b>Electronic material manufacturing</b>	6,9%	7,7%	0,9%
<b>Manufacture of office machines and computer matrices</b>	28,90%	28,9%	0,02%
<b>Telecommunication, computers</b>	17,5%	7,4%	-10,1%
<b>Machinery and equipment rentals</b>	35,3%	18,0%	-17,4%
<b>Activities auxiliary to financial intermediation</b>	62,0%	41,8%	-20,2%
<b>Creative, cultural and recreational activities</b>	27,4%	11,2%	-16,3%
<b>Associative activities</b>	17,8%	9,5%	-8,3%
<b>Health and veterinary activities</b>	10,1%	4,4%	-5,7%
<b>Education</b>	11,3%	4,7%	-6,7%
<b>Recycling</b>	10,7%	5,2%	-5,5%
<b>Research and Development</b>	13,2%	6,2%	-6,9%
<b>Total Average</b>	27,2%	11,6%	-15,5%

Source: Continuous Sample of Working Lives (MCVL)

The first important characteristic of career paths of self-employees in general and new autonomous workers is their instability, volatility and uncertainty. One of the most important indicators is the survival rate of self-employees. When we look at the flows from unemployment into employment for private sector employees (i.e., self-employed) we observe a growing trend throughout the period of economic crisis (graph 1). This suggests that despite a growing number of people who have sought an alternative to unemployment in self-employment, the survival rate has been very low, as the stock maintained a downward trend until early 2013.

Graph 1: Flows from unemployment to Self-Employment, 2005-2015



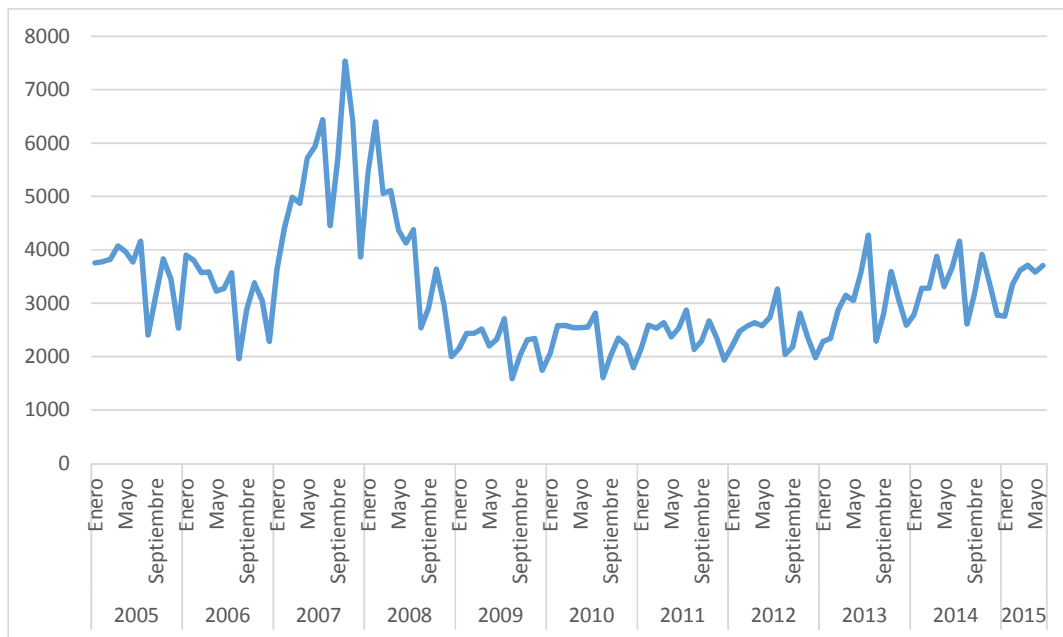
Source: EPA

### ***2.3. Benefits, Motivations, Opportunities and Constraints for becoming self-employees***

The evolution of the new registries into the RETA confirms the previous insights. After a brief period registered since late 2007 to mid-2009 decline, the new entrants into the RETA have increased steadily, reaching pre-crisis levels (Graph 2). Finally, the balance between entries and exits confirms the high volatility of self-employment. The positive balance that allows to increase the stock of self-employed only consolidated from the end of 2013. In previous years, despite an increasing flow of new entrants, the balance remained on average negative values.

Thus, the evidence presented here confirms the importance of the push unemployment effect as a lever to increase the number of self-employed. It is important to mention that only around one-third of workers who chose that option capitalized resources used for the initial investment in entrepreneurial projects. It would follow that, in most cases, the resources would be used to support self-employment projects without initial investment and bear only the cost of contributions to the autonomous regime.

Graph 2: New entries into the RETA system, 2005-2015



Source: Ministry of Employment and Social Security

## 2.4. Motivations and preferences: a comparative overview

According to data from the European Work Company Survey (2016), Spain is one of the countries where the motivation to become self-employed is due to the fact that there are no other alternatives (26%), or the motivation is due to a combination of individual preferences and because there are no other alternatives (17.8%). In short, Spain is one of the countries in which motivation is the result of personal preferences (53.6%), which contrasts strongly with Sweden (86.5%). The high rate of unemployment stimulates the search for alternatives through self-employment.

Table 3. Personal preference

	Self-employed, was it mainly your own personal preference or you had no better alternatives for work?				Total
	Mainly through own personal preferences	No other alternatives for work	A combination of both	Neither of these reasons	
<b>Belgium</b>	77,4%	10,7%	5,9%	5,9%	100,0%
<b>France</b>	69,0%	9,3%	17,1%	4,7%	100,0%
<b>Germany</b>	51,5%	17,3%	23,4%	7,8%	100,0%
<b>Italy</b>	57,8%	18,5%	17,0%	6,7%	100,0%
<b>Slovenia</b>	64,6%	16,5%	12,7%	6,1%	100,0%
<b>Spain</b>	53,9%	26,0%	17,8%	2,3%	100,0%
<b>Sweden</b>	86,5%	5,4%	6,8%	1,4%	100,0%
<b>UK</b>	76,2%	12,7%	9,5%	1,6%	100,0%
<b>Average Europe 33 countries</b>	53,6%	27,2%	15,0%	4,2%	100,0%
<b>V de Cramer</b>	,249	,000			

Source: Own Elaboration with data of European Working Conditions Survey 2015-16

The **motivations** claimed by self-employed workers differ from those of employed persons (see also Rocha 2017). Self-employed workers not only value being able to work ("because they like their work"), but also value it independently of the economic retribution. A large majority of the self-employed are men.

On average, the self-employed have a higher educational level than the self-employed. Women who are self-employed have, on average, a higher educational level than their male counterparts. The preference for self-employment among women re-entering the labour market and the unemployed is limited, but it is quite important among young people in search of their first job. There is a clear desire, even among employed workers, to be self-employed: almost one in five people say they would prefer this type of employment

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According to a recent UPTA study (2014), the main reasons they have decided to become self-employed are:

- A decision to develop a career: 48.8%
- The company proposed to convert the labour contract into a commercial contract: 16.4%
- An individual decision to reconcile working life with family and personal life 14%
- For having lost work in the company in which he worked: 13%
- Due to the economic crisis: 7.5%
- Not answer 3.3%

Regarding the reasons why they became self-employed, 45.2% said that it was their own decision to develop their professional career and 16.4% that their company proposed to convert their employment contract into a commercial contract, this last one that contrasts with the 2.3% that did it for this reason in the segment of the non-TRADE

If we analyse these reasons according to the level of studies, years of contribution and sector of activity, we do not find wide differences. Their own decision to develop their professional career and the request of the company for which they work in relation to the modification of their type of contract, are the main reasons. By level of studies, it should be noted that among those TRADES that have postgraduate training or only primary studies, in addition to the decision to develop their professional career, indicate as second motivation their own decision to be able to reconcile their work life with their personal life and family. This response was indicated by the average 27% of the collective. This second reason is also the second most prominent for those self-employed who have been trading for more than 10 years in the RETA. According to sector of activity, the most widespread reason among TRADES to become self-employed has been by their own decision to develop their professional career. Except for the sectors of Industry and Manufacturing, Wholesale and retail trade and Hospitality and Tourism, in which an average 32% have marked this as the main reason, for the rest of economic activities, more than 50% of Average, indicate this as the main motivation to become self-employed. It is worth mentioning the fact that 57.1% of the workers in the Hotel and Tourism

sector became autonomous by imposition of the company in which they worked. The modification of a type of labour contract to a type of commercial contract proposed by the company seems to be the main reason why we find TRADES in this sector of activity.

Another useful indicator to be considered is the voluntary character of self-employment measured by the active search for another (dependent) job. Job search self-employed workers may be an indication that enough of them seeking alternative to your situation. More than 27% of self-employed workers have more than four years seeking employment and 17.7% of them between 2 and 4 years. These data may reflect the uncertainty actually have the self-employed on their own occupation (table 3)

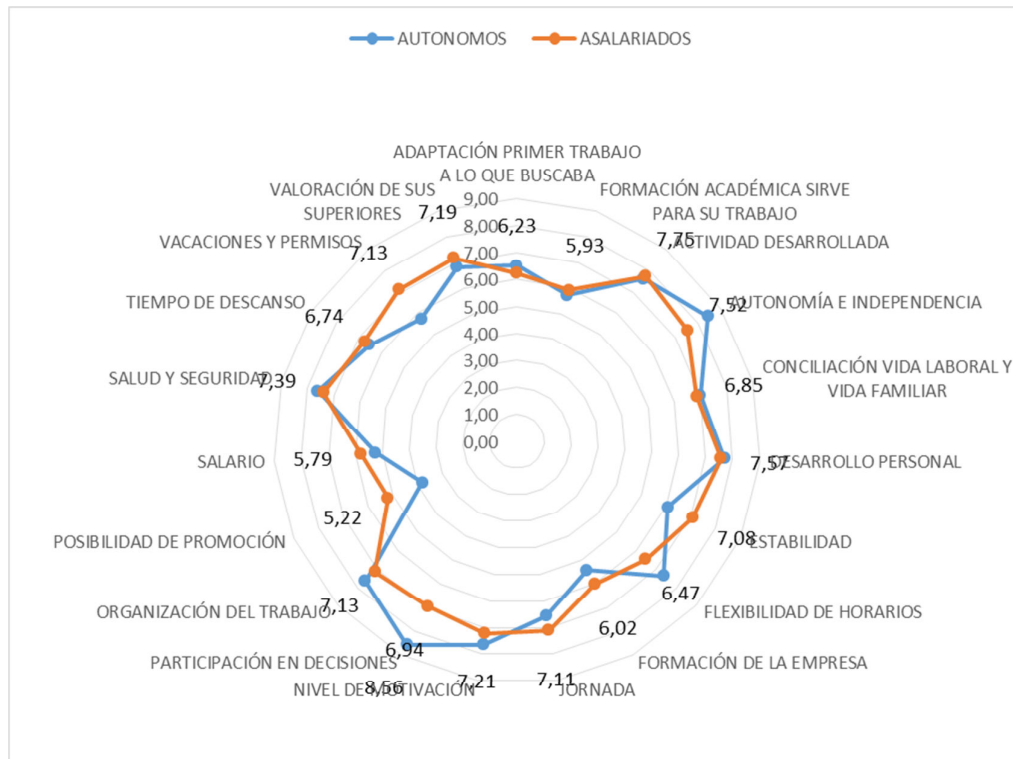
Table 3: Time since the self-employee has been looking for an alternative job, 2015

<b>Less than a month</b>	<b>3,1%</b>
<b>Between 1 and 3 months</b>	<b>14,8%</b>
<b>Between 3 and 6 months</b>	<b>10,8%</b>
<b>Between 6 months – 1 year</b>	<b>10,9%</b>
<b>Between 1 year - 1,5 year</b>	<b>5,8%</b>
<b>Between 1 year – 2 years</b>	<b>9,3%</b>
<b>Between 2 - 4 years</b>	<b>17,7%</b>
<b>4 years and over</b>	<b>27,6%</b>
<b>Total</b>	<b>100,0%</b>

Source: Fuente EPA (Encuesta Población Activa, 2016)

As has been already mentioned, for many workers, self-employment has constituted an opportunity to leave unemployment. However, this exist does not come without risks. These mostly take the form of greater income uncertainty.

Graph 3. Level of satisfaction of self-employed compared to employees. (Scale 0 = very dissatisfied and 10 very satisfied)



Source: ECVT 2010

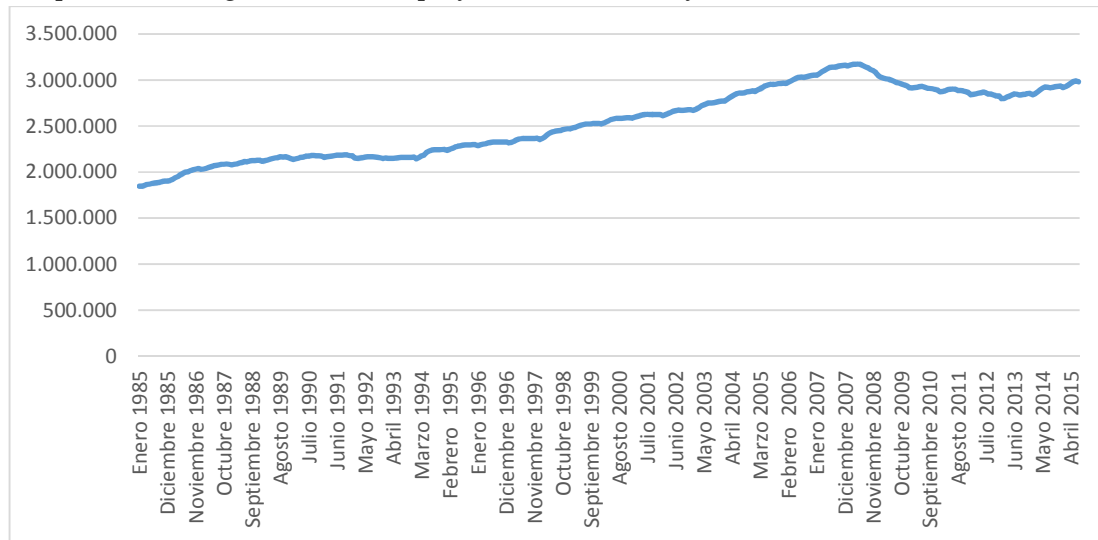
The analysis of the motivations and opportunities for becoming self-employees can also be made comparing the level of satisfaction of self-employees and dependent employees along a number of dimensions (See graph 3). In relation to the degree of satisfaction, measured on a scale of 0 to 10, the self-employed indicate greater satisfaction than employees in relation to the autonomy and independence of work, work organization, participation in decisions of labour, the autonomy and independence of the same and flexibility in work schedules, as expected hypothetically. By contrast, self-employed workers are less satisfied with the income, with the possibility of promotion, vocational training, with stability in the workplace and holidays and leave, as we can see in the chart below.

## 2.5. Quantitative Overview

The evolution of self-employment has continued since the mid-80s of last century, a clear upward pattern, with a slight fall in the early 90s, coinciding with the economic crisis. This upward trend has continued, reaching a record high in early 2008, and down about 350000 autonomous until February 2013, where he started his rise again (Graph 4). In view of these data it can be argued

first that self-employment is an increasingly prominent role in the production structure and the labor market, and their continued growth is explained by structural elements of this, such as increased outsourcing.

Graph 4: Total Registered self-employees in the RETA system, 1985-2015



Source: Ministry of Employment and Social Security: Reta

The economic crisis has highlighted how unemployment has been accompanied by a decline in the absolute levels of self-employment. Which leads us to think of a character behavior pro-cyclical? However, when we analyze the data for the percentage of autonomous affiliate of the total (Graph 5) we see how this is outperforming during periods of economic crisis, when increases their relative weight in the total membership.

The Labour Force Survey (EPA) provides information on the self-employed, as well as the possibility of studying the statistical series. The number of self-employed has been reduced during the economic crisis between 2007 and 2015, which indicates that the employment crisis has also affected this group, but to a lesser extent than employees. In relative terms the percentage of self-employed workers has remained virtually constant in both years representing slightly more than 16% of the total employed (table 5).

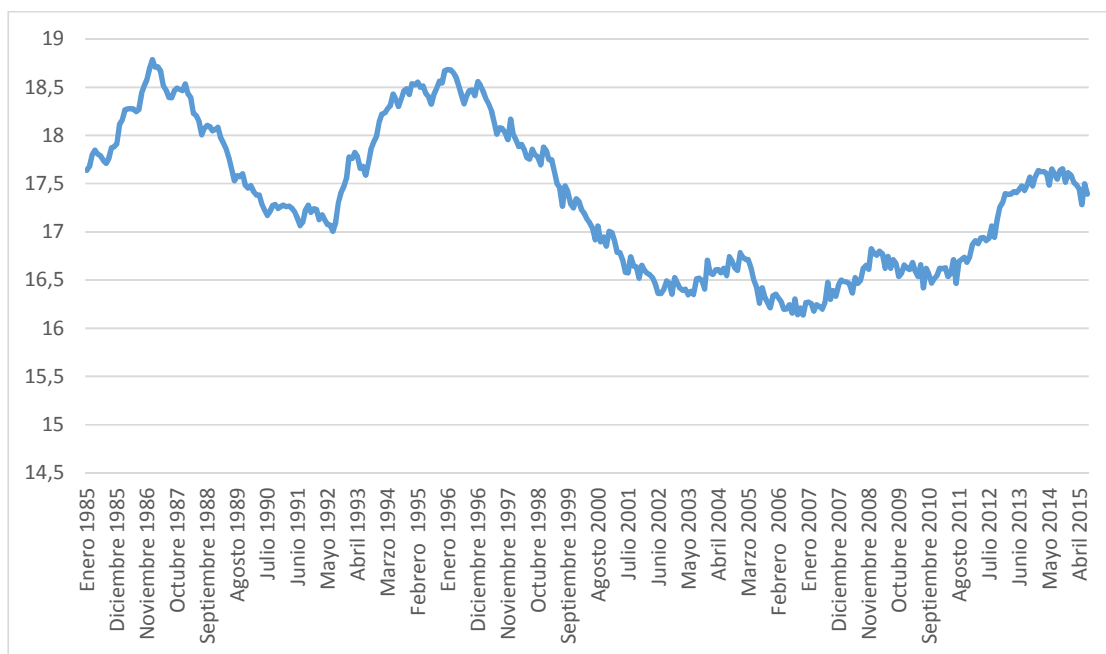
Table 5: Changes in Total Employees and Self-employees, 2007-2015

	2007		2015			
	N	%	N	%	Absolute Change	Relative Change (%)
<b>Self-Employed</b>	2185961	16,2	2065775	16,5	-120186	0,3
<b>Employees</b>	20476899		18094160		-2382740	

Source: EPA

The percentage of self-employed persons in the total employed population has experienced a slight increase since 2011, from 16.4% to 17.6% in 2014. In total, the number of self-employed members of the RETA was the last day of July 2015 3'.172237, excluding self-employed special schemes sea and land. The group of self-employed in Spain is characterized by the increased presence of men, women doubling in total within the group. Most self-employed workers is concentrated in the age group between 40 and 54 years and are more numerous in the services and construction. In this sense, it is important to note as the sectoral component of the crisis, with a significant drop in the construction sector, it has also been reflected in the self. So, if in the first quarter of 2008, 15.6% of self-employed were in construction, in the second quarter of 2015 this figure had fallen to 10.7%.

Graph 5. Percentage of Self-employees within total Employment



Source: Ministry of Employment and Social Security

The decline in absolute terms in the number of self-employed workers contrasts with the statistics of flows coming from EPA. Compared to other EU countries, Spain has more self-employed workers, and is above the European average. Above average are also other countries such as Poland, Portugal, United Kingdom and Ireland (table 6). These countries have certain traits of liberal economies, with precarious jobs and low wages. Probably some of these are false self-employed freelancers, who work in a subordinate manner for other companies or simply autonomy is no more than mere survival strategy against unemployment.

Table 6: Self-employment in Europe 2014-15

	<b>Total</b>
<b>Austria</b>	10,5%
<b>Belgium</b>	11,8%
<b>Czech R.</b>	11,0%
<b>Germ</b>	11,5%
<b>Dk</b>	9,4%
<b>EE</b>	8,3%
<b>Spain</b>	16,4%
<b>Fin</b>	11,5%
<b>Fr</b>	10,7%
<b>UK</b>	14,2%
<b>Hu</b>	6,2%
<b>Ir</b>	13,3%
<b>Lithuania</b>	7,4%
<b>NL</b>	11,5%
<b>NO</b>	8,8%
<b>PL</b>	18,3%
<b>PT</b>	16,4%
<b>SW</b>	10,7%
<b>SL</b>	8,6%
<b>Media</b>	11,6%
<b>N</b>	4253
<b>V de Cramer</b>	,074
<b>Sig</b>	,000

Source. European Social Survey 2014-15

## 2.6. Labour Market: Main characteristics

The Great Recession has profoundly affected the Spanish labor market due to the model of labor intensive economic growth. Historically the Spanish economy has been characterized by the so-called "structural defects of the Spanish economy": it is a growth model that has been dragging since the time of the Franco dictatorship and can be summarized in five factors:

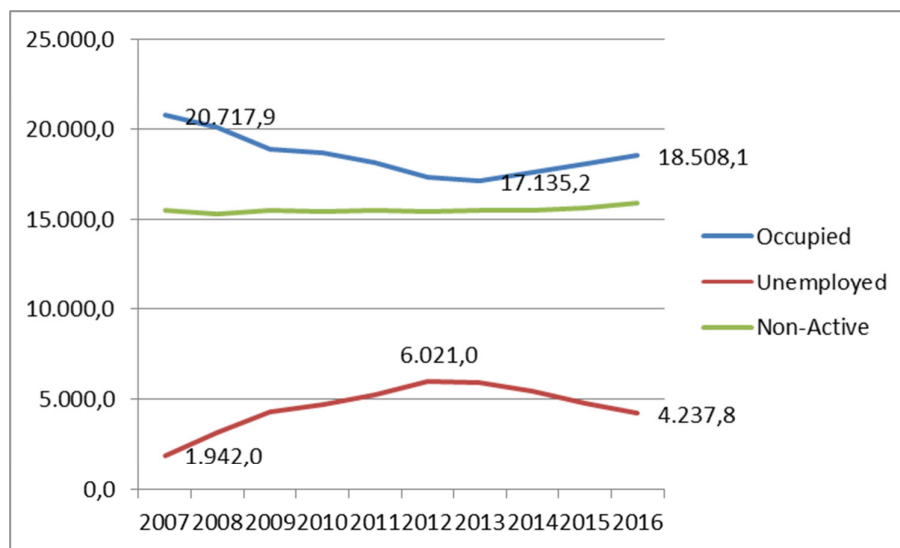
- 1) Abundance of uncompetitive small businesses in international markets, which has been termed as business 'liliputism' (Costas 2014);
- 2) Delay in technological innovation in companies and therefore with problems in the organization of work and in the productive process;
- 4) Lack of skilled labour
- 4) Passive and comfortable attitude of entrepreneurs and
- (5) A system of paternalistic labour relations in small enterprises.

However, since the mid-1980s, a process of modernization has been taking place in medium and large companies, with technological innovation and the introduction of new forms of work organization, an improvement in the education system and in vocational training. As well as a process of concentration of the banking sector, which in the 1990s began an important internationalization in Latin America and in some European countries. However, some of the typical problems of the "structural defects" mentioned above still persist today, as is especially a high volume of very uncompetitive small firms. These tiny companies are concentrated in certain sectors, such as construction, commerce and hospitality. The Great Recession has intensively affected these three sectors, which employ labor intensive. The Great Recession hit is reflected in the decline in employment between 2007 and 2013, although after 2013 a slow process of employment growth began. Unemployment has also increased, in 2007 the number of unemployed was one million nine hundred thousand people and in 2012 reached more than six million (see table 7 and graph 6 below).

Table 7. Labour Market in Spain (in thousand)

	Population more than 16 years	Occupied	Unemployed	Non-Active
2007	38.101,1	20.717,9	1.942,0	15.441,3
2008	38.546,6	20.055,3	3.206,8	15.284,5
2009	38.589,3	18.890,4	4.335,0	15.487,5
2010	38.801,8	18.674,9	4.702,2	15.424,7
2011	38.881,9	18.153,0	5.287,3	15.441,5
2012	38.783,1	17.339,4	6.021,0	15.422,7
2013	38.543,2	17.135,2	5.935,6	15.472,3
2014	38.523,4	17.569,1	5.457,7	15.496,5
2015	38.489,6	18.094,2	4.779,5	15.615,9
2016	38.584,9	18.508,1	4.237,8	15.839,0
Source: Flux of Population, EPA 2016 (Encuesta Población Activa, Instituto Nacional Estadística)				

Graph 6. Flux of occupied, unemployment and non-active.

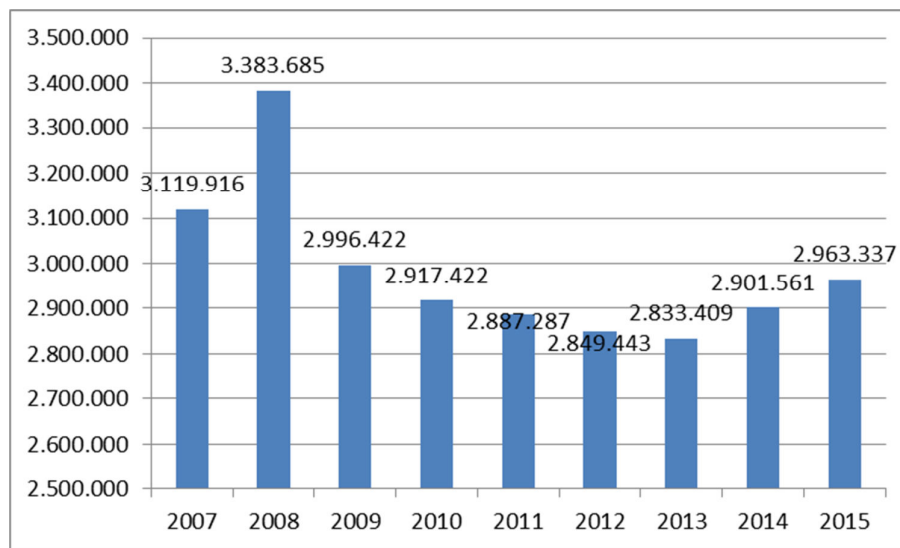


In this context with a high unemployment can explain the policy of incentive of the policy of entrepreneurship to promote self-employment and reduce the unemployment rate. This policy is set in motion with the 2012 labor reform (Law 3/2012 on urgent measures to reform the labor market), it is a reform with a strong neoliberal orientation that facilitates dismissal in companies with economic difficulties; The reform has eroded the principle of causality for the dismissal of workers; Has promoted the decentralization of collective bargaining and facilitated the "wage waiver", the non-application of collective

agreements in companies that claim economic, technological or organizational difficulties.

The Great Recession is reflected in the evolution of the Affiliates to the Special Regime of Self-Employers Social Security Workers (RETA). The graph 7 shows that as of 2008, the number of affiliates is falling, going from about three million three hundred thousand in 2008 to two million eight hundred thousand in 2012, the worst year of the economic crisis. But starting this year, the number of self-employed workers enrolled in the RETA will increase again to around 2 million nine hundred thousand in 2015. This increase has been possible to a gradual improvement of the economic situation and the reduction of the taxes paid by the new self-employed workers who begin their economic activity in the first six months.

Graph 7. Self-employers registered in RETA (Regimen Especial trabajadores Autónomos)



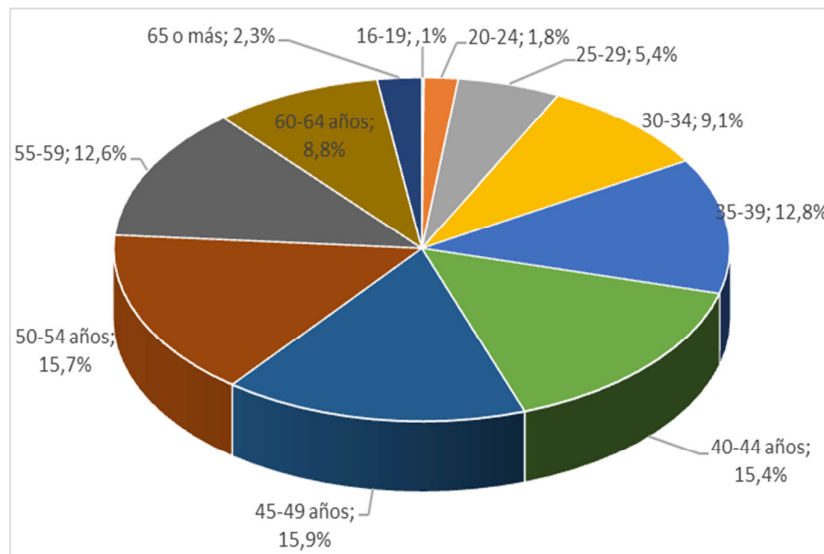
Source: Social Security 2017

Between 2007 and 2016 a policy of wage devaluation and reduction of the income of self-employed workers has been implemented, as well as an increase in the wage gap between men and women (see Martin Urriza 2016; Sánchez 2016)

## 2.7. Distribution and characteristics of autonomous workers in general

The age distribution of self-employed workers shows that these are located in the central age cohorts in the labour market, between 40 and 54 years, i.e. they are mature workers with occupational consolidated positions. But there are also younger age cohorts, with less than 39 years of age. We can underline that most freelancers are male (65%) in 2015 (see graph 8)

Graph 8: Age Distribution of Self-Employees

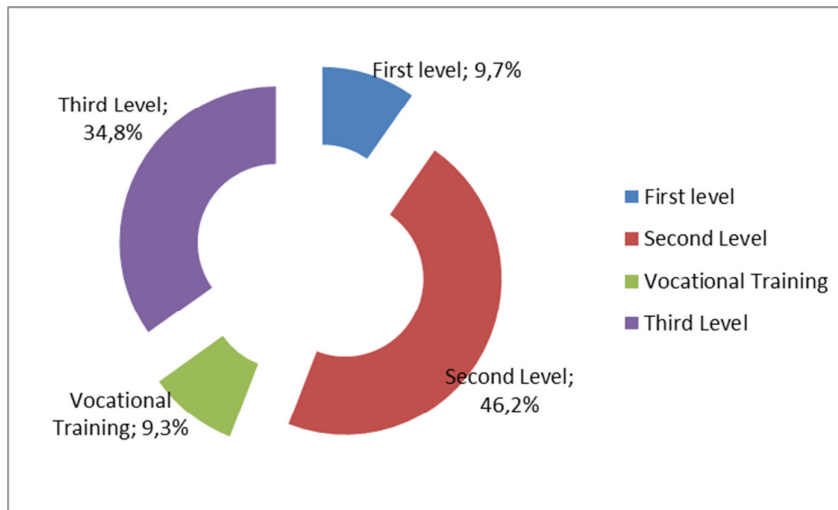


Source: EPA 2015

## Education

The majority of the self-employed have a secondary level of education (46.2%), this profile is found in the sectors of traditional activity. Autonomous workers with a university education level are also important (34.8) in 2015. This level of university studies is related to the profile of the I-Pros (see graph 9)

Graph 9. Self-employment by Study Level

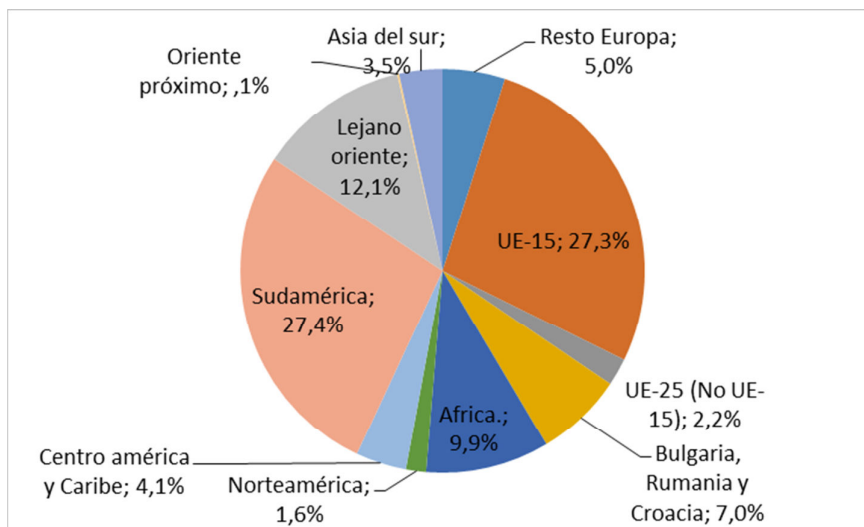


Source: Own elaboration with EPA, 2015.

## Immigration

According to the source the majority group that participates as self-employed workers are members of the EU-15, among which are Spanish. The second largest group are workers in South America (27.4%) and more away are the Far East (see graph 10)

Graph 10: Self-Employment according to nationality

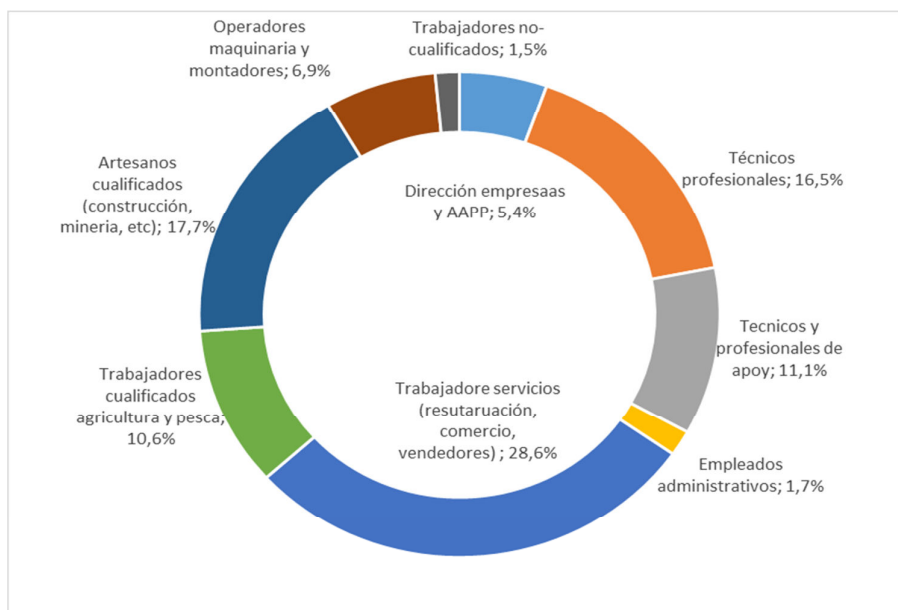


Source: EPA, 2015

## Occupational category

The occupations with the largest share of self-employed correspond to services such as restaurants, shops and sellers (28.6%); followed by craftsmen skilled workers in construction, mining, etc. (17.7%) and self-employed professionals (16.5%). In this vein, a report published recently (Hatfield 2015) showed how in Southern Europe there was a predominance of self-employees in mid and low skilled occupations, compared to other EU countries like Germany, where self-employees in high-skilled occupations were a majority. This is related to the fact that workers among self-employees. In the case of Spain, the report highlights “a particularly high concentration of service and sales workers in self-employment” (Hatfield 2015: 4).

Graph 11: Self-Employees by occupational category



Source: EPA, 2015

## Company size

Another source is the Survey on Quality of Life at Work, but it only goes up to 2010 (see table 8). The advantage of this survey is that it offers the possibility of having data on their working conditions. One aspect that we can underline is that most of self-employed work alone (74%), which may mean that a lot of

them work as autonomous. By contrast, there are other groups working in companies from 2 to 9 workers, which may also indicate that it is self-employed workers with employees. Instead, when the size of the company exceeds 10 employees it may indicate that is "false" self-employed workers as "employees" in companies fraudulently. According to data possibly the number of self-employed workers in this situation is around 7%, although it can also be freelancers who fraudulently work "alone" in other companies, but it is less visible.

Table 8: Self-Employment by Company Size

<b>1</b>	<b>74,1%</b>
<b>2 - 9</b>	<b>19,1%</b>
<b>10 - 49</b>	<b>6,0%</b>
<b>50 - 249</b>	<b>,8%</b>
<b>+ 250</b>	<b>,1%</b>
<b>Total</b>	<b>100,0%</b>

Source: Survey on Quality of Life at Work, 2016

All occupations can be classified into four groups, depending on their degree of specialization:

- 1) Specialized non-manual occupations (lawyers, managers, economists, etc.);
- 2) Occupations Specialized manuals (plumbers, electricians, carpenters, machine operators, etc.);
- 3) Non-specialized non-manual occupations (administrative, dependent, telephone operator, etc.);
- 4) And elemental occupations (cleaners, waiters, etc.).

## Incomes

Regarding the economic income, it is observed that the self-employed workers perceive that their economic income decreases a little (23%) or even a lot (12%) when compared with the whole of the employees (see table 9). In general, the following table shows that a small percentage of the companies interviewed state that their income increases, which is explained by the context of a policy of wage devaluation and economic austerity that has marked the period 2007-2016.

Table 9

Your salary or income [last 12 months work changed in the following ways?] * Country: Spain						
	Q18b - Your salary or income [last 12 months work changed in the following ways?]					Total
	Increased a lot	Increased a little	No change	Decreased a little	Decreased a lot	
<b>Employee</b>	,5%	9,6%	73,7%	12,9%	3,3%	100,0%
<b>Self-employee</b>	,7%	8,8%	55,5%	23,0%	12,0%	100,0%
<b>V de Cramer</b>	,200					
<b>sig</b>	,000					

Source: European Working ConditionsSurvey (2015-16)

## Work place and autonomy

Most self-employed workers (71%) say that in their work they can always apply their own ideas; on the contrary, salaried workers have a difficult time applying their own ideas to work (see table 10)

Table 10

	You are able to apply your own ideas in your work?					Total
	Always	Most of the time	Sometimes	Rarely	Never	
<b>Employee</b>	24,8%	26,8%	23,8%	12,1%	12,5%	100,0%
<b>Self-employee</b>	71,2%	21,9%	4,8%	,7%	1,4%	100,0%
<b>V de Cramer</b>	,376					
<b>sig</b>	,000					

Source: European Working Conditions Survey (2015-16)

## 2. Legal and institutional framework

The Workers' Statute (Estatuto de los Trabajadores) was approved by the Spanish Parliament in 1980. In 1984 a major reform was introduced: causality for temporary employment was extended (Le 32/1984). Successive and

subsequent labor reforms have eroded the principle of causality in temporary employment, expanding the assumptions: The labor reform of 1994 also had as its objective to promote the decentralization of collective bargaining, as recommended by the European Union policy. Subsequently, in the labor reform of 1997, the government, unions and employers agreed to encourage the transformation of temporary employment into stable employment, but with little success. The counterpart that opens from 1997 onwards is a clear trend toward the flexibilization of working time as an adjustment mechanism for the companies, a similar process also in other European countries (Sisson, Martin Artiles 2000). This incentive policy to transform temporary employment into stable employment, through discounts on business contributions to Social Security, has also been made in 2006 and 2011. In 2007 the Socialist government promotes for the first time the regulation of the Statute of the Autonomous Worker. But since the Great Recession, the destruction of employment and the high volume of unemployment induce the Popular Party to promote an ultraliberal policy of reform of the labor market, through the Law 3/2012 of urgent measures for labor market reform. This policy is aimed at making the labor market more flexible by expanding the scope for temporary employment; The extension of the cases for non-application of the collective agreement in case of economic, organizational and technological difficulties of the companies and favoring the primacy of the business agreement on the agreement of another area. Another important objective has been the impulse of the policy of entrepreneurship, of Autonomous work. In sum, during all this long period from 10980 to the present one has been characterized by three pauses: a tendency towards flexibilization of the employment circuit (hiring, staging and dismissal); A trend towards the flexibilization of working time and another tendency towards the flexibilization and diversification of the wage structure

### *2.1. Self-employment Statute (Estatuto de los trabajadores Autónomos).*

The regulation of self-employment in Spain has been characterised by the lack of a specific legal framework. Only in 2007, a new law regulated in a comprehensive way self-employment in Spain with the idea of improving the protection of this group of workers. This law tried to fill the protection gap between dependent employment and self-employment, being the legal recognition of economically dependent self-employees a case in point.

Until 2007, Spain did not have a specific regulation of self-employment. In this year, Law 20/2007, of 11 July, established the so-called Statute for Self-Employed (LETA – Ley del Estatuto del Trabajo Autónomo). The aim of this law is precisely to provide higher protection to self-employees, including the right to association, maternity leave, access to unemployment protection, non-discrimination rights, health insurance etc. According to some authors (Riesco 2016), the law has attempted to close the gap between dependent workers and self-employees. But some authors criticize the fact that by doing so, the regulator has opened the door to more abuses in employer strategies aimed at de-centralizing and outsourcing economic activities (Hernández 2010). The Statute applies to individuals who perform regularly, personally and directly, on their own and outside the scope of management and organization or another person, an economic or professional activity for profit. According to the Expert Committee in charge of drafting this law, the defining trait of the law is its comprehensive character, whereby very different categories of self-employees are covered. One of the most innovative aspects of the 2007 LETA has been the recognition of the economically dependent self-employees (TRADE, Financially Dependent Self-Employed), i.e., those "who work with a strong and almost exclusive economic dependence on the employer or client who hires him" (see UPTA 2010).

Perhaps one of the most important aspects of the new regulation concerning the TRADE is the possibility of signing agreements of Professional Interest (Article 13 Agreement Professional Interest), which some analysts say is tantamount to collective agreements, provided they have the acceptance of all stakeholders involved (see Upta 2010). Title III also regulates the collective rights of Self-Employed (see Social Security 2016 and Articles 19, 20 and 21). For example, the legislation also regulates the characteristics of self-employed as a specific form of representation of collective interests, without prejudice to the rights of union membership that are specifically collected, or the option to avail business organizations.

## *2.2. Distinction between different types of self-employed workers*

The only formal distinction introduced by the 2007 Law is that between self-employees and the TRADE (financially dependent self-employees).. The TRADE or "economically dependent workers" (Article 11 bis) are entitled to

holidays, the right to rest between work days, limits on the duration of work assignments, notice in the event of unilateral termination of the contract with the possibility of compensation and identifying sufficient causes for the temporary suspension of the employment relationship.

I-pros have no explicit recognition in the Law. As a matter of fact, no difference is made in the law to self-employees according to skill level, occupation or sector. Even though some studies have shown how a large proportion of TRADEs may have an I-pros profile, it is nonetheless very difficult to know.

### **3. Public policy to support new self-employers**

#### *3.1. Policies to promote and support self-employment and new self-employment*

Policies to promote self-employment and entrepreneurship are situated halfway between industrial policy and employment policy. Since the mid-80s there have been policies to promote self-employment Spain. However, in recent years, and especially during the recent economic crisis, policies promoting self-employment have been conceived as employment policies (hence its inclusion in the Employment Programmes), aimed at those who are unemployed with greater difficulties in finding employment, young people or workers with low educational level, long-term unemployed and women without professional qualification. There has accordingly been a re-orientation of policies promoting self-employment with employment incentives, in spite of the differences between the two (García Murcia; Martín Valverde 2005).

The promotion of self-employment has pivoted around four major mechanisms; reductions in social security contributions, capitalization of unemployment benefits, subsidies for the start of economic activity self and training account. Initially, the promotion of self-employment was conceived more as a mechanism to develop entrepreneurship, and therefore fell within the realm of industrial policy. During the economic crisis, efforts have concentrated on the first two abovementioned instruments.

One of the first instruments that were implemented to encourage self-employment was the capitalization of unemployment benefits. In particular, as indicated Cueto, Mayor and Suarez (2014), the capitalization of unemployment benefit was established in 1985 (RDL 1044/1985), but only in recent years, and particularly during the economic crisis, there has been a thorough reform in

order to encourage its use. The 2007 Self-Employment Statute (Law 20/2007) already mentioned the need to study within one year the impact of the capitalization of unemployment benefits on job creation. Should this be considered positive, it would proceed to expand current capitalization rates of unemployment benefits. Thus, already in the first months of the crisis, Royal Decree 1975/2008 increased the percentage of capitalization of unemployment benefits, in order to give incentives for unemployed workers to become self-employed.

As the crisis worsened, other mechanisms in addition to capitalization of unemployment benefits have been developed in order to promote self-employment. The 2012 labour market reform (Law 3/2012) included the contract to support entrepreneurs, partly aimed at encouraging the growth of small businesses and to allow self-employed workers to hire more easily other workers.

The most significant changes as regards the policy of promoting self-employment have occurred since 2013, with the approval of Royal Decree-Law 4/2013 and Law 11/2013. These laws introduce the so-called flat rate for young self-employed, which involved significant reductions in social security contributions during the first years to fewer than 30 years unemployed have not been self-employed in the five previous years. In particular, reductions are established during the first 15 months after hiring, and during the next 15 months bonus of the same amount shall apply. At the same time the possibilities for young people less than 30 years of capitalizing 100% unemployment benefits in order to develop self-employment have been expanded. Finally, the compatibility between the perception of unemployment benefits and starting a self-employed activity has also been recognised in the law.

### *3.2. Public Policies fostering self-employment in Spain*

Before the economic crisis and its implications for the labour market, one of the recommendations of the European Commission on member states has been to promote and encourage self-employment and entrepreneurship (European Commission 2010a). It has also been the case of the two Spanish governments throughout the crisis, which have sought in promoting self-employment a mechanism to address the employment crisis. This strategy is reflected in the

commitments made by the government in successive National Reform Plans (Martin Urriza 2016).

Self-employment incentives are justified to achieve very different goals. First, as a mechanism for job creation, which in principle can have a multiplier effect to the extent that self-employed develop an activity that allows them to hire other workers. Based on the existence of significant imperfections in capital markets and access to financing that would prevent many individuals (under normal circumstances) develop their business idea due to lack of credit, incentives become a public intervention to facilitate such access for example through the capitalization of unemployment benefits. Another major traditional policy objectives of promoting self-employment is the fight against informal employment. Some of the activities related to the care, cleaning or repair are more likely than others to develop pockets of informal employment. Self-employment incentives fulfil the function formalize and bring out these jobs.

In recent years of economic crisis, the objective of creating jobs and reducing unemployment has become more prominent. In this regard, the development of incentives for self-employment can be interpreted in more cyclical way as a demand policy giving momentum to the so-called refuge effect or 'recession / unemployment push' , according to which during times of economic crisis increases the 'forced' flow of unemployed workers (especially the less qualified) to self-employment. In a recessionary context, the opportunity cost of starting a self-employed activity decreases due to the lack of opportunities for dependent employment, which would explain the countercyclical nature of self-employment. However, some authors have pointed out how this effect would be offset by a reverse effect known as 'unemployment pull', under which unemployed workers (in principle, the most vulnerable, among other reasons for lower) are also those who are less able to develop an autonomous activity, so that in times of rising unemployment, the growth which could give the first push effect would be offset by a low survival rate.

In fact, some experts warn about the possible negative effects of these policies. Given the risks involved in the development of self-employment, in principle we can expect that only workers with certain skills will become so. If the policy of incentives for self-employment is implemented in times of economic crisis, with high unemployment rates, it is possible that the flow of unemployed people into self-employment is determined by negative selection, in which

precisely the least qualified and affected by unemployment, or those workers without the necessary skills to start an independent activity, will initiate it. In this case of involuntary or forced self-employment, very low survival rates and high turnover between unemployment and self-employment can be expected. For some workers in fact the self-employed would become a kind of 'hidden unemployment' that would have negative consequences on their trajectory, especially in the form of acceptance of lower wages in wage employment after the period of self-employment.

Moreover, the political commitment to promote self-employment has coincided with a significant increase in the number of false self-employment and outsourcing processes of companies. Thus, several authors have criticized these incentives insofar as it is not so much to promote entrepreneurship, but to provide companies the increasing use of bogus self-employment (Vallecillo and Molina Navarrete 2008).

The promotion of self-employment has pivoted around four major mechanisms; reductions in social security contributions, capitalization of unemployment benefits, subsidies for the start of an autonomous activity and training accounts. Over the past three decades the weight of the different instruments has changes. Initially, the policy of promoting self-employment has been conceived more as a mechanism to develop entrepreneurship, and therefore fell within industrial policy. During the economic crisis, efforts have concentrated on the first two. Note that the action of the CCAA was limited precisely to grants and training (largely relying on the Structural Funds and the ESF) as tax incentives and capitalization of benefits were regulated at the state level. Therefore, with the economic crisis the CCAA have lost ability to influence the promotion of self-employment.

### *3.3. Social Security System*

Title IV of Law 20 / 2007, regulates the social protection of the self-employed. Self-employees have their own social security regime, the so-called RETA (Special Regime for Self-Employees). However, many self-employees are also under the general social security scheme.. Membership of the Social Security is mandatory and assigns a single number for their professional life. The law provides differentiated contribution bases for economically dependent self-employed (Trade).

Self-employed workers have health care in cases of maternity, common disease, professional or accidents, whether working or not. They also have economic benefits in situations of incapacity, risk during pregnancy, maternity, paternity, permanent disability, elderly assistance and professional recovery.

In the context of the economic crisis, and in order to promote self-employment as an alternative to unemployment, contributory rates of self-employees have been kept low, at 50 euros per month during the first six months of starting the activity. It is a measure of encouragement at the beginning of entrepreneurial activity. Moreover, the self-employed who hire a worker will also benefit from an additional 80% reduction in their social security contribution for the first six months. After the first 6 months are also reductions and bonuses for a period of 12 months.

Article 33 of Law 20/2007 opens the possibility to combine unemployment benefits with the start of self-employment. To enjoy from this possibility, it is required to comply with its obligations as a jobseeker, including the need to participate in those retraining programmes offered by the employment agency. The self-employed worker is also entitled to unemployment benefit based on contributions made for that benefit. Article 31 opens the possibility of capitalizing unemployment benefits, a lump sum for those who are unemployed and want to start an activity as self-employee (see table 11)

Table 11. Unemployment benefits criteria for self-employed

Conditions	Implementation and discounts charges	Duration	Legislation
<b>Any age</b> <b>Initial inscription or had not been registered in five years</b> <b>Immediately prior to counting from</b> <b>The date of discharge, in the Regime</b> <b>Social Security</b> <b>Special</b>	Initial Reduction Reduction € 50 / month in the first 6 months, if chosen Minimum base; or Reduction of 80% (on minimum B quota) during the 6 First months, if Base > minimum is chosen. Subsequent reductions / rebates on the quota Result from applying to the Minimum Base the type Correspond:	18 month	Article 31 LETA. By law 31/2015 Up to 2015

<b>Self-Employed Workers</b>	(A) 50% reduction over the next 6 months (B) 30% reduction over the next 3 months C) Bonus for 30 & over the next 3 months		
<b>Workers Autonomous Enrolled in the National System of Youth Guarantee. (Garantía Juvenil)</b>	Initial Bonus Bonus € 50 / month in the first 6 months, if chosen Minimum base; or Bonus of 80% (on minimum B quota) during the 6 First months, if Base > minimum is chosen. Subsequent bonuses on the quota resulting from Apply on the Minimum Base the corresponding type: (A) 50% bonus for the following 6 months (B) 30% bonus over the next 3 months C) Bonus for 30 & over the next 3 months	30 month	Real Decreto-ley 6/2016 Up to 01/01/2017
<b>Degree disability ≥ 33%, violence of Gender, terrorism</b>	Initial Reduction Reduction € 50 / month in the first 12 months; or Reduction of 80% (on minimum B quota) during the 12 first months Subsequent reductions / rebates on the quota Result from applying to the Minimum Base the type Correspond: (A) 50% bonus for the following 48 months	5 years	Art. 32 LETA by law 31/2015

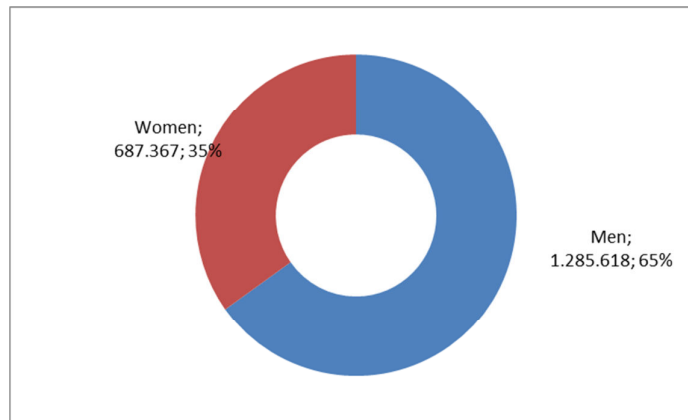
<p><b>Self-employed with Pluriactivity</b></p> <p><b>Simultaneous quote for hire or reward in 2016 - for common contingencies, by amount Joint venture of € 12,368.23 or more</b></p> <p><b>Autonomous initial high in the Special Regime Social Security for Workers</b></p> <p><b>Own account and that due to the same</b></p> <p><b>Initiate a situation of pluriactivity</b></p>	<p>50% refund of excess to said 12,368.23 € or</p> <p>Up to 50% quotas for Common Contingencies</p> <p>Entered by the Reg. Special Worker by</p> <p>Own account</p> <p>The contribution base may be between:</p> <ul style="list-style-type: none"> <li>• 50% of the minimum contribution base established Annually in the LPGE during the first 18 months,</li> <li>• And 75% over the next 18 months, up to Maximum levels established for this Regime</li> </ul> <p>The contribution base may be between:</p> <ul style="list-style-type: none"> <li>• 75% of the minimum contribution base established Annually in the LPGE during the first 18 months</li> <li>• And 85% over the next 18 months, until the Maximum levels established for this Regime</li> </ul>	36 month	<p>Order</p> <p>ESS/86/2015</p> <p>Law14/2013</p>

### 3.4. *Synthesis updated of self-employment registered in Social Security System*

As of December 31, 2016 there were 1,972,985 self-employed individuals (1) enrolled in the different regimes on their own account of the Social Security, being the RETA the most numerous of them.

- Males represent 65.2% and females 34.8% of the total. These percentages change when other variables (age, geographical area, sector of activity) are taken into account (see graph 12 below)

Graph 12. Distribution by sex



Source: Ministerio de Empleo y Seguridad Social, diciembre 2016

- In Asturias and Galicia, the percentage of women exceeds 40.0%.
- In industry (22.0%) and especially in construction (3.4%), the percentage of women is very high.
- There it is tow regimen: Reta and sea regimen, us show table below.

Table 12. Distribution of Self-employed by Regimes. Reta and SEA

	Total	RETA	SEA self employed
<b>Men</b>	1.285.618	1.277.295	8.323
<b>Women</b>	687.367	683.415	3.952

Source: Ministerio de Empleo y Seguridad Social, diciembre 2016

- More than 70.0% (71.3%) of the self-employed are over 40 years of age, although this percentage descends to 54.8% among those from other countries.
- 86.0% of the self-employed do not exceed the minimum contribution base.
- This percentage is considerably higher than 90% when the age is less than 40 years, in foreigners (97.3%) and those with less time discharged (less than 5 years).
- 55.2% of the self-employed have more than 5 years of discharge in Social Security; This percentage is superior among the men, the older, the national, Aragon, Castile and Leon, Navarre and La Rioja,

The distribution of self-employed by sector of activity has the following characteristics:

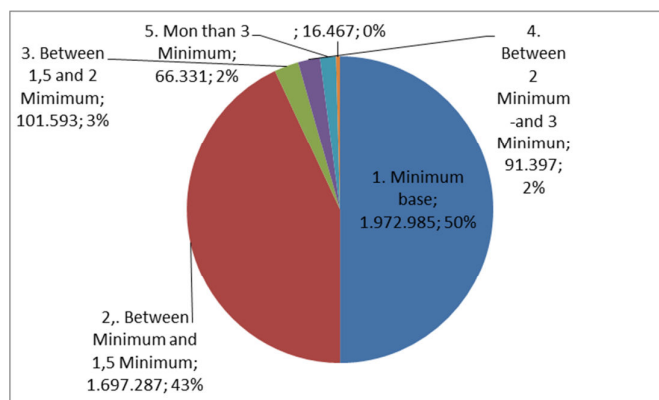
- 11.9% work in agriculture, 4.5% in industry, 10.6% in construction and 73.0% in the services sector.
- The percentage of over 55 in the agriculture sector (17.2%) is much higher than the average (11.9%).
- 5.1% of the self-employed work simultaneously with another for self-employed (multi-activity), which is more frequent among young people under 25 years old (8.9%) and those who are less than 6 months in labour market seniority

### 3.5. Contribution to Social Security fees

Most of the autonomous workers contribution to Social Security is low: pay the minimum contribution to social security. The it is two regimen for social security of self-employed: RETA System and Self-employed of Sea

- . This percentage increases as increases the contribution base, up to a maximum of 35.4% among those with bases above 3 times the minimum base and in Andalusia, the Canary Islands and Ceuta exceed 25%. In agriculture and construction, the percentage drops to 17.0% and 13.8%, respectively.
- 50% of self-employed pay only minimum fees
- 43% pay between 1,5 and 2 times minimum fees
- Only 2% pays more than three times.
- In few works, this low contribution has effects on the future pensions of self-employed. Many of them increase their contribution in last years of their labour activity in order on increase incomes from pensions

Graph 13. Contribution to Social Secutiry



Source: Ministerio de Empleo y Seguridad Social, diciembre 2016

Table 13. Contribution of self-employment to Social Security fees

	<b>Total contributor s</b>	<b>Régimen especial de trabajadores autónomos (RETA)</b>	<b>SEAS REGIME</b>
	1.972.985	1.960.710	12.275
<b>1. Minimum base</b>	1.697.287	95.252	58
<b>2, Between Minimum and 1,5 Minimum</b>	101.593	60.363	6.251
<b>3. Between 1,5 and 2 Minimum</b>	91.397	91.397	5.968
<b>4. Between 2 Minimum- and 3 Minimum</b>	66.331	66.331	0
<b>5. Mon than 3 Minimum</b>	16.467	16.467	0

Source: Ministerio de Empleo y Seguridad Social, diciembre 2016

#### 4. Collective representation and social dialogue

The public debate around self-employment moves around three main issues. The first is the position of self-employees with respect to dependent employment. As pointed out by some authors, recent reforms have made closer self-employment to dependent employment in terms of rights and legal status. This becomes clear with the regulation of the economically dependent self-employees (TRADEs), that "occupy a grey area labour law", as they're formally self-employed, but economically dependent on a single supplier or customer or employer. According to some authors, it is paradoxical that regulations of self-employment in Spain have tried to make it converge with dependent employment, in spite of the significant differences that exist between the two (Riesco 2016). This problem becomes particularly apparent in relation to the social security contributions paid by self-employees, that are considered too high (because they're close in amount to those paid by dependent workers), even though there are some tax credits for specific groups. More importantly, these contributions consist of a fixed amount, i.e., are not linked to the income obtained by the self-employee in a period. One of the priorities for those

organizations representing self-employees is accordingly to obtain a variable contribution linked to earnings obtained by the self-employee.

This links with the second most important issue, i.e., the protection of self-employees in relation to the income uncertainty they face. The problem of income uncertainty has become even more important in the context of the economic crisis (see Upta etc. al. 2012). As table 14 shows, self-employees in Spain experience relatively greater income uncertainty, together with the liberal economies and the other Southern European countries. Related to this are problems of access to credit for some of them, have exacerbated because of the crisis.

Table 14: Self-employees reporting uncertainty in incomes, belonging to trade unions as well as participating in demonstrations

	Very Uncertainty Incomes	Self-employed members of Unions	Taken part in demonstration	Comfortable Incomes
<b>Austria</b>	6,7%	2,3%	12,1%	10,6%
<b>Belgium</b>	16,7%	3,1%	9,0%	13,2%
<b>Czech R.</b>	7,3%	0,0%	10,6%	20,1%
<b>Germ</b>	7,7%	5,0%	11,7%	12,6%
<b>Dk</b>	0,0%	6,2%	5,7%	9,9%
<b>EE</b>	5,9%	5,2%	8,2%	17,9%
<b>Spain</b>	15,3%	3,9%	11,3%	14,6%
<b>Fin</b>	8,5%	5,9%	11,6%	12,5%
<b>Fr</b>	10,3%	10,6%	11,3%	12,9%
<b>UK</b>	15,2%	4,4%	12,4%	17,1%
<b>Hu</b>	2,4%	1,7%	13,0%	12,5%
<b>Ir</b>	15,2%	4,4%	12,6%	13,8%
<b>Lithuania</b>	,7%	2,2%	11,3%	14,8%
<b>NL</b>	11,1%	7,8%	17,0%	12,7%
<b>NO</b>	11,1%	6,1%	12,3%	8,5%
<b>PL</b>	17,6%	5,6%	5,3%	17,4%
<b>PT</b>	16,4%	17,3%	21,8%	13,9%
<b>SW</b>	3,4%	4,6%	11,2%	10,2%
<b>SL</b>	8,5%	2,1%	12,8%	9,7%
<b>Media</b>	9,5%	5,7%	12,3%	12,9%
<b>N</b>	159	418	2776	1545
<b>V de Cramer</b>	,103	,100	,207	,144
<b>Sig</b>	0,0%	,000	,000	,000

Source: European Social Survey 2014-15

Trade unions welcomed the regulation made in 2007 of self-employment, but at the same time criticized some characteristics of this law (Ribó 2013). Thus, they think the Law has gone too far in putting at the same level self-employment and entrepreneurs. Moreover, they also criticize the difficulties many self-employees have to have access to some of the social benefits envisaged in this law.

#### *4.1. The representation of Self-Employed in Spain*

Self-employees are organized, and their interests represented, along a wide variety of associations, including those in employer organizations and trade unions. This fragmentation mirrors the diversity found in types of self-employees, their characteristics and demands. Contrary to what happens in the case of dependent employment, where ideological reasons very often determine membership decisions, in the case of self-employees the motivations have to do more with functional criteria and services provided. This is the case because different types of self-employees have very different expectations and needs, hence determining the services required from their organizations.

Over the last fifteen years there has been a remarkable increase in the number of organizations representing self-employees. This growth responds to the quantitative increase in self-employees in Spain in the same period, but also to the realization that, depending on their characteristics, different self-employee may prefer some services / incentives provided by these organizations (table 15).

Table 15: Most representative organizations of Self-Employed

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
ATA	42,2	46,18	48,94	58,48
UPTA	25,64	26,67	25,47	22,04
UATAE	7,28	10,8	9,96	13,41
CIAE	4,22	6	3,21	6,07
FOPAE	10,93	10,35	12,42	-
FEA-CEAT	6,34	-	-	-
ATRADE	3,39	-	-	-

Source: Ministry of Employment

Two organisations are particularly important in terms of membership: ATA and UPTA. According to the Directorate General of Self-Employment, Social

Economy and Social Responsibility of Companies (Ministry of Employment and Social Security), the most representative organizations of self-employees in 2016 are ATA (58,48%) and UPTA (22,04%). The most representative organizations have access to certain public programmes, participate in some institutions and receive state financial support. These are then followed by UATAE (13,41%) and CIAE (6,07%).

- ATA (Asociación de Trabajadores Autónomos). This organization was born in 1995 and brings together some 450,000 self-employed. Even though it brings together self-employees from all sectors and regions in Spain, it is nonetheless stronger in those sectors where self-employment has been
- UPTA is the Union of Professionals and Self-Employed Workers of Spain, a confederation of self-employed in Spain, representing all regions and sectors. It aims to represent and defend the interests of the self-employees and is close to UGT. Even though any type of self-employee can belong to UPTA, their union orientation makes it particularly attractive for economically dependent self-employees or false self-employees. A similar organisation, though smaller, would be TRADE, close to CCOO.
- UATAE (Unión de Asociaciones de Trabajadores Autónomos y Emprendedores) was established in 2003. Its main goals are oriented to defence and representation of men and women who work on their own way of life, and the promotion of entrepreneurship as a way of development of individuals and peoples. To this end, it maintains permanent and stable dialogue with all government agencies, administrations and institutions, based on the claim and the struggle for improving the conditions of collective self-employed, but also in institutional loyalty and cooperation in the public policies and private initiatives aimed at this purpose.
- CIAE (Confederación Intersectoral de Autónomos del Estado Español) was established in 1992 as an organization of self-employees with a multi-sectoral scope. Its purpose is to help raise the quality of life of self-employed and small entrepreneurs, in the broadest sense of the term. Most of its members belong to the retail sector.

In addition to the abovementioned mentioned ‘most representative’ organizations in 2016, there are many others, including professional associations etc. Among the most important would be:

- CEAT (Federación Española de Autónomos), created in 2004 by the employer organisation representing SMEs, CEPYME, it has a more entrepreneurial profile
- FOPAE / OPA (Organización de Profesionales y Autónomos) created in 1990 in order to represent professionals and skilled self-employees.

#### 4.2. *Self-Employee unionization*

Similarly to what happens in the case of trade unions, membership figures in Spain are scarce and fragmented. Every year the Ministry of Employment elaborates a list of the most representative organizations. In order to prepare this list, the Ministry of Employment does not take into consideration membership data provided by the represented organisations, but other indicators of capacity to represent, including number of people employed by the organization, number of offices, etc. For this reason, we have relied on other sources in order to estimate membership of self-employees. In particular, we’ve used the Survey on Quality of Life at Work that was conducted until 2010 (see table 16). This survey shows that the percentage self-employed workers belonging to an organization (a professional association (colegios profesionales) or any other interest representation organization) representing their interests is 27,5%.

Table 16: Self-employed members of associations, 2010

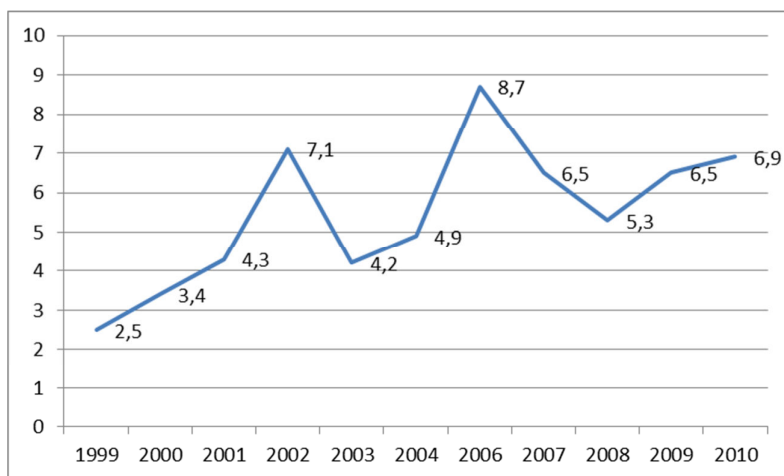
<b>No membership</b>	<b>72,5%</b>
<b>Professional Associations</b>	<b>14,1%</b>
<b>Organizations</b>	<b>13,4%</b>
	<b>100,0%</b>

Source: Survey on Quality of Life at Work 2010

Within the organizations representing the interests of self-employees, trade union have 6,9% membership rate. That is, around half of total self-employees who are members of an organization belong to a trade union. However, graph 14 shows how union membership by self-employees exhibits a clear increasing trend. This trend is particularly clear since the late nineties until the outbreak of

the economic crisis. With the crisis there is a rapid decline in union membership for self-employees. However, since 2008 a recovery can be observed.

Graph 14: Trade union Membership of Self-Employees



Source: Survey on Quality of Life at Work

The union membership rate of self-employed (6.9%) is below the average for all employed in the economy (16.4%) in 2010, the latest data available at this level of disaggregation. The highest rate of union membership is recorded in the public sector employees, consistent with comparative data from other European countries.

The survey does not only provide data on the membership of self-employees, but also provides an assessment of their perceptions around trade unions role. Generally speaking, we can observe how the assessment made by self-employees is relatively positive. On a scale of 0 to 10, where 0 is a low rating and 10 is high, workers set on average a grade of 5.22 when assessing the benefits brought by union activities' on companies, higher than the score for all workers. However, in relation to the role played by unions in defending their interests, the assessment made by self-employees is slightly lower (4.05) than for dependent workers (4.64). Similarly, the score given by self-employees to the benefits brought by membership is very low, being at 2.39 out of 10. Based on this data, we can see how the gap between trade unions and self-employees remains.

#### *4.3. The role of organizations representing self-employees in Social Dialogue*

Social dialogue with the organizations representing self-employees has remained very weak over the economic crisis. It reached a peak in the years preceding the Great Recession, thanks to the involvement and consultation of these organizations in the elaboration of the LETA in 2007. However, since then trade unions and the other organizations have criticized the lack of any form of involvement in policy-making (Ribó 2013).

The LETA established the creation of the Self-Employment Council (Consejo del Empleo Autónomo) as a consultative body that would assist the government in those regulations concerning self-employees. Only the most representative organizations would be represented in that Council would provide specific voice to self-employees. This initiative was very much welcomed by organisations of self-employees that felt excluded from social dialogue. In particular, the only organization that participates in high-level tripartite social dialogue with unions and the government is CEPYME (The confederation for small business) that claims to also represent the interests of self-employees. However, all the self-employee organisations disagree with this and claim to be more representative than CEPYME. In 2009, and with a view to establish the Self-Employment Council, the executive headed by Mr. Zapatero passed a law creating a registry of self-employee organizations.

However, the Council hasn't yet been established at national level. Only a Council for the SMEs (Small and Medium Sized Enterprises) has been created in 2013, which claims to cover also the demands and give voice to self-employees. However, many of the organizations representing self-employees think this is not the case, and urge the government to create a specific consultative body for self-employees. In the meantime, several regions have already created their own Self-Employment Council or are in the process to do so.

#### *4.4. Good practices of self-employee representation*

Even though there are some differences depending on the type of organization, most of those representing self-employees provide similar services. These include training, legal advice and consultancy. In addition to these services, organisations provide incentives / advantages for attracting new members, ranging from preferential access to credit lines in certain banks, discounts in a

number of services, including health care, coworking spaces etc. Depending on the type of organization and / or the target member, these organizations may provide certain differential services.

## **PART II. CASE STUDY ANALYSIS**

## Summary of key findings

- *There are problems of correspondence between the representation and the representativeness of self-employed workers. There is no clear criterion in this discussion. The criteria have not been agreed and today are a source of conflict for participation in institutions and initiatives of Social Dialogue. Self-employed associations accuse large business organizations of blocking the agreement about those criteria. Large business organizations also compete to represent self-employed workers.*
- *The three organizations analysed consider a priority to unblock the Autonomous Labour Council in Catalonia. Autònoms PIMEC finds the blockade mainly in the intrusion of Foment del Treball (Association of large companies), while CTAC and UATAE Catalunya understand that the lack of understanding between Foment and Autònoms PIMEC block the situation.*
- *The organizations representing autonomous workers analysed have different origins and co-relationships: impulse and dependence on business organizations (Autònoms PIMEC); support but later independence of trade union organizations (CTAC); and independence both in origin and in their current relations (UATAE Catalunya).*
- *We also find two profiles of diverse associations: those intersectoral that affiliate individual self-employed and those that affiliate sectoral associations instead of individuals.*
- *Also, organizations dependent on other larger organizations (for example, from business organizations) focus their activity on the institutional representation of the interests of the self-employed. On the contrary, those more independent organizations focus on the provision of services to obtain sufficient resources that allow their stability.*
- *Two of the three organizations recognize in the new political party Ciudadanos a valid interlocutor for the transmission of the demands of the self-employed.*
- *In those more independent organizations, the processes of internal democracy in decision-making and election of representatives seem more consolidated.*
- *The organizations that provide services hire self-employed members of the organization to develop specific actions.*

Table 17. Summary of key findings

	<i>CTAC</i>	<i>Autònoms PIMEC</i>	<i>UATAE Catalunya</i>
<b>Origin</b>	Top-down	Top-down	Down-top
<b>Relation with other organizations</b>	Trade Union (UGT)	Employer Association (PIMEC)	Collaboration with Trade Union (CCOO)
<b>Dependency</b>	Independent	Dependent	Independent
<b>Type of member</b>	Inter-sectoral <i>trades</i> (economically dependent self-employed)	Inter-sectoral self employed	Sectoral autonomous workers organizations
<b>Collective representation / Services</b>	Services	Collective representation	Services
<b>Main service</b>	Management and consultancy	Financing access	Inter-sectoral training

## I. CTAC (CONFEDERACIÓ DE TREBALLADORS AUTÒNOMS DE CATALUNYA)

### 1. Description of the organisation

The Confederation of Autonomous Workers of Catalonia (CTAC) was created in 2001 at the initiative of the UGT Catalunya union in response to the lack of legislative initiatives in defence of the self-employed. Thus, CTAC emerged as the regional articulation in Catalonia of UPTA (Unión Profesional de Trabajadores Autónomos), a Spanish organization with which they are currently confederated. In that sense, it is remarkable its top-down origin from UGT Catalunya and UPTA. Today this relationship is collaborative with both organizations.

In any case, CTAC affirms that they are "totally independent, both legally and economically" (V.L.). CTAC has tried not to rely on subsidies, so they have focused their economic sustainability on the provision of services (fees are not enough for the economic sustainability of the organization). However, despite this independence, CTAC walks in the same direction as UPTA and UGT, especially with their demands. This translates into a territorial distribution of fees between UPTA and CTAC.

Since its beginning, CTAC is the reference organization for autonomous workers in Catalonia. Today, it is made up of more than 35,000 professionals and associates who, through their direct participation or through the associations of a sectoral nature and/or professional associations that involve them, work in a coordinated way in the fulfilment of their demands. In this way, partners are organized by sectors of activity to better focus on collective representation.

Also, every four years a conference is organised to explain the actions of the organization. In each congress one or more candidates are presented to preside over the organization and the members vote. At the last congress, Sandra Zapatero<sup>1</sup> was elected president of CTAC. She along with Vanessa Lopez (general secretary) is responsible for coordinating the organization. The team have also two supports administrative at headquarters. In addition, CTAC has autonomous professional staff that develops training activities, projects, etc.

Regarding the territorial level, the basic organizational structure of CTAC is at the local, regional and provincial levels, as it is at these levels that many of the difficulties that the self-employed have to deal with (taxes, inspections, licenses, etc.). For this, they have assistance offices in four cities as well as they provide permanent advice to municipalities of other cities of Catalonia.

In that sense, CTAC insists a lot on "taking care of the municipalities" (S.Z.). The strategy of the organization is to establish them as a strategic partner of the different municipalities of Catalonia: both the larger ones with departments of economic promotion as those smaller that depend on the services of a consortium.

## **2. Members**

CTAC has more than 35,000 associates, which together with other criteria (internal structure, territorial roots, services, etc.) make them the most representative organization of self-employed in Catalonia (73.25%). Specifically, around 83% of CTAC's partners are self-employed workers without salaried employees. "We defend the unprotected" (S.Z.). The members profile has varied in recent years. There are two main profiles: entrepreneurs with innovative

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<sup>1</sup> Interviewees: Sandra Zapatero, SZ (President); Vanesa López, VL (General Secretary)

projects and self-employed who see self-employment as an alternative to unemployment. For both profiles CTAC offers its services.

Regarding profiles such as the "bogus self-employed", Sandra insists that this figure is a perversion in the sense that they are salaried with an unrecognized employment relationship. CTAC, in these scenarios, opts for the complaint to labour inspection. Different situation are the TRADEs (economically dependent autonomous worker). From this autonomous profile, CTAC does focus on its representation. With regard to I-pros or freelancers, CTAC is also responsible for representing them, although (as pointed out by V.L.) is a collective in which the employment relationship is more hidden.

In addition, CTAC is an interprofessional organization. It maintains agreements with associations and professional colleges of diverse activities like transport, health, aesthetics, commercial agents, graphic design, music, maintenance, alternative therapies, restoration and conservation and yoga.

Being CTAC the most representative entity of autonomous work in Catalonia, the self-employed are usually approaching to inform their offices. In these situations, information is provided both directly and with various information brochures on the organization's objectives and services. There are no diverse categories of partners, although these are organized in sectoral federations according to the activity they develop.

The quarterly fee is € 31.95, although there is a reduced fee for freelancers who have lost all their clients but still want to join CTAC. This fee gives them access to a number of basic services, although access to other supplementary services requires payments. However, for partners the price of these services is lower.

### **3. Collective representation and strategies**

The main objectives of CTAC to play the role of advisory and advocacy with public administrations and private entities to improve professional conditions and, in general, raise the quality of life of autonomous workers. However, we note that CTAC focuses more on the provision of services. "For a person to find our organization useful we have to offer tailor-made and inexpensive services. If you find the services you need, you will associate" (S.Z.). In this sense, CTAC offers management and consulting services to the self-employed to consolidate

their business. CTAC also function as intermediaries with public funding entities to financially support their affiliates' business.

Among the new services provided we can highlight the Formative Capsules, which develop privately with own and external teachers to train on various practical contents on the operation of the autonomous activity. The main customers of this service are the city councils. In the last years, about 14000 users have made use of this service, a high number considering that each training usually has about 25 students.

Another important service is the advice and specialized attention of the group of immigrants who want to work autonomously. This service evaluates the project activity of these users to determine their feasibility. CTAC even has an extensive and specific guide only for self-employed migrants.

The president of CTAC focuses on the high availability of the professionals of the organization and the personalization of services as important values in this regard. "Our policy is at street level, near to the self-employed" (S.Z.). In that sense, prioritizes contact at the local level with the self-employed workers themselves than the press and television appearances. Nonetheless, CTAC also has claims both general and for specific collectives. As they stand out, it is not understood the provision of services without the claim and vice versa. Both are pillars.

It is important to note that the CTAC offices also function as official entrepreneurial point of service, thus they are authorized to discharges the social security of self-employed. This, in addition to being a much requested service, creates a very direct contact from the first moment between self-employed and CTAC. Once this "loyalty" of the associates with CTAC is established, the organization articulates its collective representation.

In this sense, several claims are highlighted such as the extension of the reduced rate for first self-employed (19.4% of the self-employed who marry their activity do so by the completion of this reduced rate after 18 months). Other potential demands such as the recovery of maternity bonuses are also highlighted.

Another of the main demands is to initiate the formation of the Council for Autonomous Work of Catalonia, which has been unblocked for six years by conflicts between large and small and medium business organizations. Likewise, they also claim the implementation of progressive levels of

contributions to social security instead of the single quota. "There is a lot of jurisprudence that says when an autonomous worker develops an economic activity and does not reach the minimum wage interprofessional, should not pay social security." Thus, CTAC proposes three levels of contribution according to billing.

In any case, CTAC's relationship with other institutions is fluid, especially at the local level. For example, they currently organize a meeting between CTAC partners and the head of Barcelona City Council's business area to disseminate the needs of the self-employed in the city and generate new local policies. Likewise, CTAC coordination usually participates in information sessions, round tables and talks with different local entities. Vanesa López (Secretary of Organization) develop every month the training "the autonomous Monday" in the employment services of the Barcelona City Council to train on administrative and practical contents for entrepreneurs, a city in which the majority of the autonomous population of Catalonia is concentrated. It is important to note that during the 2nd Congress of CTAC in 2010, not only associates and members of the executive, but also several political representatives attended, so the collaboration with political actors is fluid.

#### **4. Results and future perspective**

During the interview, the interviewees point out that many of the CTAC proposals (the progressive levels of contribution, the approval of the Catalan Council of Self-Employed, etc.) have been transferred to political parties and specifically promoted at parliamentary level by the political party "Ciudadanos", party which has placed on the Catalan and Spanish political agenda the situation of the self-employed. In that sense, they interpret as a success to have found a political interlocutor who transfers their claims.

Likewise, from CTAC they are satisfied with the growth of the number of associates, with the economic independence that the success of their specialized services gives them and to have become the first organization of collective representation of the self-employed in Catalonia.

## II. AUTÒNOMS PIMEC (PETITA I MEDIANA EMPRESA DE CATALUNYA)

### 1. Description of the organisation

Autònoms PIMEC defined itself as employer association. The organization is integrated within PIMEC, an association of micro, small and medium-sized (SMEs) but also self-employed of the Catalan territory. PIMEC considers itself the most representative social agent in Catalonia. It participates on 300 boards and work committees with the public administrations and the most representative social agents. PIMEC watches over the interests of SMEs and the self-employed through its presence as a social agent on boards and committees, as well as lobbying actions in key fields of interest for SMEs and their competitiveness.

At the same time, Autònoms PIMEC maintains a collaboration agreement with ATA, which in some way makes them the "Catalan ATA". Thus, they have exclusivity in Catalonia and, therefore, any initiative that ATA wants to develop in the Catalan territory does it through Autònoms PIMEC. However, PIMEC Autònoms are totally independent of ATA. The first step of Autònoms PIMEC was the constitution of COAC (Confederation of Autonomous Organizations of Catalonia) in 1999 with the boost of PIMEC, which would later be remodelled in Autònoms PIMEC in 2008. This makes them a top-down organization developed by employer's organization but collaborating at Spanish level with a quasi-union organization.

In PIMEC's history, a high percentage of freelancers associated with the organization are owners of a company, which is a different profile of freelancer. That, in any case, does not prevent the organization to seek the "freelance journalist" to be part of the association. Thus, an important part of the members are the self-employed professionals who contribute the guilds and associations that are partners of PIMEC. The main sectors of these partners are trade, metallurgy, services and construction. Thus, PIMEC defines itself as a multisectoral employer that organizes other organizations focused on specific activities. Likewise, the representation in Autònoms PIMEC of TRADES is proportionally lower than those that exist.

At the organizational level, PIMEC Autònoms has a small (salaried) team dedicated to communication tasks to the partner, administrative tasks and development of concrete projects. "We have little income and, therefore, little expense."

At the territorial level, the organization uses the same headquarters of the PIMEC business association. Thus, it has 16 offices in the Catalan territory. Territorial committees are organized periodically between those responsible for all venues. Without having accurate data, the interviewees affirm that there may be some correspondence between industrial zones in Catalonia and the location of Autònoms PIMEC partners.

## **2. Members**

PIMEC Autònoms counts on 90000 associates (of the 500 thousand autonomous that there are currently in Catalonia). This places it at the level of associates in the first organization in Catalan territory. A very high proportion of the members of the organization come first to PIMEC. Once they are part of the Employer association, they are also offered to be part of Autònoms PIMEC. "Autònoms PIMEC lives on the name PIMEC" (L.V.).

This is the main way of recruiting members. Likewise, professional associations and colleges that are partners of PIMEC have a large number of self-employed as partners. In this way, these self-employed are also automatically part of Autònoms PIMEC. Likewise, President Luís Viguera<sup>2</sup> thinks that the margin of growth of members could be greater if all the self-employed that develop their activity in the companies that are members of PIMEC were incorporated.

With respect to affiliation, the fee is standard ("A minimum quota" (P.M.)). It has been planned to modify the quota on the basis of billing, but no change has been made. It is a pending issue to be resolved by the organization. What has been tried so far is to generate the lowest possible cost to the associate, not to lose members and dedicate themselves to the most urgent that is the collective representation. The objective is to modify this in the future based on the improvement of the services offered by the organization.

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<sup>2</sup> Interviewees: Lluís Viguera; LV, (Presidente); Pilar Mínguez, PM (Secretaria de organización)

### 3. Collective representation and strategies

Beyond the collaboration agreement with ATA, Autònoms PIMEC develop regional lobbying actions to influence members of the Government or the opposition to defend the interests of the self-employed. In that sense, the organization has pressured at political level over the issue of the adoption of laws to fight against defaulting.

As for the services offered by the organization to its associates, these are "less than desired" (L.V.). Beyond having informed partners about important issues, services are not being developed. Thus, Autònoms PIMEC focuses its activity on collective representation for three fundamental reasons: the importance of the autonomous group ("there are autonomous as unemployed in Spain" (L.V.)); for the growth it will have in the future; and the experience that PIMEC already has, collectively representing micro and small enterprises.

In any case, Autònoms PIMEC makes synergy with PIMEC employers association in general for the provision of various services. "The self-employed is a more special businessman. We gain efficiency by sometimes offering the same services to self-employed and entrepreneurs" (L.V.). For example, by facilitating access to the necessary training. The vision of the organization is to add training needs of several autonomous to dedicate resources in an integrated way. Other services provided include access to private and public financing, as well as discounts on various external services (recovering services, health services, energy, posting, transports, etc.). Also stands out as an organization's service to its self-employed associates an insurance coverage of 900 € per month in the case of sick leave or accident. The maximum compensation is 240 days.

Likewise, the organization also focuses on networking, that is, cooperation between the self-employed, convinced that strategic alliances between entrepreneurs can have an impact on their benefit. The objective of PIMEC has always been to improve and strengthen the competitive capacity of its partners. Interviewees point out that if they proposed services as business advice, they would be very successful. However, the focus of the organization is collective representation.

It should be noted that some of the services offered by Autònoms PIMEC are implemented in the territory. For example, the agreement with the City of Viladecans and that is repeated with other municipalities. Through this agreement, Autònoms PIMEC promotes the increase and stimulation of entrepreneurship and self-employment and the consolidation and viability of self-employment, facilitating access to solvent business financing, providing financial advice to self-employed and SMEs, conducting studies on Productivity and competitiveness of small and medium-sized enterprises (SMEs) and self-employed persons in the municipality, carries out orientation and dissemination activities related to training and implements measures to improve local employment policy.

It should also be noted that PIMEC is the only European business association with a social foundation. This foundation is focused on entrepreneurs whose business fails. This service is also offered to the self-employed associated with Autònoms PIMEC. This service includes psychological support and then counseling and support to see if you are capable of being an entrepreneur again or it is better to refer you to job search services. I also support access to aids and social benefits. This foundation not only supports autonomous associated with Autònoms PIMEC, but also to outside.

#### **4. Results and future perspective**

Respondents say that what is urgent now is to represent collectively the self-employed. However, they recognize that one of the fundamental objectives of the organization for the future is to expand and improve the services offered to partners so as not to lose loyalty.

Also, Lluís Viguera marks as one of the most urgent objectives in the future the approval and start-up of the Council of Autonomous Work of Catalonia. For this, they hope that Foment del Treball (bosses of large companies in Catalonia) stop blocking their development. Likewise, as the phenomenon of the self-employed grows exponentially, the goal of the organization is to grow. For this, it is already planned to increase the budget that PIMEC contributes to Autònoms PIMEC in order to improve its operation.

Also in the future, Autònoms PIMEC considers very important that the reform of the Autonomous Labour Statute Act (as well as other laws) take into account the organization's demands for social contributions, equalization of rights between self-employed workers and employees and the empowerment of second-chance initiatives for those self-employed who want to re-engage their activity.

Finally, Autònoms PIMEC insists that it will continue to ask all public administrations for a greater effort to reactivate credit flows, to encourage new measures to deal with defaulting and to tend to reduce payment periods, a taxation system more attractive to encourage economic activity, and to continue to move towards administrative simplification, in order to help the collective in their business projects and thus contribute to the competitiveness of their business.

### **III. UATAE CATALUNYA (UNIO D'ASSOCIACIONS DE TREBALLADORS AUTÒNOMS I EMPRENEDORS DE CATALUNYA)**

#### **1. Description of the organisation**

The Union of Associations of Autonomous and Entrepreneurial Workers of Catalonia (UATAE Catalunya) is a federation of associations formally established in 2011. The organization is a federation of non-profit associations, with scope in all the territory of Catalonia, with the aim of the defence and representation of the self-employed, as well as the promotion of entrepreneurial activity. Currently the Government of Catalonia recognizes them the 22.80% representation of the autonomous workers of Catalonia.

UATAE Catalunya is federated and integrated with UATAE-Spain. Nevertheless, UATAE Catalunya is a down-top organization, that is to say, totally independent of any administration, political party, union or structure of great company. This is evident through the large group of representative organizations of self-employed workers that merge throughout the Catalan territory. However, some of the people who initially created UATAE in Madrid

were part of UPTA, an autonomous association linked to the UGT union. At the moment UATAE Spain has an agreement of collaboration with the union CCOO, but maintaining full independence.

UATAE Catalunya is formed as a federation, which integrates associations and unions, both sectoral as well as territorial. All integrated entities keep intact their full autonomy of decision and their organic independence. The democratic will of all of them and their transversal interests shape the will and interest of UATAE Catalunya. The organizations and associations that form part of the union are themselves representative of the groups that make up and, in many cases, already form part of the different structures of participation and dialogue, both in Catalonia and in the different provinces or local entities where they have their headquarters. They focus on socio-economic aspects, which affect all citizens as a whole, and that is why they decided to multiply their individual strength in a collective platform (UATAE Catalunya).

The federation has integrated organizations that represent many sectors of activity. So, the organization fulfils the objective of consolidating strong and representative structures that will group together the structural dissemination of a collective that has always been associatively represented in a very atomized and sectioned way. As the organization says, UATAE Catalunya's merit is to have forgotten the particular interest in search of the common, thus removing the self-employed from the isolation and solitude that had traditionally surrounded them.

On the territorial level, UATAE Catalunya has offices in the capitals of the province of Catalonia and in important cities, thus bringing its services to self-employed workers throughout the Catalan area. Likewise, the organizations that are part of UATAE Catalunya also have diverse territorial implementation in Catalonia. Nevertheless, Adolfo Martínez<sup>3</sup> recognizes that the activity of the federation is very focused in Barcelona, where there are the majority of autonomous in Catalonia.

The federation has an assembly (which includes all the members of the associations affiliated to UATAE Catalunya), a Governing Board (including the

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<sup>3</sup> Interviewee: Adolfo Martínez (UATAE Catalunya governing board member); Documental support: Francesca Simeon (President)

directors of these associations) and a presidency, currently Francesca Simeon. The decisions are consulted in the assembly and executed by the Governing Board.

The associations that are part of UATAE Catalunya have their own salaried staff depending on the specific weight of each one. In terms of headquarters, the federation has a very limited staff, especially dedicated to the development of specific projects over a given period.

## **2. Members**

It is important to highlight that UATAE Catalunya does not represent directly the self-employed but the sectoral associations of the self-employed. That is, they affiliated autonomous associations but not individual autonomous. There are associations affiliated to UATAE Catalunya as the AGTC dedicated to represent and provide services to self-employed transport workers. For those self-employed who do not find an association of their activity within the Federation, there is an intersectoral association with the same name of "UATAE Catalunya" in charge of representing them. The particular sector of these associations is transport, commerce, hotels, well-being and health, new technologies, financial services, construction and agriculture. Thus, these organizations that are part of UATAE Catalunya currently represent more than 10,000 self-employed workers in Catalonia. About the diverse sectoral composition of its members, 25.55% come from agriculture, 0.23% from industry, 11.51% from construction and 62.72% from services.

The membership fees depends on each association be determined by the services provided by each one. In the case of AGTC, with a wide range of services provided, it has a quarterly fee of 40 euros plus a series of payments depending on the vehicle's charge that the affiliate has. On the motivations that the self-employed can have to join the associations, it depends on each one. In the case of AGTC, Adolfo Martínez highlights the many services that the association provides to its members. Regarding the reason that the different associations decide to join the federation UATAE Catalunya, the motivation is to join efforts in the institutional representation of the interests of the self-employed and, in the case of the smaller associations, to access training services.

### 3. Collective representation and strategies

The main objectives of the organization are oriented to the defence and representation of self-employed workers and the promotion of entrepreneurship as a form of economic and individual development. To this aim, through its member associations it maintains a permanent and stable dialogue with all public administrations and institutions, based on the demand and the struggle for the improvement of the conditions of the collective of self-employed workers, but also in the cooperation with in public policies and private initiatives that serve to this purpose.

In that sense, UATAE Catalunya is also working to change the public opinion that exists about the collective of the self-employed, putting in value its importance as an engine of economic development. To this aim, they promote the development of public policies aimed to the collective and the permanent dialogue between the representatives of the self-employed with the public administrations.

Likewise, the staff of UATAE Catalunya works to provide services to self-employed and independent professionals: labour and tax advice; consulting; Sectoral and cross-sectoral training; prevention of occupational hazards; financial help; quality and technological innovation; environment; professional networking; study and reports; seminars, congresses and professional fairs. Also other services more focused on the entrepreneurship: information office and orientation to the entrepreneur; support for the preparation of the business plan; viability reports for the change of the card for the account of others; self-employment orientation public service; training the entrepreneur; financial help; and aid for the promotion of self-employment.

One of these services is the *Consolida'T* program, especially focused on independent self-employed workers. Its objective is to contribute to the strengthening and growth of autonomous work, through an advisory service and personalized support that allows defining a specific action plan to achieve the objectives of their business consolidation. It includes information, orientation, counselling, training and funding.

Likewise, UATAE Catalunya maintains a multitude of agreements and collaboration actions with all kinds of entities, such as universities, banking entities, foundations, public administrations, private companies, etc., always

with the fundamental objective of defending the interests of the collective of the self-employed. Likewise, UATAE Catalunya initiates, elaborates and collaborates in scientific research and dissemination initiatives that contribute to a better legislative technical development.

Similarly, the organization promotes equality in self-employment. To this end, it maintains a section of women and another section of immigration, both with their own government structures.

#### **4. Results and future perspective**

UATAE Catalunya considers essential to pay attention to the provision of services as a function of partnerships. UATAE Catalunya as a federation focuses more on its role in intersectoral training. Together with the representation of the self-employed, these should be the main functions of the associations and the federation.

The main future challenge of the federation is to make autonomous work visible. For this, it is essential to set up the Autonomous labour Council of Catalonia, currently blocked by the particular interests of the actors who are to take part. Likewise, another of the future challenges is to improve collaboration with UATAE Spain.

The interviewee emphasizes the existence of a party (Ciudadanos) that for the first time listens to the demands of the autonomous associations. Some particular demands are transferred to this party and occasionally also to the Socialist Party. Demands such as taxation, defaulting, etc.

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