



Independent Workers and Industrial Relations in Europe

WP3. Country case study: UK

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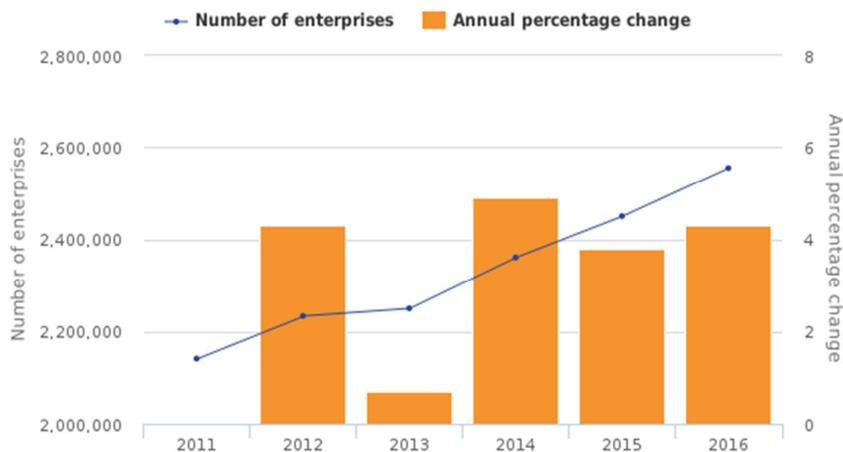
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Part I. General overview on new autonomous workers

Self-employment has traditionally played a relevant role in the development of British economy. In particular the volume of VAT registered workers and PAYE based business in fact displays an upward trend in the aftermath of the financial crisis, as shown in Figure 1. Only in the last year, we assisted to a rise of around 105,000 independent workers (+4.3%): there were 2.55 million businesses registered in March 2016 compared with 2.45 million in March 2015 (Office for National Statistics 2016). To put this another way, the UK has experienced a boom in microbusinesses and self-employment: “the number of people working for themselves has increased by around 30 percent since 2000, with the result that one in seven of the workforce are now self-employed. Nor does this trend show any signs of abating” (Dellot 2014: 7).

Figure 1: Number of VAT and/or PAYE based businesses UK, 2011 to 2016



Source: Office for National Statistics, UK business; activity, size and location: 2016 bulletin

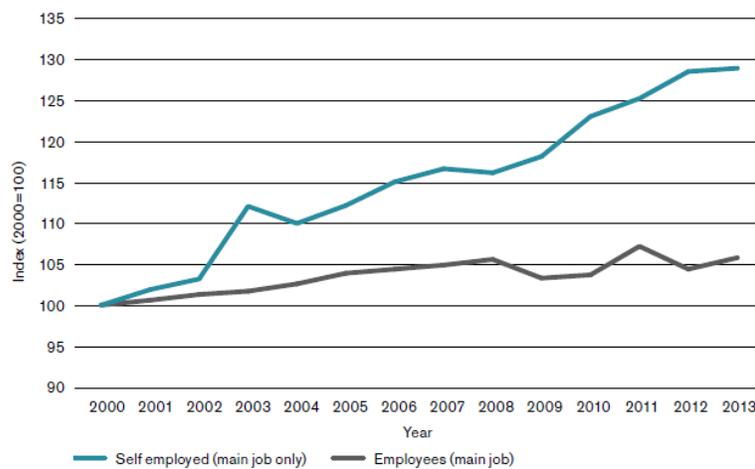
Notes: Approximately 31,000 of the change between 2011 and 2012 was caused by improvements to HMRC computer systems leading to previously excluded businesses being added to the IDBR. These businesses were registered before 2012, so distort the year-on-year change.

Most of these businesses are very small: in fact more than three quarters of the 5.4 million private sector enterprises in the British economy involve only their owners, working alone or with partners, without employees (Department for Business

Innovation and Skills 2015). These ‘nano-businesses’, amounting to 4.1 million contribute at least £237bn to the whole economy, embodying crucial economic agents in the country. In particular ‘self-employment is now at its highest level in the 40 years official statistics have been produced, with most of the recent growth among own-account workers, those without employees’ (Kitching 2015:15). The trend of growth of self-employment looks even starker when set against the rather moderate increase registered in the same time-lapse in standard subordinate employment (see Figure 2).

The picture shows an overall transformation of the British business landscape. Not simply symbolically, the Department of Trade and Industry was substituted by the new Department for Business, Innovation and Skills.

Figure 2. Growth in employment versus self-employment



Source: Labour Force Survey, July–September quarterly data, 2000–2013 inclusive (excerpt from Dellot B. 2014)

1. Definition of the national framework on new autonomous workers

In the British regulatory framework, the definition of self-employment is a questioned subject open to debate, partly because no legal definition exists (Dellot 2014). Her Majesty's Revenue and Customs department (HMRC) has explicated a set of working

behaviours and conditions that help to indicate when a worker is self-employed. The website of the British Government (www.gov.uk) provides a “A guide to employment status” which allows workers to point out their employment status that determines the relating rights and their employer’s responsibilities. Accordingly, ‘a person is self-employed if they run their business for themselves and take responsibility for its success or failure. Self-employed workers aren’t paid through PAYE (Pay As You Earn system¹), and they don’t have the employment rights and responsibilities of employees. According to the guide, a worker can be identified as self-employed if most of the following criteria holds true:

- she is in business for herself, is responsible for the success or failure of her business and can make a loss or a profit;
- she can decide what work she does and when, where or how to do it;
- she can hire someone else to do the work;
- she is responsible for fixing any unsatisfactory work in their own time;
- her employer agrees a fixed price for their work - it doesn’t depend on how long the job takes to finish;
- she uses her own money to buy business assets, cover running costs, and provide tools and equipment for the work;
- she can work for more than one client.

A list of further requirements is specified in order to be acknowledged as self-employed, and, accordingly not entitled to enjoy the rights of employees:

- she puts in bids or give quotes to get work;
- she is not under direct supervision when working;
- she submits invoices for the work she has done;
- she is responsible for paying her own National Insurance and tax;
- she does not get holiday or sick pay when she is not working;

¹ Method of paying income tax and national insurance contributions. The employer deducts tax and national insurance contributions from wages or occupational pension before paying wages or pension.

- she operates under a contract (sometimes known as a ‘contract for services’ or ‘consultancy agreement’) that uses terms like ‘self-employed’, ‘consultant’ or an ‘independent contractor’.

Different types of independent workers

In the UK, the legal status of the self-employed workers without employees can configure in different ways. Sole trader/sole proprietorship, partnership and limited company are the most adopted forms, differing according to the number of workers involved. In the case of the **sole trader**, the self-employed works on her/his own account; in the **partnership** two or more workers are involved in the business; while in the case of **limited companies**, the company has to be registered and having at least one shareholder. These legal forms differ also in terms of tax and national insurance regimes and implications.

Freelancers may also operate under **PAYE umbrella company**: in this case, they become employees, but not directors, of the umbrella company, where the umbrella organization is responsible for invoicing clients on behalf of freelancers and for paying the freelancer’s salary net of tax and NIC deductions (Kitching and Smallbone 2008).

An important subset of independent workers without employees are the freelancers. Freelance status is not legally defined either by the statute or by the common law. Generally the term is used by workers and end-users to refer to specific kinds of work relationship (Kitching 2015) or to specific industry where this figure is particularly widespread, especially the media and the creative sectors.

1.1 The political and public debate

The enthusiasm and the support for self-employment seems to have grown in the broader popular culture, in parallel to the proliferation of the share of workers undertaking independent economic activities. As reported by the RSA reports on self-employment boom (Dellot 2014), almost all British universities offer programmes and scheme to help their students in establishing their own start-up and new independent businesses. The political class also spotlighted the relevance of self-employment for the British economy. David Cameron recently depicted the self-employed work as “the

lifeblood of the UK economy”². Similarly, Ian Duncan Smith described the rise in self-employment as an indicator that “the entrepreneurial spirit is alive and well in the UK”³. Such a supportive instance to entrepreneurship is however bipartisan in the political sphere. Likewise Ed Miliband promised to go “into the next election as the party of small business and enterprise”⁴. In a nutshell, self-employment and entrepreneurs seem to embody the new zeitgeist in the UK (Dellott 2014).

In the public and political debate, various factors have been addressed as potentially underpinning the boom of self-employment in the British economy: organizational, regulatory, market, technological and demographical developments have arguably all contributed to the growth of freelancing in recent decades.

A first explanation relies on the **lack of employment opportunity** in the UK labour market, and in particular the lack of good job opportunities that ensure affordable and decent living standards and working conditions. In a sense, unemployed workers and working poor have been somehow “pushed” or “forced” into self-employment by the total lack of employment alternative and by not really attractive alternatives.

Directly linked to this organizational argument, the **regulatory development** represents a second important driving force. The Government agenda of public policy has played a major role in creating opportunities for self-employment and small business, and in influencing public attitudes to taking up such opportunities (Bennett 2014). An important driver to access to self-employment has also been Government’s policies to reduce unemployment. In particular the Active Labour Market Policies promoted since the 1980s tried to help unemployed people to return to work by entering self-employment. In 1981, Margaret Thatcher's Conservative government issued the Enterprise Allowance Scheme (EAS), a policy initiative which gave a guaranteed income per week to unemployed people who set up their own business. Such scheme has been recently renewed in 2013 when the New Enterprise Allowance (NEA) was launched. This scheme is designed to support claimants to start their own business, by

² <http://www.bbc.com/news/business-25909235>

³ See Swinford, S. (2014) *Benefit cuts creating new generation of entrepreneurs, Bank of England suggests* [article] The Telegraph, 23 April 2014.

⁴ Sparrow, A. (2013) *Ed Miliband depicts Labour as champion of small businesses* [article] The Guardian, 6 December 2013.

moving into self-employment: it provides mentoring support and financial assistance to specific groups of unemployed already claiming some forms of income support or benefits.

Thirdly, the development of **new markets** contributes in explaining the growth of microbusinesses and independent workers. This factor is strictly intertwined with the political agenda of the government in office since the late 1970s. The privatisation and outsourcing programmes launched since the 1980s shifted jobs from the public to the private sector, paving the way to new markets of service providers and contractors. Accordingly it triggered a proliferation of small production and service companies, many of them single-person, freelance workers supplying services as subcontractors (Kitching 2015). Changes in public sector employment practices might also have exerted an indirect influence on the rise in independent work by encouraging professionals to quit their jobs and to move to self-employment in order to find new market opportunities (Drennan et al. 2007). Relevant cuts in public expenses as a way to reduce the national debt have also coincided with the growth of own-account working (Kitching 2015).

A fourth factor explaining the boom is the **change in attitude** towards self-employment, also thanks to the conscious political decision to strongly promote it in the broader popular culture. ‘During the period of Conservative government (1979–97), the concept of “enterprise culture” was actively promoted’ (Schulze Buschoff and Schmidt 2009: 149) and championed through campaigns and initiatives such as the Business in You and Business is Great campaigns and the StartUp Loans scheme. A sort of shift in mindset has occurred: stigma towards independent activities started to fade away, substituted by a more positive attitude.

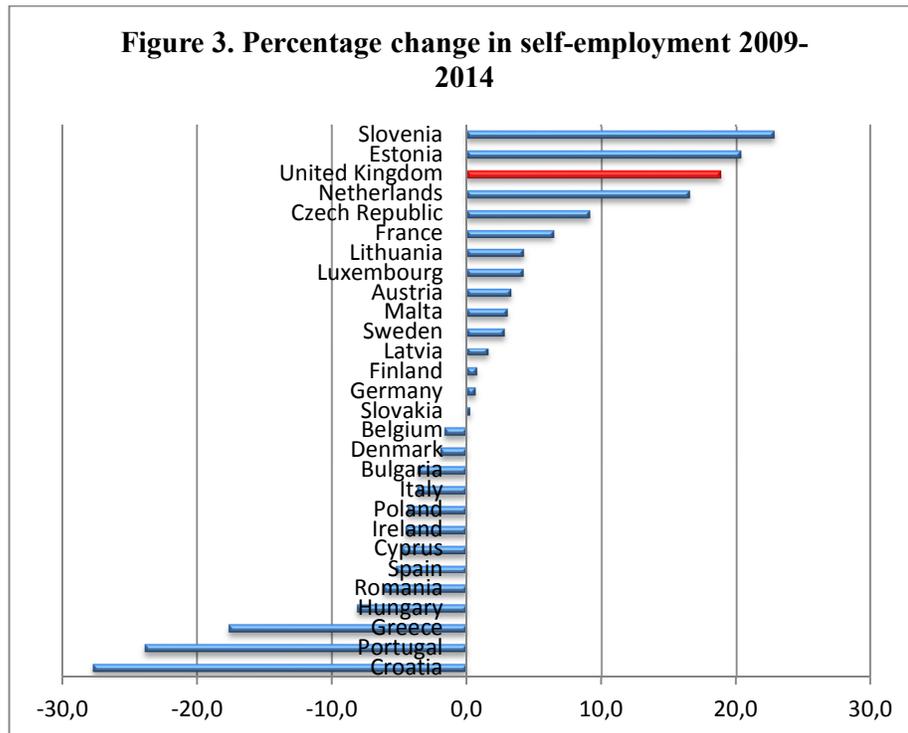
Technological progress is widely recognized as a crucial ingredient behind the remarkable rise in self-employment, not only in the UK. Finally, **demographic changes** in the population of independent workers constitute a further explanatory variable. The British labour market witnessed an important diffusion of self-employment among categories of workers generally involved in subordinated jobs, such as women, over 55s and migrant workers.

To summarise, the UK Government’s general approach to self-employment is that ‘it is something to encourage, mainly by creating a climate whereby starting up is relatively easy, with the minimum of costs and bureaucracy, and, for the most part, this is the case’ (European Employment Observatory 2010:13). A dominant rhetoric around self-employment in the UK depicts the phenomenon as forced, and synonymous of zero-hour contract. This is certainly backed by empirical evidence, but there is also another more balanced narrative, “one that does not drown in the hyperbole that sometimes surrounds ‘entrepreneurship’, nor one that treats self-employment as the sink for the desperate and needy” (Dellot 2014: 63).

1.2 Quantitative overview⁵

Across the European Union, the UK has had the third largest percentage rise in total self-employment since 2009 amounting to about 18%, following Slovenia and Estonia (Figure 3). In particular, when independent professionals are at stake, the percentage growth between 2008 and 2015 reached the peak of 49% (Nye and Jenkins 2016).

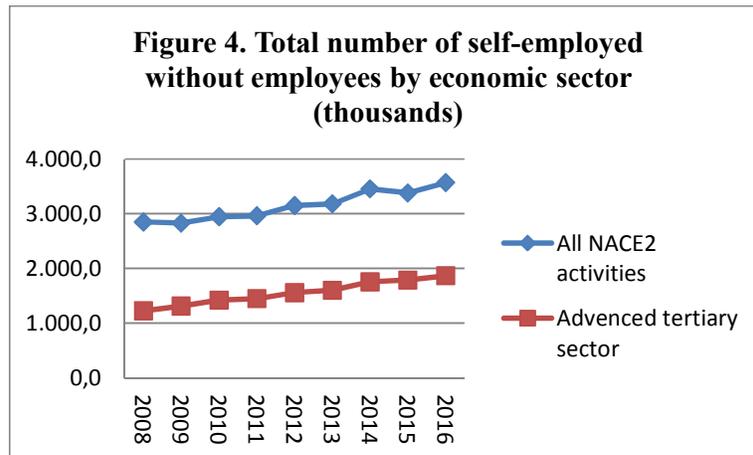
⁵ All data presented are based on our elaboration on EUROSTAT data, last updated on 06.10.2016.



Source: Office for national Statistics 2014, based on Eurostat

More specifically, the phenomenon of self-employed without employees in the advanced tertiary sector⁶ (Rapelli 2012) has known a remarkable increase during the last decade, raising from about 1,224 thousand to 1,864 thousand (see Table 1). During the same time-lapse the population of self-employed in all the whole English economy has increased at the same pace, suggesting that such growth tracks back to the expansion of independent workers' population (see Figure 4).

⁶ According to the above definition, a circumscribed set of economic categories of the Statistical classification of economic activities in the European Community (NACE) can be grouped under the I-Pros label, namely: Information and communication (NACE key J); Financial and insurance activity (NACE key K); Real estate activities (NACE key L); Professional, scientific and technical activities (NACE key M); Administrative and support services (NACE key N); Education (NACE key P); Human health and social work (NACE key Q); Arts, entertainment and recreation (NACE key R); Other service activities (NACE key S).

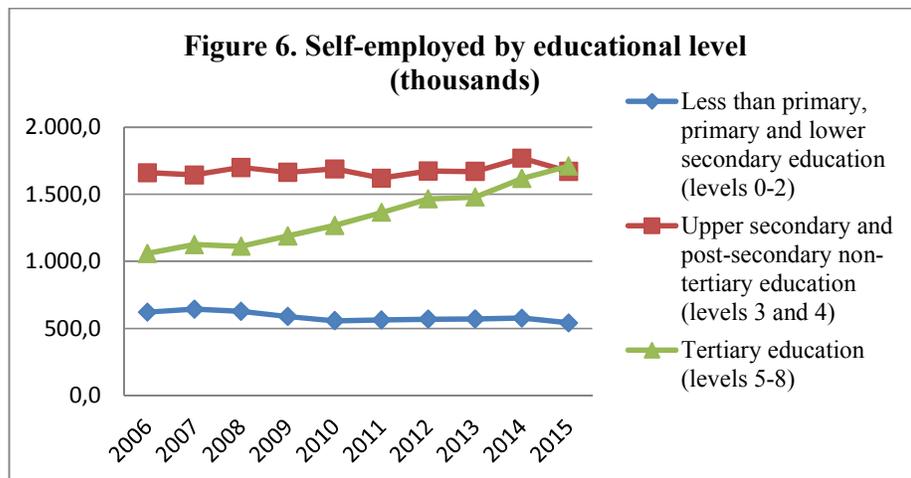


Such rise in self-employment has been attributed to fewer people leaving self-employment than in the past. According to the Office for National Statistics ‘the percentage of people starting self-employment, also known as the inflow rate, over the past 20 years has been fairly constant, hovering around 36% to 38%. The percentage of people leaving self-employment, or the outflow rate, was between 32% and 37% until the most recent five-year period where it fell to 23% (2014: 5).

When the gender dimension is at stake, the male component of independent work in the advanced tertiary sector is overall and along time more numerous than the female group of self-employed, amounting to about five times the female component (Figure 5). Possible explanations might rely on men’s better access to the resources required to enter and sustain self-employment, or on a stronger preference for freelancing working (Kitching 2016)



In terms of educational level, the EUROSTAT dataset does not allow to isolate self-employed workers without employees in the advanced tertiary sectors from the whole population in all economic sectors. Nevertheless the overall picture turns out to be meaningful to understand the overall trend. In fact, while the amount of self-employed with primary (levels 0-2) education has remained unaltered between 2006 and 2015, similarly to the trajectory of those with secondary education (levels 3 and 4), conversely the population of self-employed with tertiary education (levels 5-8) has markedly increased during the same time-lapse (see Figure 6).



Differences are reported also among occupations. Independent workers have a widespread presence across all the occupations. Freelance component has traditionally been sound in particular component/sectors, where it has become more institutionalised, including the creative industry (artists, writers, musicians, actors), the media industry (film, television, radio, journalism), as well as in the technical professions (Kitching 2016). Within the advanced tertiary sectors, professional, scientific and technical activities are those areas where the largest part of self-employed is occupied in Italy, amounting to about one fourth of the entire population. Other relevant activities in this regard are (i) administrative and support service activities; (ii) human health and social work activities; (iii) other service activities; and (iv) education, that has almost doubled (for details see Table 1).

Other national sources of data

- ONS: Office for National Statistics
- WERS: Workplace Employee Relations Survey
- SOC: Standard Occupational Classification
- Work Foundation

Table 1. Self-employed without employees in the advanced tertiary sector (thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Information and communication	134,3	114,2	127,0	154,7	168,9	183,2	179,1	192,8	172,8
Financial and insurance activities	43,1	53,3	51,4	48,6	51,1	43,0	72,6	66,7	76,7
Real estate	33,7	23,2	25,7	35,8	39,9	40,8	38,2	43,5	33,9
Professional, scientific and technical activities	269,3	315,4	335,6	315,0	348,9	369,1	405,3	408,3	440,3
Administrative and support service	169,9	187,4	202,1	197,5	243,8	237,7	260,1	259,9	285,9
Education	122,3	144,9	158,8	164,1	173,4	153,2	185,5	184,3	234,8
Human health and social work activities	167,7	182,0	204,3	213,9	198,2	224,8	227,2	235,1	221,4
Arts, entertainment and recreation	144,4	132,0	139,7	131,4	142,9	151,6	176,3	187,0	170,4
Other service activities	139,8	157,4	175,3	184,6	189,4	198,0	210,5	210,2	228,6
Total	1,224	1,309	1,419	1,445	1,556	1,601	1,754	1,787	1,864

Source: our elaboration on EUROSTAT 2016

Note: the yearly values refer to the Q1 of each year

2. Legal and institutional framework

2.1 Legal frameworks regulating independent work

The regulation of professions

Consistently with an economic culture oriented to the free market competition, overall the country displays the lowest restrictions to professional practice in Europe (OECD 1999). Professional ethic is self-regulated by associations/registers which are entitled to issue their own code of conduct. As far as payment rates are concerned, the prohibition for the professional associations to set minimum or maximum standards holds true, since it is incompatible with the principle of free competition imposed by the Monopolies Commission (Feltrin 2012).

However, over the last decades, legislative attempts have been made to introduce some degree of regulation to the free competition, such as the Competition Act issued in 1998. The Competition Act aimed at preventing some of the detrimental effects of self-regulation of professional associations, such as the risk of uncontrolled rise in the payment rates. Moreover it created the Office of Fair Trades, an independent body entrusted with the supervision of the national and international competition. Importantly, this body got also the responsibility to monitor and approve all the regulation established by professional associations before entering into force. Overall the liberalization process that features the liberal professions in the UK was principally meant to remove any barrier to the free competition, including the entry barriers to professions such as educational barriers to the practice and limited number to access in specialization school.

Being grounded on a common law legal system, generally any formal definition of “liberal profession” does not apply in the UK (Fiorenza 1999), where the regulation of professions does not imply any protectionist purpose. The tendency however is to distinguish between the so-called regulated professions – whose access is regulated and usually regard intellectual professions in particular legal, accountancy and medical professions – and all the rest of professions.

Nevertheless the regulative framework is not homogeneous within the two clusters, a sounder classification splits professions according to the source of regulation (Feltrin 2012):

- professions are **directly regulated by law**, through statute or act of parliament, whose practice is conditional to the registration to a statutory regulatory bodies. The state guarantees some protections to members, including the exclusivity in the practice. It involves mainly medical professions, solicitor (a legal profession) and the architects.
- The majority of professions are instead **regulated by professional bodies** incorporated by Royal Charter, an attribute that institutionalizes the most prominent professions and that enables the professional body to self-regulate. Membership is not compulsory and involves the so-called chartered professions such as barrister, accountant, registered auditor etc.

There are then two further types of professions subject to only limited regulation:

- Professions **regulated by companies act**;
- **Self-regulated professions** (non-chartered): membership to the register is conditional to a specific educational qualification but the association has no control over the members.

Overall the registers exert a deontological control over the professional activity: they are entitled to monitor and to sanction the members, but they are not entitled to set threshold to payment rate, incompatible with the principle of free competition (Feltrin 2012).

Interestingly, a relevant share of professionals enrolled in a register does not work as self-employed, but as subordinated worker: membership in fact enables to be part of a professional community which ensures knowledge sharing, prestige and the job title.

3. Public policy to support new autonomous workers

3.1 Social security system for independent workers

The National Insurance scheme for people of working age has never properly focused on self-employed in the UK. The first system of national Insurance was established in 1911 by the Chancellor of the Exchequer David Lloyd-George. Since the 1911 Bill until the 1942, no provision was made for the self-employed workers. The origin of the current social security system traced back to the post-war basic insurance scheme introduced by Beveridge (Corden 1999). In 1942 the Beveridge Report acknowledge the need to extend social protections to the population of self-employed workers, given that “many persons working on their own account are poorer and more in need of state insurance than employees”⁷. Importantly, the report recognized also the need to provide non means-tested support. The reformed system provided for a Retirement pension, but not for benefits in case of unemployment and short-term sickness. These provision were modified again in 1961 when the contributions were made earning-related. In 1973 the National Insurance scheme for self-employed was reformed again: beyond the Class 2 contribution, the Class 4 was introduced for workers earning above a set threshold. Accordingly, self-employed workers included in Class 4 were demanded to pay an additional earning-related contribution, but without conferring any additional entitlement to contributory benefits. The rationale was to design an overall more equitable National Insurance scheme (Social Security Advisory Committee 2014).

Currently, the UK has a general protection system that in large part includes the self-employed and the dependent workers. Independent workers are eligible for many of the same protections enjoyed by wage-workers, including Housing benefits, Council Tax reductions and the Working Tax Credit. The main difference between employed and self-employed is based on taxation and the options available for self-employed to lower their income tax (Eurofound 2010). There are however some policy areas where the coverage for self-employed is still very limited. Overall the main differences relate to sickness and maternity allowances, where self-employed cannot benefit from paid leave

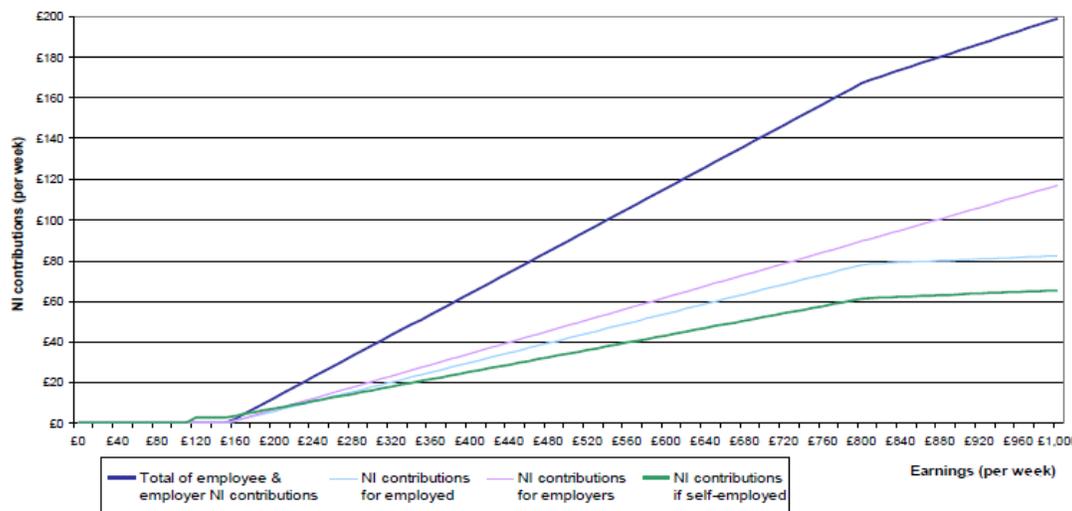
⁷ William Beveridge (1942), *Social insurance and allied services*. Paragraph 4.

(Statutory Maternity Pay and Statutory Sick pay), as well as old-age pensions (Mutual Information System on Social Protection 2014). Moreover self-employed workers forgo the Statutory paternity Pay, as well as the Industrial Injuries Disablement benefit (Dellot and Reed 2015). The overall picture is characterized by an average lower rate of contributions levied by self-employed workers compared to their counterpart in wage-work (see Figure 7). “This disparity, to a certain extent, reflects a lower entitlement to contributory benefits for the self-employed, and this is particularly true in the domain of pensions (prior to the introduction of the Single Tier Pension). However, the disparity in contribution levels between the two groups seems large in relation to the difference in benefit entitlement” (Social Security Advisory Committee 2014: 29).

In March 2017 the Government made an attempt to raise Class 4 National Insurance contributions for the self-employed, equally the personal rate to pay to the rate applied to employees (12% instead of 9%). The proposal of such a tax rise has met a fierce opposition, including from business groups, trade unions, a number of MPs and the press.

Financing

National Insurance contributions are graduated for the self-employed workers according to three income clusters: self-employed workers with annual income lower than £5,965 can apply for exemption from paying compulsory contributions (2015/16 rates). Those with annual income between the thresholds £5,965 and £8,060 have to pay a weekly flat rate contribution of £146 (Class 2), while workers in Class 4 are subject to a levy of 9% of profits from £8,060 to £42,385 a year, and 2% over that amount.

Figure 7. National Insurance contributions as earnings increase – comparison between the self-employed and employed

Source: Social Security Advisory Committee (2014)

Sickness: self-employed workers are not entitled to receive the Statutory Sick Pay (SSP) since they do not qualify as employees, and accordingly they do not enjoy sickness leave benefits. Under the National Health Service, all residents – hence including self-employed persons – are entitled to receive health care which is basically free at the point of service. This means that the entitlement is not linked to the payment of National Insurance contributions.

Maternity/paternity: self-employed workers are not entitled either to the Statutory Maternity Pay, to the Statutory Paternity Pay or to the Statutory Adoption Pay, given that these benefits are administered by employers and paid by them according to the employee's average weekly salary. However a Maternity Allowance is payable to women who have been self-employed in at least 26 weeks out of the 66 weeks, ending with the week before the baby is due, and have average weekly earnings of at least GBP 30 (€ 36). It is paid for 26 weeks at GBP 138.18 (€ 167) or 90% of average earnings if less than GBP 138.18 (€ 167).

Long-term care: There is not a general scheme for long-term care benefit in the UK, where it is a non-contributory, state-financed system. Self-employed people can get any available help on the same basis as employees, namely cash benefits and social care for elderly or disabled persons.

Invalidity: invalidity support for self-employed workers follow the regulation of the general protection system. If a self-employed person has paid sufficient National Insurance contributions during a certain time-lapse, she is eligible for contribution-based Employment and Support Allowance (ESA⁸). Self-employed are also eligible for the income-based ESA, a means-tested scheme.

Pension: Self-employed persons can qualify for the contributory (state) Basic Retirement Pension on the same basis as employees, but they are generally not entitled to benefit from a state earnings-related pension, the Additional State Pension (including State Second Pension, State Earnings-Related Pension, and State Graduated Pension). However the newly launched reform of the pension system established the entitlement for the new Single-Tier Pension. The new universal system dismisses the earnings-related state pension accrual in the UK.

Accidents at work and occupational diseases: there is not a protection system for self-employed workers.

Unemployment benefits: there is not a protection system covering unemployment for self-employed workers. In case of unemployment, they can claim the income-based Jobseeker's Allowance, that is means-tested.

⁸ Employment and Support Allowance (ESA) offers financial support to employed, self-employed or unemployed persons, unable to work because of illness or disability.

Family benefits: they follow the general scheme applied for employees. Generally these benefits are based on residence. Likewise employees, self-employed workers are entitled to Housing benefits, Council Tax reductions and the Working Tax Credit.

The government has recently made some progress to align the system of social protections for self-employed workers to the system designed for their counterparts in wage-work. An important move is the reform of the UK's state pension system, enacted starting from 2016–17. According to this reform, the basic state pension and state second pension have been replaced by a **new single-tier pension** for everyone below the state pension age. The new system dismisses the earnings-related state pension accrual in the UK. Importantly, the major difference between the old system and the newly launched system is that the new single-tier system should be essentially universal, opening up also to the population of self-employed workers. As a result, the new pension system should ensure considerably more extensive crediting of unpaid activities than before. (Crawford, Keynes and Tetlow 2013).

However an overall evaluation of the system of social protections ensured to the population of self-employed workers shows a lack of welfare protections (Social Security Advisory Committee 2014). A major problem concerns the lack of measure to support self-employed workers on low incomes. Three priority areas have been pointed out: the need to establish a more progressive national Insurance contributions system; the redesign of the Universal Credit in a way that reflects the reality of self-employed work; the establishment of a universal self-employment service to help workers start, sustain and formalize their own business (Dellot and Reed 2015).

3.2 Measures to tackle bogus self-employment

The British government is increasingly aware of the issue of false self-employment, that has long tried to tackle it. The phenomenon is primarily triggered by the exploitation of 'employment intermediary', as explained:

This Government strongly supports enterprise and those who choose to work for themselves. We believe that the tax system should continue to recognise the additional risk someone who is self-employed takes on. However, there is increasing evidence that some companies and Employment Businesses are using employment intermediaries to disguise the employment of their workers as self-employment primarily to avoid employer National Insurance and reduce the costs associated with workers employment rights.

These practices are not right and by engaging in them some businesses are gaining an unfair advantage over competitors. Often workers are unaware that they are self-employed and losing out on employment rights such as the National Minimum Wage and access to Statutory Payments like sick pay⁹

In April 2000 the government issued the tax measure called “**IR35**”, properly known as the ‘**intermediaries legislation**’ to counter tax avoidance by the use of so-called personal service companies. This tax legislation affects all contractors who do not meet HMRC's definition of self-employment, by taxing "disguised self-employment" at a rate similar to employment, in order to control the phenomenon of bogus self-employment and to eliminate the avoidance of tax and National Insurance Contributions through the use of intermediaries. The IR35 rules affect freelancers contracted to work for a client through an intermediary, that can alternatively be her own limited company; a service or personal service company; a partnership. If IR35 applies then the intermediary has to operate PAYE and National Insurance contributions on any salary or wages it pays to you during the tax year. The IR35 rules will result in an increased tax and N.I. liability and will prevent contractor companies from retaining profits to grow their business in the future.

Critics argue that IR35 is a weak instrument, failing to distinguish adequately between genuinely independent freelancers on the one hand, and disguised employees on the other. Moreover, IR35 has been argued to have created a third class of worker in addition to employees and the self-employed - the ‘quasi self-employed’ – ‘a group

⁹ HM Revenue & Customs (2013), *Onshore employment intermediaries: false self-employment*, online at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264649/Onshore_employment_intermediaries_-_false_self_employment.pdf

with the tax and NI status of employees but without any of the protection generally afforded' (Kitching and Smallbone 2008: 10)

3.3 Incentives and public policy to sustain and promote self-employment

Public policy in the UK has played an important role in promoting opportunities for self-employment (Bennett 2014). There have been specific labour market measures providing direct encouragement to self-employment. As part of wider programmes aiming at helping people to get back into the labour market, these activation policies promoted self-employment as an exit route to unemployment. The New Deal and Flexible New Deal provide help to become self-employed in the form of advice and guidance and some financial assistance, mainly in the form of the government self-employment credit, to the Jobseeker's Allowance claimants (JSA) (BIS 2012).

Another policy initiative promoting self-employment is the Enterprise Allowance Scheme (EAS). Introduced in 1981 by Margaret Thatcher's Conservative government, it provided a guaranteed income of £40 per week to unemployed people who set up their own business. Such scheme has been recently renewed in 2013 when the New Enterprise Allowance (NEA) was launched. This scheme is designed to support claimants to start their own business, by moving into self-employment. It provides mentoring support and financial assistance in the form of the NEA weekly allowance (administered by Jobcentres Plus) to a specific groups of unemployed people already claiming some forms of income support or benefits, as Jobseekers Allowance (JSA); Employment & Support Allowance (ESA); Income Support for lone parents; Universal Credit (UC) (www.gov.uk).

4. Collective representation and social dialogue

Professional bodies can have a representative role for their members, acting as a trade union, despite such function is secondary to lobbying and self-regulation. This is mainly the case of medical professions (nurses, obstetricians, physiotherapists) and education professions (lecturers, professors), hence occupations often involving public employees.

Trade Unions

In the UK, the Trade Union Congress (TUC) has traditionally not sponsored the idea to establish general unions for the self-employed. In the absence of a specific TUC guideline, individual trade unions have taken the initiative to develop services and branches for the self-employed in specific sectors. Self-employment in fact has always been prevalent in certain industries. The film industry and acting profession are an example. Companies are often formed to produce a film and disband when the project is complete. For that reason a number of trade unions have long been active in recruiting and supporting self-employed workers in the media and entertainment sector.

Accordingly, “the trade union representation of self-employed workers is concentrated in sectors with a high proportion of these workers in the workforce, who often share many interests and work in very similar conditions as employees” (Pedersini and Coletto 2010: 43). There are various occupational unions organizing at sectoral level, especially in the creative sectors. These unions do not represent exclusively independent workers, but a large share of their members configure as self-employed.

BECTU – Broadcasting Entertainment Cinematograph and Theatre Union is the UK’s trade union representing a community of both employees and freelance workers across the media and entertainment industries. The union’s freelance branches are organised on both a craft basis (for example: camera, sound, hair and make-up etc.) and on geographical basis. BECTU signs multi-employer agreements for freelancers, as for instance the *PACT/BECTU* Freelance Production Agreements which regulate the relationships between producers and freelancers engaged in the film-making industry. These collective agreements set basic rates of pay, overtime rates, and holiday entitlements and determine the types of contractual engagement as well as providing for a range of security benefits such as sick pay and public liability insurance.

Like other unions catering to a large constituency of freelancers, BECTU offers a range of labour market services such as *Crewbus*, its Freelance Directory, A Freelancers’ Fair, health and safety craft cards for freelancers operating in temporary locations, a tax guide for freelancers and employees and public liability insurance (Wynn 2015).

Equity – British Actors’ Equity Association is the main British trade union for professional performers and creative practitioners (including stage managers, actors, directors, comedians, choreographers, dancers and entertainers) set up in 1930 by a group of artists¹⁰ (Dean 2012, Heery et al. 2004). It represents more than 40,000 workers. It organizes and campaigns at sectoral and national level, lobbying members of parliament and other centres of influence. The union supports freelance members by negotiating their terms and conditions of employment, including fee structures with all kinds of employers and employer’s groups. Moreover it provides information and advice to Student Members in order to help them to prepare for work in the industry (www.equity.org.uk).

Equity over the decades has contributed in reaching some landmark achievements such as fair payments and fees for artists; health and safety regulation; an outstanding royalties and residuals structure; members' pension and insurance schemes; supported individuals and groups of members; taken a stand on their behalf and made a difference in countless ways.

MU- Musicians’ Union is the British union representing workers in the music industry. With about 30,000 members, MU is composed of different sections (such as Live Performance, Teachers, Music Writers, Orchestra, Recording & Broadcasting, Theatre) networks of members, set up to keep the Executive Committee informed of developments in different areas of musicians’ work. Membership entitles to a series of benefits including instrument and personal liability insurance; copyright and property rights protections; access to our full guide to the industry; legal assistance; career and business advice; and a nationwide network of musicians. The union carries out a series of campaigns asking for better social protections and working conditions for its members, such as #Worknotplay, Creating without conflict, #LetitBeeb.

¹⁰ In 1967 Equity incorporated the Variety Artistes' Federation.

NUJ – National Union of Journalists, the “voice for journalists and journalism” in the UK has been founded in 1907 and is one of the biggest journalists' unions in the world (www.nuj.org.uk). The NUJ is an inclusive union and represents a broad range of media professionals in the in the following sectors: newspapers and agencies; broadcasting; magazines; books; PR and communications; freelance and new media. The NUJ however represents journalists working in a broader variety of roles, including photographers, producers, presenters, website managers, content providers, advertising copywriters, designers, social media officers, bloggers, podcasters, press officers, communications officers, photo and video journalists. The NUJ strives to improve the pay and conditions of its members, campaigning and negotiating to ensure they are properly rewarded for the skilled work carried out. Members benefit from services, in particular legal, financial and insurance services. Moreover it aims at protecting and promoting media freedom, professionalism and ethical standards.

NUPIT – National Union of Professional Interpreters and Translators is a union category affiliated to Unite The Union and it represents two main occupational groups: members are either registered interpreters who provide interpretation services to the police, courts, immigration and health services, or translators who translate books, journals, technical manuals and other texts from English to foreign languages and vice versa (Heery et al. 2004). NUPIT aims at building a strong and influential collective voice on behalf of the interpreting and translation professions in the provision of comprehensive representation in the event of legal claims arising, advising and representing members on terms of appointment and other matters related to contract employment. NUPIT works towards raising public recognition of the professionalism and competence of qualified interpreters and translators, also by providing members with expert advice and support tackling bullying, intimidation and unfair discrimination.

The **Federation of Entertainment Unions (FEU)** covers a broad range of separate trade unions, including the National Union of Journalists, BECTU, Equity, the Writers Guild and the Musicians' Union. Each has large numbers of self-employed freelancers and in most cases the proportion of members of those unions who are self-employed has

been steadily increasing. FEU members share common concerns and have co-developed their thinking and strategies to better meet the needs of freelancers.

Quasi-Union

PCG – Professional Contracting Group was formed in May 1999 to provide independent contractors and consultants with a representative voice in opposition to the original IR35 proposals, which placed additional burdens on the self-employed. Then it has evolved from being a single-issue campaign group to a fully-fledged, not-for-profit professional body, and into the largest association of independent professionals in the EU. In 2014 it was renamed **IPSE - The Association of Independent Professionals and the Self-Employed**. It currently represents 22,000 freelancers, contractors and consultants from every sector of the economy and it is our ambition to become the voice for the 4.8million self-employed people across the UK. IPSE acts as a lobbying group in order to give public visibility to the phenomenon by extensively financing research into freelancing (i.e. the studies by Rapelli 2012, and Leighton 2014), and organising roundtables and discussions of key policy issues.

In order to gain political consideration and support, the Association maintains strong relations with politicians, government departments and trade unions. Moreover, IPSE policy and public affairs teams work with Parliament in evaluating bills, addressing select committees and ensuring that any calls for clarification or justification made on behalf of freelancers are responded to promptly. IPSE also acts as the secretariat for the All Party Parliamentary Group for the Freelance Sector, a cross-party grouping of MPs with a particular interest in the freelance sector.

LMI

Freelancers in the UK! – is a platform created in 2005 for self-employed professionals, consultants and sole traders to advertise their skills and services and where clients can search for a freelance. It mainly acts as intermediation body rather than by providing collective voice to the freelance users of the platform.

There are then several specialist websites (intermediation platforms) devoted to the television, film and broader audio-visual industries, such as Mandy, Shooting Pictures, The Knowledge, ProductionBase. They however operate as job matching platform, without offering representation services.

Movements

There are emerging movements which started by organizing freelancers on-line in specific industries.

Tvfreelancers.org is a web-based community of freelancers working in the TV industry.

TVWrap is a collective of TV freelance workers that was established to campaign over the issue of exploitation in factual programming. It was formed by a group of freelance television workers, previously unknown to each other, 'who realised that they had a common grievance with the way in which they had been treated while employed by independent producers' (Saundry et al. 2007: 186).

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Part II. The case studies

The selection of case studies has followed two main objectives. Firstly, the selection aimed at pointing out the experience of transversal associations and organisations which recruit and organise independent workers transversally, across different economic sectors and occupations. Second, the analysis wanted to give account of the heterogeneous panorama of actors active and emerging in the collective representation of workers. A particular attention has been devoted to new significant experiences of a union, a quasi-union and a movement.

1. Musicians' Union (MU)

1. Description of the organisation

Origin: Although the Musicians' Union (MU hereinafter) as it configures nowadays was formed in 1921, its effective starting point was the formation of its predecessor, the Amalgamated Musicians' Union originally founded by Joseph B. Williams in 1893 in Manchester. The MU's establishment was primarily driven by the desire to improve not only pay, but equally importantly, working conditions for musicians – particularly those working in the theatre orchestras. The origin traced back to a meeting of musicians called by the founder Joseph B. Williams on 7th May 1893, to which around twenty musicians showed up. The AMU was the first organisation for musicians to specifically label itself as a trade union.

At its outset, one of the major debates was about who was eligible to be a member of the Union. Other societies for musicians (for example, the Royal Society of Musicians (RSM) and the (London) Orchestral Association (OA) had strict criteria for who could join. The original rules of the AMU stated only that musicians needed to be proposed by 2 existing members of the Union and pay the entrance fee and subscription.

The current structure of the MU was formed in 1921 after the members of both the AMU and National Orchestral Association voted overwhelmingly in favour of merger.

Independence: The MU is historically affiliated to the Labour party, starting from the 1940s. However only one third of the members vote for the Labour party. Generally the MU has been very active in the Labour party, and they refer to a group of MPs which are very supportive towards the union.

Geographic dimension: the MU is a national trade union. The National Office is based in London, while six regional offices cover the rest of the country:

- 1) London (office housed at the headquarter in London)
- 2) East & South-East England (office housed at the headquarter in London)
- 3) North of England (office based in Manchester)
- 4) Midlands (office based in Birmingham)
- 5) Wales & South-West England (office based in Cardiff)
- 6) Scotland & Northern Ireland (office based in Edinburgh)

Organisational structure and governance: The MU has a National Office in London which works as main headquarter: it houses the majority of the specialist MU Officials, as well as the General Secretary and the Assistant General Secretaries. The Executive Committee is the main ruling body, made up of elected members from the six regions. The number of representatives in the Executive Commission elected by each region is proportional to the number of their members: regions are entitled to one EC member for every 1,500 members as at the previous year's end, provided that each region should have at least two representatives. The minutes from the Executive Committee meetings are available to all MU members.

In addition, the MU has six regional offices which are the first point of call for members, each lead by a Regional Committee that has the authority to administer the affairs of the region. Each Regional Committee has 20 members who sit for a two-year term of office. The Regional Committee is responsible for MU activities within the Region, it considers motions submitted to the Executive Committee and motions submitted directly to the Regional Committee.

The MU also has a number of Sections and Section Committees: the sections are networks of members, set up to keep the Executive Committee informed of developments in the main different areas of musicians' work. The sections are the following:

- Live Performance Section
- Teachers' Section
- Music Writers' Section
- Orchestra Section
- Recording & Broadcasting Section
- Theatre Section

The MU's has also an Equalities Committee aiming at achieving the full equality for all members and at raising awareness of equality issues. The Equalities Committee is divided into four under-represented areas: Women, Black and Minority Ethnic (BAME), Disabled, and Lesbian, Gay, Bisexual and Transgender Plus (LGBT+) members. The committee advises on many areas including:

- equality and diversity issues relating to musicians;
- celebrating and encouraging diversity, promoting equality and challenging inequalities;
- developing, implementing and reviewing the MU's equality and diversity strategies;
- Developing and reviewing equality and diversity negotiations on an industrial scale;
- raising awareness of equality and diversity issues through events and publications.

Organisational form: The MU employs 48 full-time employees who work for the organisations, spread among the London headquarter and the regional offices. Then a number of activists participated at the activities of the union through voluntary work: not salaried but they received reimbursements for their union-related expenses. There are elected shop stewards mainly in the orchestras and in the theatres who represent also the self-employed workforce, but overall having elected representatives at workplace is a big challenge. The MU however has Health & Safety representatives

which are trained by the union, 12-15 are also freelance workers. They are accredited, so actually they do have all of the powers that have health and safety representatives in the factory: so they are entitled to access the documents for risks assessment, to control if the health and safety regulation has been properly enforced.

2. Members

Kind of independent workers represented: Unlike other professional bodies for musicians, rule 4 of the originally AMU's Charter stated that "amateurs will be admitted to the society on payment of the entrance fee and the half-yearly subscription". There were, however, limits on the musical activities of the amateur members. This meant that from the beginning, the MU was an open organisation.

The MU represents all kind of workers who are following the profession of music and who are not members of any other body of musicians established for protective purposes. The MU organise both salaried as well as self-employed workers in the music industry: however the 90% of the membership is made up of self-employed musicians. The union has about 30thousand members, whose number has remain rather steady over the last two decades.

In terms of demographics, the picture is varied. The prevalent groups are represented by the 40-55 years old and the 20-35 years old groups, as far as age concerns. The membership has traditionally fluctuated between 2/3 and 3/4 of men. Female membership is prevalent in the orchestra, but they represent the minority in rock, pop and jazz industries. About half of the members, or just a bit less, are based in London and in the areas surrounding London.

Members' recruitment: Given the high volatility of self-employed musicians across diverse workplaces – orchestras, studios, pubs, theatres – within and remarkably outside the country, the most effective strategy to recruit new members is the work of mouth as explained by the current General Secretary "the best recruiter agent is the other members, not the union officials, not leaflets, none of this. So, the reputation". All members, both salaried and self-employed, pay a fix fee of £213. Student membership is just £20 a year and gives access to all of the services and benefits.

3. Collective representation and strategies

Strategies of collective representation: The MU signs collective agreements with a large number of broadcasters, film producers and record companies in particular in the recording and broadcasting department, hence for the music, film and the television industry. The collective agreements apply to self-employed musicians engaged in recording music of all sort, ranging from film soundtrack, to advertisement jingles, to soundtrack for TV shows. Unlike traditional agreements for salaried workers that set the hourly wage floor, MU negotiates the minimum rate of pay based on 3 hours sessions. Beyond setting the wage floor to be applied and the terms and conditions of work, the collective agreements establish the legal conditions to apply for the transfer of the intellectual property rights. Hence musicians have some protection against having their performance recorded without their consent. Consent is usually given through the use of MU Standard Agreements and Consent Forms and the manner in which consent is given is important as it can affect payment for secondary and further uses.

The agreements take into considerations also the qualifications of the musicians, or instance the number of instruments played.

The application of collective agreements to self-employed workers has been questioned by some court cases, but in the end deemed as contractually binding, as explained by the General Secretary:

it has been a bit of case law about collective agreements applying to self-employed because they have undertakings, so they are actually small companies themselves, and if you fix the right, a minimum fee, it's a cartel so what you are doing is exactly to fix a fee in the market which is against the competition law. But we successfully argued when our members, for instance, a freelance musician does a film session, a movie session for the soundtrack, they are employed, they are engaged to do that (they are not employed, they are engaged) they have got to appear in the studio at a certain time, they have got to be there for a certain time, they have got to play the music they give to them, and they can't have any say on what the music is, so for all intents and purposes, for that kind of a microcosm which might be any 6 hours in the day, they are employed.

Strategies of mobilization and involvement: The MU organises campaign to support freelance musicians work.

- #WorkNotPlay campaign. Concerned for the growing trend of professional musicians not being paid for their work or asked to work for little, the MU has launched a campaign to demand fair pay for musicians. Through communications on the new social media (Twitter and Facebook mainly) the union claims that “Music is work, not play”.
- Keep Music Live campaign. The MU is lobbying for the Agent of Change Principle, which would make venues less vulnerable to complaints coming from residents of flats and houses that were built nearby after the venue was established. The law would make it the legal responsibility of the person or persons who have brought about changes that inadvertently affect an individual or an individual's business to take steps to remedy the problem.
- #SupportMyMusicTeacher campaign wants to stop music education becoming the preserve of only those with the means to pay. Under the threat of reduced financing, the access to music lessons is becoming increasingly less egalitarian. In collaboration with the Music Industries Association, the campaign highlights the inspirational work of music teachers across the UK, with the aim to raise awareness of the issues affecting music teachers everywhere, and celebrate the work music teachers do to create the musicians and music lovers of the future.
- Creating Without Conflict campaign claims for equal opportunities, the same rights to good service, fair representation, respect and dignity for musicians. The MU is involved in the Creating Without Conflict campaign, which is working to stamp out bullying and harassment in the creative industries.

The MU offer a wide range of training programmes, as a strategy to be more attractive and retain members. In particular they organise industry-specific courses, such as courses on copyright, given that many members write original songs and courses on marketing to effectively self-promote their work. In the words of the MU publicity, the union provides musicians with what “you need to equip yourself to the profession”.

Within a wider rationale of the MU that interprets its role “not just as a question of going out there and be a good musician, it’s much more of that” (General Secretary interview), the union is doing an important work on the well-being and health of the members, in particular on mental wellness. They organise weekend and courses

because these people work in isolation, it’s very difficult. Normally there is a human resources department you can talk with somebody about it, but musicians, for a number of reasons, one is the type of work, you are a performer, you get on stage in front of hundreds of people you look confident but actually inside you are probably stressed to do it well (General Secretary interview).

Membership to MU entitle to a wide range of services and benefits covering:

- A personal insurance: £2,000 of instrument insurance cover; £10 million public liability insurance cover; personal accident cover; professional expenses cover – help when dealing with tax authorities; discounted professional indemnity insurance for those working in education.
- Legal services: free legal advice and representation; contract Advice and Negotiation Service; unpaid fee recovery; trade union representation for problems at work; partnership Advisory Service - advice on working with other musicians.
- Consultancy and advisory services: career development advice; free training, workshops and networking events; regional officials offering a face to face service on your day to day problems; specialist officials to give advice on specific areas of your work; help with issues such as hearing and health and safety.

Political role: The MU is affiliated to the Labour party. In such a role the union recommends and support candidates for the election of the Labour party leader. They for instance supported Andy Burnham when Jeremy Corbyn was first elected, and then Owen Smith.

The MU lobbies with the Parliament when policies affecting the musicians and the music industry are at stake. An important example of lobbying activity deals with the copyright: it is increasingly being referred to as an impediment to business and growth. Conversely the MU believes that the focus must be brought back to how performers' rights protect musicians and artists, who would be unable to maintain a career without them. Therefore the MU lobbies Government to protect these rights on the basis that only a small number of MU members have regular salaries. Most are Small and Medium Enterprises (SMEs), whether they are sole traders or members of a band, and they therefore rely on their copyright and performers' rights to make a significant part of their income.

The MU is also lobbying for Private Copying and Fair Compensation. The Government is currently pushing ahead with introducing a private copying exception without fair compensation. A private copying exception would mean that consumers would, for the first time, legally be able to copy a CD to an MP3 device. The permission for private individuals to make copies of copyrighted material is an "exception" to copyright granted under the European Copyright Directive. EU Member States are free to trigger such exceptions and define their scope. The format shifting exception has been triggered in 25 out of 27 member states – but they have all linked this to some form of compensation. Typically, it is tightly-drafted - limited to offline copying and allowing individuals to make private copies of legitimately-purchased content for personal use. In interpreting the Directive, all 25 states have also determined that, because such copying would conceivably result in "economic harm" to creators, they should be compensated. As a result, a small levy is applied to certain hardware products that allow copying to take place – this might include mp3 players or CDRs. This compensation is then distributed to the creative community, including musicians. These levies have not impeded market penetration of such devices and have not meant higher prices for consumers. The MU arguing for a fair compensation for musicians from the device manufacturers. These manufacturers are already paying for patents to software developers and the like on each device sold, and yet the act of copying onto these devices the 'software' the consumer is most interested in – music - is not currently

generating any income for musicians, unless it is through legitimate download purchases.

Coalitions: The MU is affiliated to the TUC and the Federation of Entertainment Unions (FEI) to improve the rights of workers in the creative industry. Within the FEI, the MU copes with industry-specific issues: exchanges information, organises joint meeting with the main employers in the creative industry and launches common campaigns. Within the TUC instead the MU deals with general policy issues at national level that affect workers in general, such as pension policy, national health service, transport, and Brexit.

The MU liaises with individual unions as well, in particular with Equity and BECTU: the three unions often sign their own collective agreement with the same employer (BBC or film producer for instance), so they use to compare and confront on such issue. At international level the MU is affiliated to the International Federation of Musicians (FIM) whose President in office is the current general Secretary of the MU. The FIM represents musicians worldwide on issues such as intellectual property and travelling with your instrument.

4. Results and future perspective

Results: the MU successfully signs collective agreements with the main companies in the music industry. Hence they managed to set minimum standards to apply to freelance musicians, a very fragile category of artists.

The MU successfully lobbied with other unions to block the Government attempt to raise the national Insurance contributions for self-employed workers of 3 percentage point, from 9% to 12%.

The MU was successful also in lobbying for the Live Music Act 2012, which has made it easier to put on gigs at grassroots level.

Future perspective: the Brexit is the main challenge for the MU at the moment. The MU is working to ensure a smooth transition not only for foreign musicians working in the UK, but also for British musicians travelling for work across Europe. The Brexit

threats to creates big issues concerning for instance working visa and permits, issues with the transportation of instruments across borders

if you have a violin, it can have ivory in it, it can have ebony, and it's an issue, it's a problem, it's not just antique violins: in America, just recently, a whole warehouse of Gibson guitars were impounded by American costumes because they have rosewood, and they don't authorize them.

There is an exemption for older instruments, and you have to have documents, that's anyway the easy part of it, but what's happening now is that the European Union member state will have an agreement among themselves, that as long as you get the documentation from your own territory, domestic documentation you can travel with those documents, if not you have to get authorization from every single country so if a musician goes in a tour from Spain to Italy, Germany, Sweden... got to do it for everything. So that's a nightmare because that's quite bureaucratic (General Secretary interview).

Another challenge is the protection of music venues: lots of pubs have been closed and they traditionally represent the grassroots venue for many freelance musicians.

2. The Association of Independent Professionals and the Self-Employed IPSE

1. Description of the organisation

Origin: After fifteen years as Professional Contracting Group (hereinafter PCG), the association became IPSE - The Association of Independent Professionals and the Self-Employed in 2014.

The PCG was formed in May 1999 to provide independent contractors and consultants with a representative voice in opposition to the original IR35 proposals, which placed additional burdens on the self-employed. Then it has evolved from being a single-issue campaign group to a fully-fledged, not-for-profit professional body, and into the largest

association of independent professionals in the EU. In 2014 it was renamed IPSE - The Association of Independent Professionals and the Self-Employed.

Independence: IPSE is an independent organisation

Geographic dimension: IPSE is a national association

Organisational structure and governance: IPSE's Chairman and Board of Directors are responsible for the organisation's strategic direction to ensure the UK's 2 million independent professionals are supported and represented at the highest level. The Board of Directors is made up of 9 members elected by the Consultative Council.

The IPSE Consultative Council (CC) is an advisory body made up of 26 members elected annually from the IPSE membership. Members of the CC monitor, support and inform the board of issues raised by the membership. The CC meets three times a year and is responsible for electing six members of the Board of Directors from amongst IPSE's membership.

IPSE holds its Annual General Meeting (AGM) each January. All IPSE members are entitled to attend and vote at the AGM. The purpose of the Annual General Meeting is to consider and, if thought fit, pass resolutions relating to the annual report of the Board of Directors and IPSE company accounts.

Organisational form:

2. Members

Kind of independent workers represented: IPSE now represents 22,000 freelancers, contractors and consultants from every sector of the economy. The ambition is to become the voice for the 4.8 million self-employed people across the UK.

IPSE offers two types of membership, which provide for diverse level of services: the Plus benefits membership for £247.65+VAT per year and the Standard benefits membership for £154.73+VAT per year. Furthermore IPSE offers a Student Membership for £35 a year (including VAT).

Member benefits	Standard	Plus
A specialist to defend you in a pre-tax investigation at no cost	X	X
Free use of tax & contract helplines + 24 hour legal helpline	X	X
Access to IPSE Advantages with thousands of money saving offers	X	X
Contract and invoice templates, plus guides and advice on a wide range of topics.	X	X
Up to date news from your industry	X	X
Extensive networking opportunities at our events	X	X
We represent you by lobbying on your behalf with Government and industry	X	X
A specialist to represent you in all HMRC compliance checks at no cost		X
Up to £10,000 compensation if a client goes bankrupt or goes in to administration		X
Up to £5,000 compensation for jury service		X
Up to £2,000 compensation if you are ill/injured for 3 weeks		X
Up to £1,000 compensation if an agency breaks its contract		X
Up to £500 per day compensation for tax compliance meetings		X
£5,000 life assurance cover at no cost, You must activate it here.		X

Members' recruitment:

3. Collective representation and strategies

Strategies of collective representation: IPSE acts as a lobbying group in order to give public visibility to the phenomenon by extensively financing research into freelancing and organising roundtables and discussions of key policy issues.

In order to gain political consideration and support, the Association maintains strong relations with politicians, government departments and trade unions. Moreover, IPSE policy and public affairs teams work with Parliament in evaluating bills, addressing select committees and ensuring that any calls for clarification or justification made on behalf of freelancers are responded to promptly. IPSE also acts as the secretariat for the

All Party Parliamentary Group for the Freelance Sector, a cross-party grouping of MPs with a particular interest in the freelance sector.

Strategies of mobilization and involvement: IPSE focuses on support and development strategies in order to attract and involve its members.

Support is provided through the access to a wide range of services specifically shaped to for self-employed needs:

- Pension scheme “Retiready”: IPSE has negotiated a group negotiated charge rate of 0.43% (inclusive of administration and investment charges) with Aegon for the pension scheme giving access to a market leading scheme at far lower rates compared to any other scheme
- Life assurance: voluntary life assurance at a discounted rate compared to the retail market through Legal & General, starting at just £2.80 a month for £50,000 of cover. Voluntary life assurance cover will pay a lump sum in case of death.
- Contract review service: to ensure that the contract fits within IR35 regulations and that the working practices mirror the terms and conditions detailed in the contract.
- IPSE Advantages' scheme: it offers thousands of consumer discounts including Apple products, Dell hardware and software and cash back at a variety of stores such as Dixons, PC World and Sainsbury's.
- Contractor Insurance: Kingsbridge, a contractor insurance partner of IPSE, offers 10% off all their insurance packages covering the self-employed in case of claim from the contractor following mistakes or damages.
- Discounts for software: IPSE offers software packages at discounted rate (for instance QuickBooks accounting software, to create customer invoice and manage VAT; Microsoft packages; and other creative tools as Adobe)
- Private health consultancy: through Mercer, a specialist consulting team can provide with help and advice for free to choose a private medical insurance cover.

- Online legal tools: through a partnership with LHS, IPSE offers members a 25% saving on the eIXtr products providing legal solutions
- Contract templates
- Tax and legal helplines

As far as development concerns, IPSE run numerous events for members, creating a space and occasions to network and meet like-minded professionals. Their main flagship event is National Freelancers Day which culminates in the IPSE Awards celebrating those who have succeeded in their chosen field. Moreover IPSE has launched IPSE Academy and IPSE's learning hub: members are provided with recognised courses in areas such as Prince 2 project management, finance, accounting, law, management, HR, SEO, marketing, design, 3D, web, video and writing.

Political role: IPSE has established a stable liaison with the Parliament. IPSE participates to Government consultations, with feedback from the members and research. It also engages extensively with politicians and civil servants. IPSE works with other organisations such as the CBI and the Recruitment and Employment Confederation (REC) to proactively campaign on issues that matter to businesses. A dedicated team of policy and public affairs professionals regularly meets with MPs, Ministers and Shadow Ministers to brief them on issues affecting independent professionals and the self-employed.

IPSE lobbies the Parliament with a series of issues including maternity, better regulation for self-employed, IR£%, Agency workers regulation, pension, freelancer limited companies, Workhubs.

Coalitions: IPSE collaborates with the other relevant associations of business in the UK such as the CBI and the REC: they jointly organise campaigns on issues that matter to businesses. IPSE's partnership with academic institutions aims at providing students with information on career paths and perspectives in self-employment through talks, workshops and advisory services.

4. Results and future perspective

Results: IPSE achieved several policy results through lobby activities:

- Protection from IR35: IPSE has successfully helped thousands of members with IR35. Thanks to our expert advice and insurance, freelancers who are IPSE members are half as likely to pay extra tax under IR35 than those who aren't.
- Small Business Commissioner: IPSE was instrumental in establishing this newly created Government post, aimed at naming and shaming companies with a late payment culture.
- Self-Employment Review: IPSE called for and directly fed into the Government-commissioned review of solo working, aimed at
- Tax relief for work-related travel and subsistence: In 2015 the Government announced it was planning to curtail the vital tax freelancers rely on for work travel. IPSE's extensive lobbying and media campaign ensured the plans were shelved.
- Intra-company transfers: These rules allow companies to transfer specialist staff between countries to address skills shortages, but are sometimes exploited to reduce contractors' fees. IPSE successfully brought about a change in the rules to tackle this exploitation.
- S660 win in the House of Lords: IPSE successfully backed two members all the way to the House of Lords in a case involving punitive and retrospective changes to tax law, and the case was consequently thrown out.

Future perspectives:

3. Equity

1. Description of the organisation

Origin: Equity (formerly known as the British Actors' Equity Association) is the UK trade union for professional performers and creative practitioners. The union was created around 1930 and it started for collectively organising actors who were living in London at that time. In 1967, it incorporated the Variety Artistes' Federation.

Independence: Equity is an independent association

Geographic dimension: Equity is a national union with representative structures in all the rest of the country. The union has National Committees in Wales, Scotland and Northern-Ireland and about 50 local branches spread around the whole country.

Organisational structure and governance: The head of the union is the General Secretary who is elected every 5 years by our members. The main governing body is the Executive Council made up of 32 members plus the President. Councillors are elected from the membership by the membership in elections which take place every two years. All paid up full Equity members are entitled to both stand in elections and vote in them and we urge you to make use of your vote. The 31 seats cover general interest areas and specific sections such as Variety Circus and Entertainers, Stage Management, Creative Team, Dancers and others, as well as Northern Ireland, Scotland and Wales and the regional areas of England. The Council usually meets 12 times per year unless extra, special meetings are called to discuss important matters which may unexpectedly occur. Equity members participate in a number of specialist and geographical committees by standing in committee elections every two years. Each committee works closely with an Equity official and by focusing on issues that are of relevance to their specialism or area. The committees conduct negotiations, feed into the Equity Council and put motions to our Annual Representative Conference and so introduce, influence or change union policy. The committees present different compositions:

- Occupation-specific committees: Audio, Dance, Directors & Designers, Opera Deputies, Singers, Stage, Stage Management, Stunt committees, Variety, Circus & Entertainers Committee, Screen & New Media Committee.
- Geographical committees: Northern Ireland National Committee, Scottish National Committee, Welsh National Committee.
- Committees for minorities' protection: Deaf and Disabled Members Committee, LGBT Committee, Minority Ethnic Members Committee, Women's Committee, Young Members Committee.

Organisational form: Equity has about 55 full-time employees working for the union. Branches are set up by local members, endorsed by the Equity Council and run by volunteers.

2. Members

Kind of independent workers represented: Equity is made up of about 40,000 professional workers in the creative industries, most of them self-employed professionals. Predominantly the members are actors and other kind of performers like dancers and a variety of artists, but also choreographers, stage managers, and other kind of semi-technical staff in theatres and audio-visual industry. So Equity's members work across films, TV, and areas like videogames, fashion industry, as well as theatres. There are a further 5,000 student members. Its membership has grown by above 10000 in the last 6/7 years.

Two thirds of our members live in London and in the South-East of England. The membership is well balanced between male and female members, while in terms of age, on average members are in their early 40. Such young age it is a peculiarity of Equity, compared to other unions.

The membership fee is meant to be progressive according to how much the worker has earned the year before. The income-level however is self-assessed by the workers and Equity ended up in a situation where most of the members pay the lowest rate.

Members' recruitment: Equity has an effective recruitment strategy, given the very high density at workplaces. In workplaces with high presence of Equity's members who are employees, the recruitment of new self-employed members is supported by the word of mouth and the communication between colleagues. A second important strategy is visiting the workplaces to recruit new members, as explained by the head of the General Secretary Department of Equity:

we prioritise visiting every single workplace, so our team of 15 staff those in industrial department predominantly, they are constantly traveling in all the regions and constantly visiting. They might visit up to 100 places in a year, and many of them even more. So we have the right to access for multiple workers which is something very important and something that the unions don't get. Sometimes is stated in the agreements, in other cases is a special status within the health and safety law, which means that our officials have a right to access workplaces to ensure that health and safety law is respected and look after for our members. So this is something we benefit from, which is different from other trade unions in the UK.

Moreover robust and longstanding relationships with the main employers have ensured Equity the accessibility to many workplace where they can recruit new members. In order to recruit young members, Equity tries to access drama schools and organises talks and events for young students.

3. Collective representation and strategies

Strategies of collective representation: Equity as a social partner negotiates several collective agreements in all the main areas of the creative industry with diverse employers, single employers like the BBC or trade bodies representing multiple employers in the same sector like the independent producers. The union involves in the negotiations the specialised committees representing occupations and groups who will materially affected by the agreements. In some cases Equity organises also ballots among workers potentially affected by an agreement before signing it. The collective agreements set a wage rate, but also further contractual arrangements:

we look at things like working hours, really important in the creative sector, often periods are very very intense for people working in our sector, we look at the structure of the working day, start time, finish time, also on social areas payments, so for Sunday performances or generally for weekend working, overtime payments and things like that. We also look at provisions like holiday pay which for most self-employed workers it's not guaranteed but we fight for because we have got the worker status, so we introduce that in our collective agreements as much as possible (Head of the General Secretary department interview).

The collective agreement in particular sectors might also include new specific clauses: for instance a special payment regime for auditions. So self-employed actors taking part to auditions get paid for the time spent.

Equity has in many workplaces, especially in casts and productions centres, what they call the deputies. Despite not fully trained like the shop stewards, the deputies act as representatives of the union at workplace and as main point of contact between the union and the workers.

Strategies of mobilization and involvement: The most valuable support provided to members is the Public Liability Insurance at a cheaper rate than the private providers' rate. Other benefits include:

- Payment of a benefit to pay funeral expenses in case the member or his/her partner passes away
- Contract and legal advices
- Legal representation in courts and employment tribunals to pursue both the application of employment rights, the application of the contracts, as well as cases of discrimination
- Training: business skills, career management,

The role of social media is crucial in Equity's strategies or members mobilization, as explained by the Head of the General Secretary department:

we have a very strong social media presence: we represent quite interesting creative workers so. compared to other unions, our social media strategy has been very successful. We really need to embrace them because of the freelance nature of our members, so it's how we contact them outside the workplace representative structure: they engage with the union because they follow us on twitter, for instance; they take part in debates about what's happening in the union on Facebook.

Political role: Equity is not affiliated to the Labour party. The union engages with the government rather regularly on issues concerning the creative industry. Equity has about 40 MPs and members of the House of Lords who engage with them quite regularly and help them to talk with the Department for Culture, Media & Sport, with the Minister for Digital and Culture Creative Industries and the Creative Industries Council (a joint forum between the creative industries and the government).

Coalitions: Equity is affiliated to the Federation of Entertainment Industries (FEI) in the UK and to the International Federation Of Actors at international level. WThrough the FEI Equity has developed strong relationships with other union in the creative sectors: for instance they have meetings four times a year and their officials work together. Moreover it is affiliated to the Trade Union Congress (TUC) has most of the unions in the UK.

4. Results and future perspective

Results: Equity has obtained important improvements in terms and conditions of work for self-employed creative workers:

- more and better payments for secondary user's contracts, so monetizing intellectual property right for performers: in the new agreements on digital services performers get paid for the secondary use of their work;
- improvement of pay in very low-pay sectors such as in the theatre sector
- access to non-unionised actors in the fringe theatre sector where there was no collective agreement: in several cases actors were low or no paid. So Equity

pursued individual employers getting the payment of the workers of at least the National Minimum Wage

Future perspectives: Brexit represents a big challenge: Equity has many non-British members, in particular in the dance sector in the area of London. Issues will raise regarding the resident permits for these artists to keep on working in the UK, but also EU funding issues. Equity is also focusing on ensuring equality and diversity of gender in the creative industries, aiming at ensuring the same right to work in the sectors to workers form all backgrounds, removing discriminations. The union is also trying to enter and organise new emerging sectors where workers involved are very low or no paid, such as the videogame industry.