

# New forms of self-employment: the Hollywood model and the gig economy

30/08/2017  [Research](#), [European Skills Index](#), [European Skills Index](#), [People and Skills](#), [Matching Skills and Jobs](#), [Future Jobs](#), [Labour Market Context](#), [EU](#)

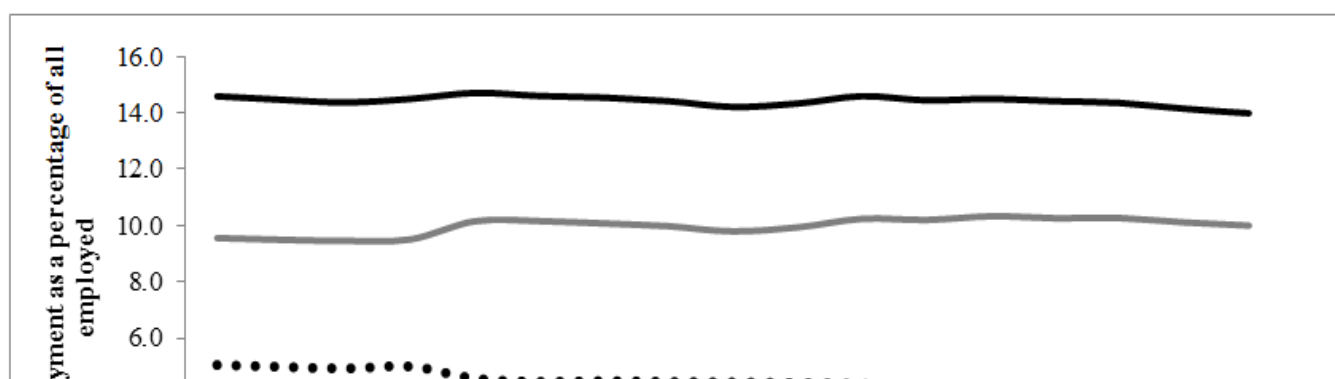
by **Terence Hogarth**<sup>[1]</sup> and **Agis Papantoniou**<sup>[2]</sup>

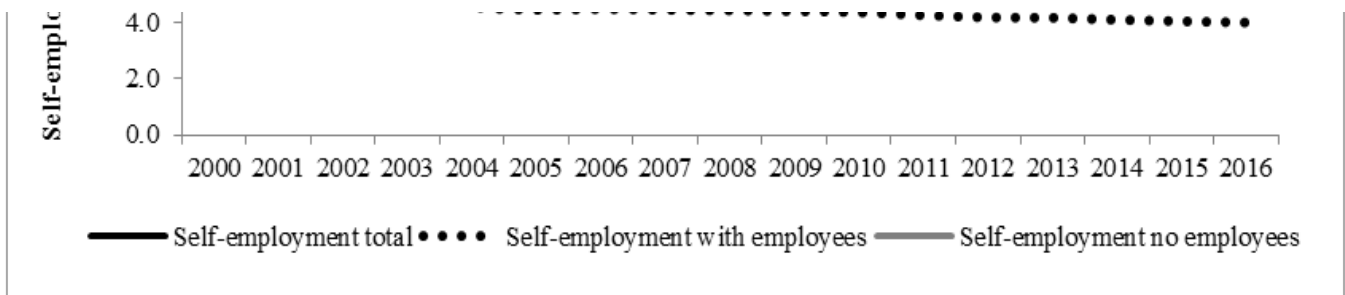
Employment relationships are in a state of flux.<sup>[3]</sup> Or so it would seem. Stories in the press point to increasing numbers of professionals being self-employed in some countries. Whether this reflects a voluntary or enforced choice is open to question, but it is a choice that has been made increasingly viable by the internet. There are now, for instance, digital platforms that create a marketplace where individuals can sell their labour to other individuals - or companies for that matter - on a short-term basis. Whether this leads to, if you will, the Uberisation of the labour market depends on whether it can spread beyond taxi driving and delivery services. This is uncertain. Nevertheless, those selling their labour on demand in this way may be doing so on a self-employed basis.

Figure 1 shows that the self-employment rate in Europe has remained more or less stable over the past decade or so. Perhaps not what one might expect if new forms of self-employment were taking-off in earnest? Of course this masks differences between member states as Figure 2 goes on to show. In some countries self-employment is much more to the fore than in others. Differences between countries will be explained, at least in part, by the business cycle and the degree to which the regulatory environment encourages self-employment.

Indubitably some people will be driven into self-employment because it is their only alternative to unemployment. Equally, there are likely to be those who find the standard employment relationship between employer and employee not their taste for whatever reason. Without doubt the internet and digital technologies certainly facilitate new forms of self-employment by providing the means to instantaneously connect a multitude of sellers and buyers.<sup>[4]</sup>

**Figure 1: Self-employment rates in the EU, 2000 to 2016**

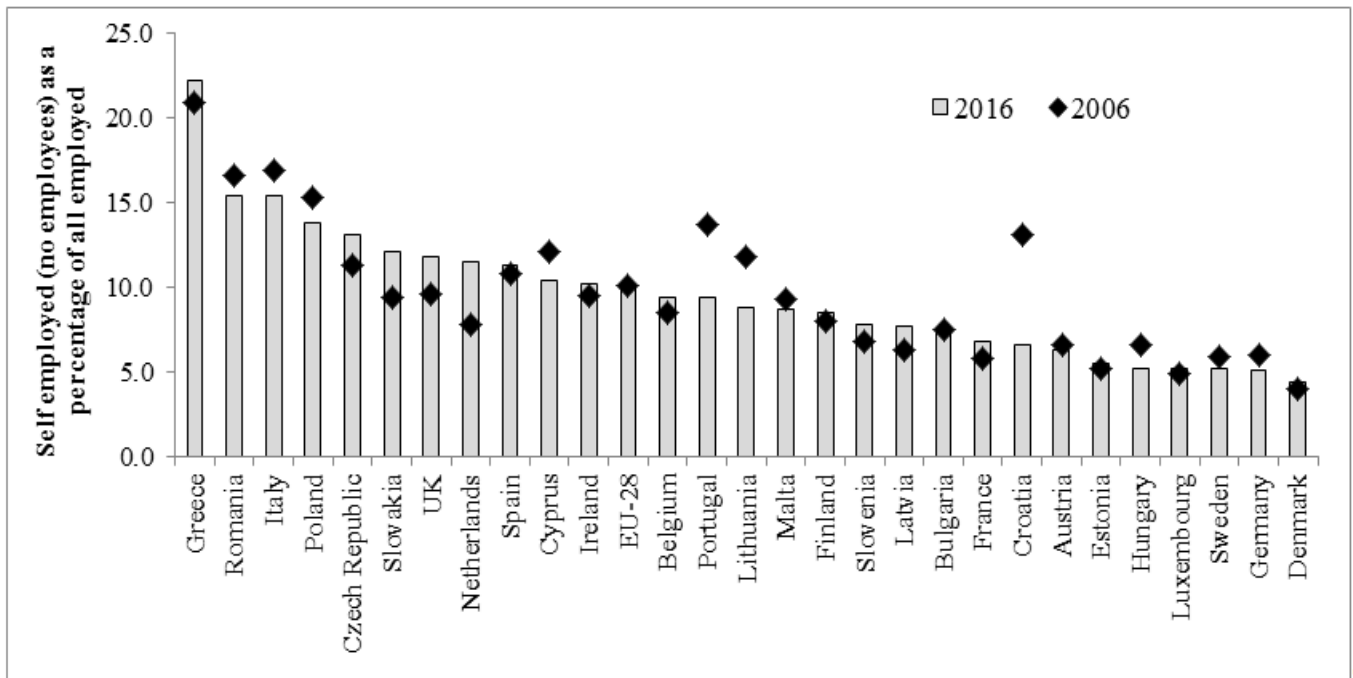




Source: Eurostat employment statistics [*lfsa\_ esgan* for self-employment totals and *lfsa\_ egaps* for all employed]; own calculations

Note: Data for 2000 and 2001 for EU-27 all other data for EU-28

**Figure 2: The rate of self-employment for those with no employees by Member State, 2006 and 2016 compared**



Source: Eurostat employment statistics [*lfsa\_ esgan* for self-employment totals and *lfsa\_ egaps* for all employed]; own calculations

In 2015 the New York Times ran an article entitled ‘What can Hollywood teach us about the future of work’.<sup>[5]</sup> It revealed the way in which professionals in the film industry are brought together as a team to produce a movie. Upon its completion, the team disbands and its individual members go on to join other teams involved in the next film or TV project. The **Hollywood Model** might be considered a metonym for the way in which individuals, typically professionals, are brought together to accomplish a particular project across a range of sectors.

Similarly, concepts such as the **open talent economy** and the **borderless workplace** draw attention to the way in which individuals – typically self-employed professionals – can move between organisations utilising their talent wherever and whenever it is required.<sup>[6]</sup> These types of working arrangement are portrayed as a means for employers and income maximising individuals to efficiently and flexibly

respond to rapidly changing product market demand. It assumes a flow of experts moving seamlessly between organisations.

The Hollywood Model and its ilk are considered different from the gig economy because it is project based. In contrast the **gig economy** is concerned with the completion, by an individual, of tasks that can be typically completed in a short-space of time; usually in less than a day and often much shorter than that. Arguably the gig economy is more dependent upon online platforms to quickly connect the seller and buyer so that an instantaneous transaction takes place. But even where a longer-term relationship between the seller and buyer is anticipated, online networking platforms can play an important role in connecting both parties and extending networks beyond those that are based on word-of-mouth recommendations.

Whether the Hollywood Model or, for that matter, the gig economy, represent the future of work is a moot point. As noted above the statistical evidence on the phenomenon is limited. But does this matter? The answer is a resounding yes. There is, for instance, a lively debate regarding the extent to which the emergence of new forms of self-employment is associated with relatively good or bad quality employment however defined. Whilst this largely falls outside the scope of the discussion here, it does beg the question: what about access to training, professional development, and lifelong learning?

The future of work is all about skills.<sup>[7]</sup> But access to training and development has always been a thorny issue for the self-employed and may well be an even thornier one for those in the gig economy or working according to the Hollywood model. The Hollywood Model assumes people bring a high level of expertise to a project. But if there is insufficient time between projects to acquire new and update existing skills, then those people are almost wholly dependent upon the informal learning that takes place during the execution of a particular project for their professional development. Failure to update skills may well lead to an involuntary exit from the networks that generate paid work. And for those in the gig economy, the need to provide on-demand labour means that the time for any training is squeezed and, if the nature of their employment is of a relatively low skilled kind, which much of it is thought to be, there may well be few informal or non-formal learning opportunities. The gig economy may well reinforce the low skills trap. So it does matter whether the nature of the employment relationship is changing, especially in relation to the forms of neo self-employment touched upon here. Some of the self-employed may well have worked out how to replenish their skill sets. This needs to be acknowledged. Equally, the risk that some of them may not have done so also needs to be recognised.

*The article is based on the discussion held at the FGB Knowledge Apéro on **Identifying Skills in a Borderless Workspace: A lens over the Traditional, Open Talent and Gig Economies** held in Brussels, 9<sup>th</sup> November 2016.*

**Disclaimer: Responsibility for the information and views set out in this blog article lies entirely with the authors.**

## Endnotes

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[3] European Commission, (2016), [The Future of Work: Skills and Resilience for a World of Change](#). Brussels: European Political Strategy Centre

[4] Green, A., de Hoyos, M., Barnes, S-A., Baldauf, B. and Behle, H., (2014), [Exploratory Research on Internet-enabled Work Exchanges and Employability. Analysis and synthesis of qualitative evidence on crowdsourcing for work, funding and volunteers](#). European Commission Joint Research Centre Institute for Prospective Technological Studies.

[5] Davison A., (2015), What can Hollywood teach us about the future of work? New York Times, May 5th 2015.

[6] Deloitte, (2013), [The open talent economy People and work in a borderless workplace](#)

[7] European Commission (2016) op cit

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