

## Main features of freelancing as a non-standard form of employment

**Abstract.** The article is devoted to socio-economic and socio-cultural nature of freelance as one of the most widespread non-typical form of employment in the context of informational network economics creation and transformation of attitude to life. The author has examined freelance as a realization of freedom, independence, creativity and non-standardization in labour activity. Freelance is considered as the remote operations with part-time and contractual employment which forms nonlinear trajectory of career and special ways of social mobility.

The author has established connection of flexible and dynamic features of freelance with social adaptation of pensioners, disabled people, and women taking maternity leave. Freelance supports reduction of financial expenses of corporations and development of network cooperation in the economy.

At the same time, freelance is a form of unstable employment. Freelance as institutional pattern can contribute to development of the new social class - precariat, which has marginal position in the labour-market and high risk potential. The author has settled that freelance is in line with challenges of the modern information society and its basic requirements to an individual and organization as the participants of economic cooperation.

**Keywords:** Freelance; Freelancer; Information Economy; Network Economy; Precarious Employment; Precariat; Labour Market

**JEL Classification:** J23

**Acknowledgement.** *The study was partially supported by the RFBR, research project No. 15-06-03161 a.*

**DOI:** <http://dx.doi.org/10.21003/ea.V157-0024>

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#### Основные характеристики фрилансу как нестандартной формы занятости

**Анотация.** У статьи раскрываются основные характеристики фрилансу как нестандартной формы занятости в контексте становления современной информационно-мережевой экономики та появи прекаріату. Показано соціокультурні цінності фрилансу, його перспективи й ризики на ринку праці, а також обумовлені ними особливості фриланс-кар'єри. Автор робить висновок про відповідність фрилансу викликам сучасного інформаційного суспільства з його основними вимогами до індивіда й організації.

**Ключові слова:** фриланс; фрилансер; інформаційна економіка; мережева економіка; нестандартна занятість; прекаріат; ринок праці.

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**Ключевые слова:** фриланс; фрилансер; информационно-сетевая экономика; нестандартная занятость; прекариат; рынок труда.

**1. Introduction.** Modern information and network economy needs workers who can be flexible, open and ready for innovations. Destructing of traditional employment models related to the strict identification of employees, their specialization and place of work gives a request for appropriate forms of employment. Nowadays, technological modernization of the society leads to emergence and development of new professions in such professional spheres as information technology, marketing, advertising, consulting, copywriting, design, translation, graphics, photos and videographics, etc. At present, various forms of precarious employment are developing very fast. The author supposes that freelancing is the most relevant one. It is a model of a labour organization and/or civil activity in which an employee is not a full-time specialist of the organization, but fulfils his duties on a contract basis remotely, usually applying modern information and telecommunication technologies.

**2. Problem statement.** Freelancing as a form of precarious work is quite new, that is why it has not been studied well yet. Problems connected with complex analysis of freelancing and its socio-cultural values as well as some fea-

tures of making a freelance career, and risks as its consequences in the labour market remain unsolved both in Russia and abroad.

**3. Brief literature review.** U. Beck (1992) [1] and Z. Bauman (2001) [2] give a total macro-sociological analysis of contemporary Western civilization in the context of risks and instability, including those relating to the labour market. M. Castells (1996) [3] and J. Urry (2007) [4] studied problems of network morphology and mobility as backbone characteristics of the modern society. Papers devoted to the socio-economic analysis of employment issues and to basic forms and characteristics of precarious employment studying can be found in the foreign sociological and economic literature [5-9]. General issues of the information society, actual practices of economic activity as meaningful conditions of non-standard forms of employment are discussed in [10-14]. There are a few Russian publications [15-19] as well as foreign empirical researches devoted to freelancing by S. Fielden, R. Tench and J. Fawkes (2003), H. Fulford (2001), A. C. Aguilar, T. M. Garcia Munoz and A. I. Moro-Egido (2013), N. Y. Zaritskaya (2014), N. Y. Solyarchuk (2014) [20-24].

**4. Purpose.** The author aims at giving a comprehensive assessment of the social and economic nature of freelancing, its risks and prospects in the context of the information and network economy development.

**5. Results.** The most important factor of the modern society development is a general instability of the postmodern condition (Z. Bauman [2]), which specifies particular conditions for social and economic practices. These conditions reflect different characteristics of the modern society crisis, such as a fundamental (economic, political, cultural, social) instability and a social dissociation. Social practices are carried out on the principle of supremacy of individual models and patterns («networked individualism» by M. Castells [3]) over the institutional actions, which are used in economic strategies.

Therefore, flexible working hours, mobility, creative character of labour and relative independence of the employee along with rejection of the worker's attachment to the work place and vertical career paths are becoming more important for an employee. These values are reflected in various forms of precarious employment, such as freelancing, outstaffing, outsourcing, co-working, etc. [16]. According to the research of N. Y. Solyarchuk (2014), freelancers in Ukraine see benefits in independent workplace and flexible working hours (more than 93%). About 80% of the respondents see benefits in lack of control, ability to study and work at the same time; they also point out self-organization, control of their own activities, professional development and service training. These features primarily encourage workers to engage in freelancing [24].

Development of freelancing leads to the formation of completely new career strategies. At present, there is a transition from relatively universal standard forms of employment to unconventional personalized ones. They might be less stable but more flexible. The author interprets an individual full-time wage employment in the public or private entity based on the indefinite contract as a standard employment.

When an individual does not have a permanent job in an organization (enterprise), then he is not a mandatory agent of social and economic relations in the modern economic life. It leads to destruction of old forms of employment, characterized by unification and standardization. Thus, institutional mechanisms of reproducing qualified specialists have given a rise to standardization of labour biographies. Freelancers explain their unity in common values.

Building a freelance career completely fits the modern information society and follows the basic principles and models of information and network economy. Freelancing is characterized by individuality as well as absence of rigid hierarchical relationships between employer and employee. It forms a special social mobility of freelancers. Free character and lack of strict institutional regulations of the organization negate a possibility of upward mobility. However, freelancers are quite different in experience, skills, being in demand, etc. A freelance career is based on a network and depends on the number of the established labour relations. A horizontal type of the freelance social mobility determines a need for accumulation an appropriate network capital (i.e., labour relations, experience and reputation).

The existing resources and technology, organizing and structuring freelancing as a form of precarious work should be noted. First, freelancing assumes some remote work carried out with the use of information and communication technologies (as a rule, in the Internet). Freelancers and employers find each other through special websites designed to find and offer appropriate services. The largest among similar resources are such web-resources of different types as:

- 1) general markets of remote work ([Free-lance.ru](http://Free-lance.ru), [Fl.ru](http://Fl.ru), [Freelansim.ru](http://Freelansim.ru), [Upwork.com](http://Upwork.com), [Freelancer.com](http://Freelancer.com));
- 2) markets for translators and copywriters ([Etxt.ru](http://Etxt.ru));
- 3) markets for IT-specialists ([Devhuman.com](http://Devhuman.com));
- 4) markets for designers and illustrators ([Topcreator.org](http://Topcreator.org)).

Freelancers can place their profiles with information about themselves and their professional skills at the web-sites, and customers may find the necessary performer.

Freelancers' social relations and contacts include a number of other freelancers, employers and other people outside the network. The number of contacts, frequency and stability of labour relations influence information spreading of freelancer's professional skills. The most significant are «weak» labour relations, i.e. rare and irregular. M. Granovetter (1973) [25] established the principles of priority significance for an individual, his «weak» social and labour relations. Thus, the construction of a freelance career is done by expanding his personal social network.

A freelance reputation is a strong opinion of an employer about a freelancer as a worker due to his skills and experience. At freelance websites, there is a rating scale, so that employers could assess freelancers and write comments. Despite the possibility of vote cheating using technical means and a general problem of mutual trust between customers and freelancers (especially, establishment of a contact), a freelancer's reputation reflects its current position at the labour market, and affects the quantity and quality of orders. In this regard, it is very interesting to study a freelance corresponding to the other career strategies and types of employment for which it can be regarded as preliminary, temporary or a complimentary type of employment. According to the survey of D. O. Strebkov and A. V. Shevchuk (2015), there are three groups of freelancers in Russia in accordance with strategies of combining freelance with other activities: «First of all, there are people who combine freelance employment and work at the organization as employees (40%). Secondly, there are people who push the boundaries by organizing their own business and attracting employees to perform a variety of work (10%). Thus, they combine freelancing with business. Finally, the third type of independent professionals is «pure» freelancers, that is, people who do not have other sources of income but freelancing (50%)» [17, p. 78].

The author can suggest that freelancing is not only an individual form of employment and a source of income, but also an additional, successfully combined form of employment. In this context, as it was revealed by D. O. Strebkov and A. V. Shevchuk based on the results of online survey «Freelancers census» carried out in 2014 at Russian-language remote work market FL.ru, mean monthly income of a freelancer is about 33,000 roubles [26]. According to the official data, the average salary in Russia in the same year amounted to 32,600 roubles [27]. Thus, the mean incomes of freelancers and officially working people are nearly equal.

Freelancing as a non-standard form of employment is often used in organizations and enterprises to minimize financial costs. During the financial crisis, organizations are forced to reduce its staff and/or start new forms of precarious work of their employees including those who work remotely, part-time or make individual projects. Thus, companies save money through irregular payments to the employees. In the context of a significant reduction in the state of permanent employees, freelancing can solve problems of those who face the social adaptation (pensioners, disabled, women on maternity leave, students, migrants, etc.).

At the same time, freelancing as a form of employment has significant disadvantages both for employers and for the most freelancers. When many employees work part-time, an employer may face a problem of lack of qualified personnel and possible irresponsible attitude to work by freelancers. Besides, disadvantages of freelancing are income volatility and a lack of social guarantees (payments, benefits, etc.). A popular transfer of the main staff on remote or contract employment (including freelancing) leads to the precarization of workers and their socio-economic status. Zh. T. Toshchenko (2015) notes: «... in Russia, as well as throughout the world, a new social class, called «precariat», appeared at the end of XX - beginning of XXI century. It is characterized by temporary or part-time employment, which is timeless, permanent and sustainable» [28, p. 5-6]. This new class is a successor to the proletariat class of workers, but in case with the precariat labour relations are not guaranteed or protected. Work on-call, casual labour, part-time work, contingent labour, etc. are examples of this employment. The precariat employees

usually do not have any formal registration. Thus, freelancing is included into this new class due to its unstable position on the labour market. Freelancing does not guarantee successful employment and is dependent on the current labour market. It is a challenge to the modern conditions of the labour market. A group of freelancers is one of the originally marginalized social groups.

**6. Conclusion.** According to the results of the presented theoretical study, the author can conclude that freelancing reflects the values of freedom, independence and creativity along with formation of the information-network economy and changing of life orientations. The paper demonstrates that freelancers work mostly through the Internet having a remote, incomplete contract with an employer, because information and communication technologies are developing fast

and the labour is becoming more intellectualized. It generates a special horizontal type of social mobility; so, freelancers should accumulate some appropriate network capital, such as labour relations, experience and reputation. Thanks to its flexible and dynamic nature, freelancing can promote employment of people facing problems in social adaptation. It can also reduce financial costs of organizations and develop networking in the economy. At the same time, freelancing remains an unstable form of employment. It can promote the growth of a new social class (precarariat) which is characterized by a marginal position at the labour market and high risk potential. In general, freelancing fully meets the challenges of the modern information society. It is one of the most promising forms of employment in the context of information and network economy development.

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Received 19.02.2016

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