# ISSUES IN THE DEVELOPMENT OF FRILANCE ACTIVITIES IN THE CONTEXT OF THE DEVELOPMENT OF THE DIGITAL ECONOMY

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**Annotation:** In the article, in the context of the ongoing COVID-19 pandemic in the world economy, each country is developing ways to ensure sustainable economic development and existing employment. The goal is to develop freelance activities in the economy by paving the way for digital technologies and platforms.

**Keywords:** Industry 4.0, society 5.0, digital society, digital technology, freelancing, households, virtual, internet freelance, IT, online platform, digital platform, digital economy, freelance exchange.

#### Introduction.

Every country must develop in accordance with the requirements of the modern world, the world economy is dominated by the achievements of Industry 4.0, Thus it is necessary to widely apply the achievements of the Fourth Industrial Revolution. The Japanese government has made great strides in this area and has managed to build a new digital society called "Society 5.0" that will completely change the way people live their lives.

Presently, in the context of the COVID-19 pandemic, which is affecting the world economy, employment is one of the top priorities. Therefore, in a complex environment, it is expedient to develop the activities of new professions through the widespread use of digital technologies. It is necessary to develop freelancig activities in this area.

As stated in the February 7, 2017, Decree of the President of the Republic of Uzbekistan titled "On the Action Strategy for the Further Development of the Republic of Uzbekistan" [1], There are five priority areas of development in the 2017-2021 period, including the development of small busineses through the development of the entrepreneurship of the population.

Based on these tasks, for the development of households in the digital economy, it is first necessary to create new forms of small businesses in the economy, of countries and to develop facilities that operate on the basis of digital systems. Because they mainly work in a digital state, those who work on the basis of digital systems, can receive a high salary, can have the ability to efficiently allocate their working time, and can work at home.

#### Materials and methodology.

As a result of contemporary research, in the context of the ongoing COVID-19 pandemic and its effects on the world economy, all countries are looking for ways to sustainably develop their economies, develop employment, and improve the living standars of the population. By expanding the activities of digital platforms in the economy, it is expedient to asselerate the development of online freelancing activeties. Changes in this area have been studied, including the development of ways to improve the state of economic stagnation, and self-employment through the widespread use of methods such as observation, questionnaires, comparisons, and systematic analysis. Scientific conclusions and recommendations for the development of freelancing activities in countries have been developed.

# Main part.

For the development of small businesses and private entrepreneurship in the development of the economy, the widespread use of freelance services in providing employment at home during the COVID 19 pandemic is a comprehensive and effective tool. Many scientists have conducted scientific research in this area. At the same time, freelancers around the world can be included in the category of high-wage earners. Workers the United States, Australia, and New Zealand earn an average of \$ 70 per hour. Shevchuk A, Strebkov D, Davis S.N (2015), studied the horizontal dependence of self-employed individuals and their dependence on the education system and according to team

1602 Russian-speaking Internet freelancers are active [10].

The research by Nawaz Z, Zhang J, Mansoor R, Hafeez S, Ilmudeen A (2020) aimed to examin the value levels of freelance applications. The most striking manifestation of freelancing is the high level of opportunity for IT specialists, designers, and scientists to work independently online. In addition freelancers are subject to multifaceted stresses, operating under high blood pressure, and high work stress. Freelancers are provided with assistance and psychological counselling through online platforms [11]. According to the study, digital platforms do not involve a permanent workplace, but provide opportunities for workers to find the jobs they need. Online freelancer operate on digital platforms [11].

IV Gorokhova, NK Klimova considered freelancing a new direction for households and described that freelancers accept orders online [2]. According to Gratchenko, digital platforms are developing rapidly in the world economy. According to the Boston Consulting Group, the digital economy could earn \$ 16 trillion by 2035. The digital platform is a new business model,

and integrated system, emerging as the core of sustainable development [7]. Under the influence of the creation of digital platforms, technologies are being created for the multifaceted use of resources, and the transition to the use of information technologies with a number of interfaces. Z. Ahmed's research shows that freelancers are on the rise in Pakistan. According to the Oxford Internet Institute, Pakistan ranks fourth in the freelancing industry, the United States, Bangladesh and India. Computer science and software engineering are developing rapidly in Pakistan. According to Nawaz Z, Zhang J, Mansoor R, Hafeez S (2020), Pakistan's IT sector earns about \$ 2.6 billion a year, and approximately \$ 2.1 billion from IT exports. Pakistan has 47 million large broadband Internet users, according to the Telecommunications authority. Is one of the fastest growing digital platforms, and Guru, People PerHour, and Myllittlej Job are the main freelancing platforms [11].

Freelancers develop an independent operating strategy, operating on an individual basis. Kharchenko V.S. developed a typology of freelancers according to it, freelancers are divided into experienced freelancers, student-frelancers, mother-freelancers, andhobby-freelancers [22]. In our opinion, new types, such as programmer-freelancers, creative-freelancers, designer-freelancers, marketer-freelancers, translator-freelancers, and teacher-freelancers, should operate in the digital economy. In sociology, the Frankfurt School (G.Marcuse, E.Fromm, Yu. Habermas) has performed high-level work on freelancers. This school developed basic theories on employment ie, freelancing, with non-strandart employment, and provided an in-depth analysis of labour and employment problems. Freelancing is a type of employment in which goods and services are selected on the basis of independent choice. It provides a high level of freedom and creativity [23].

#### **Results and discussion.**

Presently, the digital economy is giving rise to new directions in the household system. One of them is the freelancing system, where customers order the services they he need online. Freelancers perform any kind of service, and they can even provide public services. Freelancers perform all their work online and always use innovative new technologies. A freelancer is a freelance writer, according to Walter Scott in his 1819 novel Ivanhoe [4,5]. A freelancer (from the English freelancer, which means free, hired) is a person engaged in intellectual work and who performs the function of a particular organization by accepting various orders without a long-term contract or office. Among such tasks, the television industry is changing traditional working conditions under the influence of the rapid development of communication and computer technology [14]. According to online research, freelance journalists have developed extensively in the U.S. in 2004, 73% of freelance journalists were women, and 65% were between the ages of 40 and 60. A total of 65% were married, 57% had children, 92% of them had university-level education, and 52% of them lived in cities with at least a million residents [15]. A number of studies show that the salaries of some freelance journalists are lower than those of full-time employees, and except in Italy, Norway, and Sweden, the salaries of freelancers in are lower than the national average [16]. The freelancers provides their services through special online resources.

They do so through ads in newspapers, magazines, radio, television, the Internet and mobile phones. The characteristics of freelancers include the following.

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1. Freelancers have independence and freedom of working time

Freelancers have the ability to perform all their work at home (attracting young mothers and people without mobility due to health reasons to new areas of entrepreneurship).

3. Minimal costs are incurred (office rent, no transportation costs), and there is only timely payment for the services performed.

4. Freelancers need only do their job, creating a comfortable environment for work.

5. The business operates independently, rejects inefficient projects, and chooses independent partners.

6. Freelancers also operate in high-tech and knowledge-intensive industries.

Developing and collecting statistics on freelancing activities are carried out by the statistical agency Analyticshelp.io. The U.S. leads in the number of freelancers, with more than half a million. In second place is India (245 thousand freelancers), and in third place is the United Kingdom (54 thousand freelancers), followed by the Russian Federation (44.5 thousand freelance). In Canada and Pakistan, the industry is in the majority.

Figure 1 shows the areas where freelancers operate around the world, with 481648 freelancers working in the field of working with websites and maintaining mobile devices. The lowest number is in the field of legal services with 12291 people. There are 75025 freelancers in science, 92955 in engineering and architecture, 116514 in IT and Internet services, 128732 in accounting and consulting, 169313 in customer service, 197677 in marketing and sales services, 200707 in translation services, 377540 in administrative services, and 410681 in writing and 430,300 freelancers are engaged in design and creativity. The results of the study show that 55% of freelancers are digital freelancers and are discovering new directions, new professions, and self-employment. "Digital freelancing" is widespread in the United States, Great Britain, India, the Philippines, Pakistan, Canada, Bangladesh, Russia and Ukraine.



Figure 1. Distribution of freelancers around the world by profession<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Based on data from the statistical agency Analyticshelp.io

As a result of the rapid development of interactions in international relations, economic agencies have established new labour exchanges, i.e. "freelancer exchanges". Examples of such exchanges includ Kwork.ru, FL.ru, Freelancehunt.com, Work-zilla.com, Freelance.ru and Weblancer.net (Russian Federation). The Kwork.ru exchange alone provided services worth 80 million roubles per month through separate orders in the 2017-2018 period [2]. Since 2004, there has been an increase in online research and freelance journalism in the United States.

Women, who have the opportunity to work from home, account for 73% of the sector. A total of 65% of freelancers are 40-60 years old, 65% are married, 57% have young children, and 97% have university-level education. Half live in cities, while the other half live in rural areas. At the same time, freelancing services are entering many areas. In the context of the coronavirus pandemic caused by the spread of the COVID-19 virus, which began in the first quarter of 2020, working at home has become one of the most pressing issues. Freelancing serves as an important criterion in the employment of the population. In Italy, Sweden, and Norway, freelancers earn more than the average income of the population in the country. According to the Business Practices Education Committee, freelancers work 30-40 hours a week, serving in the IT sector and government, and finance in the UK. A total of 35% of the ARESMA trade union in Australia are self-employed workers. The medical industry also dominates Canadian trade unions.

| NO | Percentage of freelancers | Earnings, thousand US       |
|----|---------------------------|-----------------------------|
|    |                           | dollars                     |
| 1  | 1,1 % freelancers         | 200-249 thousand US dollars |
| 2  | 2,1 % freelancers         | 150-199 thousand US dollars |
| 3  | 4,0 % freelancers         | 100-149 thousand US dollars |
| 4  | 23,9 % freelancers        | 50-99 thousand US dollars   |
| 5  | 68,9 % freelancers        | 50 thousand US dollars      |

Table 1. The average monthly income of freelancers is one thousand US dollars<sup>2</sup>

Making an income is necessary for everyone, especially for women living at home, freelancing provides an opportunity to work in comfortable conditions. Freelancing activities are also widespread in Uzbekistan, and according to the "Freelancing Prospects" forum and presentation on www.hirelancer.uz, there are currently more than 40 freelancers in our country. The first freelancing company in the country is Hirelancer.uz. The firm provides advertising and marketing, services legal services, the creation of various computer games, 3D graphics, architecture and interior design services, web site creation and processing services, programming services, translation services, engineering, services and printing, design and art services. At the same time, there are digital platforms in Uzbekistan, such as giglancer.uz, freelancer mehnat.uz, OLX.uz, and ishkop.uz. Hirelancer.uz is a system created in cooperation with the Youth Union of Uzbekistan, the Fund for Youth Future, and SPACEMOS SWLHWAT to develop freelancing and remote work. Freelance.admin.uz is one of the first freelancer exchanges in the country. The exchange also provides services related to 3D graphics, 3D

<sup>&</sup>lt;sup>2</sup> Nikutkina K.M, Privalova A.O (2009). Zapadnыe kolichestvennыe issledovaniya frilanserov: professionalnyy obzor. Ekonomicheskaya sociology. T.10 №1. January. 140 s.

modelling, video design, IT programming, computer repair and programming, marketing and advertising, and translation.

Freelancers are compared in terms of the entire working day of a single employee in standard employment on the basis of their non-standard labour relations (Gimpelson V.E., Kapelyushnikov R.I et al., Or "non-SER model"). Any worker can obtain a job through standard employment, but workers want to earn extra income, and their work should be organized in a free, independent way. It is advisable to have clear working hours and no daily control. Therefore, there is a growing interest in and aspiration to engage in freelancing activities through Internet systems. Through in-depth study of freelancing activities, the most basic characteristics of freelancing have been developed, and according to them, freelancing is completely free from the distribution of working time and regularity in the workplace, Freelancing provides opportunities regarding where and when to work, and freelancers are completely self-sufficient and work at any time. Freelancers are not obliged to perform the various tasks assigned by supervisor and they are completely exempt from working in accordance with different rules. The advantages of freelancing include the following.

On the plus side, freelancers have fun and diverse work activities. Freelancers work independently on projects, have a tight work schedule and are always in the family circle. They have the opportunity to minimize costs, have a high salary and participate in various projects. At the same time, there is no need for information and work experience. There is mobile delivery to email, and freelancers have a consumer market where there is a large number of customers.

The downside is the lack of a permanent salary and the high level of risk. That is, the salary is paid in full after the order is completed, and if the service is not satisfactory, the freelancer is blacklisted, which affects the ability to attract other customers. Additionally, there is a lack of a work team and team relations. There is a lack of career growth, and there is a high level of independent activities [24].

#### Conclusions.

As one of the most promising areas of the economy of countries, it is necessary to provide broad access to digital platforms in the economy and to provide employment through new areas and occupations based on digital technologies. In the same direction, it is expedient to develop freelancing activities in all sectors, industries and regions of countries.

According to The Center for Global Enterprise, digital platforms fall into four major groups:

- 1. Transaction platforms Uber, Amazon, eBay
- 2. Innovative platforms Android, iOS, Linux
- 3. Integration platforms App Store, Play Market
- 4. Investment platforms Kickstarter

From the above scientific research, it can be seen that it is necessary to digitize the main sectors of the economy and the areas with high employment potential.

1. It is necessary to digitize the labour market, which will provide information about the nature and activities of freelancing among the rural population.

2. It will be possible to digitize service industries, through which new digital professions will be formed and developed through the provision of more services at home and higher wages.

3. The "Concept for the development of freelancing activities in the Republic of Uzbekistan in 2021-2030" should be developed and submitted to the relevant ministries.

4. A draft law "On the regulation and development of freelancing activities in the Republic of Uzbekistan" should be developed and submitted to high-level government entities to support the activities of freelancers.

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