

conceptions of self-interested, materialistic “economic” actors, and different substantive specifications can lead to different theories within the broader cover of rational choice [2].

Moreover, rational choice analysis is not inherently causal as it is reflected in the centrality of equilibrium analysis in the Marshall theory. Equilibrium is a statement of consistency among specified elements where there is no pressure on any of the elements to change the given values of the other elements. Thus, it is an evaluation of a whole state of affairs and it claims that the elements can coexist with one another while stipulating nothing about their sequence or causal relation. In this respect, equilibrium analysis is more constitutive rather than causal [3].

Conclusions. Rational choice can play a useful role in clarifying because it provides a common conceptual framework for specifying the problem, machinery for checking consistency and implications of arguments. Gaining the full advantage of these capabilities explains the importance both of arguments formalization and of empirical connections developing.

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FREELANCING AS A FORM OF EMPLOYMENT ON UKRAINE’S LABOR MARKET

Introduction. In terms of globalization and integration, vanishing of borders and increasing mobility, active resource conservation, labor relations between employer and employee are being transformed into a qualitatively new form – remote employment. Ukraine is not an exception, although there are certain peculiarities of penetration of this form of employment into the Ukrainian labor market.

Review of recent publications. The issues of remote employment have been studied by I. Bondar, T. Buromenko, O. Volkov, A. Kolot, N. Kutsai, E. Libanov, M. Ludan, I. Motorna, H. Salahaieva, M. Melnychuk, S. Moroz, V. Protsevsky and I. Svichkareva covered only some aspects of freelance as a non-standard type of employment in Ukraine. Nevertheless many sides of this matter remain unexplored.

Objective of the paper is to identify the state of development of remote employment (telecommuting) in Ukraine, find out the advantages and disadvantages of this form of employment, outline its perspectives.

Results of research. In the Ukrainian labor market freelancing is a relatively new form of employment which is not developing too fast. There are objective reasons for this: lack of a regulatory framework, misunderstanding of the potential benefits for both the worker and the employer, and the lack of experience of Ukrainian enterprises in this area (less than 10 years). As a result, only 21% of Ukrainian companies partially practice teleworking [1]. At the same time, remote employment is mostly used by small and medium-sized businesses (62% and 29% respectively) [2].

The annual economic effect of remote employment exists both for the employer (saving more than UAH 17 thousand per employee) and for the employee (5% receive higher wages than they would be able to earn working in-house, 73% get the same) [2]. Remote employment is mostly popular among young people, students, young mothers, and the disabled, because it gives them the opportunity to combine work with education, parenting, and other activities.

The dominant areas providing remote employment for Ukrainians are retail – 27%, IT and telecom – 24%, industrial enterprises – 19% and construction – 5% [1]. Ukraine has a fairly competitive position in the global market for information services and technologies, and remote employment in this area is developing faster than others. Thus, most of the freelancers work in finance (33%), programming (19%), design (6%), site support (6%), engineering (8%), copywriting (5%) and jurisprudence (6%) [1; 2]. The software mostly used by remote employees includes: e-mail and documents system (56%), IP telephony (24%), cloud storage (16%) and messengers (15%) [1].

Remote employment, however, has its disadvantages: difficulty in HR administration, the risk of non-performance, lack of mechanism to protect trade secrets, the risk of data interception and lack of mechanism to control employees' working hours [3]. In addition, many domestic specialists work for foreign companies unofficially, receive high wages from them, while receiving unemployment benefits in Ukraine. Thus, the share of shadow economy grows (hidden revenues, tax evasion), so it is helpful to use the ILO Recommendation №169 “to implement effective measures to eliminate illegal employment” [5]. In addition, the issue of remote employment remains unregulated in Ukraine: with the adoption of the Law “On Employment of the Population” (2012) only took the first steps in this regard. The resolution passed in the form USSR “Regulations on working conditions of home-based work” (1981) matches neither the thesis of home-based work of the International Convention No177, nor the existing realities in the modern labor market [5].

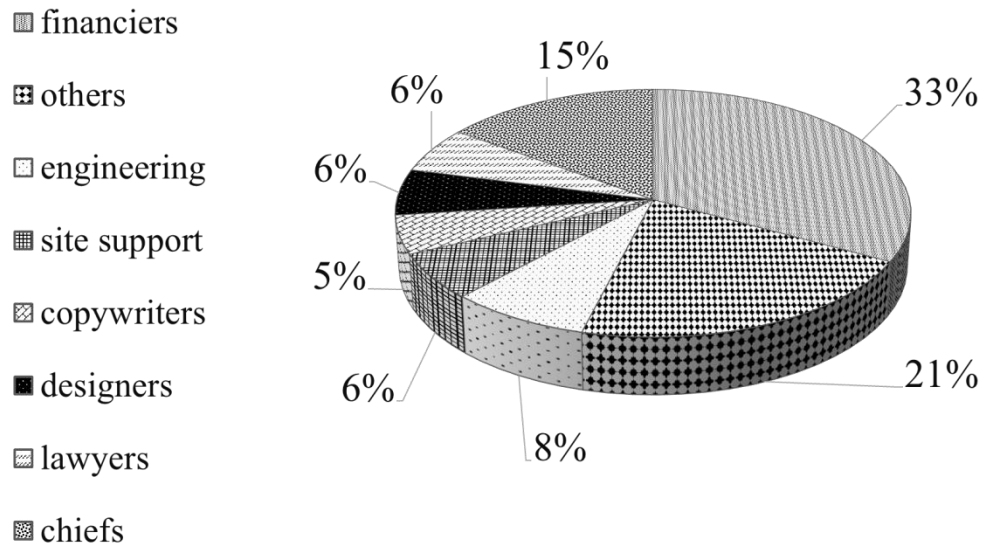


Fig.1 The structure of remote employment in Ukraine in the first half of 2017
Source: created by the author based on [1].

Among the advantages of remote employment, we can emphasize:

- saving money, because there is no need to create workplaces, provide employees with equipment, software, hardware;
- saving time and money costs for mobile worker's moving to work;
- flexi-time which allows employees to do tasks at convenient time;
- focus on the result, rather than the duration of task performance (development project, creation program);
- an independent choice of tasks execution tactics given by an employer [3].

Characterizing the current situation in Ukraine, analysts anticipate an increase in employers' loyalty to remote employment in the future due to the professionalism of domestic workers and their effectiveness without day-to-day control; increase in labor productivity at the expense of the possibility to carry out the task "without being separated from production" during illness, business trips, anywhere in the world and at any time; extended employment opportunities; better customer service due to the flexible approach to creating a work schedule and increasing the efficiency of employees [1]. Moreover, the employer can expand the geography of employment, avoid taxes, and slightly reduce direct and indirect costs.

Since 2013, the issue of remote employment legalization in Ukraine has not been resolved, and the government loses another source of revenues to the state budget. The authorities should provide incentives remote workers so that they spend their revenues by buying domestic goods and services, creating demand in the Ukrainian market.

The government should learn from the US and the UK experience where the number of remote employees is more than 100 million and about 17 million respectively (according to experts of World Work) [4].

Conclusion. As the study has shown, there is a pressing need in progressive legal support, an effective system of regulation and protection of the interests of all

participants in “virtual” labor relations [3]. The legal use of remote employment in Ukraine will balance the supply and demand on the labor market, reduce unemployment rate, help the population of poorly developing depressed regions, and, therefore, will bring additional earnings boosting their well-being.

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