Freelancing, the solution of employees in the context of the technological revolution

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Abstract
In the digital era of advanced technology, the economy was influenced by the fluctuation of information in the cyberspace, under the two concepts of hard and soft. As far as freelancers are concerned, in 2008 there was an international crisis, through the bankruptcy of some renowned corporations, resulting in the collapse of the American and European currencies. Thus, organizations have shifted towards outsourcing and freelancing, moving from permanent human capital in several aspects of the working environment, to independent human capital. Workforce dynamics is a privilege in the current economy, through fintech-crypto-coins, new trading systems, AI and automatic learning. That's why Fintechs have an essential contribution to the contemporary business world, re-evaluating the importance of businesses and freelancers from a networking perspective. The professional components of freelancers, such as experience, reputation, innovation and opportunity to fund the idea have the equivalence in achieving the path towards an entrepreneurial career.

Keywords: Cyberspace, fintech, freelancers, networking, outsourcing;

1. The technological revolution impact on the contemporary economy

One of the most important trends of the current international system is the acceleration of change in the various scientific and technological fields. The evolution of technology has led to exponential growth in the speed of information circulation, which has fundamentally changed our lives and our way of life. The first website was created in 1991. In 1993, they reached 50 and in 2000 they exceeded 5 million. The first e-mail was sent in 1971, while more than 40 trillion emails per year have been sent since 2013. In addition, we can hardly imagine life without access to a computer, starting with the current reading of the press every morning, checking the e-mail and other current activities that are already part of the routine. All of these computers do not exist, however, on their own. They are linked together, creating a huge network. Therefore, global interconnection is one of the fundamental characteristics of the so-called "technological revolution".

Therefore, a definite conclusion arises: much of our life is directly dependent on gadgets connected over the Internet. Consequently, it can be said that much of our existence does not occur exclusively in the physical space, but in the virtual space. A similar transformation is also felt in the sphere of power, viewed from the perspective of international relations. The new reality has as effect the change in the nature of power. Its distribution is much more pronounced, while its diffusion has reached extremely high rates (almost anonymous actors can get significant informational resources which, converted into effective power, can create problems even in the national states).

Paul Kennedy, in his study of the rise and fall of the great powers, shows that the dynamics of change in the system is driven mainly by economic and technological developments. These economic and technological developments depended on various categories of resources. Production patterns have changed from one period to the next, and they directly affect the economy and technology. The capacity for technological innovation has made the difference in all historical periods. Therefore, the ability to convert resources is fundamental and offers a

22 Causal recipes for the transformation of freelancers into smart entrepreneurs, 2017, Daniela Damian, “Dunarea de Jos” University Galati, Ciprian Manea, “Dunarea de Jos” University Galati, (correspondent author)
23 http://intelligence.sri.ro/revolutia-tehnologica-mega-trendul-inceputului-de-secol-xxi/
certain advantage to some companies in relation to others. The emergence of long-haul ships and the development of trade in the Atlantic after 1500 brought benefits to those European countries which were able to harness them, as the subsequent development of the steam engine and the coal and metal resources on which they relied, grew massively the relative power of some nations, diminishing the power of others.

But none of these power resources had a multilateral influence on the other instruments of power, as is the case with the resources of cyber power. They play an essential role in economic power, as the same categories of resources essentially influence the way in which modern wars take place. The 21st Century is foremost a century of cyber resources. Globalization and the revolution of information generate new resources of power. Network control and connection become an important source of power.

There are three major categories of resources used in cyberspace, defining the cybernetic power of physical resources (the equipment made by man plus the infrastructure that allows the information to circulate - optic fibers, space communication systems, critical infrastructures, and industrial systems), the know-how which makes the information circulate and also the human factor. Information can be added to these resources, depending on the context, as a power resource, the cyber space being an informational environment where information is created, stored and shared. The knowledge arising from this process and from these extremely quick interactions is perceived as a power resource and helps in decision-making. Joseph NYE shows that cyberspace power, as an important type of power has a dual nature: hard and soft. At the same time, it can manifest itself both inside and outside of cyberspace. Cyber-attacks targeting a target are a type of hard resource, while a public Internet diplomacy campaign aimed at influencing public opinion can be considered a soft power resource of cybernetic power.

The major challenge we face when trying to analyze its power and resources is the assessment of the share of each resource in the overall power index. And in the case of cyber power, each resource has of course different influence in the final equation. Moreover, they depend on a certain context of manifestation, like power in general.24

2. Those responsible for the changes in the world economy - Freelancers in the context of the 2008 economic crisis

Almost 6 million jobs lost, the fall of stock indices, the nationalization of hundreds of banks who ran out of money, the bankruptcy of General Motors and Chrysler giants, the doubling of the unemployment rate and millions of people out of mortgaged homes. This is the immediate bankruptcy of Lehman Brothers investment bank in the USA, which triggered a financial crisis often resembling the Great Depression of the 1930s.

On September 15, 2008, Wall Street was spreading the news that Lehman Brothers investment bank went bankrupt. The news did not surprise the bankers, who expected something serious to happen, but no one knew how serious it was to be, and what were the solutions to what was going to happen. In the coming years, the US economy was twice a step away from incapacity for payment (in 2011 and 2013), the euro area was very close to dismantling, and several EU countries have received emergency aid to avoid bankruptcy.25

3. Freelancing and outsourcing

In the extremely turbulent economic conditions brought by the 2008 Crisis, both companies and their former employees have had to adapt.

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As Darwin says, it is not the strongest of the species that survives, nor the most intelligent but the one most responsive to change.

Thus, in the context of the technological revolution and the economic crisis, there has been a dramatic change in the labor market.

On the one hand, companies have attempted to reduce costs by calling on outsourcing services, and on the other hand, formerly unemployed employees have found their call on online platforms and became freelancers. Freelancers have gained increasing attention from business researchers, paying particular attention to their behavior, careers and entrepreneurship (Born and Witteloostuijn, 2013; Jang, 2017). The existing literature highlights an expanding trend for the freelancers in terms of growth and the number of innovative service areas involving independent professionals.

The teaching staff traditionally focusing on vulnerability issues of self-employed people does not resonate with the labor market performance of more skilled freelancers who are innovative and earn significantly higher earnings than employees (Burke, 2015).

Most freelancers are engaged in online networks to increase the likelihood of finding customers and entering into contracts with them. In these networks, experience, innovation skills and online reputation are valuable intangible assets valued by clients (Saundry et al., 2007).

Digital technologies and innovative business models dramatically stimulate freelancers’ options for their future career. A person may prefer to work as self-employed, being independent, due to the high level of expertise in a field, self-fulfillment and self-realization. The professional characteristics of self-employed, expertise, reputation, innovation, motivation for the entrepreneurial phase are closely related to the satisfaction of the balance between work and family life (Annink et al., 2016).

### 4. Contemporary freelancing

For many people, self-employment is a desirable option, even if entrepreneurship appears as a tempting opportunity. Although freelancers are content with their way of working, their work includes only a few entrepreneurial characteristics and it seems that they prefer to take entrepreneurial opportunities in their future career (Bögenhold et al., 2014).

The results of a study by Falco and Haywood (2016) challenge the minds of researchers with a central question: is the increasing self-employment the result of improved opportunities for successful entrepreneurship or the reflection of limited opportunities for wage-based employment?

A very strong freelancer with respect to professional knowledge and innovation capability would not be good to become an entrepreneur because he would lose the knowledge and potential gains he could gain as a self-employed person by developing his strongest specific skills and gaining experience and reputation (Backes-Gellner and Moog, 2013).

Independent workers are an important pillar of the global workforce, enabling customers in a wide variety of industries to employ them in order to meet their operational requirements in a very flexible way. The continuous expansion of the independent workforce reflects the fact that access to a qualified and motivated group of freelancers remains highly valued by customers (Kitching and Smallbone, 2015). However, freelancers’ access to entrepreneurship remains open if they are genuinely interested in the catalyst effect of managerial training on growth-related entrepreneurial attitudes (Schamp and Deschoolmeester, 1998). Instead, other views reflect the fact that many organizations have done wrong in recent years with the long-term use of freelancers because short-term cost savings have been more tempted to develop their own human capital resources (Luthans and Youssef, 2004).

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The new economy has generated a fintech ecosystem, in which company startups play an essential role. Fintech freelancers who became entrepreneurs have led major innovations in payments, asset management, loans, participatory finance, capital and insurance markets through niche financial markets and more tailored financial services (Lee and Shin, 2018). Most fintech-related innovations include crypto-coins and block chains, new trading systems, artificial intelligence and automatic learning, mutual borrowing and mobile payment systems (Philippon, 2016). Some authors (Kalmykova and Ryabova, 2016) believe that Fintech's regulation is not yet ready for full control of new business and platform-based business models.

Financial services have put workers under pressure to deliver results in an increasingly insecure and hostile environment, causing many of them to choose a freelance career. Financial and banking institutions are looking for functional flexibility through more intensive use of multi-skilled fintech freelancers (Tempest et al., 2004).

Financial technologies (FinTechs) increase competition in financial markets as they offer innovative valuable propositions that traditional financial institutions make less efficient and broaden the group of freelancers who want to develop fintech services. From the entrepreneurial perspective, the freelance value chain that performs one or more specific financial activities in an unconditional way (Pozzolo, 2017).

The potential for disturbance of both freelancers and new businesses, designing intuitive services for the financial market has changed the rules of the game; financial institutions and banks are actively looking for opportunities to collaborate with them (Laven and Bruggink, 2016). Freelancers are able to capture opportunities in financial technology, using flexible, efficient and mobile tools designed for the needs of this field. They need to reconsider the approach to innovative financial management services that rely on financial technology. FinTech allows freelancers to become smarter consumers, economists and entrepreneurs - all of which reduce costs and save customers' time (Applegate, 2016).

To develop the fintech startup ecosystem, one possibility is that the policy makers want to create incentives and to provide participatory funding opportunities for freelance workers, so as to reduce the cost of customer service and attract entrepreneurial initiatives (Fenwick et al., 2017).

The reputation of freelancers is closely related to their involvement in networks, in which they gain their market position, marking themselves under a unique name. Alternatively, innovative forms of cooperation - such as collaborative spaces - are formally organized where workplaces are divided between members who frequently have complementary skills (Arvidsson et al., 2016).

Financing entrepreneurial ideas for freelance entrepreneurs in order to set up fintech enterprises is crucial for several reasons, one of which could be the traditional funding gap that all innovative new businesses are faced with (Haddad and Hornuf, 2016).

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