Prospects for the legalization of self-employment in the context of innovative development

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Abstract. Currently, a difficult stage of institutionalization of self-employment in the Russian economy is taking place. The authors conducted a study of the ways of legalizing the self-employed in conditions of the development of digital technologies and assessed its role in innovative development. Self-employment, according to the authors, acts as a way of adaptation of employed and unemployed to changing socio-technical systems in the labor market. Using historical, statistical and regulatory analysis, the authors investigated the problem of determining self-employment and ways to legalize it in Russia and other countries. The article explores the relationship between its distribution and innovative development by means of the analysis of legislation regulating self-employment in different countries. Using the analysis of official statistics, the article reveals a tendency towards an increase in the number of citizens wishing to legalize their self-employment status. The article studies the legislative pilot related to the legalization of self-employment in Russia, assesses the prospects for the expansion of this pilot in terms of the appropriateness of the proposed measures. According to the professional structure, based on statistical data and expert estimates, a low proportion of people receiving professional income from intellectual work was identified and the causes of this phenomenon were determined.

1. Introduction

In 2017, the International Labor Organization released the report “Dependent self-employment: Trends, challenges and policy responses in the EU”[1], which provides an overview of important self-employment trends in all countries of the European Union. The report notes that the largest number of self-employed is observed in the southern and central-eastern parts of Europe. For example, in Greece, self-employed make up more than 30% of the total number of employed. The smallest number of self-employed are in northern countries. In Norway, self-employed make up less than 7% of the total number of employees. A higher level of self-employment in the southern regions of Europe is also noted in [2] Hatfield, 2015. Among the possible reasons, the author calls the traditionally high level of employment in agriculture, services and the informal sector in countries such as Greece, Spain and Italy. The dynamics of self-employment in Europe also vary from country to country. The level of self-employment depends on the ratio of incoming and outgoing flows, that is, on how many people fall into the category of self-employed and how many people leave the sphere of self-employment. D’Arcy and Gardiner (2014) [3] estimated these flows for the UK economy and concluded that 72% of
the increase in self-employment is due to lower outgoing flow and only 28% can be explained by an increase in incoming flow. In total, the number of self-employed in the period after the Great Recession of 2008 increased in the UK by 15%. European countries not affected by such a severe recession as Great Britain (for example, Germany, Sweden, and Norway) have shown greater growth in traditional employment in the post-crisis period (Hatfield, 2015 [2]; Weinkopf, 2014 [4]).

A possible reason for this difference is a lower tendency of workers to self-employment due to the lack of social guarantees. The need to provide social guarantees to the self-employed is one of the central issues for researchers both in Europe (Westerveld, 2012 [5]; Fondeville et al., 2015 [6], Spasova et al., 2017 [7]) and in the USA (Fossen & König, 2015 [8]; Heim & Lurie, 2014 [9]). At the same time, in the United States, a lot of attention, in comparison with European countries, is attracted by the issues of medical insurance of the self-employed and providing them with an adequate level of medical care.

Studies of self-employment in Russia differ from those in Europe and the USA, since until recently only such type of self-employment as individual entrepreneurial activity was in the legal field. Self-employment (without hiring employees) existed in the informal sector of the economy. Nevertheless, the rapid growth of the self-employment has attracted the attention of researchers in several main areas: self-employment during the crisis (E. Abramova, 2010 [10], 2012 [11]), self-employment in the context of the digital economy (Strebkov D. and Shevchuk A., 2011 [12]; A. Shevchuk & A. Krasilnikova, 2019 [13], Goncharova, N.L., Bezdechzhynkh, T.I. [14]), self-employment in the context of the informal and shadow economy (Kireenko A.P. and Klimova M.O., 2012 [15], Bonggeun et al., 2009 [16], Lehmann & Zaiceva, 2013 [17]; O. Veredyuk, 2016 [18]), regional features of self-employment (N.M. Volovskaya et al, 2015 [19]; D.O. Strebkov et al, 2016 [20], Rodionov, D.G., Rudskaya, I.A.[21]). A change in the legal status of self-employed in Russia has influenced the emergence of studies in such areas as legal regulation and taxation of the activities of self-employed (Grabova & Suglobov, 2017 [22]; Solodkaya, 2018 [23]; Sheina et al., 2018 [24]; Chechulina, 2018 [25]; Shvets, 2018 [26]; Klimova, 2013 [27]).

The role of the self-employed in innovative development has not yet been unequivocally evaluated among researchers. Innovation requires a high level of education and qualifications. However, among the self-employed, a considerable proportion is occupied by people for whom access to the traditional labor market is difficult - migrants and people with a low level of education (D’Arcy & Gardiner, 2014 [3]). This situation is typical for both Europe and the United States. For example, in 2015 in the United States, self-employment rates were highest for those with less than a high school diploma and for those with a professional degree and lowest for individuals with a bachelor’s degree or master’s degree (Hipple & Hammond, 2016 [28]). The absence of a clear relationship between educational attainment and self-employment is also noted by the World Labor Organization (Burchell et al., 2015 [29]). The tendency to innovative activity among the self-employed is due to the action of 3 groups of factors: (1) the personal characteristics of the self-employed – such as their motivations and their educational and professional background; (2) the organization characteristics – such as the sector, the number of employees, the dependence on suppliers or clients and the management styles; (3) the characteristics of the external environment (Romero & Martínez-Román, 2012 [30]). Self-employed people who chose this type of employment for internal reasons, rather than for reasons of necessity, are more prone to innovation. Dependence on a large client (false self-employment) sharply limits the innovative activity of the self-employed. The level of education is positively associated with the innovativeness of the self-employed. At the same time, self-employed with a high level of education more often choose a management style that is more conducive to innovation. The external environment also has a significant impact on the innovative activity of the self-employed. On average, self-employed in high-income countries are more prone to innovation. Among environmental factors affecting innovation, a special place is occupied by intellectual property right legislation. Intellectual property right legislation has a dual effect on self-employment innovation. On the one hand, it’s positive, since intellectual property right per se is aimed at stimulating innovation. On the other hand, it is negative, since it limits the possibility of borrowing innovative solutions from larger players.
This is especially true for patent law, since purchasing licenses for the self-employed is often financially unavailable (Burke & Fraser, 2012 [31]). In general, intellectual property rights are recognized as a favorable factor for the innovative activity and well-being of the self-employed (Burke & Fraser, 2012 [31]; van Stel et al, 2019 [32]). However, researchers (van Stel et al, 2019 [32]) note that the state needs to strike a balance between incentivizing R&D costs (through tighter regulation of intellectual property) and the need for technology transfer, which requires more liberal intellectual property laws.

2. Research methods and objectives
The process of institutionalization of self-employment in Russia is associated both with spontaneous changes in this area and with governmental efforts to institutionalize an independent professional activity. The importance of the study of institutional development of self-employment is associated with several processes in the economy and the labor market:

• digitalization of labor processes in connection with the spread of information and communication technologies;
• automation and robotization of the production of goods and services;
• adaptation of employed and unemployed to changing socio-technical systems in the labor market, associated with the search for new forms of employment and labor supply;
• stimulation of innovative development of the Russian economy;
• launching in 2019 of an experiment on the self-employment legalization in Russia.

These processes taking place simultaneously in Russia and the world, allowed the authors to try to identify the role of the self-employment in the innovative development of the Russian economy, as well as to determine the prospects for self-employment legalization. To achieve this goal, the sequence of research actions was taken and, using historical, statistical and regulatory analysis, the authors performed the following steps:

• analyzed the concept and essence of self-employment;
• identified the main trends in the development of self-employment in Russia and other countries;
• investigated the evolution of self-employment in Russia;
• identified ways of legalizing self-employment in Russia and other countries;
• examined statistics of the professional structure of the self-employment and methods for its quantitative assessment in the face of uncertainty;
• analyzed of the intermediate results of the experiment on the legalization of self-employment in Russia;
• conclusions were drawn on the relationship between self-employment and innovative development, and prospects for legalizing this phenomenon in the Russian economy were determined.

The difficulty of the analysis is the lack of official data on the number of self-employed over the past period (1991-2018), and the information received from the process of legalizing self-employment during the experiment is selective and heterogeneous, in such cases, the authors turned to the method of expert estimates.

3. Self-employment in Russia and other countries
3.1. Evolution of approaches to self-employment in Russia
In the process of developing economic and economic life in Russia, crafts, trade and agriculture were improving and gaining strength. More and more merchants appeared who were on the trade routes, which had popularity, artisans who sought to sell their goods more profitably. Also, merchant associations that appeared in the cities had their own codes, had their own funds, with which help was given to merchants who were in trouble. Self-employment at that time was common.

In the Soviet Union, since 1922, self-employment was not legally recognized and was punishable by law. The self-employed ended up in the shadow sector, as they did not have legal status. In order to obtain the status of an employed person and not belong to the number of parasites, each working-age citizen had to work at a factory or plant, at a collective farm, state farm, or in budgetary institutions.
and organizations at least for a small salary or study at a university. Those who were not a worker, employee or collective farmer, for example, writers, artists and musicians were called people of "free professions." They either were in creative trade unions and constantly confirmed the status of their incomes, or were “eternal students” and studied at some university or worked in low-paid professions that did not require a lot of work, for example, watchmen or janitors. After the Constitution was issued in 1936 and 1977, self-employed acquired legal status, which led to the creation of a more adequate mechanism for legal regulation of individual labor activity.

Since January 1, 1991, the Law "On the Individual Labor Activities of Citizens of the USSR" has lost force due to the enactment of the new Law of the RSFSR "On Enterprises and Entrepreneurship." Self-employment has become commonplace, but not regulated.

3.2. Foreign experience of self-employment regulation
In Russia, the self-employment tax is considered as an innovation, however, in many foreign countries it has been used for a long time. In these countries, the taxation conditions for self-employed persons differ from Russian ones. On the example of such countries as Great Britain, the USA, Germany, Belarus, and Latvia, we will analyze how self-employed status is acquired, how taxation is carried out and what are the foundations of legal regulation. The experience of Great Britain suggests that if a person works for himself, then she is defined as an individual entrepreneur. Workers must register with the tax office and then receive the status of self-employed. Income and expenses are kept and taxes are paid twice a year - on January 31 and July 31. The country has a tax – income tax, which depends on the income received. Everyone has access to the UK Cabinet website, which has a calculator for self-employed people to calculate tax rates. According to a McKinsey study, approximately 14 million UK citizens are self-employed [27].

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However, there are two more ways
to pay tax: paying tax from a microenterprise and a patent. In accordance with Section 15 of the Law of May 11, 1993, On Personal Income Tax, a tax on self-employed persons is levied in the amount of 23% of the amount of declared income.

In the Republic of Belarus in 2015, Decree No. 3 “On the Prevention of Social Dependence” was adopted. The main goal of this Decree is to stimulate working-age citizens by taxation. If a citizen does not replenish the state budget within 183 days, then next year he will have to pay a tax. A whole system of control over the declaration of income and property of citizens was established, as well as verification methods to determine the conformity of real income and expenses. Currently, various laws are being created that allow people to conduct independent activities and not be included in the list of parasites. Presidential Decree No. 337 (dated September 19, 2017) “On the Regulation of the Individual Activities” lists the various types of work and services that people can provide without registering an individual enterprise by paying the state a single tax. Tax rates usually depend on the type of activity and the locality where the person lives. Also there is another type of self-employment, which involves craftsmanship. It is prescribed in the presidential decree No. 225 “On some issues of individuals engaged in craft activities”. The Decree is concerned with the regulation of manual and independent labor, without involving hired workers. Among the advantages of this law, the following stand out: firstly, the self-employed may not acquire a cash register and may not be involved in accounting for income and expenses. Secondly, it is not necessary to provide tax calculations for their activities and tax returns. The main disadvantage is that the self-employed cannot hire employees, since for this it is necessary to open an individual enterprise, and without this, the payment of wages to an employee is an illegal act.

The experience of other countries shows that in order to legalize self-employment, the main goal of the state is to create, with the help of economically feasible regulatory framework, good conditions that stimulate self-employed people to transfer activities into the legal sphere.

3.3. The essence of self-employment

Self-employment is understood as a type of economic activity, which is expressed in the independent organization of the production of goods and services, without involving hired employees in order to make a profit. The following criteria distinguish the self-employed: personal labor participation, riskiness, systematic profit. In self-employment, the employer and employee are one person, this is its main feature. The employee at the initial stage should start organizing his own business, decide how and to whom goods will be sold and services rendered, and also determine the purpose and direction of his own professional activity [26].

In modern Russia, they started talking about self-employment in 2017 after the adoption of federal law № 401 "On amendments to parts one and two of the Tax Code of the Russian Federation and certain legislative acts of the Russian Federation". Article 217 added a clause on the category of self-employed citizens, that is, individuals who did not register as an individual entrepreneur, but who provide services to consumers. Incomes (for 2017, 2018, 2019) from the activities specified in clause 70 of Article 217 of the Tax Code of the Russian Federation received by persons registered with the tax authority in accordance with clause 7.3 of Article 83 of the Tax Code of the Russian Federation are not recognized as objects of taxation caring for children, patients, persons over 80 years old; cleaning of premises, housekeeping; on tutoring and others.

On January 1, 2019, Federal Law No. 422 of November 27, 2018, "On the experiment to establish a special tax regime "Professional income tax" in federal city of Moscow, Moscow and Kaluga regions, as well as in the Republic of Tatarstan (Tatarstan) entered into Russia. The purpose of the law is to replenish the state budget with tax revenues from citizens who conduct independent activities. The experiment will be conducted from January 1, 2019 to December 31, 2028 in the four regions. According to the experiment people can carry out independent labor activities by paying "Professional Income Tax". Professional income, in this case, implies the income of people from activities in the implementation of which they do not have an employer and employees. The tax period lasts a month, and the rates are: 4% on income received by the self-employed from cooperation with individuals, and
6% on income received by the self-employed from cooperation with legal entities or individual entrepreneurs. The maximum profit of a self-employed per year should be - 2.4 million rubles, if the income of an individual is greater than this amount, then it is necessary to register as an individual entrepreneur.

Self-employment extends to those professions where the main role in production is played by personal work. For example: tutors, professional photographers, drivers providing private pick-up, seamstresses, home hairdressers, copywriters, nannies, translators, manicure masters, hired builders, cleaning ladies, programmers, bloggers, fair traders, rental people, and many others. All these professions have similar features, they do not require complex technological actions and obtaining a special license. Most often, the self-employed uses their workplace in the same place where they live, as this saves costs and fits the nature of their activities. Unlike hired workers, self-employed have to take responsibility for their decisions on various economic issues and bear the entire risk in case of failure.

We can distinguish the main reasons for the transition to self-employment:
- lack of means of subsistence;
- delays in the payment of wages and social benefits;
- loss of a job and basic income;
- search for a higher income.

Until recently, self-employment did not differ from the more familiar concept of freelance. The freelancer himself determines what work to carry out, what will be the work schedule and with how many customers he will cooperate with. If the activity of a freelancer was not formalized, then they could also be classified as self-employed. In the case of registration of activities, differences appeared between them:
- freelancer himself could become an employer (in the case of registration of individual entrepreneurship);
- freelancer could work for the employer (in the case of registration of activities under a civil law contract with the organization for a certain period of time to complete the list of assigned works).

In addition, representatives of creative and intellectual professions, engineers, consultants and many others most often belonged to freelancers - they are considered highly qualified home-working specialists. In practice, the salary of freelancers can reach up to 100,000 rubles, which is 1.5-2 times more than that of office employees [25].

Although a freelance does not have an official legal status, with the recognition of the concept of self-employment, it has received additional legal opportunities: now, in addition to the listed options for registering their activities, a freelancer has the opportunity to register as a self-employed, which gives him the right to a lower tax rates (unlike previously adopted forms of legalization of income). Thus, high-qualified specialists get additional opportunities for decent earnings, self-realization and the creation of work-life balance. And this particular category of free workers contributes to innovative development, since flexibility in the design of work allows them to develop creatively and intellectually, to collaborate with different categories of customers, etc. without complex bureaucratic barriers.

The authors of this article highlighted additional reasons for the transition to self-employment:
- search for activities that allow the individual to develop and develop interest in his work;
- the possibility of a convenient work schedule.

The new tax regime also allows combining self-employment with work under an employment contract, which can also be beneficial for specialists engaged in creative and scientific activities. Thus, the official recognition of the concept of self-employment should attract freelancers from the shadow economy and give them more advantages in comparison with other options of official freelance (individual entrepreneurship and a civil law contract). In addition, this makes it possible to release highly qualified specialists from the sphere of official employment on conditions favorable to them. This increases the level of mobility in the labor market and contributes to further innovative development.
3.4. Analysis of the structure of self-employment in Russia

The informal sector of the economy in the Russian Federation, which is now in the shade, according to various estimates of specialists, is from 13 to 22 million people. This scatter in the number of self-employed is due to the lack of a mechanism for collecting data on the number of self-employed.

Federal State Statistic Service (Rosstat) estimates that the informal labor sector accounts for about 20% of the country's workforce (76 million citizens aged 15 to 72 years) or about 15.2 million people. Since 2012, statistics have been compiled where the number of self-employed in relation to the workforce has been calculated (Fig. 1).

![Fig. 1. The share of employed citizens in the informal sector, % of the workforce in the Russian Federation (a)](https://www.gks.ru/free_doc/doc_2018/rab_sila18.pdf)

According to the data, the number of self-employed is growing, but still not all self-employed are ready to disclose their status in surveys conducted by government bodies.

The National Research Institute Higher School of Economics conducted a study on the structure of the self-employed, based on data from Rosstat. Thus, the labor force survey data showed that among the self-employed, 58% are men and 42% are women, while among people who are employed, 50.8% are men and 49.2% are women. This scatter suggests that men and women in almost the same amount get a job or engage in independent economic activity. Among the self-employed there are more people at older ages than among employed people: 10.8% of the self-employed are 60 years old or older, compared with 5.3% of employed people.

The data on the place of residence of the self-employed were studied, they often live in rural areas - 44.6%, than those employed - 21.5%. As expected, self-employed more often than self-employed work in the areas of trade and repair, construction, transportation and storage, agriculture, and the provision of other services. And, on the contrary, the share of self-employed in such areas as manufacturing, hotel and catering activities, education, healthcare and the provision of social services, public administration is noticeably lower than that of people employed.

HSE also studied the structure of self-employed by educational level, using data from Rosstat (Fig. 2).
This histogram shows that most self-employed have a secondary (complete) general education. And those who have received higher professional education, most often get a job for hire.

Assessment of earnings at the main place of work for self-employed, according to The National Research Institute Higher School of Economics Russian Monitoring of the Economic Situation and Health of the Population in 2017, shows that the earnings of self-employed are on average 14% lower than the earnings of those workers who work at the enterprise or in the company. But do not forget that income data is often underestimated, as the self-employed have additional incentives not to reveal their income. So, even with such not very accurate estimates, it can be assumed that the standard of
living of the self-employed are not too different from the standard of living of the households whose members are employees.

From the presence of the informal sector of the economy, the budget of the country suffers. According to rough estimates, the total number of self-employed in Russia is about 15-20 million people who receive regular income, but do not pay taxes. Because of shadow employment, the Russian Pension Fund alone losses 5,000 billion rubles per year [22]. According to estimates by the International Monetary Fund (IMF), in 2018, the informal employment in Russia reached 33.7% of GDP - an unexpectedly high level. Therefore, experts argue that if you achieve the collection of taxes from these citizens, which make up a third of GDP, the state budget will significantly strengthen [34].

Experts note that tax evasion of self-employed particularly affects the budgets of the regions of Russia, because insurance contributions (including the Compulsory Medical Insurance Fund) are paid from regional budgets. For example, in the Stavropol Region about 12 billion rubles a year is required for these purposes, which is 15% of the total annual budget of the subject. At the same time, the authorities of Stavropol estimated that out of 1.9 million disabled citizens of the region, more than 500 thousand people are self-employed who do not pay taxes and fees.

3.5. Intermediate results of the self-employment legalization legislative pilot in Russia

The new tax regime - professional income tax or self-employed tax in Russia has been tested since January 2019. Self-employed can register through the application “My tax”, which is installed on a smartphone. Registration as a self-employed citizen through the “My tax” application is online and takes no more than 10-15 minutes. Two registration options are offered - according to the passport or through the personal account of the taxpayer. You can also choose one of the four pilot regions (federal city of Moscow, Moscow and Kaluga regions, the Republic of Tatarstan (Tatarstan)). If a person conducts his activities in several areas, the region can subsequently be changed. Also, an individual entrepreneur can be registered as a self-employed person if he does not involve hired workers or a person working under an employment contract in a company, but renting out real estate or conducting professional activities, except for the main one. A person registered in this application can perform various functions, for example: to draw up checks and send them to his clients, calculate the amount of tax levied on income, pay this tax and keep under control budget arrears. The law provides a system of fines for falsifying data. For example, if a person received income, but decided not to write a check on it or wrote out a different amount, then he will have to pay a fine of 20% of the amount that was involved in the operation. If the same violation is repeated within six months, then the fine will already amount to 100% of the income received by a person.

The Federal Tax Service in early August 2019 reported that the number of self-employed citizens registered in 4 regions where the experiment was conducted exceeded 162 thousand people, and the amount of taxes received since the beginning of the year amounted to more than 350 million rubles. In Moscow alone, the number of self-employed was 96 thousand people - each of which, on average, transferred 2.2 thousand rubles to the budget as a tax. Thus, the experiment on tax registration of individuals working illegally is called successful, and in the future it is planned to extend it to other Russian regions.

Consider the dynamics of the number of registered as self-employed since the beginning of 2019, compiled based on analytical data. It also provides data on the planned number of employees from 2020 to 2023 (Table 1).

Table 1. Current and Predicted Number of People Registered as Self-employed (2020-2023) (c)

| Date        | Number of self-employed (pers.) |
|-------------|---------------------------------|
| February 2019 | 30 000                          |
| May 2019      | 57 000                          |
| June 2019     | 114 000                         |
| August 2019   | 162 000                         |
The table is compiled by the authors based on:
http://www.finmarket.ru/main/article/4947455?utm_source=yxnews&utm_medium=desktop&utm_referer=https%3A%2F%2Fyandex.ru%2Fnews
https://russian.rt.com/business/news/617391-oreshkin-zaregistrirovannye-samozyatye
https://www.ferra.ru/news/techlife/cifra-dnya-skolko-samozyatych-zaregistrirovalos-v-rossii-24-06-2019.htm
https://iz.ru/908444/roza-almakunova/sviazannye-odnoi-teniu-162-tys-rossii-legalizovali-svoi-dokhody
http://www.finmarket.ru/news/5089448

The Federal Tax Service recommends the use of the new regime to people involved in: remote work through electronic platforms, the provision of cosmetic services at home, renting out apartments for rent or long term, services for the transport of passengers and goods, selling products of their own production, photo and video shooting, holding events and holidays, legal advice and bookkeeping, construction and repair work. At the same time, the most popular activities of the self-employed are passenger transportation, rental of apartments, counseling, tutoring, programming, marketing and advertising. According to the authors, it makes sense to focus on the legalization of self-employment in intellectual professions, the innovation sphere and high technologies, which will contribute not only to the legalization of their work and replenishment of the budget, but also to the innovative development of the country.

3.6. Analysis of the possibilities and barriers of the legalization of self-employment and its impact on innovative development in the Russian Federation

Over the past few years, the state has formed an important tasks of legalization of self-employment, determination of the legal status of this category of citizens and creation of conditions under which it would be beneficial for this category to come out of the “shadow”. According to a survey by “ResearchMe” in May-June 2018, 39% of the self-employed people surveyed do not consider it necessary to pay taxes because they expect nothing from the state, 29% of the self-employed say that since they take care of their social security on their own, taxes payment is not binding obligation. And only 32% of respondents say that paying taxes is everyone’s civic duty [24]. According to the results of this survey, we can conclude that Russia has not yet established trustful relations between taxpayers and the state, therefore it is not easy to motivate self-employed citizens to legalize their activities. It is assumed that within 10 years the tax on professional income will become an integral part of the tax system of the Russian Federation. However, it must be understood that the tax authorities do not have such resources to control each individual taxpayer, even despite the rapidly growing digital economy. For the real effectiveness of this law from the point of view of replenishing the budget, it is necessary to raise the level of tax culture of Russian citizens by increasing tax literacy.

Therefore, in order to convince self-employed Russians to legalize themselves and pay taxes, the state must offer them a convenient and mutually beneficial mechanism.

To develop modern self-employment, it is necessary to protect intellectual property, to ensure personal security of citizens, preferential and affordable loans, as well as carry out activities in the following main areas:
- designing of legislative and regulatory acts guaranteeing the protection of the rights and legitimate interests of the self-employed;
- ensuring self-employed access to state contracts to produce goods, goods and services;

| Year   | Amount  |
|--------|---------|
| October 2019 | 210 000 |
| 2020    | 800 000 |
| 2021    | 1 400 000 |
| 2022    | 1 800 000 |
| 2023    | 2 100 000 |
• creation of conditions for the use by the self-employed of unused production equipment that is in federal ownership;
• subsidizing the rent and the acquisition of regional property by the self-employed;
• development of projects for the creation and development of a regional infrastructure to support self-employment;
• creating a system of budget guarantees for self-employment;
• assistance in the development of credit cooperation, mutual financing and insurance of self-employed in cities and regions of the region;
• development of self-employed projects in innovation and Hi-Tech;
• development, production and distribution of teaching materials and manuals on the activities of self-employed;
• information support of self-employment through the media;
• carrying out research work related to the development of self-employment and the state policy of its support [22].

4. Conclusions
The following conclusions can be drawn from the present study:
1. The main trend in employment is the increase in the number of people working without an employer. In many countries much attention is paid to issues of self-employment; in Russia, the problems of self-employment have long remained unexplored.
2. The study of the evolution of self-employment in Russia showed that self-employment has long been a common but not regulated phenomenon. The new stage began with the introduction on January 1, 2019, Federal Law No. 422 of November 27, 2018, "On the experiment to establish a special tax regime "Professional income tax" in federal city of Moscow, Moscow and Kaluga regions, as well as in the Republic of Tatarstan (Tatarstan).
3. Self-employment means a type of economic activity carried out for profit, which is expressed in an independent organization of economic activity or the production of goods and services, without involving hired employees.
4. In Russia, self-employed can legalize their status by registering through a special application that is installed on a smartphone. At the moment, an experimental tax regime - professional income tax or self-employed tax - is being tested in 4 Russian regions.
5. A statistical analysis of the professional structure of self-employment showed that now the most popular types of self-employed activities are passenger transportation, rental of apartments, counselling, tutoring, programming, marketing and advertising. The article proposes to study in more detail the advantages of self-employment of people in intellectual professions, the innovation sphere and high technologies.
6. A study of the intermediate results of the experiment on the legalization of self-employment in Russia showed that since the beginning of the experiment, the number of registered as self-employed has increased by 7 times, while it is planned to further increase their number to 2.1 million by 2023.
7. Self-employment can be considered as a tool for innovative development by increasing flexibility in the labor market and providing preferences to persons involved in intellectual activity. The development of the institution of self-employment will allow the state to receive the following benefits:
• additional tax revenues;
• legalization of illegally working citizens, which increases their civil and social responsibility;
• activation and development of micro-business, which in the future can grow into small and medium-sized businesses;
• activation of innovative development through the creation of preferences for people in creative and scientific fields of activity.
8. Institutional environment remains one of the barriers to the innovative behavior of self-employed. The article suggests that more attention should be paid to protecting intellectual property
rights, simplifying the access of self-employed to the system of state contracts, improving social security, and creating conditions for the labor mobility of people in creative and scientific professions.

The institutionalization of self-employment allows solving many economic and social problems and, with a reasonably balanced and justified approach, will reflect the interests of almost all subjects of economic relations: the state, regions, individual citizens, and will contribute to the further development of the economy.

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