



# The Sources and Practice of Economic Activity of Young People in Social Networks

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**Abstract:** *The spread of new types of economic activity of young people in social networks is closely related to the growth of information and communication technologies and the formation of the digital economy, with the development and implementation of a large number of innovations. The paper investigates the factors of development and the consequences of the economic activity of young people (freelancers) on the Internet, in social network "VKontakte". The relevance of the research problem coheres with the fact that the implementation of the national program "Digital economy of the Russian Federation" is based not only on economic indicators of digital economy growth (indicators are published annually in the statistics digests of the Institute of Statistic Studies and Economics of Knowledge and the National Research University "Higher School of Economics"). The national program also takes into consideration sociological research of new forms of economic activity of young people, which raises many research problems further outlined. What is the motivation behind the formation of new practices? What are the challenges young people face using social networks for their economic activity? Probably, the most important issue is discovering the specifics of the economic behavior of young people using the opportunities of the digital economy. The article draws an inference concerning the correlation between new practices of economic behavior and the intensification of economic activity of young people.*

**Keywords:** *economic activity, freelance, motivation, self-employment, young people.*

## I. INTRODUCTION

The systematization of scientific ideas about economic practices in social networks causes difficulties, since there are no mature theories that comprehensively describe the subject. First, it is important to take into consideration the studies of the economic values and factors influencing the formation of economic practices developed by H. Aguinis, S.O. Lawal, S. Ba, P.A. Pavlou, S. Rangan [1]-[3]. Second, the analysis of the factors of formation through the definition

of economic norms, values, institutions is very significant [4]-[7]. Third, research of ICT, innovation, development of cognitive technologies where modern ideas about critical thinking are important should be definitely considered by the scientists [8], [9]. Fourth, research in the field of crowdsourcing is substantial to us [10], [11]. This analysis is based on the definition of five "competencies of importance to all young Europeans" highlighted by the Council of Europe. Such skills set include a group of "competencies associated with the emergence of the information society", which imply "capacity for critical judgment with regard to information" [12].

In modern science, there are not so much works concerned with the study of economic activity of young people on the Internet. Statistics still do not accurately consider freelancing and other forms of economic activity that young people practice in the Internet space. More than one million freelancers currently registered on the most popular Russian freelance marketplace YouDo.com and Weblancer.net. Behavioral aspects of Internet users, including employment, partially represented in the works of A. Agrawal [4], what is clearly not enough for a systemic analysis of the economic activity of young people in the age of development of digital society. The digital technologies that surround modern man generate and store huge amounts of information, providing an additional source of data for research in different fields of science [13]. Cooperation of computer and social sciences is actively developing and brings relevant results, such as, for example: the study of human behavior dynamics - A. Pathland, MIT branch "Connection Science" [14]; the network research - A. Barabasi, Center for complex network research [15]; the study of human nature, comprehension of individual and collective human behavior - N. Christakis, Yale Institute for Network Science [16]. We can list even more areas where computer science comes across the social science: it is the field of computational political science - D. Lazer, Lazer Lab laboratory in the North-East University [17], [18], the blog activity around real events - G. King, M. Roberts, Institute for Quantitative Social Science in Harvard [19].

Thus, the paper presents the analysis of texts in social networks, containing information about the economic activity of modern youth. The research reveals forms and factors of economic and innovative activity of youth, the interrelation of critical and innovative thinking, and defines the role of critical thinking in the formation of economic activity of youth.

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II. PROPOSED METHODOLOGY

General scientific cognition methods used herein to solve the tasks in hand: system approach to the study object, comparative historical method, logical analysis and discourse analysis, as well as empirical methods of sociological research.

The paper uses a set of scientific methods of statistical and comparative analysis of freelancers groups in "VKontakte" through the analysis tool socstat.ru (site set up in 2016). Data collection was carried out by means of qualitative analysis of the content of freelancers groups (n = 9). Table I provides a list of the study groups.

Table-I: List of the study groups

№	Name of group	Number of subscribers
1.	WAYUP / Freelance Community	10291
2.	ORDER FOR DESIGN: to order website, logotype, freelance	26797
3.	Freelance and remote work	14242
4.	Freelance   Remote work   Occasional work	44800
5.	Ethical business and freelance, remote work	26306
6.	Freelance   Remote work	47906
7.	Job   Freelance   Vacancies   Remote work	53465
8.	FREELANCE. Community of the independent and free people striving for success	51084
9.	Freelance. Find work or the performer	16902

Expert survey (interview) of freelancers themselves in "VKontakte" (n = 5), Table II.

Table-II: Expert survey of freelancers

№	Type of activity	Year of establishment of group "VKontakte"	Interview code, sex
1.	Cybersport	2018	Informant 1, M., "Experts"
2.	Online training courses for the Unified State Examination	2016	Informant 2, M., "Experts"
3.	Repair of guitars	2016	Informant 3, M., "Experts"
4.	Distant work (placement of information for freelancers)	2012	Informant 4, F., "Experts"
5.	Freelance exchange	2012	Informant 5, M., "Experts"

Expert survey of young people implementing economic activity using social networks allowed us to study the factors determining the economic activity of actors, to describe the economic practices of young people, as well as to identify their structure. Qualitative analysis of the texts of messages in the blogs of the social network "VKontakte" has given the opportunity to determine the main directions of youth discourse on economic issues, as well as employment issues, so the authors managed to establish what problems are most relevant.

III. RESULT ANALYSIS

The experts were young people who currently engaged in or were engaged in freelance activities in social networks. The main criterion for selection was the presence of a group set up not later than 2012 and operating until 2018. In course of expert interviews, the goals of setting up the groups were emphasized, and the first one is educational: "...we publish interesting news (hype ones), publish headings..." (Informant 1, M., "Experts"); "...the opportunity to ask a question not only to me personally, but also to the rest of the participants, to discuss something on-topic" (Informant 3, M., "Experts"). Secondly, the groups were set up with an advertising goal: "...like a business-card where people can get more information about the service, ask a question" (Informant 2, M., "Experts"); "...portfolio, so that potential customers understand better my approach to work, the list and quality of services" (Informant 3, M., "Experts"). The majority of experts note the exactly advertising purpose, for the notification of subscribers: "The group was created for bigger coverage of the site audience..." (Informant 5, M., "Experts").

Subscribers are interested in the topic of these groups (work, services and reports, discussions and reviews, generally focused points): "Finding useful business relationships. Freelancers are interested in orders, customers are looking for proper performers" (Informant 4, F., "Experts").

Most experts noted that they do not have accounts in the increasingly popular social network Instagram. However, one expert is convinced that it is necessary to make efforts and be involved in this field either: "Instagram has a lot of active freelancers with a large number of subscribers" (Informant 4, F., "Experts").

During the expert survey, were identified the problems novice freelancers faced with. For example, the absence of earnings, or not achieved goals: "The group is currently not administered because it did not meet expectations. It did not work to attract customers through the group or at least to get them interested" (Informant 2, M., "Experts"). In this case, economic activity is reduced and the freelancer is forced to engage in other activities or improve the former. In addition, experts identify time expenditure as a problematic field. Except for the problem of subscribers' activity and achieving advertising goals, there are some advantages: "I work as a content manager, this is my main job. The main salary comes from this work. Gazillion of communication. Actually, various periodic benefits may be added – tickets for events, gifts, etc. Oh, and most importantly, I'm doing something I like" (Informant 1, M., "Experts"); "There are clear advantages – an exchange of experience with colleagues, high loyalty of new clients (so they say), and search engines index group well" (Informant 3, M., "Experts"); "Basically, it is the help to workfellows..." (Informant 4, F., "Experts"). Therefore, freedom is very important for freelancers – free schedule, interaction with people of interest, self-employment and the result.

Excluding one expert, the prospects for the development of this direction confirmed by the fact that work through the Internet is the main place of earnings: *"It is more of a combining my main work on the Internet with part-time jobs in real life" (Informant 1, M., "Experts")*.

At the same time, two experts noted that they do not earn enough money through the administrating of the group "VKontakte". This is an indicator of the inefficiency of advertising activities. The rest of the experts are working through this platform:

*"It is not always straight tons of money, but the more you develop in the field, the more you begin to earn" (Informant 1, M., "Experts")*.

Thus, the content of the groups includes publications, projects or announcements about vacancies and services provided. By means of the qualitative analysis of publications, the several types of economic activity of youth were revealed that could be grouped as follows:

- by employment type (distant/remote and not-distant);
- by type of work (programmer – work with programs, such as 1C; targeting specialist – work relates to traffic customization, contextual specialist – work with contextual advertising; project manager – project management; HR manager – search and selection of personnel for customers; sales manager – promotion of goods or products through IP telephony and the Internet; customer manager – search for customers and work with them; SMM-managers – creation and promotion of groups or sites, maintenance and design of social networks;rewriter and copywriter – work with texts; call-center operator – answers to phone calls; online store service – clothing, cosmetics, equipment and many other things; services for creating websites; services for website design or business cards; video editing services – creating videos; services in education – lessons in the virtual classroom; manufacturing and repair services – for example, to bake a cake or repair the guitar; accounting and law is also included in the services of freelancers).
- by wages (most are paid on average 300-1000 rubles every day; less -payments of 10000-30000 rubles per month; sometimes - 2000-10000 rubles after the performance of service);
- by hours of employment (on average, from 1 to 5 hours a day, but it is possible to work full-time).

The challenges and risks young freelancers faced with are wide-ranging. On the one hand, a positive aspect of such economic activity as freelance is a free schedule, but on the other hand, it is difficult to maintain the readiness to start working immediately, always stay online and at the same time have time to find-accept-process the order. The analysis showed that freelancers experience stress and fatigue due to deadlines, they often have to work at night. Freelancers sometimes have trouble in communicating with clients – they have to seek the compromise solutions if the client is not happy. Fines are the risks – everyone must follow the legislation of the Russian Federation. To have a stable income, young people are constantly learning and improving. The issue of pension provision remains pending.

The following criteria are important for a successful result: professional experience, availability of a stable Internet, readiness for reporting activities. The key features of the activity are the follows:

- responsibilities (search of potential clients; work with clients: mailing, correspondence, consultation and answers to the questions of clients; preparation and rendering of services; advertising of goods);
- behaviors (moderation, ability to handle stress, carefulness, politeness, responsibility);
- knowledge (Word, Excel, Power point, Photoshop, GoogleDocs / Drive, CRM, 1C, HTML/CSS, modX, Wordpress, Joomla, Opencart, Skype, WhatsApp and other programs).

Qualitative analysis showed that the positive side of freelance is the availability of advantageous working conditions: flexible schedule, lack of bond to a particular place. There are no age limits defining a freelancer, but according to the data published in the groups, it is 25-27 years on average. Thus, young people are actively using freelance as a way to build a career. There is a fine line between freelancing and downshifting. For example, a freelancer performs any orders within his competence, and downshifter takes on only the work that he likes and he performs it on the beach or in the mountains. These two areas united by the lack of stability (fixed wages).

Currently, it is more profitable for a freelancer to be self-employed (in the legislation since 2017), he works officially, can accept payments to an ordinary bank card of an individual and also there is a small tax rate: 4% for the provision of services to individuals and 6% for the provision of services to legal entities and individual entrepreneurs (exchange with tax authorities is carried out through the mobile application "My tax" on any device connected to the Internet. Such a tax regime can be applied by both individuals and sole entrepreneurs, but only if they do not have an employer and do not engage other employees. The law on professional tax for self-employed persons was released on January 1, 2019 and it will be valid until 2028 in 4 regions of the Russian Federation [20].

#### IV. DISCUSSION

The results allows for the following conclusion. The initial motivation of young people arranging their economic activity through social networks is to reduce the intensity of economic activity, facilitate labor through information technology via outsourcing, which contributes to the formation of the digital economy, but is not innovative behavior. This issue lies in the field of research not only sociologists but also economists. D. Kahneman and A. Tversky posed a fundamental interdisciplinary problem: how to interpret psychological processes that control human judgment and decision-making based on the analysis of cognitive and situational factors [21]. R. Thaler has analyzed the reasons why some decisions cannot be described by theories of rational choice [22]. These issues are reflected in modern economic theory and psychology, but are not yet sufficiently reflected in Russian economic sociology.

Previously, we noted that an important criterion for distinguishing types of social activity is the area of human life activity, where the activity is performed.

We have identified the criteria of typology of social activity: grouped by the breadth of covering parties in interest and by source of initiative and by time characteristics [23]. We study the economic activity of young people from the perspective of economic sociology. Our study of economic socialization of young people in one of the regions of Russia showed that there is a "globalization" of economic consciousness of young people, while economic socialization is spontaneous. Educational institutions do not cope well with the role of agents of general and economic socialization.[24].

Innovative activity is a complex, constantly changing manifestation which can be viewed as "a sequential cyclic passage of stages that generally describe the life cycle of any innovative product, from the moment of inception to achieving specific economic results while implementing the final innovative solution" [25]. For this purpose, it is necessary to consider openness of society for innovations, social activity and possibilities of the most part of the population to participate in innovative process [26].

We believe that the initial freelancer's motivation to alleviate his work finally does not lead to a decrease of economic activity. Oppositely, freelance in social networks leads to the intensification of labor. Young people have to combine work on the Internet and study, constantly monitor user accounts that lengthens their working day and makes it unnormalized. Previous studies of the authors show that the firmly established forms of innovative behavior have not formed in the Russian Federation, so it is necessary to investigate the economic behavior of actors with experience in the development of innovations and experience in executive innovation decision-making. It is necessary to educe what socio-cultural norms became formed in the process of implementing innovative behavior and what factors play a critical role.

### V. CONCLUSION

Thus, economic practices in social networks combine rational and irrational aspects of economic behavior in the implementation of economic activity of young people. The problem is complicated, as the uncertainty and risks accompanying the processes of economic activity and innovative behavior increase in the implementation of information and communication technologies, information security is under threat. This study is a contribution to the solution of the fundamental problem of theoretical description of economic behavior models of young people in response of the digital economy development.

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