



International Conference of Economics, Finance and Accounting Studies

International Conference of Economics, Finance and Accounting Studies is a double-blind peer-reviewed, open-access journal published to reach excellence on the scope. It considers scholarly, research-based articles on all aspects of economics, finance and accounting. As an international congress aimed at facilitating the global exchange of education theory, contributions from different educational systems and cultures are encouraged. It aims to provide a forum for all researchers, educators, educational policy-makers and planners to exchange invaluable ideas and resources.

Legal Regulation of Labor Relations in the Context of Digitalization

Parvina Abdullaeva

Lawyer in Private enterprise "Shoxrux-binokor quruvchi"

Abstract: *The article explores the concept of freelancing, its legal aspects, government regulation of freelancing, and the legislative gaps related to its regulation.*

Keywords: *Freelance, freelancer, remote work, employer, civil-law contract, employment contract.*

Freelance is a form of labor relations. Freelancers are remote workers who can be located at any distance from the client and complete their work on time. Currently, a freelancer does not commit to a single employer and typically works with multiple clients simultaneously. Freelancers work on a flexible schedule. It is incorrect to categorize as freelancers those who have a flexible work schedule but work outside of staff. If a person works continuously for the same company, even remotely, they are not considered a solo freelancer.

Remote work can be divided into two categories: telework and freelance. The basis for this division is the type of contract concluded with the worker. In telework, an employment contract is concluded, while freelance implies the absence of an employment contract and the use of a civil-law agreement. If an employment contract is concluded, the activities of the "remote" worker are largely similar to remote work, regulated by Uzbek labor legislation. According to Article 26 of the Labor Code of the Republic of Uzbekistan, "home-based workers are persons who have concluded an employment contract to perform work at home using materials, tools, and equipment provided by the employer or acquired at their own expense." This definition does not fully reflect the essence of freelance, and therefore, the legal aspects of freelance are not entirely regulated by Uzbek labor law.

Nevertheless, several types of contracts can be concluded for working with freelancers. One of these is a service contract (Article 703 of the Civil Code of Uzbekistan). When such a contract is concluded, each party has the right to terminate the agreement, provided the initiating party covers the costs of termination. Another agreement is the copyright contract (Article 1067 of the Civil Code of Uzbekistan), which includes terms for the transfer of copyright to the client, either for temporary use or ownership, depending on the agreement between the parties. Another type of freelance contract is a work contract or a service agreement (Article 631 of the Civil Code of Uzbekistan). This contract is used when a company cannot handle a specific workload and hires an

external worker. Under a work contract, one party (the contractor) agrees to complete a certain task assigned by the other party (the client) and deliver the result to the client. The client, in turn, is obliged to accept the result and pay for it.

At the same time, concluding such agreements in cases where the employer lacks detailed and reliable information about the worker's qualifications and reliability poses certain risks. The practice of remote employment in Uzbekistan provides enough examples to draw such conclusions, as situations of opportunistic behavior among workers are quite common. The absence of an employment contract also leads to some risks for the employer when dealing with a freelancer. For example, the client will not be able to exercise control and supervisory functions over remote workers, which are typical in employment relations. Consequently, there is a certain risk of missed deadlines or poor-quality work.

Thus, Uzbek legislation currently provides no commentary on freelancing, making it somewhat unregulated since this type of remote work implies the absence of an employment contract and only a "virtual agreement" between the client and the freelancer. In this context, a sociological study was conducted to determine the awareness of people about freelancing, its pros and cons from the freelancer's perspective. The primary research method was a survey. Respondents included students and recent graduates.

Based on the study, it can be concluded that although freelance is a form of labor relations, it is mainly regulated by civil law norms. Many people fear being deceived and therefore consider it necessary to have legal recognition of remote work. Nevertheless, working without a formal employer is attractive to those who want to earn additional income alongside their main salary or work part-time while studying.

References:

1. Labor Code of the Republic of Uzbekistan. Dated 30.04.2023. <https://lex.uz/docs/6257288>
2. Civil Code of the Republic of Uzbekistan (Part One) dated 01.03.1997 <https://lex.uz/docs/111181>
3. Civil Code of the Republic of Uzbekistan (Part Two) dated 01.03.1997 <https://lex.uz/docs/180550>
4. Ivanova T.A. The Evolution of "Home-based Work" or the Legal Framework of Freelance [Text] / T.A. Ivanova / Labor Law. – 2010. – No. 2. – pp. 20-24.