



Skilled professionals and precarious replaceable labor: *Exploring the career prospects of Serbian freelancers*

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Work on digital labor markets



The last decade saw an explosion of platform work around the globe (Online labor index, 2020). Broadly, platform work can be defined as work mediated by digital platforms that act as multi-sided markets and govern the relationships between the employers, workers, and in some cases customers. Digital labor markets (Srnicsek 2016; Scholz, 2017), facilitate connections between freelancers and clients, regardless of their physical location, enabling the completion of various work tasks (Horton, 2017). They also mediate communication between freelancers and clients and payment processes, as well as providing ranking systems for the evaluation of both.

The platforms' business model of relies on capturing profits through digital intermediation, without ownership of capital or direct employment of labor (Valas & Schor, 2020; Srnicsek, 2017). In this model, workers are treated as independent contractors rather than employees, thus circumventing rights guaranteed by standard working contracts (e.g. Aloisi, 2015; Valas & Schor, 2020). Work conducted on these platforms falls into areas as diverse as software development and technology, creative and multimedia services, clerical and data entry, writing and translation, sales and marketing support, and professional services (Kässi & Lehdonvirta, 2018). The biggest of

these platforms is Upwork (Online labor index, 2020), with other large companies being Freelancer.com, Fiver, and Guru (Kässi & Lehdonvirta, 2018).

Work on digital labor markets is the culmination of broader trends in employment and outsourcing that have emerged in recent decades. Firstly, digitalization of work has enabled the fragmentation and codification of tasks (Hirschi, 2018), which can then be outsourced to freelancers, or "micro providers", across the globe (Lehdonvirta et al., 2019) through the mediation of digital platforms. This allows employers to take advantage of unevenly developed global geography (Graham & Anwar, 2019) through labor arbitrage and outsourcing without costly firm structures (Lehdonvirta, Kässi, Hjorth, Barnard, & Graham, 2019). The considerable oversupply of global labor on digital platforms (Graham & Anwar, 2019) further increases the structural power of employers. Secondly, in line with the general shift to lean business models (Srnicsek, 2016) and reliance on flexible labor, freelancers act as independent contractors instead of as workers (e.g. Aloisi, 2016; Stewart & Stanford, 2017). These freelancers are required to view and manage themselves as enterprises (e.g. Gershon, 2017) whose scarce job opportunities depend heavily on their online reputation (Gandini, 2016).

This transformation of work has also entailed a drastic transformation of the notions of workers' career paths tied to the standard employment relationship (Hirschi, 2018). Previous research (Lehdonvirta, Margaryan & Davies, 2018) indicates that the platforms do not provide workers with support or development opportunities, as would be the case in the standard employment relationship. Rather, freelancers are responsible for their skills development and advancement through self-regulating learning practices,

reputation-building, self-promotion, and management. Although research on the topic is scarce and mostly limited to developed countries, there is a general concern about the lack of options for skills development through the platforms, and various policy interventions are seen as necessary to overcome this issue (Lehdonvirta, Margaryan & Davies, 2018). Accordingly, due to the large oversupply of labor worldwide, fragmentation of work tasks and asymmetry of information, career advancement through platforms remains out of reach for the majority (e.g. Graham & Anwar, 2020; Popiel, 2017). Still, it has been shown that freelancers from global peripheries can earn above-average wages and even scale up to the level of entrepreneurs with the help of platform mediation, which connects them to employers from the West (Lehdonvirta et al., 2019). Thus, these large inequalities of outcomes on digital labor markets demand further attention with regard to how they provide opportunities for career development of freelancers, particularly in global economic peripheries that allow fewer chances for advancement.

As the number of platform workers has been growing worldwide (Online Labor Index, 2020), especially following Covid-19 lockdowns (Online Labor Index, 2020; Payoneer 2020), the question of freelancers' working life trajectories or careers of becomes even more important. This is especially the case in Serbia, a country with with tens of thousands of active freelancers, one of the world's largest numbers of freelancers per capita in the world (Anđelković, Šapić & Skočajić, 2019). Most of these are young and university educated, and, for many this work is not simply a chance to supplement their incomes, but rather their main job (Anđelković et al., 2019). Thus, analyzing the careers of freelancers in Serbia translates to mapping the

skills formation and professional development of a significant part of the country's young skilled labor force that can rely on only limited opportunities in the domestic labor market.



Research agenda

The goal of this paper is to explore how the careers of Serbian freelancers are shaped in the digital labor markets. More specifically, the paper will analyze opportunities for competency development and upward mobility of skilled independent contractors competing on the oversupplied global market. The research will focus on Serbian freelancers on Upwork, the largest digital labor platform. Freelancers' opportunities will be explored through the concept of "boundaryless careers", which is contrasted with career development approaches in the traditional employment relationship. This approach will make it possible to explore the possibilities for the development of skills, networks, and professional identities, as well as for the upward mobility of freelancers in a variety of professions and positions on the market. This paper contributes to the understanding of the conditions of skilled labor in Serbia and the potential prospects for local economic development.

The paper is based in part on materials developed for the author's MA research project (Golusin, 2020). The research relies on both semi-structured interviews and participant observation, conducted in the summer and fall of

2018. The author interviewed 20 Serbian Upwork freelancers working in a variety of industries and with different working arrangements. The author also worked as a freelancer on Upwork in this period and actively participated in online group discussions. However, it must be acknowledged that, although Upwork is the largest freelance platform and the one attracting the most freelancers in Serbia, it is not representative of many Serbian freelancers. For example, online language teachers are excluded from this research, although they represent a large section of the Serbian freelancer population, and their labor process and, consequently, career opportunities differ from those of individuals active on Upwork. Furthermore, most of the interviewed freelancers had relatively steady streams of work, although the majority of registered freelancers never got a single job. This will be emphasized in the analysis.

The paper will be structured as follows. Firstly, the concept of "boundaryless career" will be introduced as an appropriate framework for studying freelancers on digital labor markets and contrasted with the traditional approach to careers. Next, various positions and characteristics of Serbian freelancers' career profiles will be presented. Competencies and mobility prospects associated with the boundaryless career concept will then be analyzed separately. Finally, the paper will conclude with the implications for the career development of Serbian



freelancers.

Boundaryless careers

In the Fordist era, the careers of workers were understood as bounded to the organization (Arthur, 1994), at least in developed countries. That is, for workers in stable employment, their career was seen as advancement up the hierarchical ladder of the company. Most research was focused on management and skilled workers, whose career advancement meant the development of skills and networks within the company, leading to upward mobility within the same company. This advancement consisted of the switch to the higher-complexity work associated with more power, prestige, and greater compensation (Arthur, 1994; Arthur, Hall, & Lawrence, 1989). However, long-term stable employment bounded to an organization has been deteriorating due to the rapid advent of outsourcing, increased labor mediation, as well as the overall flexibility of employment. This trend has been spearheaded particularly by hiring through digital platforms where workers lack any attachment to the organization, often have multiple employers, and work on a piece-rate basis, making their careers independent of the organization but tied to the market (Kost et al., 2019).

The concept of boundaryless careers was introduced to accommodate this change as it portrays the career primarily as the individual's capacity to be mobile both between and within organizations (Arthur & DeFillipi, 1994). The individual is now rather seen as independent from the employer and as someone who self-manages their skills development and career trajectory. The career of the individual is highly dependent on the development of career competencies (DeFillipi & Arthur, 1994). These competencies can be broadly divided into the skills and knowledge that workers develop in specific fields;

building of career networks that provide resources, learning, and reputation; and the development of motivation and professional identity and ability to make sense of constantly changing work agenda, either through work or non-work-related achievements (DeFillipi & Arthur, 1994).

Due to the absence of firm structure and reliance on individual mobility of skilled labor, the boundaryless career theory seems to be an appropriate framework for studying the career paths of freelancers in digital labor markets (Kost et al., 2018). In the following sections, competency development and mobility prospects of Serbian freelancers will be



analyzed through the dimensions of the boundaryless career approach.

Heterogenous profiles of Serbian Upwork freelancers

Freelancers engaged on online platforms are an immensely heterogeneous group working in a variety of industries and possessing different skill levels (Anđelković et al., 2020). Upwork workers in Serbia are active in areas as diverse as software development, graphic design, copywriting, translation, virtual assistance, and data entry (see also Upwork, 2020). The skills required for each of these fields differ significantly. Some freelancers are niche experts in specific software packages, while others do less skilled data entry jobs.

Accordingly, the demand for the various categories of workers and their wages differ significantly, with some earning several times more than the Serbian average wage, and others working for an equivalent of the local minimum wage (Anđelković et al., 2019). Moreover, due to the global oversupply of the Upwork labor force (Upwork, 2020), many freelancers are left without any work. Thus, Serbian freelancers are both entrepreneurs and highly paid labor, as well as precarious workers with poorly paid jobs or none at all (Anđelković et al., 2019). Taken together, this indicates very diverse career development opportunities and outcomes for these freelancers.

Moreover, the interviews with Upwork workers carried out with freelancers in 2018 reveal that freelancing for some represents the main source of income, while for the others it is a supplemented income. Some workers see this work as the opportunity for the development of a professional career or enterprise development, while others see it merely as temporary gig work. This heterogeneity of possibilities and motivations is the key to understanding the following analysis of boundaryless career dimensions.

Skills and knowledge development

Unlike in the standard employment relationship, freelancers working on digital labor platforms lack any institutional support for skills and knowledge development. They enter digital labor markets on their own and apply for jobs immediately. To be able to complete the tasks on the platforms, they are required to have acquired an education, gained working experience, or done independent study. Most of the interviewed freelancers are better educated and have more working experience in their areas of expertise, but many do jobs completely different

from those they have trained for. Those in highly skilled jobs, such as software development, mostly require formal education or significant professional experience to do this work. Still, most of the jobs they do are very specific or fragmented tasks that freelancers have to learn on their own, which they do either by making use of online tutorials or structured paid or free courses, or by gaining practical experience through work.

Due to extremely stiff competition, the interviewed freelancers reported they were constantly forced to update their job and soft skills to remain competitive in the market where they worked for different employers and learned on their own. In their view, working for companies in developed countries gives them access to knowledge, skills, and tools they would otherwise be unable to obtain. Moreover, Upwork provides opportunities for skills testing, which allows freelancers to gain skills and certificates that can be an important asset in the market, and some of the interviewed freelancers have used this opportunity. Freelancers also reported they could learn about new developments in the job market which they had no opportunity to witness in Serbia, and consequently, could develop their careers in the directions that the market demanded. Finally, they can experience the Western business culture and learn how to work and negotiate, which many freelancers consider extremely important for their future careers.

Nonetheless, these advantages of digital labor markets for skills development are reserved only for a minority of freelancers. Most online workers interviewed never managed to get a job, or got only jobs with no potential for skills development. Most freelancers were hired for fragmented tasks of larger projects which they had no access to and thus could not make sense of

their jobs. This research thus revealed some freelancers did not know what their work would be used for. Apart from this, the skills necessary for many jobs are low and entail “clickwork”, which requires no knowledge and provides no learning opportunities. This mostly holds true for those doing administrative jobs, such as data entry or virtual assistance, who find their work repetitive and unstimulating. For these



reasons, some interviewed freelancers reported it was hard for them to develop clear professional profiles or specialize in any one area.

Development of career networks

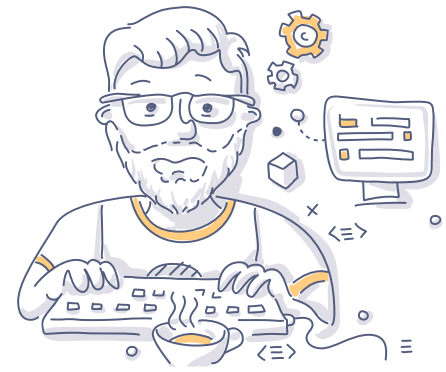
The development of career networks in digital labor markets is different from that in standard employment relationships, because, in the latter workers would create contacts within the firm hierarchy structure or with other workers. These relationships would be facilitated by their embeddedness in organizational structures. Freelancers are left to their own devices in the global market where they connect not only with a variety of employers, but also with other freelancers in online groups.

Freelancers match employers through digital labor markets. According to testimonies, they can establish contacts with employers and companies which can be relevant for their future employment and advancement. This was seen as an especially important aspect by the freelancers interviewed it allowed them to sidestep the restrictions

of the domestic market and chart a course to higher-paying or better-skilled jobs. Further, employers provide feedback on workers, which contributes to determining freelancers' reputation scores. This reputation then increases their chances of getting hired by others, so workers report they are constantly incentivized to create networks and build good relationships with their clients. Still, due to the short-term nature of this work, many employers are not interested in establishing connections with freelancers and just need them for a particular task. Some freelancers thus report minimal communication with clients and an exclusive focus on concrete tasks and payment. Furthermore, many clients are actually also freelancers, who do not provide much potential for future employment. Sometimes these are other Serbian online workers, for whom they do jobs outside of platforms and with no reputational benefits. This was reported by some of the interviewed freelancers, but is also my personal experience. Interviewees also claimed that Upwork actively tried to prevent communication outside of the platform, limiting their options for building external links.

Apart from the platform itself, interviewed freelancers also form online groups where they connect and are thus not completely isolated from each other, although they are not integrated into the same firm structure. These online groups primarily serve as networks through which freelancers exchange resources, such as courses or tools, and through which they provide instrumental help to each other with their tasks. Freelancers also exchange information about legal requirements or changes on Upwork or the global market. Importantly, they also exchange job openings, hire each other, or recommend one another to their clients. Apart from their pure economic utility, these groups act as communities for

their members that provide emotional support and a feeling of camaraderie



which is lacking in freelance work. For the vast majority of the interviewed freelancers, these networks are an important source of initial knowledge, information, and support needed for entry into digital platforms.

Development of professional identities

The development of professional identities and motivations in freelance work differs from that in standard employment because these workers are not tied to the company but individualized freelancers. These individuals compete in the global market and work for multiple employers and on various tasks, and have to develop career paths on their own. Different career identities and motivations related to work are created due to the diversity of the jobs and large inequalities between freelancers.

This brief research has shown that those who already possess a skill set that is in demand and have no problem finding work in their area also manage to shape their professional identities and conceive of themselves as professionals in certain fields. This is especially true for those who already have work offline and see platforms as an extension of their careers where they learn new skills and stay competitive in the market. Some of the interviewed freelancers who managed to build independent

businesses outside of platforms see themselves as entrepreneurs and find motivation in developing their enterprises and scaling them up. Still others find the meaning of their work in developing their skills and becoming professionals. For the majority of those whose main source of income comes from the platform and who have no trouble finding jobs, motivation and meaning are found in independence and flexibility associated with the freelance lifestyle rather than only in work itself.

However, for the vast majority of freelancers who do lower-skilled jobs, the development of a professional identity in the narrow sense is very restricted or completely prevented. The interviewed freelancers do miscellaneous, fragmented, and poorly understood tasks that rarely relate to each other or their skills or desired career. As such, the jobs they do are alienated from them and they do not manage to develop any coherent professional identity or work-related motivation apart from bare survival. Furthermore, the lack of physical contact, communication with clients, and an organizational collective further diminish opportunities for the development of professional identity, as freelancers feel isolated and completely at the mercy of market forces. Nevertheless, most of those interviewed find meaning in extra-work activities provided by flexible working hours which the platforms allow them.

Career mobility of Serbian freelancers

Upward mobility in traditional employment meant advancement up the company ladder accompanied by higher pay and positions with progressively more responsibility. As freelancers are independent contractors working for multiple employers on the digital labor market, the types

of mobility available to them differ. There are several ways in which online freelancers can achieve mobility in the labor market: achieving a better market position on the platform, starting to work for a single employer, or becoming an entrepreneur.

Firstly, freelancers can employ their acquired competencies to get higher-paying jobs from different employers in the digital labor market. This is the path taken by the majority of the interviewed freelancers for whom platform work was the sole source of income. As they developed skills, portfolios, online reputations, connections, and identities, the most competitive ones could switch between different employers and jobs relatively freely. The second identified mobility path is employment for a single client within or outside of the platform. This has been the case with several interviewed freelancers, who used the opportunity to escape the volatility of online labor markets and secure stable incomes. A few freelancers who worked for small companies also managed to integrate into the firms' hierarchies and get positions requiring more skill and delivering greater pay. Next, a goal for many Serbian freelancers is to acquire skills and connections in the digital labor markets that would allow them to start their businesses outside of the platforms, provide services independently, and advance to the status of entrepreneurs. Doing so would permit them to circumvent the rent taken by the platforms, earn much more, and be able to independently develop their career paths, as they would no longer be solely dependent on job demand on the platforms. However, this research has shown that such an outcome is very rare, and most of those who get jobs on Upwork remain on the platform.

Again, these mobility paths are restricted only to a minority of freelancers. Firstly, as most registered

freelancers reported never getting a single job, and the majority only managing to work for a few clients, it is very difficult to speak of general mobility. Secondly, even those interviewed freelancers who succeeded in getting jobs were restricted to searching for various short-term tasks, since most employers do not seek long-term employees on Upwork. Finally, starting an enterprise is still reserved only for a minority with specific skills and market positions.

Summary



What career development opportunities are open to Serbian freelancers? This analysis has demonstrated extremely large asymmetries in boundaryless career prospects among online freelancers in Serbia. The main finding is that platforms empower career development for a minority, while, for the majority, competition in the global labor market, flexibility, and the lack of boundedness to a firm mean precarity and failure to acquire skills, connections, or professional identities.

The platform workforce is extremely heterogeneous in terms of backgrounds, jobs, and opportunities on digital platforms. This is reflected on the various outcomes in the development of competencies and mobility as defined in the boundaryless career approach. Skills development is a realistic possibility for some due to the competitive nature of the work and access to up-to-date market dynamics and online resources. Still, some

jobs require previous education or experience that give workers skills they can then improve on, and most jobs do not provide any skill development opportunities at all. Work on many fragmented tasks might not only stifle skills development, but also lead to detachment from the skills needed for longer-term jobs and projects. Some freelancers are able to network for the purpose of finding jobs, support, and learning. Networks can serve as tools for breaking through the barriers of local labor markets and taking advantage of opportunities provided by the online global market. Still, networks formed in online groups are fragile, distant, and can only have a limited impact on individuals through learning, but not through connecting and organizing. For the majority, isolation from other online workers and a lack of opportunities to match with employers rather mean they lack networks and, thus, job opportunities and support (Kost et al., 2019). Accordingly, the development of coherent professional identities and motivations related to work is reserved for a minority who can develop certain skill profiles and are able to autonomously function on platforms. For the majority, however,



this entails the complete fragmentation of professional identities and the shift of focus on the precarious struggle for available jobs, which can further diminish their chances in offline labor markets (Graham et al., 2017; Kost et

al., 2019). These different outcomes in competency development translate to enhanced career mobility opportunities in forms of higher competitiveness, stable employment, or entrepreneurship for minority, and stagnation or downgrading for the majority. Thus, the link between the boundaryless employment opportunities for independent skill development and career advancement proposed by the boundaryless career approach is only partially confirmed in this case.

Discussion

It is clear that the promise of individual career-building on platforms, released from the constraints of organizations and local labor markets, is overstated and represents more of an exception than the rule. For the majority of freelancers, platform work leads not only to precariousness in terms of irregular income and lack of social protection (e.g. Anđelković et al., 2019), but also to a lack of opportunities for upward mobility and development of key competencies needed for finding jobs in the future. These trends reveal a polarization between a replaceable digital precariat (Huws, 2014), doing codified and automated tasks, and professionals with developed skills and significant opportunities for mobility.

These findings indicating large inequalities on platforms generally align with the previous research on the topic. Still, the Serbian context differs from that of developed countries, which have strong domestic labor markets with many opportunities for competency and career development, and where digital labor markets are relatively less desirable employment choices. Domestic labor market opportunities in Serbia are limited and platforms provide ways not only to earn higher incomes but also to develop skills and networks and build careers. These skills and

knowledge transfers from developed countries, as well as opportunities to connect with employers for the purpose of building client networks, are an important point of departure in the Serbian case, as these were among the central motives reported by the freelancers interviewed.

Therefore, despite the large inequalities in opportunities between digital platform freelancers in Serbia, the very size of the freelance population and the existence of skills and career development prospects suggest the importance of this type of work in the local context. It is twofold: firstly, it incentivizes development of workers' skills and is thus important in terms of freelancers' outcomes at the



individual level. Secondly, by creating opportunities for a well-educated workforce to be better paid and have meaningful career opportunities, platforms alleviate the pressure of the "brain drain", a major challenge faced by Serbia and the region.

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