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THE MECHANISM OF FREELANCE STATE ADMINISTRATION

Freelance in Ukraine may be partly attributed to the informal economy, because it is hidden from official statistics. This situation arises because of imperfect freelance state administration in Ukraine. The purpose of state administration is to ensure freelance providing the special environment for its development. It is impossible to ensure the highest level of freelance activity effectiveness in terms of national economy without the development of an effective state administration mechanism.

The purpose of the article is connected to the development of state administration mechanism for freelance.

Therefore, we have developed mechanism of freelance state administration, which is represented in five steps:

1. The state freelance activity management system formation.
2. The evaluation of freelance activity condition.
3. The evaluation of the state freelance activity management condition.
4. The development and the implantation of state freelance activity management instruments.
5. Monitoring of freelance activity condition and the efficiency of the state management.

In our opinion the system of freelance state administration includes the following elements: purpose, tasks, subject and object of the state management functions, principles, methods, tools and means of state freelance administration.

Within the system of freelance state administration we suggest the following principles: the purposefulness, planning, competence, consideration of interests and needs, effectiveness, the principle of permanent management tools improvement.

Assessment of freelance is possible to be realized using following methods:

- sociological surveys of freelancers and customers of freelancer's services;
- expert assessment of freelance;
- analysis of statistical researches results.

The most accurate method is the analysis of statistical researches results, but nowadays, that method is not possible, because the methodology of statistical research in Ukraine does not identify freelancers as a separate subgroup. We recommend the providing of appropriate changes in regulatory framework of freelance counting or periodic statistical observations. The development of these changes will provide the necessary results of statistical research in order to ensure complex evaluation of freelance state administration and its development.

It makes sense to analyze the accordance of legal and regulatory basis of freelance field to modern principles and conditions.

Tax pressure in a form of required accounting and reporting, significant amounts of taxes and inflexible system of tax payments are the causes of freelance low legalization. In order to develop freelance activity and increase it's legalization it is necessary to develop and implement stimulating policies that will include a system of measures and tax incentives, for example: the zero tax rate for freelance activity in a period of training, retraining or qualification changes; zero tax rate for freelance activity when the level of income is lower then the minimum wage.

For the "freelancers-beginners" tax instruments should be characterized with high loyalty, but for freelancers with higher income – with simplicity and flexibility, in order not to create significant barriers for officially registered freelancers that may be considered as business entities. An effective and simple tax system will improve the freelance legalization.

The reasonable use of the developed mechanism is connected to the provision of favorable conditions for the development of freelance activity in Ukraine and

increasing of freelance legalization level, as a result, the development of that kind of activity will have a positive influence on the economy and will allow to improve such indexes as unemployment level, outflow of qualified employees abroad, GNP etc.

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