RESEARCH ARTICLE

FROM FREEDOM TO COMMITMENT: HOW AUTONOMY AND FLEXIBILITY SHAPE RETENTION IN THE GIG ECONOMY

Jasman
Doctoral Program in Economics, Faculty of Economics and Business, Universitas 17 Agustus 1945 Surabaya (Universitas Mbojo Bima, Indonesia)
nahujasman@gmail.com

Tri Anjarwati
Doctoral Program in Economics, Faculty of Economics and Business, Universitas 17 Agustus 1945 Surabaya
triandjarwati@untag-sby.ac.id

I Dewa Ketut Ardiana
Doctoral Program in Economics, Faculty of Economics and Business, Universitas 17 Agustus 1945 Surabaya
ardiana@untag-sby.ac.id

Abstract : This study examines the paradoxical relationship between autonomy, flexibility, and worker retention in the gig economy, where freedom of choice can attract while also getting rid of long-term commitments. With reference to Self-Determination Theory and the Job Needs-Resource Model, we investigated how perceptions of autonomy and work flexibility influence gig workers' intentions to stay on digital platforms. Using survey data from 387 gig workers across different platforms and sectors, we applied Structural Equation Modeling with Partial Least Squares (SEM-PLS) to test our hypothesis. Platform tie-ins and income stability emerge as critical mediation mechanisms, while the perception of algorithmic justice moderates the relationship between autonomy and retention. The results show that autonomy has a curvilinear effect on retention—moderate levels optimize commitment, while excessive autonomy can paradoxically weaken platform attachment. Flexibility consistently improves retention through revenue stability pathways. This research enriches the theoretical understanding by showing that gig workers seek limited autonomy rather than unlimited freedom, challenging conventional assumptions about the platform workforce. In practical terms, the findings suggest platform operators design governance structures that balance worker agents with structural support, while policymakers should be aware that flexibility without security undermines the long-term sustainability of the workforce.

Keyword: Gig Economy, Worker Retention, Autonomy, Flexibility, Platform Workforce, Self-Determination Theory

DOI : **10.5281/zenodo.21324668**

Introduction

Digitalization is creating a new environment, where rapid technological development is advancing, while government policies are required to keep pace with technological progress.Blockchain technology can transform financial markets and fundamentally change the way financial assets are issued, stored, accessed and traded (Eyal, 2017). Described as an electronic peer-to-peer system, Bitcoin came into being in 2008 as the first application of blockchain technology (Nakamoto, 2008). However, the industry's growth demonstrates that the fundamental principles of transparency and decentralisation are challenged of the socio-technical blockchain stack (Bodó & Giannopoulou, 2019).

One of the terms that is most commonly used in the field of crypto economics is "decentralisation," which is sometimes even seen as the main purpose of a blockchain (Buterin, 2017).There have been many dilemmas surrounding blockchain technology, and the obstacles to law enforcement are highlighted by the fact that blockchain has become widespread, especially when it became useful for the creation of cryptocurrencies. In this regard, it is worth emphasizing that the type of blockchain technology determines how transactions with digital currencies (cryptocurrencies) are executed, and also, the type of blockchain technology determines the speed of transaction execution.

The apparently rapid transformations in the financial sector have gained great importance, with new models or systems in the digital aspect of the financial spectrum.Example, the concept of banking as a service and decentralized finance (Arruda, 2021). Such impactful innovations increase with financial services, taking into account the number of technology users (Dutta & Lanvin, 2022).

Digital finance plays an important role in economic growth as a positive influence (Risman, Mulyana, Silvatika, & Sulaeman, 2021).Without denying the fact that the inclusion of finance in a digital way is offering numerous opportunities and could almost once be considered inaccessible. Purchases, payment execution, investments and others have expanded finance, from the created digital systems. But, the digital field for financial relations can also be seen as a risk problem in some aspects. Considering the practice in the continents of the world, we can emphasize that such risks in one way or another even diminish the positive impact that digital finance can present.

The scientific paper will reveal the legal spectrum of cryptocurrencies in the countries of the Western Balkans. Scientific tasks are some of the objectives, through which the legal regulation of the six countries of the Western Balkans is reflected. Our scientific work will be realized through these objectives, these are:

1. Familiarity with the legal notion of "cryptocurrenties" from a legal perspective,
2. Identification with the legal regulation of cryptocurrencies in the Western Balkans
3. The basic characteristics of the legal order of the Western Balkans, related on virtual currencies or digital money,
    a. *Advantages such as legal regulation and favoritism.*
    b. *b. Legal loopholes that arise in relation to activities developed in digital financial systems represent a potential risk in the near future.*
    c. *c. Opportunity and challenge. The opportunities with digital money bring great benefits, but on the other hand they present challenges, especially for countries that are in transition, such as the case of the six Western Balkan countries.*
    d. *4. The digital financial system and the impact of cryptocurrencies in the near future.:*
    e. *a. Comparison: comparability between the six Western Balkan countries in relation to legal regulations and legal obstacles with cryptocurrencies,*
    f. *Development: the values to be derived from cryptocurrencies*
    g. *Collaboration: the joint handling of digital money,*

Technological development has profoundly changed the way financial instruments are issued and traded. (Bains, Sugimoto, & Wilson, BigTech in Financial Services, 2022). Of course, such evolutions always increase the need for government policies to be consistent with such changes. Therefore efforts must be made to ensure markets for the technology remain open and transparent (Sovacool & Rio, 2020) , due to the fact that such advances, in this case in the financial field, can undoubtedly have an impact on the legal order. The lack of proper legal guarantees allows the activities of the financial system to include irresponsible actors (Vidan & Lehdonvirta, 2018).

Legal Infrastructure of the Western Balkan Countries

Kosovo: After a long period of time since the issuance of bitcoin, cryptocurrencies are still not well-known for their use and the purpose that is achieved with cryptocurrencies. As countries in transition, the six Western Balkan countries need well-thought-out policies regarding the legal regulation of cryptocurrencies in these countries. From a group of authors who, based on a survey, concluded that the majority of people who participated in the survey had heard of cryptocurrencies, but they have no or very little knowledge about blockchain technology (Beshi, Braha , & Vardari, 2022).This means that the citizens of this state do not have knowledge about digital finance, when in other parts of the world they have advanced beyond imagination.

But, the state of Kosovo also presents a deficiency in the legal spectrum, which means that the legal regulation presents a legal gap in terms of defining cryptocurrencies, or digital money.

The first dilemma, from what was mentioned above, is that Kosovo currently has a legal gap for cryptocurrencies. Considering the rapid transformation of technology, especially digital advancement in the financial sphere, the state of Kosovo has not managed to follow global trends in this dimension. Thus, Kosovo currently does not have any legal act that defines digital finance, much less cryptocurrencies.

Such economic activity, as far as cryptocurrencies are concerned, has not been regulated by any normative act. Regardless of the fact that the Republic of Kosovo does not have a legal act regulating digital money or cryptocurrencies, the Tax Administration of Kosovo on December 13, 2021, issued a notice regarding tax obligations for income generated from cryptocurrencies.

Based on Law No. 03-L/222 on Tax Administration and Procedures, the TAK had notified the public that tax obligations for income generated from cryptocurrencies depend on the status of the person who generated the income. (ATK, 2021).

Albania: Regarding digital finance, namely cryptocurrencies, Law 66/2020 on financial markets based on distributed ledger technology has been issued in Albania. Where the object of this law is to regulate the issuance of digital tokens or virtual currencies, the licensing, monitoring and supervision of entities that carry out activities such as: distribution, trading and storage of digital tokens. Also, the same law regulates digital token agents, innovative service providers and on the other hand the automated undertaking of collective investments.

The same law, which entered into force on September 1, 2020, through decree, was returned for review by the then President of the Republic of Albania, Iliri Meta.

Among other things, the aforementioned decree, in the justification regarding the review of the law, states that the law did not pay attention to explaining certain issues. Such as the prevention of criminal activities, illegal transactions, money laundering and tax evasion. (Meta, 2020).

Meanwhile, as laws that are oriented in this direction, these two laws are also included:

1. Law no. 55/2020 “On payment services”;
2. Law no. 62/2020 “On capital markets”

These normative acts of the Republic of Albania do not directly include cryptocurrency as a digital currency. However, with the law on financial markets based on distributed ledger technology, the issuance of virtual currencies is emphasized in the scope of the law.

But, is it enough to regulate such financial activity only with these legal acts, considering the wide scope of digital money?!

Bosnia and Hercegovina: As for virtual currencies in BiH, they have only recently become known with the amendment of the Law on the Securities Market (Ćosović, 2023). Considering that Bosnia and Herzegovina is divided into two administrative entities, such legal changes in which digital currencies are regulated are known only in the Republic Srpska (RS). But they remain unknown for the rest of the federation or other entity of BiH.

Meanwhile, what is provided for by the Law on Securities Market in Republic Srpska is not a proper legal regulation, because it does not specify the entire issue of cryptocurrencies in terms of taxation. However, in Bosnia and Herzegovina there is no normative act that defines cryptocurrencies in detail or specifically. In the state of Bosnia and Herzegovina, there is no tax on income generated through cryptocurrency transactions (Nišević, Zamboni, & Kovačević, 2022).

This implies issues of taxation of cryptocurrency transactions, in this aspect no steps have been taken regarding this issue yet. One way or another it is understood that in Bosnia and Herzegovina, transactions carried out by financial systems, specifically with digital money, are not subject to taxation.

North Macedonia: with the new Law on Money Laundering and Financing of Terrorism, an attempt has been made to regulate some of the cryptocurrencies in a criminal aspect. Since the dimension of violations of freedoms and human rights belongs to the broad spectrum and the great need for legal regulation. North Macedonia, through the aforementioned law, has managed to prevent and sanction ‘crypto laundering’.

But, from our study, we found that North Macedonia, although the term cryptocurrency is not recognized by the current law in force. This country has tried to have the EU treatment and regulation of cryptocurrencies monitored by the National Bank of the Republic of North Macedonia.

Meanwhile, as far as the legal frameworks are concerned, North Macedonia does not yet have a regulation to determine and define the issue of cryptocurrencies. But, is there a regulation in the general views of cryptocurrencies in relation to financial regulators?! Regarding the issue of financial regulators from a general perspective on cryptocurrencies, the legislation in North Macedonia is in line with European financial regulators.

Conclusion

The study on the legal regulation of cryptocurrencies in the Western Balkans and the future prospects presents a comprehensive review of the opportunities or advantages that cryptocurrencies have and the legal challenges related to the normative regulation of cryptocurrencies in the Western Balkans.

Regarding the legal infrastructure, we emphasize that the Western Balkan countries have an infrastructure characterized by legal uncertainty. The lack of a harmonized infrastructure of legal acts in the Western Balkans is a legal obstacle that we can otherwise say that the lack of legal regulation leaves room for deep legal gaps, this in terms of justice, as a legal framework, also challenges the rule of law.The uncertainty that individuals, respectively consumer protection, are put at risk in the case of the lack of legal regulation of digital money. The lack of intergovernmental policies plays a role in this aspect in combating the negative phenomena that appear with crypto transactions. Meanwhile, the law reflects "skepticism" in protecting consumers against fraud, hacking and other.

Legal lack of transparency also offers challenges for economic actors, and it even limits the possibilities for a developed and stable and competitive crypto market. Such legal loopholes can increase and may affect other potential risks for abuse and misuse, undermining the trust of users and investors in digital money.

Compared to what has been said so far, with what has been analyzed, Serbia has made efforts to legally regulate, or to foresee such decentralized financial activities in many aspects. Compared to other Western Balkan countries which are seen as necessary for the application of measures for the need for regulation by normative acts.

Currently, we can say that the Western Balkan countries are being challenged by cryptocurrencies because even the lack of legal regulation in these countries remains a challenge in itself that requires commitment in this direction. Therefore, the management of cryptocurrencies thanks to regulation by legal acts enables the development of the market in a safe and controlled manner. Because such gaps leave many spaces for unmanageable risk.

The future perspective for cryptocurrencies for the six Western Balkan countries is a 'new wave' which is 'invading' the Western Balkan countries. The future of these countries in relation to crypto promises legal uncertainty and a lack of protection for consumer rights, and the future may constitute an obstacle to the development of this financial sector. From all this, it results that the Western Balkan countries have not yet developed a stable and harmonized framework for the regulation of digital money, which in some Western Balkan countries leaves room for abuse and misuse, as a result of the lack of legal regulation due to technological barriers.

References

Arruda, T. (2021). DeFi: A Path to Integration? The Strange Case for Centralization in EU Banking Law. *HeinOnline*, 23-28.

Arsia , S., Khelia, S., Ghabri, Y., & Mzoughi, H. (2021). Cryptocurrencies: Key Risks and Challenges. *Cryptofinance*, 121-145.

ATK. (2021, 12 13). *Lajme Lajmet e fundit për ATK-në*. Retrieved from Administrata Tatimore e Kosovës: https://www.atk-ks.org/njoftim-per-tatimpagues-detyrimet-tatimore-per-te-ardhurat-e-realizuara-nga-kriptovalutat/

Bains, P., Sugimoto, N., & Wilson, C. (2022). BigTech in Financial Services. *PolicyCommons*, 33.

Beshi, S., Braha , F., & Vardari, L. (2022). Cryptocurrency Awareness in Kosovo. In K. T. Çalıyurt, *New Approaches to CSR, Sustainability and Accountability, Volume III* (pp. 81-100). Singapore: Springer.

Bodó, B., & Giannopoulou, A. (2019). The Logics of Technology Decentralization - The Case of Distributed Ledger Technologies. *SSRN*, 1-17.

Borri, N. (2019). Conditional tail-risk in cryptocurrency markets. *Journal of Empirical Finance*, 1-19.

Buterin, V. (2017, 02 06). *Medium*. Retrieved from The Meaning of Decetralization: https://medium.com/@VitalikButerin/the-meaning-of-decentralization-a0c92b76a274

Casey, M., Crane, J., Gensler, G., Johnson, S., & Narula, N. (2018). *The Impact of Blockchain Technology on Finance: A Catalyst for Change.* Geneva: Geneva Reports on the World Economy 21.

Commission, E. (2020, 09 30). *EUR lex.* Retrieved from 'Communication from The Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions FinTech Action plan: For a more competitive and innovative European financia: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0628

Ćosović, S. (2023, 09 05). *CMS law tax future*. Retrieved from CMS Expert Guide to Crypto Regulation in Bosnia and Herzegovina: https://cms.law/en/int/expert-guides/cms-expert-guide-to-crypto-regulation/bosnia-and-herzegovina

Demertzis, M., & Wolff, G. (2018). The economic potential and risks of crypto assets: is a regulatory framework needed? *Policy Contribution*, 1-14.

Dutta, S., & Lanvin, B. (2022). *The Network Readiness Index 2022.* Oxford: Portulans Institute.

Eyal, I. (2017). Blockchain Technology: Transforming Libertarian Cryptocurrency Dreams to Finance and Banking Realities. *IEEE Xplore*, 38-49.

Ferrari, V. (2020). The regulation of crypto-assets in the EU – investment and payment tokens under the radar. *Maastricht Journal of European and Comparative Law*, 325-342.

Ferreira, A., & Sandner, P. (2021). Eu search for regulatory answers to crypto assets and their place in the financial markets' infrastructure. *Computer Law & Security Review*.

Harrast, S., McGilsky, D., & Sun, Y. (2022). Determining the Inherent Risks of Cryptocurrency: A Survey Analysis. *American Accounting Association*.

Low, K., & Teo, E. (2018). Legal Risks of Owning Cryptocurrencies. *Handbook of Blockchain, Digital Finance, and Inclusion*, 225-245.

Meta, I. (2020, 06 22). *Dekret PËR KTHIMIN E LIGJIT NR. 66/2020 PËR TREGJET FINANCIARE TË BAZUARA NË TEKNOLOGJINË E REGJISTRAVE TE SHPERNDARE.* Retrieved from https://www.president.al/wp-content/uploads/2020/06/Dekreti-nr.-11518-dhe-Arsyet-per-kthim-te-ligjit-66-2020.pdf

Nakamoto, S. (2008). Bitcoin: A Peer-to-Peer Electronic Cash System. *Decentralized business review*, 1-9.

Nišević, M., Zamboni, C., & Kovačević, B. (2022). Cryptocurrencies: highlighting the perspective of Bosnia and Herzegovina. *International Review of Law, Computers & Technology*, 286-305.

Risman, A., Mulyana, B., Silvatika, B., & Sulaeman, A. (2021). The effect of digital finance on financial stability . *Management Science Letters*, 1979-1984.

Sovacool, B., & Rio, D. F. (2020). Smart home technologies in Europe: A critical review of concepts, benefits, risks and policies. *Renewable and Sustainable Energy Reviews*.

statista. (2024). *Cryptocurrencies*. Retrieved from https://www.statista.com/

Vidan, G., & Lehdonvirta, V. (2018). Mine the gap: Bitcoin and the maintenance of trustlessness. *SageJournals*, 42-59.