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## The Collaborative Economy in Action: European Perspectives

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## European Perspectives

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## The Collaborative Economy in Action: Context and Outline of Country Reports

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## Introduction

The book titled *The Collaborative Economy in Action: European Perspectives* is one of the important outcomes of the COST Action CA16121, *From Sharing to Caring: Examining the Socio-Technical Aspects of the Collaborative Economy* (short name: *Sharing and Caring*; [sharingandcaring.eu](http://sharingandcaring.eu)) that was active between March 2017 and September 2021. The Action was funded by the European Cooperation in Science and Technology – COST ([www.cost.eu/actions/CA16121](http://www.cost.eu/actions/CA16121)). The main objective of the COST Action *Sharing and Caring* is the development of a European network of researchers and practitioners interested in investigating the collaborative economy models, platforms, and their socio-technological implications. The network involves scholars, practitioners, communities, and policymakers. The COST Action *Sharing and Caring* helped to connect research initiatives across Europe and enabled scientists to develop their ideas by collaborating with peers. This collaboration opportunity represented a boost for the participants’ research, careers, and innovation potential.

The *Sharing and Caring* network opened new opportunities for 312 participants involved in four working groups, five task forces, and coming from 39 different countries, including 37 European countries and two partner countries (Georgia and Australia). The participants had very diverse backgrounds, from human-computer interaction, computer science, sociology, geography, and business to law and political sciences. Scholars collaborated with practitioners, industry representatives and community activists in studying the collaborative economy phenomena through a practice-focused approach. More than 120 short stories were collected by the participants, as well as 15 in-depth ethnographic case studies. The members of the COST Action assembled a list of bibliographic resources on the collaborative economy and a directory including organizations, scholars, and activists involved in the collaborative economy. The four Working Groups focused on: examining collaborative economy practices and communities (WG1) and digital platforms in use (WG2), studying the impacts of the collaborative economy (WG3), and identifying mechanisms to activate and support the collaborative economy (WG4). The participants of the COST Action organized two Training Schools: one in Funchal, Madeira, in November 2017, and one in Aarhus, Denmark, in August 2019, bringing together scholars, experts, and activists with more than 50 early career researchers. Thirty-eight researchers were supported to travel for Short Term Scientific Missions, 26 early career researchers from Inclusiveness Target Countries received financial support for their participation in international conferences, and 7 participants benefited from virtual mobility grants.

The main aim of this book is to provide a comprehensive overview of the collaborative economy (CE) in European countries with a variety of its aspects for a deeper understanding of the phenomenon as a whole. For this reason, in July 2017, an open call for country reports was distributed among the members of the COST Action *Sharing and Caring*. Representatives of the member countries were invited to produce short country reports covering: definition(s) of the CE; types and models of the CE; key stakeholders involved; as well as legislation and technological tools relevant for the CE. Submitted reports varied in length and regarding the level of detail included, in accordance with how much information was available in each respective country at the time of writing. Editors of the book have compiled these early reports into a summary report, which was intended as a first step in mapping the state of the CE in Europe. The *Member Countries Report on the Collaborative Economy*, edited by Gaia Mosconi, Agnieszka Lukaszewicz, and Gabriela Avram (2018) that was published on the *Sharing and Caring* website, represented its first synergetic outcome and provided an overview of the CE phenomenon as interpreted and manifested in each of the countries part of the network. Additionally, Sergio Nassare-Aznar, Kosjenka Dumančić, and Giulia Priora compiled a *Preliminary Legal Analysis of Country Reports on Cases of Collaborative Economy* (2018).

In 2018, after undertaking an analysis of the previous reports' strengths and weaknesses, the book editors issued a call for an updated version of these country reports. Prof. Ann Light advised the editorial team, proposing a new format for country reports and 4000 words limit. The template included: Introduction, Definition, Key Questions, Examples, Illustration, Context, Developments, Issues, Other Major Players, and Relevant Literature. The new template was approved by the Management Committee in October 2018. The task force that had supported the production of the first series of country reports (Dimitar Trajanov, Maria del Mar Alonso, Bálint Balázs, Kosjenka Dumančić, and Gabriela Avram) acted as mentors for the team of authors in



each country. The final reports arrived at the end of 2018, bringing the total number of submissions to 30 (twenty-nine European countries plus Georgia). A call for book editors was issued, and a new editorial team was formed by volunteers from the participants of the COST Action: Andrzej Klimczuk, Vida Česnuitytė, Cristina Miguel, Santa Mijalche, Gabriela Avram, Bori Simonovits, Bálint Balázs, Kostas Stefanidis, and Rafael Laurenti. The editorial team organized the double-blind reviews of reports and communicated to the authors the requirements for improving their texts. After reviews, the authors submitted updated versions of their country reports providing up-to-date interdisciplinary analysis on the state of the CE in 2019, when the reports were collected. During the final phase, the chapters were again reviewed by the lead editors together with all editorial team members. At the time, the intention was to update these reports again just before the end of the COST Action *Sharing and Caring* in 2021 and to produce a third edition. However, the COVID-19 pandemic changed these plans. Thus, this final volume was created by 82 scholars—editors and contributors—and consists of reports on 27 countries participating in the COST Action.

This chapter is organized as follows. First, a short overview of the basic theoretical approaches to CE is presented. Further, the structure of the book is discussed in detail, and the text closes with a summary.

## Defining the Collaborative Economy Phenomenon

The term *collaborative economy* (CE) itself is relatively new, and according to the European Commission, the term is used interchangeably with the term *sharing economy* (SE). The term SE was frequently used when early models, such as Airbnb or ZipCar, appeared and gained popularity, especially in the United States, but it was afterwards substituted with the term CE in the European contexts. The country reports in this collection often use the two terms interchangeably, further illustrating the fact that a generally agreed definition is still missing. However, the ambition driving the term CE is to create specific European economic models with greater emphasis on the community's involvement. In Europe, it is still the case that the definition of the CE and SE remains fuzzy, including both non-profit and for-profit models, supported by both monetary and non-monetary exchanges among participants. The phenomenon is complex, covering various fields of activity, as well as operating at various levels, ranging from the international to the national, regional, and local. Some definitions focus mostly on sustainability, while others highlight technological and financial aspects and business models specific to the phenomenon.

The examples included in this book describe both aspects of the phenomenon. The collection speaks to the business side of the peer-to-peer exchange and the use of intermediary digital platforms, as well as to a variety of bottom-up civic initiatives that aim at promoting new societal values among society members without a direct economic benefit. Both for-profit and non-profit stakeholders are taking part and pushing forward the phenomenon, exploring challenges and opportunities offered by the expanding intersection between the development of information and communications technologies (ICTs) infrastructure and societal needs. In presented reports, national, regional, and local governments frequently come up as crucial stakeholders involved in the development of the CE, especially when it comes to laws and regulations.

## The Book's Structure

The book consists of 27 main chapters. Each chapter gives a perspective on the situation of the CE and SE in the following countries: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, France, Georgia, Germany, Hungary, Italy, Lithuania, Luxembourg, the Netherlands, the North Macedonia, Norway, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom. The chapters in the book are arranged in the alphabetical order of countries' names. The authors of the chapters were asked to give the titles of their chapters that highlight the most important aspects of the CE in the respective country.

Moreover, the authors of the chapters were asked to follow a standard template during the preparation of the country report. Thus, each chapter includes the following sections:

- Introduction: A national overview in a 6-8 lines summary, detailing the priorities and state of the art of CE in that country.
- Definition of the CE: Details on any definitions used in the country, for instance, in government reports or grey literature; alternatively, what are the terms used in particular contexts.
- Key Questions: Any key question(s) worth asking in the country that reveals how the area is approaching (or hoping to approach) CE.
- Examples: At least 4-6 major CE local players giving a flavour of the home-grown contribution, with a line of the description and a URL (where existing), notes about platforms and their design.
- Illustrations: Visuals about CE market shares and/or activities, with a caption.
- Context: National legislation affecting major players (e.g., Airbnb or Uber): tax law, labour law, consumer law, property law, transportation law, regulation on tourism, other relevant regulations. Also, any existing national and regional practices that give a particular quality to the initiatives appearing locally, such as old beliefs or customs about sharing.
- Developments: Information on growth areas or rapid changes for the country, with a description of challenges and opportunities.
- Issues: General issues that are particularly interesting for how they are being handled in a country (e.g., sustainability and privacy); how is sharing and collaboration understood in ordinary life and civil society, for example, the general sharing practices and mentality.
- Other Major Players: Academic research; unions or organizations that are looking at workers' concerns, commercial lobbying groups, membership organizations, etc.
- Relevant Literature: A bibliography of reports and papers that would support further interest.

The latter sections of the country reports differ greatly from country to country. This is because the CE is currently unevenly developed in European countries, and authors reporting on one country or another have been challenged to find the appropriate information for the report. In any case, contributions cover the above-mentioned

participating countries and constitute a comprehensive volume for the analysis of the phenomenon of the CE.

## A Brief Outline of the Book's Chapters

In the first chapter, *Current and Prospective Expansion of the Sharing Economy in Albania*, Eglantina Hysa, Alba Demneri Kruja, and Vera Shiko start with the description of two strategies (CoM 2009; MIPA 2014) implemented a decade ago by the government and a few additional legal documents that contributed to the modernization of the digital market and e-services, as well as the SE development in the country. Currently, some selected sectors are more involved in the SE: agriculture, healthcare, tourism, accommodation, and transportation. Though, SE perceived as social innovation is subject to some limitations and barriers in the country. It is mostly because of lack of experience, but also because the SE concept is considered as unclear, the lack of transparency, the challenge of missing regulations and clear operating standards. At the same time, Albania, as a relatively small, post-communist country, which until now was categorized as a transitory one, has a great potential for the development of the SE in the future.

In the chapter, *Country Report on the Collaborative Economy in Austria*, Malte Höfner and Rainer Rosegger state that the CE is mainly characterized by activities in the accommodation sector as part of tourism and platforms connected to financial services (Behrendt et al. 2017). These two sectors are extremely important for Austria. Meanwhile, other services in most of the economic sectors operating sharing platforms are less developed than the European Union's average. Another particularity is that the forefront developments are taking place in the capital region of Vienna, while the majority of Austrians live in rural regions (Heiling and Schumich 2017, 2018). The authors raise questions on law challenges, complex tax systems, precarisation of services, and other constraints significant in managing this innovative economic process. The main aim, according to the chapter authors, is to strengthen the SE in the country by including various initiatives from the market players.

According to Liesbeth Huybrechts, Shenja van der Graaf, Ruben D'Hauwers, and Jo Pierson, authors of the chapter *Belgium: Adoption of the Sharing Economy*, the development of the SE in Belgium was not as active as in other countries. But in the recent decade, its development is speeding up, accompanying the belief that it could contribute to a more sustainable society (Digimedia 2017; United Nations 2017). The providers and the intermediaries of the online platforms that facilitate the transactions, as well as the individual users of the services, play the most important roles in the move towards the circular and the SE. However, debates continue to take place in Belgium around phenomenon definition and economic, quantitative, digital, and urban-rural aspects of the SE.

In the chapter, *Sharing Economy in Bosnia and Herzegovina*, Aleksandra Figurek and Rahman Nurković state that the term *sharing economy* prevails over the term *collaborative economy* in their country, and it implies goods and services accessed through digital platforms. In the recent decade, the SE has been growing significantly in Bosnia and Herzegovina. Nevertheless, it is below the level of developed economies, and the supply of sharing is still limited. Often, insufficiently adapted legislation makes involvement in the SE cause violation of existing laws.

In the chapter, *Setting the Stage of the Sharing Economy: The Case of Bulgaria*, Stela Baltova and Albena Vutsova report that SE is not a new phenomenon in the country; it has just gained new connotations with the development of Internet platforms (Georgieva et al. 2019). There are no precise figures on the growth of the SE in Bulgaria (European Commission 2018), but some problematic issues are evident: the lack of a generally agreed definition of the term *sharing economy*, as well as the importance of data protection regarding both customers and providers of platform work.

Further, in the chapter *The State of the Sharing Economy in Croatia: Legal Framework and Impact on Various Economic Sectors*, Kosjenka Dumančić and Anita Čeh Časni spotlight the SE as a rather new phenomenon in the country, with several highly involved industries such as accommodation, transportation, and finance. Non-profit and for-profit SE companies are well established in bigger cities and in the tourism sector. However, Croatia ranks below the European Union's average according to digital platforms per 1 mln of the population (Eurostat 2019a). Currently, the country has adopted the definition suggested by the European Commission, and there is no specific national definition. The relationships between the actors participating in SE still lack a legal basis (Dumančić 2017). Lately, the debate on unfair market competition caused by SE has been particularly relevant.

In the chapter, *The Sharing Economy in Practice in the Czech Republic: A Small Post-Communist Economy*, Libena Tetreva describes the SE as having foundations in the pre-revolutionary period and currently gaining increasing importance in the country. The greatest potential for the SE in the Czech Republic is in the transport, accommodation, and finance sectors, but the SE here is somehow still below the level it reached in developed economies. The term SE is not rigorously defined (Marek et al. 2017). Frequently, the platforms are used as a tool for reimagining old business models, as well as supporting social innovation (Klesla 2018; Veber et al. 2016). The absence of a legal framework creates scepticism among potential users and deters some companies from getting involved in the SE.

According to Myriam Lewkowicz, the author of the chapter *France: An Ecosystem Favourable to the Development of the Sharing Economy*, the SE has been a topic of interest in the country for several years. A large share of the country's population is involved in the SE as either consumers or service providers (Barbezieux and Herody 2016). The main reasons for this are saving and/or earning money. It is recognized that the collaborative dimension can be a source of growth in the country (Pipame 2015). But state agencies and associations still use various definitions of the SE phenomenon (DGCCRF 2018). The key questions related to the SE in France concern political, legal, and tax issues.

In the chapter, *Georgia: Reality and Future Perspectives of the Sharing Economy Development*, Maka Kikilashvili lists numerous digital platforms that are active in the country, giving customers and suppliers the possibility to connect and exchange products or services. Most of these companies operate in the capital city of the country, and several are also active in the other cities. The essential spheres related to the operation of the SE, such as mortgaging, purchasing, or hiring of real estate, and transferring passengers, are regulated. The term SE does not have a commonly accepted definition in Georgia (Forbes Georgia 2014; Gorog 2016). Because of the latter and also due to other reasons, the forming, developing and promoting of the SE as a specific direction is an issue of the future.

In the chapter, *Germany: Co-Creating Cooperative and Sharing Economies*, Soenke Zehle, Hannes Käfer, Julia Hartnik, and Michael Schmitz report an ascending trend of the SE in the country. Numerous initiatives, social movements and start-ups related to sectors such as mobility, accommodation, co-working, clothing, food, consumer goods, finance, time banking, and education have emerged (Loske 2019). At the same time, the use of sharing services in Germany is still below the European Union's average (European Commission 2018). Mainly, this is happening because of the lack of time or interest, the lack of technical knowledge, the lack of user trust, and the lack of clarity regarding legal, tax, and labour issues.

In the chapter, *The Fragile Landscape of the Sharing Economy in Hungary*, Bori Simonovits, Anikó Bernát, and Bálint Balázs report that one-third of the Hungarian population, predominantly the wealthier, metropolitan, family-oriented, more educated, and younger generations, are open toward SE services (Buda et al. 2020). The primary motivations for this are lower prices and easier access to goods and services. Though, a proper and widely accepted definition of the term SE is still lacking (Dudás and Boros 2019). Companies involved in SE are quite fragile because of the lack of proper regulation and the lack of protection for involved market players.

Stefano Valerio, Monica Postiglione, Venere Stefania Sanna, Chiara Bassetti, Giulia Priora, and Cary Yungmee Hendrickson report in their chapter *Italian Style: Legislative Developments in Accommodation, Mobility, Food, Delivery, and Transport in Italy's Collaborative and Sharing Economy*, that the SE in Italy covers a wide variety of actors and organizational models, including profit-oriented and non-profit companies, as well as community-based practices (Grasseni 2014; Rossi 2018). Numerous initiatives operate in a variety of domains of activity and at various geographical levels. The most promising perspectives for the SE concern food delivery and mobility (Gagliardi and Mobili 2020). Unsolved issues are related to the lack of a unique national definition of the phenomenon, gaps in the labour law, and the roles of newly involved actors.

The authors of the chapter, *Sharing Economy in Lithuania: Steady Development with Focus on Transportation Sector*, Vida Česnuitytė, Leta Dromantienė, Dainius Bernotas, Jūratė Banytė, Elena Vitkauskaitė, and Eglė Vaičiukynaitė, report that SE businesses were created in the country almost a decade ago, and now more and more Internet platforms for buying, selling, or sharing services and goods are emerging. By the end of 2019, one-fifth of the population of the country was involved in SE-related activities (Eurostat 2019b). Domains such as transportation, accommodation, financing, and rental of goods are the most prominent SE sectors within the country. However, as a new phenomenon, it has not received enough attention from the official institutions until now; there is no official definition of the concept yet, and the legislation has not been adjusted sufficiently to actions related to the SE activities (Skaistė 2019).

According to Brano Glumac, author of the chapter *Luxembourg: Digital Innovation Challenges*, the dynamic developments of the economy and demographics in Luxembourg generated a high need for digital and social innovations, including the SE. The sector of particular interest in this sense in Luxembourg is mobility. Official statistics on the SE, as well as a unique definition of the phenomenon, is still missing (TIR 2016). For practical reasons, the understanding of SE is related to the incentives connected to sharing exclusive property, extending the usage of some goods, and reducing the consumption of resources. The biggest challenges concern the regulation of relations among major players, taxes, social insurance, job quality, and some other aspects of the SE operation in the country (Wirtz 2018).

In the chapter, *The Sharing Economy in the Netherlands: Grounding Public Values in Shared Mobility and Gig Work Platforms*, Martijn de Waal and Martijn Arets present the Netherlands as the pioneers of the SE, who transformed local initiatives of borrowing into SE supported digital platforms. The recognition of the social and environmental benefits of these platforms stimulated the expansion of the phenomenon widely. The SE anticipates more flexible organization and operation of jobs, but the development of the legislation moving from traditional to platform mediated work is still underway, and enforcing the approved legislation is also encountering difficulties because it requires radically new relations among market players (Bex et al. 2018).

In the chapter, *The Potential of the Sharing Economy in a Developing Country: The Case of North Macedonia*, Dimitar Trajanov, Julijana Angelovska, Tamara Mihajlovska, and Marija Poprizova present the SE as an innovative and progressive business model that creates the way for solving issues specific to a traditional economy occurring in North Macedonia, for example, capital investment, economy management and regulation. Currently, the most advanced sectors are transport and tourism. There is no official definition of the concept (Pandev and Sarkanjac 2017) nor national legislation to regulate SE activities (State Revenue Office 2018). These are probably the reasons for people's reservation in using digital platforms, even if the universities actively promote the SE in North Macedonian society.

In the chapter, *The Sharing Economy in Norway: Emerging Trends and Debates*, Trond Halvorsen, Christoph Lutz, and Johan Barstad report that the Norwegian government has a favourable attitude towards the SE. Currently, almost one-quarter of Norwegians are involved in SE activities; most networks are based in urban areas and among housing cooperatives. There are several definitions in use, but the common aspect specified is "an economic activity intermediated by digital platforms" (Regjeringen 2017). At the same time, a special committee has identified the need to clarify legislation, adapt taxation, and balance the interests of various players in relation to the operation of the SE.

In the chapter, *Initiatives in the Sharing Economy Scheme: The Case of Poland*, Agnieszka Lukaszewicz and Aleksandra Nadolska state that more and more people in Poland use digital platforms that allow them to share goods and services. Nevertheless, the concept of the SE is still in development in Poland, and currently, it is perceived as a social and economic model based on sharing material and non-material resources (Nadolska and Nadolski 2019), being an innovative form of doing business via Internet platforms (Pietrewicz and Sobiecki 2016). Issues such as tax regulation, labour market relations, competition, and trust in providers are not yet solved in the country and cause confusion leading to some conflicts in the labour market and some specific sectors, primarily in transportation and accommodation.

In the chapter, *Collaborative Economy in Portugal: The Recent Evolution*, Mela Bettega, Raul Masu, and Vera Lúcia Alves Pereira Diogo notice that only 17% of Portuguese have ever used services via collaborative platforms by 2018, and that is the lowest rate among the European Union-28 Member States (European Commission 2018). The SE concept is mostly mentioned in the contexts of economic growth, fighting climate change, eco-sustainability and enhancing the quality of life. There is no country-wide agreed official definition of CE and SE; the SE is mentioned in the governmental plan supporting the development of a circular economy (Diário da República 2017). Considering the risk involved by the lack of regulation, the

government is planning to regulate short-term rentals (Patricio 2018), shared mobility (Nunes 2018) and other sectors involving sharing practices.

In the chapter, *Serbia: Sharing Economy as a New Market Trend and Business Model* by Maja Ćirić, Svetlana Ignjatijević, Aleksandra Fedajev, Marija Panić, Dejan Sekulić, Tanja Stanišić, Miljan Leković, and Sanela Arsić report that in the context of economic crisis and increasing unemployment, the SE in Serbia evolves as a new economic model for earning income and sharing resources. Among such activities, the most usual is online buying and collaboration for sharing resources through Internet platforms and mobile applications. Tourism appears to be the sector with the greatest potential for further developments in SE. However, further research and knowledge on the phenomenon are needed in relation to the SE in Serbia.

According to Jolana Gubalova, Sona Capkova, and Dagmar Kokavcova, authors of the chapter *Socio-Economical Aspects of the Collaborative Economy in Slovakia*, there are many domestic and several foreign digital platforms related to the SE (CE) activities in Slovakia. These platforms are especially important for the development of small and medium-sized enterprises, as well as for individuals as a source of additional income. The most developed platforms cover transportation, tourism, and accommodation. However, there is no legislation concerning the protection, safety and quality of goods and services for involved parties and relations on the labour market (Pellegrini 2016). In the meantime, most obligations are transferred to service providers.

In the chapter, *A Snapshot of Slovenia's Collaborative Economy*, Aleš Završnik, Katja Simončič, Manja Kitek Kuzman, and Tomaž Kušar show that the SE (CE) came into force in Slovenia in 2015. Since then, it has expanded, mainly in the sectors of tourism and accommodation, and a regulatory framework was created. Notwithstanding, the field of the SE still lacks regulation: the concept of SE isn't clearly defined, and CE is used interchangeably (Kralj 2017); questions related to ensuring economic, social, and legal security to workers within the SE and identifying the stakeholders for the social dialogue with the government remain open in the country (Hreščak 2018).

In the chapter, *An Introduction to the Collaborative Economy in Spain*, Rosa M. Garcia-Teruel discusses how digital platforms, as new social and business models, contribute significantly to the creation of workplaces in the context of high levels of unemployment in the country. However, SE phenomenon in Spain is not yet properly conceptualized (Miralles et al. 2017) nor regulated enough (Muñoz 2016). Such a situation can call for conflict and could undermine the reputation of SE.

Katie Berns, in the chapter *Sweden: A City-Centric Sharing Economy Built on Trust*, states that the level of CE development in Sweden is about average in comparison to the rest of European countries. Currently, there is no official definition of SE in Sweden; the common understanding is that CE includes the renting, bartering, loaning, gifting, and swapping of tangible and intangible assets (Felländer et al. 2019). The existing laws regulate, for the most part, the challenges emerging in relation to CE functioning at the national level (Markendahl et al. 2019). The processes involve partners from both the private and the public sectors, universities and institutions working in collaboration. The author concludes that in Sweden, the CE appears to be driven by goals such as environmental sustainability and opportunities to build communities rather than to increase economic efficiency and growth.

Anton Fedosov and Marc Langheinrich, the authors of the chapter *A Note on the Emerging Landscape of the Sharing Economy in Switzerland*, report that there is no agreed definition of the SE in Switzerland and that currently SE is considered as a case



of platform economy (von Stokar et al. 2018). The main stakeholders are businesses that establish online platforms for delivering goods and services to individuals; there are also few community-based non-profit SE initiatives (The Swiss State Secretariat for Economic Affairs 2017). The dominant areas in the SE are related to transport, accommodation, goods, and services, as well as financial services. But issues such as management of data of protection, social protection of workers involved in the SE, and competitiveness among business players involved in SE platforms remain problematic. Even though almost half of the country's consumers use the SE platforms, there are significant regional differences.

In the chapter, *A Socially Engaged Model of Sharing Platforms in Turkey: Design as a Blueprint of Practices and Local Cooperations*, Özge Subaşı and Berna Kirkulak-Uludag report that Turkey has one of the fastest-growing SE (Beutin 2018). The dominant areas for the SE are the media and entertainment, retail and consumer goods, automotive, and transport sectors (Kalaycı Oflaz 2019). However, there is no official definition of CE or SE recognized in governmental documents, and there is no appropriate legislation. Also, information is lacking on the positive and negative impacts of these platforms in Turkey.

In the chapter, *United Kingdom: An Examination of the Configuration of the Sharing Economy, Pressing Issues, and Research Directions*, Rodrigo Perez-Vega, Brian Jones, Penny Travlou and Cristina Miguel report that over two-thirds of the United Kingdom's population is involved in the SE, that is firmly supported by the United Kingdom's government (Woskko 2014). But there is still no agreed definition of the phenomenon, and the SE is mainly perceived as mutually beneficial transactions made possible by the Internet and online platforms. The future of the SE depends on the sector in which businesses operate and on many other dimensions, such as customer expectations, demand, competition, technology, innovation, regulation, public views, and general acceptance or stakeholder buy-in (Knight 2020).

## Summary

The aim of this chapter was to present the idea and structure of *The Collaborative Economy in Action: European Perspectives*. This book is based on the 27 European country reports presented by the members of the COST Action CA16121 *From Sharing to Caring: Examining the Socio-Technical Aspects of the Collaborative Economy* conducted between 2017–2021.

From the collected countries' reports, it is evident that SE development varies across Europe and beyond. The facts presented in the chapters reveal stronger development in some particular domains, such as transportation and accommodation services. The development of the SE reflects the needs and aspirations of consumers and provides new opportunities for obtaining goods and services in more accessible ways, for example, for a lower price and from peers.

At the same time, some features are common to most countries. Regarding the definition of CE and SE, most of the countries included in this book lack a generally accepted definition of the phenomenon. The existing definitions focus on selling, buying, swapping, or sharing goods and services via the Internet and digital platforms. Legislation focusing on the relations within the SE actors is almost non-existent in most countries. Therefore, issues related to the social protection of rights and the interests



of parties involved in the SE, taxation, competition, and data protection are unresolved in many countries.

The major players contributing to the SE development are, according to the reports included in this collection, customers, partners from both the public and the private sectors, universities, and governments.

The main achievement of this volume is that it provides the most recent country-specific approaches related to the SE conceptualization, policies, development, and functions in the countries included. Interdisciplinary approaches resulting from the authors' very diverse backgrounds give a comprehensive perspective on this innovative phenomenon. The book might support the identification of barriers and ambiguities, as well as proposing new dimensions of SE. The editors and contributors hope that the book will become a useful tool for scholars, teachers, students, practitioners, and others who are looking for answers related to the phenomena of the CE and SE and the processes explored in this volume.

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## Current and Prospective Expansion of the Sharing Economy in Albania

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## Abstract

Globalisation has brought immense changes to the national and international economic structure. The digital revolution and ICT expansion positively impacted the sharing economy development. In this regard, the most avant-garde countries in sharing economy seem to be the advanced countries. However, transitory countries such as Albania are making satisfactory progress as well. While being part of some global cases of sharing economy, Albania is also experiencing domestic incentives related with. The sectors involved in sharing economy are affiliated to different domains, including agriculture, tourism, healthcare, transportation, etc. Albania strongly embraced technology because of its relatively young population and the flexible education system adopting to the market needs. The Albanian government is doing well on the promotion and usage of public platforms, which are supportive of the sharing concept. Although not specifically for the sharing economy, the government of Albania has released some useful strategic plans to embed the necessary instruments and infrastructure to digitalisation. However, there is more to do for sharing economy in specific terms. The collaboration of three actors, businesses-academia-government, would bring to the Albanian market new capacities and additional added values.

**Keywords:** Sharing Economy, Digitalisation, ICT Ecosystem, Triple Helix, Development, Case Study, Albania

## Introduction

One of the main infrastructure conditions of the sharing economy is the spread of the Internet and its usage. According to Kemp (2020), the Internet penetration in Albania is 72%, which is considered a substantial value compared to the 59% worldwide penetration. The more Internet usage increases, the more the number of social networks and mobile phone users is expected to increase, thus, expecting more development of a sharing economy. With the Industry 4.0 revolution, the digitisation process of the economy has become a priority agenda of the Albanian government. The Government of Albania has taken a strong commitment towards supporting and promoting digital initiatives as a powerful tool that leads to modernised governance, increased know-how for a society that is more open, and sustainable economic development for its citizens. Even though a developing country, the digitisation process has been almost in the same parameters and phases as in the other developed countries. According to the Institute of Statistics of the Republic of Albania, INSTAT (2020), 97.5% of economic entities have used computers during 2019 for job-related issues. Of these entities, 97.8% have Internet access, while in EU countries, this ratio is on average around 97%. Of the total active enterprises, 23.4% has operated in the area of information and communications technology. Albania has adapted its legal framework on information society to comply with the EU Acquis Communautaire while being constantly in touch with the dynamic development of the Digital Single Market (MIPA 2014). The concept of sharing economy arises with the digital economy. However, the awareness of the terms “sharing economy” and “collaborative economy” is still very modest in Albania (ECORL 2016). According to the “Timbro Sharing Economy Index (TSEI),” the first global index of the sharing economy, Albania is ranked 79th place in a list of 213 countries. TSEI for Albania in 2018 is calculated as 3.3 points, considering the highest value of this index to be 100 and the lowest one to be 0 (Timbro 2018).

## Definition

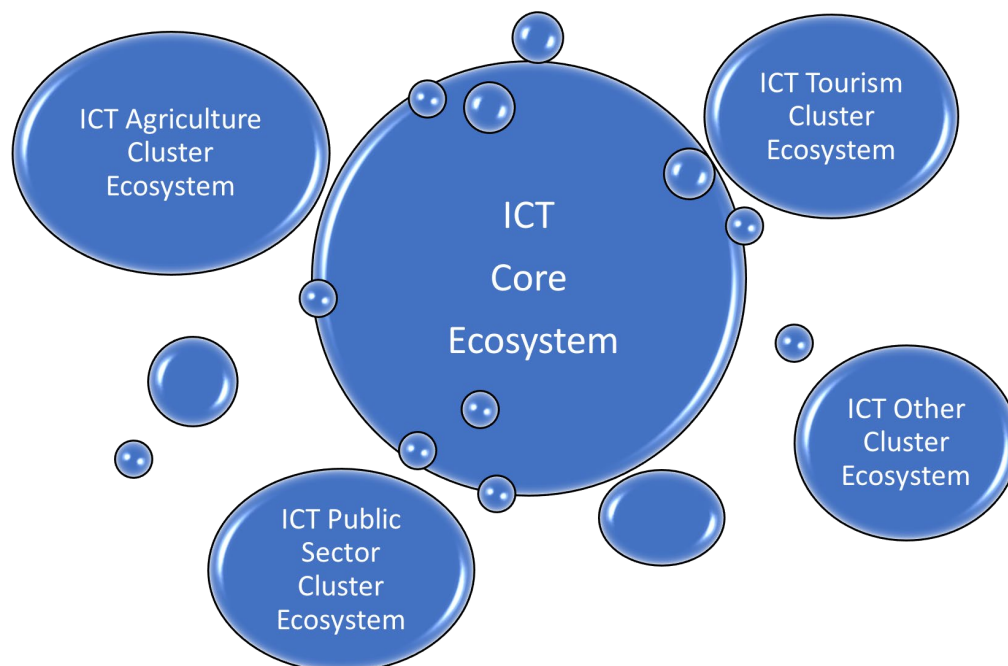
According to the “Oxford Dictionary of English,” sharing economy is defined as “An economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the Internet.” Meanwhile, Woskow (2014) defines sharing economy as “online platforms that help people share access to assets, resources, time and skills.” As such, the level of the sharing economy in Albania is mostly in line with this last definition. Albania has started to set up some general platforms, mostly related to the government. In 2011, Albania joined the Open Government Partnership, an organization of reformers inside and outside of government, working to transform the way government serves its citizens. One of the implemented projects was the e-Albania project which is a general platform offering assistance in documentation delivery. This is a new application that facilitates and optimises the cost and time.

Even though the collaborative economy is implemented in different sectors in Albania, there still does not exist a definition of it. ICT-Centric Innovation Ecosystem Country Review of 2016 recognises the role of the ICT industry in the economy and seeks to



bring in policy frameworks that will strengthen it and make it a central part of a medium- and long-term vision of Albania's development (ITU 2016: 5). To achieve it, ITU (2016) recommends the formation of collaborative clusters of relevant stakeholders in several areas of the industry to bring together the key actors in these industries. According to ITU (2016), the collaboration of clusters can be found in agriculture, tourism, the public sector, and others. As shown by Kruja (2020) study on agriculture, the synergic cluster collaboration among ecosystem stakeholders is decisive in the sector's performance enhancement. The agriculture sector is important for Albania, but it has to be supported by the entrepreneurial spirit to be boosted (Hysa and Mansi 2020). At the same time, the role and support of ICT are crucial at this point. Figure 1 shows the interaction of ICT with different cluster ecosystems.

**Figure 1. Collaboration Between Clusters**



Source: Own elaboration based on ITU (2016).

## Key Questions

The collaborative economy has many contributions to the economic development of the country (for the private as well as the public sector), which are associated at the same time with challenges. One of the main contributions is the transparency of all the processes, as they are performed online, by reducing corruption and building trust among partners. Besides it, there exists the challenge of missing regulations and clear operating standards for these new business models. Albania has made some progress in social entrepreneurship. Starting from the year 2016, there is a legislative framework regarding the "Social Enterprises in the Republic of Albania," Law No. 65/2016, even though there are a lot of discussions about the clarity and effectiveness of this law to properly implement it. As in the other countries, Albania also lacks legislative regulations for the transactions performed within the sharing economy. In terms of specific policies, there were concerns about taxation on ICT firms and start-ups, the role procurement plays in supporting the ecosystem, support for key actors and

projects in the ecosystem, and the enforcement of intellectual property rights (ICT 2016: 73). So legislative regulations are needed for taxation, social security, and health insurance.

Another concern raised by Corradini and Re (2016) is the financial support needed for digital investments, which in most cases are enabled through public-private partnerships; as well as workforce ICT skills required to maintain this continuous development. To exploit the digitalisation potentiality, bottlenecks need to be removed, and an adequate environment has to be created (Corradini and Re 2016: 11). Researchers suggest collaborations within the industry; collaborations between industry and academia; as well as collaboration between the private and public sector to overcome the different ecosystem challenges (Rinkel et al. 2016; Kruja 2020).

## Examples

The major collaborative economy players in Albania are the public and private sectors. In the public sector, a significant role has been undertaken by the municipality of Tirana, which is trying to transform Tirana, the capital city of Albania, into a smart city. From the private sector, the developments have arisen from the global firms as well as from domestic ones. The main sectors influenced by the collaborative economy are tourism, transportation, and agriculture. Some of the well-known implementations of the sharing economy are described below.

### Food Bank Albania

Food Bank Albania is a non-profit organization dedicated to the fight against poverty and food waste in Albania. They believe that their goals can be achieved through solidarity and by raising awareness throughout Albanian society about poverty and food waste. To address food surpluses, they collaborate with businesses, institutions, and individuals to collect food donations and raise awareness about food waste. To address poverty, they provide the food they collect to organizations or the State Social Services involved in the fight against poverty. This organization has a common platform that can be used by individuals, businesses, governmental bodies, etc. The platform can be used by contributing financially or in-kind, participating in a campaign or initiating own campaign, etc. The information is offered both in Albanian and in English.

### Mobike

Mobike is an innovative bike-sharing service very smart and easy to use that will change your way of living in the city. This service is offered by the municipality of Tirana. It is very efficacy, especially for younger people and people that want to use a bicycle. The slogan of this service is composed of four components: fast, cheap, simple, and comfortable. This service has its own application, the app Mobike. The registered individuals can find out the nearest bicycle by using this application. The money is automatically paid based on the time usage. The information is offered both in Albanian and in English.

### Talent Garden

Talent Garden is a campus in Tirana, the capital city of Albania, with almost 50 desks. It is a space-sharing example by featuring several unique concepts designed to support innovation, including smart co-working spaces, fab-labs, relaxation areas, TAG Cafes, event spaces, meeting rooms and classrooms. They provide different

membership forms to their clients for the different services. TAG People is an exclusive online platform included in every membership to get in touch with other members. Members can ask questions, share news, announce product launches, access discount codes for top tech events, and promote their job openings.

### Teledoc Albania

Teledoc Albania is a sharing economy platform in the health sector. It provides the opportunity for doctors to supply video or audio consultation 24/7 to patients in Albania. The application can be downloaded by individuals who are at least 17 years old. The application also offers the family sharing opportunity where up to six family members are able to use it.

### Baboon

Baboon is a food delivery platform, which simplifies the ordering process by avoiding brochures, confusion, uncertainty in the price, or telephone calls. They provide information about restaurants in Tirana, traditional meals, and kitchens from all over the world.

### AgroQuality

AgroQuality is a platform that enables the promotion of different food safety standards such as Global GAP Organic, and HACCP AgroQuality is an initiative aimed at promoting the development of food quality standards and increasing professionalism in each production unit. Each producer can receive personalised information from national and international AgroQuality experts.

### The Innovation Map Albania

The Innovation Map Albania is a unique platform that maps the innovation ecosystem in Albania. The main goal of the platform is strengthening the ability of key stakeholders to connect to resources, engage in collaborative transformation, and create services for needs across the country. Through these platforms, all stakeholders will have the possibility to understand priorities from the local ecosystems in various regions of Albania, to ensure good matching and policy coherence, to have a common understanding of the needs and resources which will help them to address resources to the good practice grassroots programmes and engage the ecosystem in the process of development and transformation.

Apart from the examples explained above, there are some other examples classified by different industries. One of the most evident forms of the sharing economy in Albania is the co-working spaces. There are some examples, such as Talent Garden, MyOffice'Al, and eOffice. All these examples are offering their places, services, and sometimes technological assistance. These examples might be considered as a good indicator of industry cooperation. Table 1 presents the industries having some examples of sharing (collaborating) economy for the case of Albania.

**Table 1. Summary of the Sharing Economy Examples in Albania**

<b>Industries in Albania</b>	<b>Examples</b>
Hotels, accommodations, and space	Airbnb (global) Talent Garden (global) MyOffice'Al (domestic) eOffice (global)
Transportations	Mobike (domestic)
Retail and consumer goods	Baboon (domestic) Food Bank Albania (domestic)
Healthcare	Teledoc Albania (domestic)
Agriculture	AgroQuality (domestic)
Services	Fiverr (global) Freelancer (global) Share-architects (global) Innovation Map Albania (domestic)
Media and entertainment	HitchGathering (global) IntoAlbania (Innovative Tourism in Albania) (domestic)

Source: Own elaboration.

In addition, to a considerable number of companies, including the sharing economy, there are some existing projects focusing on this concept. One of the examples of sharing economy is a project financed by the EU, specifically for capacity building in Albania regarding the tourism sector. The project “Beyond Borders: Introducing Smart Tourism and Sharing Economy” is conducted in the northern side of Albania as well as Northern Macedonia.

## Context

Since 2009, the Government of Albania developed two strategies supporting innovation: “The National Strategy for Science, Technology and Innovation 2009–2015” and the cross-cutting strategy “Digital Agenda for Albania 2015–2020.”

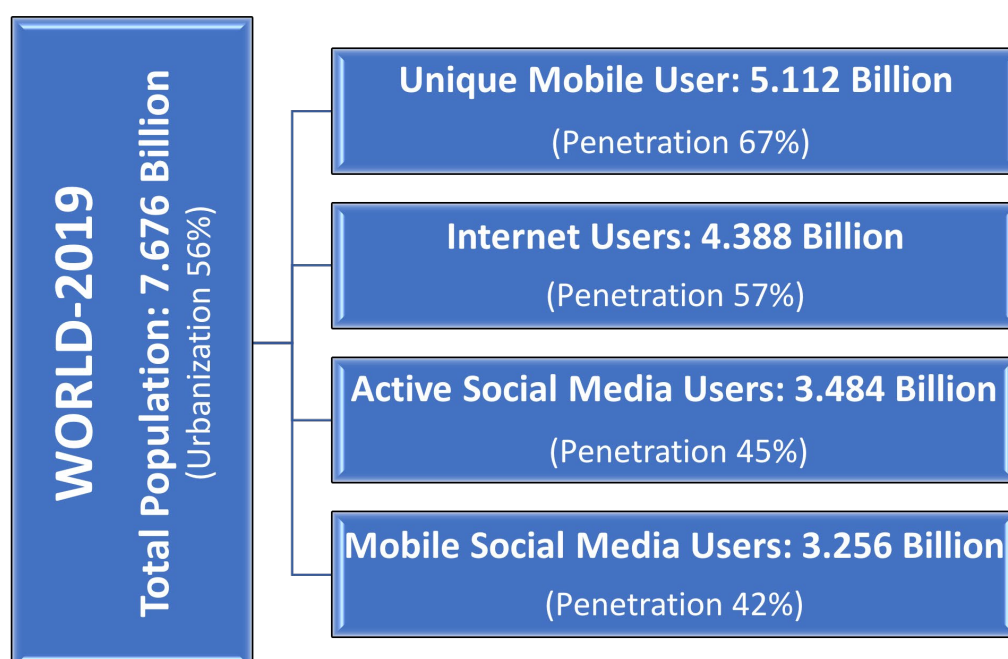
The first strategy is a cross-cutting strategy of Science, Technology, and Innovation (STI) envisioned for 2009–2015, the first document of this kind representing the long-term platform of research and innovation development in Albania (CoM 2009). This strategy defines a clear vision and objectives, which are in line with other national strategies such as: “the National Strategy for Development and Integration” and “the Higher Education National Strategy.” This strategy had foreseen the identification of national research priorities, the structuring of STI policy implementation, the identification and further support of national capacities with this regard and the pushing of STI development in Albania. If the first strategy had to do more with capacity building of public and private entities with special emphasis on STI, the second strategy is focused more on the digitalisation of all public institutions.

The second strategy, that of “Digital Agenda for Albania 2015–2020,” was designed to embrace the digital revolution, which would support the creation of new opportunities for citizens and businesses to benefit (MIPA 2014). This strategy is seen as fundamental to the modernisation of governance, increasing know-how for a society

that is more open and sustainable economic development for its citizens. The proposal of such a strategy was important given that Albania is being categorised as a country having powerful instruments to develop the digital market and e-services.

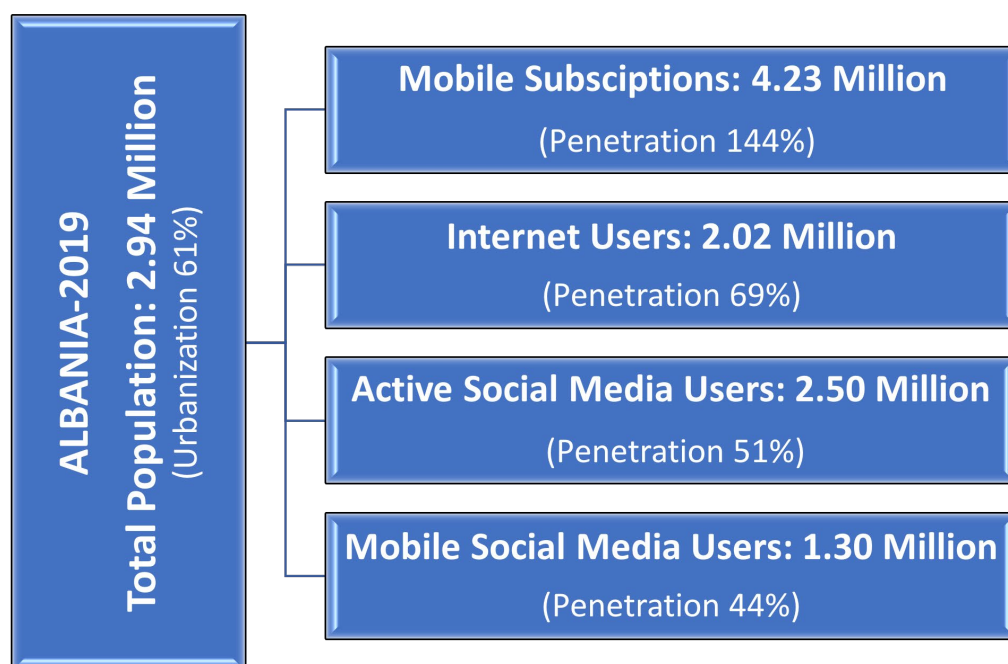
In this context, Albania has a positive approach to digitalisation and Internet usage. Figure 2 and Figure 3 show the world and Albanian data for 2019 about digitalisation. Albania's percentage usage overcame the world average of each category. Mobile subscriptions and Internet usage are higher in Albania than in the rest of the world. This is because of the young population in Albania, the advantages of the geographic position of this country (in Europe), the existing human capital in Albania, and the support of policymakers in this regard.

**Figure 2. Digital 2019, World Overview**



Source: Own elaboration based on the Report of Kemp (2019).

**Figure 3. Digital 2019, Albania Overview**



Source: Own elaboration based on Report of Albania, Kemp (2019).

In January 2018, the Republic of Albania launched the “Economic Reform Programme 2018–2020.” Based on its information, Reform twelve is related to the implementation of the legal and regulatory framework for the development of the broadband infrastructure.

“The adoption of the new law and the respective regulatory acts allow the establishment of the right framework for the development of high-speed electronic communication networks, promoting the joint use of the existing infrastructure and the development of new physical infrastructure with a view to reducing costs through cooperation, infrastructure sharing and synergies with other utilities, the coordination of civil works and the establishment of the single point of information. Also, the new law addresses the right of way issues” (RoA 2018).

Another important strategy for better integration of Albania to EU policies is the “Sectoral Strategy of Transport and Action Plan 2016–2020” in line with the “European Transport Policy.” The priorities of this strategy are strongly related to their interconnection of trans-European Transport networks, interoperability of transport services, digitalisation of ICT information and communication technology networks and the related infrastructure. The development and modernisation of Albania’s transport infrastructure have been and remains one of the top priorities of the government of Albania. The aim has been i) to create the preconditions for the development of other sectors of the economy, ii) to increase the accessibility of freight and passengers in trade and service delivery, and iii) to significantly contribute to overall economic growth and development of the economy (MoE 2018).



## Developments

Albania includes almost full coverage of the population with mobile phones. The young generation, but not only, make intensive use of mobile phones on the basis of a solid 4G infrastructure. The secure identity cards since 2009 enable electronic identification and make use of digitalisation tools in the public and private sector. In 2014, the government of Albania had launched the governmental portal, e-Albania, which is in full line with Digital Agenda for Albania 2015–2020. This portal includes a lot of services related to Albanian citizens, foreigners, businesses, and governmental structures. The existence of unique portal e-government in Albania and the inclusion of public consultation system within the e-Albania has increased the exposure and access of citizens to the system, especially during the COVID-19 lockdown.

The period of lockdown emerged with the utilisation of online tools and methods in many domains. The education sector was the most evident and vital due to this constraint. Teachers and educators had to find some common platforms for sharing information and knowledge. On the other side, businesses (employers and employees) had to use online tools to reach banks, governmental agencies, etc.

## Issues

As discussed in the previous sessions, Albania represents many capacities in Internet usage, digitalisation, ICT development and other related domains. This is because of the young generation, adapted education system to the market needs, the willingness of Albanians to use technology, and governmental support.

However, when we discuss the sharing economy performance for Albania, we see that there are some limitations and barriers. The sharing and collaborative concepts are still new to this market. This is mostly related to the lack of experience. Another reason might be the inability of businesses to collaborate with other businesses of the same sector or other cross-sectors needed to form the concept of sharing economy.

In addition, the low performance of sharing economy in Albania is due to the difficult business environment in this country. The corruption level is relatively high compared to EU countries. At the same time, there exist low trust and low reinforcement of laws and regulations. Furthermore, there are fundamental problems with property rights and related issues that might emerge in the case of collaborative businesses and sharing opportunities.

Lastly, there is a lack of clear evidence of the triple helix support, the collaboration among businesses-academia-government. If incentives of sharing economy would be supported by these actors, sharing economy would push the economy forward by having low costs, increased consumer surplus, updated with innovation, exposure in larger markets, etc.

## Other Major Players

As mentioned above, other incentives toward sharing economy can be in the form of projects, such as “Beyond Borders: Introducing Smart Tourism and Sharing Economy,” with partners for Northern Macedonia and Albania. The key stakeholders are entrepreneurs not directly involved in the tourism sector, local tourism service

providers, and public authorities dealing with the culture and countries heritage (EUforYOU 2017).

There are some initiatives from universities to create platforms that might be in the help of the graduate students to find their proper job and in the help of companies and other recruitments to find their proper graduate profile for the open positions. However, till now, there has been no launched platform of this kind.

The ITU (2016) report expresses the necessary developments to follow in the Albanian economy as below:

“Albania today is lacking relevant ICT led clusters that are focusing on unlocking high-value growth for various sectors from agriculture to tourism, garment manufacturing, and others. Each specific sector already represents an industry loosely connected to the ICT ecosystem. There is an opportunity to bring these ecosystems together so that innovators in Albania can start finding solutions addressing the needs of these verticals and developing innovation in Albania with the competitive global aim” (ITU 2016: 89).

Universities are the major player in the sharing economy, as they have the potential to promote entrepreneurial spirit and foster ICT developments to come up with solutions addressing the market needs. Thus, the economic resources to achieve growth (labour, capital, land, and entrepreneurship) can be improved through investment, exploration, education, and technology innovation (Berhani and Hysa 2013; Vladi and Hysa 2019). The strong collaboration and knowledge share starting from education time will support the development of the sharing economy in the country.

Another essential need for collaboration is that between the university-government-industry as specified by the triple helix model. Knowledge is the key element of the innovation systems, and the institutions which have an important role in its development can be stated as: universities and academic institutions (develop and transfer knowledge); government organizations; innovative enterprises (Kruja 2013: 7). These collaborations focusing on the promotion and fostering of a collaborative economy will bring up necessary and expected economic developments.

## Future Directions of Research

At the individual level, the biggest challenge to the sharing economy is the “limited understanding” of the benefits coming from collaboration. Whereas at the national level, the process of sharing economy should be supported by different actors. Bringing all these actors together is a challenge itself. The sharing economy for Albania, but not only, can be supported by further research on some studies envisioning the entrepreneurs’ behaviour and insight toward the sharing economy, which might reflect on some important data on micro-level studies. Another important research area to be considered might be the studies analysing the “sharing-conceptualisation” environment for each actor involved in the collaborative economy and their readiness to cooperate. These studies might help in identifying the barriers and ambiguities and proposing new dimensions to the sharing economy.



## Summary

Albania is a post-communist country, which is still categorised as a transitory one, even though they have passed around thirty years after the fall of the communist system. Albania is a relatively small country in the international sphere. This has its' advantages and disadvantages. Being a small country means it is difficult to compete in the international arena, but at the same time, it can be easy catching up with the rest of the world. However, globalisation has brought a significant impact on Albania. Albania is doing a great job in dealing with ICT developments. One of the key factors in this direction is the human capital in this country. Albania has a young generation relative to EU countries. Moreover, this young generation is keen on technology, making this country have some positive steps toward ICT expansion. Engagement with technology is the very first step toward a collaborative or sharing economy. Technology and innovation formulated policy are the right way to transform the economy into a knowledge-based economy (Alfaro et al. 2019). Thus, Albania must do more on setting up the right platforms and collaborative environments. This means that the governmental bodies should implement the right legislative framework that must be in line with the EU directives and processes. At the same time, universities and research institutions should bring into focus the immediate need for such developments.

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## Relevant Websites

AgroQuality: <http://agroquality.al>

Baboon: [www.baboon.al](http://www.baboon.al)

Food Bank Albania: <https://foodbank.al/en/who-we-are/>

Innovation Map Albania: <https://innovationmapalbania.org/about>

Mobike: <http://mobike.tirana.al/en.html>

Talent Garden Tirana: <https://talentgarden.org/al/campus/tirana/>

Teledoc: <https://apps.apple.com/al/app/teledoc-albania/id1463777205>

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## Country Report on the Collaborative Economy in Austria

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## Abstract

Collaborative economies (hereinafter named CE) are business models whose activities have their origins in the use of digital platforms. There, shared consumption is practised in various forms of peers with either profit or non-for-profit outcomes. By means of several EU-wide studies, this report takes a closer look at the CE in Austria. Apart from the accommodation sector (national economic importance of tourism), Austria presents an EU-below average use of services offered on sharing platforms. Examples portray a field of tension from activities of low-threshold initiatives at the local level to capital-oriented actors. Such global players (Airbnb) have established themselves (in) the sharing economy and now represent a lot of challenges impacting the state regulatory systems and domestic market participants nationally. Thus, Austria is currently dealing with questions of regulation and tax legislation of CE. Looking at national CE initiatives, the capital region of Vienna is at the forefront of consolidation while omitting the majority of Austrians living in rural regions. Further research is needed to raise questions about law challenges, to address the strong tendencies of precarisation of service work, evoked by sharing platforms, to face the current constraints in managing this vigorous dynamic of economic transformation processes.

**Keywords:** Collaborative Economy, Shared Consumption, Sharing Economy, Platform Capitalism, Legal Regulations, (Non-)For-Profit Sharing, Fair Economy

## Introduction

As in numerous other countries, at present, Austria is intensively engaged in questions of regulation and tax legislation in the area of collaborative and platform economy. Local legislation is sometimes initiated in strong tourist destinations. National regulation is planned for 2020. Overall, the relevance of the collaborative economy lies within the European average with strong growth potential. A comparison of European countries shows that the number of domestic platforms operating is below average. Some position papers discuss the impact on traditional economic structures and call for a transition from share to a fair economy.

Starting with some definitional issues and national data, a second part of the country report covers the key questions on how collaborative economy is concerned in Austria, outlining a concise summary of surveys and studies in this field. Examples follow to depict the national players of the affected sectors. The report concludes by giving a short glimpse of current research projects.

## Definition

The environment of the economy of sharing is surrounded by multi-sited user exchanges, relationships, and a vast number of intermediary entanglements. For that reason scientific understandings vary from each other. The big players' activities of these new markets are predominantly based on digital technologies and service delivery and cannot be easily attributed to a single source and accordingly lack a single definition (Richardson 2018: 200f, Botsman 2013). While the European Commission refers to the term "collaborative economy" (hereinafter referred to as CE), myriads of other words exist when conceptualising the CE. To name just a few, the sharing economy, platform economy, on-demand economy, peer-to-peer economy, and collaborative consumption are frequently used buzzwords in the current debate. In contrast to other authors, Hamari et al. (2016: 2047) write that in the CE, access to goods or services is shared between consumers via online platforms. Since the practice of sharing is generally not a new (economic) phenomenon, digital platforms have changed sharing tremendously. While the "analogue" sharing was based on the traditional constellation between consumer and provider (spatially fixed), digital sharing through platforms became a lot more complex. The intermediary (platform) constitutes (decentralised) participation of a number of different actors (usually three) and is spatially unbounded, why many sharing activities nowadays entail impacts on a global level too. The essential change through the existence of platforms is identified in the so-called "stranger sharing." In contrast to traditional sharing practices within a family or between friends, "today's sharing platforms facilitate sharing among people who do not know each other, and who lack friends or connections in common. Stranger sharing consequently entails a higher degree of risk (...). The digital platforms are able to make stranger sharing less risky and more appealing because they source information on users via the use of ratings and reputations" (Frenken and Schor 2017: 4).

According to Naumanen et al. (2018: 15), "the term collaborative economy refers to business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. (...) Collaborative economy transactions generally do not involve a change of ownership and can be carried out for-profit or not-for-profit."

Structurally systematising the CE, two distinctive aspects of economic activity are of crucial importance:

First, the CE involves three distinct groups of actors (Petropoulos 2017: 4f; Hagen and Rückert-John 2016: 8):

- 1) Swapping and sharing between individuals on an occasional basis—understood as peer-to-peer sharing (P2P or C2C: consumer-to-consumer, e.g., Couchsurfing, BlaBlaCar).
- 2) Business models of companies to their customers (B2C: business-to-customer).
- 3) Business-to-business models (B2B: through collaborative platforms as intermediaries).

Second, platforms intend to provide short-term access to previously underutilised resources or physical assets (known as “idle capacity” or “overcapacity”), possibly for money (Frenken et al. 2015 after Petropoulos 2017: 2f). Besides the nature of the shareable good (e.g., consumption goods such as homes, cars, tools, but also services, finance, and knowledge), the CE can also be subdivided sectoral according to its fields in need of daily consumption (Hagen and Rückert-John 2016: 8). Usually, the four big consumption realms of accommodation, transportation, online labour markets and finance can be identified. In the recent study commissioned by the City of Vienna, Antalovsky et al. (2015) have extended the four realms to the area of food as a separate field of consumption, whereas the online labour markets for Austria have been subdivided into the two spheres of fashion and cleaning services by them too (Antalovsky et al. 2015: 5). The European Commission assigned the platforms on CE in four sectors: 1) transport, 2) accommodation, 3) finance, and 4) online skills (Naumanen et al. 2018: 9).

According to the “Flash Eurobarometer Report on the Use of the Collaborative Economy”—a survey conducted by the European Commission (2018: 1 (factsheet Austria))—the most used services can be found in the sectors of accommodation transport and food-related services. Apart from the sector of accommodation, which can get in touch with the economic relevance of tourism in Austria, almost all other sectors show an under-average usage of services offered through collaborative platforms in the European Union. The share of people who never used a service offered via a collaborative platform is relatively high in Austria (80%). Taking other survey-related data into account, the Austrian user behaviour can possibly best be explained by concerns about sharing personal data. Countries that are largely dissuaded from using collaborative platforms because of personal data issues are Germany (28%), France (27%), Spain (27%), Austria (26%), and Portugal (26%) (European Commission 2018: 52). This picture can be underlined by an overall lack of technical knowledge using collaborative platforms. Additionally, in Austria, more than one-third (35%) identifies their non-provisioning in collaborative platforms to the lack of trust in the online booking or payment process, followed by further reasons such as the unclear or complicated legal framework of provisioning services, complicated tax systems, as well as the unclear impact that providing services on collaborative platforms might have on ones (personal) employment status (European Commission 2018: 78). The exorbitant price increase in Austrian properties since the entry of platforms such as Airbnb asks for new regulatory measures at the state-level and forces municipalities to proactively limit the use of private homes as tourist accommodations in order not to further harm the common hospitality sector (Naumanen et al. 2018: 77f).

A German study on interlinked consumption through peer-to-peer-sharing (Behrendt et al. 2017) has added media and commodities (articles of daily uses) as separate fields of consumption. According to this study—which can be seen similarly to the Austrian context—36% of the platforms represent the sphere of mobility, 28% commodities (articles of daily use) and 18% in accommodation. Only 18% was attributable to the remaining fields of fashion, media, and food. The overall total number of the active peer-to-peer platforms that have been detected in Germany was (n=110), from six of them (5%) were founded in Austria (IÖW, IZT, IFEU 2017).

Shared consumption is practised in different forms. On the one hand, it involves practices that prolong the long-term use of a good—for instance, by reselling, giving away or swapping. On the other hand, there are practices that aim for more intensive use—through co-using (concurrent sharing), lending, leasing, renting, or streaming (possible “rebound effects”). Examples show that many platforms allow multiple sharing practices simultaneously. For instance, through Airbnb, mainly whole apartments are rented, but at the same time, there is also the possibility of co-use by providing individual rooms in an apartment in the coeval presence of the property owner (Flick and Henseling 2019: 17). Following the study from Behrendt et al. (2017, IÖW, IZT, IFEU 2017), the dominating practice of sharing/consuming is the so-called “Co-Using” (offered by 30% of all platforms). Renting or leasing is represented by 27%, and the reselling or exchanging of used products correspond to 14% in each case, whereas gifting (8%) and the free of charge lending (7%) is relatively small in their impact on the CE (Flick and Henseling 2019: 17). This raises critique on why the majority of platform companies do not engage in “real traditional” sharing, but rather hide in a wolf-in-sheep’s-clothing when vindicating exploitation of consumer co-creator in the guise of sharing—often discerningly titled as “share-washing or “pseudo-sharing” (Heiling and Schumich 2018: 21; Belk 2014: 7).

When (economic) collaboration is organized through digital platforms without geographic borders, attention has to be drawn to a lot of legal issues that have to be examined towards the local impact of blurring and unbounded sharing activities. For instance, the demarcation of a private and commercial activity must be answered by politicians and lawyers. While many legal regulations do not apply to the provision of goods or services between private individuals (for example, consumer protection, tax law, labour, and social law), new regulations in certain areas must be considered, as Heiling and Schumich (2016: 2) have rightly pointed out.

## Key Questions

The following section provides an overview of how CE is developing in Europe and in Austria in particular. Central studies on this topic will be used for this purpose. In some cases, this involves scientific work, but also project reports, market studies and analyses of the economic sector.

Taking up the definitional circumstances and difficulties from above, Naumanen et al. (2018: 15) also states that “Collaborative economy transactions generally do not involve a change of ownership and can be carried out for-profit (FP) or not-for-profit.” For a better understanding in the Austrian context, Heiling and Schumich (2018) provide a first qualitative overview on the structural body of the Austrian CE based on the “Europa Forum Study” from Antalovsky et al. (2015), which was commissioned by the AK Wien (Vienna Chamber of Labour). This study focuses primarily on the impact



of the sharing and on-demand economy in transport and accommodation. Within just a few years, globally active companies have established themselves in these areas, which, due to their market power, represent a particular challenge for the existing state regulatory systems and existing market participants (Antalovsky et al. 2015: 6).

According to the CE, the study identified two main distinguishing features:

1) Governance and ownership:

Generally, these can be forms of collaboration, such as:

- a) Associations/societies.
- b) Partnerships such as one-man-business/cooperatives.
- c) Corporations such as joint-stock companies/limited companies.

2) Monetary benefit or exchange benefit:

a) Platform models differ in terms of the existence of their cash flow between the participants on the one hand and a “real” swap or barter in the meaning of “good for good” or “service for service” on the other hand (Heiling 2017: 1).

b) Hence, the results of the study indicate that the two criteria can be combined arbitrarily. Just as the demarcation category “for-profit” (FP)/“non-for-profit” (NFP) can be combined with the demarcation category “good/service” at the same time. For instance, it seems possible that a home-sharing provider is designed to be monetary for the users (rent is paid), but the business model itself is not profit-oriented and operated by an association to promote its members (Heiling and Schumich 2018: 23f; Heiling 2017: 2).

Concluding the results of the study, principally everything is possible between capital orientation and the common good in the CE. Especially in the area where platforms provide services, in particular, there is a strong trend towards paid processing and profit-oriented organization by its operators. Platforms that supply work are apparently considered by investors to be particularly promising. This suggests that innovation in the digital age is strongly based on a precarisation of service work and needs to be further investigated regarding legislation (Heiling and Schumich 2016: 2). This needs to be profoundly discussed when striking off new pathways from share to fair economies and contemporary work structures in the current era of digitisation.

## EU Report on the Collaborative Economy

In 2016 technopolis group, vva consulting, and trinomics have conducted a study to monitor the economic development of the CE at sector level in the 28 EU Member States instructed by the European Commission. The final report was published in February 2018. The report shows the current level of development also in the four big areas of transport, accommodation, finance, and online skills sectors in all 28 EU Member States (Naumanen et al. 2018: 9).

The level of development of the CE in the EU varies significantly. While the largest CE markets can be found in France (EUR 6.5603 billion (25%)), the UK (EUR 4.6377 billion (17%)), Poland (EUR 2.7366 billion (10%)) and Spain (EUR 2.5243 billion (10%)), the size of the Austrian CE is comparable to the Europe-wide average (EUR 536 million (2%)). The overall market size of the CE in the EU was estimated to be EUR. 26.5 billion, and together with Germany, Italy and Denmark, the latter countries represent about 80% of the total revenues from the CE in the 28 EU Member States in 2016



(Naumanen et al. 2018: 9, 12, 31). With a number of 41 active platforms detected in the country, of which almost half (20) are domestic, Austria can be found in the European average. The biggest share comes from the finance sector (EUR 248 million) and the accommodation sector (EUR 236 million) (Naumanen et al. 2018: 9, 12, 13, 31, 75). The finance sector is the only area ruled by the share of domestic platforms (n=14). In 2016, the accommodation sector lacked any domestic accommodation platform at all (Naumanen et al. 2018: 75). Considering Austria as a well-known tourist destination, this development should be discussed critically in further research. The study conducted by the group of Behrendt et al. (2017) shows a change to the effect of the Start-Up “Reposée” that was founded in 2017 and now seems to be the only domestic player in the sector of accommodation platforms.

In comparison with the other 28 EU Member States, Austria has the highest number of international platforms operating in its country (Naumanen et al. 2018: 69). Austria belongs to the group of Member States that demonstrate a below-average ratio of platforms per 1 million population (2.28) as well as in terms of the contribution of its CE to the national GDP (Austria = 0.15%, EU average = 0.17%). Similar to the EU average, the platforms of Austria’s CE constitute an average share of overall national employment figures, manifested in a contribution to such of 0.15% (Naumanen et al. 2018: 9, 75). The report monitors that the largest number of “active platforms in the Austrian market (in 2016) can be found in the finance sector (n=17) and the online skills sector (n=10)” (Naumanen et al. 2018: 76).

The study estimates approximately 6,700 people working in Austria’s CE in 2016, of which 1.890 (28%) are employed in the finance sector (Naumanen et al. 2018: 76). The biggest share of activities within the collaborative economy in Austria can be attributed to the finance sector, as it far surpasses the sectors of accommodation, transport, and online skills. Interestingly, Austria’s collaborative economy is thus strongly focused on the activities of domestic platforms because the established companies in the financial sector are predominantly Austrian (Naumanen et al. 2018: 76).

The finance sector is mainly occupied by platforms operating in debt funding (43%), the transport sector is dominated by car-sharing and ride-sharing services (57%), and the field of accommodation is mainly represented by rental services and other home-sharing offers (66%), while the online skills sector is exclusively focused on on-demand household services (Naumanen et al. 2018: 76).

### **PwC: Share Economy 2017: The New Business Model**

In 2018, PricewaterhouseCoopers published a study on the sharing economy for six European countries. The study examined the size, characteristics, acceptance, and development of the sharing economy for Austria, Belgium, Germany, the Netherlands, Switzerland, and Turkey. The consulting company is thus reacting to the increasing importance of this (relatively) new economic form but would also like to provide more well-founded information for this economic sector, according to its own statements. A total of 4,500 consumers were surveyed in the six countries in the summer of 2017. Overall, the survey results underline the importance of the CE in all countries surveyed. A total of 44% of the respondents stated that they had used “sharing economy” services in the 12 months prior to the survey (PwC 2018: 9). In Austria, this figure is slightly above the average at 47%. In terms of expenditure per user, however, at 599 EUR, Austria is the penultimate country ahead of the Netherlands (506 EUR). In the first place is Turkey, with 1,031 EUR expenditure per user. In addition, Austria is

predicted to see a decrease in this expenditure next year with -4%. The authors attribute this primarily to lower spending in the financial sector. It is not explained here in more detail which services and offers are affected. By contrast, significant growth is forecast for services (+43%) and automotive and transportation (+21%) segments. With regard to the regional distribution, the study finds no significant difference between large and smaller cities (PwC 2018: 22). Surprisingly, almost a quarter of all Austrians (23%) state that they have been active as providers in the CE. This is highest in retail and consumer goods (15% of Austrians) as well as services (9%) (PwC 2018: 23).

### AK: Sector Report (Chamber of Labour)

A third market analysis was published in 2017 by the Chamber of Labour (AK) and was written by the authors Michael Heiling and Simon Schumich, who also published other reports on this topic. This study focuses on the structural data of the platforms relevant for Austria in order to create a basis for political decision-making and legal regulations. Basically, the study assumes that the Austrian economic sector is developing very dynamically and that it still has a high potential (Heiling and Schumich 2017: 4). The study examines 121 platforms that are cited as relevant “players” in two relevant preliminary studies (Heiling and Schumich 2017: 7). In contrast to the above-presented EU Report on the CE (41 active platforms in 2016), the authors note that 70 (58%) of these platforms are available in Austria (data: 2017). Of these, only 21 platforms have a legal branch in Austria (partnership, association, or corporation). Four platforms (eBay, Airbnb, Helpling, and Use Twice), two of them particularly important, had a company in Austria, but these have since been terminated. However, eBay and Airbnb are still active in Austria. In a further step, the seventeen platforms established in Austria were examined. Only Drivy and Uber have their origin in a non-German-speaking country. The seventeen platforms are distributed over different areas as follows (cf. Heiling and Schumich 2017: 11):

- Mobility and transport (car-sharing, car park rental): 41%.
- Online marketplaces: 12%.
- Service brokering (cleaning staff, journeys, parcel services): 17%.
- Crowd investing and crowdfunding: 18%.
- Other (e.g., accommodation, food, city walks): 12%.

Overall, the study authors come to the following conclusions (cf. Heiling and Schumich 2017: 18f):

- The proportion of platforms with Austrian companies or owners is low.
- The data situation on this economic sector is unsatisfactory.
- In general, there are rather low employment figures in this sector.
- The ownership structure is very diverse and often involves “small” corporations.
- Transparency is necessary for a debate on regulation, and tax justice is demanded.

## Eurofound: Employment and Working Conditions of Selected Types of Platform Work

In 2018, the working paper “Digital Age: Employment and working conditions of selected types of platform work. National context analysis: Austria” was published (De Groen et al. 2018). As part of the Eurofound project of the same name, eighteen European countries were examined with regard to working conditions in the CE. The study is based on desk research and thirteen semi-structured interviews with experts from various fields. In addition to the presentation of important platforms, the working paper deals mainly with the legal framework for platform workers. Here, too, the authors conclude that there is a very inadequate data basis for this economic sector. Furthermore, there is no specific legal framework for platform workers whereby conventional legal rules are applied. Nevertheless, an imbalance is seen between employers and employees since the latter are often also self-employed and thus represented by the same interest group. However, there is a power gap between these groups (De Groen et al. 2018: 17f).

Overall, the studies all point in a similar direction. Thus, the potentials in the area of CE are carved out, but also critical questions regarding the impacts on the traditional labour markets and economic sectors are posed. Above all, the potential to expand domestic platforms should be emphasised.

## Examples

Although internationally active platforms in many areas of CE are market-determining in Austria (e.g., Airbnb), there are also relevant local initiatives. In the following, six examples from different areas of CE are briefly portrayed. No specific criteria were used for the selection. However, these are known projects in user and expert circles, and their launching can be at least mapped to the geographic area of Austria and thus circumscribed to other global players of the CE.

### Carsharing24/7 (Mobility)

The platform has been in operation since 2012 and offers real “private” P2P car-sharing. It was thus the first platform in Austria to offer private car-sharing. Since the commercial providers (e.g., Car2Go, Drive-Now) are often only located in the capital City of Vienna, this created a service for the rest of Austria, especially smaller cities and rural areas. As a pioneer in this market segment, carsharing24/7 has also dealt intensively with questions of car-sharing insurance. Different vehicles are offered for sharing on the platform. The company now offers a wide range of Mobility as Service (MAS) solutions. At the end of May 2019, it was announced that the platform would be discontinued in mid-June 2019. The operators of the platform were contacted by the authors to ask for reasons. So far, there has been no feedback. They merely announced on Facebook that they had given up their platform activities without further justification (<https://carsharing247.com>).

### Respekt.net (Crowdfunding)

The initiative respekt.net (German for “respect”) was founded as an association for socio-political commitment. In 2010, the crowdfunding platform was initiated with the same title. Sustainable, socio-politically relevant projects can be presented and supported here. The aim is to strengthen civil society initiatives and smaller groups of

committed citizens. In terms of content, the following areas will be addressed in accordance with the factsheet:

- Respect in society (recognition of the dignity and value of every human being regardless of origin, gender, ethnicity, religion, etc.).
- Strengthening democracy (exercising freedom of thought, conscience, assembly, religion and trade unions, transparency, improved opportunities for participation, etc.).
- Activation of civil society (promoting commitment, strengthening civil courage).
- Improvement of the education system (e.g., unrestricted right/access to education).
- Fair opportunities for immigrants (right to asylum, right to participate in prosperity).
- Sustainability and environmental protection (for a viable and humane planet).
- Safeguarding employment (right to work) and the welfare state (right to social security and social progress).
- Equal rights for men and women (more equal opportunities).

The platform has won several awards, and more than 2.4 million EUR in donations have been collected, and more than 350 projects have been financed ([www.respekt.net](http://www.respekt.net)).

### Checkrobin/Myrobin (Transport and Logistics)

Checkrobin is a kind of ride-share for all kinds of things that effectively connect individuals and businesses to enable easy, flexible, and fast transportation. As the idle capacity in the area of transport, Myrobin uses the (spare) space of thousands of cars with an empty trunk on the streets. This enables fast and flexible delivery and ensures the driver an attractive travel allowance and, at best, saves CO2 emissions. Using the testimonial Niki Lauda via a TV commercial, the Carinthian start-up from Klagenfurt has expanded its business to Germany and is operating under the name and website myrobin recently ([www.myrobin.com](http://www.myrobin.com)).

### Fragnebenan (Neighbourhood Platform)

In 2015, the platform [fragnebenan.com](http://fragnebenan.com) (German for “ask next door”) was founded. In the meantime, around 56,000 people are already using the platform for neighbourly help in Austria. As there are certain barriers to contact with neighbours, especially in cities (raising anonymity and the increase of single-households), this digital service makes it easier to find contacts by sharing “idle” resources such as tools and household appliances. It is divided into three areas: (1) Sharing of material goods; (2) Timesharing; and (3) Sharing of knowledge, experiences, and information.

A quarter of the user enquiries revolves around classic neighbourly help. One borrows tools or kitchen utensils, shares a backpack etc. or temporarily goes for a walk with the neighbour’s dog. Another important category is recommendations: For example, who knows a good doctor or craftsman in the neighbourhood? The concept of “fragnebenan” is unique: people register with their home address and receive an activation code by mail letter. This ensures that the users are spatially located. After the activation of the account, registered users in the periphery of 750 meters can be

contacted. Thus, spatial proximity is ensured over the digital platform. The use of the platform is free and can thus be assigned to as a not-for-profit platform (<https://fragnebenan.com> and <http://sharingandcaring.eu/case-study/ask-next-door-platform-living-neighbourhood>).

### Reposée (Home-Sharing)

The Austrian platform Reposée ([www.reposee.com](http://www.reposee.com)) was founded in 2017 as an alternative player in the sector of accommodation. Launching the platform was funded by the “Wirtschaftsagentur Wien” (Economic Agency of the City of Vienna) and the FFG (The Austrian Research Promotion Agency). About 51% of all leisure properties (weekend cottages, private alpine huts, holiday apartments) are used very little. Unlike Airbnb, there is the idea of regular visits to weekend cottages or alpine mountain huts focusing on a booking period of at least two months, unleashing the untapped potential of underused leisure properties. Interested consumers find accommodation within a radius of max 300 km from home to regularly travel over the weekend or even during the week. Tenants remain flexible and save themselves the large initial investment in their own property. Property owners (owners) earn money and, at the same time, can continue to use their leisure property. Among other things, such as the local economy (e.g., gastronomy), the seasonal vacancy rate in tourism communes is to be reduced (Sharing Economy Wien: n.d.). The project distinguishes between two modes of sharing: (1) FlexShare Model: “This Month You Next Month Me” or “The first two weeks of the month you. The next two weeks I;” and (2) WeekShare Model: “From Monday to Friday You: Weekend Me.” Especially for freelancers who are flexible during the week or want to work in quiet surroundings, this is an interesting option (Kleine Zeitung, 21.04.2018).

All these platforms described above offer different forms of provisioning CE activities of domestic operators. However, looking at the omnipresence in the media and newspaper, one can assume that none of these platforms is as well-known in Austria as Airbnb.

### Context

In the last year, there were intense political discussions and legal changes regarding platforms and their (non-)collaborative economic structures. After a lengthy judicial process, Uber was again fined in Vienna in 2018. This concerns the question of the concession for the transport service. Several lawsuits were filed by a taxi company based in Vienna (Vienna.at 2018). Also, in 2018, the City of Vienna adopted a new building law. This stipulates that the renting of apartments to tourists, especially Airbnb, should in future only be permitted outside residential areas (Putschögl 2018).

The wording states: “Avoidance of commercial use of apartments: It is clarified that short-term commercial use for accommodation purposes (e.g., Airbnb) “usually” does not take place in apartments and is therefore not in line with the dedication “apartment” (Wiener Stadtentwicklungs-, Stadtplanungs- und Baugesetzbuch 2018). Which effects this law will have in practice remains to be seen.

Furthermore, in 2018, the City of Vienna started negotiations with Airbnb on the collection of the municipal tourism fee. This led to the demand that the platform should transmit data about all property owners, which Airbnb refused with reference to data protection (derstandard, 24.03.2019).



Other cities with tourist relevance, such as Innsbruck or Salzburg, initiated similar debates. Since there was a danger that each city could adopt its own regulations, the Austrian federal government announced that it would strive for a uniform regulation in Austria from 2020. This provides that booking platforms such as Airbnb must report all bookings and sales. According to the government, private property owners must register centrally in future (derstandard, 24.03.2019). Because the Austrian Federal Government was disbanded due to a political affair in spring 2019 and was temporarily led by experts in a transitional government until the beginning of 2020, it is currently still questionable if these issues have actually been resolved nor when an implementation process of this issue will take place.

## Developments

In general, strong growth potential is attributed to the sector of CE. The greatest potential is seen in services and transport, followed by media/entertainment and accommodation (PwC 2018: 23).

Overall, Austria still depicts an underdeveloped image of the knowledge, awareness, and concept of the CE. Nonetheless, this cannot really be transferred to all regions of Austria, since especially the capital City of Vienna, but also citizens of Graz and Salzburg tend to use platforms quicker than the rural population, which is about 34% of Austria's inhabitants (Naumanen et al. 2018: 77).

In their study by the European Commission, Naumanen et al. (2018: 77) give two main reasons for this. First, the population in rural areas tends to be older and is less likely to accept digital services such as platform-based sharing. Second, in an environment characterised by remoteness and long commuting distances, ownership still seems to trump social practices of sharing (possibly due to lower densification schemes than in urban agglomerations).

The "Fair to Sharing Economy" position paper is the outcome of the previous studies by the Europaforum Wien (Big Transformers) and the WU (University of Economics, Vienna) study together with the City of Vienna. In this position paper, guidelines towards a fair economy with local impact are described. Particular attention will be paid to issues relating to the legal basis of the CE and how this can be well-designed in the future in order to promote (more) local initiatives (City of Vienna 2016: 6, 8f).

## Issues

To sum up the above-presented studies and surveys, the EU-based research activities that have been carried out through different studies show an EU-under-average usage of services offered through collaborative platforms in Austria. However, the CE offers a myriad of possibilities for citizens and innovative enterprises at the same time. Throughout the national examples depicted in this report, one can see that the manifold spectrum ranges from the empowerment of low-threshold citizens' initiatives to exclusively capital-oriented players that can be provided through current developments in the rapidly growing sectors of the CE and thus may thwart instrumentalised forms of urbanity (Smigiel and Koch 2018: 30).

Today, traditional companies that rely on customers to buy something rather than share it are more likely to face significant threats from businesses in the CE. Research

shows that customers are considering sharing rather than buying when it leads to cost savings of at least 25%, when it is more convenient, or when it provides easy access to an “idle capacity” in goods or services. Similarly, people who use the service of sharing can be converted into shareholders or profiteers (e.g., via a P2P platform). Of course, such developments lead to tensions between the new service providers and existing market participants. The European Commission is now examining how the development of new and innovative services and the temporary use of assets can be encouraged while simultaneously ensuring adequate consumer and social protection.

## Other Major Players

Referring to the European level, finding new forms of consistent legislation towards the CE is necessary. Anyhow, a multitude of the challenges that have emerged through the CE is constructed on a global level that affects not only legislation matters but also other societal affairs that often become materialised on a local level. As a result, further research is needed when stressing issues on social challenges that appear parallel to such vast economic transformation processes. Therefore, the following two research projects, based in Graz (“Raumteilen”) and Vienna (“Sharing Economy Wien”), open up new perspectives on how we should use shared resources and face the rise of the collaborative economy in order to guarantee a sustainable and resilient economy within a just and more inclusive society.

### Raumteilen (Project on “Sharing Spaces” 2018–2021, University of Graz)

The interdisciplinary research project “Raumteilen” (German for “Sharing and Dividing Spaces”) (funded by the Styrian State Government) investigates the question of how spaces are (commonly) shared in everyday life in times of demographic and economic transformation processes, such as immigration, re-urbanisation, increasing mobility and the effects of digitisation (e.g., through platforms in the CE). Qualitative case studies search for practices that create new spatial configurations through “practical” sharing on the one hand and simultaneous practices of spatial “dividing” on the other. Their interdependencies are therefore translated into three types of space: public spaces, housing (private space) and work (spaces of production). The “micro-geographies” of these spaces assure new insights into our (shared and/or divided) urban economies in highly individualised societies. Framing a PhD dissertation at the Department of Geography and Regional Science, the research project aims to help identify diverse types of practices that contribute to the (co-)production of current urban spaces. It is carried out by the reports’ author affiliated with the University of Graz.

### Sharing Economy Vienna (University of Economics Vienna and City of Vienna)

Global platform models are often in the focus of current sharing debates, but local and decentralised models are poorly understood. Decentralised initiatives promise to contribute to the achievement of economic, ecological, and social goals. In order to get an overview of the CE platforms, organizations, and initiatives active in Vienna, the Research Institute for Urban Management and Governance of the Vienna University of Economics (WU Wien) and the City of Vienna launched a joint research project on the active CE initiatives in Vienna. After an initial survey and subsequent survey of the initiatives, the impact of individual business models will be analysed in cooperation with the research association i-share. Finally, recommendations for the creation of



regulatory framework conditions are developed (Sharing Economy Wien, n.d.). The platform offers the opportunity to independently register initiatives from community gardens to crowdfunding using an interactive city map. Likewise, it should draw attention to interesting sharing projects in the immediate surrounding neighbourhood(s) (Stadt Wien, MA 23, n.d.).

## Future Directions of Research

In comparison to other European countries, Austria's collaborative economy is mainly characterised by activities in the accommodation sector and platforms connected to financial services. A few of the position papers/studies on the collaborative economy presented in the country report discuss impacts on traditional economic structures and call for a transition from a "sharing economy" to a "fair economy," while new national implications on legislation for global players such as Airbnb are being discussed too. These considerations are related to current trends of precarisation of services offered on platforms since collaborative economies have interfered with basic areas of everyday life such as mobility (Uber), finance (crowdfunding), living and working space (Airbnb and Co-working). Our focus is on global players in tourism as well as non-for-profit sharing on a local scale.

Expert interviews will provide a specific outlook on how the Austrian collaborative economy can be managed and shaped in the future. In addition to important new guidelines for global players, this can, in turn, serve as an example for other countries while opening up a field for local initiatives of diverse economies (Urban Commons) in order to perform more resiliently between capital orientation and the common good towards a less volatile economy.

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Commonfare: <https://pieproject.eu>

EURACTIV: [www.euractiv.com/sections/sharing-economy/](http://www.euractiv.com/sections/sharing-economy/)

European Commission: <https://ec.europa.eu/growth/single-market/services/collaborative-economy>

IÖW, IZT, IFEU: [www.peer-sharing.de](http://www.peer-sharing.de)

i-share Vienna [www.sharing-economy.at](http://www.sharing-economy.at)

i-share: [www.i-share-economy.org/de](http://www.i-share-economy.org/de)

SMASH: <https://cityofcollaboration.org/smash/>

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## Belgium: Adoption of the Sharing Economy

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## Abstract

The debate on the sharing economy in Belgium has been mainly focused on its economic, quantitative, and digital aspects. Given the fact that the adoption of the sharing economy has accelerated lately, this report wanted to contribute to further open up the debate on the adoption of this economy in relation to an aspect that is too little discussed, namely (social and environmental) sustainability. Based on some smaller studies, this report identifies different drivers for concrete sustainable sharing economy initiatives to develop that situate themselves on the level of people's daily life practices, social and cultural developments, and policy developments. Next to these drivers, there were issues detected that interact closely with the further development of this economy. The report ends with a suggestion for more systematic research of the

drivers behind the initiation, adoption, and sustaining of sharing economy initiatives and their contributions to a more sustainable Belgian society.

**Keywords:** Sharing Economy, Belgium, Sustainability, Drivers, Adoption, Daily Life, Policy

## Introduction

Belgium is recently very active in implementing different changes that increase the future adoption of the sharing economy. While the debate on this economy has long been dominated by its economic, quantitative, and digital aspects; Climate Marches—amongst others—that have been initiated by youth all over the country have made many Belgian citizens aware that the sharing economy can implement changes that benefit a more sustainable society (as defined in the Sustainable Development Goals 2017). The government supports these changes with the recognition of this economy fiscally and—indirectly—via climate-friendly policy initiatives such as the concrete stop plan (Departement Omgeving 2018). Additionally, several actions of the government are aimed at stimulating the circular and sharing economies, such as the examples of the network organization Vlaanderen Circulair (2020) and the Commons study in Gent (2017) show. Nevertheless, to date, Belgium is still lagging behind regarding the adoption of the sharing economy, with a low penetration rate compared to its neighbouring countries. This document will therefore be discussed the drivers are in Belgium in adopting the sharing economy and what the opportunities are for its further sustainable development. After formulating the core research questions, the report identifies different examples and how they can be understood in the context of people's daily life practices and broader social and cultural and policy developments that motivate people to initiate, organize or maintain concrete sharing economy initiatives. It also discusses the issues that further development of this economy needs to deal with and finds major players that can enable to steer these developments in more sustainable directions. The document is concluded with some suggestions for future research and a small summary.

## Research Question

Starting from the idea that the sharing economy can benefit a more sustainable society, an important question is “What are the current drivers behind the adoption of the sharing economy that benefit a more sustainable society in Belgium?” and “How can we tap into these drivers in order to enhance the adoption of the sustainable sharing economy in Belgium?”

The research question of this report focuses on the best ways forward to accelerate the adoption of the sharing economy in Belgium. Therefore, the research looks at:

- What are the main drivers for sustainable adoption of the sharing economy?
- What are the opportunities for the sustainable development of the adoption of the sharing economy?



## Definition

In Belgium, the Flemish government and the Federal Government play the biggest role in the move towards the circular and the sharing economy. The definition used in Belgium (Flanders, northern part of Belgium) for this purpose is based on a definition created by Idea (2017) for the Flemish government, which defines the sharing economy as an economic system that allows consumers and companies to make temporary use of underused property, good or service, paid or unpaid. There are certain transactions not included in this definition:

- Professional renting services. These fit under the product-service economy, where a consumer gives access to services using a product while the person offering the product remains the owner.
- Transactions where the owner transfers the ownership rights to the other (exchange, second-hand, etc.).
- Transactions where the owner provides permanent usage of the product (not temporary).
- Transactions without an online component happening outside of the digital sphere.

This leads to a very particular view on what “sharing economy” signifies, leaving out offline transactions and not indicating the importance of capturing, processing and repurposing data linked to sharing economy interactions. The latter is, among others, stressed by van Dijck, Poell and de Waal (2018), discussing the role and meaning of this economy in the “platform society.”

The quantitative data on how driven Belgian people are to share shows that Belgium is not a leader in the sharing economy (PwC 2017). The adoption rate is 36% of Belgians who have taken part in this economy in the past year, which is lower than the other countries compared. Yet, the fact that 37% hopes to use it next year suggests a slight increase in adoption. Moreover, a study by the European Commission (2016) showed a penetration rate of only 8% of the total Belgian population who participated in some form of the sharing economy. This is considerably lower than the adoption of the neighbouring countries (the Netherlands 12%, Luxembourg 13%, and France 36%). This is also below the European average of 17% in a survey with 14,000 respondents. Yet, in the next years, 25% of the Belgian respondents indicated to be opened to utilise some form of the sharing economy in the coming year. The PwC study showed that 24% of the Belgian respondents knew about the sharing economy in 2015, and in 2016 this number grew to about one-third of the respondents. In 2018, PwC estimated, based on a survey, that the turnover of the sharing economy would amount to 2.0 billion EUR in the future, which would be 0.5% of the Belgian BBP in 2017.

The adoption study of the sharing economy of PwC (2017) compares Belgium, Germany, Switzerland, Austria, the Netherlands, and Turkey and ranks Belgium last in terms of the overall market size of 2.0 billion EUR but expects it to grow by 71.5%. Next to that, Belgians also showed the lowest adoption rate with 36% of active users of the sharing economy. The adoption is expected to remain stable.

Given the focus on the economic, quantitative, and digital aspects of the sharing economy until now, this report aims to give more qualitative insight into the practices around this economy in Belgium that can benefit a sustainable society. It particularly

will further describe and discuss the drivers in Belgium in adopting the sharing economy and the opportunities for their further development with benefits for a sustainable society. In what follows, the document will discuss some Belgian examples.

## Examples

In this part, we explore six examples of sharing economy with contributions to a sustainable society. These include examples of food production and distribution, food waste, bike-sharing, and health data.

### Puur Limburg

This sharing network embodies one of the most typical forms of sharing in the Belgian region of Limburg. Here, local food production is an important activity, which has encouraged local producers and volunteering citizens to share their efforts in advertising, selling, and distributing their goods. It is “a cooperative of more than 30 Limburg farmers and producers. We believe in fair and sustainable products, and we proudly show who makes the product. By working together, we strengthen each other, and we offer a delicious assortment from our own soil!”

While the cooperative with the name Puur Limburg was founded in 2016, it builds on a cooperative with a long tradition, being the network of local food producers “Hartenboer” in collaboration with the logistical support of the social enterprise De Wroeter and the network of food distributors Voedselteams. For a long time—before the sharing economy was popular—this cooperative created a digital and physical network through which people in Limburg could order and collect locally grown and produced food, supported by a large group of volunteers who distributed the food through physical “depots.” Because this and other food-sharing networks were so strong in the region, it was difficult for commercial players in organic food to develop a market. It is only after five years that these commercial players have grown.

The drivers in the background of this form of sharing are mainly trade-based. Professional food producers, citizen volunteers and the regional government collaborate to generate more sustainable local food chains and economies. While the goals of the producers are partly economic, the goals of the volunteers are rather ideological.

### “Zonder honger naar bed” and “Foodsavers”

In the European Union, food waste along the supply chain has been estimated at approximately 88 million tonnes, or 173 kg per capita per year, and is expected to rise to about 126 million tonnes a year by 2020 unless action is taken. According to a 2013 study, the highest food waste generators expressed as kilograms per capita are the Netherlands (541 kg), Belgium (345 kg), Cyprus (327 kg) and Estonia (265 kg). Therefore, several organizations are working in Belgium on reducing food waste. In this report, we discuss two different platforms that were set up in Belgium (“Zonder Honger naar Bed” and “Foodsavers”), which aim to eradicate poverty while utilising the amount of food waste as an advantage.

In March 2017, “Foodsavers” in Gent was founded by the OCMW (a public centre for social wellbeing), other social organizations, local communes, volunteers, start-ups,

universities, and environmental NGOs. Foodsavers is a logistical platform that recuperates food waste and redistributes it. The project has three main goals:

- Climate change: Reducing the CO<sub>2</sub> output by reducing food waste.
- Social employment: Foodsavers Gent is employing 10 to 12 people with difficulties getting employed.
- Poverty eradication: The food waste is distributed to people in poverty.

Foodsavers distributes food through different distribution platforms, which are responsible for gathering food surplus at producers, supermarkets, and companies. These platforms redistribute the food towards different food banks and social organizations with temporary storage. These distribution platforms are crucial due to the perishability of the food products, which causes the need for central distribution points. Different projects have therefore shown that the regional distribution platforms ensure efficient and large-scale storage of food waste.

Less formalised but remarkable is the initiative “Zonder Honger Naar Bed.” The intention of this group is “to form a bridge between emergency and waste. People who have a bit too much share it with people who have a little less. This can be anything, such as tin, dry food, vegetables. (...) But we also have, unfortunately, candidates for your (frozen) leftovers from dinner. Also, adding something small to your shopping cart might make a small difference to you, but it has a lot of value for them. In that way, we can make each other happy in this society.” The group has developed at a rapid pace from a small local initiative to a large network of 1500 members in Hasselt. The food waste is stocked in three women’s—the founders—homes and distributed from there.

Initially, in 2016, the group was founded to reduce food waste. The group has grown via Facebook as a subgroup of people who were already active in the group Runkst Deelt, a neighbourhood group where people exchange their waste products (beyond food) with others. Later, it appeared that there was a lot of hidden poverty that could be addressed through this network. Now, in collaboration with the person who runs the local Buurderij (a local food market with close links to local farming), they are collecting money to rent storage and distribution space for the food. Particular for this form of sharing is that it is care-based. People share food waste without asking for an immediate return. But by being part of the network, they might get something in return when they have a more difficult time.

### **Bike-Sharing Initiatives: Fietsbib Hasselt “Op Wielekes” and Mob-it**

The sharing economy that is genuinely flourishing in many cities in Belgium is bike-sharing. One example is the Mobitbike-sharing service, a recognisable green bike. It allows people to share bikes for short rides in the city centres. It promotes itself as being good for reducing CO<sub>2</sub> emissions. Furthermore, it provides people with a safe, well-maintained bike. Via a digital app, it gives access to people’s personal trajectories and payments: the distances, the routes, the calories that were used, the CO<sub>2</sub> that was saved, the payments that were done. Eight Belgian cities are currently using it. Other popular bike-sharing services are the blue bike network that supports people to take and return a bike at the train station.

In this area, there exist many small bottom-up initiatives. In Hasselt, the recent Bicycle library “on wheels” is an initiative of an engaged volunteering person who owned a large home and had room to collect and offer bikes to people who pay a yearly rent. Because her initiative is still fragile and small, she teams up with a larger network of

bicycle-sharing initiatives in Flanders. On a local level, she connects to the more developed repair café network in the city that opens up their repair service at the same moment as the library does. The communication of this library takes place via Facebook and via the Hasselt start-up Post-Buzz (now bought by the media group Roularta) that communicates news and events on a hyperlocal level via a digital peer-to-peer platform. This platform has the goal to reduce paper advertising and reconnect local entrepreneurs. This case demonstrates how complementary sharing initiatives can support each other's growth.

The bike-sharing network mob-it focuses mainly on people who temporarily visit the city for leisure or for work. However, also "locals" who do not own a bike, or are in temporary need of a bike, make use of them. "Op Wielekes" is focused on local children and has little to no touristic goal. Both initiatives have considerably contributed to a sustainable transformation in the way tourism and daily commuting to work take form.

## Babytheek

Babytheek is a lending service for baby products with a short usage time which young parents need in the first 12 months after birth. The Babytheek operates as a library of baby products. It gathers the different baby products that can remain for a long time in circulation, and people can borrow the products from the Babytheek.

Many young parents do not know what they need when they get children and need to constantly buy products that will be used only for a limited time. Yet, the baby grows very fast and thus, many products are not needed anymore. A lot of people keep these products in the house or in storage spaces, but it takes much space. Therefore, the Babytheek provides the opportunity to get access to qualitative and sustainable products which can be used only for a limited amount of time.

The goal of the Babytheek is to:

- Prolong the circulation of baby products with a short usage span.
- Bring young parents in contact with the concept of product usage versus product ownership.
- Reducing waste.
- Providing the possibility to test products.
- Creating a meeting space for young parents.

The Babytheek is being rolled out through subsidiaries located at the "Huizen van het kind." which are physical public spaces of the Flemish government where parents can learn about raising children. "Huizen van het kind" is a collaboration between the different organizations that help parents with day-care, health care, free time, or support on raising children and is present in most communes. The Babytheek has a physical space at the "Huizen van het Kind." where people can get to know the space. The Babytheek aims to provide support to the different locations by providing them with a starting package with concrete tips on how to get a branch of the Babytheek started in their location.

## Curieuzeneuzen

Due to the decreasing air quality in Belgium, a cooperative group of Flemish citizens have started the "Curieuzeneuzen" study in 2018, which was the largest citizen science research ever regarding air quality, as the amount of NO<sub>2</sub> was significantly higher than

the European norm due to the traffic. The initiative was backed by the University of Antwerp, the governmental institute “de Vlaamse Milieumaatschappij” and the newspaper “De Standaard.” It was also supported by different research organizations (VITO, KULeuven) and a parcel service “Kariboo.”

The different citizens, schools, organizations, and companies could buy a simple (cheap) measurement tool sent at home, which could be hung at the window of their building. During one month, the concentration of NO<sub>2</sub> was measured.

## Context

The previous examples are a small sample of sharing economy initiatives in Belgium. This contextual framing tries to make a short analysis of what the drivers are behind these initiatives, both on the level of the people who use them as on the level of the societal and cultural context.

## Daily Life Practices Behind the Sharing Economy

In a study on sharing practices in the region of Limburg and more particularly Hasselt (the project “Iedereen Deelt/Everyone Shares in Hasselt;” Huybrechts, Yevchenko and Palmieri 2018), Genk (Huybrechts and Lens 2018) and several municipalities in-between Hasselt and Eindhoven (Studio NZL 2019) and how they contribute to a more sustainable future, we discovered that sharing is based on particular daily life practices.

### Image 1. Everyone Shares in Hasselt @UHasselt



Source: Own elaboration.

In the region of Limburg and, by extension, in Flanders (as the PwC 2016 study shows), sharing spaces, goods, or resources, social practices, and traditions in economic—paid or non-paid—networks are not the general practice. People value their own space,



goods, and values. The above-mentioned studies wanted to turn around this starting point and do interviews and observations in the field in order to discover how people do share, even if it is often unconsciously. The studies showed that sharing is part of people's daily practice, but that is too little explored as a conscious strategy (see earlier definition: "the sharing economy as an economic system that allows consumers and companies to make temporary use of underused property, good or service, paid or unpaid") that can significantly contribute to a more sustainable environment.

In order to enhance people's awareness of how they share and could share in a more sustainable way in the future, the studies articulated five clusters of sharing practices in relation to spaces, goods, or resources. These are refined, supplemented, and adjusted via each new study done on this topic:

### 1. Care-Based Sharing

Care-based sharing is defined by people working collectively to care for their environment through sharing spaces, objects, and practices. The example of sharing food and goods via "Zonder Honger Naar Bed/Without Hunger to Bed" is based on a need for care for people in society.

### 2. Value-Based Sharing

Value-based sharing is defined by people who share values locally and commonly. These values become tangible in the way they behave collectively, use spaces, or deploy resources. The example of sharing distribution and sales via Puur Limburg or Foodsavers are based on a set of values that foregrounds locally produced and waste food as a sustainable practice.

### 3. Need-Based Sharing

Need-based sharing refers to bottom-up initiatives that arise from urgent needs that are present in the community and that aim to find solutions together to fulfil them. Often, the observed sharing practices were related to an urge to improve the living environment. For instance, when there is a lot of obvious traffic or pollution, people suddenly start working on initiatives together that improve their environment. The "Curieuzeneuzen" study is a good example of need-based sharing.

### 4. Trade/Work-Based Sharing

Trade/Work-based sharing is defined by people who use spaces and objects or develop practices to collaborate, produce or trade goods, services, knowledge on a monetary or non-monetary basis. For example, some economic venues appear to have more value than being places where people buy or rent things. They support the exchange of goods and community building. The bicycle-sharing service and the Babytheek are an example of this.

### 5. Meeting and Leisure-Based Sharing

Meeting and leisure-related sharing are defined by how people use space and objects together or develop practices for the purpose of meeting each other for leisure and recreation. Bike-sharing initiatives are the most popular example of this. They invite people to visit a place, make use of a shared bike in order to make a touristic tour, instead of using a car.

## Societal Climate: “Climate March”

People’s daily life practices co-define the sharing economy in Belgium today, but also the social climate is an important factor. At the end of 2018 and the beginning of 2019, several climate protests have happened in Belgium, including school children and students (Youth for Climate) and private companies and civilians (Sign for my future) protesting. The protests started out of dissatisfaction of the public due to the non-signing of Belgium in the High Ambition Coalition at the Climate Change Conference in Katowice and the alleged limited actions of the Federal and regional governments in Belgium.

Belgium has four different ministers of Climate (Federal, Brussels, Flanders, and Wallonia), which have shown, based on the opinions of the protesters, limited effectiveness. Resulting from these protests, the minister of Climate of Flanders has resigned. Climate change was expected to be a major topic during the elections of May 2019, but in the end, it had too little significant impact on the adoption of the sharing economy in Belgium in future governmental legislations. Still, with the increasing drought in Belgium of the latest years, the climate remains on the agenda and is today a driver for further development of the sharing economy.

## Culture: Agriculture

Finally, studies show that a certain cultural context co-defines the way sharing economy develops. In Flanders, like in other countries, lands were jointly managed and cultivated up to the nineteenth century. All these grounds were later privatized. In Limburg and other parts of Flanders, sharing initiatives have built on this heritage, as we see in the initiative of Puur Limburg, for instance. However, they do this in contemporary ways (Kuhk, Holemans and Van Den Broeck 2018).

## Developments in Policy

The previous part was able to detect the drivers behind the sharing economy-related to daily life, societal and cultural developments. There are also a few developments (e.g., De Morgen 2018) that structure its adoption on a more institutional level. One is the recognition of sharing platforms by the Federal Government in 2017, and another is the discussion on the concrete stop.

## Recognition of Sharing Platforms by the Federal Government

In March 2017, a Law on the sharing economy was produced, which was valid as of May 2017 (Digimedia 2017). The federal government (2018) recognises three categories of sharing economy players: providers of access, time, or skills by private persons (peers) or professionals, the users of the services and the intermediaries of the online platforms which facilitate the transactions.

As a user, one can use a recognised sharing platform as an occasional income source based on an advantageous tax scheme and with limited administrative requirements. If a user earns less than 6,000 EUR in one year, only 10% of the tax is due. To date, 33 different sharing platforms are recognised by the federal government (2018) as official sharing economy platforms. Bigger names, such as Uber and Airbnb, are not yet integrated, as they do not fall under the current legislation. They claim the high complexity of the legislation and the uncertainty of the services by the service providers are the reason. We can also note that these larger platforms follow the global strategy of the organization. The sharing economy platforms have a complex legal status that makes their inclusion difficult to legislate. To date, only platforms allowing users to earn



additional money are accepted, and thus situations in which the user uses them as their main source of income have not yet been legalised (so far, these are governed by a lenient policy).

## Urbanisation and the Concrete Stop

The second policy change that has triggered a further development of the sharing economy is the concrete stop. Belgium is a dense area with a population density (people per sq. km) of 374 sq. Km, thus Belgium consists of large regions with urbanised areas, especially between Brussels, Antwerp, and Gent. Traditionally, Belgium is seen as a fragmented country, with a lot of ribbon development. This caused significant impacts on the mobility patterns in Belgium, the amount of water penetration in the soil due to the high amounts of concrete and a lack of green areas and forest. Due to this reason, the “Beleidsplan Ruimte Vlaanderen” (BRV) or the “betonstop” (concrete stop) defines that as of 2040, no more new open space can be utilised for new housing developments. The plan aims to reimburse people who own space, protect forests, prohibit building in certain areas and allow to decrease the procedures for building windmills (Departement omgeving 2018).

This trend will significantly alter the spread of living areas in Belgium and will increase urbanisation. This will result in less available space for housing and the potential need to share this available space more. In the main cities in Flanders, the cities were already densifying, and the need for sharing has increased. In some parts of the country, such as Limburg, this limitation has not been sensed as strongly, and the need to share has stayed limited. This example shows that until now, the sharing economy is mainly providing answers to the frustrations of people living in urban areas (Davidson and Infranca 2016), such as people who want to avoid parking problems by sharing a car. Thus, the trend in Belgium towards urbanisation will further make the need for a more sharing economy tangible. At the same time, it is interesting to look deeper into how the sharing economy fills in the needs of people in less urbanised contexts.

## Issues

We identified the drivers and the policy developments that can give the sharing economy in Belgium a boost. Next to these, there are some issues that this economy is confronted with and needs to get more acquainted with to further develop its potential for co-shaping a more sustainable society. These issues are situated on the level of employment, impact on pricing and markets, on privacy and the issue of commons.

### Impact on the Employment

A more flexible way of working can be useful for people willing to work but who are not able to work within 38 hours working scheme. According to the “Hoge Raad voor Werkgelegenheid” (2016), the sharing economy can provide possibilities for people whose competencies are not recognised in the regular employment market. On the other hand, the fluctuation of employment is significant uncertainty, which complicates the status. A study of the European Parliament (2017) showed that most people work on sharing platforms according to a self-employed statute, while they miss the protective measures in place for employees (such as time of employment, night labour, and holidays) and most of the 1,200 surveyed people perceived their job on the platform as the main source of income. Thus, policymakers are aiming to adapt the different statutes of an employee and a self-employed person in order to sustain the

social protection of the person working on the collaborative platform. Yet, how this is executed in practice is not fully clear.

## Impact on Pricing and Markets

The sharing economy, especially when not tempered, can have a significant impact on the pricing of regular markets. An example is the housing market, where the increase in the usage of Airbnb can have a significant impact on the rental prices of houses (Lee 2016). In Los Angeles, 64% of the supply of Airbnb houses are never being used by the actual owners. As renting a house on Airbnb can generate higher profits, many people opt to rent their apartment or house on Airbnb instead of the regular markets. Thus, a large part of the houses/apartments which were initially used for traditional usage is now being rented out to tourists, which decreases the market size of traditional houses and might significantly increase the prices for regular usage.

## Privacy

With the General Data Protection Regulation (GDPR) in force, new actions are required by data controllers and processors of personal data (European Parliament 2016). Depending on the type of data collected, a Data Protection Impact Assessment (DPIA) is necessary for certain operations. While there is broad agreement on the general process (which consists of three parts, that is, a data mapping, an assessment of the mapping and proposed solutions for identified risks), and the fact that the GDPR is a continuation of previous legislation, many sharing economy organizations and employees, are uncertain how to implement the GDPR into their new systems. This uncertainty hampers the development process as data protection authorities can only refer to the Article 29 Working Party (WP29) guidelines and wait for sector-wide codes of conduct to apply the GDPR to specific cases. This is a “chicken and egg” situation since entire sectors are waiting for national data protection authorities to present standardised definitions and processes. Secondly, even if standardised solutions that comply with the GDPR exist, the sharing economy will have to work on transparency in terms of privacy statements, icons, and other forms of visualisations to explain the often complex data flows between different actors in a sharing economy framework.

## Commons

The sharing economy is currently underexplored in favour of the commons. Sharing economy initiatives can take on a complementary role in-between the market and public sphere. This was indicated by Bauwens (2018) based on his study of Ghent. He detects a potential for cities and regions to make alliances in creating platform cooperatives that can manage and sustain very diverse initiatives and steer them into a more fair and sustainable direction. “Commons are at the basis of a new model for urban employment. Through public purchases and anchor institutions, they can strengthen the local economy and create inclusive jobs (Bauwens 2018).” Bauwens refers to the thinking of Trebor Scholz about platform cooperatives where taxi drivers themselves develop their own platforms, sometimes with the support of existing trade unions who are also concerned about freelancers (Vandaele 2017).

## Other Major Players

To develop the potential of the sharing economy for a more sustainable society, there is a great need to include organizations with expertise in sustainability. We already

mentioned the study of the commons of Bauwens (2018) that has articulated the role of this economy for a more socially sustainable society. OVAM is also an important player that can contribute to the debate on the sustainability gains of the sharing economy.

## Transition Circular Economy

The government plays an active role as a facilitator in Belgium (mainly in the Flemish region). In particular, the governmental organization OVAM emphasises the importance of the circular economy, under which the sharing economy fits. The circular economy is an important transition priority for the government, and the OVAM plays a significant role with the department “Vlaanderen Circulair.” The Federal Government play the role of regulator, mainly for legalising the sharing economy and for ensuring the sharing economy is taxed in a similar fashion as other businesses.

Vlaanderen Circulair is a network organization aimed to inspire the circular economy in Flanders. It is a partnership of governments, companies, NGOs, and research organizations in order to activate the ecosystem. It works on three areas: circular purchasing in companies (Green Deal Circulair Aankopen); the circular city, which aims to create a circular city within the (smart) city ecosystem; and circular entrepreneurship, which aims to support companies to work in a circular fashion.

## Future Directions of Research

This document made clear that the attention for the sharing economy in Flanders has been defined and researched mainly in its economic, quantitative, and digital aspects. It detected too little attention for the aspect of sustainability, both in a social and environmental sense: what drives sharing economy initiatives to develop and to be sustained, based on people’s daily life practices? How can the sharing economy benefit common knowledge exchange on issues at stake today (e.g., sharing of air quality data)? How do the sharing initiatives benefit small and larger-scale sustainability gains? How are current evolutions such as the concrete stop, climate change (and the current drought in Belgium) and—even more recently—the corona crisis; drivers for sharing economy to further develop in Belgium in more sustainable ways? We conclude that more systematic research into the daily life and institutional drivers for initiating, adopting, and sustaining the sharing economy and how these drivers can be tapped into with specific benefits on the level of sustainability deserves more attention in the future.

## Summary

This contribution has shown that the sharing economy in Belgium is not as active as in many countries, but that during the latest years, it has been developing more quickly. The report has detected some drivers that have contributed to the more rapid adoption of the sharing economy. The goal was to develop a better understanding of how these drivers can enable further develop the sharing economy’s benefits for a sustainable society. These drivers appeared to be situated on a very daily level and rooted in the fulfilling of care, value-development, needs, trade and leisure, but they are also located on a policy level, such as the concrete stop and climate debates. The report also discussed the issues that the sharing economy is confronted with on a daily basis that

led to exercises in small reorientations. These related mainly to this economy's fair contribution to a more sustainable society, more specifically on the level of employment, pricing, and markets, privacy, and commons. Some larger players, such as OVAM, can play a substantial role in tapping into the detected drivers and in these reorientation exercises—taking into account the encountered issues—towards a Belgian sharing economy that significantly contributes to sustainability goals.

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- Huizen van het Kind: [www.huizenvanhetkind.be/hk/](http://www.huizenvanhetkind.be/hk/)
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## Sharing Economy in Bosnia and Herzegovina

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## Abstract

From the studies conducted, it may be seen in 2018 that the driving force behind the sharing economy in Bosnia and Herzegovina are not small entities that come together to use their spare capacity and gain some economic benefit from others. In the past several years, a set of legal reforms has been established for aspects of labour, taxes, and consumer protection in a collaborative economy. Recognising the potential, the Council of Ministers (Government) in Bosnia and Herzegovina also wants to introduce sustainable production processes for converting biomass of harvested plants into useful wood and paper products. One of the biggest challenges is to develop a successful and reliable circular economy model.

**Keywords:** Bosnia and Herzegovina, Economic Development, Sustainable Development, Renewable Energy Sources, Recycling, Environment Protection, Raw Materials, Waste Materials

## Introduction

The sharing economy has been growing in significance in Bosnia and Herzegovina in recent years, although it has not experienced such a boom compared to the economy in developed economies (seven referred to the level of BiH, two to the level of FBiH, 25 to the level of RS, and sixteen to the level of municipalities 12 FBiH and 4 RS). In addition, platforms are often used only as a tool to innovate older business models, and they are actually so-called platform economics. The fact is that the supply of sharing in this country is limited, either from a territorial standpoint (concentrated on major cities, especially the City of Sarajevo) or from a service spectrum point of view



(Klesla 2018). It is a priority to define clear rules that will ensure the development of a sharing economy and that will at the same time lead to improved tax collection and protection of the rights of all market entities.

## Definition

In Bosnia and Herzegovina, the use of the term sharing economy prevails over the term collaborative economy (IMF, WEO, January 2017). According to Anderson and Smith (2016), the term sharing economy implies a preference for access to, and ownership of, durable consumer goods and factors of production through digital platforms. The Chamber of Commerce of Bosnia and Herzegovina (2018) takes this definition as a starting point and adds that these concerns are a free Internet marketplace that helps more efficient use of unused or underutilized factors of production and benefits from economic, environmental, and social benefits.

With the development of information and communication technologies, new business models and ways of providing services are emerging, based on the model of “common consumption” or “sharing economy.” Many different terms are still used in the scientific and professional literature for the term sharing economy (Botsman 2013). These models imply maximum utilisation of resources based on technological support and community social capital. By applying the sharing economy model, it is possible to advance economic development in Bosnia and Herzegovina in the short-term and join the global supply, with a goal to present the state of the sharing economy within the sector of Bosnia and Herzegovina.

According to Belk (2014), the sharing economy is an economic model in which suppliers seeking to lease or loan their assets through technology platforms are connected to consumers interested in the temporary use of those assets. The cited authors state that sharing economy may have the following three basic forms:

- 1) True sharing—usually free loans when partners know each other; this applies, for example, to services provided between relatives, neighbours, or colleagues (e.g., commuting).
- 2) Occasional sharing—the occasional provision of items or services that are usually performed in exchange for consideration, using both the Internet platforms and also without them; in this case, the partners are usually not known.
- 3) Commercial (permanent) exchange using online platforms—permanent provision of items and services in return for consideration when the communication link between the bidder and the requesting party is made by an intermediary via an online platform; both the bidders and the platform operator are represented here.

Sharing economy is also often referred to as companies that organize the use of paid assets or services or through which users can earn money by sharing their belongings and time. Although it could be said that there is no talk of sharing if the use of the property (and/or time) must be paid, they are often relatively small payments, much lower than the usual prices for car use, delivery, accommodation, and such. They are often necessary to cover system costs and depreciation.

## Key Questions

As it may be seen from the analytical material of the Government of Bosnia and Herzegovina (2018), the sharing economy is, from the point of view of Bosnia and Herzegovina, perceived as a spontaneous phenomenon created, growing, and evolving despite current legislation and the regulatory environment. One of the issues this country is paying attention to is who is driving the development of the sharing economy (For the latest development views, see Commission on Growth and Development (2018), "The Growth for Sustained Growth and Inclusive Development." Washington, DC: World Bank. The document is known as the Spence Report, after Nobel laureate Michael Spence, head of the Commission for Growth and Development). From the studies conducted, it may be seen in 2018 that the driving force behind the sharing economy in Bosnia and Herzegovina are not small entities that come together to use their spare capacity and gain some economic benefit from others. The sharing economy thus reveals the overall nature of the platform of the economy in Bosnia and Herzegovina, and its existence dates back to long before in Bosnia and Herzegovina ("Bosnia and Herzegovina, Economic Trends, Annual Report 2018," Directorate for Economic Planning 2011).

The availability of many goods was limited during the socialist period. These transactions were carried out free of charge or at a lower in-kind fee. The division of labour in the various crafts was also well-developed at that time. At a time when the modern concept of sharing was only just developing. The economy of sharing is especially happening in this country in traffic (transportation) when workers and students use transportation as a service. With the development of this phenomenon, sharing has gradually weakened, and new platforms have become the basis for the highly profitable operations of multinational companies in Bosnia and Herzegovina (Directorate for Economic Planning of Bosnia and Herzegovina, "Strategic Framework for Bosnia and Herzegovina," [www.dep.gov.ba](http://www.dep.gov.ba)).

The second key issue is that one of the important motives for regions to become involved in the sharing economy in Bosnia and Herzegovina is the possibility of violating existing legislation without penalty. The platforms, in many cases, become employment agencies, especially for drivers or the population (Analysis of foreign trade of Bosnia and Herzegovina for 2017, Ministry of Foreign Trade and Economic Relations of BiH 2010). Due to the phenomenon of the sharing of the economy, the labour market is deforming and violating legislation in the fields of taxation, social security and health insurance, tax services or employment of foreigners. For example, on the Internet, it can find dozens of commercials specifically written in foreign languages, which encourage young people from the world to come to Bosnia and Herzegovina for a tourist visa and to provide various content. Deformation is also happening in the real estate market, thanks to sharing in the area of short-term accommodation and real estate sales. Real estate prices in attractive locations, especially in Sarajevo, are increasing significantly. Apartment prices in Sarajevo have increased by more than 50% since 2008, most notably in 2017 and 2018 ("Global Competitiveness Report 2010–2011," World Economic Forum 2011). In addition, besides violating tax law, these platforms also violate local remuneration legislation.

## Examples

Transportation platform TIMOCOM is present in Bosnia and Herzegovina since 2006, both for private and business trips. In both cases, these services may be combined with special interest rates. Signing up for TIMOCOM and providing host accommodation is free. This helps to avoid expensive empty runs and to find new business partners. During registration, the hosts charge for the service, usually at the 5% level ("Bosnia and Herzegovina 2009 Progress Report," Delegation of the European Commission 2010, [www.timocom.com.ba](http://www.timocom.com.ba)). To use this service, all students at the University of Sarajevo may download the free TIMOCOM application and register with a card. Then the student may ask for various services and hire them.

In 2008, a pellet production sharing platform was established. The level of production in the forestry sector depends on a number of market and institutional factors. In order to improve the production process and to make more efficient use of forest resources potential, it is necessary to invest additional resources in supporting infrastructure, primarily in the opening of forest complexes ("Bosnia and Herzegovina Economic Reform Program 2019–2021." Directorate for Economic Planning of Bosnia and Herzegovina). For the first time in Bosnia and Herzegovina, pellets were first used in district heating systems in 2008, where about 8% of all household heating boilers sold were pellet boilers, which means that it is the market leader in South-East Europe in terms of pellet boilers (Commission on Growth and Development (2008), "The Growth for Sustained Growth and Inclusive Development." Washington, DC: World Bank). This role is the result of more than 20 years of research and development in the field of wood chip burning. Companies in Bosnia and Herzegovina are responsible for introducing pellet boilers to the European Union and several other European countries. The presence of pellet boilers on the market in Bosnia and Herzegovina cannot be compared to any other market. According to the data collected in the field, the demand for waste wood products is present, but due to the minimal supply, it cannot be estimated accurately. The rise in the price of firewood, as a traditional fuel in Bosnia and Herzegovina, and its diminishing availability to the market, will lead to greater demand for waste wood products. To replace only 20% of the annual demand for firewood with waste wood products, the production of briquettes or pellets of 40,000 tons per year is required. The current production of briquettes and pellets in BiH is estimated at 15,000 tons, of which almost 30% is exported. The prices of briquettes in the BiH market range from 60 to 90 Euro/t, while the prices of pellets, which are almost all exported, are 100 to 120 Euro/t (here we mean wholesale prices, without trading margins). There are currently about 25 pellet boiler manufacturers, and despite the recession, the Austrian pellet industry expects positive market growth in 2018 as well. The production of pellets in Bosnia and Herzegovina was launched in 2012 with a capacity of 8000 t/year and has grown steadily over the years, reaching production of about 16 000 t in 2018.

## Context

In the past several years, a set of legal reforms has been established for aspects of labour, taxes, and consumer protection in a collaborative economy. The Economic Social Council, as the highest body in the territory of Bosnia and Herzegovina, was set up on August 27, 2002, between representatives of the government and representatives of the Federation of Independent Trade Unions and representatives of

the employers' association. The government's efforts to adapt the collaborative economy in Bosnia and Herzegovina have resulted in an initiative to reform the law. There are heavy penalties for those employers who do not comply with the Law, from 500 to 5000 EUR ([www.biodim.weebly.com](http://www.biodim.weebly.com)).

## Developments

Recognising the potential, the Council of Ministers (Government) in Bosnia and Herzegovina also wants to introduce sustainable production processes for converting biomass of harvested plants into useful wood and paper products. One of the biggest challenges is to develop a successful and reliable circular economy model. The project is being developed in the widest range of participants: kindergartens, schools, students, students, households, property owners, companies, tourists, and professional organizations.

## Issues

A study conducted by the Sarajevo Economic Institute (EIS 2018) shows that only 25% of the population of Bosnia and Herzegovina is aware of the sharing economy. The following is also apparent from this research. About 20% of Bosnia and Herzegovina used their time to share, and another 10% plan to use such services. The main motives for sharing are financial savings (55%) and a desire to try new things. An interesting finding is that individual brands are more familiar to citizens in Bosnia and Herzegovina, as opposed to the term sharing economies (Mediaguru 2018). Another very interesting problem of sharing is environmental responsibility in the transport segment of the supply and demand. Companies that share cars and other products are trying to offer more environmentally-friendly vehicles. The Ministry of Economic Development and Technology believes that it is very important to strike a balance between regular services and those that offer them temporarily, such as, for example, Centrotans Sarajevo drivers.

## Other Major Players

To build a modern scientific-technological and business base at the universities of Bosnia and Herzegovina poses a large requirement. Without modern scientific-technological and business database, which includes adequate human resources, scientific research and R&D institutions, research and information equipment, devices and systems, relevant databases, defined statistical indicators for science and technology, techno parks, incubators and centres, networked scientific, research and development points, both between universities, institutes, associations of innovators and economic entities in Bosnia and Herzegovina, as well as with those abroad, participation in international joint research and technological development programs and projects, respectively, without adequate financial investment, there is neither innovative nor competitive production in our country. The plan outlines the path, as it opens a space for discussion and for a more detailed definition of the priority areas and activities of the circular economy in Bosnia and Herzegovina.

## Future Directions of Research

The circular economy is a new model of economics that was created in response to a linear model of economics. The massive depletion of resources to produce products that become waste at the end of their life cycle no longer meets the needs of companies in a globalised world. In Bosnia and Herzegovina, the circular economy is among the strategic development priorities; the transition from linear to circular economy is a need. One opportunity for Bosnia and Herzegovina is to collect and recycle to reduce dependence on imported materials and maintain value in the domestic economy. We have studied how the circular economy is being introduced into the cities of Sarajevo, Banja Luka, Tuzla, and Mostar. In the City of Tuzla, the transition to a circular economy is based on the project of energy production and the City of Sarajevo's transition is based on the project of heating gas pipelines and pellets. In the theoretical part, we described the linear economy problem, defined the concept, defined the principles and basic characteristics of circular economy, described the models and processes of circular economy, and the problem of evaluation. Opportunity analysis shows favour to the implementation of the circular economy principles in Bosnia and Herzegovina.

## Summary

In the past several years, a set of legal reforms has been set up for aspects of labour, taxes, and consumer protection in a collaborative economy. The Economic Social Council, as the highest body in the territory of Bosnia and Herzegovina, was established on August 27, 2002, between representatives of the government and representatives of the Federation of Independent Trade Unions and representatives of the employers' association. The government's efforts to adapt the collaborative economy in Bosnia and Herzegovina have resulted in an initiative to reform the law. There are heavy penalties for those employers who do not comply with the Law, from 500 to 5000 EUR.

Due to these legal obstacles, the Ministry of Infrastructure of Bosnia and Herzegovina 2015 drafted the Law on Amendments to the Road Transport Law, which aims to include new forms of the collaborative economy in the field of passenger transport and introduce a new form of passenger transport (Ministry of Finance and Treasury of Bosnia and Herzegovina: Information on the state of public indebtedness of Bosnia and Herzegovina as of December 31st, 2018). The law also reduces administrative barriers to taxi services that would help them compete with new forms of passenger transportation (Nurković 2019).

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## Setting the Stage of the Sharing Economy: The Case of Bulgaria

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## Abstract

Over the last decade, the phenomenon called collaborative economy or sharing economy gained significant dimensions and crossed many sectors of economic and social life, creating new business models. Despite the growing interest, there is no single concept for its definition, manifestations, impacts and business models, while at the same time, digital platforms have allowed its sophisticated development. The seen emergence of sharing economy in Bulgaria brings out the need to study the phenomenon at the national level, its context, development, stakeholders. The aim of this chapter is to shed light on the main manifestations and regulatory issues of the sharing economy in Bulgaria and to discuss its stage of development critically. The first part starts with a review of definition aspects and academic conceptualisation of the sharing economy and key issues. In the second part, aspects of the context and manifestations in the development of the phenomenon are discussed. Then, looking at several national examples of market players, an attempt is made to present the sectoral scope of the sharing economy and its development and to highlight the active stakeholders in the market. The study concludes with a discussion on the policies to be developed at the national level and future research to be carried out in order to catch the potential opportunities and overcome potential barriers.

**Keywords:** Sharing Economy, Context, Regulation, Policy, Impacts

## Introduction

Sharing is not a new phenomenon—people shared their goods with their family, friends, and neighbours since they started to live in communities (Belk 2014b; Schor 2014). Renting rooms and other accommodation for holidays, especially in coastal areas in Bulgaria, has been a very well-known and well-established practice since the years of socialism. It is still offered, but much less due to the rapid development of the tourist accommodation infrastructure in Bulgaria after 1990 and especially in the first two decades of the 21st century. The cooperatives as a form of organization of work and exchange are also well-known from the period of socialism. Thus, the sharing economy is not a new phenomenon in Bulgaria, but it gained new connotations with the development of Internet platforms where these activities are carried out through modern digital and sometimes sophisticated solutions. The interest in this business model in the country is growing both from the providers and from the consumer side. A few international platforms are operating actively in the market; new local ones are constantly soaring, some others have already been declined. The absence of any national policy presently should not be seen as a barrier but a signal to create one. Elaboration of a strategy that can turn the weaknesses into strengths and the threat into opportunities is crucial for the further profitable expansion of the sharing economy in the country. Despite the surge of interest for sharing economy business models in Bulgaria across a number of sectors, there is a lack of research on the phenomenon and still not enough knowledge about the concept, its manifestations, and impacts. The aim of this study is to stage the development of the sharing economy in Bulgaria through attempts to reveal the main issues concerning the regulations, market players and business models, stakeholders, positives impacts and potential barriers.

## Definition

The phenomenon of the “sharing economy” has changed people's habits, the way they move, eat, pay their bills or work. However, there is no consensus yet among academics and practitioners on the term “sharing economy.” One of the reasons is its novelty status and lack of common concept but also its large impact on different aspects of our life and the policy, economy, society, environment (Frenken and Schor 2017) and the variety of business models and organization of its activities. The sharing economy reduces damage to the environment by spending resources responsibly through efficient utilisation of physical assets and facilitates new social contacts (Botsman and Rogers 2010; Martin 2016). This type of collaboration can create innovation, jobs, and community (Krueger 2012); sharing could bring people together and stimulate social cohesion in neighbourhoods (Agyeman and McLaren 2015). Quite often, it is defined as an economy where the owners of assets that create a service connect with consumers of that service through online sharing platforms and perform market transactions (Kim 2019).

There is no official definition of the term “sharing economy” in the Bulgarian legal and economic space. The term is present in the media, but occasionally, more often between the people and the businesses, the blogs, and social networks. The term tends to be used closely with collaborative economy, platform economy, gig economy, but there is no consensus on the term that best describes the sharing economy. The term used more often is “sharing economy” (“икономика на споделянето,” in Bulgarian: “ikonomika na spodelyaneto”), rather than “collaborative economy.” Too

often, the term is also used in English. It can be assumed that the current development of the phenomenon in the country is in line with the official definition of the European Commission (2016), where the term "collaborative economy" refers to "business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. The collaborative economy involves three categories of actors: (i) service providers who share assets, resources, time and/or skills—these can be private individuals offering services on an occasional basis ("peers") or service providers acting in their professional capacity ("professional services providers"); (ii) users of these; and (iii) intermediaries that connect—via an online platform—providers with users and that facilitates transactions between them ("collaborative platforms").

## Key Questions

There is no doubt that the sharing economy has paved the way for extremely powerful technological innovations, especially in selected sectors. The business models of the sharing economy satisfy customers to some extent, encourage entrepreneurship, reward investors. Alternatively, the lack of sufficient and appropriate legal, tax, and social regulations hinders the construction of sustainable organizational structures and can lead to the disruption of some sectors of the economy on an unpredictable level. Already the sharing economy is not only linked to B2C but to B2B models where two or more businesses are engaged, and thus, it is transforming society and industry. The phenomenon is flourishing through the Internet and digital platforms, but the question of whether it will contribute to the digital agenda of the country is important for building policies for its development. These issues are not yet well understood by all the stakeholders on the Bulgarian market and are the greatest challenge the sharing economy and the platform businesses, in general, are facing nowadays. Regulation of the sharing economy business models is another great challenge. Problems with state regulation can be linked to high costs for the implementation of regulations on the one hand and to what extent they will be applied on the other, even if the regulator acts entirely in the public interest (Nikolova 2016). Due to the so-called reputation systems, the costs of private regulation are far lower. According to Nikolova (2016), the most progressive-minded regulators in the world are keen to adopt the approach of sparing and encouraging public regulation of these business models, which also takes into account the existence of private regulation. This includes the refusal to regulate in certain cases—especially when services are provided by individuals (not businesses), irregularly and in small volumes.

In general, the business organizations in the country support the need for prominent and adequate regulation of the sharing economy business models and wish to participate in improving the legal framework, but fear that this change will cause serious damage to businesses, related industries, and many people in the country. Regulations are needed for platform workers, their rights, and obligations.

Apart from the lack of specific measures to regulate or promote this business, no matter how easy it is to start a business in Bulgaria, the insecurity that exists around electronic platforms also creates uncertainty in the development of the sharing economy business. While there are some concerns about the sustainability of the business models of the sharing economy, the predominant understanding is that Bulgaria must create a business that supports its development and creates new jobs and new sources of employment and income. The favourable milieu for sharing economy will

contribute to the transformation of targeted sectors and the reshaping of conventional services into digital ones.

## Examples

Although there are several very large and very active international players in Bulgaria that shape the market for services in the sharing economy (e.g., Airbnb and Couchsurfing), local initiatives are emerging and can be found in different sectors such as accommodation, transport, crowdfunding, shared workplaces, talent sharing, and some local examples will be given.

### Spark ([www.spark.bg](http://www.spark.bg))

SPARK is the first Bulgarian car-sharing service—a new generation service that allows finding and renting an electric vehicle (or scooters) through mobile phone regardless of the duration of the usage, for 15 minutes or a few days. The mobile application, which was launched in October 2017 with 25 electric Volkswagen e-Ups, nowadays is widely known for its large fleet of zero-emission and noiseless vehicles. Spark is the first company offering entirely electric cars and environmental solutions for mobility and self-driving in Sofia. The cars are characterised by an easy to use system, which in combination with the company's new cars, elegantly and with respect for the environment, allows users to reach the desired destination.

No charging costs, no parking fees, flexible parking, and eco-friendly are some of the benefits provided by Spark's service. The service is welcome mostly by young people age between 25–40; almost 50% of the customers in Sofia are women. Spark is already in Lithuania and Romania and plans to enter another new international market in 2020 and has almost 70,000 customers.

### TAXIME ([taxime.to](http://taxime.to))

The company is one of the most successful Bulgarian start-up companies. It started five years ago and has built a network of over 350,000 customers with 3,500 taxi drivers in Sofia. The main slogan of the company is "Travel Nice." TaxiMe guarantees a strict selection of inputs and continuous evaluation by the team involved in providing the service. The quality of services stands high on the company agenda. The company applies specific criteria for the selection and evaluation of human resources and quality assurance as well. In 2015, TaxiMe received three of the Forbes Bulgaria awards in the categories "Most Successful Starting Business," "Most Innovative Start-up Business," and "Best Mobile Solution." The company uses an innovative electronic ride payment service, which requires a one-time registration of a bank card in the application. After the registration, it continues to serve as a means of payment for any subsequent voyage that can be paid electronically.

### Zaednonapat ([www.zaednonapat.com](http://www.zaednonapat.com))

Think green, travel! "Together on the Road" is a shared travel platform providing free search and posting of ads by registered users. The ultimate goal of sharing travel is to enable fuel cost-sharing while helping to reduce traffic and emissions. In addition to this, a shared journey could also become a way for new dating and friendships.

In its continuing pursuit of supplying better and more affordable services to its customers, the "Together on the Road" platform added the ability to search for an alternative in terms of shared travel transport. Thanks to its friends from

bgrazpisanie.com, the available bus and rail timetable data can be visualised as a result of searching for shared travel ads. Thus, looking for an advertisement for a specific destination, users are able to both compare the prices of published shared trips with those announced by bus and train carriers and to find out about their schedule. Additionally, the user can view the details of the specific trip.

### Co-Working Bansko ([www.coworkingbansko.com](http://www.coworkingbansko.com))

Co-Working Bansko was established with a mission to become a home for digital nomads, freelancers, and entrepreneurs. Located in the most famous winter resort Bansko, the company became a social, exciting, and engaging co-working space within the country. The philosophy of Co-working Bansko is to be more than a space to work. It is a hub for anyone who needs to enlarge his network for business possibilities; it is a place that inspires and develops an entrepreneurship mind. It generates creative and innovative solutions to expand businesses. The company has a "Nomad in Residence" program where volunteers can stay with Co-working Bansko for one month for free in exchange for about one hour per day of their time. They should work out of the co-working space during the day to connect with the community and learn from them. This is a diversity program that helps the company to keep its community healthy, so they welcome volunteers who have creative skills (art, interior design), those who can help with social media and content marketing, although everyone is welcome.

### Myeducationclub ([www.myeducationclub.com](http://www.myeducationclub.com))

Myeducationclub.com is the first of its kind social network for education in Bulgaria, which allows each user to share its knowledge and skills with other people with similar interests. The platform is more targeted at older people who are motivated to develop new skills to become competitive. Knowledge can be shared, both from traditional educational disciplines such as mathematics, history, geography, Bulgarian language, as well as in non-formal fields of knowledge such as cooking, playing a musical instrument, sewing, embroidering or chess (<https://expert.bg/Bylgari-syzdadoha-platforma-za-spodeleno-obrazovanie-740152.html>, 2019). The first shared learning network in Bulgaria is available in Bulgarian and English. It practically combines the most promising web technologies in the field of social networks with the centuries-old traditions of mutual learning methods of education, known since the renaissance. In practice, a whole new sub-segment called "shared education" has been created since its launch. To facilitate the rewards of knowledge sharing, the project also introduces its own internal virtual currency (token), which is accumulated in the account of users who actively share their knowledge.

### Dressmania ([www.dressmania.bg](http://www.dressmania.bg))

Unique for the Bulgarian market subscription service for renting clothes, shoes, and accessories is offered by the online shop Dressmania.bg. The site has existed since 2008 and is distinguished by quality products from European suppliers and a high-level of customer service. The novelty is that the users of the fashion website can rent any one of its items at a fixed monthly price and thus maintains their style always modern and diverse. Anyone who wants to rent clothes, shoes, or accessories can do it quickly and easily. The consumer needs a suitable plan that includes a monthly rent of 4, 8 or 12 products. The tenant receives the selected products against payment of a deposit and a monthly fee. Otherwise, the customers of the rental service do not have to



accumulate unnecessary clothes in their wardrobe. Thus, the sharing model could reduce consumerist impulses.

## Context

Issues about data protection of the customers and the providers are of great importance for the platform work. In Bulgaria, these rights are governed by the Personal Data Protection Act (01.01.2002, last amendments February 26, 2019). For the time being, there is no special attention given in the Personal Data Protection Act to the platform workers and the clients. The regulations about the legal status of the sharing economy firms and the labour market pressure are other issues that have been mostly on the minds of politicians and the labour syndicates over the last two years.

In the last 4–5 years, Bulgaria has been facing a boom in short-term rental and demand for apartments through electronic platforms. Apartments and guest houses, according to the Tourism Act (TA), are tourist sites of class “B” and, as such, are subject to categorisation (Article 119 of the TA). Currently, the law allows the activity to be carried out by persons who are not registered under the Commercial Law, so to have a hotel business in a guest house or apartment as an individual, without a company and commercial accounting. The rooms or guest houses to be rent out through sharing platforms must be part of the inhabited by the owner residential building (Article. 113 of the TA).

Among the senior politicians in the ruling majority, there is an understanding that the sharing economy services run in breach of the Tourism Act. Almost without any public discussion, new amendments to the Tourism Act were adopted by the parliament at the end of November 2019, according to which renting apartments and rooms through platforms such as Booking.com, Airbnb, Expedia, and Facebook groups will be only possible if they are registered under the Tourism Act. The aim is to create conditions and prerequisites for compulsory compliance with the legislation in the economic activity, in particular in the field of tourism, to ensure equal treatment of different providers of tourist services, to be able to trace the economic results, to have a guarantee of consumer satisfaction is stated in the motives of the proposers then. December 18th, 2019, the Bulgarian Parliament adopted a new decision to take in force as from January 1st, 2020, which is that the owners offering through platforms such as Airbnb, Booking.com will pay a patent tax.

Much more radical measures were taken when the car-service platform Uber first launched in Bulgaria in 2014 (Gavrilov 2015). The platform provoked huge public discussion, opening again the question of offering some entirely shared products vs commercialised model, using the status “sharing service,” and met severe opposition from taxi drivers and state institutions in the country. The Commission for Protection of Competition (CPC) in Bulgaria came up with the decision that the company was acting unfairly by setting a price tariff and specific criteria for the vehicle and the driver, while the vehicle-sharing platforms only connect the passenger and the driver. In addition, the use of the Uber mobile app was not free for drivers. By decision 540 of June 30, 2015, the CPC found that Uber B.V. and Rasier Operations B.V. violate bona fide commercial practices because of contradiction with the legal regulations governing taxi transport and create conditions for circumvention of the law. At the end of 2018, the EU Court ruled that Uber is a transport service and finally suspended Uber’s activity on the Bulgarian market.

For the time being, the taxi-like platforms create a big challenge in Bulgaria not because the people do not like to use this service but because of unfair commercial practices. In 2019, another transport sharing platform stopped running, the Russian Maxim company.

## Developments

The sharing economy will grow at double-digit rates over the next 10–12 years (Osztovis et al. 2015), and from a 5% share in 2013, it should account for about 50% of the global gross domestic product in 2025. There are no official figures about the growth of the sharing economy in Bulgaria, but there are several sectors where sharing economy manifests itself strongly. The two pioneers of the sharing economy, now global giants—Airbnb and Uber—were among the first well-established companies on the Bulgarian market. While Airbnb is still well-doing, the case of Uber, as seen above, is over. At the other end of the arena, many small start-ups flourishing in different niches—short-term rental of rooms, apartments and other real estates, tourism and shared travel, education and training, trade, long-distance carpooling services, selling home-made goods, shared co-working spaces, parking spaces sharing, events, crowdsourced delivery networks, lending platforms, crowdfunding real estate investment etc. As far back as two years ago, Airbnb hosts offered more beds than all the hotels in Sofia, and at the time, over 300 users have signed up for the platform with two times increase in rental growth from January 2017 to the end of 2019, according to the statistical data ([www.airdna.co](http://www.airdna.co)). The numbers for Plovdiv, Burgas, and Varna are similar, and in the summer, the offers for the Black Sea coast are significantly rising.

A recent study shows that although the rate of growth of international tourists in the capital Sofia is moderate-higher compared to other more popular tourist cities in Europe, the manifestations of Airbnb are similar to those in other destinations (Roelofsen 2018). However, the same study reveals a specific pattern for Airbnb in Sofia as a post-socialist city—the offers are mainly in those areas that have undergone processes of gentrification and where are located most tourist attractions and officially registered accommodation. The transport sector for shared services is less represented in the country compared to the accommodation sector.

Airbnb, Booking.com, Expedia, Flat way, Rentbyowner, HomeAway, and Facebook groups are among the active short-term rental platforms operating in the Bulgarian market. In parallel, there are a number of well-established process management companies in the short-term rental market that partner with these platforms, such as Flat Manager ([www.flatmanager.bg](http://www.flatmanager.bg)). Its philosophy relies on the understanding that the successful renting out of a property on short-term rental platforms depends not only on the quality of the individual activities but also on their consistency and synchronisation. For this reason, they only offer one service package that includes all and costs 25% of the revenue generated.

A newer trend is the peer-to-peer workspaces and offices—the owner or tenant offers others to share working space. Even more often, empty industrial buildings are provided for concerts, theatrical productions, and exhibitions. The co-working spaces have a significant impact on other industries such as the event industry, IT and are changing the way they perform. They have the mission to accelerate the global workforce adoption of co-working through discovery, bookings, and frictionless access.



37 actively functioning co-working spaces are only in Sofia ([www.coworker.com/search/sofia/bulgaria](http://www.coworker.com/search/sofia/bulgaria)).

An interesting platform has been successfully developed in the financial sector Klearlending ([www.klearlending.com](http://www.klearlending.com)). Klearlending is a combination of P2P lending and free financial education. Klear is an innovative FinTech company and was named The Best FinTech Start-up in Bulgaria at the Central European Start-up Awards 2017.

End of 2019, StudyHub Bulgaria, the first of its kind shared learning space in Bulgaria, opened its doors ([www.facebook.com/StudyHub-Bulgaria-2141246312824249/](https://www.facebook.com/StudyHub-Bulgaria-2141246312824249/)), Students from two Sofia universities initiated this 24/7 learning space. It is located in the Sofia Student's town—Studentski grad, there is no day off, working conditions for disadvantaged people are provided. It has its own library of specialised scientific and fiction literature from private donations, companies and non-governmental organizations. Additionally, soft skills training, career preparation is delivered, and the hub follows the trend of adaptive and flexible non-formal education to meet the needs of new generations. This is the first step towards a change in higher education from the inside out to the practical sharing of knowledge (Georgieva et al. 2019).

Educational cooperatives are also functioning successfully in the country, opening home schools (Hristova 2016). As platform businesses evolve, like others, there are successful platforms that have left the market or ceased operations. The first Bulgarian online farmer's market, Farmhopping (since April 2014), was among those that “closed the doors” in 2019, but only two months later managed to restart its activities successfully.

A 2016 Flash Eurobarometer 438 survey showed that in Bulgaria, similarly to Sweden, the collaborative platforms are cheaper or free (European Commission 2016). The study reveals that 26% of the Bulgarians, compared to 41% average in European Union (EU), don't know who is responsible in case of a problem arising in sharing economy businesses; 26% (28% in EU) are not trusting the Internet transactions in general; 26% (27% in EU) not trusting the provider or seller; 25% (17% in EU) are disappointed because the services and goods do not meet their expectations; 36% (27% in EU) are disappointed because the services and goods do not meet expectations. One of the main problems of collaborative platforms in Bulgaria and Austria (both 36%) and in Latvia (41%); 25% (17% in EU) not having enough information on the service provided.

In 2017 in Bulgaria, 12.1% of people using the Internet in the past year have rented a home from another private person through sharing accommodation platforms such as Airbnb or social networks ([www.nsi.bg](http://www.nsi.bg) 2017). The relative share of those who benefitted from the offer of shared travel is smaller (3.9%).

According to Flash Eurobarometer 467 (European Commission 2018), Bulgaria and Portugal are the countries with the lowest proportions of users of services via collaborative platforms (both 17%). 62% of the interviewed have used a service offered via the collaborative platform in the accommodation sector (i.e., renting an apartment), 38% in car-sharing, 37% food-related services, 24% household services (gardening, repairs, childcare, etc.), 18% professional services (IT, accounting etc.) and only 3% (8% in EU) in collaborative finance (e.g., peer-to-peer lending or crowdfunding). While 74% of the respondents see the advantages of using collaborative platforms compared to traditional channels as more convenient access to services, in the availability of ratings and reviews by users (63% of the respondents) and many other, 57% of them upon their personal experience consider the lack of clarity about who is responsible in

case of problems arising and 35% are not trusting the providers of services offered via collaborative platforms.

The new Sharing Economy Index of the Swedish free-market think tank Timbro ranks Bulgaria in 63rd place in the world out of a total of 213 countries and territories (Bergh et al. 2018). Sharing economy is larger in countries where more people have access to high-speed Internet, but the development is not depending too much on the level of regulations as previously thought, according to the Timbro Sharing Economy Index report (Dildy and Olafsson 2018). The same economic indicators for freedom that favour the development of the traditional economy also matter for the size of the sharing economy, the report reveals. On the other side, it was found that social trust is not related to the use of sharing economy services which do not support the popular notion that the sharing economy depends on high levels of social trust outside the platform. An alternative hypothesis assumes the companies in the sharing economy have found ways to facilitate trust intensive transactions also where social trust is low.

## Issues

The Bulgarian government is rather passive or neutral for the time being regarding the regulation of the collaborative economy and to develop a business environment that encourages this economy, and this is one of the reasons for the slower rate of development of the SE (similar to Slovenia (European Commission 2018)). No special support measures have been identified in the country, and no studies have been commissioned by the government on the sharing economy until the end of 2019. There is also no official data regarding investment activity in the context of the sharing economy. In places where the government is rather neutral, and the business environment is not an encouraging one, the collaborative economy (Bulgaria, Slovenia) seems to be developing at a slower rate” (European Commission 2018). Despite the surge of sharing economy initiatives across sectors, there is no official government commissioned study to date. It can be assumed that the government of Bulgaria will develop and propose other initiatives covering business models of the sharing economy in different sectors and in terms of working across platforms as a whole.

Online platforms are key drivers of innovation in the digital world, and their success is closely tied to the success of a range of businesses that use platforms to reach customers. Platforms allow especially smaller businesses to extend their operations beyond their home state, catering for consumers across the entire Single Market. More and more people in Bulgaria are open to working as freelancers, digital nomads or providing services through platforms.

The topic of undeclared work, however, is not solved, and it is often on the debate on a national scale. In September 2018, a national conference, “Informal economy and undeclared work—international, European, and national dimensions,” was organized by the Bulgarian Chamber of Commerce and Industry (BCCI). The participants from the institutions, social partners and non-governmental organizations raised the concern that the informal economy and undeclared work bring losses to everyone. It appeared that the losses are firstly for the workers themselves who can now be happy to have more money (income at disposal) because of unpaid taxes and social security contributions, but in the future, their benefits and pensions will be on the brink of survival. On the other hand, huge losses for the society as a whole can be observed, as reduced tax and social security revenues limit the state’s ability to invest in vital

public systems such as health, education, social welfare. This issue remains a great challenge for the stakeholders in the country.

Other challenges are linked to the protection of the consumers to raise their trust in using collaborative services, trust in the online booking process or payments and of course, to overcome the deficit of technical knowledge about how to use collaborative platforms. Upon resolving these issues, the economic, social, and community impacts of the sharing economy business models would be more understandable.

## Other Major Players

Although no specific legislation has been adopted effectively in Bulgaria to cover issues related to the sharing economy and platform business, the largest business organizations in the country and the trade unions are aware of the strong need to create a harmonious environment for the development of the sharing economy innovative business models. The Bulgarian Industrial Association ([www.bia-bg.com](http://www.bia-bg.com)) and the Bulgarian Chamber of Commerce and Industry ([www.bcci.org](http://www.bcci.org)) initiated debates on sharing economy tackling another key issue, i.e., to identify the motivations the people and the business entities to be involved in the platform operations and thus to discover the potential of platforms owners and sharing economy start-ups and to deliver effective support services to boost their development and achieve benefits. The Bulgarian Industrial Association initiated a campaign focusing on the support to the collaborative economy where these issues are raised. The running project SharON in collaboration with five partner countries (Bulgaria, Estonia, Italy, Poland, and Slovakia, [www.sharedeconomy.eu](http://www.sharedeconomy.eu)), aims to identify innovation and technology-oriented SMEs that work or wish to work within the sharing economy. Through identification of the potential and needs of platform owners and start-ups, appropriate support programs will be elaborated ([www.bia-bg.com/event/view/24832/](http://www.bia-bg.com/event/view/24832/)).

The Bulgarian Start-up Association (BESCO) is a non-governmental organization that acts as a bridge between start-ups, private and institutional investors, the government, and other stakeholders in the innovation industry caring about the establishment of the best ecosystem for the sharing economy businesses. BASSCOM is the industry association of leading Bulgarian software development companies. Its mission is to promote competitive advantages and long-term traditions in software development as well as to encourage acquisitions of best practices to raise company excellence. BASSCOM is a part of the EU Digital SME Alliance and contributing to the digital industry aiming at a friendly milieu for sharing economy activities.

## Future Directions of Research

The development of the sharing economy will continue to challenge the Bulgarian economy similarly to a European one. The study showed that targeted studies of the impacts, understanding, and evaluation of its social, economic, environmental and community impact and especially in small settlements with the help of specific indicators, are needed, and also its manifestations and specific consequences. Furthermore, the evaluation of policy impacts and gaps will raise what gaps in policies need to be filled to ensure the innovation potential of this business model are. The conclusions of such analysis will allow outlining the opportunities for the development of the collaborative economy in Bulgaria, and on the other hand, to bring out the key

challenges arising from its development. No profitable surge can be predicted without clarifying the sharing economy contribution to the digital agenda and knowledge society. Then research on which role the government should play in the development of this economic model should be performed so that the sharing economy innovates the public sector and what the role of co-working entrepreneur is in these transformations?

There is also a need for research to shed light on the risks of side effects and subsequent errors to further strengthen the perceived values and avoid potential barriers. A large survey regarding the experience of both consumers and suppliers is more than a must to help elaborate respective policies. Future research should also evaluate its impact on urban development, hardly affected by short-time renting accommodation and identifying possible alternatives to the current sharing platform on the market.

## Summary

The chapter contributes to understanding the stage of development of the sharing economy in Bulgaria as a vital aspect of social, economic, and political life. The study reveals that the palette of shared goods and services on the market is not constant over time and moves elegantly from sharing goods to close friends and colleagues through carpooling and more sophisticated co-sharing working spaces and talent, crowdfunding and others. The list of major international sharing platforms is filled with more and more outstanding local-born business models and brands. Some locally created sharing platforms already ceased operations, others restarted again, and some are already operating in foreign markets. The phenomenon is flourishing through the Internet and digital platforms, but the question of whether it will contribute to the digital agenda of the country is important for building policies for its development. These issues are not yet well understood by all the stakeholders on the Bulgarian market and are the greatest challenge the sharing economy and the platform businesses, in general, are facing nowadays. The perception is that the business model-based on the sharing of assets, belongings, money, services, knowledge etc., will continue to develop and grow exponentially unless any emergencies may strongly affect or threaten its functioning, as well as endanger the security of users and service providers.

Some of the positive effects of the sharing economy that have been identified and portrayed with the present study are linked to creating new opportunities for business and for the young and old people in cities and also in small communities around the country. Nevertheless, the study also raises concerns and questions about how it is possible for the sharing economy to develop on its own without any policy, regulatory framework, lack of strategic vision in a milieu of difficult to find reliable information on its development. However, the bubble may burst and blur the positive effects of this collaborative model of business. In order to meet the challenges and benefit from the opportunities of the sharing economy, firstly, the Bulgarian government must commission a report to evaluate the dimensions and the economic, social, environmental and policy impacts of the sharing economy platforms in the country. Further, to develop policies and measures specifically focused on issues related to legal regulations, taxation, competition, and social protection of workers in the sharing economy. The role of government and municipalities in the development of sharing economy in Bulgaria is minor, but the absence of any national policy presently should not be seen as a barrier but a signal to create one. Elaboration of a strategy that can

turn the weaknesses into strengths and threats into opportunities is crucial for the further profitable expansion of the sharing economy in the country. Creating a favourable environment for the collaborative economy will allow a number of asset and service sharing initiatives to take place, which can be expected to promote entrepreneurship, to grasp the opportunities, increase employment and address other social issues, waste reduction, welfare improvement, and improve the image of Bulgaria as a collaborative economy.

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## The State of the Sharing Economy in Croatia: Legal Framework and Impact on Various Economic Sectors

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### Abstract

Since the sharing economy is a rather new phenomenon, there is still no official definition of it in the legal framework of Croatia. The continuous development of sharing economy started a few years after the 1998 global and domestic economic crisis stroked Croatia. Namely, a total of eight platforms in the sectors of transportation, accommodation, finance, and online skills could be identified. The total market share of these platforms amounts to estimated market revenue of roughly 106 million EUR. When compared to the other EU Member States, it could be noticed that Croatia falls within the group of countries with a below-average performance by a number of platforms per 1 million population, as well as in the level of revenues compared to national GDP. Figures that are more promising can be detected regarding the collaborative economy's contribution to national employment, which positions Croatia within the EU average. Future studies should explain in greater depth how the sharing economy poses several new challenges for regulators in Croatia and countries across the EU. In particular, policymakers must comprehend the big picture and provide regulatory guidelines to manage the long-term changes in job markets, public safety, competition, and digital trust.

**Keywords:** Digitalisation, Legal Framework, Collaborative Platform Economy, Croatia, Economic Sectors

## Introduction

The sharing economy scene started its continuous development a few years after the global and domestic economic crisis hit Croatia. Airbnb came (to Europe and Croatia) in 2011, BlaBlaCar and Uber entered the Croatian market in 2015, Click and Boat in 2016, UberBOAT in 2017, Turo in 2018, etc. On the other hand, the first domestic companies started their operations a bit later. Croinvest.eu (crowdfunding platform) was launched in 2014, Locodels (courier delivery service) in 2015, SpinCity (car-sharing/rent-a-car) in 2016, etc. Most industries of the significant sharing economy in Croatia are accommodation, transportation, and finance.

Moreover, according to the European Commission final report (from February 23, 2018) of the Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 European Union Member States, a total of eight platforms in the sectors of transportation, accommodation, finance, and online skills could be identified in Croatia. The total market share of these platforms amounts to estimated market revenue of roughly 106 million EUR. When compared to the other EU Member States, it could be noticed that Croatia falls within the group of countries with a below-average performance by a number of platforms per 1 million population (1.20), as well as in the level of revenues compared to national GDP (0.1%). Figures that are more promising can be noticed regarding the collaborative economy's contribution to national employment, which is at 0.19% and thereby falls within the EU average.

## Definition

The sharing and collaborative economy is a rather new phenomenon in Croatia (we will use both “sharing economy” and “collaborative economy” as synonyms in this report); therefore, there is still no official definition of it in the legal framework of Croatia. Namely, the definition that is usually used is the official European Commission definition, or more precisely: “...business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. Collaborative economy transactions generally do not involve a change of ownership and can be carried out for-profit or not-for-profit.” Furthermore, the term “collaborative” (translated in Croatian) is rarely used; this (socio)economic system is usually labelled as “sharing economy.” As an illustration, Google Web Search offers only a couple of results on “collaborative economy” (translated in Croatian) and most of them are either translated official documents prepared by EU (European Commission) or news (in the Croatian language) reporting about EU recommendations regarding the collaborative economy in Europe.

The national sharing economy is often described (within public and professional discourse) as a system that accommodates a wide range of business practices, including practices that usually do not fall under the sharing but rental and/or on-demand economy. For example, a newly founded Croatian car-sharing company has all characteristics of a traditional rent-a-car company apart from the fact its customers cannot rent cars offline and can rent cars per minute instead of per day.

Besides these fundamentally “non-sharing” organizations within the national sharing economy, another issue lies in “non-sharing” parts of organizations or platforms that usually are considered as “true” elements of the global sharing economy. For example,

as a part of the Airbnb organization in Croatia, there are traditional accommodation providers who use the Airbnb platform solely to get more customers.

## Key Questions

The key questions worth asking that might reveal to which extent is Croatia approaching (or hoping to approach) the collaborative economy are the following:

- Is the collaborative economy, including platforms activity, positively or negatively contributing to the labour market and total Croatian economy?
- Is a legal framework for P2P networks (e.g., distributed ledger technologies) necessary?
- How should Croatian consumers be protected in the collaborative economy epoch?

Since according to De Groen and Maselli (2016), digitalisation has broad implications for many workers, and in the past couple of decades, it has primarily changed the way people work, with online communications and information-sharing as well as a mechanical support for information processing. Additionally, the way in which work is allocated has remained the same as before digitalisation. Therefore, human interaction still plays an important role in distributing work, and most people still work inside organizations. That is the case in Croatia as well.

In a situation where there is a P2P relationship, there is no competence of the national consumer protection authorities since, according to the EU law, a consumer is a weaker part in B2C relationships, which in the P2P relationship does not exist. In potential disputes, the civil law rules apply in the P2P situation, and the case in that situation must be brought before civil courts of the Member States. Usually, civil claims are rare due to the high costs and length of civil proceedings compared to the low average value of C2C contracts on online platforms. The enforcement of C2C legislation is also hindered by the scarce collaboration between online P2P platforms and competent authorities (“Exploratory study of consumer issues in online peer-to-peer platform markets, Final Report 2017”).

Some authors (“Exploratory study of consumer issues in online peer-to-peer platform markets, Final Report 2017”) suggest the division between “commercial” peers and “private” peers. Some of the largest platforms allow commercial peer providers to operate alongside private peers without distinguishing between them—while others do require them to indicate the commercial or professional nature of their activity. In this case, the application of the consumer protection rules is possible.

The Legal Analysis also found that most platforms set minimal identification requirements for registration and access (e.g., name and email address) and usually do not adopt adequate measures to verify users’ identity. In Croatia, there is no established mechanism for the control of the authenticity of the comments. It can proceed only on the basis of the private offence.

## Examples

In Croatia, the transport sector has the most platforms. More precisely, BlaBlaCar and Uber can be categorised as a P2P transaction model, while Spin City is a transport

platform that is characterised by a B2B structure. Also, some more differences can be perceived according to their geographic origin. Namely, while BlaBlaCar and Uber are internationally operating platforms, which entered Croatia in recent years, Spin City is a domestically originated and operating platform. The transport sector in Croatia is the most popular platform of the collaborative economy that provides the most jobs (according to the European Commission study, that sector supplies 1528 jobs). Even so, in this sector total estimated revenue in 2016 was (only) 19.8 million EUR. Moreover, in these figures, Uber has clearly the most impact on employment. According to data from a 2016 study on Uber, for 35% of drivers in Croatia, Uber is the only source of income, and for 64% of surveyed drivers, Uber provides an additional source of income.

In comparison with the tourist season in 2017, Uber reported 50% business growth for the same period in 2018 (Tremac 2019). While at the beginning of 2018, the company reported having more than 3000 drivers (service providers), a year later, the reported number was around 4000 (Uber 2018; Tremac 2019). Apart from providing a fruitful business ground for Uber road services, Croatia was the first country/market worldwide where UberBOAT (sea transportation) was made available and still is the only market where the service is available throughout the entire year (Tremac 2019). Among the car-sharing platforms, while, for example, Drivy and Getaround are not at all available in Croatia—Turo is available, but in a different form in comparison with the original. Namely, since the regulatory framework cannot accommodate the activity of renting cars among peers (e.g., car insurance obstacles), the only way to share your car through the platform is to open/use a company and make it the rent-a-car (Luzar 2018).

Airbnb exclusively shaped Croatia's collaborative accommodation sector, and this platform provides 1900 jobs and relies on a P2P transaction model. When considering the accommodation sector, the total revenue in 2016 was nearly 85 million EUR, making it the most important collaborative economy sector. These figures probably have to do with the fact Croatia is one of Europe's preferred travel destinations. Also, many Croats live out of tourism, so this P2P transaction model is one more way of earning extra income. Skehan, an Airbnb PR, reported in 2017 that the number of Airbnb guests (who visited Croatia) got increased by 59% over the last year (Crnjak 2017). Furthermore, again based on their own data and calculations, in late 2017, the company predicted a 175% increase in bookings for Zagreb in 2018, which placed the national capital, in this category, among the top twenty cities worldwide (Airbnb 2017).

When considering finance platforms, three of them are present in Croatia, and they altogether produced a turnover of more than 1.4 million EUR in 2016. Even though the finance sector has a pronounced perspective in Croatia, accommodation and tourism sector platforms play still a bigger role.

The national crowdfunding scene, which includes both international (e.g., Kickstarter and Indiegogo) and domestic platforms (e.g., Croinvest.eu), was very successful in doing business in the year 2015. Namely, 36.5% of the projects initiated were successfully completed, the projects were backed by 7673 supporters in total (the most represented platform was Indiegogo), and the average amount of money raised per project or campaign was 10 000 USD (Hafner 2016). Two years later, in 2017, the scene attracted more supporters (13531), but the share of successfully completed projects was roughly the same (33.3%) (Hafner 2018). Finally, in the field of crowdfunding, the Crowdfunding Academy—one of the first comprehensive training programs established in Southeast Europe is worth mentioning.

Within the inclusive definition or approach, there are two types of models in Croatia: for-profit sharing and non-profit sharing. Namely, in the for-profit sharing category, there are a) Cars (e.g., BlaBlaCar, Uber, and SpinCity); b) Travel arrangements (Ajmoskupa.hr); c) Living spaces (Airbnb); d) Boats (UberBoat, Click Boat); e) Different kinds of services and goods (Njuškalo), and f) Working spaces (about fifteen organizations provide co-working spaces). On the contrary, in the non-profit sharing category, there are a) Living spaces (e.g., Couchsurfing and HomeExchange) and b) Travel arrangements (Ajmoskupa.hr).

## Context

There are different relationships between the actors participating in the sharing economy. Law does not regulate most of them. Since there are a platform that enables the communication and (business) operations between the actors, the still “traditional” legal framework applies concerning these relationships as relationships between services of goods provider-platform-consumer. The legal questions that arise are consumer protection, labour law, data protection, obligation law, competition law, taxation, and others. In Croatia, there is no special legislation that applies to platforms or sharing economy in general.

Generally speaking, there is no specific definition of the collaborative economy in the Croatian legal framework. There is a sector approach driven by the provision of services in different sectors provided by the platforms.

In 2018, after the decision of the European Court of Justice in Cases C-434/15 *Asociación Profesional Elite Taxi v Uber Systems Spain* ECLI:EU:C:2017:981, C-526/15 *Uber Belgium BVA v Taxi Radio Bruxellois NV* and others, Croatian Parliament enacted amendments to the Law on road transport (Official Gazzette, (Narodne novine) No.41/2018). These amendments introduced the possibility to provide taxi services ordering it by the digital platform. The auto-taxi transport, according to the Law, is “an activity of public passenger transport carried out by an M1 passenger car, if one passenger or a related group of passengers embarks at one or more places and disembarks at only one other place, and such transportation is performed on the basis of one order and with one payment of the total fee for the transport performed determined by a taximeter or an electronic application from which the maximum price and the planned route of travel are known to the passenger in advance, in which case the transport order is realised by a call, an electronic application or directly at the driver and which has no features of other forms transportation of passengers.” There is also a definition of the rent-a-car with a driver. The Uber drivers are regarded as taxi drivers, and they have to be aligned with regulation that regulates taxi services.

The platforms develop a parallel labour market that is flexible and individual, where employment is not governed by any form of contractual employment relationship. The SE is based on the mediation of the digital platform between the provider and the recipient, with no employment contract between the provider and the platform or the provider and the recipient. In addition, other rights exist in the standard employment relationships where national labour legislation applies (right to pay, fixed hours, prescribed workplace, and work environment, right to training, access to trade unions or collective action, health and social security, annual leave etc.) (Vara Arribas, G., Steible, B., Bondt, A.: Cost of non-Europe in the sharing economy: legal aspects, European Institute of Public Administration (EIPA-Barcelona) 2016,

[www.researchgate.net/publication/312086162\\_Cost\\_of\\_non-Europe\\_in\\_the\\_sharing\\_economy\\_legal\\_aspects](https://www.researchgate.net/publication/312086162_Cost_of_non-Europe_in_the_sharing_economy_legal_aspects)). The worker, or the provider, is actually a self-employed person who must take care of their work and social status independently, and pay unemployment, retirement benefits, and manage their health and safety protection. In Croatia, there is no specific legislation regarding the labour law regulating the collaborative economy. Regarding, for example, Uber drivers should be registered as taxi drivers. Usually, they rent cars and use them for driving, and they pay a fee to the car owners. They are registered as small companies or as traders and craftsmen (according to the Companies Act or according to the Law on Crafts). Actually, they are self-employed, or they are acting as workers for small companies.

General consumer law provisions apply to B2C relationships (e.g., platform-consumer or professional-consumer). On other obligations, General Law on obligations applies (Official Gazzete 35/2005, 41/2008, 78/2015, 29/2018).

General legislation on the provision of services in tourism and hospitality services applies. Last amendments were introduced into the legislation due to the need to implement EU legislation (Law on the provision of services in tourism Official Gazzette NN 130/17, 25/19). On the provision of Airbnb services Hospitality Industry Activities Act applies (Official Gazzette 85/2015, 121/2016, 99/2018, 25/2019). According to the law, Airbnb hosts are considered as private renters and taxation regulation, and another regulation on private renters applies. Airbnb hosts can be restarted as private persons or as companies.

At the moment, in Croatia, there are no parliamentary debates or off parliamentary initiatives to draft new laws to better address collaborative economy scenarios. Regarding the court decisions, there were cases at the Commercial Court in Zagreb before the new legislation on road transport was introduced, but all lawsuits were withdrawn after the Law on road transport was introduced.

As far as legislation and technological tools are concerned, the actors rely on themselves; there is no additional support for organizations of collaborative economy (apart from the official state support for all entrepreneurs, regardless of their business model). Websites and apps seem to be the major source of technology used.

## Developments

Croats are, in general, in favour of collaborative economy platforms. A Eurobarometer survey from March 2016 indicates that more than 70% of the respondents have heard of one or more of the concerned platforms, with about 24% of the respondents have also used such platforms. Similar to most national markets, the popularity of these platforms is mostly grounded in their competitive pricing. Yet, obstacles remain, as some 30% of the respondents expressed a lack of trust in online transactions. Furthermore, it is evident that entrepreneurs repeatedly find it difficult to source venture or start-up capital, as the number of early-stage investors is highly limited.

The EU study conducted in 2018 reported that 27% of the respondents used some of the sharing/collaborative economy services. While the main reported advantages of using collaborative platforms remained unchanged in comparison with 2016, the most represented disadvantage in 2018 was not trust-related but “none, there are no significant issues.” It seems important to emphasise that this “none, there are no significant issues” the answer was spontaneously given, i.e., it was not offered to the



respondents through the predetermined list of options (as was the case with all other presented questionnaire items). Moreover, 88% of the SE users in 2018 would recommend using collaborative platforms to others (European Commission 2018).

The economic development of the accommodation sector of the collaborative economy, measured by the share of collaborative economy revenues in holiday and short-stay accommodation sector of GDP, puts Croatia among the countries with the highest shares of collaborative revenues to sectoral GDP in the tourist accommodation next to Finland, Bulgaria, Cyprus, the Czech Republic, and Hungary. All other countries had a share that was below the EU average of 0.5%.

The finance sector is quite well regulated, and these regulations also apply to the collaborative finance platforms, which have to meet all requirements set for financial institutions. While there have been many discussions about the legitimacy of the transport and accommodation sectors in the collaborative economy, discussions regarding the finance sector have been quite modest. This is believed to be because of the well-established regulatory framework—about 47% of platforms find the regulatory framework adequate and appropriate. However, Croatia is among countries that were below EU average in terms of collaborative economy business developments next to Lithuania, Romania, Malta, Slovenia, and Hungary. The underlying reasons why collaborative economy business models had not been adopted in the finance sector in these countries are likely to vary a lot.

## Issues

The general public does not differentiate sharing economy from the collaborative economy and other “alternative” economies, so all different terms are used in the same meaning. In Croatia, there are now many private initiatives regarding the sharing economy (Gredica, private gardens, [www.gredica.hr](http://www.gredica.hr); Island hopping, available <https://hr-hr.facebook.com/groups/341491362697255/>).

The public debate started with the occurrence of the “profit” platforms and with the beginning of Uber and Airbnb. The mentality of sharing is still very poor compared to the other EU countries.

## Other Major Players

The key stakeholders are individuals/organizations which either start and run their own business ventures (e.g., SpinCity, Njuškalo) or serve as Croatian branches of foreign/international companies (e.g., Uber, HomeExchange).

In general, Croats use all the above-mentioned services quite often; both non-profit and for-profit sharing economy ventures have been particularly welcomed in bigger cities and other tourist areas. In most cases, safety-related issues regarding the usage of often unregulated transportation and/or accommodation services do not represent a major concern. However, a widespread debate about unfair market competition created by collaborative economy organizations is currently on the scene. The state has started to look for a solution that would benefit the Croatian economy as a whole (see the Uber case study below).

The estimation made by Pesole et al. (2018) revealed that platform workers in Croatia (people who have ever done a single job via an online platform) make 8.1% of the total

workforce. The European Union (2018) analysis revealed similar results. In 2018, 7% of the respondents offered their services via collaborative platforms. Furthermore, according to Pesole et al. (2018: 5), 64.3% of platform workers (of all types) were active once per month or more, while 63.9% invested in it ten or more hours per week. This type of work provided at least 25% of income for 36.6% of them (which makes it significant, but not the main job) and at least 50% of income for 12.8% of platform workers (which makes it very significant or even a main job).

According to the study on exclusively P2P sharing economy, i.e., on business transactions between individuals facilitated by online platforms (Eurostat 2019), 7% of the respondents in 2017 and 12% in 2018 used an online platform to arrange accommodation from another individual while 4% of them in 2017 and 8% in 2018 used dedicated online platforms to do the same. Overall growth in popularity was also reported in the transport/mobility industry. Namely, 6% of the respondents in 2017 and 12% in 2018 used an online platform to arrange a transport service from another individual, while 5% of them in 2017 and 12% in 2018 opted for online platforms dedicated to it.

## Future Directions of Research

Most sharing businesses in Croatia are still maturing. A comprehensive understanding of the sharing economy, its size and impact are still lacking. Future studies should explain in greater depth how the sharing economy poses several new challenges for regulators in Croatia and countries across the EU. In particular, policymakers must comprehend the big picture and provide regulatory guidelines to manage the long-term changes in job markets, public safety, competition, and digital trust. It is noteworthy to understand that regulating the sharing economy is essential to encourage competition for innovations, lower costs, and better-quality products and services.

Regulatory challenges are numerous; according to Yaraghi and Ravi (2017), they are presented as privacy and data ownership questions, price discrimination, security concerns. Regarding the regulation and the requests for new regulation for the collaborative economy, the question of self-regulation has been raised as the possible best way to regulate P2P relations (Cohen and Sundararajan 2015). Besides self-regulation, there is a need for public intervention in certain areas with the aim to protect the public interest and other protected values.

Since Croatia is part of the EU, intervention at the level of the EU is awaited. On the other hand, there is a possibility to regulate a certain topic at the national or/and local level as it was in the area of taxi transportation after the ECJ judgement in the Uber case.

The market definition in the collaborative economy raises as one of the potential topics of relevance. Is the “platform market” part of the market, or these are two or more markets (Koolhoven et al. 2016)?

According to the EU law, at the moment of writing this text, a key issue is the definition of the “information society service” according to the EU Directive and concrete service. Moreover, the Directive 2006/123/EC should be analysed from the perspective of the freedom to provide services in EU law as well as analysis of the Unfair Commercial Practice Directive and Consumers Rights Directive. The analysis should also comprise the ECJ case law decisions.

It is to be expected that the Croatian regulation will follow the guidelines of the EU once than they are established.

## Summary

In this chapter, the state of the sharing economy in Croatia is analysed. In Croatia, we can distinguish platforms that are based on a non-profit basis from those that promote profit-based collaborative economics. Non-profit organizations function through advertising and networking, mostly through Facebook, while those for-profit are based on platforms developed solely for their needs, in the same way as they function globally. In Croatia, there is no official data about the impact or revenues of the collaborative economy and comparison with the other “traditional” or non-digital service provisions.

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## The Sharing Economy in Practice in the Czech Republic: A Small Post-Communist Economy

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### Abstract

The sharing economy represents a new business model which has been experiencing an unprecedented and increasing boom. However, differences are evident in the development of the sharing economy between individual continents and even countries, this being to the detriment of less developed countries such as post-communist countries. The aim of the study is to present a model of the sharing economy from the point of view of the practical experience of a small post-communist economy: the Czech Republic. An explanation of how the term sharing economy is defined and understood in a national context is provided in the chapter, and alternative types of the sharing economy which are applied in this country are specified. Discussion is presented of the key issues of an economic and legislative nature which are dealt with in the context of the model of the sharing economy in this country. Key and other major players in the sharing economy in the Czech Republic are also presented, and the scope of the sharing economy in this country is analysed and evaluated. The development of the sharing economy is discussed in relation to the opportunities and threats associated with this phenomenon.

**Keywords:** Sharing Economy, Collaborative Economy, Platform Economy, Accommodation Sharing, Ride-Sharing, Car-Sharing, Collaborative Finance

### Introduction

The sharing economy has been increasing in importance in the Czech Republic in recent years, although not experiencing such a boom as compared to that seen in developed economies. In addition to this, platforms are frequently used only as a tool for innovation of older business models, and in fact, this concerns only a so-called platform economy. The fact is that the offer of sharing is limited in this country, be this from a territorial point of view (concentrated in large cities, in particular, the City of Prague) or from the point of view of the range of services (Klesla 2018). It is in particular

international platforms such as Uber or Airbnb which have found their place on the market, but over time, national platforms such as Zonky have also been emerging and developing. With or without the use of platforms, the sharing economy is, in particular, developing in this country in the field of customer-to-customer (C2C) sharing and business-to-customer (B2C) sharing. Over time, however, initiatives in the field of business-to-business (B2B), business-to-university (B2U), business-to-government (B2G), university-to-business (U2B), university-to-government (U2G), and government-to-government (G2G) sharing has also been gaining in importance.

The key problem, which plays an important role not only from the point of view of the Czech Republic, is the fact that the term sharing economy and alternative terms such as collaborative economy or platform economy are not precisely defined. Space is thus created for various interpretations of these terms, bringing with it many risks for the entities concerned. This is to say that a lot of initiatives are asserting themselves within the framework of the sharing economy model, which is, in fact, only circumventing the applicable legislation in the sector in question and avoiding meeting of their tax obligations under the “guise” of the sharing economy. The absence of regulation of sharing subsequently leads to a lack of interest among entities potentially interested in making use of the offer, in particular companies, in participating in the sharing economy. The reason for this is fears that their activities could be associated with efforts to circumvent the applicable legislation. Last but not least, the inadequate legislation leads to scepticism among potential users of sharing services who are worried that services provided within the framework of the sharing economy will be of lower quality as compared to services provided within the framework of traditional business models. This means that the benefits of the sharing economy cannot be utilised to the full, be these economic, environmental, or social. The priority is to define clear rules which will ensure the development of the sharing economy and which will at the same time lead to improvement of tax collection and protection of the rights of all entities on the market.

The aim of the study is to present a model of the sharing economy from the point of view of practice in a small post-communist economy: the Czech Republic. The partial aims of the study are: a) to explain how the term sharing economy is defined and understood in a national context; b) to identify the key problems which are associated with the functioning of the sharing economy in this country; c) to introduce the key and other major players of the sharing economy in the Czech Republic and to assess the scope of the sharing economy in this country; and d) to characterise the main opportunities and threats of the sharing economy from the point of view of the Czech Republic. The structure of the following parts of the chapter is based on the above-mentioned aims. In the introduction, the explanation is provided of how the term sharing economy is defined and understood, and the applied typology of sharing is introduced. This is followed by a discussion of the key issues which are dealt with in the context of the model of the sharing economy in this country. The key players on the market of the sharing economy are also presented, and the scope of the sharing economy in this country is assessed. Government activities relating to problems and efforts to regulate the sharing economy in the Czech Republic are also presented. The development of the sharing economy is also discussed in relation to the opportunities and threats associated with this phenomenon. Mention is made in the conclusion of other major players in the sharing economy in this country, and future directions of research are also set out.



## Definition

In the Czech Republic, the use of the term sharing economy is predominant as compared to the term collaborative economy. According to Deloitte (Marek et al. 2017), the sharing economy represents the preference of access to consumer durables and factors of production with the aid of digital platforms over their ownership. The Czech Chamber of Commerce (2018) takes this definition as its starting point and adds that this concerns a free online marketplace that helps more effective use of unused or underused factors of production and is a source of benefits in economic, environmental, and social fields.

According to Veber et al. (2016), the sharing economy represents an economic model in which suppliers willing to lease their assets are connected via technological platforms with consumers interested in the temporary use of these assets. The given authors state that the sharing economy can take the following three basic forms:

- 1) Genuine sharing—usually free loans when the partners know each other; this, for example, concerns services provided between relatives, neighbours, or colleagues (e.g., sharing transport to work).
- 2) Occasional sharing—occasional provision of items or services which is usually performed in return for a consideration, using both online platforms and also without them; in this case, the partners do not usually know each other.
- 3) Commercial (permanent) sharing with the use of online platforms—permanent provision of items and services in return for a consideration, when the communication link between the offering party and the inquiring party is performed by an intermediary via an online platform; here, both the offering party and the operator of the platform gain consideration.

The range of types of sharing is, however, much wider. From the point of view of technical provision, we can distinguish sharing using online platforms and sharing implemented without online platforms. Sharing can also be differentiated from the point of view of the subject of sharing, in terms of which it is possible to share products, services, premises, work, money, information, or knowledge. From the point of view of purpose, sharing can be implemented for the purpose of generating a profit (so-called commercial sharing), compensation of costs (so-called hybrid sharing) or philanthropy (so-called charitable sharing). From the point of view of frequency, sharing may be occasional or permanent in nature. From the point of view of participating entities, this could concern C2C, B2C, B2B, B2U, B2G, U2B, U2G or G2G sharing. Sharing can be implemented in various segments of the economy, for example, in accommodation, transport, financial services, insurance services or education. The above-mentioned forms of sharing intermingle in various ways in practice, this leading to the creation of a wide range of services which then leads to the satisfaction of the requirements of various entities in the national economy, frequently also associated with positive social impacts, in particular environmental impacts.

## Key Questions

As is evident from the analytical material of the Government of the Czech Republic (2017), the sharing economy is, from the point of view of the Czech Republic, perceived as a spontaneous phenomenon that was created, is growing, and developing despite the current legislation and regulatory environment.



One of the issues which attention is paid to in this country is who is the driving force behind the development of the sharing economy and whether this really is a sharing economy. It is evident from the studies performed (e.g., Pichrt et al. 2018) that the driving force behind the sharing economy in the Czech Republic is not small entities associating to utilise their free capacity and to gain a certain economic benefit from this, but global giants. The sharing economy thus, on the whole, exhibits the nature of a platform economy. The fact is that sharing has high-quality foundations in the Czech Republic dating back to the pre-revolutionary period. The availability of a lot of goods was limited during the socialist era. Neighbours, friends, and acquaintances regularly shared goods such as garden equipment, trailers, and other such things. These transactions were performed free of charge or for minor consideration in-kind. Mutual sharing of work in various trades was also well-developed at this time. At the time when the modern concept of sharing was just beginning, sharing, in particular, occurred in this country in the field of transportation, when carpooling was in particular used by students. With the development of this phenomenon, the element of actual sharing is gradually weakening, and platforms are becoming a base for a highly profitable business by multinational companies (Pichrt et al. 2018).

Another key issue is that one of the important motives of entities for getting involved in the sharing economy in the Czech Republic is the possibility of breaching the valid legislation without punishment. Emerging platforms are represented in many cases by intermediaries mediating work (in particular for drivers, cleaners, or childminders) which do not respect the national regulations applicable to employment agencies. Thanks to the phenomenon of the sharing economy, the job market is deformed, and the legislation is breached in the field of taxation, social security and health insurance, taxi services or employment of foreigners and visa obligations. For example, adverts are published on the Internet, in particular in Russian, encouraging young men from the countries of the former Soviet Union to come to Prague on a tourist visa and to provide a "ride-sharing." All they need for this is a driving licence and a smartphone; the intermediary supplies the car for them (Pichrt et al. 2018). Deformation is also occurring on the real estate market, this being thanks to sharing in the field of short-term accommodation. Prices of real estate in attractive locations, in particular Prague, are increasing significantly. Flat prices in Prague have increased by more than 40% since 2010, most of all in 2016 and 2017; one of the reasons for this pricing increase is the operation of the Airbnb platform (Siller 2017). In addition to this, apart from the tax legislation, these platforms also breach the legislation in the field of local fees.

## Examples

Uber, Airbnb and Zonky represent the major players in the collaborative economy in the Czech Republic.

### Uber ([www.ubertaxi.cz](http://www.ubertaxi.cz))

Uber has provided transport services in the Czech Republic since 2014, whereas the only difference between a conventional taxi service consists in the fact that dispatching is substituted by a mobile application. Transportation for passengers is provided in two Czech cities, these being Prague and Brno. In Prague, the service operates in the form of UberPOP, UberSelect and UberBlack, in Brno only in the form of UberPOP. Delivery of food has also been provided in Prague since 2018.

### Airbnb ([www.airbnb.cz](http://www.airbnb.cz))

Airbnb has been mediating short-term accommodation in the Czech Republic since 2009, both for private purposes and for business trips. In both cases, these services can be combined with special interest stays. Registration for Airbnb and offering accommodation by hosts is free of charge. During registration, hosts are billed a service charge by Airbnb, usually at the level of 3%.

### Zonky ([www.zonky.cz](http://www.zonky.cz))

Zonky has mediated online loans between people in the Czech Republic since 2015. The establishment of this company was ordered by Home Credit from the CreativeDock start-up incubator, which ensured the development of the IT platform and market launch. The majority owner (88.6%) is PPF Group, one of the largest investment groups in Central and Eastern Europe. The minority owner (11.4%) is the EMMA OMEGA investment holding. The company only operates in the Czech Republic for the time being but is now preparing expansion into Germany and Spain.

### Uniqway ([www.uniqway.cz](http://www.uniqway.cz))

One unique platform is constituted by Prague university Uniqway car-sharing, which commenced operations in 2018. This is the joint work of the car manufacturer ŠKODA AUTO, ŠKODA AUTO DigiLab and students from three universities in Prague—the Czech Technical University, the Czech University of Life Sciences, and the University of Economics. Within the framework of this project, ŠKODA AUTO provides fifteen ŠKODA FABIA vehicles and, together with ŠKODA AUTO DigiLab, finances the given project and provides mentors to students. Students at the above-mentioned universities developed the application, created the graphic design, organized marketing activities and chose the cars. To use this service, all students have to do is download the free Uniqway application and register using an International Student Identity Card. The student can then search for available cars and rent them. If the test stage is successful, the service will be available to the whole academic community of the three above-mentioned universities and expansion to other universities is anticipated in future.

## The Current State of Affairs

According to the Czech Chamber of Commerce (2018), the volume of the sharing economy via foreign and national digital platforms has grown in the Czech Republic in recent years. However, precise figures about its volume do not exist. Deloitte estimated the volume of the sharing economy in 2017 to be CZK (Czech Republic Koruna) 0.9–2 billion (approx. EUR 35–77 million), i.e., 0.02–0.04% of the GDP (Gross Domestic Product) of the Czech Republic. Its potential in future is estimated to be CZK 25.7–59.9 billion (approx. EUR 0.99–2.3 billion), i.e., 0.5–1.2% of the GDP (Marek et al. 2017). The greatest potential of the sharing economy in this country is seen in transport, accommodation, and finance (Vesecký 2017). The multinational companies Airbnb and Uber, in particular, dominate the market, followed by the national company Zonky.

As regards the short-term accommodation segment, this has grown by a factor of twenty-eight within the territory of the City of Prague over the past four and a half years. From the point of view of the number of beds on offer, the accommodation capacity

offered within the framework of the sharing economy in Prague is comparable with capacities provided by traditional accommodation facilities. These accommodation abilities are mainly concentrated in the city centre but have started to spread out to other city districts in recent years. Whole flats or houses are mainly offered, this being in 75% of cases. The remaining 25% constitutes an offer of private rooms. The majority of accommodation providers in Prague offer one accommodation unit, although a significant number of accommodation providers offer five or more accommodation units (Government of the Czech Republic 2017). Specifically, Airbnb offered more than 11,000 flats in 2018 nationwide, of which approximately 3,000 were located in Prague. In 2017, the number of guests accommodated in the Czech Republic via the Airbnb application increased year-on-year by 52% to 1.02 million (Novinky.cz 2018).

As regards the taxi service type transportation segment, approximately 2,000 drivers were driving for Uber in Prague in June 2017 (twice the number as compared to 2015). The market share held by Uber in Prague is estimated to be approximately 12% (Česko v datech 2019). Growth potential is also confirmed by Liftago, which operates a taxi service. The company increased its turnover year-on-year in 2018 by 35% to almost CZK 300 million (approx. EUR 11.5 million). Its number of customers also increased by a third, this being to more than half a million (Hospodářské noviny 2019).

As regards the finance segment, Czechs borrowed CZK 3.2 billion in 2018 (approx. EUR 123 million) via the Zonky platform (a growth of 100% was registered as compared to the previous year). The share held by the Zonky platform on the market for new consumer loans is 3–4%. The company has approximately 50,000 clients, of which approximately 30,000 took out a loan, and more than 25,000 are investors. People, in particular, borrow money via Zonky to refinance more expensive loans (25%), for the renovation of real estate (20%) and to buy cars (15%). The average loan is CZK 150,000 (approx. EUR 5,800) (České noviny 2019).

Interest in car-sharing is also experiencing a fast rate of growth in the Czech Republic. The largest player on the market is HoppyGo. This company acts as a mediator and connects owners of cars and drivers. It currently offers 1,500 vehicles and has 40,000 registered users. Its main competitors offering the car-sharing that are actually owned by the company are Car4Way, Autonapul and AJO. Car4Way operates in Prague and in Brno and currently has 500 vehicles available (Car4Way 2019a). Autonapul operates in ten large cities in the Czech Republic and has 73 vehicles at its disposal (Autonapul 2019). AJO operates in Prague and Brno and has 48 vehicles at its disposal (AJO 2019).

## Context

The issue of the sharing economy is dealt with in the Czech Republic, in particular, in the context of the two key players, these being Uber and Airbnb. Governmental activity is thus focusing on the ride-sharing services sector and the short-term accommodation sector.

As regards ride-sharing services, an agreement was entered into on April 30, 2018, between the Government of the Czech Republic, Uber, and the City of Prague (Government of the Czech Republic 2018). This agreement regulates the obligation of Uber to share data with the Ministry of Finance for the purpose of tax administration. The parties also agreed that the company would introduce electronic records of sales for its services. All of the drivers should also start to meet the conditions determined

by the respective legislation. An amendment to the Road Traffic Act is also being prepared in the Czech Republic, discussion of which should begin this year, and which should introduce differentiation of conventional taxi drivers with a taxi meter and taxi drivers using an application (Institute for Politics and Society 2019b).

Several judicial disputes have been held in the Czech Republic in relation to the ride-sharing industry. This, for example, concerns the following. In the spring of 2017, the Regional Court in Brno granted a petition for the issuance of a preliminary ruling relating to a ban on operations by Uber within the territory of this city. The Supreme Court in Olomouc subsequently overruled this decision. The Regional Court issued the given ruling again in 2017, and the Supreme Court definitively overruled it in the autumn of 2017. See more in (Pichrt et al. 2018). A judicial dispute is also being held on the issue of imposition of fines on drivers of platforms for performing taxi services without a licence. Specifically, a dispute is being held with drivers from the Uber platform, in which the Municipal Court in Prague decided that drivers on the platform do not have to pay fines. In the autumn of 2017, the Supreme Administrative Court overruled this decision and returned the case for further adjudication.

As regards short-term accommodation, the General Financial Directorate (2017) issued a report in October 2017, according to which short-term accommodation mediated via a platform is classified as an accommodation service. The accommodation provider is thus obliged to hold a trade licence, to pay income tax from a business on its revenue and to pay social security and health insurance on its revenue. In April 2018, the Ministry of Finance then presented an amendment to the Act on Local Fees (Chambers of Deputy Parliament of the Czech Republic 2019); the main aim is to introduce an accommodation fee instead of the existing local fees or fees to be paid for spa or recreational stays. The introduction of this fee is a reaction to the activities of Airbnb, whereas this fee could now be introduced by any municipality.

The Government of the Czech Republic is also developing other initiatives, the aim of which is to spread awareness of the concept of the sharing economy, to map its level in the Czech Republic, its opportunities, and threats. The government has, for example, had several studies elaborated via the Technology Agency of the Czech Republic. Issues of regulation of the sharing economy are then also the subject of tripartite negotiations.

## Developments

In the Czech Republic, the development of the sharing economy is in particular registered in the field of transportation (in particular thanks to Uber) and short-term accommodation (in particular thanks to Airbnb), this being primarily within the territory of the City of Prague.

The fact is that Uber is still registering growth in the Czech market as it offers customers attractive services. On the other hand, however, earnings made by drivers who transport people for Uber (after deduction of the 25% fee for mediation of work and other costs) are minimal.

Growth is also registered by Airbnb, although thanks to the fact that short-term accommodation using this platform is becoming a mere business, calls for its greater regulation are appearing ever more frequently. This is to say that several entities are

buying up flats in the centre of Prague for the purpose of rental via accommodation platforms, and this is leading to an increase in real estate prices in these locations, depopulation of the historical centre and the inevitably related changes in the structure of shops (shops in which the original inhabitants shopped are being replaced by shops with goods for tourists), but also negative impacts such as excessive noise, uncontrolled movement inside apartment buildings or disorderliness.

After the fashion of the large multinational companies, several national companies are being created in the Czech Republic operating not only in the transport (e.g., Car4Way, HappyGo, Liftago) and short-term accommodation segment (Flatio, Mojechaty) but also, for example, in the finance segment (e.g., Zonky, Startovač), the segment of work tools and other durable consumer goods (Sharygo), education (Seduo, Nostis), services and hiring of work (e.g., Hlidačky.cz, NejRemeslnici), cloud services (Uloz.to) or media (Alza Media).

Respecting the valid legislation, these entities can expand the range of selected types of services and their quality and at the same time constitute a source of new job opportunities thanks to additional types of services which relate to them, but also a source of income for public budgets. They could also contribute towards the fulfilment of the concept of social responsibility, in particular in the field of the environment.

Potential for growth from the point of view of the Czech Republic can be seen in the transport segment in the form of car-sharing, sharing of motorcycles or bike-sharing. Development of this segment is supported by public institutions (e.g., the possibility of free parking in residential zones), as well as by private enterprises (e.g., the operator of passenger rail and coach transportation services RegioJet, in an effort to support car-sharing in combination with train travel, offers a significant discount on the services of Car4Way). The services of platforms in this sector are not targeted only at private individuals but also at companies. For example, Car4Way offers corporate car-sharing.

Another market segment with potential for growth is the segment of short-term sharing of recreational facilities, specifically cabins and cottages. This is to say that there are more than 400,000 of these buildings in the Czech Republic (Vavron 2012). Another potential possibility for sharing is represented by gardens which could be used within the framework of the sharing economy for longer-lasting sharing.

## Issues

Research performed by IPSOS (Horecka et al. 2018) shows that only 29% of the population of the Czech Republic knows the term sharing economy. The following is also evident from this research. Approximately 25% of Czechs have used sharing at some time. 8% of Czechs already have some experience with an offer of services within the framework of the sharing economy, and another 10% are planning to use such services. The main motives for sharing are financial savings (64%) and a desire to try new things. On the contrary, the main reason why Czechs do not use sharing is, apart from misgivings about sharing (20%), the insufficient offer of sharing services where they live (33%). Among other things, support for regulation of the sharing economy is also increasing; in 2018, this was supported by 41% of people, 33% were opposed to this (for the sake of comparison, 37% of people supported this, and 39% were opposed to it in 2017). This phenomenon is in particular used by the younger generation up to the age of 34.



An interesting finding is that individual brands are better known to citizens of the Czech Republic as opposed to the term sharing economy. 74% of respondents know Zonky; the reason for this being the massive advertising campaign on television, in the press, online and Out of Home (OOH). Uber is known to 62% of respondents; in this case, it is, in particular, the negative publicity in relation to breach of the legislation by drivers of Uber, which is responsible for knowledge of the brand, this breach having led to conventional taxi drivers blocking the roads for several days in February 2018 using a convoy of taxis in busy locations in the centre of the capital.

Another very interesting problem of sharing is environmental responsibility in the transport segment from the point of view of supply and demand. Companies offering car-sharing are attempting to offer more environmentally-friendly vehicles. For example, in Prague, the re.volt company has offered twenty electric cars and four electric motorcycles since 2018 (Re.volt car-sharing 2019). Apart from conventional vehicles, electric cars are also offered by Car4Way (Car4Way 2019b). On the other hand, eMuj, a company offering sharing of (nothing but) electric cars in Brno, had to discontinue its operations at the end of 2017 due to a lack of demand and the unprofitability of its activity (Horcik 2017).

## Other Major Players

The Czech Association of Sharing Economy and the Czech Car-sharing Association rank among other major players on the market of the sharing economy in the Czech Republic. The Czech Association of Sharing Economy was established in 2017 and currently associates nine companies that do business in the field of the sharing economy. The association advocates the principles of the sharing economy and the interests of its members, increases awareness of the sharing economy and its benefits, helps to set standards for the operation of companies in the field of the sharing economy and conducts dialogue with all stakeholders. The Czech Car-sharing Association has an analogous subject of activity for the field of car-sharing. This association was established in 2015 by five companies. It currently associates three members.

Another important player is the Czech Chamber of Commerce, which has devoted itself both to the issues of the sharing economy in general and specifically to the market for short-term accommodation and ride-sharing services. It, for example, formulated 50 recommendations for the development of the sharing economy (see more: Czech Chamber of Commerce 2018).

The issue of the sharing economy is also dealt with in the Czech Republic by several universities and non-profit organizations which perform research, organize conferences and discussions on this topic. Very active in this field is the Faculty of Law at Charles University in Prague. This faculty has been performing a research project since 2017, and within the framework of this, a cycle of scientific conferences focused on the issue of the sharing economy. Another academic site that is engaged significantly in the topic of the sharing economy is the College of Entrepreneurship and Law. This college has elaborated several studies for the Government of the Czech Republic. The issue of the sharing economy was also dealt with in 2018 by several other universities, this being within the framework of diploma theses. The most active in this field was the University of Economics in Prague. The following diploma theses were, for example, elaborated at this site: "Sharing economy and its taxation," "The

phenomenon of sharing economy with a focus on the United States of America and the Czech Republic,” “Impact of sharing economy on housing prices in Prague 2013–2016,” “Does Airbnb increase housing prices?,” and “Sharing economy and crowdfunding as a new trend in project financing.”

The Institute for Politics and Society also ranks among other major players in this field. It is the most active Czech political think tank that cultivates the political environment and offers solutions to current social problems (Institute for Politics and Society 2019a). This non-governmental organization organizes seminars, public discussions and publishes policy papers and briefs on the topic of the sharing economy.

## Future Directions of Research

In future, research in the field of the sharing economy should, from the point of view of the Czech Republic, focus on several areas. It is first and foremost necessary to elaborate alternative options for enshrining the sharing economy in the legislation in the context of the legal, economic, social, and environmental benefits and risks with which these concepts would be associated with. Research should also focus on the socio-economic evaluation of the effectiveness of various types of sharing, including the development of methodology for valuation of the costs and benefits of sharing, which cannot be valued on the market. Last but not least, it would seem expedient, within the framework of further research, to focus more attention on those types of sharing which have so far been neglected to some extent, these being in the form of B2B, B2G, B2U, U2B, U2G or G2G sharing.

## Summary

The sharing economy represents a new business model which is growing in importance over time, even from the point of view of a small post-communist economy such as the Czech Republic. This is a business model which is based on sharing of surplus assets, usually using an online platform, but also without it. This sharing may be implemented in various sectors of the economy, among various entities in the national economy (customers, businesses, universities, and governments), this being in order to generate a profit, for compensation of costs or for the purpose of philanthropy.

It is evident from the above-mentioned explanation of how the term is defined and understood that the range of services in the sharing economy is wide. In addition to this, new types of services are constantly emerging. It is very difficult to determine the borders for its precise definition and enshrinement in the legislation. All of the entities on the market in the Czech Republic are having to face up to this fact. In this country, the sharing economy tends rather to exhibit the nature of a platform economy, and the motive held by several entities for participation in it is an effort to circumvent the applicable legislation in the given sector and in the field of taxation. The market for the sharing economy in the Czech Republic is dominated in particular by the multinational companies Airbnb and Uber, but the national company Zonky has also earned its place on the market. From the point of view of segments of the national economy, an important role is played by the short-term accommodation segment, transportation, both in the form of ride-sharing and car-sharing, but also the financial segment.



Due to the fact that the sharing economy is growing in importance in the Czech Republic, it is increasingly found as a subject of discussion among the professional and lay public. It is, in particular, the negative aspects which are discussed, this being in the form of inadequate regulation of the phenomenon of the sharing economy, but the benefits of the sharing economy are also talked about, these relating to savings on financial and non-financial resources, positive environmental and social impacts. Newly created associations are in particular contributing towards the development of this discussion and spreading awareness of this phenomenon, for example, the Czech Association of Sharing Economy and the Czech Car-sharing Association, but also universities and other non-profit organizations, for example, the Czech Chamber of Commerce. Certain initiatives are also being developed by the Government of the Czech Republic, which has so far had several studies drawn up which are devoted to the issue of the sharing economy. The government is also preparing changes to the legislation, for example, in the field of fees relating to short-term accommodation or in the field of harmonisation of conditions for conventional taxi services and ride-sharing provided via platforms.

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## France: An Ecosystem Favourable to the Development of the Sharing Economy

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### Abstract

This chapter reports the situation of the sharing economy in France. The sharing economy has been a topic of interest in France for several years, with researchers, associations, think tanks, companies, and even the government writing reports and memos about the phenomenon and mapping the key actors of the field.

**Keywords:** Collaborative Consumption, Do-It-Yourself, Carpooling, Cooperatives

### Introduction

The collaborative economy has been a topic of interest in France for several years, with researchers, associations, and the government writing reports and memos about the phenomenon and the key actors of the field. We guess this importance is due to an ecosystem that is favourable to the development of alternative ways of consumption and to the formation of critical discourse.

Historically, cooperatives have been very important in France, and the French cooperative movement is one of the most important in the world. Started by its members in 1968 as “Groupement national de la coopération” (GNC), Coop FR ([www.entreprises.coop](http://www.entreprises.coop)) is today the voice of more than 23,000 French cooperative businesses in every sector and their one million employees. In 2014, their combined turnover was nearly 307 billion EUR, including subsidiaries. 26.1 million members participate in the democratic governance of cooperative businesses. They are strongly rooted regionally, with 73% of the headquarters located in the regions outside Paris.

France also has a long tradition of analysing the way the Internet is impacting our daily lives. For instance, the FING (Fondation Internet Nouvelle Génération—[www.fing.org](http://www.fing.org)) is a non-for-profit organization acting as a think tank, based in Paris for 18 years. Fing helps businesses, public sector institutions and local communities to anticipate changes inspired by technology and its uses and to open up their innovation

processes. Its 300+ members include large corporations as well as start-ups, research labs, public entities, universities, trade associations. Another important actor in this analysis of the use of the Internet is Ouishare (<http://ouishare.net>), a non-profit organization founded in January 2012 in Paris whose mission is to “build and nurture a collaborative society by connecting people, organizations, and ideas around fairness, openness, and trust.”

This rich ecosystem is constantly evolving, and far from the market leaders such as Uber or Airbnb, a lot of start-ups, supported by very favourable legislation, offer shared services.

In France, a large part of the population has experienced the sharing economy; according to a study carried out by Consumer Science and Analytics (CSA) Research for Cofidis (Compagnie financière de distribution; a company offering online credit solutions; [www.cofidis.fr/fr/decouvrir-cofidis/actu-presse/etude-csa-francais-et-consommation-collaborative.html](http://www.cofidis.fr/fr/decouvrir-cofidis/actu-presse/etude-csa-francais-et-consommation-collaborative.html)), 81% of the French population have offered at least once a collaborative service: putting a second-hand product on sale, offering the rental of his car or his apartment. However, they are only 28% to do it regularly. This trend is mostly driven by the youngest: 92% of 25–34-year-olds are "actors" of this new economy. "Actor" profiles are also found among the higher socio-professional categories (83%).

Buying or reselling products on the Internet is now widely used by French people: more than seven out of ten have already used this practice. In detail, they are 76% to have bought a used product and 71% to resell it. This practice is especially prevalent among young generation Y; it affects 84% of 25–34 years on the purchase, and 79% of them on resale. An upward trend of eight points in both cases for the whole population compared to 2015.

The “Do-It-Yourself” movement is a constant trend, popular especially among the youngest; if more than one French out of 5 or 22% have already achieved one of these products, it is more than 1 in 3 (36%) among 25–34 years. A practice that aims to ensure the quality of products (for 13% of cases) and especially, of course, to save (54%). A trend that concerns more the higher socio-professional categories which are 28% to make themselves products of beauty and maintenance.

Carpooling is a practice that is becoming widely popular in France. If nearly 1 in 3 French people have already car-pooled as a passenger (29%) or as a driver (30%), this represents a real alternative to other means of transport for the youngest, between 25 and 34 years old. They are already 50% to have used it as a passenger and 46% as a driver. Again, a trend that affects the higher socio-professional categories: 39% have already used their car to carpool and 38% to enjoy themselves as passengers.

The use of private chauffeur services such as Uber, LeCab or Heetch are practices that remain very Parisian (32% followers in Île-de-France vs 11% in the region), but which particularly appeal to young people aged between 25 and 34. 28% use them across France.

The rental of vehicles between individuals is rather marginal, 8% of the French have already used a rental car belonging to an individual, and 7% have already offered their vehicle to rent. Young people (25–34 years old), once again, seem the fondest of this practice. They are 21% to have already appealed, in both roles and 13% among the higher socio-professional categories.

Renting a private apartment for the weekend or holidays with an Airbnb type platform has already attracted 1 in 4 French or 25% of the population. This new way of travelling is even more marked among young adults (25–34 years old); they are today 54% to use this practice. Still in second place, the higher socio-professional categories: they are 38% to use these platforms for their stays. Fewer French people, however, rent their homes. Only 7% of them have already offered their property for rent, and 13% of the higher socio-professional categories. Even if the proportion remains slim, young people still seem more inclined: 1 in 5 lends itself to this exercise or 20% of 25–34 years.

Collaborative consumption practices are primarily concerned with saving money. This is the first reason mentioned by 87% of French people. Their second motivation is to earn money for 76% of them. In the third position, citizens say they use these new uses to feel useful in 41% of cases (e.g., carpooling and manufacturing their products). Finally, 35% of respondents consume differently to make or buy purchases and reduce their consumption. This is particularly the case for rental cars or apartments but also the resale of certain goods on the Internet or garage sale. Another strong trend is to cash a few hours of their services (e.g., gardening, babysitting, and cleaning). 1 in 4 French people is concerned by this practice. Young people (25–34 years) are among the most active, with 48% commitment versus 10% for over 65s. But the French do not remain less avid consumers of this type of benefits, and they are indeed 39% to have already paid someone for a few hours of services (against 44% in generation Y). A practice that largely concerns the higher socio-professional categories: 54%. With these new consumer habits, the French say they save on average 257 EUR and earn 238 EUR per year. Overall, these modes of consumption thus bring in an average of 495 EUR. Among 25–34-year-olds, this figure even reaches 613 EUR (118 EUR difference), and among the higher socio-professional categories, 686 EUR (191 EUR difference with the French average).

In the remaining parts of this report on the collaborative economy in France, the way it is defined will be presented, followed by the key questions that are raised, some examples, the context, essentially legal, its developments, related issues, the other major players, and the future directions.

## Definition

In France, either state agencies or associations have provided several definitions of the collaborative economy and its manifestations (platforms and business models). We have selected here the ones that seemed the most elaborate.

The Ministry of the Economy provides the following definition: “The collaborative economy or sharing economy is today an innovative mode of consumption, manufacturing, and trade. It brings together initiatives of loan, rental, gift, barter, or sale of goods and services between individuals, carpooling to the exchange of equipment between neighbours” (DGCCRF 2018).

A study of the State Council conducted in 2017 on the “Uberisation” of the society (Conseil d’Etat 2017) suggests a categorisation of collaborative platforms in five groups: platforms for creating common goods (e.g., Wikipedia, OpenStreetMap); fee-sharing platforms (e.g., BlaBlaCar, Heetch); contributory economy platforms (e.g., Coyote); brokerage platforms (e.g., leboncoin, eBay); and activity-platforms (e.g., Uber, Deliveroo).

For one year (March 2014-March 2015), FING and OuiShare led an action research named Sharevolution (partners were ADEME, Bouygues Immobilier, Bouygues construction, EDF, regions Île-de-France and Nord-Pas-de-Calais, Renault). This research was dedicated to the collaborative consumption and the sharing economy in France. This research was rooted in the fact that in 2012 (source ObSoCo), 60% of French people have bought a used product, one on a third have used a grouped website, 14% have bought a product together, sharing its use, and carpool is a real success. Some start-ups made a success, but some doubts arose related to this new economic sector. The final report issued in 2015 (<https://fr.slideshare.net/slidesharefing/je-partage-et-vous>) categorises the business models of the sharing economy in seven groups: subscription (e.g., couchsurfing, velib); pay-per-use (e.g., Lokeo, velib); service fee (e.g., BlaBlaCar); freemium (e.g., Pretachanger, leboncoin.fr); resale (e.g., vestiaire collective); advertisement (e.g., leboncoin.fr, freecycle.org); and subsidy (e.g., freecycle.org).

## Key Questions

The key questions raised by the collaborative economy in France are at the political, legal, and tax levels. At the political level, the humanist and sharing values are questioned, as they seem to have gradually given way to a real business, with the professionalisation of the platforms' participants: On Airbnb, some owners are now real professional hoteliers managing up to twenty apartments exclusively dedicated to tourist rentals. The Dares (department of studies and statistics from the ministry of work) has indicated that 50% of UberX drivers in France work more than 30 hours a week and 71% derive most of their income from it. On Le Bon Coin, there are as many individuals as professional merchants who use the site as a virtual store. This development deeply annoys professionals. The French Group of Independents of the Hotel and Catering Industry (GNI) thus filed a complaint in May 2017 against two hosts of Vizeat and VoulezVoudDiner, two sites allowing to welcome strangers at home to share a meal and qualified as "clandestine restaurants."

This questioning at the political level relates to questions at the legal level to better position the platform in the ecosystem and guarantee the workers and consumers' rights. In France, regulations have been put in place by the public authorities aiming at clarifying the boundaries between wage labour and self-employment in order to safeguard workers' rights and guaranteeing the loyalty and the transparency of the relations between the collaborative platforms and their users-consumers.

Finally, France has also harmonised the tax obligations of economic operators in order to guarantee fair competition, notably by clarifying the notion of professional activity by using thresholds (see section "context" below).

## Examples

As already mentioned, France offers a lot of collaborative economy platforms in very different areas. The action research Sharevolution (2015) identified four principal models.



## Redistribution

Redistribution is the oldest collaborative model, aiming at transferring a good from one person to another. It concerns selling second-hands goods (Leboncoin, Videdressing), home-made goods (fait-maison, ungrandmarché (alternatives to Etsy)), or the donation or bartering of used goods (recupe.net, Pretachanger).

## Product-Services

Product-service is a model in which the use of the product is sold instead of the product itself. It can concern material goods among individuals (Zilok, Placedelaloc, Bricolib, ShareVoisins) or in a business-to-consumer model (Kiloutou, Lokeo), mobility, when renting cars between individuals (Koolicar, Drivy), space for lodging (Echangedefinitif, EasyRoommate, Toitchezmoi), working (Copass, Bureauxapartager, Bird Office), or other kinds of places (Jestocke, Parkadom)

## Peer-to-Peer/On-Demand Services

Peer-to-peer/on-demand services see service exchanges and not a product as in the two earlier categories. Some people wishing a service are linked to other people offering this service. The service can be related to mobility (Roulezmalin, IDvroom, Kapten), logistic You2You, cocolis), or services to individuals (Sefaireaider, Animal Fute (pets), Famihero, Jemepropose, Lestrocheures, Yakasaider, Monptivoisinage (By districts), Autourdetoï (For Yvelines department), Mydemenageur (Moving assistance), Livementor), or catering (Frichti, MyCuistot, MiamMiamConnection).

## Local Cooperatives

Local cooperatives are based on local networks and are less platform-oriented. They are often related to time banking and short supply chains issues. They operate in several domains such as food (AMAP, LaLouve, Plantezcheznous), time banking and knowledge exchanges (Accorderie, Réseaux d'Echanges Reciproques de Savoirs), Carpooling (Mobicoop), energy (energiescollectives, Energie Partagée).

Made in Share, an online collaborative economy directory and comparison engine (<https://madeinshare.com>), has mapped the French collaborative start-ups. These illustrations perfectly show the diversity of the collaborative economy in France.

**Figure 1. Mapping of French Start-ups in the Collaborative Economy per Sector (Part 1)**



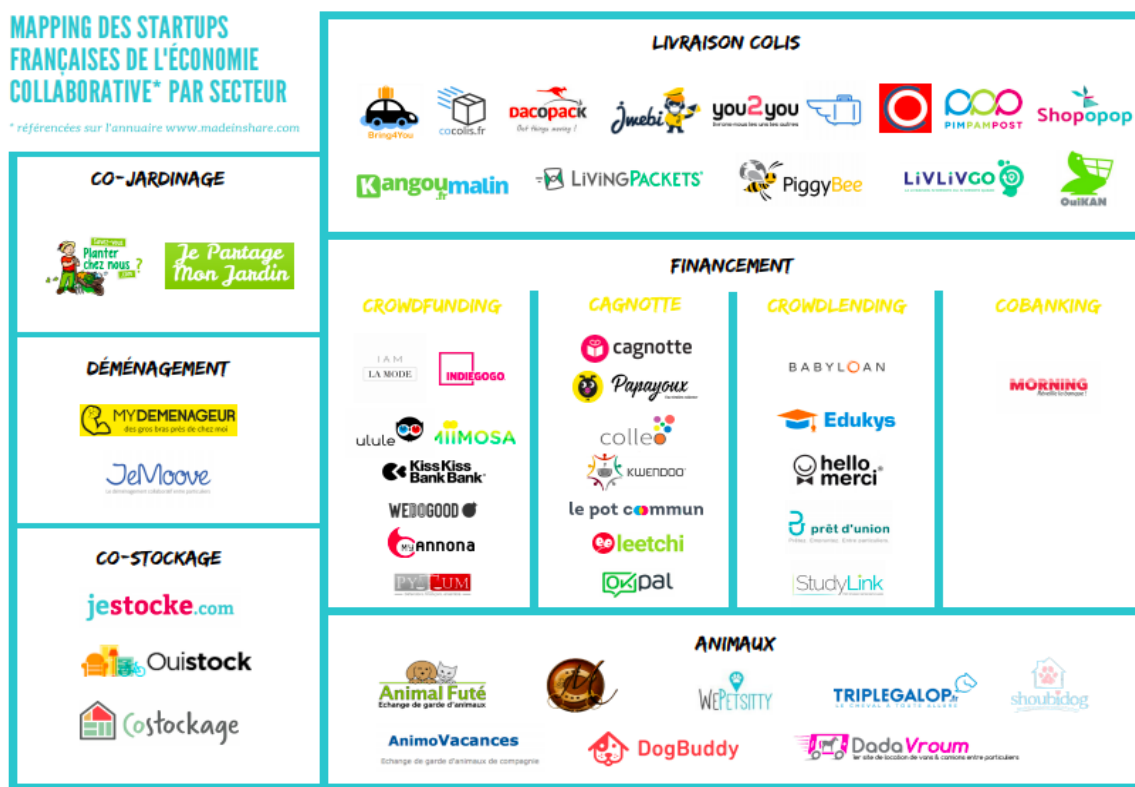
Source: Made in Share (2018).

**Figure 2. Mapping of French Start-ups in the Collaborative Economy per Sector (Part 2)**



Source: Made in Share (2018).

**Figure 3. Mapping of French Start-ups in the Collaborative Economy per Sector (Part 3)**



Source: Made in Share (2018).

## Context

As mentioned above, France has adopted several laws related to the taxation of the collaborative economy. The Finances Act of 2015 opened the possibility for housing platforms to collect the tourist tax. In Paris, Airbnb started to collect this tax on October 1st, 2015. The amount is 0,83 EUR per night and traveller. In total, the collection of this tax should bring several million EUR to Paris municipality. The Senate then issued a report on March 2017 on the taxation of the collaborative economy that includes the following statement: “the automatic collection of the tourist tax by the platforms is an important step forward: it is a simple and efficient process that demonstrates that a modernisation of the tax collection in the framework of the digital economy is possible” (personal translation).

The National Council of the Digital (“Conseil National du Numérique”) issued a report in which it considers that all stakeholders and activities should be included in the tax collection; this is a prerequisite to guarantee a fair and equal redistribution of wealth. Therefore, a provision of the Finances Act for 2016 expects collaborative platforms to inform their members of the amount they have to declare to the tax authorities. These platforms will have to send their members an annual report of their income. The 2015 Finance Act for 2016 (extracts) provides several articles that define how this should be organized, and the National Court of Trade (“Tribunal National de Commerce”) made a declaration on January 28, 2016, that reinforces the information obligations of the platforms linked to the digital “linking” activity.

## **Articles from the French 2015 Finance Act for 2016**

Art. 242 bis.

I.-Companies, whatever their place of establishment, which electronically link persons for the sale of goods, the supply of a service or the exchange or sharing of a good or service, are required to provide, on the occasion of each transaction, fair, clear and transparent information on the fiscal and social obligations incumbent on the persons carrying out transactions through them. For this purpose, they may use the information provided by the competent authorities of the State. They are also required to provide an electronic link to the sites of administrations to comply, where appropriate, with these obligations.

II.-The companies mentioned in I shall also send to their users, in January of each year, a document summarising the gross amount of the transactions of which they are aware and which they have perceived, through them, in the course of the previous year.

III.-The obligations defined in I and II apply in respect of users residing in France or who carry out sales or services in France.

Art. 1731 ter.-The fact that a company does not justify compliance with the obligations defined in Article 242 bis by producing the certificate provided for in Article IV of the same Article is punishable by a fine of 10,000 EUR."

Art. L. 102 AD.-The companies mentioned in I of Article 242 bis of the general tax code must communicate to the tax authorities, each year before March 15 and electronically, the certificate mentioned in IV of the same Article."

During the Council of Ministers meeting that took place on March 28, 2018, a project for an Act related to fighting fraud was presented. Compared to the previous project, this Act includes innovations to detect fraud, and in particular, the definition of the precise arrangements to implement the automatic transmission of the incomes of the users of the collaborative economy platforms, a transmission that has been implemented in 2019.

## **Developments**

In 2015, the PIPAME (Pôle Interministériel de Prospective et d'Anticipation des Mutations économiques—Interministerial pole for prospective and anticipation of economic mutations) issued a report on the stakes and the perspectives of collaborative economy (Pipame 2015).

An interesting point in terms of the development of the collaborative economy in France is its link with the traditional economy. Indeed, we can notice in France several examples of partnerships between "traditional" companies and platforms that show that the collaborative dimension can be a source of growth. For instance, in 2015, Leroy-Merlin, a large retail chain specialising in construction, do-it-yourself (DIY) and gardening, entered the capital of Frizbiz, a site that allows individuals and professionals to offer services in the DIY sector. Leroy-Merlin promotes this site to its customers who can benefit from assistance to carry out installation or renovation work following the purchase of products in its stores. In 2015, the group La Poste entered the capital of the Stuart platform, which connects customers who need to deliver products of all kinds

and couriers. In the area of local logistics, a highly competitive market, this investment enabled La Poste to have a more diversified service offering.

Moreover, there is a real complementarity between traditional economy and collaborative economy when the platforms intervene in markets that are not covered by conventional companies (Pipame 2015). For instance, the Costockage platform argues that, in the field of leasing storage space in urban areas, especially in large cities, professionals in the sector do not succeed, despite the construction of numerous storage spaces in the periphery, to meet demand because of the high growth of needs and the scarcity of available land. In addition, the platform would meet a real need without jeopardizing the activity of professionals in the sector. In the same way, according to Boaterfly, private hire of boats as proposed by the site is developing in a niche market where professionals are not present. Heetch also argued in favour of the use of non-professional drivers on a time slot during which the supply of professionals or public transport is insufficient (8 pm to 6 am); 48% of passengers surveyed by Heetch say they had no alternative transportation on their last trip (including personal car, public transportation, walking, biking, or the taxis).

Beyond the partnerships of companies, several large groups invest in the collaborative economy via investment funds dedicated to digital innovation. For instance, in 2015, RTL radio has invested in Allovoisins, and SNCF invested in Ouicar, and Maif or Allianz (insurance companies) created partnerships with several platforms (e.g., Boaterfly, Beedhelp) in order to define new assurance frameworks that suit the new services offered by the platforms.

## Issues

The collaborative economy is intensively discussed and analysed in France, and issues have been raised by workers, researchers, practitioners, and politicians. The French deputy Pascal Terrasse synthesized them in a report on the collaborative economy to the Prime Minister issued in February 2016 (Barbezieux and Herody 2016). This report includes nineteen propositions related to the collaborative economy in order to tackle the potential issues related to the platforms and their workers:

- 1) Ensure the reliability of the conditions in which the different offers are listed.
- 2) Improve the reliability of online feedback by requiring platforms to inform that feedback messages have been verified and, if so, to specify the terms and conditions.
- 3) Offer a space to evaluate platforms.
- 4) Offer the consumer clear, readable, and accessible information about the responsibilities of the platform, the quality of the offer and the guarantees associated with its status.
- 5) Pursue the path of convergence between the social protection of independent workers and that of employees.
- 6) Mobilize the personal activity account (CPA) to establish real portability of rights (from one working system to another).
- 7) Take into account periods of activity on the platforms as part of the procedure of validation of acquired experience (VAE) (that allows French employees to



validate a diploma if they can demonstrate that they gained the skills through experience).

- 8) Clearly define the conditions for breaking relationships with providers.
- 9) Develop secondary security to promote access to housing, secure access to credit and improve the social security of platform workers.
- 10) Organize training actions for providers.
- 11) Ensure the contribution of platforms to public charges in France.
- 12) Clarify the doctrine of tax administration on the distinction between income and cost-sharing and that of the social administration on the notion of professional activity.
- 13) Respond to the recruitment challenges of digital professionals in the collaborative economy sector.
- 14) Engage with platforms in the process of automating tax and social procedures.
- 15) Simplify the entrepreneurial approach by allowing the platforms to act as a trusted third-party.
- 16) Take into account the development of the collaborative economy in the framework of digital inclusion policies.
- 17) Create an observatory of the collaborative economy.
- 18) Promote experimental collaborative territories.
- 19) Foster the development of working from home and secure the rights and duties of teleworkers.

## Other Major Players

There is a growing awareness among independent workers that collective action is the key to strengthening their hand and defending their interests. Beyond unions, other French professional organizations such as collectives and cooperatives help independent workers defend their rights.

France Stratégie, ASTREES (Association Work Employment Europe Society) and IRES (Institute of economic and social research) convened the seminar “Building collective groups and action: What does it mean for workers in the digital era?” on July 8th, 2016 ([www.strategie.gouv.fr/english-articles/building-collective-groups-and-action-what-does-it-mean-workers-digital-era](http://www.strategie.gouv.fr/english-articles/building-collective-groups-and-action-what-does-it-mean-workers-digital-era)). It brought together social partners, IT industry representatives and academics from both Europe and North America to look at collective action in the digital era and alternative ways of organizing independent workers.

For instance, the French Designers Alliance (AFD) works to protect the interest of its members—most of whom are independent designers—by providing advice on things such as intellectual property rights, health, and accident insurance and legal assistance in the event of disputes. Collectif des tiers-lieux is another collective that aims at mutualizing co-working spaces in order to raise their visibility, develop private and public partnerships, and, in general, represent their interests.



## Future Directions of Research

One of the main topics of discussion in France is the status of workers of the collaborative economy who are considered "legally independent" but "economically dependent" (Institut Montaigne 2019).

The judgement made on March 4th, 2020, by the Court of Cassation (Cour de cassation, chambre sociale, 24 March 2020, n° S1913316) on the requalification of an Uber driver as an employee question the compatibility of this form of employment with the French social model. Indeed, the French Labour Code recognises only two statuses of workers: the employee and the self-employed.

A platform connects referenced self-employed workers and consumers looking for a skill or service; the platform then signs a commercial contract with the worker for the latter's use of the application against payment of a fee. But, in fact, the service is partly supervised and organized by the intermediary (the digital platform), thus evoking the link of subordination characteristic of employee status. In its judgement of March 4th, 2020, the Court of Cassation thus noted the integration of an Uber driver into a transport service entirely organized by the platform without the possibility of free pricing, the exercise of control over the acceptance of races and a sanctioning power which could lead to the driver losing access to the application in the event of too frequent cancellation of races or reporting of inappropriate behaviour.

The Court of Cassation thus confirms the case law (Cour de cassation, chambre sociale, 28 November 2018, n° 1737) with regard to digital platforms offering meal deliveries through bicycle deliverers with self-employed workers. The Court had considered that the existence of a geolocation system set up by the company "TakeEatEasy" to follow in real-time the position of the courier and deactivation of the account reflected the existence of a power of direction and control characterising the bond of subordination. It also noted the fact that the courier had little choice of his working hours, the time slots being proposed by the platform.

Two main lines of thought have emerged about the status of platforms' workers (Hannelais, Rousseau-Brunel 2020). The first is the evolution of the status of an employee to include the workers who are legally self-employed but economically dependent on a platform. This would favour the development of a more flexible and independent working model carried out using technological tools, which implies extending the status of employment to the concept of economic dependence of the worker (and not only to his legal subordination). Another line of thought was to create a status for the legally independent but economically dependent workers, based on the models implemented in some of our European neighbours. This status aims to grant specific rights in terms of the notice of termination, training, and payoff for self-employed workers making most of their turnover with a client.

In France, the Labour Law of August 8, 2016, laid the foundations for a new status for the digital self-employed worker applicable to "workers using an electronic contact platform." This status consists in strengthening the obligations weighing on digital platforms by introducing the idea of their social responsibility. To this end, articles L. 7341–1 to L. 7341–6 have been included in the Labour Code, providing for minimum guarantees for the workers concerned.

More recently, during the drafting of the mobility orientation law promulgated on December 24, 2019, provisions were introduced for the establishment of charters by digital platforms, subject to administrative approval, defining "the conditions and

procedures for exercising its social responsibility,” and “its rights and obligations as well as those of the workers with which it is in contact.” The text clarified that “the establishment of the charter and the respect of the commitments made by the platform (...) cannot characterise the existence of a link of legal subordination between the platform and the workers.” However, this provision was censured by the Constitutional Council as an obstacle to the power of the judge to reclassify the relationship as an employment contract.

Two lines of reflection are currently at work, one from the Jean Jaurès foundation proposing to use the status of “associate salaried entrepreneur” from cooperatives (Giusti, Thévenoud 2020), the other aiming at defining a framework for the representation of workers on digital platforms. The mission was entrusted in January 2020 by the Prime Minister to Mr Jean-Yves Frouin, former president of the social chamber of the court of cassation. The results were supposed to be presented in June 2020, but due to the COVID-19 sanitary crisis, the mission is extended until October 2020.

The debate that will follow in the parliament and the consensus that will be reached will largely determine the future directions of the collaborative economy in France.

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## Georgia: Reality and Future Perspectives of the Sharing Economy Development

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### Abstract

This article aims to present the Georgian reality regarding the sharing economy and its future trends based on the market players and already appeared innovative businesses through sharing platforms. The sharing economy, with its in-depth context, is not developed in Georgia either at the national governance or the societal level. However, the sharing of goods and services to each other was a good habit between Georgians historically. Moreover, in the world of the Internet, personal computers, and smartphones, it is simplified today for the parties of sharing to find and connect. However, may this kind of action be considered as a sharing economy, joint consumption, or collective economy? The present article discusses the issues about the sharing economy market in Georgia. There is an overview of the normative base and regulations referring to the sharing economy, expressed the readiness of sharing through people, describes the companies that operate in sharing market so far. There are recommendations for the government and the whole society for future development.

**Keywords:** Sharing, Legislation, Shadow Economy, Platform, Customer Rights

### Introduction

Although in the modern world sharing economy, with its scientific as well as its practical context, takes excellent support and attention day by day from governments and societies, in Georgia, even the exact and concrete definition of the sharing economy is not defined yet. However, there are many different platforms on the web which give customers and suppliers the possibility to connect and change products or services; the existing platforms are perceived as more business opportunities to reach the customer than the sharing economy. It may be concerned as a so-called "platform economy," too. Regardless, most of them successfully operate but mostly in the capital of Georgia and several large cities.



As for the sharing economy context itself, in its authoritative content means "an economic system, that unlocks the value of underused assets through platforms that match 'needs' and 'haves' in ways that create greater efficiency and access" (Petroopoulos 2016). It is worth mentioning that people in Georgia used to share goods and services for a long time without Internet communication. Many years ago, it was a common custom for Georgians to distribute used school books to the next generations, to give them to their neighbours or relatives, but without any platforms and free of charge, of course. Also, sharing any household tools and even cars between neighbours or friends was a widespread habit here. However, several authors all over the world think that when sharing happens through the market intermediary, or when the company is an intermediary between users and consumers who are not familiar with each other, it is not the sharing economy concept at all. In the sharing economy model, the customers have direct access to the goods or services and a person who has them (Eckhardt and Bardhi 2015).

Later, people were arranging the market for old things in Tbilisi, the so-called "flea market." They were gathering second-hand items at their homes and sharing them on this market with others. Such practice used happened in the open air without any platform. Recently, the "flea market" moved to the Internet space, but not by the same name. Owners are now spreading information about their old things through various websites to reach the customer and share things not only free of charge but also with a fee.

If sharing economy is an unconventional model of accessing the goods and services in which people rent or share items, automobiles, houses, others based on a mutual agreement, such kind of practice for sharing goods has a long history in Georgia. However, it has a minimal share in the whole economy and is mainly represented by the rental of real estate, cars, and specialised techniques. There are also a small number of people and organizations that rent small household items, such as digital household equipment and sports equipment for hiking or mountaineering.

As already mentioned above, the practice of a sharing economy exists in Georgia. However, the conceptualisation of sharing economy, the formation of legislative or tax measurements do not stand on the agenda either at the local/regional or the state-level so far. Notably, forming, developing, and promoting the sharing economy as a specific direction are future issues for Georgia.

The purpose of this report is:

- To explore the local market of sharing economy.
- To describe the market players.
- To review a legislative/normative base that promotes or addresses the principles of a sharing economy.
- To identify the factors that break the development of sharing economy.
- To make recommendations for further development, research, and promotion of the sharing economy.

## Definition

Nowadays, the phenomenon of the sharing economy is actively spreading around the world between private companies and consumers, as well as modern economic trends of academic researchers. People share what they have—their own tangible and intangible assets for money or for free via Internet-based platforms, which, in turn, creates a new business model and a unique research field. Its most well-known definition is joint consumption, although there are many other explanations of the sharing economy. Sometimes companies, who want to enter the market and establish their business model are calling themselves part of the sharing economy. This kind of description confuses customers (Gorog 2016).

The term "sharing economy" and its context is not clear for the majority of the population of Georgia, too. A part of the society thinks that the sharing economy allows one to access the property person free of charge. Others believe that the sharing economy is a secondary market, where consumers can purchase and consume items with low costs; one perception is that the sharing economy is a model in which individuals connect to person-to-person without the involvement of third parties, and they reach an agreement to exchange by negotiation. According to this point of view, the electronic business of the company is not part of a sharing economy. In contrast, others consider that simply renting can be an example of a sharing economy. The only issue everyone agrees about is that the models of sharing economy have platforms on the web.

It is worth noting that there are a lot of buying/selling rental real estate platforms operating in Georgia. One has to pay a fee to post an announcement for a specific time. But the model runs as an electronic business.

In 2014, the information about sharing economy appeared in journals for the first time in Georgia. The meaning referred to the concept that accessibility the products and services is more important than ownership of them. The sharing economy model gives a way to share something at any price or for free ("Forbes Georgia: What is Shared Economy?" 2014).

Later, in 2017, the phrase "sharing economy" appeared in the web journal, by the meaning of a hybrid economy, or as "peoples' economy," because humans are the main actors of the production exchange process. They participate in the process individually, in groups, by companies/organizations and associations in the "sharing economy." People are the leading suppliers of goods, products, and services. They create, work out, produce, and distribute. The process goes on between people, person-to-person (P2P) way. The sharing economy allows individuals and groups to earn income from their assets.

In this approach, sharing economy, along with having financial benefits, reduces resource-wasting. Joint consumption or sharing of different items that we own but do not use for some time supports the sustainable development of the household economy and the country's economy, too ("Forbes: What is sharing economy, and why it means peoples' economy?" n.d.).

## Key Questions

By the quick overview of government, legislation, and society in Georgia, it is clear that the term "sharing economy" is not established yet here. However, normative acts

regulate essential aspects of mortgaging, purchasing, or hiring of real estate as well as transferring passengers.

One of the essential issues is who represents the driving force of the sharing economy in Georgia. Although thanks to the Internet and smartphones, finding and connecting parties to each other is simplified, also, buying/selling websites appeared in Georgia many years ago. Can these actions be considered as a sharing economy, joint consumption, or collective economy? Is there P2P sharing, or are they merely digital business platforms?

While the income from real estate renting is subject to taxation, the revenue from renting anything besides real estate—is not. Anybody who rents small household items is free of any taxes until registering as a business organization. As mentioned above, some people and organizations rent digital household equipment and sports equipment for hiking or mountaineering without charges. Will it somehow support the development shadow economy in Georgia?

## Examples

In Georgia, presently, there are 589 websites of electronic commerce on the Georgian web, 1383 for business, trade, and advertising, and 840 service platforms. Several of them may be considered as a model of sharing economy platforms.

Recently, Airbnb Market has been emerging in Tbilisi. Since 2016 Airbnb has been a high-yielding investment for individual properties. Buying or renting flats for sub-renting has become a successful business model. The market seems oversupplied; almost 65% of property does not get booked at all for three years until 2019 (Bochorishvili and Samkurashvili 2019). [www.ka.airbnb.com](http://www.ka.airbnb.com)

Another example of the sharing economy is [www.damemgzavre.ge](http://www.damemgzavre.ge), which connects the passengers and owners of vehicles. If a client's desire and a driver's route coincide, they will meet and ride together, such as Uber. Passengers do not pay the expensive market price and travel at a low price. The driver gets additional income by taking the customer, and at the same time, he does not change his route. So, they both have mutual benefits. But it has not many customers yet. [www.damemgzavre.ge](http://www.damemgzavre.ge)

Recently, Tbilisi Mayor introduced a new initiative, which is a private business in Tbilisi. AiCar is the first car-sharing service in Georgia with electric cars. The mission of AiCar is to provide the residents and guests of Georgia with the most ecological, innovative, and comfortable alternative to a taxi or a personal car. Car-sharing is a short-term car rental. Cars with keys in the lock are parked all over the city and are waiting for their drivers. One does not need to come to the office and pay in advance. The project runs by the car-sharing mobile application. One can just download the app and enjoy the freedom of movement with one click. [www.aicar.ge](http://www.aicar.ge)

Since 2016 in Georgia appeared Russian Yandex taxi with the damping prices, which, indeed, competed with local taxi companies. As a result, many corporations went bankrupt and went out of the market. The mobile and online platform of Yandex has a very convenient way to call the vehicle, fast-tracking system, possibility of individual and additional requirements of the passenger, detailed information about the driver and its vehicle, the ability to control the driver's motion on the map. The company has quickly managed to establish its market share in the Georgian market and can

strengthen its position with its multifunctional and comfortable application. Yandex operates only in large cities in Georgia. [www.taxi.yandex.com.ge](http://www.taxi.yandex.com.ge)

One of the oldest websites in Georgia is [www.mymarket.ge](http://www.mymarket.ge), which is an online marketplace, and the main focus is almost every type of secondary item, except automobiles. Here one can find agricultural items, animals, plants, antiques, audio-video and photo equipment, books, stationery, art and industrial equipment, children's products, clothing and accessories, computers and electronics, furniture and decor, health and medicine, home techniques, jewellery, mobiles and communication, music instruments, repair and building materials, souvenirs, hand-made items, sports, tourism, and recreation, weapons, and security systems. "MY" is a mother page that has several daughter pages. One of them is "[www.mymarket.ge](http://www.mymarket.ge)," another is "[myhome.ge](http://myhome.ge)" where are advertisements about apartments or houses for rent or sale. It is like Airbnb but without the possibility of indicating check-in and check-out dates. A customer has to ring the owner and ask for free dates. "Myauto.ge" is another page under "MY" where one can buy/sell or rent cars, "myjobs.ge" is a website where there is information about job vacancies ([www.mymarket.ge](http://www.mymarket.ge)).

Menu Group is a delivery provider system that delivers food, floral, festive cakes, alcoholic/non-alcoholic beverages, and other products to the desired location. While cooperating with restaurants and shops, this service is available in Georgia since October 2014. The Group itself has British origin, and it is the holding company of the former CIS countries and venture funds. "Menu.by" that established in Minsk in 2016 may regard as a part of this holding, too. The company has a successful delivery system and is a sample of e-commerce. Menu Group is one of the leading holders in the restaurant market in the former CIS countries (or former Soviet Union countries), apart from Russia.

"Menu.ge" is the Georgian branch of UK Company MENU GROUP UK LIMITED. The company operates in Georgia, Armenia, and Belarus. Recently "Menu.ge" announced that it adds service delivery with DRONI. As the company representatives say, the service concerns the central areas of Tbilisi. It covers the orders that will be 10–12 minutes away from the restaurant. DRONI will solve the traffic and weather problems and will always deliver on time. [www.menu.ge](http://www.menu.ge)

Glovo—a Spanish origin start-up founded in 2015 in Barcelona, is a delivery service-based ordering application. The service is provided by independent couriers called glovers, who deliver the service for less than an hour. The service is currently available in several countries: Spain, France, Portugal, Italy, Romania, Turkey, Georgia, Ukraine, Egypt, Morocco, Chile, Argentina, Uruguay, Brazil, Peru, Costa Rica, Panama, Guatemala, and the Dominican Republic. The app allows customers to order any item that will fit on the motorcycle. The majority of glovers use motorcycles and bicycles. Among the types of products are food, medicine, books, gifts, and others. Once placing an order on Glovo, the consumer can seek the Glover by GPS at any moment. [www.glovo.com](http://www.glovo.com)

Recently, the Estonian company Taxify entered on Georgian market by the name of Bolt but cannot compete with existing taxi companies because of high prices. Supposing, it will not be able to strengthen the positions on the market. [www.bolt.eu/ka](http://www.bolt.eu/ka).

Wolt is a Finnish company that uses a mobile app to help the customer find the best restaurants and dishes in the city. The company currently operates in eleven European countries and 31 cities, including Georgia. "Wolt" entered the Georgian market in May 2018 and won many loyal customers in 5 months. [www.wolt.ge](http://www.wolt.ge)

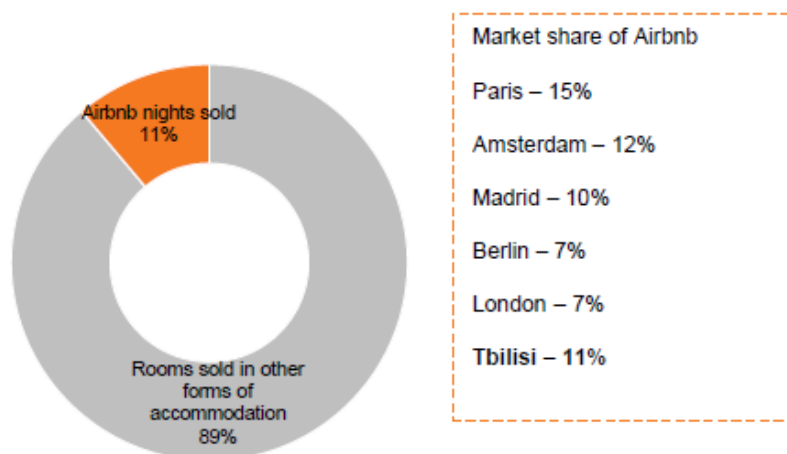
## Context

Although there are no specific regulations, strategies, or mechanisms concerning the sustainable future development of sharing economy in Georgia, companies are operating on the Georgian market, which we consider as a part of sharing economy. Moreover, no private, public or academic researchers in Georgia are focused on the sharing economy as a research question. Accordingly, there are no valid market studies about the sharing economy. It is challenging to define leading market players, their shares, number of users and transactions.

In 2019 Galt and Taggart surveyed the Airbnb market of Tbilisi and presented some crucial figures in the report (Bochorishvili and Samkurashvili 2019). Airbnb generated a market worth US\$ 23mln in 2018, which is 91% more than in 2017. The Airbnb market of Tbilisi is unregulated. It accounts for 11% of the accommodation market, similar to regulated cities share, which illustrates the growth potential of Tbilisi in the future.

**Figure 1. Airbnb Accommodation in Tbilisi (Part 1)**

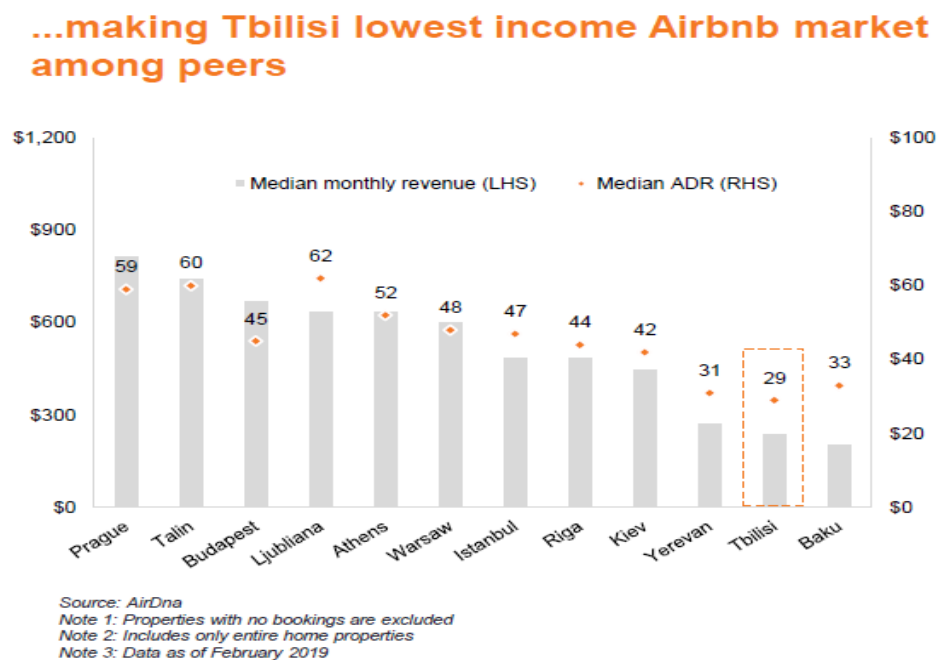
### Airbnb accounts for 11% of accommodation market in Tbilisi



Source: G&T Research, AirDna, Colliers International  
Note: Properties with no bookings are excluded

Source: Bochorishvili and Samkurashvili (2019).

**Figure 2. Airbnb Accommodation in Tbilisi (Part 2)**



Source: Bochorishvili and Samkurashvili (2019).

Recently, the Timbro, which is a free-market think tank and publishing company located in Stockholm, Sweden, presented the Sharing Economy Index, which is the first global index of the sharing economy. The index has been compiled using traffic volume data and scraped data and provides a unique insight into the driving factors behind the peer-to-peer economy. The index is compiled using traffic volume data and scraped data for services in 213 countries. In the ranking, Georgia is in 28th place after the United Kingdom (Bergh et al. 2018).

## Development

One of the most developed platforms of sharing economy in Georgia is real estate selling/buying, renting platforms. The next developed is taxi with applications. Recently appeared a car-sharing service in Tbilisi, too. Other platforms are like electronic businesses of books, food delivery, online lessons, information-sharing, mobile applications for tourists, job vacancy pages, second-hand items, and others.

All mentioned websites mainly operate in Tbilisi and large cities of Georgia; they almost do not work in rural spaces because both—the supplier and consumer prefer traditional and non-electronic ways of exchange. The approach refers to new, as well as to the second-hand items, while the only issue everyone agrees about is that the models of sharing economy have platforms on the web.

From 2019 by the initiative of Tbilisi City Hall, a business accelerator launched for small and medium business sectors. All companies that are registered or operated in Tbilisi have access to the "accelerator" for free working areas, consultations, financial



statements, tax legislation, and human resources management, including legal and brand positioning issues.

If a person or a company registered in Tbilisi has an idea or wants to develop it, it can express on the web platform [www.spark.gov.ge](http://www.spark.gov.ge). After the registration, one will have the opportunity to use free workspaces, to consult with business experts, to use spaces for meetings, and to take consultations from mentors, also, to pass essential and free engaging training for their businesses.

The number of cars in Tbilisi has reached a critical maximum. In the city with a population of 1.2 mln, there are officially registered almost 500 000 automobiles, and by unofficial sources, nearly 700 000 cars are moving here (Tbilisi City Hall 2018). Also, according to several different calculations, there are at least 20,000 taxis in Tbilisi every day. The main reason for such an abundance of taxes is the problem of unemployment in the country; some people leave villages and move to the cities to take passengers and keep family expenses (Tax Licence 2018).

Although for many years now, there was no taxi licence in Georgia, and accordingly, the drivers were free of taxes. Recent legislative changes adopted by the Parliament of Georgia, Tbilisi City Hall and the City Council have guided rules for regulating taxis. Taxi reform obliged the drivers to get licences based on technical inspection of vehicles and other vital requirements. The improvement was positively assessed by the population, on the one hand, following safety standards, and on the other hand, by the revenue that will go to the local budget.

Implementation of ride-sharing projects will be very much appreciated, as it will reduce the number of automobiles, provide comfortable travelling, reduce the negative impact on the environment in terms of emissions, and at the same time, it will be affordable compared to the ordinary taxi fee. Taking into consideration the social conditions of Georgian citizens, it will be mutually beneficial; drivers will have additional income, and passengers will have cheap travelling, too.

FLOW2 is a platform that will appear in Georgia soon, thanks to the company "Alliance Group Holding." Recently businesses have started to share their assets in Georgia; for example, construction companies are renting out daily equipment, rent offices, and other assets. FLOW2 will bring all this up, and the user will be able to find the desired asset safely and transparently in a single space.

## Issues

However, it is worth noting that historically Georgians were helping each other without any fee. They share things in the neighbourhood and not only. The mentality of the citizens inside the country direct towards doing something unselfishly. They could take someone from someplace to another without charges. So, it is very complicated for a person to take his colleague to the place near his house and take money from him, even if it is vital for both parties.

Another problem of developing a sharing economy in Georgia is legislation. There are no precise frames not only for sharing platforms but also for consumer rights protection. Paradoxically, Consumer Protection Act was repealed in 2012. The consumers in Georgia are left vulnerable to misadventure and problems. So, they need more caution and attention. They try to less deal with second-hand p2p markets than official businesses.

The concept of tenancy, the subject, the form, and rights of parties, contract termination basis and others are determined under the law. Besides rental, the Civil Code defines lease, requests, borrowing, recruitment ("Civil Code of Georgia" n.d.) The income from a rented car in Georgia is illegal and contributes to the shadow economy. Under the law, the property owner has to pay taxes for the income which he received from a rental property. However, unfortunately, property owners often avoid paying taxes ("Tax Code of Georgia" n.d.). In most cases, citizens are not recognised, and they are under secret agreements. Encouraging a sharing economy will bring out unfavourable results without improving legislation.

As for transferring passengers, it is regulated under the law, which allows transferring seven people without special permission. In this case, a citizen can take passengers in his car. However, taxi drivers are obliged to have a licence (Georgian Law of Transport n.d.). The legislation mentioned above is generally not explicitly directed to the sharing economy, although it still has to be developed before new and preliminary regulations will be written in terms of a sharing economy.

The next issue is awareness and promotion. There are no associations or development agencies for sharing economy; even private researchers at universities and research institutes do not have focused on it, yet.

## Other Major Players

One of the other major players for the maintenance and support of sharing economy development through ride-sharing is the Georgian Alliance for Safe Roads. The Alliance is a member of the Global Alliance of NGOs for Road Safety. It aims to save lives, reduce injuries and suffering due to road traffic accidents in Georgia and supports the initiatives for safe riding. The Alliance provides sharing of international experience to Georgia with objectives to advocate for feasible regulatory and other solutions.

Another player is the Consumer Rights Federation—a non-government organization that aims to identify the violations of consumer rights and lobby the legislation changes. It is a paradox, but in Georgia, the Consumer Protection Act was repealed in 2012. The project of the action was initiated two or three times so far but was not adopted by the Parliament of Georgia yet. Presently, consumers in Georgia are vulnerable to problems. In order to the proper operation of the customer market, consumers need to be able to choose and receive the products they want and need. As a minimum, a consumer has a right to receive correct and precise information about the characteristics of a product or service. Moreover, defective products should be repaired free of charge, or reimbursed, certainly.

It is worth mentioning that Georgian National Real Estate Association operates in Georgia, which is a member of the Realtor Association of the USA and cares for the real estate market development of Georgia. The aim of the association is to improve services and to offer the most flexible platform for customers that will make the Georgian real estate market more stable and reliable. The association is working on a code of ethics that the Association of Realtors pays special attention to, as its primary goal is to protect the rights of consumers.

## Future Directions of Research

As for the future directions of research, it seems that examples of the sharing economy activities take place in the Georgian market, but it has no particular name and is not under the umbrella of the sharing economy. So, the market size, shares of players and the dynamics of market development, as well as the growth tendencies/prognoses, is crucial to be studied precisely near future.

## Summary

As a summary, although examples of the sharing economy have existed in Georgia for a long time, the definition of the term, as well as other legislative and conceptual directions, has not been outlined and planned. However, awareness of the word “sharing economy” appeared recently and did not get actuality yet. Accordingly, raising awareness of the sharing economy is crucial at this stage. The issue has not yet been focused on by researchers, either academic or practice professionals. Subsequently, there is extremely little information accessible about the market.

Taking under consideration the behavioural characteristics of Georgians, while they do not like to make money from acquaintances and prefer to serve or lend without charges, rapid development is not expected. However, Georgia is a low income, developing country, and access to the product/services at lower than market prices is probably essential.

About the concept of sharing economy development and its legislative frames, it is better to speak in the future. Because without legislative frames, existing market players seem to function chaotically. Presently, consumers in Georgia are vulnerable to consuming/service problems. In order to operate the customer market properly, as a minimum, the consumer needs to be able to choose and receive the products they want and need.

However, the market is evolving; the establishment of initiative groups and future support is needed. First of all, a legislative framework should be created, which on the one hand, will encourage the parties to feel more secure and involve in the sharing economy actions, and on the other hand, will prevent the formation of a shadow economy in the country, as well as the sharing economic benefits, will be highlighted.

Using the sharing economy model is inevitable in the modern world. Probably for the next few years, sharing economy will pay more attention, and society will prefer borrowing instead of buying.

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## Germany: Co-Creating Cooperative and Sharing Economies

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## Abstract

The chapter describes the sharing economy in Germany as a heterogeneous dynamic, combining local trends and histories with economic forms drawing on experiences mainly from across Europe and North America. Increasingly taken into account by policymakers in the regulation of markets and the redesign of innovation governance frameworks, “sharing” as a complex nexus linking the exercise of citizenship to sustainable consumption and informational self-determination in digital societies will continue to drive and frame the creation of value chains. Of particular interest are linkages between sharing economies and the traditions of cooperativism, currently

experiencing a renaissance. The latter is key because it shapes the context in which sharing economy initiatives exist and expand—an opening of definitions and narrative of innovation, of (public) value, and of collaborative agency and cooperative management.

**Keywords:** German Sharing Economy, Cooperativism, Platform Economy

## Introduction

According to a survey undertaken by the European Commission, Germany has dropped below the European Union (EU) average (24%) regarding the use of sharing services with only 20% of the surveyed population; the percentage is even lower when it comes to sharing services (Germany 4%, EU 6%). The main reasons for this appear to be the lack of time/interest, the lack of technical knowledge, the lack of user trust and the lack of clarity regarding legal, tax, and labour issues (EC 2018a). According to a different survey, however, the sharing economy appears to be growing in Germany (PwC 2018).

The sharing economy requires increasing attention from federal regulators concerned with the design of markets characterised by the aggregation and facilitation of shared use of resources. Whereas current areas of innovation reflect the dominance of traditional sectors (especially automotive/mobility), the sharing economy also includes other significant actors. There are numerous initiatives of social movements and start-ups exploring the role of shared ownership and shared use in addressing complex social and sustainability issues, as well as processes of governance and organizational development in a data-driven economy.

Beyond a general overview of sharing economy developments in Germany, this survey wants to foreground the close relationship between more recent sharing economy trends and a much broader historical tradition of cooperativism that is currently experiencing a renaissance. The latter is key because it shapes the context in which sharing economy initiatives exist and expand—an opening of definitions and narrative of innovation, of (public) value, and of collaborative agency and cooperative management.

## Definition

A comprehensive report commissioned and published by the Federal Ministry of Economic Affairs and Energy (Bundesministerium für Wirtschaft und Energie, BMWi) in 2018 provides the following definition: “The sharing economy consists of companies whose business models focus on the web-based temporary provision of goods, sometimes combined with services. This provision happens in a sequential manner to various end consumers. In some of the sharing business models, the sharing company itself is the owner of the goods (e.g., short-term commercial car-sharing such as Drive-Now). In other sharing business models, the sharing company brokers the goods or services that users provide (e.g., procurement of private accommodation via Airbnb)” (BMWi 2018: 2).

Useful in its emphasis on the distinctive features of the sharing economy (web-based temporary provision of goods and services, the company as owner and/or broker), this definition focuses on how major international players have transformed national

accommodation and mobility sectors; policy interventions occur mainly in response to developments in these sectors (see below). A study on the role of trust in the sharing economy (Wiencierz and Röttger 2017) stresses the difference between the paradigms of redistribution of used goods (such as eBay), service provision based on goods not owned by users (car-sharing), and forms of collaboration aimed at sharing skills and resources (finance and crowdworking).

A 2019 report published by the Hans-Boeckler-Foundation (Loske 2019) includes the following in its overview of sharing economy activities in Germany: mobility (car, ride, and bike-sharing; carpooling and neighbourhood car-sharing); accommodation (apartment sharing, couchsurfing); co-working (office sharing, repair cafes); clothing (clothes exchange, upcycling); food (food-sharing, food saving, urban gardening); making (co-creation/maker spaces); consumer goods (tools, shared machinery associations); finance (crowdfunding, crowd investing, crowd donation); time banking (volunteering, mutual aid); and education (shared learning).

The sharing economy has been the object of several multidisciplinary research efforts (see list of research organizations below). A map of sharing activities is aggregated and maintained by “i-share: Impact of the Sharing Economy in Germany.” A multi-annual cross-institutional research effort (2015–2019) funded by the Federal Ministry for Education and Research (BMBF) is aimed at standardising definitions related to the sharing economy. Another directory was created by the “Plattformen des Peer-to-Peer-Sharing” research project (Flick and Henseling 2018), also funded by the Federal Ministry für Education and Research (BMBF) through its socio-ecological research program.

## Key Questions

A 2018 study (Hawlitschek et al. 2018) of “consumer motivations for and against peer-to-peer sharing” identifies “financial benefits, trust in other users, modern lifestyle, effort expectancy, and ecological sustainability” as the most important drivers and prerequisites of consumers’ intentions to use such platforms; concerns include “independence through ownership and process risk.” While different business models of sharing economy organizations (SEOs) promise to contribute to the achievement of economic, social, and environmental goals, there is as of yet no systematic comparison of these models, no comparative analysis of their positive and negative effects, and no assessment of their current and future societal contribution. The research network “i-share” approaches the sharing economy through such a comparative analysis of business models.

“i-share” has organized six editions of the international research symposia titled “International Workshop on the Sharing Economy.” The last one took place in 2019 in Utrecht, Netherlands, while the 2018 one was hosted by the University of Mannheim in Germany. These events brought together participants from European countries, and their contributions constitute one of the major sharing economy research efforts in Germany. A report titled “Plattformen des Peer-to-Peer Sharing” is due to be published in 2019. A series of reports and a final study (Behrend et al. 2018) have already been published.



## Examples of Sharing Economy Initiatives in Germany

While well-established international sharing economy actors (Airbnb, Uber, etc.) are active in Germany, the following selection features local initiatives contributing to the evolving sharing economy ecosystem.

**Table 1. Selected Organizations of the Sharing Economy in Germany**

Sharing Economy Organization	Details
Auxmoney www.auxmoney.com sector: finance	Facilitates the crowdsourcing of loans; an example of “alternative” FinTech
BerlKönig www.berlkoenig.de sector: mobility	Shuttle-sharing service operated by the Berlin public transportation authority and ViaVan
Cambio www.cambio-carsharing.de sector: mobility	Car-sharing pioneer, station-based, with vehicles in +200 cities
Fairmondo www.fairmondo.de	Sharing meets cooperative e-commerce
fliinc www.fliinc.org sector: mobility	Facilitates ride-sharing among the employees at various Mercedes-Benz plants. Example of workplace-related, employee-initiated sharing initiative; practitioner partner in <a href="http://www.peer-sharing.de/praxispartner/fliinc.html">www.peer-sharing.de/praxispartner/fliinc.html</a>
FreeNow free-now.com/ sector: mobility	Cooperative platform by car companies BMW and Daimler; integrates taxi-platforms Beat, CleverTaxi, Kapten and MyTaxi with car-sharing platforms (Car2Go, Drive-Now)
GLS Bank www.gls.de sector: finance	Cooperative bank, a key provider of loans for the sustainable/social economy; active member of “property design” movement ( <a href="https://eigentumskonferenz.de">https://eigentumskonferenz.de</a> ) and the “Global Alliance for Banking on Values” ( <a href="http://www.gabv.org">www.gabv.org</a> )
Gloveler <a href="https://gloveler.de">https://gloveler.de</a> sector: accommodation	Local accommodation-sharing platform following the model of Airbnb
ioki ioki.com sector: mobility	On-demand e-shuttle service by Deutsche Bahn; “smart mobility” approach aimed at linking shuttle use and public transportation

Kartoffelkombinat www.kartoffelkombinat.de sector: food	Members of the “potato trust” cooperative are committed to the creation of a regional, commons-based sustainable food supply. Currently, counts 1500 households
Kauf ne Kuh www.kaufnekuh.de sector: food	“Cow-sharing;” the animal is not slaughtered until its meat is 100% pre-sold
Kleiderkreisel www.kleiderkreisel.de sector: clothing	Facilitates sharing, selling and donation of used clothing; active in twelve national markets in Europe/USA, practitioner partner in <a href="http://www.peer-sharing.de/praxispartner/kleiderkreisel.html">www.peer-sharing.de/praxispartner/kleiderkreisel.html</a>
Lime www.li.me sector: mobility	E-scooter rental, emerging market for micro-mobility
Moia www.moia.io sector: mobility	Car company; VW’s ride-sharing platform, pioneer use of autonomous vehicles, integration of shuttle use with public transportation
resonate resonate.is sector: culture	Music streaming cooperative, with a unique stream-to-own approach; open-sourcing its code, moving towards a blockchain-based business and governance model, initially funded through a token model (R-Chain)
s:coop scoop.vision sector: education/commons-oriented innovation	One of the most recent additions to the cooperative/sharing economy, organized by art students and educators. Focus on the creation of shared infrastructure, alternative innovation narratives to support the shift from start-up individualism to collaborative agency
Smart e. G. smart-eg.de sector: culture and creative industries	The German branch of the European network, freelancer network, focus on the creation of cooperative social security/welfare system
Startnext www.startnext.com sector: finance	First German crowdfunding platform to follow the kickstarter/indigogo-model
Too Good to Go toogoodtogo.de sector: food	Food waste movement; sharing/saving leftovers from bakeries, cafeterias, restaurants
WeShare www.we-share.io sector: mobility	“WeShare” is VW’s e-car-sharing platform with a growing fleet of electric vehicles; innovative use of supermarket parking lots for charging stations; “WeShare” is an existing generic sharing platform ( <a href="http://www.weeshare.com/de">www.weeshare.com/de</a> )

Source: Own elaboration.

While this overview table documents that German sharing economy efforts can be found across all sectors of the economy, the following examples are particularly relevant to the question of bridging gaps between sharing and cooperative economy efforts. In their own way, they contribute to the context of the sharing economy—beyond alternative business models, they focus on questions of value, social welfare, and alternative future narratives.

## Context

### Cross-Sector: Regulating the Platform Economy

In 2016, the German Federal Ministry of Economic Affairs and Energy (BMWi) issued a “Green Paper: Digital Platforms,” which includes sharing economy platforms in a broader definition of digital platforms: “The distinct economic feature of digital platforms consists in the systematic collection and evaluation of data and associated network effects” (BMWi 2016: 8). The publication of the report was followed by a public consultation process, whose outcomes were assessed and published in 2017 in a White Book outlining the elements of a regulatory framework to ensure “inclusive growth through investment and innovation based on fair competition and the safeguarding of individual rights and data sovereignty” (BMWi 2017b).

Indicative of the increasing regulatory attention the sharing economy requires, a study by the ministry’s research Council (“Wissenschaftlicher Beirat”) approaches the sharing economy in terms of five overlapping trends: consumers increasingly use goods and services provided by other consumers; the significance of ownership decreases as consumers pay for the temporary use of resources; access to these resources is mediated by platforms, whose business model consists of aggregating supply and demand and facilitating transactions, but often face little competition and therefore play a central role in the design of markets; these business models and markets are active across national boundaries; as sharing economy business models often develop in highly-regulated sectors of the economy, the state can either encourage or constrain the development of such business models (BMWi 2017a: 3). The study notes that a more efficient allocation of resources does not necessarily result in lower overall resource use, as sharing lowers the threshold for access to a wide range of goods and services and encourages new forms of investment, as users can more easily act both as consumers and providers of goods and services (BMWi 2017a: 7).

Part of its agenda for the 2017 G20 presidency (and illustrative of the extent to which the regulation of digital economy developments requires supra-national cooperation), BMWi commissioned an OECD report that was published as “Towards the implementation of the G20 Roadmap for Digitalisation: Skills, business dynamics and competition” (OECD 2018). The report identifies the sharing economy as a key area for regulatory developments: “The sharing economy is at the centre of the debate on digitalisation and regulation, with many countries considering changes to applicable legislation in the accommodation and the transport sectors” (OECD 2018: 55). Comparing regulatory initiatives across the OECD Member States in the areas of rental and accommodation, transport, financial services, e-commerce, healthcare, and legal services, as well as consumer protection, data protection and localisation, the report also notes that “the rise of the sharing economy has led to a debate on labour law and tax compliance” beyond the scope of that analysis (OECD 2018: 55). This policy

process suggests that the sharing economy has moved centre stage in the development of regulatory frameworks for the platform economy more generally. This regulatory process is truly multi-level—from the micro-local coordination of services to the vision of a “Digital Service Code” to re-regulate e-commerce across the European Union (Rudl and Fanta 2019).

### Sector: Accommodation

The activities of Airbnb in Germany are affected by European level regulations; in July 2019, the European Commission announced that following a 2018 assessment by the European Consumer Protection Cooperation Network (an enforcement network that allows national agencies to request assistance from authorities in another EU country to stop a cross-border infringement of EU consumer law), Airbnb had agreed to several changes to its platform, including a display of total prices (i.e., including all applicable mandatory charges and fees) and information on whether the host is a private or professional provider (EC 2019).

In 2017, the total number of active listings on Airbnb—97,400 (compared to other similar platforms active in Germany such as Wimdu: 12,000; 9flat: 2,000)—amounted to no more than 0.14% share of active listings “entire accommodation” as measured by the housing stock. Unfortunately, the data does not provide evidence for an extensive professionalisation of the rental market (BMW 2018: 10). But even if “only a negligible part of the total housing stock is potentially affected by home-sharing via Airbnb based on data at the federal state-level” (BMW 2018), the study admits that “aggregation and averaging prevent a micro-local investigation; hosts using multiple accounts cannot be identified; the number of actual bookings cannot be accounted for,” concluding that “the identification and analysis of potential issues based on the increasingly important involvement of the sharing economy in the accommodation sector remains a micro-local task” (BMW 2018: 14).

The most ambitious attempt at micro-regulation has been that of the municipality of Berlin. In 2018, the city amended its housing law to ban regular short-term letting of rooms without permission from the authorities (“Zweckentfremdungsverbot-Gesetz” ZvVbG). Property law referring to misappropriation limits home-sharing to 60 days per year (with the exception of situations when owners-occupiers rent a room in their property) and requires the registration of property owners. In 2019, the representatives of local authorities, having collected a total sum of 1.5 million EUR in fines from 250 property owners, realised that the number of illegal (not registered) rentals remains large, a situation partially due to the local government’s lack of staff to check registrations (and collect fines). While Airbnb argues that Berlin’s registration process is part of the problem (cities such as Hamburg offer an automated online registration process), Berlin’s municipality contends that each case needs to be assessed before being registered, as multi-property property owners avoiding registration drain the city’s housing supply and end up pricing low-earners out of the local housing market. However, even if thousands of apartments were returned to the regular rental market by passing property misappropriation regulations, the effect is unlikely to offset the current housing crisis intensified by rising property prices (Tagesspiegel 2019).

### Sector: Mobility

Despite significant growth in the number of users (2,460,000/+16.6%) and the number of vehicles (20,200/+12.2%) in 2018 (BCS 2019), car-sharing (free-floating, p2p, and station-based) still amounts to only 0.1% of the total number of registered vehicles

(Deutscher Bundestag 2018). Criticised for facilitating the emergence of a “sharing economy industry” (Vaskelainen 2018) by co-opting the cooperative ethos, car manufacturers are engaging with sharing as part of the structural transformation of the mobility sector as a whole and of the automotive industry in particular; car-sharing is, therefore, likely to continue to serve as a key area of experimentation toward “smart mobility” and “mobility-as-a-service,” but not necessarily as a segment with significant growth potential.

While the federal car-sharing law (Gesetz zur Bevorrechtigung des Car-sharing; CsgG) passed in 2017 has not yet been fully implemented, many German federal states and municipalities are beginning to allow the designation of public areas for the parking of car-sharing vehicles (BCS 2019). Cab drivers and their associations assume that mobility services whose lower rates could be cross-subsidized across locations will marginalise fixed-rate (and more regulated) local services and have tried to stall or slow down the expansion of such services both on the streets and in the courts (see the public protests against “Uber” and “Moia”).

But national policymakers lean toward further deregulation, including changes to the so-called “Rückkehrpflicht für Mietwagen,” which requires drivers of rental cars to return these to their point of departure—unlike cab drivers, who can wait in designated public areas for new customers. As the expansion of car-sharing risks increases rather than reduce the number of vehicles on the street, some companies (“ioki” and “Moia”) are exploring approaches to better integrate with public transportation services.

There is a growing interest in a shift toward “mobility-as-a-service,” integrating public and private platforms. The 2019 e-scooter law (“Verordnung über die Teilnahme von Elektrokleinstfahrzeugen am Straßenverkehr”) is likely to boost the integration of micro-mobility services (“Lime,” “Bird,” “Voi,” and “Tier”) into the mobility mix.

## Issues

### The Future of Work and Industry

Actors redesigning markets, as well as business and labour at the level of individual organizations involved in the sharing economy, are part of the broad conversation around the future of work (see Bouncken and Reuschl 2018, Colliers 2018 on co-working). This conversation also includes the integration of sharing into the framework of “new” industrialisation, building on the decentralisation of infrastructures, i.e., the sharing economy in industry (Gotsch et al. 2018), manufacturing (Ellwein et al. 2018), or energy storage (Lombardi and Schwabe 2017). An exploration of these trends lies beyond the scope of this overview.

### Cooperatives

Exploring the potential of the sharing economy in Germany from the perspective of another set of actors, the report includes the formalised sharing arrangements of the rich German cooperative tradition (“Genossenschaftswesen”). While cooperativism in Germany has its roots in the agricultural sector, other sectors with a strong cooperative dynamic include banking, energy (Brummer 2018), food, and housing. Cooperative approaches to “shared infrastructure” are much older than the platform/sharing economy; such as their counterparts across Europe, German farmers have “shared” equipment for over 60 years in shared machinery associations (Hasenpusch 2018). The cooperative movement just celebrated the 130th anniversary of the “cooperative

law” from 1889. Today, 40 million Germans are members of a cooperative; the cooperative idea was accorded UNESCO Intangible Cultural Heritage status in 2016.

While it is historically inaccurate to argue that this tradition implies that “Germany invented the sharing economy” (Reay 2018), not least because the modern cooperative movement has its roots in England (ICA) (and sharing is common to all cultures), it is true that the cooperativism pioneers “Raiffeisen and Schulze-Delitzsch (...) were ahead of their time in anticipating a sharing economy based more on mutual benefit than on personal or public property” (Reay 2018). In order to support the further development of the sharing economy, establishing and strengthening links with the cooperative sector is important, as the new forms of “platform cooperativism” and the assessments of the future potential of the sharing economy are likely to benefit from exploring these wider historical connections with cooperative ownership and use. The cooperative movement is currently going through a fair amount of soul-searching; organizations such as Igenos e. V., an association of cooperatives’ members, are making a case for a bottom-up renewal of a cooperative tradition hampered by its top-down traditions (Igenos 2018). The discussion of “platform cooperatives” offers additional inspiration. Traditional cooperative actors are beginning to engage with the platform cooperativism trend (Bott and Giersberg 2019), but the key actors in critically assessing this trend have been civil society organizations such as Supermarkt Berlin and rethink coop (a member of the US-based “Platform Cooperativism Consortium”). Recent initiatives such as the music streaming cooperative [resonate.is](https://resonate.is) and the Platform Cooperatives Germany coop reflect a growing interest in a renaissance of cooperativism in the context of contemporary peer-to-peer cultures and infrastructures.

## Smart Cities

As more and more communities define “smart city” frameworks to guide the integration of digital infrastructure development, the role of commoning is commanding increasing attention in broader efforts to increase participation, involve citizens in urban development, and support local innovation actors in opening their research and development processes through the integration of urban (cultural) dynamics.

## Other Major Players

### University Research

Most of the following research actors are involved in the “i-share” research consortium.

Augsburg University, Information Systems and Management, [www.wiwi.uni-augsburg.de/de/bwl/veit](http://www.wiwi.uni-augsburg.de/de/bwl/veit)

Fraunhofer-Institut für Arbeitswirtschaft und Organization IAO, [www.iao.fraunhofer.de](http://www.iao.fraunhofer.de)

Fraunhofer-Institut für System- und Innovationsforschung ISI, [www.isi.fraunhofer.de](http://www.isi.fraunhofer.de)

Göttingen University, Organization und Unternehmensentwicklung, [www.uni-goettingen.de/de/80949.html](http://www.uni-goettingen.de/de/80949.html)

HafenCity University Hamburg, Stadt und Regionalökonomie (Grabher), [www.hcu-hamburg.de/master/stadtplanung/arbeitsgebiete-professuren/gernot-grabher/](http://www.hcu-hamburg.de/master/stadtplanung/arbeitsgebiete-professuren/gernot-grabher/)

Hertie School of Governance, [www.hertie-school.org](http://www.hertie-school.org)



Institut für Energie und Umweltforschung Heidelberg (IFEU), [www.peer-sharing.de](http://www.peer-sharing.de) (research project on peer sharing platforms)

Institut für ökologische Wirtschaftsforschung (IÖW), [www.peer-sharing.de](http://www.peer-sharing.de) (research project on peer sharing platforms)

Institut für Zukunftsstudien und Technologiebewertung (IZT), [www.peer-sharing.de](http://www.peer-sharing.de) (research project on peer sharing platforms)

Karlsruhe Institute of Technology, Institut für Informationswirtschaft und Marketing, [www.iism.kit.edu](http://www.iism.kit.edu) (Hawlitschek)

Leipzig University, Communication Management; “Ps2Share: Participation, Privacy, and Power in the Sharing Economy” (H2020) research consortium, [www.cmgt.uni-leipzig.de](http://www.cmgt.uni-leipzig.de)

Mannheim University, ABWL, Public and Non-profit Management, [www.bwl.uni-mannheim.de/helmig](http://www.bwl.uni-mannheim.de/helmig)

Mannheim University, Institut für Mittelstandsforschung (coordination of “i-share” research consortium/conference series), [www.ifm.uni-mannheim.de](http://www.ifm.uni-mannheim.de)

Technical University Berlin, Trust in Digital Services, [www.tds.tu-berlin.de/menue/trust\\_in\\_digital\\_services](http://www.tds.tu-berlin.de/menue/trust_in_digital_services) (Teubner)

Technical University Chemnitz, Innovationsforschung und Technologiemanagement, [www.tu-chemnitz.de/wirtschaft/bwl9/](http://www.tu-chemnitz.de/wirtschaft/bwl9/) (Herrmann-Fankhänel)

WWU Münster, Institut für Kommunikationswissenschaft, [www.uni-muenster.de/Kowi/](http://www.uni-muenster.de/Kowi/)  
Experimental Media Lab, Hochschule der Bildenden Kuenste Saar (anticipate.network, [datenraum.design](http://datenraum.design))

## Unions, Labour Organizations, and Civil Society

h3o, [www.h3-o.de/rethink-coop.html](http://www.h3-o.de/rethink-coop.html) (think tank/prototyping platform cooperatives)

Smart Coop, <https://smart-eg.de> (freelancer cooperative)

Supermarkt Berlin, <https://supermarkt-berlin.net> (cooperativism, decentralised governance)

WeQ Foundation, <http://weq.foundation> (shift from “economy to weconomy,” exploring the “megatrend toward systemic-holistic commons thinking and collaborative action”)

## Commercial Lobbying Groups and Membership Organizations

Bundesverband Car-Sharing e.V, [www.carsharing.de](http://www.carsharing.de) (umbrella organization for the car-sharing industry)

Verkehrsclub Deutschland, [www.vcd.org](http://www.vcd.org) (association for sustainable mobility, focus areas include integrated mobility approaches)

## Future Directions of Research

### Sharing Economy vs Solidarity Economy

Some observers question whether “sharing,” riding on the popularity wave of the digital economy, actually ends up replacing services that were already freely available. Is “sharing” recast as a service that can be accessed via a (digital) platform? Libraries,



public pools, public transportation have long offered “shared resources” but are not generally perceived as being part of a “sharing” economy. This relates to a broader agenda of how (public) value and its creation/generation is organized and perceived (Mazzucato 2018). A key research topic for future explorations is the extent to which the sharing economy revolves not only around (shared) ownership but also around the (collaborative) creation of value.

## Summary

The sharing economy in Germany is described as a heterogeneous dynamic, combining local trends and histories with economic forms drawing on experiences mainly from across Europe and North America. Increasingly taken into account by policymakers in the regulation of markets and the redesign of innovation governance frameworks, “sharing” as a complex nexus linking the exercise of citizenship to sustainable consumption and informational self-determination in digital societies will continue to drive and frame the creation of value chains. Of particular interest are linkages between sharing economies and the traditions of cooperativism, currently experiencing a renaissance.

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## Relevant Websites

Impact of the Sharing Economy in Germany: [www.i-share-economy.org](http://www.i-share-economy.org)

Platform Cooperativism Consortium: <https://platform.coop>

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## The Fragile Landscape of the Sharing Economy in Hungary

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## Abstract

In this chapter, we assess the current state-of-the-art of the Hungarian sharing economy sector relying on statistics, previous surveys, and expert interviews around case examples. Although we record a fast emergence of an increasing number and a widening variety of multinational and home-grown initiatives, we also contend that in Hungary, the innovation ecosystem of the collaborative economy is still relatively feeble. The linkages that are created through these initiatives are controversial sociologically. The main end-users are highly educated young urbanites. In contrast, on the service provider front, the non-formal workforce is quite vulnerable as the current regulations hardly provide any protection to platform workers. The motivations of the key players in the sector are varied, as only a few locally based initiatives are transformative. In contrast, most examples are solely linked to finding new business opportunities in a shrinking economy.

**Keywords:** Sharing Economy, Collaborative Economy, Platform Economy, Social Innovation, Ride-Sharing, Short-Term Rental, Hungary, Global and Local Case Examples

## Introduction

The leading global stakeholders in Hungary are Airbnb, Taxify (Bolt) and Wolt, and some home-grown businesses (businesses with decade-long history, such as Vatera or Jófogás, and start-ups, such as Miutcánk (Our Street, a neighbourhood sharing platform), Kaptár (Hive) or Door Office (co-working spaces) and Járókelő (Pedestrian, an online volunteer platform to report malfunctioning public services). These local actors are also part of the social innovation community in Hungary, including several grassroots. Even though sharing economy platforms are mushrooming in Hungary, there is only one special interest group, the Hungarian Sharing Economy Association (<https://en.sharingeconomy.hu>) that is operating since 2017, currently with thirteen members.

The development of the ecosystem around the collaborative economy is still relatively feeble in involving the public sector. There are specific examples that explicitly aim at top-down strategies and policies to meet bottom-up initiatives. The main customers or end-users of the sharing economy are highly educated urbanites, according to a non-representative survey by the Hungarian Sharing Economy Association (2017) in Hungary. Their primary motivations are lower prices and easier access to goods and services that motivate the use of these platforms, whereas the survey identified online payment as a common hindrance. All other segments of the society are relatively under-informed about the sharing economy services; four out of five (81%) did not even hear about it. Whereas sustainability is often considered as a central motive in the collaborative economy, this is not explicit in the narratives dominated by how to rethink business in a shrinking economy.

A representative nationwide survey (based on the answers of circa 3500 Hungarian adults) carried out by Buda et al. (2020) aimed to assess the Hungarian population's attitudes towards various sharing economy services. According to the authors, around one-third (38.4%) of the Hungarian population is open to sharing economy services. In terms of social groups, the wealthier, metropolitan, family-oriented, more educated, and younger generations are more likely to be involved in sharing activities. The research also found a relationship between consumer attitudes and openness towards the sharing economy. Not surprisingly, risk-takers, those who have an active social life, those who are environmentally and health-conscious, and have a positive attitude toward digitalisation tend to use the sharing economy services more often than average.

According to the representative cross-country survey, Eurobarometer, conducted by the European Commission in 2016, 16% of the total Hungarian population participated in certain forms of the sharing economy. This is a bit higher than the participation rate of the Visegrád countries (Poland 15%, Slovakia 14%, and the Czech Republic 7%), but lower than in other neighbouring countries, such as Romania (20%) or Croatia (24%).

Another study on the landscape of the Hungarian sharing economy, the PwC report (Osztrovics et al. 2015), contends that the economic viability of sharing economy companies is quite fragile in the medium and long-term, after the intensive, typically

venture capital-fuelled, market acquisition phase of their life cycle. The main expectations about the sharing economy are all closely related to the dominant strategies of mainstream market economics, for example, by reaching and acquiring new customers, boosting the loyalty of existing customers and establishing new revenue channels.

## Definition

Regarding definitions, not only a proper and widely accepted definition is lacking in the Hungarian public and professional discourse, but even a consensual Hungarian term that best describes the sharing or collaborative economy. Most often, the term “sharing economy” is used without translation, or in brackets, explaining the Hungarian term of “közösségi gazdaság” (i.e., “community economy”), as this is the preferred term by the Sharing Economy Association in Hungary ([www.sharingeconomy.hu](http://www.sharingeconomy.hu)). Even the Hungarian Sharing Economy Association—does not invent or use a term in Hungarian and labelled itself partly in English and partly in Hungarian, as the “Sharing Economy Szövetség (Association).” Similarly, the term “megosztáson alapuló gazdaság” (“economy based on sharing”) is widespread and refers to platform economy initiatives. Recent articles titled “Dilemmas of defining the sharing economy” and “The past five years of the sharing economy,” both published in Hungarian, also struggle with finding a proper definition as well as with finding an appropriate Hungarian term (Dudás and Boros 2019; Szűts and Jinil 2020).

## Key Questions

As in many other European countries, the regulation of the sharing economy seems to be a re-emerging issue in Hungary as well. Social dialogue in general, even in the traditional economic sectors, is weak, and thus it is also missing from the various sub-sectors of the Hungarian sharing economy. The only umbrella organization in Hungary, named as Sharing Economy Association, is providing a common platform to the diverse range of Hungarian sharing economy actors in order to enhance social dialogue and shaping regulation. As of the end of 2019, they have only thirteen members so far, meaning that they do not fully cover the interests of organizations and platforms already operating in Hungary.

The lack of labour market protection of platform workers and sharing economy service provider individuals is among the most important consequences of the insufficient regulations. As a recent national report on Hungary states, “although trade unions are aware of some emerging issues, they have many different priorities and limited capacities to organize individual workers.” Furthermore, it is also considered to be an issue related to regulatory issues that “platforms typically present themselves not as employers but as innovative, alternative enterprises, and they are mostly invisible in public” (Meszmann 2018: 6). Airbnb’s example presented below describes the above concern the best.

Tourism and accommodation services have been among the most substantial economic sectors in Hungary; the number of accommodation services (or short-term rentals) in Budapest has had steady growth since 2011. A significant role in this recent development has been the arrival of Airbnb, concentrating into the inner city of



Budapest. As of 2018, Airbnb listed more than 8,000 rental outlets (apartments or rooms) in Budapest, mostly in the inner city of Budapest.

Airbnb entered the landscape as an international company in Hungary, and it does not have a locally registered company in the country. It all seems that the market entry was smooth, as, in contrast to the local transport sector, there was no regulation addressing Airbnb to be registered in Hungary. “According to the current Hungarian regulation, it is only the real estate owners and renters who are responsible for complying with taxation rules and other regulations. At the same time, only local renters, other accommodation service providers establish contractual relationships with Airbnb headquarters. From its end, Airbnb generally requires users to fulfil local decrees and legislative requirements without specifying what these are. The general terms and conditions for entering into contractual relationships with Airbnb were provided only in English” (Meszmann 2018: 11).

## Examples

There is an increasing variety of home-grown examples from various areas (public services, transportation, food, neighbourhood sharing, tool-sharing, and a co-working space). The examples below are partly based on the short stories collected in the framework of COST Action. Moreover, under the framework of the research project, titled “Trust and Discrimination in the Sharing Economy” (see below, under “Research projects”), our research group carried out several expert interviews with the key stakeholder of the Hungarian sharing economy platform: namely with the co-founder of Oszkár.com, Hungarian owned ride-sharing platform, the co-founder of Miutcánk.hu (neighbourhood sharing) and Kaptár, a co-working space and the founder of Nekedterem (local food delivery initiative).

### Járókelő (“Passer-by,” <https://jarokelo.hu>)

It is an online volunteer platform for reports of malfunctioning public services in the city. Launched in 2012, Járókelő, a “fix my street” (or “letter to the mayor”) type of application through which citizens can report malfunctioning public services in the city. It is a civic technology that holds power accountable and relies on twenty volunteers who transfer reports to the authority. Circa 50–100 reports per day grow up to an overwhelming level of engagement that averages 20,000 visitors per month. Reporting back from the administration can take 30 days, and luckily, instead of handling this as a complaining tool, municipalities started to consider it as an urban planning tool.

### Oszkár (Oscar, [www.oszkar.com](http://www.oszkar.com))

Was established in 2007 by two university students whose primary goal was to create a sustainable and environment-friendly transportation solution for medium and long-distance travellers in Hungary. As of 2019, they have five full-time employees and 700 thousand—mostly Hungarian—users; recently, Oszkar.com has become the primary ride-sharing platform in Hungary. In the past ten years, they administered all together 3.2 million rides.

The idea of Oszkár is similar to the international BlaBlaCar, with certain specificities. The aim of the application is sharing rides, i.e., to make the search for travel mate easier, to increase the comfort of travelling, to reduce costs and last but not the least, to protect the environment. As a driver, one can post an offer in a few seconds, while as a passenger, one can search among the drivers’ offers. As a passenger, one can

also post offers; in this case, one will receive suitable offers by email. There is a two-way review system (which should be filled in after the ride) aiming at regulating how drivers and riders behave and make them more prone to be polite and to respect the regulations of the company. Drivers receive free stickers saying that the car is part of the Oszkar network. Specific drivers use Oszkár as a business, i.e., they use minivans to take passengers to popular destinations. Oszkár is considered to be one of the largest and most visible Hungarian sharing economy platforms. They are also a member of the Hungarian Sharing Economy Association.

### **Nekedterem (“Grownforyou”) and Youtyúk (“Yourhen”)**

Nekedterem was established in 2012, aiming at providing a personal, trustworthy service for customers who need healthy food from local Hungarian farmers. The basic idea was to establish a shortened “box-based” food chain, a “farm-to-table” home-delivery system in Budapest and its surroundings. The primary source of fruits and vegetables is a well-known cooperative, called Élő Tisza ([www.elotisza.hu](http://www.elotisza.hu)), which is a flexible, loose network of producing, selling and quality control. Through this network, Nekedterem buys fruits and vegetables. They have their network of suppliers, as well. Lately, they also included more hand-made and home-made products, such as dairies and meat. With broadening the range of available products, they managed to reach higher turnover, as customers buy “larger boxes.” Beyond the wide range of products, seasonal recipes and the introduction of the new farmers are also available on the website.

They work basically as a web shop, where after registration, the customers may pay with a credit card, bank transfer, or it is also possible to pay after the delivery. As of May 2019, they deliver boxes to approx. 300 addresses. Their yearly income was approx. 86 million HUF (280 thousand EUR), and it is estimated to be approx. 100 million HUF (322 thousand EUR) in 2019. Two full-time and one part-time staff work in their Budapest office, and six people work as deliverers and five people as packers. They deliver to Budapest and its surroundings twice a week. For more information on the platform, only available in Hungarian, see <https://nekedterem.hu>. Nekedterem is working together in close cooperation with Youtyúk ([www.youtyuk.hu](http://www.youtyuk.hu)), which is a small platform-based “farm-to-table” shortened food chain system as well, focusing solely on the distribution of fresh farm eggs. As opposed to Nekedterem, Youtyúk does not deliver their products to homes, but customers may pick-up the ordered eggs in boxes through a flexible network of various local stores acting as pick-up points.

Summing up, the speciality of Nekedterem is the promotion of fresh, local, and hand-made products; their target group is the health-conscious customers living in the capital. Besides, the platform also wants to help local production. As their products can be traced back, their customer service receives and answers questions, and they work with a money-back guarantee. The shortened food chain allows a more personal connection between producer and customer; this is their philosophy. Moreover, their customers may also meet producers, as they organize open days.

### **Miutcánk (“Ourstreet,” <https://miutcank.hu/hu>)**

Miutcánk is a Hungarian platform that tries to bring neighbours more closely to each other. The platform was established in 2014 by two Hungarian young men; the basic framework is similar to other international neighbourhood platforms, such as the international street bank ([www.streetbank.com](http://www.streetbank.com)) or the Australian nextdoor (<https://nextdoor.com>). A platform is a safe place, built on privacy and trust, where

people use their real names and upload their photos as well. The neighbourhood is defined as a “living within 10 minutes’ walk.” According to the founders, their primary motivation was the following: “We created a social website where people can connect with those who live next door. With the help of Miutcánk, new friendships, trustworthy neighbourhoods can rise, where the locals can ask for help and do favours, can find local solutions to their problems and can decrease wasting through sharing.” In 2015, the founders won a Prize for Social Innovation, called Sozial Marie Prize; that was the point when they started to believe in their project. As of June 2019, Miutcánk has approx. 47 thousand users, two-thirds of them live in Budapest, and 90% of the activities on the platform are also based in Budapest. The aim is to reach 100 thousand users and to expand their geographical scope to Poland, where no such service in operation. They are members of the Budapest-based Sharing Economy Association, as they think joint lobbying activity is crucial within the unregulated Hungarian framework.

### Kaptár (“Hive,” <https://kaptarbudapest.hu/en/>)

Kaptár is the co-working space of freelancers in the heart of Budapest. Kaptár was founded in 2012 by a group of young professionals active in organizational development and business coaching. They worked as freelancers and worked from home offices and cafes but got tired of this and decided to create their own co-working office. Soon, they also got interested in how they could create a space that other freelancers could join, and the co-working office could function as a site for community development. Their motivation was to provide services for freelancers or, as they also call, “digital nomads” and to facilitate community building.

In terms of capacities and numbers, as of June 2019, they operate two co-working spaces in the centre of Budapest, providing working space for around 30–35 people in each office; meeting rooms are also available for their co-workers. Four full-time employees work in Kaptár, and one of the co-founders also takes intensively part in the daily operation.

The co-founders think of themselves as a for-profit enterprise with a strong community orientation. They see that many co-working offices provide only space for people to work there parallel to each other. What Kaptár intends to be different from most co-working offices is the community spirit. Community events are taking place every week in Kaptár. These include lunches and dinners, intercultural nights, sports programmes or just hanging outs. Kaptár sometimes organizes professional workshops on diverse topics upon the demands and requests of the co-workers, and they are also a member of the Hungarian Sharing Economy Association

### Door Office (<https://dooroffice.hu/en/>)

The first co-worker community is in the making in Szeged, a large regional city in South-East Hungary, where the first co-working office opened in September 2018. The founders were driven by two equally important aims: providing an alternative for “classical” co-workers and emerging enterprises who have no office while facilitating the co-worker community towards self-sustainability.

One unique feature in this co-worker space is that the office itself is hosted by the Franciscan Order of the Catholic Church (in a 500-year-old church building that is the second-oldest building complex of its kind in Hungary). However, the office does not belong to the church, as it is a laic and independent for-profit business. The cooperation between an emerging sharing economy initiative and the church stems

from the lack of proper spaces to rent for a shared office in Szeged. Since one of the co-founders is an active member of the Franciscan community in Szeged, while the church is struggling with populating some of its empty properties, it seemed to be a perfect match. Moreover, community building is in focus both of the shared office and the church, adding one more prominent link to this cooperation. However, the shared office is open for all, regardless of religious or other beliefs. All the co-workers must respect the church rules as the office space is partly connected to it (the gallery of the church can be approached only through the shared office). The activities and daily life of the shared office and the church is also separated but has the potential in this model to utilise the power of the community and the assets that both parties can offer. Also, the founders of the co-working office are open to developing this pilot to a more extensive network of co-working spaces hosted by currently empty church properties to replicate this win-win model in more settings.

### Click for Work ([clickforwork.hu](http://clickforwork.hu))

Click for work went live in 2017 in Hungary; the platform acts as a matchmaker between those who lack time to fulfil small and simple tasks and can pay for it with those who have time for such work but need money. The platform connects individuals or companies that need urgent help with minor tasks, not requiring specialised training or skills. The main target group is that of middle school or university students (aged 16+) with capacities and readiness to earn money in their spare time. Typical tasks advertised range widely from gardening, through walking with the dog or small repairs in a household, to office work. Up until now, more than 500 tasks have been advertised, and three applicants per ad on average have been recorded.

Click for work is not a recruiter but acts as an intermediary by providing a platform to advertise tasks, search among ads, and also a private chat module for the advertiser and the applicant to negotiate the details of the mini job. The platform also requires ratings from both parties after the work has been completed.

The geographical scope of the platform is currently Budapest (Hungary), but the platform plans to expand both in Hungary (to other university cities) and in neighbouring countries.

### Vedd bérbe: Lease It ([veddberbe.hu](http://veddberbe.hu))

The platform links a forum connecting lessor and lessees to organize transactions based on sharing more or less valuable tools, vehicles, other movable properties or almost any kind of services for rent or use (i.e., not for free). The platform offers its services to both businesses and individuals, and any of them can be a lessor or lessee; thus, all kinds of transactions can happen: B2B, B2C, C2B, and C2C. The platform categorises itself as a hybrid enterprise, not a full sharing economy initiative, as businesses can also use it. However, the underlying principles, such as sharing, as well as economic and environmental sustainability, links the initiative closely with the sharing economy. The platform itself does not own any leasable devices, tools, or vehicles, and it only offers a platform as a moderator or aggregator. It also provides combinations of services, i.e., matching leasable service elements that make up, for example, what is needed for a significant event or the renovation of an apartment. The platform started its operation in 2016 and is still in a growing phase, with the plan to rely on over 200 business lessors and 5000 products in 2019.

Beyond these examples, Facebook Marketplace, and its Hungarian versions, most importantly Jófogás ([www.jofogas.hu](http://www.jofogas.hu)) and Vatera ([www.vatera.hu](http://www.vatera.hu)), both of them are peer-to-peer online retail platforms are also important actors in the field.

## Context

The most significant change can be assessed in the local cab or ride-sharing transport, in recent years, in Hungary. There have been several transportations means and sectors in which the sharing economy developed recently. These are ranging from the municipal bike-sharing system (Budapest—MOL Bubi) through the rapid expansion of the private Lime electric scooters to various car-sharing platforms, such as MOL Limo that are used for short-distance rides within city or ride-sharing platforms Oszkar and BlaBlaCar that are used for long-distance rides across cities. As far as local transport is concerned, according to Szűts and Jinil (2020), Hungarians prefer ride-sharing to car-sharing, i.e., Hungarian car owners do not tend to lend their cars. They instead offer rides for others. This section will provide more details on the most critical development that happened in the local cab transport market, mainly in Budapest.

### Local Cab Transport: The Case of Uber and Taxify (Bolt)

Following its November 2014 launch, Uber had already 160,000 customers and 1,200 drivers by mid-2016, before it was banned in Hungary for the benefit of licensed taxi service. In ride-sharing, the main actors and platforms are Oszkar.com specified in long-distance ride-sharing, BlaBlaCar.com and, most recently, Taxify.eu, recently renamed as Bolt (<https://bolt.eu/hu/>) at city level rides. According to Meszmann (2018), the publicly available information on company annual reports of 2016 and 2017 indicates a significant growth: whereas in 2016 the company employed four office staff, it increased to ten in 2017. The total revenue has increased by fivefold within a year: in 2016, it was 32.66 million HUF (approx. 100 thousand EUR) which increased to 166,8 million HUF approx. 500 thousand EUR) in 2017. As Meszmann argues, “in contrast to other transport organizing companies, instead of collecting membership fees Taxify (Bolt) automatically took in an average of 20% of the paid service. Media reports suggested that the platform company was actively recruiting Uber drivers. By April 2017, there were 200 cars in Budapest under the Taxify banner” (Meszmann 2018: 13).

## Developments

Besides ride-sharing and shared transportation, another field that showed remarkable development is the food delivery market. The home-grown application (which is now owned by foreign investors) NetPincér (NetWaiter, see at [www.netpincer.hu](http://www.netpincer.hu)) has dominated since its foundation in the past decade. Competitors tried to enter this market but often failed and left, such as the international brand Deliveroo. However, in 2019, Wolt seems to gain a significant role in the bike and scooter delivery market along, where only NetPincérGo, the biker delivery subsection of NetPincér, has been dominant in this market. At the beginning of this new trend, it is too early to project the outcome of this competition, but experts suggest that Wolt can be a real rival to NetPincérGo for longer than the previous candidates.



## Issues

In transportation, similarly to other European cities, the tension between Uber and traditional cab or taxi companies ended with the triumph of the taxi companies. In summer 2016, taxi companies blockaded one of the main squares of Budapest, and several Uber drivers were and insulted physically. As a result of this enormous social and political conflict, Uber was forced by a dedicated regulation (accepted by the Hungarian Parliament on June 13, 2016) to leave the Hungarian market in summer 2016 due to the lobbying of transportation and taxi associations that represented the interest of its members.

After Uber was crowded out from Hungary, a hybrid type of car-sharing was introduced, lowering administrative burdens, and focusing on the environmental aspects by using (partly) electric vehicles. As a result, GreenGo was launched in 2016, and MOL Limo was launched in 2018; both of them are company-owned and based on their operation on online platforms.

## Other Major Players

Only one significant lobbying group operates in Hungary to promote the development of the sharing economy in Hungary. The Hungarian Sharing Economy Association ([www.sharingeconomy.hu](http://www.sharingeconomy.hu)) was established in March 2017. The central vision of the Association is as follows: with the joint representation of their members, as well as exploiting the potential of sharing, it helps all the players in the economy to operate efficiently and sustainably. They are looking forward to the application of any company that works in the spirit of sharing economy and wants to participate in its promotion.

Their activities can be summarised in the following three areas (source: [www.sharingeconomy.hu/?lang=en](http://www.sharingeconomy.hu/?lang=en)):

- Support: “We help to create a general framework for the functioning of the community economy representing the interest of businesses and consumers in every possible forum.”
- Finding answers: “We support to deepen of the knowledge about the community economy and promote the aspirations of enterprises operating in the spirit of sharing economy.”
- Shaping regulation: “Our members agree to promote the development of legal guidelines and tax regulations that are tailored to the functioning of community economic models and are ideal for all stakeholders.”

The Hungarian sharing economy sector is often shaped by actors who represent and lobby for the mainstream, traditional stakeholders and companies of those sectors that are influenced by new sharing economy businesses the most. In tourism, the emergence of Airbnb, the extension of Booking.com towards apartments and other short-term rental platforms that entered that market dominated for long by hotels, B&Bs, pensions triggered a response from the traditional businesses. They immediately stood up for their interest and started lobbying through various tourism and hospitality associations to limit the activity and the development of Airbnbs and other STMs in Hungary, especially in Budapest.

## Future Directions of Research

Among others, there is a three-year-long research project titled “Trust and Discrimination in the Sharing Economy: With a Special Focus on Collaborative Consumption Platforms.” Principal investigator: Borbála Simonovits, PhD. Financed by: Young Researcher’s Grant by the National Research, Development, and Innovation Fund (FK 127978). Implementation period: From December 1st, 2018, to November 30, 2021. Further information: <https://ippi.ppk.elte.hu/en/research>

There are also several research groups with the involvement of Hungary and Hungarian researchers that are preparing co-authored book chapters and journal papers within the Sharing and Caring COST Action. These cover a wide range of topics, such as the scaling of collaborative initiatives, the role of social media in collaborative actions, the investigation of bike-sharing systems operating in various European cities or the emergence of solidarity or care economy in times of crises.

## Summary

The Hungarian sharing or collaborative economy has been flourishing in the past years, as demonstrated by an increasing number and widening variety of both multinational and home-grown initiatives and platforms. Regulatory instabilities, for example, when Uber was forced to leave Hungary, makes this emerging trend somewhat fragile. The main sharing economy actor is Airbnb. Also, there is a wide range of remarkable and sustainable small to mid-sized home-grown platforms and initiatives in transportation, food delivery, local food production and connecting ethical purchasing groups or in the office industry. Regulations have been unable to follow the developments and reacting correctly to its emerging issues. Therefore, the sector cannot protect platform workers’ rights, and this makes the employees and non-formal workforce more vulnerable.

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## Italian Style: Legislative Developments in Accommodation, Mobility, Food, Delivery, and Transport in Italy's Collaborative and Sharing Economy

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## Abstract

This contribution pays special attention to the Italian legal framework concerning the collaborative and sharing economy (CSE), with a focus on those economic initiatives which are platform mediated. This choice is due to the importance of the concept of “platform” in the definitions of the CSE provided at both the Italian and the European levels. As highlighted in some studies, most actors of the CSE can be considered not only economic disruptors but also policy disruptors (Biber et al. 2017). Thus, the chapter tries to shed light on the difficulties Italian regulators had while dealing with the emergence of these actors, especially in sectors such as food, accommodation, delivery, and transport. Italian policymakers were not able to design new regulatory frameworks to cope with the challenges of CSE, privileging bans (for Uber) or almost total deregulation (for Airbnb) over the elaboration of innovative rules. Regarding the issue of digital labour, the Italian legislator adopted a partial solution, creating a framework that dualizes the labour market, maybe with the aim of satisfying both digital workers and platforms. Overall, it seems that the Italian ecosystem of the CSE is bound to evolve, especially after the appearance of the health crisis related to the COVID-19.

**Keywords:** Collaborative Economy, Sharing Economy, Platforms, Regulation, Delivery, Mobility, Accommodation, Food

## Introduction

The landscape of the collaborative and sharing economy (CSE) in Italy is characterised by a wide variety of actors and organizational models, including both profit-oriented companies and non-profit, community-based practices that enable non-monetary forms of exchange, often rooted in the long-standing Italian tradition of cooperatives and mutualism (Grasseni 2014).

Despite the growing interest in the debate about and body of literature on the subjects, there is no single definition both of the notion of “collaborative economy” and the term “sharing economy.” In recent years these have become umbrella labels encompassing a wide variety of activities and are now synonymous with economic activities that are prefixed variously with terms such as “participative,” “peer-to-peer,” “gig,” “crowd,” “on-demand,” and “access.” Thus, the practices of the sharing and collaborative economies

have been associated with myriad activities, including swapping, exchanging, collective purchasing, crowdsourcing, crowdfunding, shared ownership, cooperatives, co-creation, borrowing, lending, renting, etc. These initiatives can operate in a variety of domains of activity (e.g., accommodation, food, delivery, waste) and at different geographical levels. At the same time, they can be carried out in person or mediated by intermediaries that connect—generally via an online platform—providers and consumers (“collaborative platforms”).

Because there is no single distinct identity that is entirely and exclusively captured by the notion of “collaborative and sharing economy,” there is, therefore, no single regulatory and/or legislative response that is able to address the manifold disruptions caused by this fast-growing phenomenon.

## Key Questions

Building on these premises, this contribution does not aim to provide any new definitions and/or classifications of the “collaborative economy” or “sharing economy,” but to (i) present the most recent development of the Italian legal framework that concerns the collaborative and sharing economy (SCE), (ii) briefly discuss the emergent and most problematic issues related to the CSE in Italy, with special attention to “platform” mediated activities, and (iii) offer a snapshot of the three most active CSE sectors: food, accommodation, deliver, and transport.

## Definition

At the national legislation level, in recent years, several law proposals were submitted with the aim of covering single and specific sectors affected by the expansion of CSE business models. For example, the bill n. 4059, presented on September 27th, 2016, pursued the goal of promoting the shared use of private vehicles, while on the 6th of April of the same year, the law proposal n.3752 tried to introduce new measures the regulate home restaurant activities (d'Ippolito 2018).

Beyond this sector-specific legislation, there were two main attempts to accurately define the phenomenon in general terms and build a comprehensive regulatory framework dealing with CSE activities independently of the sectoral boundaries.

Veronica Tentori—a former Member of the Italian Parliament’s Lower Chamber—presented a law proposal (n.3564 of 27 January 2016) attempting to address some of the issues being faced within the collaborative economy. The second article of this bill defined the CSE as the “economy generated by the optimised and shared allocation—via digital platforms—of resources such as space, time, goods and services,” quite in line with the formulation adopted in the same year by the European Commission, which labelled as the collaborative economy the set of “business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods and services often provided by private individuals” (COM(2016) 356 final). In the same year, a legislative proposal (n.2268 of 3 March 2016) was also presented in the Italian Senate, according to which the sharing economy was defined as “economic activity enabling a “sharing person” and one or more users to share goods or services through the use of platforms.” However, neither bill was approved, and, currently, they represent the only institutional attempts at the national level to regulate platforms and provide a definition, criteria, and requirements for the

identification of platforms, together with the creation of a National Register of these new economic actors (d'Ippolito 2018).

Overall, it is interesting to notice that in the definition of CSE provided both at the Italian and the European level; a central role is played by the recognition of the importance of platforms, which can be conceived as those technological and organizational entities enabling the development of transactions between demand and supply and exerting more or less extensive degrees of control over the markets and the organization and execution of work tasks. This highlights the importance of the debate traditionally rooted in the economic theory about the nature of the firm, opening up a discussion on whether platforms should be considered pure marketplaces or hierarchies with managerial prerogatives (Coase 1937; Williamson 1973; Aloisi 2020; Vallas and Schor 2020). Far from being a purely theoretical issue, this debate has strong practical and empirical implications on the regulation of CSE activities, as we will see below.

## Examples

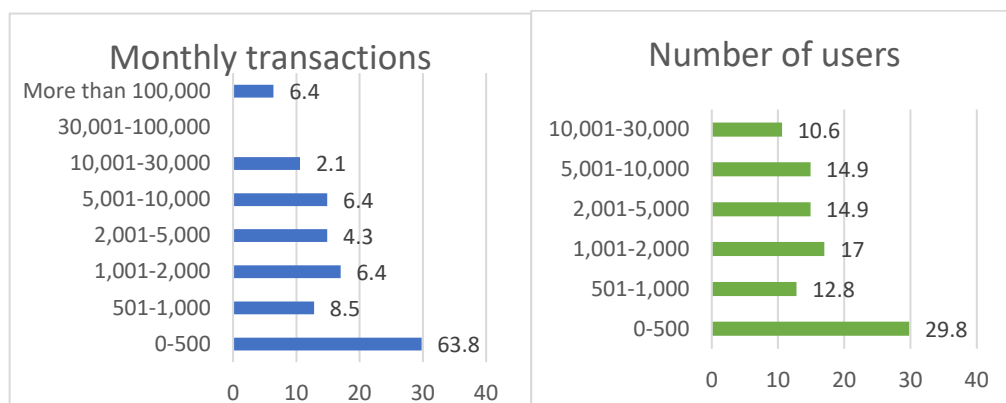
Despite the initial enthusiasm surrounding the rise of CSE activities, some features of the national socio-economic context may risk inhibiting their further development. Administrative procedures and bureaucratic requirements in Italy represent a serious obstacle, especially in the early stages of life for any new business. Furthermore, constraints related to accessing capital in the Italian finance market—especially resources devoted to funding innovative businesses—are greater than in many other economic contexts, thereby limiting or stunting growth because of a lack of access to adequate financial resources. Unsurprisingly, familial and personal resources and relations play a central role in the context of the Italian collaborative economy (Mainieri and Pais 2017).

Furthermore, the lack of a supportive and comprehensive legal framework for the collaborative and sharing economy is another inhibitor. Uncertainty surrounding possible (and unforeseen) regulatory developments represents one of the major threats for start-ups.

Thus far, there has only been one attempt to map the set of collaborative platforms operating in Italy, according to which there are currently 125 “collaborative platforms,” including both Italian ones and foreign companies with offices in the national territory (Mainieri 2018). In 2017, the last year covered by the investigation, 30 platforms ceased to exist, while seventeen newcomers entered the market. Interestingly, most of the platforms that disappeared operated in markets largely dominated by big international players, meaning that a process of concentration is likely to affect some of the sectors in which platforms tend to emerge. More recently, platforms related to cultural services have begun to grow, yet the sectors with the largest number of platforms in operation are mobility, tourism, and goods exchange/rental. Taking into account also foreign collaborative platforms with offices based in Italy, the most relevant companies are Airbnb in the accommodation sector, Upwork in the context of online job markets, BlaBlaCar and Jojob—a corporate carpooling platform—in the field of mobility and eBay, Kijiji and Bakeca—an online advertising service—in the sector of goods and services rental or exchange.

Following Manieri (2018), it is possible to provide a picture of the number of users and transactions enabled by collaborative platforms operating in Italy. Data were collected from a survey administered to a sample of platforms identified in 2017.

**Figure 1. Snapshots of CSE Platforms Operating in Italy Showing Monthly Transactions and Number of Users (2017)**



Source: Own elaboration based on Mainieri, *Italian style: novel legislative developments in accommodation, mobility, food, and delivery in Italy's collaborative and sharing economy* (2018).

Italian style: novel legislative developments in accommodation, mobility, food, and delivery in Italy's collaborative and sharing economy. As shown in the figure, the monthly frequency of transactions on digital collaborative platforms in Italy is quite low: almost two-thirds of these platforms enable fewer than 500 transactions per month. Regarding the number of users on each of the platforms studied, again, two-thirds of the platforms attract fewer than 10,000 users. Overall, it seems that most of these new organizational models are still struggling to reach a critical threshold and increase the scope of their market(s), which are generally locally based or reach the national level, at most.

Even though these data provide an overall idea of collaborative platforms' ability to create new markets and interactions, they lack the ability to relate what the impacts and effects are of a single platform, for example, at the urban scale. In the case of international giants operating in the tourism and hospitality sector, such as Airbnb and Booking.com, by looking at aggregated data sets, it is possible to get a more detailed idea of the stream of revenues generated for a set of Italian cities. For example, at the end of 2017, the average income per host in Rome was estimated as slightly higher than 50,000 EUR, taking into consideration not one single year but the entire period from 2010 to 2016 (Celata 2017). However, behind this average value, there is a strong polarization both in spatial (centre-periphery) and individual terms: among hosts, the richest 10 per cent were found to capture 68 per cent of the total amount of revenues generated via Airbnb (Celata 2017), meaning that platforms may tend to produce and reproduce inequality.

## Context

In 2016 two Members of the Italian Parliament introduced two separate legislative proposals aimed at regulating the collaborative economy. These initiatives were based on an ambition to encompass all sectors affected by the rise of digital platforms and promote collaborative economy arrangements (Rossi 2018). More precisely, the intention was to create a rather general regulatory tool, defining, among others, a set of contractual conditions that could not be applied to the relationship between platforms



and their users, and, above all, to delineate a new, specific, taxable category of income named “income deriving from non-professional sharing economy activities” (“reddito da attività di economiadellacondivisione non professionale”). However, even though they generated doctrinal interest (d’Ippolito 2018), the bills were not passed into law, leaving Italy without a basic national tool to regulate the collaborative economy. Despite this missed attempt, the disruptive impacts deriving from big and often international platforms, such as Airbnb and Uber, on traditional and highly-regulated markets and industries (i.e., tourism and mobility, both of which are particularly relevant in Italy) have led to serious complaints and negative reactions by traditional actors in these sectors. As a consequence, new legislation aiming to regulate these companies have emerged, even if not through a comprehensive legal framework.

As for the tourism sector, and specifically in the case of Airbnb, one of the main interventions adopted at the national level was the introduction of “a flat-rate tax of 21 per cent, operational from 1 June 2017, (...) on all rentals of less than 30 days” (Picascia, Romano and Teobaldi 2017). The rate of 21 per cent is the same rate already applied to income deriving from more traditional long-term rentals. Therefore, it seems that national regulators tried to level the playing field between old and new business models.

With regards to tax law, Legislative Act 96/2017 was introduced, specifically targeting real estate intermediaries, including online platforms that facilitate exchanges in the real estate market (also for short-term rentals, thus including Airbnb, Booking.com and HomeAway). According to this Act, such intermediaries bear the obligation of transmitting information on the stipulated contracts to the Italian fiscal authority, paying taxes on the rental instalments and appointing a fiscal representative in Italy. Despite Airbnb resistance to being involved as a responsible party in this tax collection, a regional administrative court stated that Airbnb must comply with the rules established by national legislators: in February 2019, in fact, the Regional Administrative Court of Lazio rejected an appeal raised by Airbnb against the Italian fiscal authority (AgenziadelleEntrate), thus subjecting Airbnb to the legal obligations deriving from the Legislative Act n.96/2017 concerning taxation. The dispute highlights the problematic definition of “information society service” and the unclear legislative approach to issues that are key to the platform economy. The question remained, indeed, unanswered as to whether the service offered by the intermediary (e.g., Airbnb) is ancillary to the business activities at stake (rental contracting) or, rather, separated from it. However, in its famous judgement of December 19, 2019, the Court of Justice of the European Union clearly stated that Airbnb is a pure digital intermediary, i.e., an “information society service,” whose activity can reap the benefits of the freedom to provide services across the Member States of the EU and, therefore, does not need to acquire any licence defined in any national regulation. This decision contradicted a French association of real estate professionals (AHTOP), which instead claimed that Airbnb acted as an estate agent without holding a professional licence and could have important effects on the provisions established by the Italian legislator in the Act 96/2017.

Another interesting development in the tourism and accommodation sector is represented by the proposal submitted by Nicola Pellicani, a Member of the Italian Parliament’s Lower Chamber, in January 2020. The proposal had three main goals: (i) creating a licensing and registration system managed by Italian municipalities for those who want to provide short-term rental services, (ii) allowing Italian municipalities to set a temporal cap, i.e., a maximum amount of days which can be annually devoted to

short-term rentals for each listing, and (iii) defining as “professional organization” the activity of those hosts who manage at least three different rooms on short-term rentals platforms, with relevant consequences in fiscal terms. The proposal substantially tried to bring the Italian regulatory framework in line with what had already emerged in other countries, but it was stopped due to the opposition of a party belonging to the same political coalition as the proposal author. It is reasonable to expect that there will not be any advancement in the next months because of the severe impact on the tourism sector determined by the COVID-19-related crisis.

The transport sector, unlike the field of accommodation, has not experienced major nor substantial changes in the legal and regulatory framework. For example, the reference for the taxi industry is a law issued in 1992, more precisely the Legislative Act 21/1992, which several national legislators tried to reform in recent years without being able to introduce radical novelties. Overall, the sector is still far from a process of total liberalization, *de facto* making services such as Uber POP completely illegal. On May 25th, 2015, the Tribunal of Milan stated that the service provided via Uber POP must be considered as an alternative form of taxi service. However, since drivers working via the app lack the authorisations and licences required and defined by Italian national laws to regulate the transport sector, Uber POP was deemed as providing unfair competition. As a consequence, Uber POP is *de facto* illegal in the Italian territory, and, in fact, it has gone out of business. The decision of the Tribunal of Milan substantially anticipated what was later decided by the European Court of Justice at the end of 2017.

Another contested ground in the context of digital and collaborative platforms is the field of labour law. A contentious issue is how workers who provide services via digital platforms should be classified in contractual terms. Whereas in the UK, the issue of the classification of the employment relationship between platforms and service providers was raised in front of the employment tribunal by two Uber drivers (Uber BV v Aslam (2018)), in Italy, the problem was posed by a large movement of workers operating in the food delivery sector, the riders, who claimed to be platforms’ employees—subject to the power of algorithms over the execution of their work tasks—rather than freelance, independent contractors and demanded higher wages and labour rights such as paid sick leave, overtime, and insurance. After several mobilization activities, including strikes, the Minister of Labour suggested two possible alternative solutions: (i) forcing platforms to collectively bargain with riders’ representatives over their pay and working conditions or, (ii) in case of failure of the bargaining process, establishing directly by law that riders are employees. Meanwhile, food delivery riders working via the app of the German company Foodora started a legal battle against the platform. On May 7th, 2018, the Tribunal of Turin stated that these workers are independent contractors, thus rejecting their claim to be recognised as employees of the platform. However, food delivery riders appealed this decision, and on January 11, 2019, the Tribunal of Turin decided that, even though these workers are actually independent contractors, they are entitled to some of the same employees’ rights defined in the national collective agreement for delivery and logistics workers, such as a minimum hourly wage, paid holidays and other indirect forms of remuneration. Furthermore, on January 24, 2020, the Supreme Court of Cassation, which is the court of last resort in Italy, stated that riders have to be fully considered employees of the platform, thus also deserving the right to be protected against unfair dismissals. Finally, the Italian legislator intervened by means of the Legislative Act 128/2019, which introduced a sort of dualizing, a two-tier regime that distinguishes

between permanent and occasional riders: while the first ones are entitled to the whole set of rights traditionally associated with employment, occasional riders gained the right to a fixed minimum hourly wage aligned with the national agreement in the logistics sector and a compulsory insurance scheme against accidents and injuries. Interestingly, this law concerns not only food delivery riders but also those working via digital platforms for the delivery of other goods than food. This could also affect minor platforms such as Takemythings, an Italian company that labels itself as a “social delivery network” and matches people in need of delivering a specific good with persons who, by chance or for other reasons, are moving towards the required destination of that good.

Finally, in relation to the food sector, in 2016, Italy passed Law no. 166/16 with the purpose of reducing food waste in each stage of the food supply chain. This law also defines some measures to simplify the donation of surplus and eliminate regulation and bureaucracy limitations. Innovations introduced by the Law have facilitated ongoing food-sharing activities and new digital food-sharing platforms (such as Regusto and Bringthefood).

## Developments

Two sectors seem to represent areas of particular interest for the future developments of the collaborative economy: food delivery and mobility. According to a study recently carried out by the Bank of Italy (Giorgiantonio and Rizzica 2018), the food delivery sector is the most important in Italy in economic terms, generating a turnover which is eight times higher than one of the mobility platforms and seventeen times higher than the amount generated in the sector of home services and household work. Moreover, food delivery platforms are also the ones with the fastest pace of economic and financial development: the average annual rate of growth of their turnover is 250 per cent. In light of this, it will be important to keep monitoring the activity of platforms operating in this sector, especially because of the impacts they produce not only in strictly economic terms but also from the viewpoint of the labour market.

The mobility sector seems quite lively and particularly adaptive to changing conditions of markets and regulatory frameworks. A clear example is represented by the strategy recently adopted by Uber, which decided to come back to Italy—starting with the city of Turin—by launching a brand-new app with the aim of supporting taxi drivers rather than competing with them (Ruffilli 2018). In other words, Uber is trying to become a platform accessible to traditional taxi drivers only, promising them that the use of the platform will contribute to optimising bookings and working times and, as a consequence, will increase the overall level of revenues and gains. Another aim of this strategy seems to be the creation of a more peaceful climate from the viewpoint of the relationships with urban authorities, regulators, and local economic actors in order to change the perception of the aggressive and conflicting attitude shown by Uber in the early phases of its life.

For the time being, it is not easy to predict what will happen in the context of platforms providing innovative and/or digital-based mobility services. For example, before Uber decided to come back to the Italian market, there were already other platforms working in a cooperative way with the traditional taxi industry, such as Free Now (formerly MyTaxi) and Wetaxy. It is not clear whether the entry of Uber will lead to a situation of destructive competition or not. Furthermore, it is reasonable to expect that Uber aims

to become a sort of “platform of platforms,” i.e., a digital intermediary enabling transactions not only between the supply and demand of traditional taxis but also in other segments of the transport sector, making mobility an integrated system of different and connected services.

Another development in the mobility sector is related to the appearance of companies that provide platforms for the shared use of electric kick-scooters and other micro-mobility devices. Also, in this case, the Italian regulation struggled—sometimes even drawing on heavy fines against the users of these platforms—before finding appropriate norms to define speed limits, and which portions of the urban spaces can be devoted to the use of such vehicles (Gagliardi and Mobili 2020).

## Issues

Some scholars analysing the spread of Airbnb in Italian cities have noted that “in the view of Italian policymakers, the need to regulate a phenomenon often instinctively translates into mere taxing of that phenomenon; more often than not, with a flat-rate tax” (Picascia, Romano and Teobaldi 2017: 15). This quote describes one of the main attitudes shown by Italian regulators dealing with the emergence of platforms and the collaborative economy. On the one hand, it was decided to completely ban some of these new economic actors, as happened with Uber POP, sometimes under the pressure of incumbent industries. On the other hand, a sort of substantial deregulation allowed some platforms—as in the case of Airbnb—to grow exponentially until a tax was introduced, based on the conviction that regulation only means taxation. In any case, Italian regulators were not able to design entirely new regulatory frameworks. This did not help to promote fair competition between old and new players, not to mention effectively contrasting the problems related to market disruption, unfair competition, and employment legal classification that some of these platforms engendered. A possible explanation of the equation between regulation and taxation is the “fiscal crisis,” which affects Italian public authorities: under the pressure of severe budget rules, Italian policymakers seem incentivized to get the highest possible number of resources by drawing on simple forms of taxation, without addressing other important issues (e.g., welfare and labour rights, housing markets, negative externalities related to safety and environment issues).

Another general issue in the Italian debate over the collaborative economy concerns the role that these new actors are supposed to play in favour of a sort of general economic revitalization. Digital platforms, and innovative start-ups in general, are often seen as the most appropriate tool to contrast the crisis still affecting the country (and currently reinforced by the COVID-19-related situation). However, according to some recent studies (Arvidsson and Luise 2019; Cerruti and Russo 2018), most of these economic initiatives record poor economic performances and are not able to generate financially sustainable forms of business. This implies that it will be necessary to elaborate a different strategy to cope with some of the major problems affecting the Italian socio-economic system without putting too much emphasis on the role of start-ups and platforms.

## Other Major Players

One of the most active universities in Italy in the study of the sharing and collaborative economy is the University of Milano-Bicocca, which is involved in a project funded by the European Commission's Horizon 2020 Programme (grant agreement No. 732117), called "Ps2Share: Participation, Privacy, and Power in the Sharing Economy." The project is aimed at conducting, from a sociological perspective, an in-depth inquiry about some of the most crucial issues raised by the sharing economy, such as antecedents of participation and inequality. Key persons working at the University of Milano-Bicocca are Alberta Andreotti, Guido Anselmi, Marina Micheli, Davide Arcidiacono and Ivana Pais, who also contributed to collaborative mapping platforms operating in Italy.

Another important academic institution working on these topics is the University of Bologna, which is involved in a project recently funded by the Horizon 2020 Programme, named "PLUS: Platform Labour in Urban Spaces: Fairness, Welfare, Development" (01/12/2018-30/11/2021). The coordinator of the project is sociologist Sandro Mezzadra. Drawing on a multidisciplinary approach, the main focus of the research project is exploring the features of the so-called "digital labour," at the same time trying to understand the future of work.

A recently funded Research Project of National Interest (PRIN) 2017 "The short-term city: digital platforms and spatial (in)justice" is also being led by a network of four Italian Universities (University of Rome La Sapienza, University of Turin, University of Naples Federico II, and University of Siena), and its primary aim is to provide evidence on the effects of short-term rentals digital platforms on Italian cities at the urban, interurban and intra-urban scales. It focuses on changes in housing stocks, impacts on neighbourhoods, centre-periphery dynamics, job creation and other economic effects. From this perspective, and using a transdisciplinary and mixed methodological approach, the research investigates pre-existing and emerging urban contradictions that platforms such as Airbnb exacerbate, such as touristification, gentrification and the polarization of contemporary cities; relationships between temporary and long-term residents; socio-spatial inequalities; the "housing question;" how cities adapt to new technologies, labour transformations and the post-recession urban landscape. An empirical and comparative analysis of case studies will be carried out within a general conceptual framework dealing with, on the one hand, the political economy of platform capitalism and, on the other, cultural and critical enquiries of Internet-mediated imaginaries and identities. The objective is to offer an empirically-grounded understanding of the logics and (bio-)politics of platform capitalism, its overall effects in terms of "platform urbanism," and its differential impacts on places.

Explicitly focused on emerging forms of labour is the ERC project "SHARE: Seizing the Hybrid Areas of work by Representing self-Employment," coordinated by Annalisa Murgia at the University of Milan.

The Horizon 2020 project Commonfare (originally and officially "PIE News: Poverty, lack of Income, and un/Employment News") has also mapped and invoked research and co-design activities with several grassroots initiatives from the collaborative economy in Italy, Croatia, and the Netherlands. Information and stories about such initiatives are now available on [www.commonfare.net](http://www.commonfare.net), the digital platform code signed with project participants.

Finally, the EU Seventh Framework Programme research project “TESS: Towards European Societal Sustainability” (2013–2016; [www.tess-transition.eu](http://www.tess-transition.eu) and [www.sustainable-communities.eu](http://www.sustainable-communities.eu)), in which the University of Rome La Sapienza played a key role, explored the role of community-based initiatives in the promotion of systemic sustainability, climate change, and de-growth transformation across six European countries (including Italy—with a specific focus on Rome) working in the domains of food, transport, waste, and energy.

One of the most effective initiatives looking at worker concerns is represented by Riders Union Bologna, a sort of “informal” and self-organized union of bike riders working in the food delivery sector via digital platforms. After several mobilization activities, including strikes, Riders Union Bologna was able to start a multilateral process of negotiation with two food delivery platforms (Sgnam and Mymenu), involving also more traditional unions and the Municipality of Bologna. The outcome of the bargaining table was the “Chart of Fundamental Rights of Digital Workers in the Urban Context,” which is a local collective agreement concerning minimum hourly wages and other rights. Interestingly, the slogan of the campaign was “Non per noi, ma per tutti,” i.e., “not just for us, but for us all,” meaning that the real goal of the initiative is trying to improve working conditions not just in a specific sector or local place, but at a more general level.

One of the most active commercial lobbying groups is Federalberghi, the main organization representing the interests of the hotel sector. Most of its actions tend to contrast the expansion of platforms such as Airbnb and the lack of a strong regulatory intervention. Interestingly, every year Federalberghi publishes a report based on the analysis of data relating to Airbnb growth, labelling the phenomenon of the sharing economy as “the shadow economy.”

Similarly, associations representing taxi drivers are strongly involved in a series of lobbying activities and protests against the potential liberalization of their sector. Unlike Federalberghi, taxi drivers have so far been able to avoid the expansion of direct competitors such as Uber, maybe because of their higher ability to organize visible and “physical” actions, and/or maybe for the fact that they were perceived as (a group of) workers, rather than (a group of) companies.

A quite active membership organization is AISE (Italian Association Sharing Economy), which was created in 2014 by a group of professionals coming from diverse backgrounds. Its aim is “promoting all those activities and projects inspired by principles and methodologies of the collaborative economy,” for example, by publishing books and organizing events and training activities around the topic.

## Summary

This contribution has paid special attention to the Italian legal framework concerning the collaborative and sharing economy, with a focus on those economic initiatives which are platform mediated. This choice is due to the importance attributed to the concept of “platform” in the definitions of the CSE provided at both the Italian and the European levels.

As highlighted in some studies, most of the actors of the CSE can be considered not only economic disruptors but also and above all, policy disruptors (Biber et al. 2017). Indeed, we tried to shed light on the multiple difficulties Italian regulators had in recent



years while dealing with the emergence of these actors, especially in sectors such as food, accommodation, delivery, and transport.

Overall, Italian policymakers were not able to design new regulatory frameworks able to cope with the challenges raised by the CSE, privileging bans (as in the case of Uber) or almost total deregulation (as in the case of Airbnb) over the elaboration of adaptive and innovative sets of rules. Coming to the contentious issue of digital labour, the Italian legislator adopted a partial solution, creating a framework that dualizes the labour market, maybe with the aim of satisfying both digital workers and platforms.

Far from reaching a stable equilibrium, it seems that the Italian CSE ecosystem is bound to evolve.

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## Sharing Economy in Lithuania: Steady Development with Focus on Transportation Sector

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## Abstract

The sharing economy is a new and underdeveloped phenomenon in Lithuania, starting from the definition of the concept in a state's legal framework and scarce statistics. The aim of the paper is to describe the trends of the digitally supported sharing economy in Lithuania. Available national and international information and data were analysed. It was shown that the most popular services in Lithuania there is the transport sector, in the second place there is the accommodation sector, in the third—food-related services. The reasons why Lithuanians offer services via collaborative platforms mostly concern additional sources of income and flexible working hours. Over two-thirds of the habitants express their positive attitudes towards sharing economy and collaborative platforms, and over ninety per cent would recommend other services offered via collaborative platforms. Though 97% of the Lithuanians have never offered the services via sharing economy and collaborative platforms, and it is mostly because of no item or interest, and two-fifths do not know at all those collaborative platforms are. The development of the sharing economy in Lithuania as far is gaining speed, and in the future, the principles of these phenomena are going to be used in an even broader scope of the sectors.

**Keywords:** Sharing Economy, Collaborative Economy, P2P Sharing Platform, B2C Sharing, Car-Sharing, Accommodation Sharing, Sharing of Things, Lithuania

## Introduction

The aim of this paper is to describe the trends of the digitally supported sharing economy in Lithuania. By 2019, approximately one-fifth of the population in Lithuania will be involved in activities of sharing economy and collaborative platforms (Eurostat 2019). The activities mostly spread in the sectors of transportation, accommodation, financing, and rental of goods. The main advantage of participation in the sharing economy and collaborative platforms related to an opportunity to get wider choices, to

obtain easier and cheaper the desired services or items, as well as to get additional income by sharing assets, items, or skills with users. Over the last few years, more and more Internet platforms have been created for buying, selling, or sharing services and goods for free or for a very symbolic price. Habitants of the country increasingly use various Internet platforms for sharing goods and services (Šumskis 2016; Grybaitė, and Stankevičienė 2016; Sagatauskas 2019). So, sharing economy is a relatively novel but rapidly rising phenomenon in Lithuania, on which relevant statistics is absent, and comprehensive research is lacking. The latter are scarce, many related questions still are not answered, and numerous issues are not solved, including taxation, licences, consumer rights, and social guarantees.

The main problematic questions in this paper are the following: how the concept of sharing economy is defined in Lithuania? How much and under what context has the phenomenon of sharing economy is developed in the country? In order to answer the research questions, we explore available national and international information and data sources that expose various aspects of the sharing economy in the country.

The paper consists of eight parts, including dominating in the country discussion on the concept of sharing economy definition, highlights of the key questions in relation to this concept. Further, we provide several examples of sharing economy activities. For a clearer picture of the status of sharing economy in Lithuania, further in the text, the context of its development, issues, other major players, future directions of research, and the level of development will be described. The paper will be finished with summarising part, a list of references, suggested readings, and a list of relevant websites.

## Definition

The sharing economy concept, in general, is an umbrella term that covers other economic systems such as collaborative economy, peer-to-peer economy (P2P), gig economy, crowdfunding or crowdsourcing, co-working, and co-branding (Report on European Agenda... 2019).

In Lithuania, the sharing economy is rather a new phenomenon, and until now, not received enough attention from official institutions. As a consequence still, there is no official definition of the concept in a state's legal framework. On the other hand, as a working concept, the sharing economy is understood as peer-to-peer based collaborative activities on providing, acquiring or exchange access to goods and services facilitated by a community, mostly via specialised Internet platforms (Skaistė 2019). Such activities are mostly related to several economic sectors: transportation, financing, accommodation, rental of goods, but it is not limited.

At the same time, in the context of political and academic debate, various terms are used to define this rapidly evolving phenomenon: *dalijimosi ekonomika* (sharing economy), *partnerystės ekonomika* (peer economy), principu “pagal poreikį” *grindžiama ekonomika* (on-demand economy), *partnerystės platformų rinkos* (peer platform markets), *trumpų projektų ekonomika* (gig economy), *bendradarbiavimu grindžiamas vartojimas* (collaborative consumption), *santalkos kapitalizmas* (crowd-based capitalism), and other (Shared Consumption... 2018). For example, the concept “collaborative economy” is translated into Lithuanian language as “bendro vartojimo ekonomika,” which direct meaning is “economy of joint consumption.” Nevertheless, the concept is used, and its content is understood as a wide range of activities arising



from a variety of collaborative business models. These business models, including non-profit ones, range from collaborative platforms that enable the exchange of goods and services around the world to small collaborative micro, small and medium-sized enterprises providing services to local communities.

In summary, the concept of sharing economy and its content in Lithuania still needs more clarity and is waiting for more attention from official institutions.

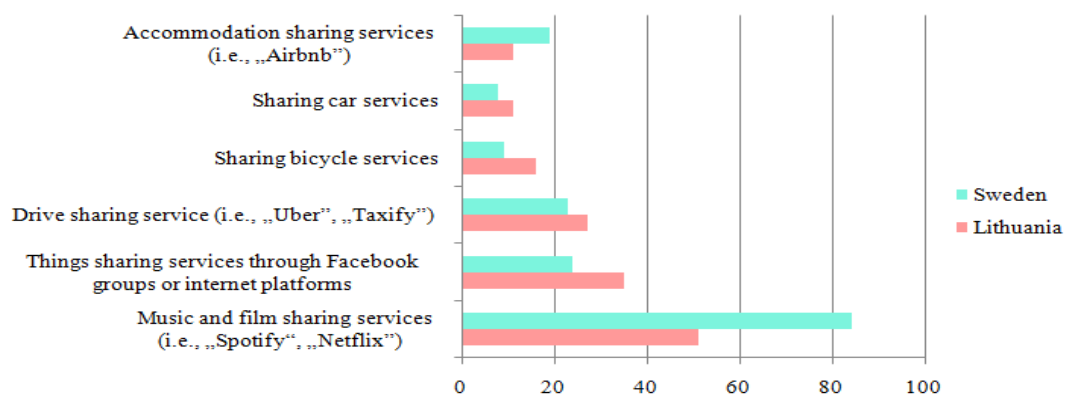
## Key Questions

Customers, as a rule, win from the main positive sides of the sharing economy: it guarantees a falling level of prices and a wider choice of services and goods. Meanwhile, companies participating in the activities win from lower requirements and regulation of the quality and competencies of the services and goods that they provide. For example, sometimes they may work without licences, not to pay “pillow” fees, etc. Companies offer their services in renting housing, cars, bikes, lending money, transporting people, mediating second-hand business. At the same time, providers of services and goods, especially in small and medium businesses, face increasing competition at the national as well as at the global markets. The development of the sharing economy in Lithuania, additionally, goes under the context of strict legal regulation of the free market, and time-to-time appearing calls for even stricter regulations. The latter, usually, concern the questions of taxation, social guarantees, and consumer rights (Skaistė 2019).

Another key question concerns sectors of sharing economy development. Although consumers in the other countries mostly tend to exchange or share with electronics and means of transport, the most popular exchange or share product in Lithuania is clothing (Degutis 2018). This might have to do with Vinted, a highly successful clothes sharing Internet platform launched in 2012. Vinted remains the most popular in its field, and it even outstands Facebook and Instagram, social networks which gained more users after launching the purchase feature. On the other hand, research carried out in 2018 in Lithuania and Sweden revealed that the most popular product among 18–35 years old Lithuanians is music and film sharing in comparison with physical objects, things, or services’ sharing. Platforms such as Spotify and Netflix in 2017 were used by 51% of 18–35 years old Lithuanians. Meanwhile, in Sweden, this number reaches up to 84% (see Figure 1).

Figure 1 indicates that object sharing has remained in second place, with 35% of the respondents. And in this field, Lithuania is ahead of Sweden. In the latter country, objects are shared only by 24% of the respondents. Among the most popular services are also the following: offering a drive, sharing bicycles and vehicles, which again are more popular in Sweden. It is foreseen that in the future these services will be even more popular because of the high petrol costs and interest in ecology. Accommodation services, for example, Airbnb, are more prevalent in Sweden.

**Figure 1. The Use of Sharing Economy Services (Age Group 18–35; in %)**



Source: Own elaboration based on data of research held in 2018 by Spinter Tyrimai, Tieto/HUI Research.

Considering information on the development of different sectors of the sharing economy, it can be predicted for the future that the principles of this phenomenon are going to be used in an even broader scope of the sectors of the economy and daily life, including energetics or so. On the other hand, research and statistics about sharing economy and collaborative platforms still are scarce in the country. For example, the lack of statistics on tourists' flows and working hours is evident, and that leaves many questions without answers.

## Examples

In this part, five cases of sharing economy ventures developed by the Lithuanians are presented. The first three of them illustrate the highly successful initiatives of the collaborative economy. The last two reveal that may occur other practices that also have the potential for growth.

### VINTED Case

Keywords: e-commerce company, trade and exchange goods, P2P sharing platform

Vinted ([www.vinted.lt](http://www.vinted.lt)) is a Lithuanian online used clothing retailer founded in 2008. It contributes to buying, selling, and swapping second-hand fashion: women's clothes, shoes, and accessories. The platform emerged as a fun sharing hobby by a private person.

In order to offer the items in the Vinted, users need to create a profile and make deals. Then users communicate with each other directly. For selling an item, the peer should download the free Vinted app, take photos of the item, describe it, and set an expected price. Then the item is sold; the seller should box the item, follow the shipping instructions, and make sure to send the item within five days. There are zero selling fees, so what the seller earns is theirs. The seller is paid as soon as the buyer confirms that deal. Meanwhile, the buyer has the opportunity to browse among millions of unique items, search thousands of brands, and find favourites. They may communicate with the seller, ask any questions about the item. After the item is chosen, the buyer can buy it by tapping a button. Payment is carried out via PayPal, bank card, or Vinted

Wallet. The item's estimated delivery date is given at check-out, and usually, it is delivered in a few days.

Recently, Vinted is the largest online international consumer-to-consumer marketplace in Europe on second-hand fashion. In a few years, it has grown into a community that recently united 30 million users from Lithuania, Austria, Belgium, the Czech Republic, France, Germany, Luxembourg, the Netherlands, Poland, Spain, the United Kingdom, and the United States of America. And, the community still is growing up, 90 pieces are uploaded every minute, and every 49 seconds, one Vinted transaction is performed. The result is renewed contents of the individual wardrobe. Between 2013–2018, Vinted attracted \$100 million of investment to help it to grow. Such success, probably, was determined by the fact that sellers can quickly reach millions of people, sell simple and without great burdens of formal requirements and taxes meanwhile, and buyers can shop safely from such a wide marketplace.

In 2010, Vinted received an award for the best start-up, in 2011—for the best website. According to owners, it was really an enormous rise of late-stage venture capital rounds flowing to European tech scale-ups lately (Tech.eu Podcast 2019). A good experience and great success of Vinted encouraged the creation of similar consumer-to-consumer services: Public groups in Facebook “Vilnius mothers’ market,” “Women’s wardrobes,” and “Online market (buy, sell, and change).

## Dalnuosi.It Case

Keywords: tools sharing, car-sharing, P2P sharing platform

The platform of the UAB Dalnuosi.It is a local virtual community where registered users their possessions can share. This initiative started in 2012 in Lithuania. Five individuals decided to create a platform that adds to solving arguments often occurring between the lenders and the people who borrow things and return them in a significantly poorer condition (Dalnuosi.It 2019). In 2018, the platform received a new investor Aurelijus Rusteika who invested 100 thousand EUR for company development (Dževeckytė 2018). Important to note, a new investor strengthened Dalnuosi.It not only financially. Since now, goods of the grocery Topo centres can be shared on the company's platform. Recently, this platform united over 25 thousand members and over 500 successful deals are done each month. Although this initiative is based in Lithuania, it is planned to expand it to other European countries as well.

Dalnuosi.It is based on a virtual platform where natural and legal persons can register using Facebook or their email address and then upload their possessions and share them. Even though there is a wide range of different things that can be rented via it. All these things are grouped into eight categories such as (1) bikes and scooters, (2) camera lenses, (3) cameras, (4) electronics, computers, (5) drones, (6) gaming consoles, (7) GoPro and action cameras, and (8) holiday and travel (Dalnuosi.It 2019).

There is also a communication tool that helps the borrower to contact the owner of the desired item and make sure that it is free at the time the item is needed. After both parties arrange all the details, the borrower makes an online payment on the same platform then gets the owners' contact information and a rental agreement. After the agreed period, the borrower has to return the item, and the lender must leave a reference about him. The borrower does not have to leave a recommendation about the owner but is encouraged to do so by the developers of this platform. It is important to note here that with every transaction, the platform takes 15% commission, depending on the payment plan the owner has chosen (Dalnuosi.It 2019). If the

borrower happens not to receive the required item, the money is returned, and the owner's items are banned. Partnership with Topo centres consumer electronics retail chain allows the users of the platform to receive additional services, such as long-term buy-out possibility. Moreover, the company offers to advertise to items already placed on the platform (Dalinuosi.lt 2019). Dalinuosi.lt has been working with the insurance company Lietuvos draudimas (Lithuanian insurance) since 2015, which allows the members of this community to ensure their possessions against any damage or loss (Tnews.lt 2018).

This platform directly encourages the phenomenon of sharing things in Lithuania and creates undeniable economic benefits to the lenders as well as borrowers. While the owners can offer their unused items and get extra income, the borrowers can save money by renting them and avoiding the necessity to purchase them. In addition to the economic benefits, this platform also has social benefits as it unites thousands of members, creates new connections, and brings together a unified community. It is likely that Dalinuosi.lt will continue working successfully and encourage people to use the mutual benefits this platform has to offer.

### CityBee Case

Keywords: car-sharing, bike-sharing, electric scooter-sharing, B2C sharing, transportation network

CityBee ([www.citybee.lt](http://www.citybee.lt); UAB "CityBee Solutions") is a local Lithuanian service, which operates on car-sharing, bike-sharing, and electric scooter-sharing services. This company started in 2012 in Vilnius when it had only five vehicles to share, and in a few years, it became the pioneering car-sharing service (CityBee 2019). Since its launch, CityBee has shown tremendous growth and reached a nearly doubled user base in 2018 and has over 800 cars all over Lithuania. In 2018, the company became profitable for the first time since its inception became profitable by earning 139.129 EUR profit and expects to grow seven times by 2023 (Miknevičius 2019). In the spring of 2019, CityBee has launched a new service—an electric scooter-sharing service and was the first company for this service in Baltics countries (Modus Group 2019).

A car-sharing service is based on the CityBee mobile. According to CityBee (2019), the sign-up process involves a few steps. Firstly, a new customer should provide data about his driver's licence and a payment card. Customers can choose from over 1300 diverse types of cars (e.g., electric cars, hybrid cars), 150 vans, 300 bikes, and 2000 scooters. The customer pays only for the time and kilometres are driven.

The simple sign-up process is used for bike-sharing and electric scooter-sharing services as well. For the bike-sharing service, customers should sign up and provide a payment card. The customer can choose the nearest bicycle stop on the app, select a bike, scan its QR code, and unlock a bicycle. Later, the bicycle can be parked in the orange CityBee bicycle zone. The same process works within a scooter, which can be parked in the orange CityBee scooter zone. The price of both bicycle and electric scooter rides consists of a fixed fee (i.e., pay as you go).

The value offered by CityBee can be valuable for both private customers and companies as well. The main value for companies is the ability to refuse their own companies' cars and benefit from a convenient transportation service in many cities. While CityBee is a suitable alternative for one-car families as well because it enables them to use a car on-demand and save some costs. Importantly, electric cars are quiet and friendly to the environment. This sharing program decreases traffic congestion and

improves parking space availability, and contributes to eco-friendly living issues in cities. Hence, car-sharing, bike-sharing, and electric scooter-sharing services enable citizens to save money, choose the sharing economy services, and protect the environment.

### Trumpam.lt Case

Keywords: accommodation, room sharing, P2P sharing platform

Trumpam.lt ([www.trumpam.lt](http://www.trumpam.lt); UAB “BitNet”) is a local Lithuanian company that owns an online platform that enables users to lease or rent a short-term room, flat, or apartment in the cities of Lithuania and resort towns (Trumpam.lt 2019). It is an alternative of stay in traditional hotels. It also can be entitled as Lithuanian Airbnb version.

Services of the Trumpam.lt started in 2012 in Lithuania, and due to the increased demand and interest in the market, an online platform Dayrent.lt was launched in 2015, which provided 3 hours place rental services (Trumpam.lt 2019). In 2016, the company reached the Belarus market within an online platform Dayrent.by (Sabaliauskas 2016).

Trumpam.lt offers apartments (in total, 640), flats (232) and guest houses (57), cosy summer houses, and covers a wide range of towns (Vilnius, Kaunas) and resorts (Nida, Palanga) in Lithuania. Thus, Trumpam.lt also provides a wide variety of accommodation choices for customers. For instance, from a night at the studio flat for 22 EUR to a night in an apartment for 260 EUR in Old Town of the capital city Vilnius (Trumpam.lt 2019).

Hosts are motivated to earn extra money for renting services (i.e., flats, apartments, rooms). Therefore, Trumpam.lt is based on a virtual platform where hosts can register within an email address, and upload an offer of rent place, and provide contact details. Hosts can select the price, images, and other details. Importantly, travellers can reach hosts directly and negotiate with them about the final price and payment conditions.

There are fixed costs for hosts. Hosts should pay 6 EUR for two months and 10 EUR for six months (Trumpam.lt 2019). Moreover, hosts can receive professional photographer services from Trumpam.lt for the additional costs and advertise or present their place more efficiently (Trumpam.lt 2019). Trumpam.lt does not own any room or flat and gets the fee only from the hosts. All travellers do not pay any fees to Trumpam.lt and get the lowest prices for accommodation.

Trumpam.lt enables hosts to gain economic benefits from underutilised resources such as rent a room for the selected period. Thus, individuals (travellers) can pay less for the room, flat, or apartment in comparison to hotels in Lithuania. Finally, Trumpam.lt encourages a local Lithuanian community of both hosts and travellers and stimulates collaboration and creates a friendly environment.

### Real Is Beautiful Stock Case

Keywords: photobank, P2P sharing platform

Real Is Beautiful Stock ([www.realisbeautifulstock.lt/en](http://www.realisbeautifulstock.lt/en)) is the first in the world to open an Internet platform for the country's photobank, started by Lithuanians in 2017. The idea came from the civil initiative: many people have beautiful images made by a camera or phone and stored in personal digital devices. The platform gives an opportunity to share for free with the country's images made by the people of Lithuania.



Though, for the usage of an image for commercial purposes, permission from the photo's author is necessary.

An initiative was started by a New! creative agency. Further, other partners joined: Digital Sense who coded the website, Metida provided legal consulting, Bosanova agency helped with communication, Godspeed created the design, the Department of Tourism allowed using the Real is Beautiful's logo and supported the idea from day one while most of the Lithuanian media helped spread the message. Respected public figures and photographers of Lithuania joined an initiative. Though all other Lithuanians can join, and according to owners of the platform, the latter even bigger stars here (Real Is Beautiful Stock 2019).

Recently, the photobank consists of over 800 photos. In order to make the search easier, all photos are marked as Vilnius, summer, morning, city, etc. Creators of the platform expect such sharing practice will represent Lithuania in the world and contribute to the creation of a positive image of the country.

## Context

The first sharing economy businesses in Lithuania appeared only a decade ago. As already mentioned above, until now, there is no definition of the sharing economy in the Lithuanian legal framework (Skaistė 2019). The essence of the sharing economy in Lithuania: one entity directly providing services to another entity. Usually, the goods or services are offered via special Internet platforms. The main economic engines of sharing from the service provider side are the ability to get additional income, the employment of its assets, items or sharing their skills, and for the user—wider choice, easier and cheaper to book the desired service or item. There are many platforms in Lithuania where inhabitants can share services or goods without any fee or for a very symbolic price and, in that way, contribute to social engagement and development of citizenship, to support those who are in need and contribute to social cohesion.

At the end of 2015, Seimas of the Republic of Lithuania (further: Parliament) adopted a new Consumer credit law amending articles, adjusted to rapidly proved popular peer lending platform (Law of the Republic of Lithuania 2015). Parliament set limits that in case of lending over 5,000 EUR, it is necessary to register a legal entity. Though, such restrictions do not meet the potential of free movement of capital which is a fundamental value of the Community under the EU Treaty. This has led to both—different attitudes of the governmental institutions and different paces of development. In order to see how sharing economy's markets operate, an analysis of the relationship between the governing bodies and the sharing economies is needed. The most important task now is to ensure a balance between the regulatory and operating principles of shared economic development.

However, the issue of sharing economy and collaborative platforms, as well, a problem of lack of legislation on its take growing place in the Government and the Parliament of the Republic of Lithuania. In September 2017, a roundtable discussion, "Sharing Economy: Opportunities, Challenges, Threats," was held at the Ministry of Finance (Skaistė 2019). Representatives of business and public authorities debated how the sharing economy can contribute to the country's competitiveness and economic growth. Issues on what regulatory framework would help to adequately protect consumers and people working with these services were considered. Participants concluded that the rapidly emerging sharing economy and collaborative platforms

stimulates progress and allows citizens to offer additional services, as well as expand new employment opportunities, provide flexible working conditions and new sources of income. The conference, held in May 2018 at the Parliament of Lithuania, stressed the influence of the sharing economy and collaborative platforms for the development of the overall country's economy and labour market, as well, issues on sharing economy taxation peculiarities, consumer rights and data protection, challenges of the sharing economy and collaborative platforms in various sectors discussed (The impact of the growing sharing economy... 2018).

In summing up, the growing debate and attention to the sharing economy and collaborative platforms confirm the fact that it is indeed becoming an essential part of the economic development in Lithuania. It is novelty and different forms of the free market are the main reasons why until now, there is no clear, complete legislation in this area in the country.

## Developments

According to Timbro Sharing Economy Index (Bergh, Funcke, and Wernberg 2018), which is the global index of the sharing economy. The country is ranked in 108th place among 213 countries. The index is equal to 1.2 on a scale of 0=underdeveloped and 100=highly developed. The comparison of these measures with that of the neighbour countries such as Latvia or Poland that are ranked, accordingly, in the 58th and 92nd places with the indexes of 6.9 and 1.8, it can be stated that the sharing economy still is under development in Lithuania.

According to Eurobarometer (The Use of Collaborative Platforms 2018), the experience and behaviour of Lithuania's population regarding usage of the collaborative platforms is rather close to the EU-28 average with, accordingly, 13% and 14% of people who use the services offered via a collaborative platform regularly or occasionally (that is once every few months or often), and 76% and 82% of the population who never used such services. The other European countries, such as Belgium, Bulgaria, Italy, and Portugal, also, are close to Lithuania's situation. In these countries, only 8%-12% of the population use such services regularly or, and 81–83% of the population never use such services. Meanwhile, the highest per cent of the population (26%) who regularly or occasionally use such services, and the lowest per cent of the population (59%) who never use them is in Latvia, the neighbour country of Lithuania.

Eurobarometer results reveal that among the population in EU-28, most used services offered via the collaborative platforms, usually, concern three sectors: accommodation (e.g., renting an apartment), transport (e.g., car-sharing), and food-related services (e.g., home-delivery, food-sharing) (The Use of Collaborative Platforms 2018). In Lithuania, the most mentioned sector is transport services (81%), whereas, in EU-28, the most mentioned is the accommodation sector (57%). Even more, usage of services offered via the collaborative platforms in the transport sector, Lithuania is leading among all the EU-28 Member States. In the second place in Lithuania is accommodation, in the third place is food-related services, the least popular in the country; there are the sectors of household services (e.g., gardening, repairs, childcare), professional services (e.g., IT services, accounting), and collaborative finance (e.g., peer-to-peer lending, crowdfunding). To be mentioned, in the sector of



household services (e.g., gardening, repairs, and childcare), Lithuania is in the last place among the EU-29 Member States.

Those who offered services via collaborative platforms, mostly concerned with an additional source of income (47%, in comparison to 50% in EU-28) or because of flexible working hours (40%, equal to EU-28). The twice lower share of habitants stated that the reasons were an easy way to interact with the consumer (25%, in comparison to 53% in EU-28), an easy opportunity to become a service provider (22%, in comparison to 43% in EU-28), an opportunity to offer additional or more innovative services (20%, in comparison to 36% in EU-28). Less than one-tenth of habitants confirmed the following reasons: the main source of income, access to more consumers, more sustainable and efficient use of available assets (The Use of Collaborative Platforms 2018).

According to Lithuanians, the most important advantages of the sharing economy and collaborative platforms compared with traditional channels are more convenient access to services (61%, in comparison to 73% in EU-28), and cheaper or even free services (44%, in comparison to 59% in EU-28) (The Use of Collaborative Platforms 2018). In total, 32% of Lithuanians state that collaborative platforms provide a wider choice of services unavailable via traditional channels, as well, the availability of ratings and reviews (in comparison to 56% and 60% in EU-28, accordingly). Among the least important advantages of the sharing economy and collaborative platforms for Lithuanians are the possibility of exchanging services instead of paying for them and the opportunities they offer to interact with interesting people (both 19%, in comparison to 31% and 34% in EU-28, accordingly). In total, the average number of advantages mentioned by Lithuanians is 2.2, in comparison to 3.1 in EU-28 (The Use of Collaborative Platforms 2018).

By stating that Use of Collaborative Platforms on top of traditional channels, 72% of Lithuanians express their positive attitudes towards sharing economy and collaborative platforms (in comparison to 60% in EU-28). Though, the statement that the Use of Collaborative Platforms replaces traditional channels is supported only by 22% of Lithuanians (in comparison to 32% in EU-28). Answering the question, whether habitants would recommend to other services offered via collaborative platforms, 54% of Lithuanians answered “Yes, definitely,” 38% answered “Yes, to some extent,” and only 8% said “No.” In comparison to EU-28, according to per cent are the following: 35%, 53%, and 13%. So, Lithuania’s population is rather positive concerning the development of sharing economy and collaborative economy (The Use of Collaborative Platforms 2018).

Notwithstanding, at the same time, sharing economy and collaborative platforms have a number of shortcomings that influence both the state and traditional businesses. One of the main drawbacks that have the greatest impact on the sharing economy and the dissatisfaction of traditional entrepreneurs is the lack of legal regulation. In such a context, 97% of Lithuanians have never offered services via a collaborative platform (in comparison to 94% in EU-28). According to their subjective opinions, the sharing economy and collaborative platforms compared with traditional channels have numerous disadvantages. In total, 29% (in comparison to 49% in EU-28) of the population think that sharing economy and collaborative platforms lack clarity about who is responsible in the case of a problem; 21% (in comparison to 38% in EU-28)—that misleading rating and reviews from users; 19% (in comparison to 37% in EU-28)—that misuse of personal data; 17% (in comparison to 34% in EU-28)—that ensure less trust in the providers of services offered via collaborative platforms; 13% (in

comparison to 22% in EU-28)—that problems with the online booking process or payments; 12% (in comparison to 24% in EU-28)—that services offered via collaborative platforms are not as expected. In total, 21% (in comparison to 15% in EU-28) of the population think that there are no significant disadvantages of collaborative platforms at all (The Use of Collaborative Platforms 2018).

The main reason why they never used a service offered via a collaborative platform, according to the biggest share of Lithuanians (41%, in comparison to 36% in EU-28), is that they do not know what collaborative platforms are. In the second place (28%, in comparison to 34% in EU-28) is the reason of preference of the services offered via traditional channels (e.g., with direct personal contact). The least shares (less than 6%) of Lithuanians state that they never used services offered via a collaborative platform because of concerns about sharing personal data on the platform or the Internet, lack of trust in the services offered via collaborative platforms, lack of technical knowledge about how to use collaborative platforms, and poor Internet access. Meanwhile, the main reason why most of the Lithuanians (60%, in comparison to 64% EU-28) never offered a service via a collaborative platform is no item or interest. A less important reason is the lack of technical knowledge about how to use collaborative platforms (17%, in comparison to 31% in EU-28). The other, least important reasons (proved by less than 8% of the population) are the following: lack of trust in the online booking process or payments, lack of trust in consumers using provided services, unclear or complicated to provide the service legally, a complicated system for payment, unclear impact on own employment status, and poor Internet access (The Use of Collaborative Platforms 2018).

In any case, the development of the sharing economy and collaborative platforms in Lithuania as far is gaining speed, even a bit slowly. For example, the share of individuals who used any website or app to arrange accommodation from another individual in 2017 was 9%, and in 2019 was 14% (in comparison to 18% and 21% in EU-28). Individuals used dedicated websites or apps to arrange accommodation from another individual in Lithuania in 2017 was 5%, and in 2019 was 10% (in comparison to 14% and 17% in EU-28). Those who used any website or app to arrange a transport service from another individual in 2017 constituted 7%, and in 2019 constituted already 14% (in comparison to 8% for both years in EU-28). And individuals used dedicated websites or apps to arrange a transport service from another individual in 2017 constituted 5%, and in 2019 constituted already 12% (in comparison to 7% and 6% in EU-28) (Eurostat 2019).

Lithuanian residents are increasingly using global operating platform sharing services: cars ([www.uber.com](http://www.uber.com), [www.citybee.lt](http://www.citybee.lt), etc.), renting property (houses, apartments: [www.airbnb.com](http://www.airbnb.com), [www.trumpam.lt](http://www.trumpam.lt), etc.), changing unwanted and unneeded items to others and thus not only to benefit but also to provide potential customers with a service or sell goods at competitive prices. Lithuania is also increasing new peer money lending platforms that help small and medium businesses to get money for business development easier and faster ([www.savy.lt](http://www.savy.lt)). So, sharing economy and collaborative platforms open up opportunities and many advantages for new forms of business, even with some disadvantages.

Compared to competing for traditional business in Lithuania, there is a lack of legal regulation, and that is the biggest challenge for the future development of the sharing economy. For example, traditional taxi operators face more constraints than Uber or other companies providing ride services: operating licence, insurance service, more technical inspection, etc. However, as long as there are no straightforward legal acts

that define and regulate economic sharing, it is subject to individual performance requirements as Uber company does not guarantee minimum wage, holiday, health care benefits, and other social guarantees. The State Tax Inspectorate provides a broader explanation of the independence of activity of the relationship between the resident and the other counterparty through the individual. Such a relationship must be fundamentally different from the relationship between the employer and the employee. That is, the relationship with the other party to the transaction must not include any characteristic of the employment relationship, such as the agreement on remuneration, the place of work and functions, working time, and leave. The resident himself deals with issues relating to his activity and covers his expenses in connection with the activity.

Although Lithuania does not have direct laws for the sharing economy and collaborative platforms, some laws in force have an impact on it. First of all, the Law of the Republic of Lithuania on Value Added Tax (Law of the Republic of Lithuania on Value Added Tax 2002) creates unequal conditions for doing business. One of the most critical issues is the unequal taxation of services. In Lithuania, hotels are obligated to pay the state for the provided accommodation and other services 9% value-added tax (VAT), 15%- or 5%-income tax, 0.3% to 3% real estate tax, wage (15% Personal Income Tax, 9% Mandatory Health Insurance Contributions, 30.98% State Social Insurance Contributions, 0.2% Contributions to the Guarantee Fund) and others. The private accommodation services are taxed less. Often, individuals are not even VAT payers. For those who do not receive the 45,000 EUR reward during the year, the lessors are not obliged to register as VAT payers, which does not create an obligation to pay VAT on every transaction executed. In Lithuania, short-term rental of residential premises is not regulated in national legislation. The Lithuanian Civil Code regulates only the long-term lease of residential premises and the Law on Tourism—the requirements for accommodation services.

Another important field of the sharing economy: concentrated financing—mutual lending. Vytautas Zabulis, head of the first lending platform “GoSavy” in Lithuania, stays that the platform operators are still the most critical on the relatively non-liberal regulation of P2P financing: with many fuses and constraints, relatively small amounts of money only can be invested and borrowed. Mutual lending is regulated by the Law of the Republic of Lithuania on Fiscal Financing (Lietuvos Respublikos sutelktinio finansavimo įstatymas 2016; Lietuvos Respublikos akcinių bendrovių įstatymas 2000; 2003), which specifies that the Bank of Lithuania shall perform the functions of supervision and legal regulation of the activities of concentrated funding platform operators. The Bank of Lithuania refers to all laws regulating concentrated funding (Dėl Viešojo sutelktinio finansavimo platformų operatorių sąrašo... 2016; Dėl Sutelktinio finansavimo platformų operatorių informacijos... 2016; Dėl informacijos apie finansavimo platformų vadovus ir dalyvius... 2016; Dėl Sutelktinio finansavimo platformų operatorių finansavimo... 2016). These legal acts clearly set out who can carry out the activities of the funding platform operator, how the funders are selected and the prudential requirements.

The following external factors have a major impact on the development of sharing economy and collaborative platforms: the legal framework, the growth of smart technology users, and the pursuit of financial independence. The most important factors influencing the development of economic activity models are the following internal factors: small transaction costs, promotion of sharing economy platforms, easy access to platforms, development of quality of goods or services. The rapid search and

ordering of goods and services, the price of goods or services, and the large variety of goods or services, security on platforms have an important impact.

## Issues

The results of the Eurobarometer survey (The Use of Collaborative Platforms 2018) let to state that one-third of Lithuania's population is cautious in using sharing economy and collaborative platforms because of not trusting the Internet transactions in general. Additionally, almost one-fifth of the population do not trust the provider or seller; one-quarter of the population was disappointed because the services and goods do not meet expectations. One-fifths of the population stated a lack of information on the services provided. As Lithuanians, as the population of other European countries, especially underlined lack of knowledge who is responsible in case a problem arises.

Notwithstanding, Lithuanian citizens are quite active and establish themselves sharing platforms via which provide drive services ([www.kasveza.lt](http://www.kasveza.lt)), sell or buy women's clothes ([www.vinted.lt](http://www.vinted.lt)), share for free photos ([www.realisbeautiful.lt](http://www.realisbeautiful.lt), <https://welovelithuania.com/duk/>), and other various social initiatives of sharing goods on social networks, such as Facebook (e.g., for donate flowers <https://lt.lt.facebook.com/groups/1094864730601191/>). Especially, rapidly services are spreading related to tourism, food share, and big families. These developments are mostly related to leisure activities, daily practices, and particular social groups, especially those who experience some kind of need.

## Other Major Players

Issues of sharing economy and collaborative economy are under the interests of researchers from many universities and research institutes in Lithuania. Further, listed several universities and keywords on priorities in researching issues of its researchers:

- Mykolas Romeris University: social policy aspects; economic aspects; service providers and receivers; interpersonal relationships; statistical data; ethnographic research.
- Klaipėda University: tourism; accommodation; health services.
- Kaunas University of Technology: economic aspects; technological aspects.
- Vytautas Magnus University: economic aspects.

Moreover, individual entrepreneurs, NGOs, and private businesses are involved in the sharing economy and collaborative economy in Lithuania. Among such, NGO Maisto bankas ([www.maistobankas.lt](http://www.maistobankas.lt)) could be mentioned that specialises in food sharing.

## Future Directions of Research

Adapting to changing customer needs is essential to maintain positions in sharing economy model-based service market. The transition from traditional consumption to experience-based consumption is one of the latest trends (Angus and Westbrook 2019), which is in particular characteristic of transportation and accommodation sharing services in Lithuania. On the other hand, usual customers' routines and

established consumption habits are changed by external factors, for example, force majeure forces. The global COVID-19 pandemic had an impact on all economic sectors as well as sharing economy. According to experts (Gebel 2020), every economic sector where direct contact with people is essential will be affected by this pandemic as customers will start avoiding sharing economy services to prevent such contact. This is especially relevant for accommodation services. However, representatives of Lithuanian sharing economy businesses forecast that the drive to move forward will not disappear, though it might happen that car ownership will decline. Therefore, the demand for ride-sharing, ride-hailing and micro-mobility (e.g., e-scooters) might increase (Degutis 2020). Given prevailing consumption trends and external factors, one of the future research directions could be focused on preferences and factors affecting the motives of Lithuanian sharing economy platform users.

## Summary

In the paper, we aimed to describe the trends of the digitally supported sharing economy in Lithuania. For the realisation of this aim, available national and international information and data were analysed. It was shown that sharing economy is a new and underdeveloped phenomenon in Lithuania, starting from the definition of the concept. Until now, there is no official definition in a state's legal framework of what sharing economy is, except in translated documents of institutions of the European Union. Moreover, relevant information about the development of sharing economy and collaborative platforms in various sectors is scarce. Though, it is known that Lithuania, according to Timbro Sharing Economy Index, is ranked in 108th place among 213 countries.

The development of the sharing economy and collaborative platforms in Lithuania goes under the context of lack of attention from the official institutions, but at the same time, strict legal regulation of the free market and time-to-time appearing calls for even stricter regulations. Even so, companies win from lower requirements and regulation of the quality and competencies on services and goods that they provide.

Customers win from the main positive sides of the sharing economy, and collaborative platforms guarantee of the falling level of prices and a wider choice of services and goods. The most popular services of the sharing economy in Lithuania are of the transport sector. Even more, according to services offered via the collaborative platforms in the transport sector, Lithuania is leading among all the EU-28 Member States. In the second place are services of accommodation sector, in the third, there are food-related services.

The reasons why Lithuanians offer services via collaborative platforms mostly concern additional sources of income and flexible working hours. The twice lower share of habitants does that because it is an easy way to interact with the consumer, an easy opportunity to become a service provider, an opportunity to offer additional or more innovative services. Over two-thirds of the habitants express their positive attitudes towards sharing economy and collaborative platforms, and over ninety per cent would recommend to other services offered via collaborative platforms. At the individual level, the most important advantages are related to the more convenient access to services and cheaper or even free service. One-third of Lithuanians see advantages in a wider choice of services unavailable via traditional channels and the availability of ratings and reviews.

The main drawback that has the greatest impact on the sharing economy development and the dissatisfaction of traditional entrepreneurs is the lack of legal regulation. As a consequence, 76% of the population never used such services, and 97% of the Lithuanians have never offered the services via sharing economy and collaborative platforms. From the subjective perspective, the main reason why some Lithuanians never offered a service via a collaborative platform is no item or interest. Also, the sharing economy lacks clarity on who is responsible in the case of a problem; one-fifth of worry about misleading ratings and reviews from users and about the misuse of personal data. Two-fifths do not know at all those collaborative platforms are.

The development of the sharing economy and collaborative platforms in Lithuania as far is gaining speed, even a bit slowly. External factors that influence the development of sharing economy and collaborative platforms are the legal framework, the growth of smart technology users, and the pursuit of financial independence. Among influential internal factors are important small transaction costs, promotion of sharing economy platforms, easy access to platforms, development of quality of goods or services. Considering the developments of the sharing economy in different sectors, it can be predicted that in the future, the principles of these phenomena are going to be used in an even broader scope of the sectors.

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## Luxembourg: Digital Innovation Challenges

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### Abstract

Digital innovation has become a most forwarded proposition of economic policies aiming for economic diversification and technological innovation. Moreover, it appears to be a feasible solution to the problem for Luxembourg that lacks the physical space to foster the development of an industrial sector that would require large areas. Also, diversifying from the well-established large steel industry complex is a plus. However, many obstacles can hinder the effective implementation of sharing economy principles in the digital world. This study underlines the most active industry sector, transportation, which adopts the sharing economy principles. Moreover, it provides the status of sharing economy by the figures showing participation and motivation of people living in the Grand Duchy of Luxembourg. This study also highlights its challenges and related issues in terms of citizen participation and sharing economy based on digital platforms.

**Keywords:** Digital Platform, Start-Up, Mobility, Public-Private Partnership, Luxembourg

### Introduction

Digital innovation supports consumers in better fulfilling their consumption needs but also enable them to produce higher value for other consumers. These new consumer co-production activities (i.e., prosumer) collectively refer to the concept of sharing economy (Dellaert 2019).

At present, in Luxembourg, the official figures are lacking to provide insight into the context and acceptance of the sharing economy. Similarly, the statistics on sharing economy's contribution to GDP and tax revenues are also missing in Luxembourg (TIR 2016). There is only one relatively reliable survey containing information about people's awareness and motivation to participate or not in the sharing economy is available. In general, the lack of data hinders the elaboration of possible policies.

However, some digital intermediation platforms have emerged and created new opportunities to provide insight into the sharing economy in Luxembourg, partly at least. This article reports on the two cases of the Grand Duchy of Luxembourg, which is characterised by a few sharing economy initiatives. The Luxembourg example may be of interest to researchers and actors studying or acting within similar economic contexts in terms of a strong push towards digital innovation and a relatively small local market. The shift towards the digital economy in Luxembourg also takes place under favourable contexts. First, Luxembourg shows remarkable economic and demographic developments. The GDP in 2019 grew 2.3% in volume, which was lower than the ten-year average (STATEC 2020). The relative growth of the population—2.3% per year between 2010 and 2017 (Decoville and Feltgen 2018)—was by far the highest in Europe at the time. This dynamism generates very high needs in terms of jobs and housing. As land is scarce, land-intensive industries would not be able to operate efficiently as the initial costs would be very high. Thus, the shift towards the digital economy and necessary digital innovation is the priority.

## Definition

In Luxembourg, the Idea Foundation has identified significant changes regarding the definition of the sharing economy (Finck and Ranchordás 2016). First, the terms “the sharing economy,” “collaborative consumption,” “the collaborative economy,” and the “peer economy” are employed interchangeably to explain mostly different phenomena. Much more important is the difficulty in capturing the sharing economy, the best illustrated by the following words: “Trying to define the sharing economy is like trying to shoot at a moving target due to its rapid development” (Finck 2016). Also, given the multitude of organizational forms and business models, the sharing economy still lacks a shared definition.

More robust is the notion behind shared economy “access over ownership,” which reflects that sharing economy practices consist in the sharing of an underutilized asset and that sharing is favoured to exclusive property. This underlines the basic principles of this new economic model, which are to optimise the rate of utilisation of underutilized assets and at the same time set incentives to extend the cycle of produced goods and contribute to a reduction of resource consumption.

Although a unified definition is still lacking, the Rifkin report (TIR 2016) at least suggested a useful classification that can be established along two dimensions. First, the ownership and control of the infrastructure, which can vary between centralized and distributed, and secondly, the polarity between capital build-up and commons accumulation. On the other hand, from the perspective of an end-user, the production and consumption levels can vary, as well as how a network effect the production units. They can be differentiated on the low and high extent of consumers’ co-production and more individual or more network units of co-production (Dellaert 2019).

The key stakeholders can be seen as taking part in the distributed and cooperative networks of connected individuals and communities, promoting co-production based on sharing, swapping, trading, or renting products and services. The motivation of stakeholders can vary in economic terms (monetary gains, cost reduction, etc.) and non-economic terms (societal, environmental, fair, and local trade, etc.). Among stakeholders in the sharing economy, a distinction must be made between professional actors and private persons operating only occasionally, followed by fixed regulation.

For example, we could differentiate these two groups by using threshold values based on income generated or the time regularity with which the service occurs. It is vital to make sure that all actors comply with their legal, tax and social obligations. This distinction should also apply to consumer rights, warranties, product quality, imposed security and sanitary norms. Besides, the relevant information about stakeholder's types should be clear and freely accessible to all prosumers.

## Key Questions

This study seeks to answer several questions regarding the sharing economy in the Luxembourg context. The following questions have been reflected:

- a) Which sector has been the most active in adapting to sharing economy principles? Moreover, what are the best examples?
- b) What are the participation and motivation levels in sharing economy for people living in Luxembourg?
- c) What are the biggest challenges in fostering innovation in digital platforms for sharing economy?

## Examples

The traffic problems are so severe in Luxembourg that the mobility issues have been in the focus of all residents, cross-border workers, but also the government. That created a unique ground for different sharing economy principles. Some of them were start-up initiatives, but a very successful program is a government-led spin-off from the Luxembourg Railway Company (CFL). Therefore, within this study, we include both examples. E-mobility needs to be paired with policies of car-sharing and carpooling and with automation technologies that will help respond, in a much more flexible way, to the travel demand. Mobility-as-a-service is a new approach where each particular travel is offered as a service on a usage basis, as opposed to a one-off selling of a vehicle that is owned. This is strongly linked to the rise of the sharing economy, where usage prevails over ownership. Enhanced multimodality, where car-sharing and carpooling are highly promoted, is central to this new seamless mobility equation. Mobility-as-a-Service is made possible by combining and managing all transport services and trips on the same digitalised platform.

Moovee is a start-up company that offers shared multi-modal mobility services for companies. The loss of time by many cross-border commuters which they spend in traffic jams and environmental concerns moved some of the Luxembourg-based companies towards shared fleet management service. Moovee provides this service via an app that allows companies and company employees to access shared cars, bikes, and scooters. Luxembourg, and especially Luxembourg City, is notorious for its road congestions. "So, why take your car to get to work if it is more convenient and faster to take another means of transportation and if you have everything you need on-site" is written on Moovee's website. The fleet also includes soft mobility transport vehicles and provides social responsibility by exposing end-users to soft and alternative mobility. This service mitigates traffic problems or parking searches. Also, Moovee supplies a range of services to companies, such as advice on composing the fleet, financing the solution, provides a booking platform, and offers operation



management services. The advantages for companies are claimed to be 30% fewer vehicles than in standing fleets, lower maintenance costs, increasing soft mobility also leads to reaching some of the sustainability goals but also social responsibility.

On the other hand, Flex is a part of a public transport company that adds car-sharing services. It operates as a platform cooperative in the mobility sector. When Luxembourg Railway Company (CFL) realised how to serve better the residents, the solution led to a digital platform cooperative. Luxembourg, and especially Luxembourg City, is notorious for its road congestions caused by daily cross-border commuters that provide 50% of the labour in the country. Flex is a spin-off of the Luxembourg Railway Company (CFL) and offers car-sharing combined with a flexible option to take the train or the bus. Flex customers have at their disposal more than eighty vehicles at thirty stations. The cars are available at their designated Flex parking spots and have to be returned to the pick-up location. They also need to be reserved in advance. Also, the price is affordable. Besides dealing directly with individuals, the CFL Mobility offers car-sharing services for potential partners such as institutions, businesses, and local authorities.

## Context

The participation and motivation levels in sharing economy for people living in Luxembourg is lower than in most of the European countries covered in the ING survey in 2015 (Bright 2015). Specifically, Table 1 shows how much the presence of the sharing economy is relatively lower in Luxembourg in comparison to other European countries. Both in terms of the number of participants in sharing economy but also in the awareness. Regarding the motivation to participate, people in Luxembourg mentioned more the economic aspects than non-economic aspects of participating in sharing economy (Table 2).

**Table 1. Participation in the Collaborative Economy in Europe in 2015**

Country	Yes, and I have participated (%)	Yes, but I have not participated (%)
European Consumer	5	27
Austria	2	17
Germany	2	18
Czech Republic	2	20
Belgium	2	22
Luxembourg	3	21
Romania	3	23
Poland	3	25
France	4	23
United Kingdom	5	24
Netherlands	5	26
Italy	5	33
Spain	6	31

Source: Bright (2015).

**Table 2. Factors Influencing Participation in the Collaborative Economy in Europe in 2015**

Country	Motivation to Participate (%)			
	It Saves Money	An Easy Way to Save Money	It Is Good for The Environment	It Helps Build Communities
European Consumer	58	53	52	47
United Kingdom	48	43	43	35
Belgium	48	49	39	36
Romania	49	42	44	43
Czech Republic	49	44	34	29
Netherlands	49	49	33	34
Luxembourg	55	55	39	43
France	57	49	52	40
Germany	57	54	45	41
Austria	61	60	49	48
Poland	63	54	59	59
Spain	64	54	57	48
Italy	64	62	57	58

Source: Bright (2015).

In Europe, in the past years have been an astonishing increase in sharing economy platforms. Some of the most significant platforms have become global enterprises with the lead market capitalizations exceeding those with "traditional" business models. This tremendously fast growth calls into question many regulatory matters. It poses new questions for national and European level regulators (Munkøe 2017) that can affect the sharing economy companies on various regulatory aspects. Such as tax law, labour law, property law, transportation law, and regulations on tourism and other industry sectors.

At the same time, the biggest challenges in fostering innovation in digital platforms for the sharing economy have been exactly legislative. In Luxembourg as well, the government's ambiguity on the "sharing economy" is a major problem, and it is hard to make sense of the government's position on the sharing economy (Wirtz 2018). Specifically, the only official document regarding sharing economy comes from the European Commission agenda presented by the European Commission on June 2nd, 2016, and could give guidance to Luxembourg. The regulations would need to cover various aspects of the sharing economy. By enacting the appropriate legislative regulations, Luxembourg could support both consumers and businesses to engage confidently in sharing economy activities, as legal certainty is a prerequisite for sound economic development. Priority should be made explicit criteria, and thresholds should establish the distinction between professional actors and private persons operating only occasionally. Professional sharing economy activities should have to comply with comparable legal obligations that regulate market economy businesses to ensure fair competition. These concerns, for instance, business permits, safety and security standards, warranty deeds, as well as financial and social security obligations. Also,

regulation should be aimed to create formal employment for sharing economy workers—where applicable—to ensure a maximum of social security. It is vital to prevent the circumvention of labour laws and social standards (TIR 2016).

## Developments

While the sharing economy platforms are by no means as widespread in Luxembourg as in other parts of Europe, they have started to arrive in the Grand Duchy, for instance, in the form of Airbnb, and regulators may soon have to think about how to address this.

The broad development idea is to create a sharing economy web platform, a digital platform to operate sharing economy activities. This should be designed as a national one-stop-shop for all things related to the sharing economy. This web-based initiative would need to include several functions and applications (TIR 2016). First, the platform should be used to track and measure sharing economy activities to facilitate the task of collecting economic statistics and assessing taxes. Also, the platform could provide a continuously updated inventory of sharing economy activities in Luxembourg. Rifkin report (TIR 2016) wants to centralize and make the use of platform mandatory for every stakeholder (intermediation websites, owners/workers, sellers/buyers, producers/users, prosumers, etc.). It could also be supported by blockchain technology to register all transactions. Secondly, the platform should have an informative character to all stakeholders about their legal rights and obligations. Finally, by TIR (2016) opinion, the platform could serve as a collaborative innovation network (CoIN) and perform a critical educational, informational, and motivational service to help build the sharing economy by leveraging human, social, civic, and intellectual forms of capital and by securing sufficient financial capital (crowdfunding).

The one sectors seem to represent areas of particular interest for the future developments of the digital and collaborative economy, i.e., mobility. Although, "while anyone that has ever been to the "Autos-Festival" will understand that Luxembourgers may be less fast and enthusiastic about embracing car-sharing, anyone commuting to and from Luxembourg City will understand the benefits this could bring" (Finck 2016). Two streams that can largely contribute to future development is sharing mobility, and they are based on the elaborated examples.

Based on the current mobiliteit.lu platform, this unique gateway to mobility must be supported by a robust multi-modal real-time and predictive data management system able to provide users tailor-made transport solutions based on individual needs, to enable users to enjoy a seamless on-demand travel experience. The system, presented by mobiliteit.lu, will stand as a centrepiece of the Mobility Internet. Information provided will show all public transports solutions but also P+R availability for private car transport, bikes, and e-bikes availability, walking times, ride-sharing options, offer booking services and road user charging, and dynamic pricing for parking depending on peak/off-peak hours. In the long run, this could also serve as a platform where people can share their autonomous cars and thereby generate revenues. This single-entry system is a response to the multiplication of sharing platforms that are part and parcel of the new mobility solutions. It should be set up in cooperation with all private and public transport stakeholders and with neighbouring countries for a "Grande Region" approach that will eventually unify standardisation, regulations, ticketing schemes, booking, and services across the European Union.

A similar concept is emerging in the logistics field, where private vehicles and private management of logistics chains will tend to be abandoned for a multi-modal flexible travel capacity and collaborative networks. Multimodality should be extensively promoted, as initiated with the creation of the multi-modal logistics platform in Bettembourg. Again, efficiency will also be achieved through optimised use of passenger transportation means. Such a flexible solution, hosted on a transports-as-a-service single-entry platform, will be managed through collaborative networks with the prerequisite to unify regulations, standards, and services. With the increased dependency on data, Luxembourg should also provide a robust resilience monitoring program. This program will track traffic conditions, both for passengers and goods flows, the capacity of the infrastructure, and energy demands, which can be used as a database to model prediction scenarios for massive disruptions to the system brought on by catastrophic climate change events or cyber-crime and cyberterrorism.

## Issues

There are several particularly new issues in Luxembourg. Its specificity lies in the way that Luxembourg handled it in a country that can additionally harm the biggest challenge in Luxembourg of fostering an appropriate legislative framework to follow up existing and future developments in digital innovation.

Due to the heterogenic resident and workforce population, this could become a particular challenge for Luxembourg. Possible misgivings and concerns about the ubiquity of technology, data tracking and mining, big data analytics, mass surveillance and similar issues must be taken seriously to nurture the acceptance of sharing economy within the population (TIR 2016). From the view of workers, working conditions and social security are central issues, notably the status of the workers (employee or independent). The classification depends on the degree of subordination or dependency between the service provider and the intermediation platform. It is crucial in terms of social insurance coverage, working hours, workplace safety and the like. The quality of the job (formal or informal) and the income possibilities are connected issues. As sharing activities often consist of microtransactions with limited turnover, they may increase inequality as well as stimulate new economic opportunities. The outsourcing of work to an undefined public (crowdsourcing) causes competition between workers on a global level. Here, it is crucial to prevent the circumvention of social standards. Establishing a level playing field between the market and sharing economy is becoming an urgent priority. Similar regulations and legal obligations should oversee related activities to ensure fair competition.

## Other Major Players

As the sharing economy is still in its infancy phase in the Grand Duchy of Luxembourg, there is a small number of starters in the sharing economy sector. Regarding mobility, there are also electric car-sharing initiatives such as Carloh in Luxembourg City. In more general terms, no major player can be identified on the European or even Luxembourg Greater Region scale, neither starting from the University nor Unions or organizations looking.

## Future Directions of Research

Future research on digital innovation challenges in Luxembourg could be very prolific. It could capture the causal interferences of the institutional settings and the outcomes of the successful sharing platforms. The prerequisite would be an investigation of the institutional barriers, such as presented legal challenges in many forms. Therefore, insufficient legal laws, regulations, and acts should be first identified in a thorough qualitative manner. After exploring the most exciting aspects coming from the digital innovation for the sharing economy platform, the potentials for more frugal and perhaps low-tech alternatives that can meet the needs of individuals in a cross-border economy can be rewarding.

## Summary

Among all industry fields, the mobility sector measures the most active scene in digital innovation as well as adapting the concept of the sharing economy. This is a link mostly to the alarming and challenging transportation in Luxembourg, which relies on the workforce coming daily from Belgium, France, and Germany. They constitute together 50% of the workforce and create a massive, for Europeans, quarter-million daily migrations approximately.

However, regarding all industry sectors, the participation level of the people living in Luxembourg is still considered lower than in many European countries. Regarding their motivation to participate in the sharing economy, most of the people in Luxembourg named more the economic aspects than non-economic aspects.

The biggest challenge in fostering innovation in digital platforms for the sharing economy is legislative, similar to many European countries. In Luxembourg, the government's ambiguity on the “sharing economy” causes an additional problem, makes it hard to sense the government's position on the sharing economy (Wirtz 2018). This further can deliver an exact ambiguous message to potential stakeholders in sharing economy and raise other issues in the protection of workers and information safety of its citizens.

Although there are many challenges, future research on digital innovation challenges in Luxembourg could be very prolific.

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Blog: <https://wirtzbill.com/2018/09/19/the-governments-ambiguity-on-the-sharing-economy-is-a-problem/>

## Relevant Websites

Carloh (Car-sharing Platform): [www.carloh.lu/en/](http://www.carloh.lu/en/)

Flex (Car-sharing Platform from CFL): [www.flex.lu/en/front-page/](http://www.flex.lu/en/front-page/)

Foundation Idea: [www.fondation-idea.lu](http://www.fondation-idea.lu)

Luxembourg Digital Innovation Hub: [www.dih.lu](http://www.dih.lu)

MobilityLU (City department of transportation in Luxembourg City):  
[www.mobiliteit.lu/en/](http://www.mobiliteit.lu/en/)

Moovee (Shared Fleet Management for Companies): <https://moovee.lu/en/>

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## The Sharing Economy in the Netherlands: Grounding Public Values in Shared Mobility and Gig Work Platforms

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## Introduction

The Netherlands has been known as one of the pioneers in the sharing economy. At the beginning of the 2010s, many local initiatives such as Peerby (borrow tools and other things from your neighbours), SnappCar (p2p car-sharing), and Thuisafgehaald (cook for your neighbours) launched that enabled consumers to share underused resources or provide services to each other. This was accompanied by a wide interest from the Dutch media, zooming in on the perceived social and environmental benefits of these platforms. Commercial platforms such as Uber, UberPop and Airbnb followed soon after. After their entrance to the market, the societal debate about the impact of these platforms also started to include the negative consequences. Early on, universities and national research and policy institutes took part in these discussions by providing definitions, frameworks, and analyses. In the last few years, the attention has shifted from the sharing economy to the much broader defined platform economy.

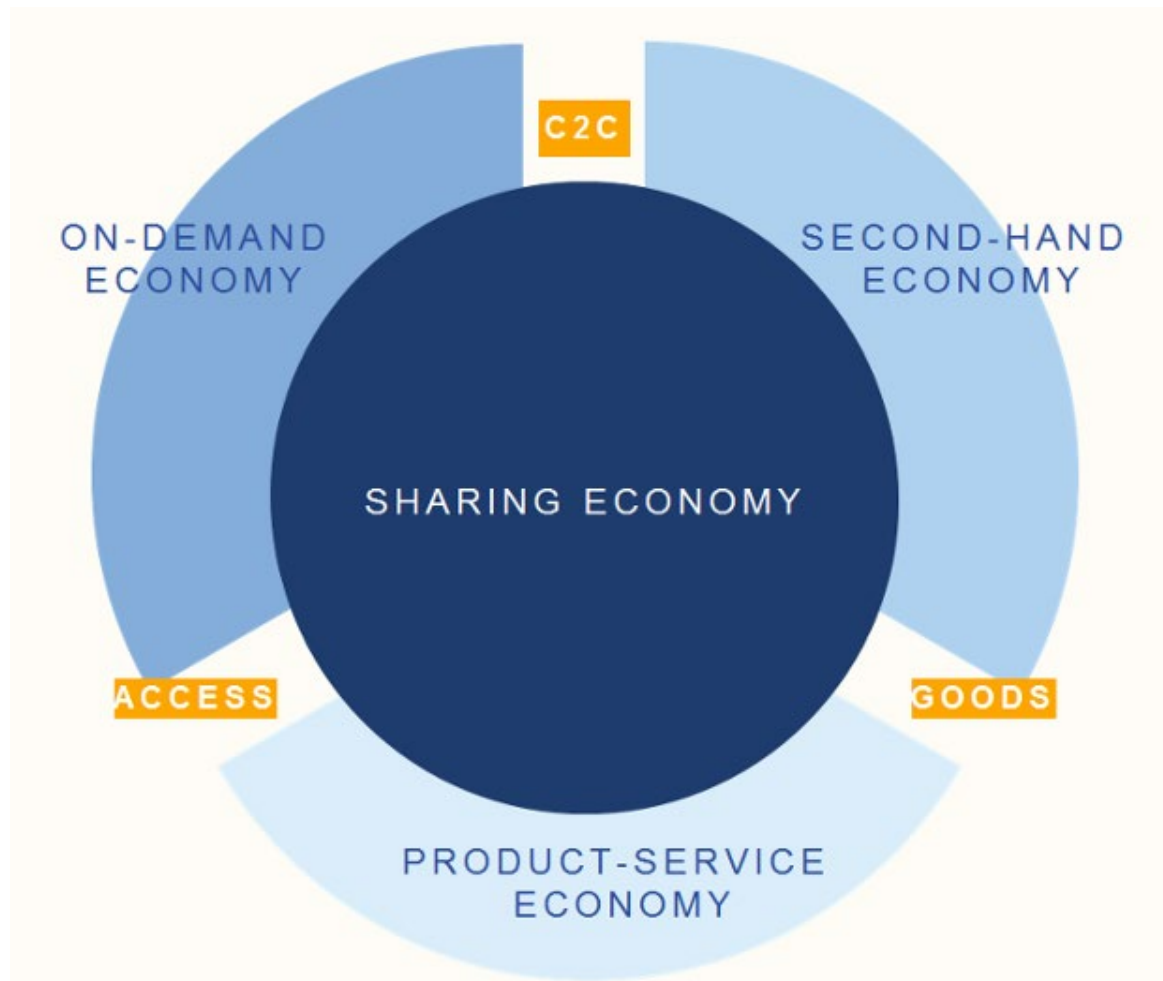
## Definitions

Various definitions for the collaborative economy have been used in the debate in the Netherlands. A Dutch term used regularly is “deeleconomie”—a literal translation of sharing economy (delen = to share). Originally, this Dutch term was used to refer to both platforms that allow citizens to make use of each other’s goods, as well as to



platforms that offer various kinds of services. In order to discern between informal citizen initiatives and commercial services belonging to the formal economy, Koen Frenken, Toon Meelen, Martijn Arets and Pieter van de Glind narrowed down the definition of the sharing economy as “consumers granting each other temporary access to underutilised physical assets (“idle capacity”), possibly for money” (Frenken et al. 2015). This definition has three elements. First and foremost, the sharing economy concerns transactions between consumers (“consumer-to-consumer,” also referred to as “peer-to-peer”). Secondly, the transactions involve “temporary access” to an asset. Thirdly, it involves assets and not services.

**Figure 1. Defining the Sharing Economy**



Source: Frenken et al. (2015).

Later on in the debate, the term gig economy or “kluseconomie” has been introduced to refer to platforms that provide access to services. In the gig economy, consumers supply services for one another rather than providing access to goods (Rathenau 2017). Frenken (2019) and van Slageren (2019) shared their definitions of the gig economy at the 6th International Workshop on the Sharing Economy in Utrecht 2019: “Freelancers who provide paid services in the form of ex-ante assigned tasks mediated by online platforms.” This definition focuses on four features that conceptually distinguish the gig economy from other forms of labour. First, in the gig economy,

workers are classified as independent workers. Here the gig economy is different from traditional employment, where the workers are employees. Second, the gig economy differs from online volunteering since there is a monetary remuneration given to the gig worker. Third, since the gig economy handles labour services, it is distinct from sharing economy and second-hand platforms. Finally, supply and demand are mediated by online platforms in the gig economy.”

Increasingly, discussions on the sharing or collaborative economy are seen as part of an emerging platform economy. In a report to the Dutch government, TNO (the Netherlands Organization for Applied Scientific Research, a Dutch office for research and consultancy) uses the term “platform” defined as “a (technological) basis for delivering or aggregating services/content from service/content providers to end-users” (TNO 2015). Their examples include sharing economy platforms, but also entertainment and e-commerce platforms such as Netflix, Bol.com, and Facebook.

## Key Questions

The sharing economy, as well as the broader defined platform economy, are hotly debated in the media and in politics. Cases such as Airbnb, Deliveroo, and Uber are widely discussed. Part of the discussion focuses on economic opportunities provided by new digital platforms; yet there is also a lot of concern for the ways that public values (various definitions abound, but they usually include quality, affordability, inclusivity, accessibility of particular services) are anchored through these platforms, and what the rise of platforms means for arrangements with regard to the organization of labour in society. Many fears a further flexibilisation of labour and an undermining of workers’ rights; others see opportunities for economic growth; others still are interested in platform cooperativism.

One discussion concerns the regulative frameworks that should be applied to platform work. ATR (Adviescollege Toetsing Regeldruk, the Dutch Advisory Board on Regulatory Burden) has investigated these frameworks. Currently, there is a difference in regulation between platform mediated work and more traditional modes of operation. For example, a home cook has fewer requirements to meet than a comparable small restaurant, even if they have about the same number of customers. This is because regulation differs based on the location of activities rather than the activity itself. ATR recommended that regulation should be re-organized based on the actual activities performed rather than the locations or revenue models involved (Bex et al. 2018).

Debates about the sharing economy are also tied to debates about the negative consequences of tourism. Especially Amsterdam has joined the ranks of cities such as Barcelona and Venice, in which local residents feel overwhelmed by masses of tourists who—in the views of these locals—are taking over their city. In Amsterdam, the city council has decided that residents can only rent out their houses and apartments for a maximum of 30 days a year. So far, enforcement of this rule has been problematic as Airbnb does not want to provide data about rentals to the local government. The introduction of sharing bikes by a Chinese company in Amsterdam was also greatly discussed and perceived as an unwanted usurpation of public space for commercial gain. The local government removed the sharing bikes and made the practice at least temporarily illegal. Other cities such as Rotterdam and Breda have allowed bike-sharing schemes to enter their territories.

In some cases, the sharing economy is also seen as an opportunity to increase the sustainability of cities, as well as to improve social capital, although there is not much proof yet to underwrite these claims. In the debate, there is much attention on the positive impact of car-sharing, and the national government has stimulated a so-called “green deal” between three ministries, a number of cities and various car-sharing companies to strive towards the introduction of 100,000 shared cars by 2018 (see also below: developments).

## Examples

There are various initiatives to map the collaborative economy in the Netherlands. The research project “Deeleconomie in Nederland” has counted around 250 platforms. A catalogue of 150 of these is available at [www.deeleconomieinnederland.nl](http://www.deeleconomieinnederland.nl), and as a spreadsheet is available here: [https://docs.google.com/spreadsheets/d/1lgaTSb1-sTU4DEHKiTNGUb9PN-5yQ4u6rTbGkNZR6\\_M/edit#gid=0](https://docs.google.com/spreadsheets/d/1lgaTSb1-sTU4DEHKiTNGUb9PN-5yQ4u6rTbGkNZR6_M/edit#gid=0)

### Peerby

It was one of the first sharing economy platforms to receive widespread media attention. It was founded in 2012 and provided citizens with the opportunity to borrow tools and other goods from each other. In 2019, the site is still operational and has now added rental services.

### SnappCar

It is a Dutch platform for p2p car-sharing. Over the years, it has expanded to Denmark, Germany, and Sweden. It has recently received investment from Europcar and Tango—a subsidiary of oil company Q8. In 2019, it reported 700,000 users across Europe. Recently, it closed deals with private lease companies that provide discounts when customers make their leased cars available through the SnappCar platform.

### Thuisafgehaald

It was founded in 2012 and is a platform through which “home cooks” can offer meals to customers. Yearly, the platform serves around 50,000 meals, offered by 11,500 cooks. The initiative presents itself as a social enterprise. One of its focus areas is the delivery of meals to people that due to age or health issues, are not able to cook for themselves. The platform pairs them with neighbours that are willing to provide them meals in exchange for a small remuneration.

### Gearbooker

It was founded in 2017 and is aimed at creative industry professionals. The platform allows them to rent out cameras, lenses, studios, drones, and other equipment for creative work.

### Gebiedonline

Although not part of the sharing economy in the narrow sense, this neighbourhood platform is an interesting initiative. It provides a white-label CMS for local communities that want to run a neighbourhood platform for sharing resources, discussing future developments, the exchange of information and collaborative practices. Gebiedonline is run as cooperation. Members decide collectively about the future development of

the platform and remain owners of all their own data. As such, it wants to provide an alternative for commercial and proprietary platforms such as Nextdoor.

## Context

The Netherlands have seen a number of legal struggles and debates between local and national governments and sharing economy platforms. Most of these concern discussions around Uber and Airbnb. Uber introduced the p2p service UberPOP in the Netherlands in 2014, claiming it did not need to comply with taxi regulations, as the drivers were private individuals offering a peer-2-peer service. After it was fined several times, the company shut down the service in 2015 and, in the end, received a 2,3 million EUR fine for its illegal activities in 2019. Uber made headlines again in early 2019 after a number of deadly accidents were caused by Uber drivers. Critics of the company claimed that Uber's business model stimulates drivers to make long hours on the road, cruising around the city looking for a fare and thus compromising safety. In reaction, the city of Amsterdam and Uber started discussions in the Uber Taskforce, leading to a social charter in which Uber pledges to improve safety, amongst others, by introducing in the future facial recognition technologies to make sure drivers do not mislead systems that check on maximum driving times. Uber will also start sharing data with the city of Amsterdam to make the practices of its drivers more transparent.

Another hot topic in the Netherlands is the regulation of Airbnb. Over the years, the city of Amsterdam has made several agreements with Airbnb. Most recently, the city has limited the maximum rental period to 30 days per year, and renters are obliged to register their rental with the city. However, rental platforms were not found willing to sign another agreement with the city to enforce the rule on their platforms. After much discussion, the national government has now proposed a new law to become effective in July 2020. The law requires renters to register their rentals with local governments but does not foresee mandatory enforcement of the rules by platform companies. Representatives of the four largest cities in the Netherlands have declared that for that reason, they are disappointed by the law.

Apart from these legal battles, in some cities, the sharing economy is also seen as an opportunity to brand the city and stimulate local innovation. The city of Amsterdam, for instance, also promotes itself as a European capital of innovation that is based on the "Amsterdam approach." This means an approach to smart cities that is not based on technology per se but rather seeks alliances with civil society and is organized around societal challenges. In this framework, the city has adopted an action plan for the sharing economy that consists of five main actions: Stimulating the sharing economy; Leading by example; sharing economy for all Amsterdam citizens; Rules and regulations; Putting Amsterdam on the map as a Sharing City. In Amsterdam, this programme so far has led to a small number of experiments.

All in all, the discussion on platform economy was not very centralized in the Netherlands, and stakeholders did not address issues together. A few dilemmas are recurring, especially because parties involved rather avoid these common topics. Martijn Arets of the Utrecht University organized in 2019 three private workshops about the platform economy to bring all stakeholders together. He invited up to 40 stakeholders for three workshops. Platforms, trade unions, academics, governments, and businesses are looking for solutions to dilemmas they have never really addressed together. During these sessions, trade unions such as FNV, platforms such as Roamler

and Deliveroo and huge organizations such as TNO and KPMG were present. Representatives of KPMG, the Dutch Ministry of Economics and Climate and the UvA shared their insights.

## Developments

According to Rathenau Institute, in 2017, “23% of the Dutch population participated in the sharing economy in 2016, compared with 6% in 2013.”

A number of developments can be noted in the Netherlands. First, there is a broad interest in the provision of mobility through platforms. Various car-sharing schemes have become active in the Netherlands (e.g., Car2Go, Greenwheels), signalling a partial shift from ownership to mobility-as-a-service. The car-sharing platform SnappCar has received investments from Europcar and Tango (part of oil company Q8).

In 2017, a “Green Deal” about car-sharing was signed by seven municipalities and 33 companies from different branches—insurers, governments, providers of sub-concepts, environmental organizations, and interest groups—and the ministries of Economic Affairs and Infrastructure and Environment. The Green Deal parties want to promote the benefits of car-sharing and accelerate growth. Through more intensive collaboration, joint communication strategy and the removal of obstacles, growth opportunities are better utilised. Although the initial target of 100,000 shared cars was not achieved in 2018, the number of shared cars has more than doubled from 16,617 in 2015 to 41,000 in 2018. The awareness of car-sharing has also increased, and car-sharing has been put on the agenda by local and national policymakers. There is now a constructive dialogue between municipalities and suppliers of shared cars, and there is an extensive network of parties active in car-sharing.

The interest in car-sharing is accompanied by the emergence of experiments around mobility-as-a-service that includes various modalities of transport in a single platform. An example is a Dutch start-up Tranzer.com. The Finnish start-up Whim has also announced plans to launch its service in Amsterdam. In this domain, a shift can be noticed towards private leasing. For instance, Swapfiets has grown into a widely popular platform through which consumers lease a bike for permanent private use.

Real estate developers and architects have also taken an interest in the development of sharing schemes as part of the properties they are developing. Some have started to experiment with car-sharing; others are speculating about offering an array of collectively shared services and resources for their future residents.

In another domain, the Netherlands has seen an uptake in the interest of energy cooperatives. From 2015 to 2019, the number of local energy cooperatives grew from 248 to 582, now servicing close to a quarter-million households (Schwenke 2019).

## Issues

In general, the debate in the Netherlands had shifted from the sharing economy in a narrow sense to the broader defined platform economy. Various studies have pointed out the necessity to focus on public values in platform development and regulation. Debates have centred amongst others on transparency and accountability of platforms,

data ownership and data portability, and issues related to algorithmic governance in platforms and the need for algorithmic transparency.

## Other Major Players

The main players in the Netherlands are:

### Utrecht University

Where researchers have addressed the sharing and gig economy in a number of research projects. The university has also organized several workshops that brought together various players in the field.

### The Rathenau Institute

It is a national organization supporting the formation of public and political opinions on socially relevant aspects of science and technology. They have received various reports on the sharing economy and related issues in the last few years.

### The VNG

The Association of Dutch municipalities was following the developments in sharing economy and published a report in 2017 which tries to create awareness at municipalities of the conditions to concern when working together with a sharing platform.

### Martijn Arets

It is an independent consultant publishing a widely read weekly letter on the sharing economy in both Dutch and English.

### ShareNL ([www.sharenl.nl](http://www.sharenl.nl))

It is an organization that drives the debate and acceptance of the sharing economy in the Netherlands and beyond. They have launched the concept (and network) of the “Sharing City” that cities worldwide can subscribe to ([Sharenl.nl](http://Sharenl.nl)).

### Deeleconomie in Nederland

[www.deeleconomieinnederland.nl](http://www.deeleconomieinnederland.nl) is another group that maps initiatives, does research and consultancy on the topic.

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## The Potential of the Sharing Economy in a Developing Country: The Case of North Macedonia

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## Abstract

The growth of the sharing economy is important for developing countries because it creates value, economic growth, technological innovation, environmental sustainability, and social inclusion. Macedonian citizens have a long tradition of sharing things between friends, relatives, and neighbours. However, the new concept of sharing economy that enables strangers globally to share goods and services is still not developed and used by the Macedonian citizens. The goal of this study is by empirical analysis to give the state and potential of the usage of sharing economy by Macedonian citizens from the perspectives of providers and consumers. The results of the observational study and survey address future actions to boost the development of the sharing economy.

**Keywords:** Sharing Economy, Collaborative Consumption, Sustainable Growth, Developing Country, North Macedonia

## Introduction

Even though Macedonian citizens have a culture of sharing stuff between neighbours and friends, the sharing economy is a new concept that enables strangers to share cars, homes, food; still, it is not developed and used by the citizens. As it is a new phenomenon grounded on an old aspect of sharing, considered as the privilege of family, relatives, and friends, there is a need for differentiation of both. In this context, (Belk 2014) distinguishes two types of sharing: “sharing in,” which takes place within the family or friends, and “sharing-out,” when sharing involves deciding something between strangers. What distinguishes the new sharing economy from the old is the appearance of the platform at the very heart of the transaction. What used to be a two-way transaction has become a three-way transaction with a digital platform as an intermediary.

The sharing economy creates substantial value and promotes economic growth, technological innovation, environmental sustainability, and social inclusion, factors central to the United Nations Sustainable Development Goals (SDGs). In this context, the sharing economy is of particular interest because, in contrast to many other sustainable innovations, specific sharing economy sectors are scaling up very rapidly.

As the sharing economy is enabled by ICT, the main preconditions for participation are Internet penetration 81.4% in 2019 (State Statistical Office 2019) following by the number of social network users, 52% of the population have a Facebook account (Napoleon 2019) and mobile phone users 95% in 2018 (Manchevski 2019). According to the “Timbro Sharing Economy Index (TSEI)” (Bergh 2018), the first global index of the sharing economy, the Republic of North Macedonia, is ranked at 67th place in a list of 213 countries. TSEI for the Republic of North Macedonia in 2018 is calculated as 4.7 points, considering the highest value of this index to be 100 and the lowest one to be 0. Another indicator the local presence of the global sharing economy platforms, from which only Airbnb is present on the Macedonian market, but not the other global platforms such as Uber or BlaBlaCar, for example. There are domestic platforms that offer various kinds of products and services, but only locally.

North Macedonia, as a developing country, still faces problems in doing business in a traditional sense. However, business models of shared economies provide opportunities that can avoid many of these problems as they usually need less capital

investment, can benefit from peer or crowdfunding models, and it is easier to overcome management and regulatory issues. Having all this in mind, there is significant potential for the development of the sharing economy in North Macedonia.

## Definition

The sharing economy is a broad concept that lacks a clear and commonly shared definition. It is sometimes referred to as collaborative consumption (Botsman 2013) or access-based consumption (Bardhi and Eckhardt 2012), or the commercial sharing system (Lamberton and Rose 2012). What is common among these terms is the emphasis on the efficient use of slack resources and how collaborative forms of consumption can be beneficial both for individual users and for society as a whole.

Sharing and collaborative economy as rather a new phenomenon in the Republic of North Macedonia is used as synonyms, and still, there is no official definition of the concept. In the Macedonian language, the term “спodelena економија (spodelena ekonomija)” is rarely used, instead of that the English word “sharing economy” is usually used in regular communication.

## Key Questions

Considering that sharing economy creates substantial value and promotes economic growth, technological innovation, environmental sustainability, and social inclusion, developing countries need to adapt and support this new economic model. The empirical analysis in this research addresses two main questions:

- What is the current state of sharing economy offerings of goods and services in North Macedonia?
- What is the level of awareness for the usage of sharing economy in North Macedonia?

Analysis towards answering these questions is important to allocate the current state of offer and demand for sharing goods and services. Further on, to enable further growth, it is important to postulate additional questions.

Education of citizens and promotion of the sharing economy in Macedonian society might help, but there are other questions towards government:

- How can the government help develop this emerging industry on the official level, in the direction of sustainable use of the local resources?
- Is a legal framework for P2P networks (e.g., distributed ledger technologies) necessary?
- How should Macedonian consumers be protected in the platform economy participation?

## Examples of the Sharing Economy

The examples of the sharing economy in North Macedonia can be found in different industries from home, transport, education, finance, tourism, manufacturing, etc. Also, there are a lot of Facebook groups where users can negotiate for sharing rides, but it

is not regulated by any organization or institution further that point. In the following text, some of the most interesting examples of the local sharing economy platforms are presented.

### Brainster

Brainster (<https://brainster.co>) is a marketplace for offline classes where you can teach and learn the most relevant skills of the 21st century—from digital marketing and design to entrepreneurship and technology. Their vision is to transform every corner of the city into an urban classroom. Brainster aims to enable every professional to share its knowledge with the community and everyone to be able to enrich their practical knowledge, and with that, to find or create the perfect job for themselves. The platform helps in the process of knowledge exchange by making it easy and fun. Brainster stands for the community, for the sole purpose of giving back values, upon which generations can develop themselves further. The platform initially has classes from instructors from the following areas: technology, marketing, business, design, and art, and the first courses were set on the platform since the launch in October 2016, and they are sold out. Skopje is the first stop, and the courses are planned to be held in various locations as co-working spaces, accelerators, incubators, workshops, and even cafes.

### MojCoek

MojCoek (<https://mojcoek.mk>) is a newly formed Macedonian sharing economy platform aimed to connect people who offer service with people who need that particular service. It is available as a web platform, as well as a mobile application. A person who wants to offer a service needs to create a profile and write a description of the service. After service is performed, the person is given a rating. Those with the highest ranking is shown above and are more likely to receive offers for their service. Only those who choose payment through the platform can be rated—this way, the platform promotes the payment through its channel. The website has a nice and modern look and seems easy to use. The creators have done a good job of clearly write the steps for registration and any additional information for the potential users. The services that are offered on the website are in distinct categories: home repairs, health, artistic skills, food, mentoring, weddings and events, pets, moving, other, and multi-talent. It seems such as this application could have an impact on the freelance work in Macedonia, as it provides a unique collection and easy-to-find services required in everyday living.

### DriveDriveCar

DriveDriveCar (<https://drivedrivecar.com>) is a P2P platform through which users can rent cars directly from their owners. The model allows car owners to define their rental conditions according to their needs, as well as to offer additional products and services for users who hire cars through DriveDriveCar. Car owners have the opportunity to define the rental price by themselves, and car renters have the opportunity to reserve more different available periods and pay in advance for a better price. The DriveDriveCar platform offers a particular solution designed for manufacturers, i.e., dealers of new vehicles that have the opportunity to sell through the process of testing new vehicles.

## Let's Fund It

Let's Fund ([www.letsfundit.mk](http://www.letsfundit.mk)) It is the first crowdfunding platform in Macedonia, which aims to set up a new dimension of entrepreneurship. The project was created by the NGO Summer Work and Travel Alumni Macedonia (SWTA), established on January 19, 2013. The main aim of this organization is to support, develop, and implement the positive initiatives of the participants on the Work and Travel program into our society. Let's Fund It allows everyone to raise funds and to finance innovative ideas in a non-traditional way. The primary supporter of this concept is the public by investing a small amount of money to help the realisation of the projects. The main objective is to encourage the entrepreneurial spirit of young people in Macedonia and to allow them access to funds for their innovative ideas. A great idea, whether it is a book, an event, film, or start-up business, can be part of letsfundit.mk platform, where each project can raise funds and build it into a successful story. Each project should have a clear beginning and end. The 5% commission from the collected amount will be invested in the development of the platform, as well as education to those who want to publish a project on the platform in the future.

## When in X

"When in X" (<https://wheninx.com>) is a platform that offers tourists alternative forms of deals from mountain biking trails, adventure parks, and wildlife photography sites to authentic local cuisine, nightlife, and entertainment spots. "When in X" aims to connect travellers with local "experts" who become the service providers. "When in X" is a Macedonian start-up that aims to change the travel industry. "When in X" gets inspiration and its name from the famous quote "When in Rome, do as the Romans do." The platform provides immersing travellers with access to local passions and hidden gems that only locals know about. This service is an opportunity for locals to develop alternative tourism in their community. All interested local tour guides can participate and contribute to growing local tourism by sharing skills and experiences with others. "When in X" wants to change the way tourism works in Southeast Europe. Balkan locals believe that these lands have a lot of beautiful sites, hidden natural gems, and fascinating cultural experiences that will impress visitors from around the world. "When in X" wants to make all these local secrets a little bit more visible and more comfortable to find, which in time will increase the interest in tourism in the area. Also, it will allow many local travel entrepreneurs to build more successful small businesses.

## Self-Organized Facebook Groups for Sharing

In Macedonia, a large number of collaborative economy cases use Facebook groups as a supporting platform for sharing economy. For example, there are a lot of Facebook groups, where if you have free space in your apartment, you can announce that and search for a roommate. Another example is that if you do not have a place to stay, you can announce that in the group. After that, you can find someone and then continue to search for apartments together. Other examples are the groups dedicated to sharing transportation, which is very popular among students where they try to optimise and travel with minimal cost.

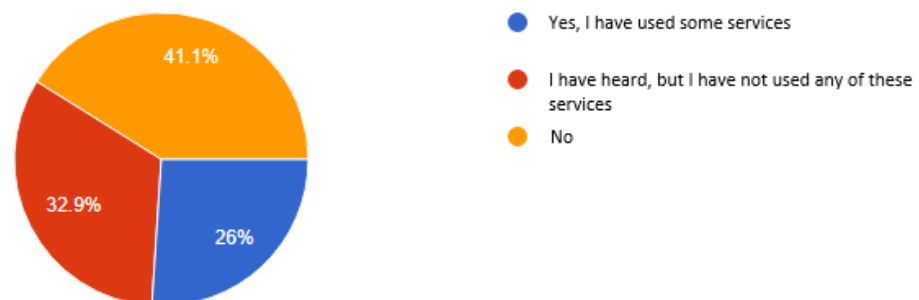
## Context

As an illustration of the sharing economy in Macedonia, we are presenting the results of the survey conducted by master students enrolled in the e-Business classes at the Faculty of Computer Science and Engineering in Skopje.

The first question in the survey was related to the familiarity of the respondents with the sharing economy. Figure 1 shows that 26% of the respondents answered that they had used some of the services of the sharing economy (they are familiar with the term), 33% have heard but have not used services, while 41% do not know all of the terms. The survey was done on a sample of 150 respondents aged 19–54+ years. 72.6% of the respondents are 19–29 years, 13% are between 30–39 years, and the rest are older than 40 years.

**Figure 1. Familiarity of the Respondents with the Sharing Economy**

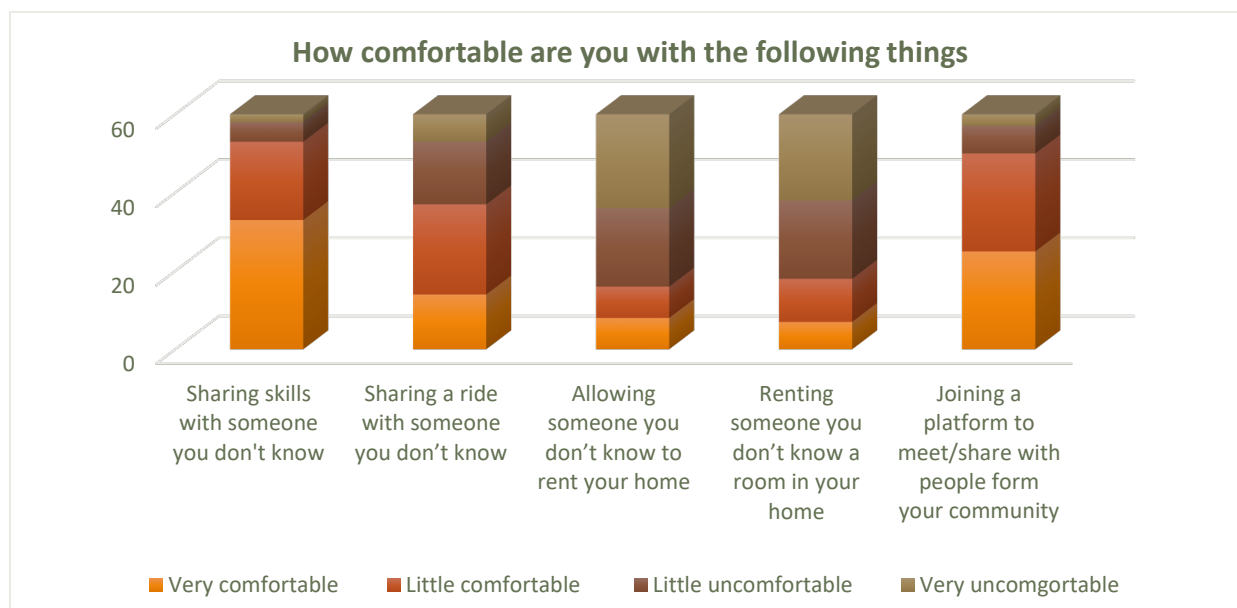
**Are you familiar with the term Sharing Economy?**



Source: Own elaboration.

The second question, shown in Figure 2, presents how comfortable Macedonian citizens with some of the sharing economy opportunities are. In the area of sharing skills with people they do not know, respondents feel more comfortable in doing so (up to 50%). Sharing a ride with someone they do not know still shows a positive level of comfort in the respondents, along with joining a platform to meet and share with people from their community (20–25% feel very comfortable). On the other hand, participants feel very uncomfortable allowing someone they do not know to rent their home or rent a room in their home (50–60% in both categories). This analysis can give us a presentation of people's attitudes and their readiness for sharing their accommodation on services such as Airbnb.

**Figure 2. Comfort While Using Sharing Economy Services**



Source: Own elaboration.

At the moment of writing this report, there is no national legislation that is regulating the sharing economy, although it is noted in some of the Public Revenue Office's documents (State Revenue Office 2018) that preparations are made for that kind of business model. One of the main reasons for not having legislation is the fact that Uber is not present in the country, so still, there is not a major disruption in the local economy.

Still, there are no official reports that are dealing with sharing economy. Because of that, there are no specific activities in the parliament or some court decisions that are connected with the sharing economy.

From the research perspective, Pandev and Janeska Sarkanjac (Pandev 2017), on a CIIT 2017 conference, presented a paper that offers a brief review of the sharing economy definitions, key features, drivers, critics, and e-business models, its pioneer businesses on the global market and the first several sharing business models in the Republic of Macedonia.

## Developments

People are still uncertain about sharing economy platforms and use them with reservations. The potential of these platforms may increase with the younger population and upcoming generations, as the face of the sharing economy will change. The sharing economy has identified many issues, but it is important to take into consideration also the benefits, such as the increased opportunity for additional income and improvement of the local economy.

Besides all of the barriers, the Macedonian citizens are increasing the collaborative consumption, starting to be part and play upon the principles of the sharing economy, realising the benefits of sharing instead of owning things. So, we can expect that the population in this region will start to participate more widely in the sharing economy in



the near future. The sharing economy will be an important sector of the economies of these countries and change the consumer behaviour resulting in a better financial position of the people.

We can also note that in the last couple of years, new business models of the sharing economy are emerging in the Macedonian market, showing a good trend for the future.

Regarding global sharing economy platforms, Airbnb currently is 1,200+ rooms, suites, and villas, which is far from the potential of the country, especially in smaller places. Probably, this situation is due to the low awareness of the population in these regions and unawareness of the financial benefits that the owners may have with relatively modest investments (requires only registration on Airbnb, placing information and photos of the building that will be rented, a slight adjustment of the rooms of the home, creating tourist and recreational activities, etc.). However, with small projects and workshops, for a short-time, excellent results can be obtained, and supply and financial gain can be dramatically increased. In fact, it should be the main priority in these poorly tourist developed regions and localities in Macedonia, allowing them to achieve greater smoothness and better representation of overall tourist accommodation.

## Issues

The sharing economy has identified many issues. However, it is essential to take into consideration also the benefits, such as the increased opportunity for additional income and improvement of the local economy.

The main issue is that we have yet to witness the potential of the sharing economy in a developing country such as North Macedonia, with current people's attitudes and consumer habits.

## Other Major Players

Currently, universities are one of the main stakeholders that are promoting the sharing economy in Macedonian society. There are examples of university subjects where the sharing economy is one of the main topics. In addition, there is a couple of master theses that are researching topics related to the sharing economy.

Besides universities, two EU funded projects are dealing with the sharing economy, the first one is connected with transport sharing, and the second one is connected with the application of the sharing economy in tourism.

## SocialCar

SocialCar is a research and innovation project that seeks to incorporate carpooling into existing mobility systems, using robust planning algorithms and big data integration from public transport, carpooling systems, and crowdsourcing (City of Skopje 2019). The project unites developers, social and economic scientists, transportation engineers, car-poolers, and public authorities from Italy, Greece, United Kingdom, Luxembourg, Poland, Switzerland, Macedonia, Croatia, Slovenia, the Netherlands, Hungary, Spain, and Belgium. Its mission is to design, develop, test, and roll out a service that simplifies the travel experience of citizens in urban and peri-urban areas. SocialCar defines data processing flows and design algorithms to match travel requests with the integrated public-private transport supply, complemented by a

reputation-based mechanism. Many current journey planning tools do not provide information for multi-modal trips connecting individual and collective transport services. Often, the proposed options require multiple public transport interchanges and result in long and convoluted multi-leg journeys to make a successful door-to-door trip. SocialCar enhances the public transport network by introducing a wider variety of complimentary services, including carpooling/sharing, bike-sharing, taxi, and other on-demand services. Citizens will be given access to this unique service that optimises the use of all available mobility resources in the sharing economy. SocialCar is expecting to reduce travel times and costs, increase convenience, and contribute to the better environmental performance of urban transport networks.

### Beyond Borders: Introducing Smart Tourism and Sharing Economy

This project is financed by IPA 2, Cross-border cooperation between the Republic of North Macedonia—Republic of Albania (IECE 2019). Beneficiaries are Debar and Ohrid Lake Region (MK) and Mat, Diber, Bulqize, Klos (ALB). The main objective of this project is to introduce a smart tourism development concept based on more innovative and efficient use of our current cultural and natural resources and existing human capital. The expectations are that this will result in increased business opportunities for local tourism service providers, a more significant number of tourists in the region, and generating new employment. The key stakeholders in this action are individual entrepreneurs living and working in target municipalities (artisans, farmers, athletes) not involved directly in the tourism sector; local tourist service providers (tour guides, local agencies, family restaurants) who are already in the tourism sector; public institutions related with managing cultural and natural heritage such as museums, galleries, national parks that need to modernise and become part of the tourist offer.

### Future Directions of Research

The research presented in this study is observational, based on case studies, and the given survey is cross-sectional, so it does not allow making temporal and strong causal claims. In future work, we are planning to use longitudinal data to study adoption over time and to make a detailed analysis of the offers in different areas of the market.

Another interesting direction for research is to address motivational factors driving Macedonian users to use the sharing economy as providers or consumers. Furthermore, an analysis of how the digital divide and digital literacy are influencing the adoption of the sharing economy can be an interesting direction to explore.

### Summary

In this study, the analysis of the sharing economy in North Macedonia was presented. This study presented some interesting examples of the adaptation of the sharing economy in different industries from home, transport, education, finance, tourism, manufacturing, etc. It is worth to be noted that there are a lot of Facebook/Twitter groups where users can negotiate for sharing rides, sharing experiences, or sharing a meal.

Because Macedonian citizens have a culture of sharing goods and services between friends and family, there is significant potential for the development of the country's

sharing economy. The results of the observational study and survey address future actions to boost the growth of the sharing economy in North Macedonia. The main challenge is digital literacy, so the education of citizens and promotion of the sharing economy in Macedonian society can improve the development of sharing economy. By adopting regulations and laws that will encourage the involvement of citizens in the sharing economy, the government can help in the development of this emerging industry in the direction of sustainable use of the local resources.

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## Relevant Websites

Brainster: <https://brainster.co>

DriveDriveCar: <https://drivedrivecar.com>

Let's Fund: [www.letsfundit.mk](http://www.letsfundit.mk)

MojCoek: <https://mojcoek.mk>

When in X: <https://wheninx.com>

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## The Sharing Economy in Norway: Emerging Trends and Debates

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## Abstract

2019 was a year when the sharing economy and collaborative consumption was starting to make a significant impact on Norwegian society and way of life. With international hospitality and mobility services leading the way, several home-grown digital platforms also saw noticeable growth in users and income. New legislation was put in place to support an orderly transition to an economy that makes better use of idle resources. While the COVID-19 pandemic of 2020 has dealt a major temporary setback to this development, this chapter documents how the Norwegian economy was experiencing rapid change that may soon return.

**Keywords:** Norway, Sharing Economy, Micro-Mobility, REKO, Airbnb, Voi, Tise

## Introduction

The Norwegian government is generally welcoming to the sharing economy and the benefits it is expected to bring in terms of economic efficiency and environmental

impact. While there are some concerns about the sustainability of some of the new business models, the dominating view is that Norway should embrace innovation, especially innovations that support a circular and greener economy and that create new sources of income. A 2017 special committee on the sharing economy identified the need to adjust the regulatory frameworks, in particular, to clarify what legislation is valid in each new circumstance (Regjeringen 2017). This was partly followed up in 2019 with new legislation deregulating the taxi industry and short-term rental of private homes.

Below, we summarise some of the key developments in the sharing economy in Norway during 2019. Most references are Norwegian research reports (some with an English summary). This indicates that the research on this topic is still emerging, just as the industry itself. Our intention is to guide new researchers to the existing literature and provide an international audience with an update on key developments in the Norwegian sharing economy in 2019.

## Definition

The sharing economy is defined in a Norwegian Official Report (Regjeringen 2017: 3) as “economic activity enabled or facilitated via digital platforms that coordinate the provision of a service or the exchange of services, skills, assets, property, resources, or capital without transferring ownership and primarily between private individuals.”

Attempting to map the sharing economy in Norway, Fafo (a research institute associated with the largest Norwegian labour union) provides a definition based upon three key features that characterise the sharing economy (Jesnes et al. 2016: 7):

- 1) An intermediary in the form of a digital platform.
- 2) Which helps to connect complementary players, which can be considered as providers and customers.
- 3) Who exchange a set of benefits from the provider to the customer. There can be a wide variety of benefits, from services and asset/property sharing to capital, expertise, and labour.

Further, some official definitions are in use, but they are less precise. For example, do the Norwegian tax authorities (Skatteetaten, n.d.) define the sharing economy as “a business model where private individuals sell services or rent out assets directly or through intermediary companies.” Whether an activity is taxable depends on the type of sharing economy the subject is involved in. The definition found in the largest Norwegian dictionary (Store Norske Leksikon 2018) states that: “Sharing economy is a business model where private people and companies buy, exchange and offer services or assets in cooperation with each other through a digital platform.” Further, the definitions of the “sharing economy” often involve discussions of alternative terms, such as “platform economy” and “dissemination economy” (Norwegian: *formidlingsøkonomi*).

The definitions mentioned above have all been translated from Norwegian by the authors.

## Key Questions

The sharing economy is a relatively new phenomenon, being applied in various forms in different markets. Understandably, research on the impact of the sharing economy has focused on questions related to the markets where we find the broadest uptake and most widespread use. Often markets are dominated by international companies who expanded into Norway only after testing out technologies and business models in other countries. This means that they have mature technological platforms and sound financial backing, making them credible disruptors upon arrival.

Previous research has focused on consumers rights (Pettersen et al. 2016), labour market relations (Dølvik and Jesnes 2017; Jesnes et al. 2016), and the impact of Airbnb on local housing markets (Vinogradov and Strømmen-Bakhtiar 2017). Recently, researchers at Telemarksforskning (a research institute) have looked at food distribution directly from farmers to consumers through Facebook groups called REKO networks (Leikvoll et al. 2020). Early 2020 we had some 80 networks distributed throughout Norway, primarily in urban, more densely populated areas.

An international Horizon 2020 research project led by consortium partners in Norway explored the sharing economy in Norway from a comparative perspective. This project yielded insights on participation, privacy, and power in the European sharing economy based on a twelve-country survey (Andreotti et al. 2017; Ranzini et al. 2017a; Newlands et al. 2017) and eighteen focus groups (Ranzini et al. 2017b). Participation rates in Norway were similar to the average across all countries considered in the survey: 26% of the respondents in Norway indicated they had used sharing economy platforms at least once, while the average across all countries was 28% (Andreotti et al. 2017). On some issues, however, the findings showed a North-South divide, with Norwegian and Danish users (the two Nordic countries included in the survey) being more sceptical and critical towards both platforms and peers than their Southern European counterparts (Newlands et al. 2017).

With the increased use of Airbnb over the recent years, taxation and regulation of short-term rentals (defined as rental periods of 30 days or less) arose as an issue. This was addressed through legislative action, in effect from April 2nd, 2019. According to the amendment, apartments in housing cooperatives may now be rented out for a total of 90 days per year, while previously not at all. Further, the law made it illegal to own more than one unit in each housing cooperative. The law intends to balance the interests of those who wish to rent out their private home against other residents.

## Examples

The recent trend in Norway has seen the establishment of new platforms by both start-ups and traditional companies. Some of these were inspired by non-profit motifs, such as empowerment, increased social inclusion or positive environmental impact. Others were seeking to capitalize on consumers more open to sharing and online shopping than only a few years ago (Pedersen et al. 2016). Below we list some initiatives to illustrate how Norwegian entrepreneurs have been positioning themselves for the future of sharing.



## Nabohjelp (Neighbour help)

Nabohjelp is an app for collaborative sharing in a neighbourhood context. It was developed by Norway's largest housing cooperative, Obos. The Nabohjelp app was developed as a tool for creating better homes for Obos members, but it is openly available for all Android and iPhone users. Since Nabohjelp was introduced in 2017, it has grown by 50,000 users yearly. The app lets users post both requests and offers for help through messages viewable only to those living in the same area as the user. No ranking mechanisms to indicate the quality of the interactions exists. Instead, Nabohjelp relies on the social capital existing in a neighbourhood. One of the functions lets a user see other local users (as well as how distant they are from your home), so you can know which of your neighbours have installed the app on their phone.

## FINN (Find)

The online marketplace FINN is an interesting example, given its importance in the Norwegian market and its local nature. According to Wikipedia (2019), the website was established in March 2000. This is the largest Norwegian website based on the number of page views, has around 3.5 million users a week according to survey bureau TNS Gallup and currently over 400 employees. FINN has a section called "Finn småjobber" (Finn minor jobs), comparable to US-based services such as TaskRabbit, Upwork, and HelloAlfred. Finn.no belongs to Schibsted, an international media group that is a dominant player in the classifieds market.

## Mobilitetsprosjektet (The Mobility Project)

Halden Municipality was the first in Norway to establish a car (and bike) sharing system where a pool set up primarily to serve the municipality and its employees was extended to become accessible on equal terms to the general public outside of office hours (Vik 2019). This way, the performance has been greatly increased, as cars may be used 24/7. Public access is administered through an existing app (Moveabout.no), and a phone-based support system is in existence, connected to the municipality's initial lease contract. This is available also to civil users until 21:00 in the evening. One challenge is how to ensure that cars are easily accessible to citizens, as the municipal offices/parking spots are in the centre, while people typically live further out. A process is developing to ensure accessibility by letting employees drive cars from/to work, parking them at designated locations in the suburbs.

## Din Bybil (Your Citycar)

Norwegian railway operator NSB (Norwegian State Railways) changed their name to Vy and teamed up with GreenMobility (Danish) to offer a car-sharing service in Oslo. With 250 cars spread all over the city, this move, as well as the name change, signals that Vy is looking to expand its business in new areas. What sets this service apart from traditional car rental services is that reservations and payments are handled through an app and that cars may be left in all public parking spaces, not only at a central location. The cars can be booked up to 30 minutes in advance and are unlocked through the app. No key is needed in the process. All cars are electric, and GreenMobility takes care of charging the batteries. In a way, this is a scaled-up version of the e-scooter services that have become very popular since 2019 (e.g., VØI, Tier, Circ, Lime).

## Nabobil (Neighbour Car)

The peer-to-peer car-sharing service Nabobil was founded in 2015 and has become one of the leading Norwegian sharing economy businesses. The cars are owned privately, and the platform mediates between car owners and potential drivers. A typical owner rents out the car that she uses herself in vacant periods. This generates an extra income that, in some cases, inspires owners to buy extra cars that they rent out full-time. The company announces on their website that they have 7500 registered cars spread-out all-over Norway, of which 650 are equipped with keyless technology so that they can be accessed from the Nabobil. According to the company founder, the goal is to enable living without owning a car in cities such as Oslo and not to need a second car in smaller towns (Tobiassen 2016). In June 2019, American company Getaround bought Nabobil for 12 million USD as a move to enter the Nordic car-sharing market. In April 2019, Getaround announced that they had acquired Drivy for about 300 USD, uniting the leading American and European car-sharing platforms. Getaround is partly owned by Softbank, an investor known for encouraging rapid growth in the companies they own.

## BAZEAT/BAZPOINT

BAZEAT/BAZPOINT is a logistics solution to combat low population density and long distances for marketing and distributing locally grown food in rural Norway. Recent years have seen a large rise in small-scale, sustainable, local food production, especially in remote areas of Norway. The activity is currently encouraged as a small-scale farm economic diversity to increase farmers' income and secure sustainable living in the countryside. The challenge is how to efficiently move products from multiple dispersed small-scale producers to multiple individual customers residing in towns and cities widely distributed from the origin of the products.

BAZEAT is a peer-to-peer, Internet/app-based solution utilising three tools for logistics:

- 1) Organizing producers' distribution where producers deliver to (groups of) customers.
- 2) Organizing BAZPOINTS—pick-up centres at set locations (often co-opting with existing local shops).
- 3) Through an app, organize a voluntary “fleet” of couriers by recruiting people who are driving the distances in question to act as couriers en-route—for a small remuneration.

BAZEAT was launched in 2018 and has grown slowly but steadily. Today it seems the main challenge is to recruit to the fleet of couriers.

## Tise

Tise provides an app for second-hand fashion catering to a young, fashionable, social media-savvy crowd. It is comparable to Depop. Tise copies the Instagram aesthetic and seems to attract an urban and international crowd. The company is clearly profit-driven and has a strong start-up aesthetic. One of the employees is Jenny Skavlan, a Norwegian media personality. Tise has seen strong user growth over the last months, doubling the user numbers within five months (Buggeland Sælebakke 2017). By spring 2020, Tise had close to 200,000 users. Users can create a profile and present photos of the clothes they want to sell like on Instagram. Users can follow other users and become successful on the platform.

## Fjong

Fjong is an Oslo-based fashion start-up for borrowing and lending clothes, founded by Sigrun Syverud and Marie Ameln in 2016. Both had previously worked in finance and noticed a need for more sustainable alternatives to fast fashion. Fjong has been described as an Airbnb for clothes and offers over 4,000 items of new and second-hand clothing from a wide range of global brands. It specialises in women's fashion, with a showroom in Oslo, where interested users can both lend and borrow their clothes for a minimum of four days and a maximum of six months. Fjong also operates a mail service where users can receive and return clothes, taking care of the cleaning and small repairs. Those who rent out their clothes get 50% of the profit after induced costs. The company is one of the leading Norwegian start-ups led by women (Syverud 2019).

## Bookis

Bookis is an Oslo-based peer-to-peer platform for books. The app-based Bookis offers a simple process for finding and buying second-hand books. Former students, identifying a need for easy recycling of course books, founded the start-up in 2016. By 2019, Bookis' customer base expanded beyond students to also cater to book lovers and readers in general. Expanding into Sweden in late 2019, they further plan to enter into Finland and Denmark. They can rely on a Finnish investor with ample expertise in the area. Their users amounted to ca. 30,000 in 2019 (Karlsrud Haugen 2019).

## Den Norske Turistforening (The Norwegian Trekking Association)

The present pandemic has here spurred the emergence of a new adaptation related to the sharing economy. The need for a contact-free, resilient, and easily accessible solution spurred Norway's largest outdoor NGO, Den Norske Turistforening (DNT), to redesign the booking of the more than 500 cabins they own or manage. Their cabins were spread all over the Norwegian outdoors, directly available to all members—with no request for booking ahead. As a member, you got your own master-key to all cabins and could enter and use it at your own will. Because of COVID-19, restrictions had to be put on the use of cabins, and a simple, existing Internet-based booking system was redesigned, enforcing mandatory booking for all. The solution now includes all DNTs cabins and can be used by everyone, not only members.

This solution fulfils all the features defining the sharing economy and can be compared, for example, to how Airbnb functions. Still, DNTs solution emerged not because of the growing sharing economy but rather as a response to the need for novel solutions in a challenging situation. Thus, we may look upon their solution as an example of what may happen when novel approaches become part of the ordinary tools for business.

## Context

In 2019, important changes were introduced in Norway that affected the context for participating in the sharing economy. In a follow-up to Regjeringen (2017), a new version of the Professional Transport Act was approved in June 2019, planned to take effect from the summer of 2020. It removed the cap on the number of taxi licences that the regional governments can supply and opened for taxis no longer to need registration with a central office. There are some new criteria for drives, for example, first aid training. This change enables transportation providers such as Uber and Lyft

to return. Uber left Norway after a damaging court case in 2017 (Bach and Moe 2019). In May 2020, it seemed likely the date for the law to take effect seems is postponed due to the COVID-19 pandemic and a desire to protect jobs in the traditional taxi industry. The regulations on hosting through short-term rental platforms such as Airbnb were tightened in 2019. The revised law (eierseksjonsloven) states that homes must not be rented out as short-term rentals (STRs) for more than 90 days per year. In condominiums, STRs are limited to 30 days per year (Solli 2019). The law aims at preventing excessive commercial practices in the sector.

## Developments

A new phenomenon in 2019 was the large-scale deployment of electric scooters in major cities. The key actors in this market are Voi (Swedish), Tier Mobility (German) and Ryde (Norwegian). Others include Circ (German, formerly known as Flash), Libo (Norwegian) and Zvipp (Norwegian). The companies differentiate themselves based on their service profile, app, price as well as costs for maintenance and charging.

It is estimated that Airbnb now provides about half the number of available hotel rooms in Norway and that the platform sold about one-fifth of all bookings in 2018. Reports from Capia (an analysis bureau using data from Airdna) showed record growth for Airbnb in Norway (NHO Reiseliv 2019b). The number of rooms sold during June, July, and August 2019 grew by 22% from the same period the previous year, totalling 2.2 million sold rooms. In 2018, Capia found that in tourist hot spots Lofoten and Oslo, the market share of Airbnb is about 55% and 35%, respectively (NHO Reiseliv 2019a). The total income for Airbnb in Norway in 2018 is estimated at NOK 2.3 bn. (EUR 210 mill.), of which NOK 1.8 bn. (EUR 165 mill.) was taxable. These statistics were collected for the Norwegian Hospitality Association (NHO Reiseliv) and are used to argue that Airbnb is a threat to conventional hotels in Norway. Media statements from local politicians in growth areas are mostly supportive of the extra income that the communities raise through Airbnb.

## Issues

Food distribution service Foodora faced its first strike in September 2019. 85 bike riders demanded higher wages, and that expenses for maintaining their bikes should be covered by their platform provider. After five weeks, Foodora finally agreed to sign a collective agreement with the labour union (NTF, Fellesforbundet). The case was seen by many as a test for whether the working conditions in the platform economy can be organized in line with traditional businesses.

The government of Trondheim, Norway's third-largest city, chose to ban electric scooters until regulations about parking are in place.

In Oslo, Voi has applied permission to install special racks in hot spots to tidy up parking. The applications have been denied in some parts of the capital, for example, because selected areas are already occupied by bike-sharing racks. Regulators in other parts have welcomed the move and made their own suggestions of where it may be appropriate to install them.

As has been observed in other countries, there are several reports of smaller traffic accidents involving electric scooters, and quite a few scooters are being unregulated

disposed of in rivers, bushes etc. The media debate has centred on the safety of blind pedestrians (since the scooters are practically silent) and the crowding of parked scooters in public spaces, such as sidewalks. It remains to be seen how well the scooters will hold up in the Norwegian winter.

## Other Major Players

Research on the sharing economy in Norway is fragmented, with several institutes having published some relevant reports in the past three years. This includes the University of Oslo, Fafo, BI, Nordlandsforskning, SNF, NHH, TØI, SINTEF, Vista Analyse and others.

### Shifter ([www.shifter.no](http://www.shifter.no))

It is an online news portal focusing on start-ups and radical innovation. News on developments in the sharing economy is also covered extensively by the technically oriented news portal Teknisk Ukeblad ([www.tu.no](http://www.tu.no)).

## Future Directions of Research

Although the sharing economy still represents a small fraction of the economy, there are important questions that should be addressed scientifically, both from a business and from a societal point of view. From a research perspective, many aspects of the Norwegian sharing economy remain to be explored, including research on commercial and international sharing platforms such as Airbnb as well as local, non-commercial, and community-driven initiatives. Research that goes beyond individual cases and offers comparative scope is particularly needed. For example, future research could compare different municipalities or regions in Norway in terms of uptake of sharing economy services. Investigating the sharing economy from a multi-stakeholder and ecosystem perspective that takes into account the role of providers, consumers, platforms, regulators, and third parties (e.g., neighbours of Airbnb hosts, user-by-proxy) would enhance our knowledge of the phenomenon.

The disruption of the sharing economy in the vein of the COVID-19 pandemic further offers potential for inquiry. While large for-profit companies such as Airbnb and Uber experience setbacks, smaller non-profit platforms such as Nabohjelp and DNT has seen rapid growth in use. Finally, there is considerable interest in understanding how the sharing economy, particularly when it comes to service- and labour-oriented forms, will influence the Nordic business model that is characterised by high wages, high taxes, and high skills. From a business and societal point of view, the question of aligning sustainable growth of the sharing economy with social concerns about inclusivity, worker rights, control, and fairness should be addressed through close dialogue between all major interest groups, including both the platforms, the users, the affected non-users, the regulators, the unions—and if applicable the local communities.

## Summary

The sharing economy in Norway is still a young and dynamic sector, characterised by ample diversity regarding the choice of business models and platforms. Norway now



hosts both large international commercial sharing economy platforms such as Airbnb as well as local and national—often more community-driven—initiatives such as Nabohjelp and Mobilitetsprosjektet Halden. Sharing economy services are used by a considerable proportion of the Norwegian population (around one-fourth, according to Andreotti et al. 2017). Beyond its attractiveness, the sharing economy also faces considerable challenges such as the scattered regulatory landscape, the recent disruption of the transport, tourism, and hospitality sector due to the COVID-19 pandemic and the ensuing lockdown, barriers to inclusion, and issues of crowding and safety. It will remain a phenomenon to watch and study in the years to come.

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## Relevant Websites

Bazeat/BazPoint: <https://bazeat.no>

Bookis: <https://bookis.com>

Din Bybil: <https://greenmobility.com/no/en>

FINN: <https://finn.no>

Fjong: <https://fjong.com>

Nabobil: <https://nabobil.no/en>

Nabohjelp: [www.obos.no/Nabohjelp](http://www.obos.no/Nabohjelp)

The Norwegian Trekking Association: <https://english.dnt.no>

Tise: <https://tiseit.com>

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## Initiatives in the Sharing Economy Scheme: The Case of Poland

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### Abstract

In the chapter, there is an analysis of sharing economy development in Poland. It concerns both the big players on the market like the most known Airbnb and Uber, as well as smaller, local initiatives, flourishing especially in the food sector. Sharing economy is not a normative concept and is defined differently depending on the subject (i.e., products, services, ideas, models, or structures) to which it refers. However, the significance of the phenomenon is rising rapidly from year to year. Moreover, sharing economy brings many opportunities but also creates a lot of unsolved issues, such as regulations, tax regulations, labour law, competition, which often can lead to conflicts between diverse groups of actors. The new, unregulated, by law, model of the economy in some sectors has caused a lot of confusion, leading to conflicts (like between taxi drivers and Uber drivers), as well as a feeling of inequality.

**Keywords:** Sharing Economy, Social Trust, Local Initiatives, Social Issues, Crowdfunding

### Introduction

For some time now, there can be observed the development of a cultural and social phenomenon, which is related to sharing goods. There is a belief that access to some assets is more important than having them. Such thinking has begun to be dominated among many consumers. The concept of the sharing economy still develops in Poland.

Definitely, there are more and more Polish citizens using platforms that allow them to share. Not only big businesses such as Uber and Airbnb, operating on the Polish market for several years, are growing, but also there can be noticed a kind of flourish of local initiatives, especially in the food sector. Nevertheless, there are many issues unsolved in the context of the sharing economy, such as regulations, tax regulations, labour law, competition. The new, unregulated, by law, model of the economy in some sectors has caused a lot of confusion, leading to conflicts (like between taxi drivers and Uber drivers), as well as a feeling of inequality. That is the reason for Polish Government decided to change the regulations related to passenger transport—the so-called “Uber-lex,” which came to force at the beginning of 2020.

## Definition

Actually, the phenomenon of sharing economy is so complex, and it includes various aspects of organizational and business models as well as social changes that there is no single definition of sharing economy. Quite frequent is to put many notions into the same conceptual range as sharing economy. For example, collaborative economy, access economy, peer economy, peer-to-peer economy (P2P), circular economy, gift economy, gig economy, rental economy, on-demand economy, mesh economy (mesh/networking), and alternative finance. The most important is to highlight access rather than ownership.

One of the definitions, which is quite general, specifies the sharing economy as a change from a one-to-many model to a many-to-many model. The collaborative economy is a different business philosophy that changes the current “rules of the game” (Sokołowski et al. 2016). Another defines the sharing economy as a new form of organization of doing business via Internet platforms (the market model in which a specific exchange system applies), based on paid or unpaid use of available production resources being the property of other entities (primarily households). Sharing economy condition is not ownership of resources but only access to them. Technology (information and telecommunications technologies) is an inseparable feature of the sharing economy, which enables barter market creation (based on artificial units of account or not) or the traditional market (based on supply and demand relations with a working price mechanism) (Pietrewicz and Sobiecki 2016).

Subsequent definitions that are found in Polish literature depict the sharing economy as a social and economic model based on sharing material and non-material resources. It should be emphasised that the concept of sharing economy is not limited just to goods because people's resources also include their skills and free time that they can share with other people (Nadolska and Nadolski 2019).

Sharing economy involves three broad groups:

- 1) Service providers who share assets, resources, time and/or skills. These can be private individuals offering services on an occasional basis (“peers”) or service providers acting in their professional capacity (“professional service providers”).
- 2) Users of these services.
- 3) Intermediaries that connect them and facilitate transactions between them via an online platform.

Transactions in the collaborative economy generally do not involve a change of ownership and can be carried out for-profit or not-for-profit.

This business model covers a small but growing part of the economy. It provides new opportunities for people to offer their services (including on a temporary and part-time basis) and for entrepreneurs to reach more potential customers, as well as offering customers lower prices and greater choice (European Commission 2020).

## Key Questions

Concerning the issue of the sharing economy, a lot of confusion arose, largely due to the lack of one coherent definition. Some researchers of the phenomenon believe that we can talk about sharing economy only when we are dealing with a spontaneous, non-commercial initiative whose goal is to reduce consumption through sharing. Undoubtedly, there is a difference between bottom-up projects based on sharing economy, such as item exchange groups, diverse types of cooperatives and often huge corporations using that trend for business purposes.

Nevertheless, the sharing economy is still regarded as strongly connected to ICT (information and communication technologies). The report “Information society in Poland: Results of statistical surveys in the years 2014–2018” (GUS 2018) includes the results of the survey about using the Internet for sharing economy (Table 1). In 2018, respondents in Poland were asked a second time about using websites or applications that they operate under the sharing economy as intermediaries between private bidders’ accommodation or transport service and people wanting to use these services. Questions were limited to the demand side, i.e., they concerned the use (paid or unpaid) of the parties or applications to organize (rent) accommodation or transport from another private person.

The study shows that more popular in the sharing economy is accommodation rather than transport (17.1% and 7.2% respectively). Websites or sharing economy applications were more often used by people from younger age groups than older people. Taking into account the level of education, services related to the organization of accommodation and transport within the framework of sharing economy were used mostly by people with higher education (respectively 38.2% and 14.6%) and taking into account professional activity—self-employed (34.6% and 14.3% respectively).

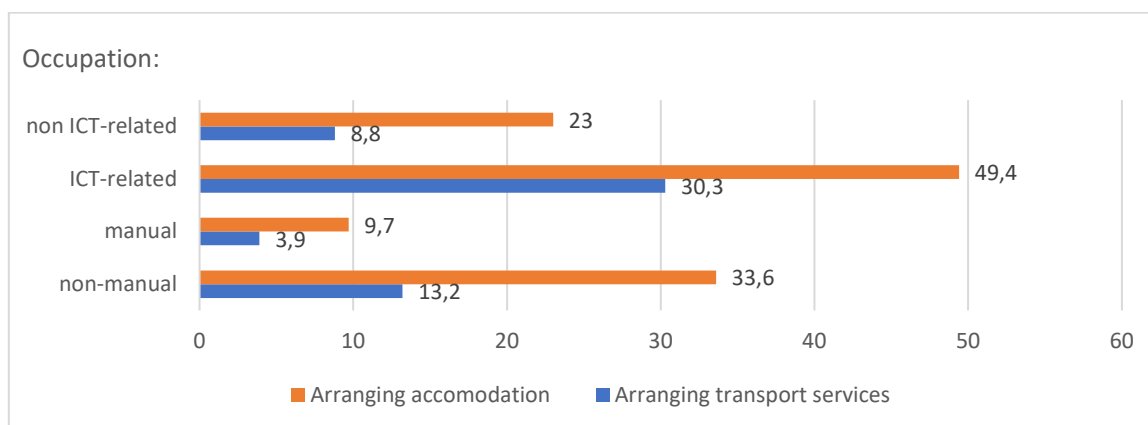
Very large disparities in the shares of people using websites or applications under the sharing economy were noted between various groups of professions. Definitely, a bigger percentage of using websites or applications as part of the sharing economy was observed among working people in non-worker occupations than in workers’ occupations. People associated with the IT and telecommunications industry (related to ICT) much more often used websites or applications as part of the sharing economy in comparison to the group unrelated to the ICT industry; in transport, there were 21.5 percentage points and in accommodation, 26.4 percentage points.

**Table 1. Using Websites or Apps for the Sharing Economy in 2018**

Specifi- cation	Arranging Accommodation			Arranging Transport Services		
	total	via		total	via	
		dedicates websites or applica- -tions	other websites or applica- -tions		dedicates websites or applica- -tions	other websites or applica- -tions
		in% of total individuals in a group				
Employment Situation						
Students	14.4	9.9	6.4	12.8	9.1	5.4
Persons employed	23.7	18.8	8.8	9.4	7.5	3.0
Employees	24.5	19.4	9.2	9.7	7.8	3.0
Self- employed	34.6	27.8	12.3	14.3	11.6	4.9
Farmers	2.9	2.3	1.1	-	-	-
Unemployed	6.9	4.5	3.2	3.3	2.8	-
Retired or other not in the labour force	5.1	3.8	2.0	1.4	1.1	-
Domicile						
Large cities	27.6	23.2	9.2	12.7	10.4	4.0
Small cities	17.3	12.6	7.5	6.5	4.9	2.3
Rural areas	9.3	6.9	3.8	3.8	2.9	1.3
Degree of Urbanisation						
Thinly- populated	8.7	6.4	3.6	3.6	2.7	1.4
Intermediate	17.8	12.9	7.7	6.5	5.1	1.9
Densely populated	25.4	21.0	8.6	11.6	9.3	3.8
Regions						
Eastern Poland	11.8	9.0	4.3	6.0	4.7	2.0
Central Poland	19.9	15.6	7.4	8.2	6.5	2.7
Western Poland	16.3	12.7	6.8	6.3	4.9	2.1

Source: GUS (2018, p. 145).

**Figure 1. Individuals Using Websites or Apps for the Sharing Economy by Occupation in 2018**



Source: GUS (2018, p. 146).

## Examples

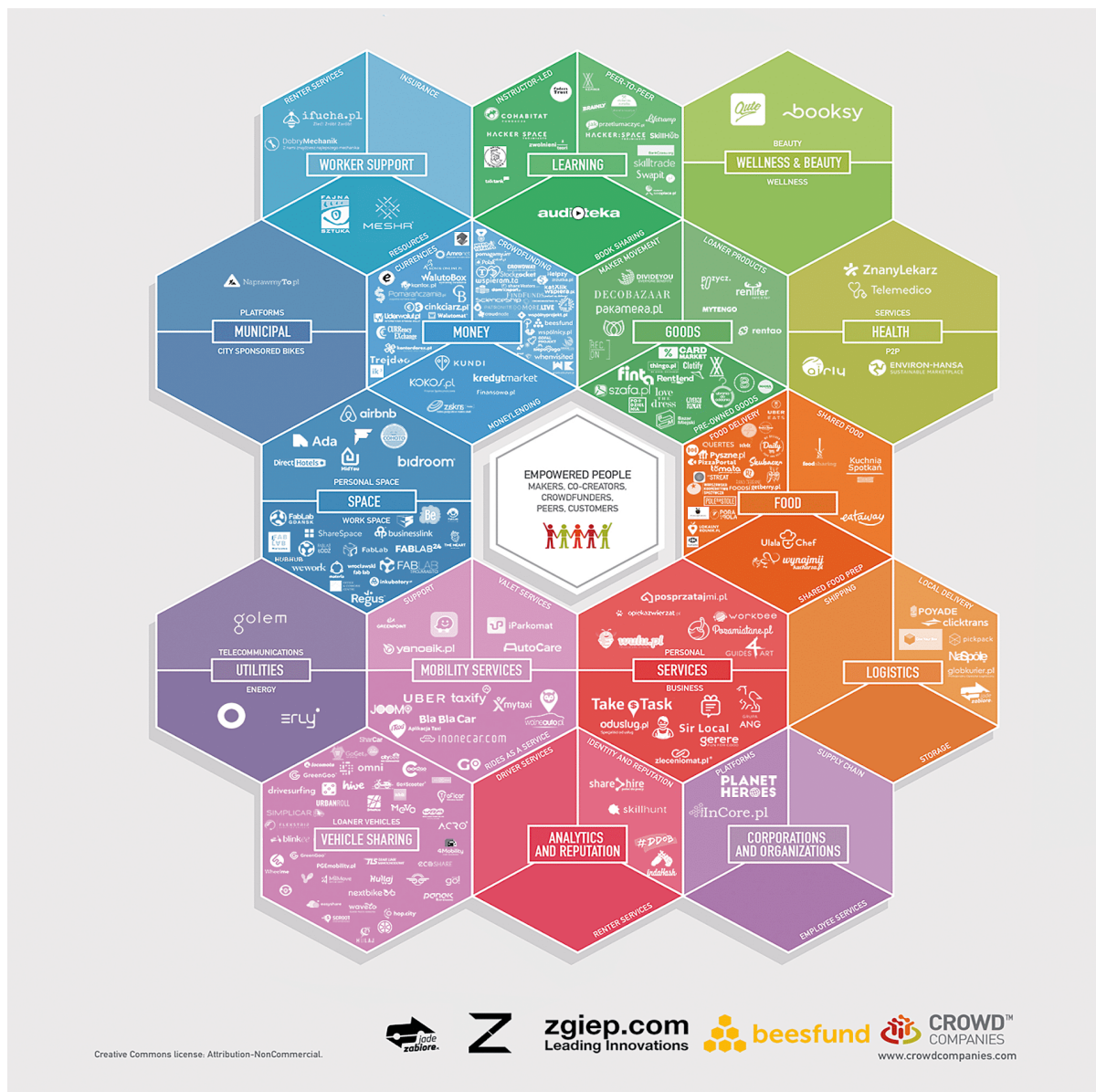
Accommodation and transport are the services regarded as the most commonly related to the sharing economy. However, the catalogue of sectors and included services is a lot much bigger.

Beyond, there are some examples of initiatives under sharing economy operating in Poland:

- Car and scooter-sharing in cities (e.g., Vozilla, Panek, jedenslad).
- Sharing bicycles (e.g., NextBike, Veturillo).
- Mobility services (e.g., Uber, BlaBlaCar, jadezabiore.pl).
- Sharing a flat or room (e.g., Airbnb, Couchsurfing, otodom).
- Online courses (e.g., Khan Academy, Coursera, Udsa, Skillshare).
- Provision of services by private persons (e.g., TakeTask, Freelancer.com).
- Shared office—co-working (e.g., MyMeetingRoom, Business Link and few dozen more).
- Co-financing of projects and loans from individuals (e.g., PolakPotrafi.pl, Kokos.pl).
- Sale of food products directly from farmers (e.g., Local-Rolnik.pl, food cooperatives—not applicable to bazaars).
- Sharing resources—znanylekaz.pl, ktomalek.pl
- Second-hand/second use—gratka.pl, tablica.pl—bought by Naspers NPN (JSE) and rebranded to olx.pl (olx=on line exchange).
- Local initiatives—platforms for participatory budgets in cities.



**Figure 2. Polish Honeycomb 3.0**



Source: Zgiep (2019).

## Jadezabiore Case (Mobility and Logistics)

The jadezabiore.pl platform joins the drivers with people who want to deliver the consignment in the palace not only in Poland but also in some other European countries. The service, on the one hand, allows drivers to post announcements about the possibility of taking a consignment on the way of a planned trip, and on the other, it lets you see if someone is going to the place where the dispatcher wants to give their package. With search engine offers, portal users can quickly see if someone is planning a trip to the place, they want to send a shipment or if someone is trying to send a package where they want to go.

The service does not charge you any fees for registration, posting announcements or browsing. In the case of wanting to take advantage of the offer, users set between themselves a satisfactory rate for both parties, and the portal collects only a

commission of 5 PLN (around 1 EUR) for 24 hours access to detailed contact details of the carrier or dispatcher. Those who travel a lot or often send a package can purchase a monthly Premium subscription that gives access to all carriers and senders for 30 days ([www.jadezabiore.pl](http://www.jadezabiore.pl)).

### Wymiennik Case (Social Service)

It is a social service allowing to exchange goods, services, or skills, where instead of money are used “alterkas,” a type of currency used to maintain a balance between giving and taking. Wymiennik is a community of people who exchange services and things with each other. It is also a place on the Internet where offers appear—from repairing bicycles through German lessons and vegetables from the home garden. Wymiennik is also an exchange system that gives you the ability to measure and record the value of all those things circulating between users and the services provided. Thanks to that, a healthy balance between giving and taking is maintained. In short, Wymiennik is a social, alternative exchange system.

The system is not the same as barter, meaning the exchange of goods between two parties (e.g., “I give you tomatoes, and you repair the tap in return”). When you purchase something on Wymiennik, you do not incur any debt with the person who gave you the item or the service. Your commitment applies to the entire community, so you can fulfil it later by giving something completely different to someone else.

Wymiennik is a non-commercial platform for exchanging information about the resources and needs of the local community, and its most important goal is to meet the needs of users. All decisions regarding the Wymiennik rules are made by users in a democratic manner.

They may be a private person over 13 years old, an informal group of people, as well as all organizations, institutions and enterprises operating in accordance with the provisions of Polish law. The limit of negative (debit) and positive (credit) points on users’ accounts is 500 and 1000, respectively. The exchange platform is managed by the administrator, performing ongoing activities related to system maintenance in cooperation with the Coordinating Team, the Enrolment Group, as well as Local Administrators (<http://wymiennik.org>).

### PolakPotrafi Case (Crowdfunding)

PolakPotrafi.pl was created for all people who want to carry out interesting projects and realise creative ideas. It is the first and largest reward-based crowdfunding platform in Poland, which helps to get the necessary funds for the implementation of projects, such as films, animations, computer games, cards, boards, comics, music albums, as well as projects related to art, fashion, photography, journalism, theatre, dance, food, and modern technologies. Projects have to meet their funding goal (or exceed it) in order to receive money—this way of funding is called “all-or-nothing” funding. If a project fails to reach its goal, all payments will be refunded to the supporters. Every campaign has its funding goal (amount of money expressed in PLN) and the time limit set by the creator of the project. A campaign can last max 75 days, but most of them should not last more than 60 days. PolakPotrafi advises deciding on the duration of the campaign after submitting the project. There are two options after the end of the project: (1) You get funded: If the project reaches its goal or outdoes it, funds are submitted to the creator’s bank account; and (2) You do not get funded: If the project fails to reach its goal, all payments will be refunded to the supporters. As a creator of the project, you keep 100% of its ownership. You also decide about your

actions and oversee the implementation of its stages yourself. In thanks to funding, you offer the supporters the effects of your work (<https://polakpotrafi.pl>).

### O4 Flow Case (the First Co-working for Women in Poland)

It is a quite new initiative, as it was open on October 30th, 2019. The first women's co-working in Poland, O4 Flow is a space for entrepreneurs, freelancers, business owners or ladies working in a corporation. In fact, for everyone who is interested in being in a new, different environment, which is created to help stimulate creativity, strengthen competencies, develop themselves and their business. It is a place where women are able to work whenever they want and as they want while having contact with people who share similar experiences and strengthening the competencies that are necessary today to increase competitiveness in the labour market. A lawyer and an accountant will be on duty at O4 Flow. They guarantee residents access to a platform with business and marketing knowledge. They focus on networking meetings and events, deepening know-how. There is also the Session Room designed, which is a space dedicated to individual meetings with a coach, personal trainer, psychologist, mediator, but also dietitian or speech therapist.

O4 Flow is therefore to be an inclusive space. The woman is to be in the spotlight; however, the support of men is welcome. For her needs, the Flow prepares an offer of workshops, inspiring meetings, and substantive training. In O4 Flow, there is a place for businesses run, managed or owned by women, but also men are their employees, clients, contractors, advisors, business partners (<https://o4.network/pl/nowosci/o4-flow-pierwszy-w-polsce-coworking-dla-kobiet/>).

## Context

Sharing economy is not a normative concept and is defined differently depending on the subject (i.e., products, services, ideas, models, or structures) to which it refers. However, the significance of the phenomenon is rising rapidly from year to year. The importance of the research area is evidenced by the fact that on June 2, 2016, the European Commission presented a communication entitled The “European Sharing Economy Program,” which emphasised the growing importance of the platform economy and its impact on economics, competitiveness, and employment policies, including growth and jobs in the EU (European Commission 2016). In that document, the European Commission presented to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions legal guidance and policy orientations that may be useful to public authorities, economic operators and interested citizens and contribute to building a balanced and sustainable development of the sharing economy foreseen in the Single Market Strategy.

With those guidelines in mind, on May 11, 2017, the European Parliament adopted a motion for a resolution on the European program for the sharing economy (2017/2003 (INI)) to give it a legal framework and thus eliminate the so-called regulatory grey zone, enabling to enjoy the benefits of sharing economy while respecting the principles of fair competition, employee rights and tax laws (European Parliament 2017).

That project, first of all, emphasised that the sharing economy can be a source of significant opportunities for consumers, entrepreneurs, and citizens and generate new jobs, growth, and sources of income. At the same time, however, it was emphasised that in recent years the rapid and unregulated growth of that phenomenon had begun

many challenges and potential threats that should be considered and resolved. Based on that, the need for the European horizontal framework was recognised as a regulatory priority in this matter, combining general principles and specific provisions that would pave the way for an equal, uniform, and dynamic operating environment in the EU and avoid any possible negative impact on employees, the risk of unfair competition between traditional sectors and platforms for cooperation and tax avoidance.

In the face of current problems in qualifying some services present on the market, that is a desirable direction, especially in the context of the scope of responsibility of service providers and equal opportunities for doing business.

Considering the mobility sector and Uber case, in light of the law in force in Poland, the digital platform or Uber application, or more precisely its owner, acts as an entrepreneur—an intermediary in relation to Internet users. On the other hand, users of the application—passengers and usually drivers—do not operate as part of their own business activity, as in the field of urban transport, it would require obtaining the appropriate permit. Therefore, passengers can be regarded as consumers in relation to Uber because, on the other hand, a given legal Act is an entrepreneur within the meaning of art. 22(1) of the Civil Code. From the point of view of contract law, the relationship that arises between a passenger, an Uber platform and a direct user who performs the transport service must be qualified as a service contract (art. 755 of the Civil Code), i.e., a result contract of a consensual, payable, and mutually binding nature. However, it is transport; hence Uber should have the appropriate licence and meet other conditions specified for carrying out regulated activities. The national legislator has just filled the legal gap in this area, introducing the same legal conditions for entities operating in the field of brokering persons and mechanisms enabling more effective control of the correctness of business operations conducted by intermediaries and entities cooperating with them.

The Act of May 16, 2019, amending the Act on road transport and some other acts (Journal of Laws 2019.1180), which enters into force on January 1, 2020, namely the same rules were adopted for conducting activities in the field of passenger brokerage and equalisation opportunities for all entities operating on the market. That means from January 1, 2020, all passenger transport brokers require to obtain a licence authorising them to perform road transport in the range of brokering passenger transport. At the same time, the Act introduces the obligation to order a transport agent only by entrepreneurs who have the appropriate licence to perform national road transport. The changes also include the inclusion of economic activities in the field of brokering passengers by the definition of road transport. In addition, a definition of the agency was introduced, according to which it is an economic activity consisting in forwarding orders for the carriage of persons by car, a vehicle designed for transporting over seven and not more than nine people, including a driver or taxi.

As described above Uber-lex changes in the regulations of other economic sectors related to the sharing economy.

## Developments

The collaborative economy is moving from the early youth phase, which began in 2009, to the maturity period. Over the past decade, many companies using this business



model have started and carried out global expansion. From promising start-ups, they have become global companies.

Zgiep Leading Innovations has monitored the development of Polish initiatives in the collaborative economy since 2016. In 2016, 36 companies operating on the basis of collaborative economy principles were identified. A year later, there were 123 of them in Poland. Over 250 entities of that type have been found recently. The growth rate has been 697 per cent in the last three years, and in the last year, the number of companies has doubled. The three fastest collaborative economy growing sectors in Poland are finance, transport, and real estate.

Among the financial companies operating in the collaborative economy model, the crowdfunding sector has grown most dynamically. Companies such as Patronite or Beesfund are growing particularly rapidly. The popularity of subscription crowdfunding is related to the increase in the content offer created by independent creators. In the mobility sector, mainly electric scooter sector development was noticed. Seven new systems have appeared in Poland (Lime, Bird, Hive, Quick, Blink, Hulaj, and CityBee), about entering the market think the next companies: Acro Bike, Hop.city or DAV. Electric scooters are still a topic for discussion, especially in a range of road safety and tax-paying (Zgiep 2019).

Except for the sectors described above, we can observe the rapidly growing development of local cooperatives, especially in the food sector. Those Cooperatives are entirely based on trust between consumers and suppliers. They want to buy food directly from farmers, without intermediaries. They want it to be organic, but it does not always have to be certified. Throughout the years of activity, they believe that their suppliers do not cheat. Such cooperatives are a way to shorten supply chains. A cooperative, such as Future Farms, is a way not to transport food from a distance and to decentralise crops. Monocultures are not good for the environment. Bringing food closer to consumers affects not only the quality of food but also the level of food waste. A lot of food goes to the basket already at the transport stage (Skiba 2019).

## Issues

Still, in Poland, there is a lack of trust in Internet platforms noticed in comparison to other European countries. As the Eurobarometer (European Commission 2016) survey indicates the fact that collaborative platforms offer new or different services is identified as one of the main benefits by at least three in ten in Luxembourg (34%), Spain (33%), and Croatia and the Czech Republic (both 31%). Respondents are least likely to give this answer in Latvia (14%), Hungary (15%), and Poland and Germany (both 16%).

Moreover, the attempt to assess the popularity of the sharing economy in the world is the Sharing Economy Index, prepared by the Swedish think tank Timbro. The index has been compiled using traffic volume data and scraped data and provides an insight into the driving factors behind the peer-to-peer economy. Monthly traffic data was collected for 286 services in 213 countries. For 23 of the 286 services, a complete count of active suppliers was done using automated “web scraping” techniques (<https://timbro.se/allmant/timbro-sharing-economy-index/>).

According to the Timbro Sharing Economy Index, Poland is ranked 92nd. The top has been occupied in big part by the countries with tourism as a leading sector, where accommodation is offered within the sharing economy. Nevertheless, there is still a

high potential for the development of the sharing economy in Poland, not restricted to tourism itself, but also in transportation, financing/funding, food-sharing, social services.

Due to the specifics of that segment, it is difficult to estimate its value in Poland. There are many companies that operate in this market, but it is difficult to indicate reliable numbers. The problems with estimating the value are partly due to the fact that in the case of sharing economy, it is very difficult to talk about the place of providing services. For example, PwC estimates that Airbnb publishing private accommodation publishes 11,000 announcements regarding Poland, which constitutes about 10% of the national hotel database. In turn, bike-sharing systems only use about 20% of the market potential in Poland, which is estimated at PLN 100–120 million annually (PwC 2016).

## Other Major Players

The subject of sharing and collaborative economy has become more and more popular in Poland. It is under the interests of researchers from numerous universities and research institutes in Poland. Among many others, there is Koźmiński University, [www.kozminski.edu.pl/en/](http://www.kozminski.edu.pl/en/), a private institution of higher education with full academic rights, located in Warsaw. The subjects the researchers are focused on are mainly tourism, accommodation, Airbnb, and Couchsurfing. The University realised the project focus on the growing phenomenon of virtual organizations offering accommodation—payable or for free, offering “a place on a couch” or whole houses/flats [www.kozminski.edu.pl/en/facultyresearch/research-projects/management-science/](http://www.kozminski.edu.pl/en/facultyresearch/research-projects/management-science/). Also researchers from Wrocław University of Economics, [www.ue.wroc.pl](http://www.ue.wroc.pl), public research university, located in Wrocław, are interested in sharing economy focusing on legal aspects; consumer trends, which can be found in Research Papers of Wrocław University of Economics, e.g., [www.dbc.wroc.pl/dlibra/publication/102412](http://www.dbc.wroc.pl/dlibra/publication/102412). Describing more research units can be said that almost every bigger university or economic/business school has on its account some research projects, papers, conferences related to sharing economy, including the Poznań University of Economics <https://ue.poznan.pl/en/> concentrated on economic aspects and trust in collaboration economy business, and Katowice University of Economics [www.ue.katowice.pl/no\\_cache/en.html](http://www.ue.katowice.pl/no_cache/en.html), which interest is about trust, consumers, business models.

Moreover, also individual entrepreneurs, NGOs, private businesses, and public bodies conduct research and promote the new business model among the sharing and collaborative economy in Poland. Between them are Zgiep Leading Innovations—private initiative <https://zgiep.com/category/sharing-economy/>, PricewaterhouseCoopers Poland, Polish Agency for Enterprise Development <https://en.parp.gov.pl>, Centre for Social and Economic Research (CASE) [www.case-research.eu/pl](http://www.case-research.eu/pl), who elaborated the working paper: “The Collaborative Economy in Poland and Europe: A Tool for Boosting Female Employment?” (Beaumont 2016).

## Summary

Over the past decade, many companies using this business model have started and carried out global expansion. From promising start-ups, they have become global companies. However, there are still issues unclear and unregulated, which is why

causing the feeling of inequality. The need for the European horizontal framework was recognised as a regulatory priority in this matter, combining general principles and specific provisions that would pave the way for an equal, uniform, and dynamic operating environment in the EU and avoid any possible negative impact on employees, the risk of unfair competition between traditional sectors and platforms for cooperation and tax avoidance. In the face of current problems in qualifying some services present on the market, that is a desirable direction, especially in the context of the scope of responsibility of service providers and equal opportunities for doing business.

Concerning the issue of the sharing economy, a lot of confusion arose, largely due to the lack of one coherent definition. Some researchers of the phenomenon believe that speaking about sharing economy is only while dealing with a spontaneous, non-commercial initiative whose goal is to reduce consumption through sharing. Clearly, there is a big significance between bottom-up projects based on sharing economy, such as item exchange groups, diverse types of cooperatives and often huge corporations using that trend for business purposes.

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## Collaborative Economy in Portugal: The Recent Evolution

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## Abstract

In this paper, we present an overview of the collaborative economy situation in Portugal. The chapter starts by presenting a number of local platforms and services. Overall, there seems to be a concern about the risk involved in the unregulated development of rental and mobility services. Therefore, we also highlight an overview of laws and regulations concerning the sharing economy platforms, especially for renting. This paper also presents issues related to rental platforms and touristification. We also present a list of the major local shared economy platforms and services.

**Keywords:** Collaborative Economy, Right to the City, Touristification, Ride-Sharing, Regulation

## Introduction

The main aims of this report are to understand what realm of practices can be considered part of the collaborative economy in Portugal, where social and solidarity economy has an established tradition and degree of institutionalization. Our main hypothesis is that the latter overshadows the first both in academic research and in public institutions and its regulations, which leaves the collaborative economy practices out of the scope of the national statistics. Nevertheless, in the last years, due to the rising impact of the collaborative economy in Portugal, the public debate around it led to the first attempts of regulation of this sector.

## Definition

This section presents an overview of the state of the collaborative economy in Portugal from a broad contextual perspective. We start by presenting the Portuguese situation within the European context. Afterwards, we provide some legal frames about the topic. According to the “Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 EU Member States Final Report” (Publications Office of the European Union 2018a), in 2016, the overall market size of sharing economy in Portugal rounded around EUR 265 million. The count of people employed by the sharing economy was about 8,400, the contribution to national GDP weighted 0.14%, and people employed by the collaborative economy were 0.17% of the working population. These data rank Portugal within the lower middle range of all Member States. According to the main source, the ratio of platforms per 1 million inhabitants (0.68) ranks below the EU average as well (Publications Office of the European Union 2018a). According to Eurobarometer (PublicOpinion: European Commission 2018), only 17% of Portuguese have ever used services offered through collaborative platforms, ranking last in the EU-28 countries.

It was not possible to find an official definition of a collaborative economy for Portugal. This absence might be related to the fact that the social economy is the legal framework (“Lei 30/2013, 08.05.2013” 2013), institutionally supported by the state. These more consolidated organizational forms have significant weight in the economy, as well as a strong presence in the communities, which contribute to the collaborative economy to be overlooked by public entities. Nevertheless, in grey literature, it is possible to spot some references to the sharing economy and related topics. For example, the report on Portugal budgeting (Relatório do Orçamento do Estado, 2018 (State Budget Report)) seems to reflect an overall positive attitude toward the potential of the sharing economy (and smart cities) in relation to fighting climate change and enhancing the quality of life. In particular, this document proposes to support (and eventually co-finance) living labs for decarbonisation that would promote solutions including, among others: soft and electric mobility, shared mobility and public transport, logistics, energetic efficiency of buildings, renewable energy, water, and waste management (Relatório do Orçamento do Estado, 2018 (State Budget Report)). More recently, the importance of the collaborative economy, and more specifically, collaborative economy mediated through digital platforms, has been mentioned in the governmental plan to support the circular economy in Portugal (Diário da República, 1.ª série, N.º 236, 2017 (Journal of the Assembly of the Republic)).

## Key Questions

The main questions we address in this report aim to reflect on the specificity of the Portuguese collaborative economy situation.

We focus on three main aspects: the specific local players and their topic of interest, the specific Portuguese legislation, and the urbanistic issue related to short-term renting services.

Therefore, we propose the following questions:

- What are the main local collaborative economy players in Portugal?
- How did Portuguese legislation address the main social and economic concerns connected to the increasing adoption of sharing economy platforms?
- What is the impact of short-term renting services on the major cities, in particular Lisbon?

## Examples

In the last years, a number of Portuguese collaborative economy platforms have emerged. In this section, we present a list that includes the main players. This list has been obtained with systematic online research conducted in 2019. The research was conducted using an online search engine (google.pt) in an anonymous web browser geolocalized in Portugal, using both keywords in English and in Portuguese, including “economia da partilha,” “economia partilhada,” “economia colaborativa,” “sharing economy,” and “collaborative economy.” We identified 22 main players. In the next paragraph, we present an overview of these services. Most of the players are clustered around the following areas: mobility, food, book, services. The remaining players are a platform to help people to find medium-term rent and a website that aggregates circular/sustainable economy projects. All the players are enlisted in Table 1. In the development’s session, we will compare and discuss the situation of these 22 players in 2020.

### Mobility

Mobility is by far the most populated category of sharing economy services, counting eight players operating in this context—these services range from bike-sharing to rental car and taxi.

Many services are related to the use of cars, including two carpooling services, two car-rentals, and one car-sharing. The two carpooling services are “Boleia” and “Via Verde Boleias.” “Boleia” is a Portuguese carpooling platform that was launched in 2015. It was the first carpooling service as, at the time, there was no other platform in the country. “Via Verde Boleias” is a Carpooling platform that also acts in partnership with big events, offering benefits (e.g., free parking) for drivers that carpool. Organizations (e.g., universities) can create close groups to organize carpooling between members.

The two car-rentals services are “Booking Drive” and “Car amigo.” “Booking drive” hosts both traditional car-rentals and people renting their own private car, while “Car amigo” only rents users’ private car. “Drive-now” is a car-sharing service active in Lisbon, recently it has been acquired by an international car-sharing company also operating in Germany, Austria, and Belgium.

Another mobility service is a taxi service. “Izzy move” was created by one of the biggest associations of cab drivers of Portugal in order to compete with Uber and similar services. The platform incorporates most of its competitors’ features, including anticipates price, covers all the national territory, tracks the whole trip with GPS, allows a variety of payments.

To conclude, there also is a bike-sharing actor. “Gira” is the only bike-sharing service we included; it has been active in Lisbon since 2017 and offers both regular and electric bikes.

## Food

The second-biggest category we identified concerns food. We found four players related to food services, including two delivery food services, meal intermediation and a local farmers network that sells vegetables and fruits using an online platform.

“Bring eat” and “Comer em casa” are the two food delivery services. Currently, Bring Eat is active in three cities in Portugal (Coimbra, Funchal, and Viseu). While “Comer em casa” serves 21 services, including Porto, Braga, Coimbra, and other smaller cities.

Both the services are food delivery service platforms that give the possibility to order food both through the platform and through telephone. These are two small but interesting examples because workers engaged in the delivery seem to be employed by the platform (or by the restaurants) in opposition to what occurs with other services such as Foodora or Glovo. Another peculiar aspect is that the platform services are accessible, also calling a telephone number. This aspect may reflect a sort of cultural preference toward less strongly mediated interactions.

“Eat Tasty” and “Portuguese Table” are two meal intermediation services. “Eat Tasty” connects home cooks, riders, and people that want to receive a home-cooked meal at the workplace. Active only in Lisbon. “Portuguese Table,” on the contrary, is active in nine cities. It is a platform allowing hosts to receive (paying) guests for a shared meal at their place.

The food-related service is “Prove,” a local farmers network that sells vegetables and fruits through an online platform. It was Developed under the EQUAL initiative, with pilot projects starting in 2006. Currently, it has active groups in twelve of the eighteen districts of the country.

## Books

Two services are related to books. “Book in Loop” is a platform that manages the selling and buying processes of second-hand schoolbooks. Sellers receive 20% of the cover price, and buyers pay around 40% of the cover price. A collection and quality control service back the platform. In 2017, they processed 70,000 books. In early 2019 the founders of “Book in Loop” have to launch a similar service for university books (uniloop). Further detail will be presented in the developments section.

“Winking book” is a bookcrossing platform. Unwanted books are registered on the platform and used as an alternative currency. The exchange is done directly by the platform users by mail.

## Services

We clustered under the label of “services” crowdlending services for enterprises, a platform to allow professionals to sell their services and a B2B delivery.

“Zaask” is a platform whose objective is to allow professionals to sell their services; on average, it seems to target and attract qualified professionals. “Raise” and “Portugal crowd” are two crowdlending services; the first is for enterprises, while the second is for real estate. To conclude, “MUB Cargo” is a B2B delivery.

## Rent

“Uniplaces” is the only medium-term rent sharing economy platform. The aim of this platform is to help people to find medium-term rent. The service is designed to help people looking for 6–9 months rents, and it typically targets Erasmus students. The company has been founded in Lisbon, and now it is quoted several million.

## Circular Economy Aggregator

“Circular economy” is a website that aggregates circular/sustainable economy projects (workshops, in particular). This website mirrors an idea of “digital” based on the motto “go online to get offline,” that exists in Portugal: a basic information exchange system, with the main goal of allowing people to meet face-to-face or via telephone to get additional information needed.

**Table 1. The List of the Main Local Collaborative Economy Services Active in Portugal in 2019**

Local Players	Description	URL	Note
Circular Economy	Website that aggregates sustainable economy projects	<a href="http://www.circulareconomy.pt">www.circulareconomy.pt</a>	Five ongoing listed projects, most of which based in Lisbon. Co-supported the communication project of the TV news program: <a href="http://www.epraamanha.pt">www.epraamanha.pt</a>
Raise	Crowdlending service for enterprises	<a href="http://www.raize.pt">www.raize.pt</a>	--
Portugal Crowd	Crowdlending service for real estate	<a href="http://portugalcrowd.pt">http://portugalcrowd.pt</a>	--
Uniplaces	Platform to help people to find medium-term rent	<a href="http://www.uniplaces.com">www.uniplaces.com</a>	The service is designed for 6–9 months rents, typically targets Erasmus students.
Gira	Bike-sharing	<a href="http://www.gira-bicicletasdelisboa.pt">www.gira-bicicletasdelisboa.pt</a>	Active in Lisbon since 2017 Offer and electric bikes
Boleia	Carpooling	<a href="http://www.boleia.net">www.boleia.net</a>	Founded in 2015, at the time there was no other platform in the country
Via Verde Boleias	Carpooling	<a href="http://www.viaverde.pt/particulares">www.viaverde.pt/particulares</a>	Carpooling platform that also acts in partnership with big events. Organizations (e.g., universities) can create close groups to organize carpooling between members.
Zaask	Platform to allow professionals to sell their services	<a href="http://www.zaask.pt">www.zaask.pt</a>	Attract qualified professionals.
MUB Cargo	B2B delivery	<a href="http://www.mubcargo.com/pt/">www.mubcargo.com/pt/</a>	They present themselves as the Uber of national/international B2B delivery.
Bring Eat	Food delivery service	<a href="http://www.bringeat.pt">www.bringeat.pt</a>	Serve 3 cities



			Workers engaged in the delivery seem to be employed by the platform (or by the restaurants)
Comer em Casa	Food delivery service	<a href="http://www.comeremcasa.com">www.comeremcasa.com</a>	Serve 21 cities
Portuguese Table	Meal intermediation	<a href="https://portuguesetable.com">https://portuguesetable.com</a>	A platform allowing hosts to receive guests for a shared meal. Active in nine cities.
Eat Tasty	Meal intermediation	<a href="https://eattasty.com/home">https://eattasty.com/home</a>	The platform connects home cooks, riders, and people that want to receive food at the workplace. Active only in Lisbon
Book in Loop	Platform managing the selling and buying process of second-hand schoolbooks	<a href="http://www.bookinloop.com">www.bookinloop.com</a>	Sellers receive 20% of the cover price, and buyers pay around 40% of the cover price.
Winking book	Bookcrossing platform	<a href="http://www.winkingbooks.com">www.winkingbooks.com</a>	The platform is free of charge.
--	Cowork	--	There is an extensive presence of co-working spaces. The phenomenon seems to be particularly extended in the biggest cities
PPL Crowdfunding Portugal	Crowdfunding	<a href="https://ppl.pt">https://ppl.pt</a>	Online platform that provides support for all types of crowdfunding campaigns.
Booking Drive	P2P (and traditional) car rental	<a href="http://www.bookingdrive.com/en">www.bookingdrive.com/en</a>	Both traditional car rental and people renting their own private car
Car Amigo	P2P car rental	<a href="http://www.caramigo.eu">www.caramigo.eu</a>	Only rent individual and private users' cars
Drive-Now	Car-sharing	<a href="http://www.drive-now.com">www.drive-now.com</a>	The service is active in Lisbon. Recently, an international car-sharing company bought it.
Izzy Move	Platform to book taxi	<a href="http://www.izzymove.pt">www.izzymove.pt</a>	Created by a cab drivers association of cab
Prove	Local farmers network that sells vegetables and fruits through an online platform	<a href="http://www.prove.com.pt/www/">www.prove.com.pt/www/</a>	Developed under the EQUAL initiative Has active groups in twelve of the eighteen districts of the country.

Source: Own elaboration.

## Context

The majority of spread narratives around the sharing economy tend to stress its potential in terms of economic growth and eco-sustainability. Members of the government express similar positions as well; for example, in an interview carried on in the context of a European project, the Ministry of the Economy declared that “Overall the government is working to reduce barriers for collaborative economy platforms, to make Portugal more attractive for international and domestic players” (Publications Office of the European Union 2018a).

Despite these narratives, Portugal is increasingly intervening to regulate this sector, in particular around short-term rental and shared mobility.

## Peer-to-Peer Accommodation and Short-Term Rentals

For several years, in Portugal, to open a short-term rental activity, people had to register it in the local government offices. Moreover, owners have to install on the outside of the premises a board with the national logo of the short-term rental: “AL” that stands for Alojamento Local (Local Accommodation). In 2018, short-term rent platforms (e.g., Airbnb, HomeAway) were additionally regulated to try to avoid the biggest speculations, to limit conflicts with the neighbours and to try to preserve the authenticity of traditional neighbourhoods. New hosts will have the possibility to rent a maximum of 9 (7 in several areas) flats. Also, municipalities will have the power to decide whether an area of the city is already over-exploited by this kind of business. In this case, they will have the power to prevent new openings from preserving local identity. To install a new hostel in a condominium inhabited by other people, they will need to give their consent. Moreover, in case the misuse of a short-term rental flat would disturb the regular use of the space, condominium inhabitants will have the possibility to present a collective complaint to the municipality (Patricio 2018). This complaint could eventually lead to the obligation of closing the short-term rental. Hosts will have to provide each rented flat with additional civil insurance and will be held responsible for the eventual damages that their guests will cause to the common spaces (Patricio 2018). Since 2017, people renting through short-term rental platforms have to pay taxes. Up to 200,000 EUR, they pay taxes on 35% of the revenues; 65% of the revenue is not taxed because this amount is considered the percentage of costs covering the expenses needed for running the business (Regime de Tributação 2018).

## Mobility

In 2015, the Court of Lisbon prohibited Uber Pool, Uber POP, and similar platforms from providing transportation services (Pimentel 2015). In 2018 Portugal regulated Uber/Cabify/Taxify and similar services. The new law is restricting the possibility to become a driver to people having a driving licence for at least three years, driving cars having less than seven years. Also, drivers will have to obtain a specific certificate of “driver of a vehicle operating through digital platforms.” To do that, they will have to attend 50 hours theoretical-practical course delivered by driving schools. The topics of the course are interpersonal communication, driving technique, drive-related legislation, and first aid. The course and the resulting certificate cost around 300 euro, setting, therefore, an entry cost for accessing the driving platform. Also, for specific demographics, 300 EUR is not a small amount of money, as in Portugal, the minimum wage rounds around 600 EUR. Even more importantly, taxi drivers have to have an employment contract (max 10 hours driving each day, regular and fixed payment) with a company that will intermediate the service with the platform. On the other side, Portugal is preventing Uber drivers from “rating” passengers to avoid possible discrimination (Nunes 2018).

The experience with bike and electric scooter-sharing provides a good example of the divided approach of the Lisbon administration toward new mobility solutions.

In 2018, Obike (a bike-sharing company) launched its dockless service in Lisbon but was forced out by the municipality because people using the service were not complying with the parking rules. The city council gave the company some time to fix the problem, and then, as the company did not enforce their requests, the local police physically removed the Obike bikes from the city. On the other side, currently, Lisbon is invaded by dockless electric scooters, and at the beginning of 2019, the municipality

allowed the presence of Jump (Uber dockless bike-sharing, working with Uber app). Apparently, Lisbon is the city Uber chose to launch the service in Europe.

The position of the municipality could be described by the words of a representant of the mobility department of Lisbon: “The Lisbon Municipal Council welcomes the shared solutions, whether they are for cars, bicycles or other transport (...) We want this kind of services in the city, but it is necessary to define rules that allow good coexistence between all elements of the mobility ecosystem” (“Tudo o que correu mal com as bicicletas partilhadas em Lisboa,” 2018 (Everything that Went Wrong with Shared Bicycles in Lisbon)). Regarding bicycles and other active forms of transportation, the “Active Mobility Strategy,” launched in March 2019, might be an opportunity, given the government’s commitment to achieving 10% of daily commuting by bicycle in the cities, and 7.5% at the national scale (it is currently 1%) (“Estratégia Nacional para a Mobilidade Ativa,” 2019 (National Strategy for Active Mobility)).

## Developments

Overall, the scale-up ecosystem is growing “twice as fast as the European average” (Publications Office of the European Union 2018a). Although the usage of collaborative platforms is not widely adopted among the Portuguese population, 50% of people that use them tend to substitute traditional channels rather than using both systems (while the EU28 average is 32%) (PublicOpinion: European Commission 2018).

According to a “Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 EU Member States” (Publications Office of the European Union 2018a), in 2016, the accommodation sector employed the highest number of persons (4,696). The transport sector is considerably smaller, employing 2,161 people. Nevertheless, the percentage of Portuguese people using transport platforms is higher (12%) than the percentage of Portuguese using accommodation platforms (9%). Finally, finance and online skills platforms display only 567 and 961 workers, respectively. The accommodation sector generated the highest revenues with more than 120 million, followed by the finance sector (71 million), transport registered 39 million and the online skills sector 35 million (Publications Office of the European Union 2018a).

One major issue, mainly in the larger cities of Lisbon and Porto, is the displacement of populations, given to the lack of rent-controlled housing and speculation in the housing market, related to gentrification and touristification (Queirós 2015). Touristification of the main cities (Lisbon, in particular, and on a smaller scale, Porto) are possibly the country's major challenge connected to the sharing economy. On one side, before this process started, about 30% of the buildings suitable for living habitation were empty in the historical centre of Lisbon (Publications Office of the European Union 2018b). On the other side, according to Moody’s agency, this led to a 50% increase in real estate prices between 2012 and 2018, while salaries only increased by 10% (Lourinho 2019).

In Lisbon and Porto, rent prices are now prohibitive (Godinho 2019) if compared to Portugal minimum income (which was fixed around 600 EUR in 2020) (PORDATA 2020), while short-term rental apartments seem to be everywhere (e.g., Cocola-Gant and Gago 2019, Ferri de Camargo Paes 2020). The appetite for profits with housing combined with the flexibility of the house rent market legislation has led to a series of evictions of tenants from their homes in both cities. In Porto, where these evictions were particularly harsh (Teixeira 2018), a movement—Direito à Cidade (Right to the

City)—was formed by people that struggle to find a place to live and to fight against the gentrification process that excludes local people from the city centre (“Movimento “Direito à cidade” quer dar acesso à habitação no Porto,” 2018 (The “Right to the city” Movement wants to give access to Housing in Porto).

Another issue is the feeling of some Lisbon and Porto inhabitants that the city “has been stolen” by tourists. This issue is under looked at in academic literature, but few articles discussing it exists. Alfama, one of the central neighbourhoods of Lisbon, has been quite studied. For instance, Sequera and Nofri (Sequera and Nofre 2019) analysed the case of Alfama, one of the central neighbourhoods of Lisbon, and how the presence of Airbnb and the touristification process, in general, impacted the overall development of the neighbourhood. According to the author, the processes of gentrification and studentification that were occurring in the area since the late 1990s were disrupted by the presence of Airbnb and the recent touristification, resulting in a transformation of the neighbourhood into an “outdoor hotel.”

Cocola/Gant and Gago conducted another study that focuses on the case of Alfama (Cocola-Gant and Gago 2019). The authors conducted fine-grained fieldwork between 2015 and 2017. In their research, they did not find evidence of a collaborative approach. Rather, the two authors encountered and described a buy-to-let investment in which different players profit from rents replacing residents with tourists.

In his thesis, Paes analysed the overall development of Airbnb in the entire city of Lisbon (Ferri de Camargo Paes 2020) and how the presence of the platform is affecting housing stock, renting price, regulation and policy, gentrification, and the touristic environment of the city in Lisbon. According to his analysis, the Airbnb business is growing in stride around the entire country. In Lisbon, in particular, the platform has increased by 192% number of listings and by 144% entire homes listings during the time of his analysis (that ranges from March 2015 to December 2018), rising throughout the historic centre and expanding to the surroundings, similar to a gentrification tendency. In particular, the author reports how many rental costs are far too high to be afforded by the average Portuguese population, a single room costing an amount of money compared with the minimum wage salary (Ferri de Camargo Paes 2020). This trend can also be found in other platforms; for instance, the website Uniplace (<https://rent.uniplaces.com>, link visited in June 2020) estimates 605 EUR as total profit for property owners renting a single room.

In Porto, there was a mediatic dispute between the Mayor and a movement that criticised the municipalities brand “Porto.” by spreading posters with an alternative version of it “Morto” (which means “dead” in Portuguese) (Rui Moreira repudia autores dos autocolantes “Morto.” 2017, in English: Rui Moreira repudiates the authors of the stickers “Morto”). The critique aimed at the global commodification of the city that suffocated the local business and culture. These areas where a short-term rental is growing very fast, causing the discontent of part of the population, may be a fruitful lab for experiments such as Fairbnb. In these areas, combining some form of restitution to the neighbourhood and more democratic forms of governance may mitigate some downsides of touristification. It is interesting to notice that, although sharing economy platforms, such as Airbnb, are a part of this dilemma, they have been used and formed to sustain collective reactions in order to cope with the difficulties of housing prices and fight for more fair legislation and fiscalisation of eviction procedures.

To conclude the overview of the recent development of the collaborative economy in Portugal, we analysed the situation of the players active in 2019 (described in the

Example Section) in 2020. Most of the players described in Table 1 are still active. The only discontinuity appears to be Portugal Crowd, a crowdlending service for real estate. The website (<http://portugalcrowd.pt>) of this service is no longer reachable. Also, the car-sharing service Drive-Now ([www.drive-now.com/pt/en/lisbon](http://www.drive-now.com/pt/en/lisbon)) recently discontinued its service in Portugal, although the platform is still operating in other countries.

In addition to the player highlighted in the Table, we wish to mention also UniLoop, a platform created by the founders of “Book in Loop,” launched UniLoop, a platform for the second-hand shipment of schoolbooks. According to (Pimentel 2018), the platform allows families to buy books at the cost of 40% of the new book, while those who sell books receive the 20% of the price of the book new.

## Issues

As we have seen in the development session, one major issue that primarily affects the larger cities of Lisbon and Porto is the lack of control over rent housing and speculation in the housing market, that are often resulting in gentrification and touristification (Queirós 2015). For instance, the rental prices in Lisbon reached a very high amount that clearly does not address Portuguese people, as a minimum wage amount might be charged for a single room (Ferri de Camargo Paes 2020). At the same time, the touristification, boosted by the presence of Airbnb, is radically transforming some areas of the city, rendering entire areas tourist-oriented spaces (Sequera and Nofre 2019). At the same time, it appears that in specific areas, the presence of Airbnb is not lead by a sharing or collaborative approach, rather by a real business-driven acquisition of houses (Cocola-Gant and Gago 2019).

It is interesting to notice that, although sharing economy platforms such as Airbnb is a part of this dilemma, other platforms have been used and formed to sustain collective reactions in order to cope with the difficulties of housing prices and fight for more fair legislation and fiscalisation of eviction procedures.

Searching online for information on the Portuguese collaborative economy, the newspapers/websites/blogs that are not directly targeting displacement processes usually seem optimistic and positively oriented toward it and toward the collaborative economy in general.

Mainstream media mostly overlap them and tend to focus on the potential of a collaborative economy to get advantages to Portuguese society.

## Other Major Players

In the Portuguese collaborative economy landscape, we can also encounter other players who are pushing toward or against the market regulation, in particular related to short-term rental and mobility platforms.

For instance, “Direito à Cidade” (Right to the City) and “O Porto não se vende” (Porto is not for sale) in Porto, and “Habita” (Dwell) and “Stop Despejos” (Stop Evictions) in Lisbon are four organizations aiming at contrasting some of the adverse effects of the touristification in the city where they are located. In particular, these organizations act against the displacement processes due to the rising of rents in the central areas. On the contrary, both the Associação da Hotelaria, Restauração e Similares

(accommodation and restoration association) and the Associação de Alojamento Local (short-term rental association) openly contrasted the new restricting regulation of the short-term rental, arguing that additional rules will negatively affect tourism.

To conclude this section, ANTRAL (the national association of taxi drivers) promoted demonstrations against Uber and Cabify. Moreover, it initiated the legal process that led to the Lisbon Court decision of prohibiting Uber Pool and Uber POP.

## Future Directions of Research

From our research, it appears that an academic debate discussing the issues related to collaborative economy in Portugal is still in an early stage, and this phenomenon deserves specific studies.

As we have seen (Cocola-Gant and Gago 2019; Lourinho 2019, Ferri de Camargo Paes 2020), short-term rental services might have quite a negative drawback on the local population. Recent Portuguese legislation developed policies aiming to limit issues related to the increase in rental costs, and the progressive touristification might have a positive impact on the central area of Lisbon and Porto. We support that the effect of this regulation is worth studying.

We also aim to encourage further research that investigates the positive aspects of the collaborative economy in Portugal. Particularly relevant and promising seems the cases of the book sharing services such as “Book in Loop” and “UniLoop.”

## Summary

In this paper, we presented an overview of the collaborative economy in Portugal. We started by presenting a number of local shared economy platforms and services. We highlighted how the situation of these players have changed between 2018 and 2020, highlighting, in particular, the positive impact of book sharing services.

Portuguese public authorities seem worried about the risk involved in the unregulated development of rental and mobility services and are intervening to regulate this sector. Therefore, in this paper, we also present an overview of such regulations. A large part of our text focused on rental related and touristification issues that are a direct or indirect consequence of the big international short-term rent platforms such as Airbnb. This aspect seems to be a central issue related to the current Portuguese situation, as highlighted by (Cocola-Gant and Gago 2019; Lourinho 2019), as it is negatively affecting the rental costs that can be too expensive for the local population (Ferri de Camargo Paes 2020).

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## Serbia: Sharing Economy as a New Market Trend and Business Model

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**Abstract**

In the developed countries, the importance and development of sharing economy as a new economic model have been increasingly discussed in recent decades. In Serbia, sharing economy has not yet been sufficiently explored in official reports and academic literature. On the other hand, in practice, there are several collaborative platforms used by consumers. Therefore, the purpose of this study is to point out the specifics of the sharing economy in Serbia. At the outset, after a brief introduction, the concept of a sharing economy is defined. Consumers' attitudes about knowledge of the sharing economy, the expectations, and motives that drive them to market engagement are examined and presented. Examples of good practices in the field of sharing economy in Serbia are given. The factors that stimulate or restrict the development of the sharing economy are highlighted, and the legislative framework that directly and indirectly regulates this area is presented. The conclusion about the level of the development of sharing economy in Serbia is derived, and recommendation for future research is given.

**Keywords:** Sharing Economy, New Business Model, Motives and Barriers, Consumers Perspective, Serbia

## Introduction

In the past few years, the economic crisis has been reducing trust in corporate business, and on the other hand, increasing unemployment and falling solvency demand have encouraged people to look for new ways to earn income and/or savings, making the sharing economy more meaningful. These problems present challenges for utilising the available capacities, information, technology, social networks, all with the aim of making more efficient use of the excess capacity of certain products and services.

Serbia has the potential to develop a sharing economy, new knowledge and experiences are being adopted relatively quickly, and the development of this market segment would contribute to an improved overall supply of goods and services.

This study looks at the specifics of the sharing economy in Serbia. At the outset, after a brief introduction, the concept of a sharing economy is defined. Consumers' attitudes about knowledge of the sharing economy, the expectations, and motives that drive them to market engagement are examined and presented. Following this segment, the most significant examples and illustrated companies according to Timbro (Timbro is the leading free-market think tank in the Nordic countries) methodology which has market potential are presented. The factors that stimulate or restrict the development of the sharing economy are highlighted and the legislative framework that directly and indirectly regulates this area is presented separately. So far, the problems of the sharing economy in Serbia have not been sufficiently explored, whether speaking in a micro or macro context, and so many questions need to be answered and guidelines for further development defined. Finally, the research results are the starting point for the further development of this market segment and the formation of a sharing economy development strategy.

## Definition

Sharing economy is a term that is defined in diverse ways in literature and practice. Depending on the definition of the sharing economy itself, different data on the size of the sharing economy market are present (Brozović et al. 2018). The sharing economy in the Internet era involves a new economic model of sharing resources (products, services, and human labour) using new technologies to deliver new services, produce, distribute, and share. With the support of innovative technologies, this market trend facilitates the use of information that allows the use of the excess capacity of certain products (housing, car, etc.) or services (excess time that can be devoted to different jobs) (5). Manufacturing in a sharing economy is based on the principle of collaboration. Distribution is horizontal; the consumer, through the Internet platforms or mobile application, contacts the individual, offering what is required. There are few or no mediators; contacting is mostly online. The exchange is based on trust between service users. Consumption is viral, the exchange is a value in itself, and affordability is gaining momentum over possession. The exchange fee may be tangible or intangible. It is characterised by decentralisation, which is enabled by new ways of doing business and communication, followed by a greater and more balanced representation of producers and consumers (6). The sharing economy is an ecosystem consisting of people, production, values, and systems of exchange, distribution, planet, power, common law, communication, culture, and the future. People represent the essence of a sharing economy. These are individuals, companies, and associations

that have an established sharing system that contributes but also benefits from sharing. Floor production is implied by people, organizations, and communities who are producers of certain products or services that can be disseminated through technology worldwide. The value and the exchange system are not exclusively reflected in financial profit, but there are various forms of exchange, incentives, and value creation in it. In a sharing economy, funds are never used once but over and over again distributed to various parties. Taking care of the planet is another aspect of the sharing economy, so it tries to influence individuals as well as communities to reduce harmful things for the planet. Power may be reflected in the ability of some organizations or associations to assist individuals or support an initiative, while the common law refers to the existence of trust and respect for agreements and regulations (7). The emergence of a sharing economy was crucial to the development of modern information and communication technologies and the ability to pay online. However, social networks have influenced growth by increasing the culture of sharing and connecting people. These links are based on the trust and recommendations obtained through social networks, as well as a clear identity-check of the service providers and users (Živanović et al. 2018).

## Key Questions

As there is no research in the academic literature and official reports in Serbia about the familiarity of users with the notion of sharing economy, their participation, and attitudes, a pilot project on a smaller sample of respondents was done. Based on the available literature, a questionnaire with key questions that wanted to be explored was created. The survey was conducted on a sample of 500 respondents aged 20 to 35 years in the territory of Belgrade and Novi Sad (the largest cities in Serbia). This age category of respondents was chosen because, according to the consumer surveys in Serbia, it is precisely this age category of respondents that have shown the greatest tendency to buy online. The goal is to determine the extent to which a consumer group that is inclined to buy online is familiar with the sharing economy because they represent a potential market for the development of a sharing economy in Serbia. After rejecting the incomplete questionnaires, a final sample of 486 respondents was obtained.

When asked whether they are familiar with the term collaborative economy or sharing economics, 36.63% of respondents answered that they were familiar, and 63.37% of respondents said that they were not familiar with the term. After the first question, respondents were given an explanation of the term itself. Then more detailed questions were asked to determine how many of them participated in the sharing economy. As many as 59.26% of the respondents used one of the sites for renting apartments and flats. All respondents who stated that they used one of the websites for renting apartments and flats said that they used [www.booking.com](http://www.booking.com), 59.26% of them. Site [www.airbnb.com](http://www.airbnb.com) 5.56% of respondents used. Of the regional sites, 14.81% of respondents indicated that they used the site [www.sobe-smestaj.com](http://www.sobe-smestaj.com), while 3.70% of respondents showed that they used the site [www.realitica.com](http://www.realitica.com).

When asked if they once rented a car, bicycle, taxi transportation using the app on mobile or online, 25.92% of the respondents said that they did. However, for ancillary services, for example, saving the house, only 5.56% of respondents used the mobile app or the Internet. 12.96% of respondents used professional consulting services via the Internet or mobile application. While it is questionable whether they used to rent



different types of second-hand goods over the Internet, for example, books. 7.41% of respondents said yes. Based on the received answers, it can be concluded that the service users in Serbia have so far had the largest share in the sharing economy in the field of renting flats and apartments, and then in the renting of vehicles.

However, it is determined which areas, in their opinion, have the greatest potential for developing a sharing economy. The largest number of respondents, 40.82% of them, believes that the greatest potential for the development of the sharing economy is in the field of tourism. This answer is also a logical consequence of the fact that it was in this area that respondents made the most of the services that can be subsumed under the sharing economy. The next perspective area in the opinion of 24.49% of respondents is the food industry. This response is also expected given the significant share of agriculture and the food industry in Serbia's GDP, as well as the favourable natural resources for the development of this sector. Therefore, respondents believe that this sector also provides a good basis for developing a sharing economy. Another area where 12.24% of respondents see the potential for developing a sharing economy is retail. In the area of transport, 10.20% of respondents see the chance of developing a sharing economy, while in the area of finance, 10.20% also see the least negligible number of respondents. Only 2.05% of respondents see the chance of developing in the media industry, which is a consequence of the fact that in Serbia still the structure of GDP is dominated by classic services.

One of the most important questions that were analysed is the respondents' views on what are the most important motives for their participation in the sharing economy. On a scale of 1 (least important) to 5 (most important), it was found that for 74.08% of respondents, saving money is very important because it is rated 4 and 5.

**Table 1. Importance of Saving Money as a Motive in the Sharing Economy**

<b>Rating</b>	<b>Number of Respondents</b>	<b>Percentage</b>
1	9	1.85
2	9	1.85
3	108	22.22
4	180	37.04
5	180	37.04

Source: Own elaboration.

The opportunity to earn extra money simply as a motive in the sharing economy was rated by 74.08% of the respondents with a score of 4 and 5. The analysis of the data showed that the same number of respondents gave high ratings for the money-saving motive as well as the opportunity to earn extra money. However, the motive for the possibility of additional earnings is stronger because, in the case of this motive, as many as 51.85% of the respondents give a rating of 5, while for the motive of saving money, 37.04% of the respondents give a rating of five. This result can be explained by the fact that the average salary in Serbia is relatively low compared to developed European Union countries, and respondents are of such an age structure when they are most motivated to seek additional employment and earnings in addition to their primary job.

**Table 2. The Importance of the Opportunity to Earn Extra Money Simply as a Motive in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	9	1.85
2	36	7.41
3	81	16.67
4	108	22.22
5	252	51.85

Source: Own elaboration.

The third motive examined was the protection of the environment. The result got is that 62.96% of the respondents rate this motive with high marks. This data shows that more than half of the respondents are aware of the importance of the sharing economy for the protection of the environment, which is positive. However, given the level of development of Serbia, this motive is still less significant than the previous two examined motives.

**Table 3. Importance of Protection of the Environment as a Motive in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	54	11.11
2	45	9.26
3	81	16.67
4	99	20.37
5	207	42.59

Source: Own elaboration.

The importance of community as a motive in the sharing economy is rated by the lowest number of respondents compared to the previous motives, a total of 59.26%. This result is a consequence of the fact that Serbia transforms from a collectivist society (according to Hofstede's model) gradually into an individualistic society, in which the motive of communion is weakened, and therefore this motif, although rather highly rated, is of importance behind the last three examined motives.

**Table 4. The Importance of Community as a Motive in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	54	11.11
2	54	11.11
3	90	18.52
4	117	24.07
5	171	35.19

Source: Own elaboration.

To better understand respondents' motivation to participate in the sharing economy, they were asked about the reasons for not participating in the sharing economy. Grade 1 was rated as the least important reason, and grade 5 as the most important reason for not participating. According to the results obtained, 37.04% of the respondents give high marks (4 and 5) for preferring their own ownership of the property. However, the majority of respondents, 44.44%, think that the importance of this reason for not participating in the economy of medium strength or gives a grade 3.

**Table 5. The Importance of Preferring One's Ownership of Property as a Reason for Not Participating in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	18	3.70
2	72	14.81
3	216	44.44
4	81	16.67
5	99	20.37

Source: Own elaboration.

Lack of trust in online collaboration platforms they never used as 40.74% of respondents rate the reason for not participating in the economy of sharing high scores. For a group of 31.48% of respondents, that reason is of medium strength. However, 27.78% think that this reason is not as significant as they give low marks. It can be concluded that, for the second reason, respondents are more divided than the first reason by those who strongly believe that this is a significant reason for not participating in the sharing economy and by those who believe that this reason is not important. It can be assumed that the reason for such divided attitudes is in the personality of the users themselves, that is, their tendency to accept innovations, which may be the subject of more detailed research in perspective.

**Table 6. The Importance of the Lack of Confidence in Internet Platforms for Collaboration That Never Used as a Reason for Non-Participation in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	27	5.56
2	108	22.22
3	153	31.48
4	63	12.96
5	135	27.78

Source: Own elaboration.

44.44% of respondents point out the fear of online payment as a significant reason for not participating in the sharing economy, while 35.19% of respondents rate this reason with a mean score, and 20.37% give low marks. This, in turn, points to the fact that this reason is the most significant of the three reasons examined for not participating in the sharing economy.

**Table 7. The Importance of Fear of Online Payments as a Reason for Not Participating in the Sharing Economy**

Rating	Number of Respondents	Percentage
1	18	3.70
2	81	16.67
3	171	35.19
4	54	11.11
5	162	33.33

Source: Own elaboration.

## Examples

### Digital Agriculture of Serbia AgroSens (<https://agrosens.rs/#/app-h/about>)

It is a digital platform that supports farmers and agricultural companies in monitoring crop conditions and planning agricultural activities. Developed by the Novi Sad BioSens Institute, it is an important step in digitising Serbia's agriculture and increasing the efficiency and competitiveness of domestic producers. Through the same user account, the AgroSens digital platform gives access to the whole system: an AgroSens web application designed for comfortable work on a computer and an AgroSens Android application that turns a mobile phone into a new and useful tool for the farmer. The AgroSens web application is intended for visualisation and detailed data analysis, while the AgroSens Android application, in addition to instant insight into all the data it provides in the field, also enables quick and easy data entry into the system. The following basic services are available to AgroSens digital platform users: Agricultural Activity Log; Weather forecast at the location of the plot; Satellite crop indices

describing plant growth, photosynthesis intensity and availability of water and nutrients; Review of land analysis; Viewing crop photos; Information on smart technologies used in agriculture; The latest information on the occurrence of diseases and pests in the vicinity of the AgroSens digital platform is intended for other types of users—state administration, local self-government, research institutions—which provides detailed insight into specific aspects of agricultural production. For advanced users, additional services are also available specifically tailored to their requirements, such as collecting, visualising and analysing data from their own sensors: weather stations, soil and leaf humidity sensors, etc.; storage and visualisation of own data from agricultural machines (yield and moisture map, field profile map, etc.); storing and visualising maps of the physical and chemical composition of the soil; determination of management zones; and visualisation and analysis of drone images and inclusion in the system of other user-defined data.

### CAR: GO (<https://appcargo.com/en@latin/>)

It is an example of a business operating on the principles of sharing economies for the provision of off-urban urban transport services. The factors behind CAR: GO's successful business is the use of modern technology—driving ordering and payment applications, external vehicle tracking. The app allows you to determine pricing and driver and vehicle information early. Another important factor for success is the continuous improvement of the service (driver selection, equipment, and tidiness of the vehicle). The cost of the service provided by CAR: GO is up to 50% lower than the traditional city taxi and is not charged. CAR: GO Association services can be paid using a PayPal account, and there is another payment method—CAR: GO Credit. A driver is a person who is carefully selected (via the Infostud portal, or Facebook, Instagram, and Google Ads). CAR: GO provides compact vehicles for its services and may be owned by CAR: GO drivers or owned by partner companies where the drivers are employed. Also, the company offers the service of driving in luxury vehicles.

### Crowdfunding ([www.crowdfunding.rs](http://www.crowdfunding.rs))

It is a platform through which users can overcome funding problems at different stages of project implementation. The activities of the platform are based on promoting the business idea, and the key difference with bank guarantees is that in this way, financing does not require guarantees and guarantors. There are four models of crowdfunding at Crowdfunding: 1) Donation Crowdfunding for humanitarian and non-profit campaigns. Donors approve funds for a specific idea without expecting a profit. It is most commonly used for the development of socially useful projects, cultural events, and endorsements (e.g., donations.rs); 2) Crowdfunding in Serbia is the most famous form of this funding model (e.g., Kickstarter and Indiegogo). Unlike the donation model, financiers offer a reward here in return for financial support; 3) Investment crowdfunding offers the opportunity to get an HOV instead of a reward. The most well-known Investment crowdfunding companies are Player Hunter and StrawberryEnergy; and 4) The fourth model of crowdfunding is crowdfunding lending, where online lending is done with interest rates that are lower than at banks.

Food Bank [www.bankahrane.org](http://www.bankahrane.org) is the digital platform that is implemented jointly by the United Nations Development Programme (UNDP) and the company Delhaize Serbia, which decided in this manner to upgrade the project “Helping Those in Need.” The project has been implemented since 2015 in 35 cities and towns across Serbia, and thanks to it, 9,000 socially vulnerable citizens receive food every day from over 70 organizations using the Food Bank. So far, more than 3,000 tons of food has been

donated. Through this project, the company Delhaize Serbia and the Belgrade Food Bank have established the principle of using food surpluses in a manner that has been practised across Europe for years.

### The Start-Up Centres (<https://startupcentar.rs>)

Provide assistance and support to future entrepreneurs in developing their business ideas. Entrepreneurs can, through mentoring support, receive free advice and help from ideas to realisation and market launch. Many firms have emerged from these centres and business incubators. Through the financing of entrepreneurs, the state provides support: grants, taking part in the risk, securing loans on favourable terms, etc. In addition to these centres, the most represented area of the sharing economy is co-working spaces.

### BeeHome Co-working is Entrepreneurship (<https://crnjakovic.com/beehome-co-working-subotica/>)

It was founded in Subotica by Željko Crnjaković, who has been engaged in Internet entrepreneurship and educating people about new ways of doing business for several years. When he became an entrepreneur two years ago, he realised that as a beginner in business, he lacked cheap office space and invested his own funds in opening the first co-working in Subotica. In parallel with the growth in the number of users of this office space, their satisfaction is growing—working in a co-working space has the effect of improving their productivity, interactivity, and, ultimately, being positive for business and private life.

Modern business models collectively change the way consumers think. At the heart of the change are the Internet, easy access to information, and an increase in the activities and potential of social networks. Due to the increasing number of digital devices, supply and demand are confronting all the time in many forms (renting, lending, subscription, resale, exchange, and donation). The classification of cases/examples of sharing economics is shown below.

**Table 8. Examples of Economics Division in Serbia**

Item	Name	Description	URL
Food	Food Bank	Collecting food and sharing it with the poorest. Online platform for food donation. More than 70 organizations in Serbia involved	<a href="http://www.bankahrane.org">www.bankahrane.org</a>
	Bring it	Food delivery to home address	<a href="http://www.donesi.com">www.donesi.com</a>
	AgroSens	A digital platform to support farmers and agricultural companies in monitoring crop conditions and planning agricultural activities	<a href="https://agrosens.rs/#/app-h/about">https://agrosens.rs/#/app-h/about</a>
Start-up Business	Start-up centre	Free support for young people to start their own businesses through mentoring	<a href="https://startupcentar.rs">https://startupcentar.rs</a>
	Move on	Support and consulting for starting your own business	<a href="http://www.pokreni.se">www.pokreni.se</a>
	Impact Hub Belgrade	Support for business development through team building, networking, communication	<a href="https://belgrade.impacthub.net">https://belgrade.impacthub.net</a>

	Portal entrepreneurship (Enterprise Portal)	Free services and assistance, as well as grants and subsidies for entrepreneurs and SMEs	www.preduzetnistvo.gov.rs
	My company (My company)	Free business start-up, consulting and accounting tips. Success stories	www.mojafirma.rs
	Crowdfunding	A platform for group funding for start-ups	crowdfunding.rs
	BeeHome Co-working Subotica	Support platform for entrepreneurship and education	crnjakovic.com/beehome-co-working-subotica/
Transportation	Car go	Connecting drivers and transport users	https://appcargo.com
	BlaBlaCar		www.rs.blablacar.gg
	Get a ride		www.povezi.com
	StuDrive		studrive.com
	AutoHop	It is a regional "ride-sharing" (transport sharing) network for connecting Serbia, Hungary, Romania, and Croatia, and easily transported to more distant countries	autohop.rs
Co-working	Regus	Business spaces for rent	www.regus.rs
	DANUBE TERRACES HUB (DT HUB)	Space is adapted for businesspeople on the move, entrepreneurs of	dunavsketerase.rs
	Mokrin House	It is a co-working and colouring space	mokrinhouse.com
	OUR Hub	Sharing common offices and equipment	www.our.rs
	Think Innovative		http://thinkinnovative.rs
Accommodation	Airbnb	Private accommodation offers for rent	www.airbnb.rs
	Rooms accommodation	Private accommodation offers for rent	www.sobe-smestaj.com
	Realitica	Private accommodation offers for rent	www.realitica.com
	Home Exchange	Private accommodation offers for rent	www.homeexchange.com
	Real estate	For sale and rent of apartments and houses without intermediaries	www.nekretnine.rs
	4walls (4Walls)	Sale and rental of apartments and houses without intermediaries	www.4zida.rs
	BeoApartman	It is a platform for renting apartments in Belgrade	beoapartman.com
	vayable	It is a global platform for an engaging tour guide to visit the sights of a city. There is a tour only for Belgrade at the moment in Serbia	vayable.com/experiences/5806-ring-my-belgrade
Cars	Used Cars (Used Cars)	Used Car Offer and Sale Without Dealerships and Brokers	www.polovniautomobili.com
	My Car		www.mojauto.rs
Education	Khan Academy	A platform for help in learning	sr.khanacademy.org



Recycling	Recycling Association of Serbia (Recycler Association of Serbia)	Collection from the community and recycling of electronic waste, batteries, light bulbs, car tires, paper, oil	<a href="https://reciklerisrbije.com">https://reciklerisrbije.com</a>
	Five recycling (Five Recycling)	Plastic recycling	<a href="http://www.petreciklaza.com">www.petreciklaza.com</a>
Goods and services	Buy Sale (I buy and Sale)	Offering different categories of products and services. Connecting sellers and buyers	<a href="http://www.kupujemprodajem.com">www.kupujemprodajem.com</a>
	Lalafo		<a href="https://lalafo.rs">https://lalafo.rs</a>
	Legal advice	Free legal advice	<a href="http://www.pravnisavet.net">www.pravnisavet.net</a>
	Contracts	Free contracts for different areas	<a href="http://www.ugovori.rs">www.ugovori.rs</a>
	Children's work (kids Jobs)	Offers kids new and used items	<a href="http://www.decjaposla.rs">www.decjaposla.rs</a>
	ORMANCI (Cabinets)	Rental of shelves for sale of used items	<a href="http://ormance.com">http://ormance.com</a>
	Films EU (Films EU)	Free domestic and foreign movies and series online	<a href="https://filmovi.eu">https://filmovi.eu</a>
	Where to go out (where to go)	Free reservations for clubs, restaurants, cafes, discos	<a href="http://www.gdeizaci.com">www.gdeizaci.com</a>
	Freelancers (part-time jobs)	Different part-time services: construction, translation, housekeeping, pet care, moving, and the like	<a href="https://honorarci.rs">https://honorarci.rs</a>

Source: Own elaboration.

### Bring It ([donesi.com](http://donesi.com))

It is a website that makes ordering food online fast and easy. The platform connects users on the one hand and restaurants on the other in more than 30 cities in Serbia. The user enters his address and so can search for restaurants that are close to him. Restaurants offer their own menu, and the user selects food from the menu with one click. By ordering food, the restaurant confirms the order and delivers it to the customer's address in 30 to 60 minutes. The service is charged upon delivery or by card immediately upon ordering. The advantage for customers is that they can order from their armchair, while restaurants have been given another sales channel through which they reach their customers. The company that developed this portal, "Pluton," has an annual income of 4.5 million EUR.

### Used Cars ([polovniautomobili.com](http://polovniautomobili.com))

It is a platform that connects buyers and sellers of used cars. This is the most visited site in Serbia for buying and selling cars, other vehicles, and spare parts. In addition to individual sellers, sellers of used cars are also car dealerships and leasing companies. The site has more than 400,000 ads and has about 6.5 million views per month. This site wants to make it easier for customers to make the right purchase decision by creating opportunities to easily compare a wide range of vehicles, car services and spare parts, as well as by providing a complete set of the practical and necessary information. The site strives to help sellers, car dealerships and car dealers in promoting sales by using the Internet in business and enable them to connect with customers faster and easier.

### I buy-I Sale ([Kupujemprodajem.com](http://Kupujemprodajem.com))

It is a portal intended for the sale of new and used products and services. It is owned by Quable B.V., The Hague, the Netherlands. There are about 2.8 million ads on the site. The portal connects buyers and sellers but does not charge a commission for its service. The earnings of the portal are exclusively from advertising by paying ads to be striking (highlighted) or at the top of the search. The buyer directly contacts the seller and agrees on the terms of the sale. The seller's contact is clearly visible on the site. On the other hand, similar to this site is [kupindo.com](http://kupindo.com). This portal connects buyers and sellers, but the buyer cannot see the seller's details. The buyer can directly buy the product on the site and only after the purchase has received the seller's data in order to get in touch with him. The portal earns both from the sales brokerage service (15%) and from advertising.

### My Company ([mojafirma.rs](http://mojafirma.rs))

It is a portal intended for everyone who wants to start their own business. The portal was developed by Telenor. On this portal, future entrepreneurs can find out everything they are interested in about starting and successfully running a company in Serbia. This portal represents a unique knowledge base on various topics related to doing business in Serbia. Professional authors regularly publish texts related to all important topics, from the process of founding a company through legal, tax and bookkeeping features, all the way to marketing and advice for running your own company given by successful entrepreneurs. Visitors to the portal can download the most important documents, as well as prepared forms, contract templates, cost calculators, and many other useful files that will help them speed up tedious administrative tasks. Guides are also published regularly, which explain the most important operations in the daily functioning of a company in Serbia through a series of steps. Users can also read interviews with successful entrepreneurs, from which they can learn how they succeeded, what they needed for that, and how young entrepreneurs do not repeat the same mistakes when starting a business. Access to the portal is completely free and available to everyone without the need for registration. However, from May 1st, 2018, no new content was published on the portal. All previous content is still available.

### Co-Working ([our.rs](http://our.rs))

OUR represents the concept of sharing a common workspace. Clients can rent a desk, meeting room, private office, use a multifunction printer, scanner, and copier. Upon booking, the client receives the key to their personal locker as well as access to a fully equipped kitchen with a dining area and coffee maker. In addition, he gets the opportunity to register his company at the address OUR Hub, as well as all administrative support (accounting, finance, IT).

### Cabinets ([ormance.com](http://ormance.com))

It is a space equipped with shelves for clothes and shoes, offingers, small containers for small items that are issued to clients-sellers. Sellers can rent these shelves and bring the items they no longer need and offer them for sale. These can be wardrobe, jewellery, books, souvenirs, porcelain, watches, or other household items. On the other hand, customers have the opportunity to, at reasonable prices, buy clothes that can belong to world-famous brands, or household and other things that as new cost several times more! The rent of shoe shelves is 8.5 EUR, middle shelves 13.5 EUR, upper shelves 16.9 EUR, while the lease of the office costs 2.5 EUR.

## Context

The development of a collaborative economy in Serbia has numerous socio-economic implications. In the context of the positive effects of the collaborative economy, the following can be analysed: expansion in consumption, productivity gains, stimulating entrepreneurship and innovation, the emergence of “invisible work,” shifts in asset markets (Sundararajan 2014). The collaborative economy contributes to increased supply in the market, greater choice and creates new consumption experiences, which can result in increased consumption. Present participants in the market of the collaborative economy in Serbia contribute to the diversification of the supply market, whether it is about food (Bring it), accommodation (Real estate, 4walls), cars (Used Cars, My Car) or other goods (Buy Sale). Productivity gains are associated with more efficient use of physical or human capital. Collaborative economy in Serbia in the domain of transportation (Car go, BlaBlaCar, Get a ride, StuDrive, AutoHop), accommodation (Airbnb, Rooms accommodation, Realitica, Home Exchange, Real estate, 4walls) or co-working (Regus, DT HUB, Mokrin House, OUR Hub, Think Innovative) is an example of the more efficient and complete use of means of transport, accommodation capacities, office space and equipment. Collaborative economy in Serbia in the field of start-up business (Start-up centre, Move on, Impact Hub Belgrade, My Company, Crowdfunding) contributes to increasing knowledge and skills, their more complete and efficient use, whether it is primary or additional work. In the context of stimulating entrepreneurship and innovation, positive examples within the start-up business can also be mentioned (Portal entrepreneurship or BeeHome Co-working Subotica). All these examples of collaborative business in Serbia contribute to increasing employment, whether it is primary or additional work, which can often be so-called “invisible work” unregistered in official employment statistics. Renting accommodation or cars can be an alternative to buying them, but increased employment and higher income levels generated by involvement in the collaborative economy market can be a driver of buying your own real estate or cars and thus can lead to shifts in asset markets. Poverty reduction and welfare increase should be added to the list of positive effects in the socio-economic context (Food Bank is a typical participant in Serbia with a poverty reduction mission).

In addition to the positive impact on economic growth and welfare, there are also some problematic issues. For example, numerous academic studies emphasise and confirm the negative impact of Airbnb on the hotel industry, i.e., the number of visitors and hotels’ revenues (Zervas et al. 2014; Akbar and Tracogna 2018; Frenken and Schor 2019). Negative consequences are not excluded by this. According to Fang et al. (2015), given that Airbnb room owners do not need to employ workers, the social unemployment rate may increase. The presence of Airbnb and other participants from the accommodation sector on the Serbian market undoubtedly represents competition with hotel accommodation and has certain negative economic and social effects on some industries and categories of the population. However, a larger number of tourists and their long stay at the destination, which is characteristic of this type of accommodation rental, is positive from the aspect of other economic and non-economic activities in the structure of the country's tourism economy. Hence, concluding about the net effects of the development of a collaborative economy is a complex task that requires extensive analysis.

Numerous examples of a collaborative economy are the best records that this new area of the economy is rapidly developing and finding its place in Serbia. Despite this, the development of a collaborative economy has not been accompanied by adequate

developments in relevant legislation. There is no definition of a collaborative economy in Serbian legislation. In addition, there is no regulation in Serbia that directly (more closely) regulates the area of the cooperative economy, but only legal solutions in other areas (Labour Law, Law on Transportation of Passengers in the Road Traffic, Law on Consumer Protection, Law on Hospitality Industry) that indirectly tangents to the area of collaborative economics. In this regard, in addition to the many positive effects, a collaborative economy can cause negative consequences for service users and the state. The lack of appropriate legislation regulating the area of the collaborative economy more closely and the inconsistency of national legislation with the regulation of developed world countries create space for potential abuses such as tax evasion, misuse of personal data, consumer rights disrespect, and violation of workers' rights.

### Labour Law

This law regulates the rights, obligations, and responsibilities arising from employment. In addition to the usual labour market, under the influence of a collaborative economy, a parallel labour market is created where labour supply and demand meet. This does not result in the classic employment of workers in terms of signing a fixed-wage employment contract, defined working hours, paid taxes and contributions for compulsory social insurance, etc., but results in hiring service providers in order to earn income. A collaborative economy provides an opportunity for a service provider to become a self-employed worker and supply additional income or even resources for their livelihoods by providing services. The functioning of a parallel labour market requires the adoption of legislation that will regulate this area more closely. Unfortunately, adequate legal solutions do not exist in national legislation, but the fact is that the requirements for the adoption of appropriate regulation are growing louder.

### Law on Transportation of Passengers in Road Traffic

This law regulates the conditions and manner of performing public transport of passengers and the transportation of persons for their own needs in road traffic in domestic and international transport. However, the law does not adequately regulate the service of connecting drivers and users of transport services provided by applications such as CarGo in Serbia. Following a dispute between taxi associations and CarGo, amendments to the Law on Transportation of Passengers in Road Traffic were resolved that almost ruled out the use of modern technologies and digitisation in the field of transportation. However, CarGo continues to operate in Serbia outside the prescribed legal framework, claiming that it does not provide a taxi service but operates as a road assistance association. CarGo's business enhances competition in this area, which has a positive impact on the quality of service and drives down the cost of transportation. Consumers, or users of the transportation service, enjoy the obvious benefits of CarGo's business, but the area should be properly regulated in the coming years. Even the European Court of Justice, in its judgements, has indicated that all new types and forms of passenger transport services using new technologies must comply with national legislation on passenger transport in each country.

### Law on Consumer Protection

The name of the law clearly indicates that its primary purpose is to protect the position of consumers. In order to protect the position of consumers, this law regulates the rights and obligations of consumers, instruments, and ways of protecting consumer rights, informing and improving the knowledge of consumers about their rights and ways of protecting rights, and other issues relevant to the position and consumer

protection. However, the provisions of this law do not properly protect service users within a collaborative economy. In addition, the prevailing view is that the provisions of the Law on Consumer Protection are even inapplicable to service users in the context of a collaborative economy since service users often also appear as service providers. It is, therefore, necessary to introduce a new term in national legislation that is recognised by the laws of developed countries: prosumer (a person who produces and consumes a product). In other words, new legal solutions need to be adopted to regulate this area more closely.

## Law on Hospitality Industry

This Law regulates the conditions and manner of performing the hospitality industry, tourist tax, and penalties, as well as other issues of importance for the hospitality industry such as the Law on Transportation of Passengers in Road Traffic, the Law on Hospitality Industry is changing under the influence of a collaborative economy. Namely, in recent years, there has been a frequent occurrence of renting a house, apartment, room, or other space for one day. The service mentioned is often realised through the platforms offered by the collaborative economy. The frequency of this phenomenon has arisen in its closer regulation through a new Article on the Law on the Hospitality Industry. According to Article 35 of this law, “renting a house, apartment, room, bed, or other space intended for accommodation by a legal entity, entrepreneur, or natural person for a period of up to 30 days is considered as providing hospitality accommodation services,” with an obligation flat-rate tax payment. Therefore, a legal entity, entrepreneur or natural person is obliged to provide accommodation services in the manner prescribed by this law, which was not the case before. Among other things, Article 15 of this law stipulates that the person providing the accommodation service is obliged to enter the information about the user of the accommodation service through the central information system in a proper manner, including accommodation services in the field of collaborative economics, which aims to increase the transparency of business operations.

At the moment, there are no parliamentary debates, but there are off-parliament initiatives to draft new laws to better address collaborative economy scenarios. The loudest initiators of the adoption of such laws are those parties whose business is threatened by the functioning of the cooperative economy, and taxi associations are particularly prominent among them.

Regarding the court decisions involving a collaborative economy player, there are no such decisions in Serbia, but there are criminal charges related to this new area of economics. For example, CarGo citizens’ association and CarGo Technologies company have filed criminal charges against the president of the Serbian Commission for Protection of Competition for failing to act on their initiative to investigate competition violations by cartel-organized taxi carriers.

It is important to emphasise that the emergence of a collaborative economy is the best evidence that, once adopted, legal solutions must be subject to continuous revision. Regular revision of legislation is the only way for the legal profession to adequately respond to the dynamic innovation processes that characterise contemporary conditions.



## Developments

There are no estimates regarding the sharing economy market in Serbia, as this is still a poorly known scientific and economic discipline. However, the sharing economy in Serbia to develop in line with European and world trends in the future when the necessary preconditions for its development will be created.

Sharing economics has its advantages in different segments:

- 1) Accommodation—increase in accommodation offer, lower price of accommodation services, additional income.
- 2) Transportation—utilisation of free seats in the transport, lower consumption of gasoline, extra earnings, flexible working hours.
- 3) Food—helping the poor through Food Bank and sharing surplus, consolidated offer in one place, saving time for users.
- 4) Start-up and Co-working—business ideas sharing, communication, lower costs, support for idea development and implementation, finance support.
- 5) Other products and services—free legal advice, free contracts, free bookings, free movies and series platforms, surplus wardrobe offers, various services offers.

The disadvantages of a sharing economy for all of these areas are it cannot be basic but only an additional source of income for service providers, not everyone can participate in it, trust between providers and users of services, protection of personal data, non-existence, or imprecise legal regulations, not defined tax treatment.

## Issues

### Digital Transformation

Following the global trend of digital transformation, business entities and citizens in the Republic of Serbia are taking advantage of modern technology to perform their activities easier, faster, and more efficiently and achieve their goals. E-commerce is the most commonly used digital service used by Serbian companies (Marinkovic et al. 2016). The development and usage of platforms for e-commerce are one of the preconditions for the development of sharing economy in Serbia. Although accelerated in the past few years, this process is still in its infancy compared to developed market economies.

### Trust

This problem is generally present in the usage of collaborative economy platforms, but in the Republic of Serbia, it is even more pronounced, having in mind that it is a relatively new concept in this country. The problem of renting or using something from a complete stranger is bridged mostly through a system of rating by previous users. Other forms of security, such as a personal authentication system, system deposit or collateral usage or insurance system, are still underutilized.

### Consumer Society Development

Consumer society development and the financial crisis of 2008, which is particularly hard to hit the Serbian economy, have made it increasingly important for people to

achieve significant cost cuts. Low levels of income of citizens and economic entities encourage them to involve in such platforms. Also, with the development of consumer society, they realised that they do not need to buy and poses something that they will use once or periodically.

## Regulatory Framework

In the Republic of Serbia, as well as in most transition countries, the “sharing economy” and the “collaborative economy” are not regulated by laws but by the market; the number of those who advocate its taxation is increasing. The most current example is the recent strike of taxi drivers who demanded to ban the operation of CarGo drivers. To avoid similar problems in the future, legislators need to create a regulatory basis for new services that protect users and service providers but also support innovation.

## Unemployment Problem

Due to limited possibilities for employment, young people are increasingly turning to entrepreneurship and self-employment, and this economic system is certainly a good basis for creating new jobs. At the core of these business models are young people who run most of the system. This is part of the population that has grown up using the Internet and technology, has a different worldview than its ancestors, recognises supply and demand and is able to create a way to connect them more effectively. They have ideas and information on how to do something new and different, connect with people from all over the world and share experiences. Also, a large number of young people are involved in performing business tasks and providing services to companies from all over the world as a freelancer through platforms such as Upwork, Freelance, Hirable, and Gigster.

## Other Major Players

Having in mind that these business models are still not widely used in practice, researched enough in academic institutions in the Republic of Serbia and regulated by specialised institutions, there are only a few actors that promote their usage:

- 1) SHARE Foundation is a non-profit organization founded in 2012 to promote human rights and freedoms on the Internet and promote the positive values of an open and decentralised network, as well as free access to information, knowledge, and technology ([www.sharefoundation.info/en](http://www.sharefoundation.info/en)).
- 2) The University of Belgrade, Faculty of Transportation, have some research in the area of transportation services sharing (Bojkovic 2018; Polovina and Dinic 2019).
- 3) Mad Marx Foundation was launched in 2006 as an autonomous pilot program. Since 2013, it has been registered and trademarked, and as a foundation registered in 2016, which promotes local development through usage of creative and collaborative economy (<https://institut.madmarx.net/category/ekonomija-deljenja>).

## Future Directions of Research

Based on the literature review and the survey carried out in relation to the consumer attitudes in Serbia, it can be concluded that sharing the economy is a business model



that will surely dominate in the future. In the consumer attitudes research presented in this study, it was shown that the largest number of respondents, 40.82% of them, believes that the greatest potential for the development of the sharing economy is in the field of tourism. The evident increase in the importance of sharing economy within tourism poses numerous opportunities to many key stakeholders in Serbia's tourism industry, as well as challenges. On the one hand, it opens up the possibility of attracting tourists of different demographic characteristics and from different markets more easily and more quickly. It opens the possibility for more intensive development of entrepreneurship in the field of tourism, enhances consumer confidence to visit different destinations in a new way and try new products. On the other hand, the biggest problem lies in solving legal regulations, which should enable equal participation of both participants in the sharing economy and participants in the traditional economic model. In addition, hotel managers face the great challenge of coping with the increasing competition induced by the emergence of collaborative platforms and the increasing participation of individuals in rental accommodation in the future. The issue of environmental protection and conservation of natural resources in Serbia is also a segment that needs to be analysed in the future.

Besides, The COVID-19 pandemic is having significant impacts on the sharing economy in most countries in the world. On the one hand, tourism (short-term rentals and urban mobility) is incredibly suffering. On the other hand, e-commerce, social networks, entertainment, communication, and logistics platforms are experiencing an expansion of their business volume and, at the same time, are shaping their production systems. Having this in mind, it will be interesting to explore the influence of the COVID-19 pandemic on tourism and other areas of sharing economy in Serbia.

## Summary

Keeping in mind that the sharing economy implies a new economic model of sharing resources (products, services, and labour) using new technologies in order to provide new services, production of goods and distribution, there should be some preconditions to the development of such a way of doing business. The first of them is knowledge about this business model. People in Serbia still do not have a sufficiently developed awareness of the importance and opportunities offered by this type of business. The economy and the population are still not used sufficiently existing platforms for sharing, but also poor working on the development of new ones. Existing platforms are mainly related to food sales, transportation, the establishment of entrepreneurs, accommodation, and the sale of clothing and footwear. Data on sharing economy is still not available, which makes it difficult to adopt and implement the necessary measures for the development of this way of doing business in Serbia. Also, it negatively affects the development of institutions and legislation in this area because decision-makers do not understand the scale and importance of the sharing economy. With the support of new technologies and intuitional and regulatory framework development, this market trend will facilitate the use of information that allows the use of excess capacity of certain products (housing, car, etc.) or services (excess time that can be devoted to various tasks) in the future.

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## Socio-Economical Aspects of the Collaborative Economy in Slovakia

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## Abstract

The terms "collaborative economy" or "sharing economy" have been commonly used in recent years to refer to a proliferation of initiatives, business models and forms of work. To observe this significant phenomenon is necessary to take into consideration a new perspective on social, economic, environmental, and political processes that can be created from a number of assets and skills, in innovative ways and at an unprecedented scale. Using of digital technologies for collaboration, communication, coordination, and value creation purposes is included under the same umbrella of the collaborative economy. Market-focused digital innovation is able to disrupt existing business models and support economic activity. The situation in the area of the collaborative economy in Slovakia seems to be different from that of the Western European countries. Data from the area of sharing economy are not registered with the Statistical Office of the Slovak Republic, and there is no analysis examining its impact. We introduce a short summary of case studies examining the collaborative economy platforms in Slovakia and some issues of taxation of the collaborative economy.

**Keywords:** Collaborative Economy, Sharing Economy, Digital Platforms, Business Models, Taxation

## Introduction

Slovakia is not a leader in the use of the collaborative economy. Nevertheless, there have been settled several foreign platforms, and there are also many examples of domestic platforms established in Slovakia. The largest platforms are concentrated in the capital and a few larger cities reflecting the tendency of collaborative economy activities heading to areas with higher population density and a higher concentration of underutilised assets. From the consumer's point of view, the collaborative economy brought more opportunities and increased competition among service providers (whether professional or amateur). In addition to this direct effect, the indirect effect also emerged in the form of quality improvement by traditional providers.

Slovakia, such as many other countries, has a strong small and medium-sized enterprises sector, which accounts for over 99% of the total business sector. Business in the sphere of sharing (collaborative) economy presents additional opportunities for the development of small and medium-sized enterprises; in the case of Slovakia, it is possible to talk about the established institutional framework for the support and development of innovative technology companies (start-ups). The structure of public and private institutions so far is applicable in the collaborative economy.

## Definition

There is no specific definition of the collaborative economy in Slovakia. In government reports, the definitions of EU (2016) or OECD (2016) are sometimes used. The collaborative economy is characterised by using modern technologies that facilitate the process of sharing goods and services but the possibility of cost savings by consumers. The essence of the sharing economy can be identified by efforts to streamline the processes of exchange of goods and services and to meet the needs of individuals in a community. The collaborative economy is about the future, the way we conduct a new generation.

The European Commission describes the sharing economy as a business model by which the activities are performed through collaborative platforms that create an open market for the temporary use of goods and services provided by private individuals. The sharing economy has a very important factor, which has brought innovation to traditional and different areas (European Commission 2016).

Sharing economy can be defined as an economic model-based on peer-to-peer (P2P) activity for acquiring, providing or sharing access to goods and services facilitated by a community-based online platform. And the use of big data has made it easier to bring together the asset owners and those that want to use those assets. This type of dynamic is also referred to as sharing economy, collaborative consumption, collaborative economy, or peer economy. Sharing economies creates value by utilising underused assets (Hong 2018).

The involvement of Internet technologies caused the revolution in sharing economy. With the arrival of the Web 2.0 app, users have been able to participate easily and actively to create content and coordinate a large number of low-cost people. This led

to the creation of the first platforms for communication and online collaboration, the first social network sites with virtual communities and mobile applications that allow interaction through virtual platforms, crowdfunding; there has also been a revolution in sharing, specifically through the competition of decentralised sharing economy platforms in private regulation (Chovanculiak et al. 2016a).

## Key Questions

Slovakia should create such legislation in order to make a demonstration of how the collaborative economy can work to protect both safety and quality for citizens and ensure freedom for the growth of services. As the former Slovak Prime minister Pellegrini explained: “we must not make the mistake of preventing this new economy, because if we adopt extremely strict regulation at European Commission or national level, we go against what citizens wish” (Pellegrini 2016). He added that the strict control of the state would threaten to move this business into the grey economy and slow down the EU towards its main competitors in the USA and Asia. The struggle between the collaborative and the classic economy will therefore not be easy, and the solution will have to bring the state. The most likely alternative is to release the hands of classic business and set up rules for the collaborative economy.

For the full development of the collaborative economy in Slovakia, it is necessary to complete a legislative framework covering, in particular, the conditions for the involvement of platform users on the supply and demand side of the market.

## Examples

As for the Slovak online labour market, the participants exist as individuals looking for temporary work or as freelancers. All these participants offer their services in various areas, for example, house works, repairs, programming, design, or education.

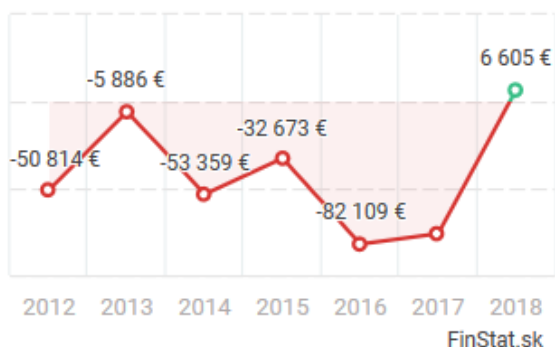
The large platform for micro work in Slovakia is Jaspravim ([www.jaspravim.sk](http://www.jaspravim.sk)). Since its inception in 2011, more than 136,140 registered members have provided their services here, and the platform staff received more than EUR 2.8 million through the platform (Jaspravim.sk 2019). The Jaspravim online platform is operated by GAMI5, s.r.o.



**Figure 1 and 2. Profit and Sales of Company GAMI5, s.r.o.**

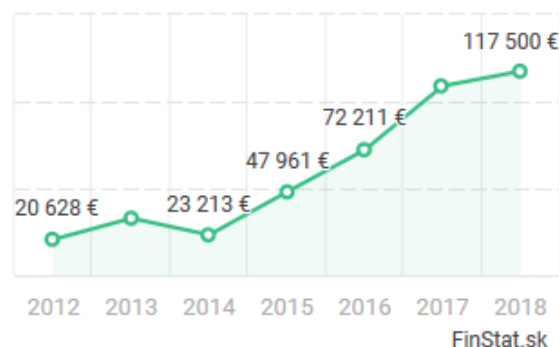
### Profit

GAMI5, s.r.o.



### Sales

GAMI5, s.r.o.



Source: FinStat (2020), own processing.

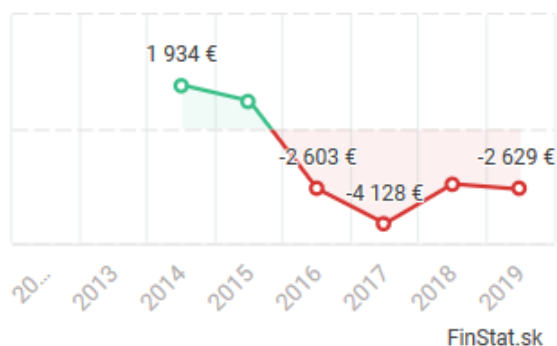
## The Domelia Platform ([www.domelia.sk](http://www.domelia.sk))

Which has been operating in Slovakia since November 2009, belongs to the household services platform in Slovakia. This platform focuses in particular on care services for older people, childcare, tutoring, domestic help (including cleaning services), or health and beauty care. According to its website, it has around 8,439 active profiles and a total of more than 40,000 offers, which have been used by more than 16,400 households and companies. The portal has more than 70,000 visitors per month (Domelia.sk 2019). Compared to other online platforms, however, Domelia stands out because employees can register for free and later skip the platform if they agree to work outside the portal. This is also reflected in the poor financial results of the company Snov, s.r.o. which operates this platform.

**Figure 3 and 4. Profit and Sales of Company Snov, s.r.o.**

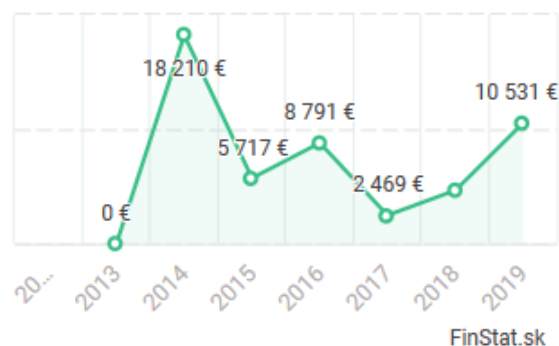
### Profit

Snov, s.r.o.



### Sales

Snov, s.r.o.



Source: FinStat (2020), own processing.

In the last two years, bike-sharing systems have been implemented in larger cities. Cities perceive bike-sharing as a way of dealing with traffic congestion, parking, and environmental pollution issues. However, bike-sharing financing, building, and operating costs is a separate issue. Cities are looking for partners, usually private companies from the automotive industry, transport companies, telecommunications, and development companies. Each city operates its own system, adapted to local conditions, taking into account the urban layout of the city, population density, topography, or transport infrastructure. They differ in the level of funding, technology, or way of renting. A positive example is the public bicycle-sharing service in Bratislava Slovnaft Bajk (<https://slovnaftbajk.sk>), which is run by the capital city of Bratislava in cooperation with big petrol company Slovnaft.

### Doucma.sk (tutor me)

It is a platform that enables the connection of people who have the knowledge and ability to teach with people who are interested in tutoring. This platform ([www.doucma.sk](http://www.doucma.sk)) in Slovakia was established in 2012. In the meantime, the project has been launched in nine EU countries under the name meet'n'learn. Creating a profile is free on the platform for tutors and students. However, tutors pay to mediate contact with potential students. If they want to communicate with them, they must activate one of the packages. The price for tutoring is then agreed upon between the lecturer, and the student. The demand for tutoring is usually met within 6 hours of its assignment, and today, there are more than 9,000 references from students on the platform.

## Context

Sharing itself is generally an older concept in Slovakia, as people have shared their assets from time immemorial within family, friends, or with others in communities, especially in rural communities. The primary difference between traditional sharing and a shared economy is in the use of information and communication technologies.

The collaborative economy as such does not have its own separate, coherent legislation. There are no individual laws or decrees that specifically target a collaborative economy. All aspects deal with general laws and tax regulations. Therefore, its external and internal relations fit into existing legal and tax frameworks. Civil Code contains sections that can be used on digital platforms. If the collaborative economy is linked to a non-commercial environment, it is mainly the civil law that governs it. In sharing between physical persons, that is, between people who cannot be regarded as entrepreneurs, we can subordinate them to standard legal institutes. If digital platforms generate profits that tax authorities are already interested in, other regulations are applicable. These are mainly business regulations, especially the Commercial Code, trade, and tax regulations. Authorities claim that the legal provisions valid in a given sector ("proxy sector") applies to everyone, including workers in a collaborative economy. For example, if someone provides passengers transport services, the existing law defines his activities as a taxi service, and thus, his status should be the same as in any other taxi service case. Therefore, any services, including those operating within the platform economy such as Uber or Taxify, are immediately considered taxi services and shall also comply with the legal requirements valid for the taxi drivers.

Taxpayers who provide services through digital platforms in Slovakia have been subject to stricter rules since January 1, 2018. The Slovak Republic has prepared a model of taxation that pushes foreign digital platforms to open a permanent establishment in Slovakia. An amendment to the Act on Income Tax (344/2017 Coll.) valid as of January 1, 2018, and further amended in January 2019 introduced an obligation for sharing economy platforms to register a permanent platform in Slovakia if they systematically offer their services in the area of transport or housing. "The operator of foreign digital platforms providing transport and accommodation services in the Slovak Republic is obliged to register a permanent establishment." If a foreign digital platform does not register a permanent establishment in Slovakia, obligations are transferred to service providers who have to pay withholding tax, i.e., a fee paid by the provider to the foreign company for the use of the platform will be withheld 19% or 35% withholding tax in the case of transport services. A particular driver will be obliged to withhold and pay a tax; in the case of accommodation services, a specific accommodation facility that uses the services of foreign portals that do not register a permanent establishment in Slovakia.

The vast majority of workers in collaborative economy use platforms as a source of their additional income. Any combination of employment status (employees, employers, and self-employed) is possible, but platform work is not usually their primary job activity. While self-employment remains the most common status for platform work itself, as a civil person, it is also possible to work on the basis of an employment contract outside an employment relationship (contract for work for small, irregular work and if the remuneration does not exceed 500 EUR, it is also tax-free (Sedlakova 2018).

After massive protests of standard taxi drivers, the Court suspended the operation of Uber in March 2018. According to the court, Uber had to cease operating a taxi service by persons, respectively conveying it to persons who do not meet the legal requirements for a taxi driver. It had also to stop this activity by using vehicles that do not meet the requirements of a taxi vehicle. It resulted in an amendment to the Act on road transport which regulates, inter alia, the operation of taxi services. The amendment to the Act was also prepared to enhance market access for sharing economy players. It responds to new trends and supports the use of digital platforms in passenger transport, such as Uber, Taxify, Liftago, or Hopin. One of the most important novelties it brings is the legal regulation for the provision of passenger transport services through digital platforms. In this way, since April 2019 entered into force a coherent regulatory framework for taxi drivers and digital platforms providing transport services such as Uber or Taxify.

There is no specific legal status for providers of accommodation within the platform economy. There is a "grey zone" between the persons registered within Airbnb offering short-term rentals and those providers that operate within the realms of private accommodation, which is defined and regulated by the law. In general, any natural or legal person can provide accommodation services and can have any legal status: employee, unemployed, self-employed, private company, etc. However, Airbnb falls into the grey category between the short-term rentals from which only tax is paid and providing "accommodation services," which include additional services beyond renting an apartment, such as cleaning, to which the Trade Licensing Act applies, and a special licence is required. Accommodation provided within the realms of the collaborative economy falls into a grey zone between rental and accommodation services. Legally, if the accommodation via Airbnb includes other services such as

cleaning, changing the laundry, and food delivery, the law defines that as "accommodation services" (business, regulated via law) and not a short-term rental from which only municipal accommodation tax plus tax from renting for natural persons, or a business tax for self-employed, is paid. Then, according to the law, providers of accommodation are self-employed natural or legal persons and shall adhere to relevant provisions of the Trade Licensing Act (Act No. 455/1991 Coll.). The Ministerial Decree No. 277/2008 Coll. classifies accommodation facilities into categories and classes, and one of the categories is accommodation in private, which according to some experts, is a direct competition to Airbnb (Chovanculiak 2016b). Profit earned by the short-term lease is subjected to taxation, and persons are required to register at the tax office until one month from the start of the Airbnb service. However, a few providers claim that although they should, they do not pay taxes at all.

Taxation of income received from sharing economy platforms by natural and legal persons is regulated by Act. No. 595/2003 Coll. of the Income Tax Act as amended. In 2019, an amendment to the Income Tax Act (ITA) was approved with effect from January 1st, 2020, on the basis of which income tax rates were adjusted. This amendment reduces the tax rate to selected natural and legal persons to 15%. According to §15 (a) of the ITA, the following individual income tax rate applies:

- 15% tax rate is applied to income from business and other activity carried out by a self-employed natural person (reduced by non-taxable parts of the tax base and by tax loss) if, according to §6 (1,2), income for the tax period did not exceed the amount of 100,00 EUR.
- 19% tax rate is applicable to the taxable base, which does not exceed 176.8 times the amount of the relevant subsistence minimum (37,163.36 EUR). Subsistence minimum in 2020 (210,20 EUR). 19% tax rate is applied only to that part of income, which does not exceed this limit.
- 25% tax rate is applicable to the taxable base, which exceeds 176.8 times the amount of the relevant subsistence minimum. 25% tax rate is applied only to exceeding part of the income.

According to §15 (b) of the ITA in 2020, the following corporate income tax rates shall apply to the taxable base reduced by the tax loss:

- 15%, if the income of the legal entity for the tax period does not exceed the amount of 100,000 EUR.
- 21% if the income of the legal entity for the tax period exceeds the amount of 100,000 EUR.

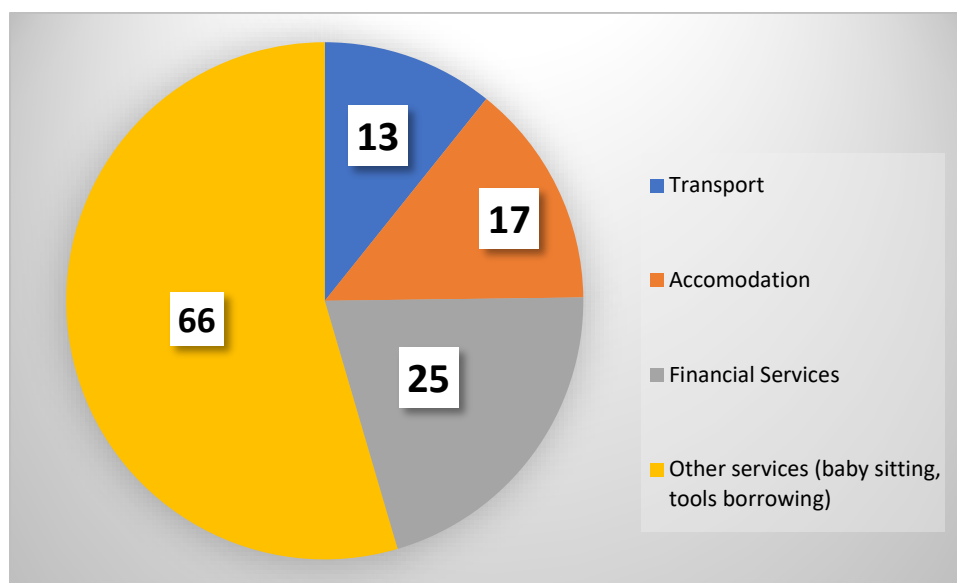
## Developments

The collaborative economy in Slovakia is a relatively small but growing market. According to 2019 Eurostat survey results on the usage of Information and Communication Technologies (ICT) in households and by individuals, 21% of individuals aged 16 to 74 in Slovakia used online peer-to-peer transactions for accommodation services and 15% of an individual used any website or apps to arrange a transport service from another individual in the preceding 12-month period (Eurostat 2020). In particular, the services of the collaborative economy are used by young people who access them mainly through mobile applications. A survey of Slovenska

Sporitelna shows that more than half of children and young people (55 per cent) use the services of several free applications via their mobile phones. Slovaks most often use the services of shared economy in transport and accommodation. However, the market is driven by international platforms.

A collaborative economy brings many benefits. The biggest new one can be the creation of a new business space. It is open to everyone—smaller companies and individuals who have something to offer. Thanks to the digital platform, the seller can reach customers in different cities and countries without having to fundamentally invest in marketing. In turn, the customer has easy access to more goods and services to choose from. In 2016, the collaborative economy market was EUR 122 million and employed 3,575 people (Rusinakova 2019). According to Eurostat, 18% of Slovaks ordered accommodation through a sharing platform in 2018. The collaborative economy expands the market and creates a higher competitive environment. Over the course of 2018, hosts on Airbnb in Slovakia welcomed over 100,000 guests. The typical host earned 1,300 EUR over the year, with guests spending estimated at 25 million EUR in the country. Total economic activity is estimated at 31 million EUR (Airbnb 2018). On the other hand, the collaborative economy is used as a source of income only to a minimum. According to the latest estimates of the Finance Policy Institute of the Ministry of Finance, the share of the collaborative economy in Slovakia is less than 0.01 per cent of GDP.

**Figure 5. Receipts from the Sharing Economy in Slovakia (in mil. EUR)**



Source: Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 EU Member States (2016).

## Issues

The influence of online platforms on consumer decision-making has increased significantly while enabling the development of new forms of service delivery, such as shared economy services. There is no well-defined regulatory environment for the collaborative economy. The absence of a basic definition for a shared economy and its regulatory framework in Slovak legislation causes different conditions for the

provision of services in the same market. The professional organizations call for establishing a regulatory framework. For example, Slovak Tourism Association declared establishing a regulatory framework for a shared economy one of the main priorities for the period 2020–2024: “A significant increase in the professional offers of suppliers of the sharing economy, especially in accommodation, catering, but also guide services, brings with its negative impacts on local residents, reduces the protection and safety of tourists. It is, therefore, necessary to establish a basic regulatory framework for professionally provided services in a shared economy.”

The rapid development of the collaborative economy requires that public authorities, including local and regional authorities, flexibly respond to new business models, particularly in business activities where licensing and compliance with statutory rules are required in the traditional economy.

The main state institutions in Slovakia, which deal with sharing economy, are the government together with relevant ministries—Ministry of Finance and Financial Authorities, Social Insurance Agency, Health Insurance Companies and Municipalities. From the perspective of the Ministry of Finance and Financial Administration, the area of shared economy is primarily disadvantageous, because thanks to shared platforms, the state is losing the incomes of the traditional economy, whose decline may have a negative impact on their profitability, and this situation will affect the state budget revenue. The decline in corporate income in the traditional economy can be positively reflected in a rise in revenue for individual goods and services providers through shared economy platforms. The challenge is to create a legislative framework that will enable taxpayers on the supply side of the market to be taxed without having a significant impact on the interest of these entities to continue to operate on the supply side of the market. The expansion of a shared economy can be an almost autonomous solution of some key areas such as labour migration, employment for long-term unemployed or increased work habits—part of the population involved in the sharing economy. There are legislative challengers ahead of the government and individual ministries, which would create sufficient room for the development of a shared economy in Slovakia by creating a coherent framework for the sharing economy.

With the rising numbers of subjects operating in the sharing economy, the issue of law application is also arising. Some national and local authorities have responded differently to the entrepreneurial activities of the entities of the sharing economy, such as in the case of Airbnb, which has been banned in some cities and in some cities could operate without restrictions.

The central government and municipalities should respond more sensitively to the models that the collaborative economy has brought. Creating an enabling environment is essential for the functioning of most collaborative economy initiatives, and the public administrations and local governments play an important role here. Collaboration with these initiatives brings added value to local economic development. For example, home-sharing is giving many communities a way to benefit more from tourism, particularly from visitors who wish to venture beyond capitals to spend time exploring the countryside. In the case of direct involvement of individual local and regional collaborative economy initiatives in solving problems of waste reduction, urbanisation or the search for solutions by communities living in municipalities, a positive impact on their development may be expected.

## Other Major Players

The biggest trade union umbrella organization, the Confederation of Trade Unions in Slovakia, does not perceive the collaborative economy as a salient issue in Slovakia. During their negotiation meetings, including the meetings of the tripartite committee, this topic has never been officially discussed or even brought up by any of its sectoral member organizations. Therefore, there are no standard terms or definitions being used within the organization. Similarly, the knowledge about online platforms operating in Slovakia is limited to the two most visible (Uber, Airbnb) in public debate. As a member of the European Trade Union Confederation, KOZ SR registers that the topic of collaborative economy has been discussed and communicated extensively at the European level fora. In Slovakia, however, trade unions still focus their actions on the representation of traditional employees (NAT 1). Therefore, new forms of work within the collaborative economy are seen as a subset of new, atypical, and untraditional forms of employment and are thus measured against the traditional advantages of standard employment.

Unions see this flexible work like any other flexible contracts, potentially endangering the job security of workers. However, the Confederation acknowledges that there is a part of the labour force that prefers flexibility and should turn their attention to those workers, too. According to the KOZ SR representative, the state should play a role in discussions on platform economy, particularly concerning the taxation, social security of workers and ambiguity of this type of work which can overlap with the informal or shadow economy.

Regarding the working conditions of platform workers in Slovakia, there is no special legal framework for working conditions in the collaborative economy. General rules applicable to other types of economy apply. The most important legal document on working conditions is the Slovak Labour Code (Act No. 311/2011 Coll.). The Labour Code includes provisions on work performed outside an employment relationship and different flexible forms of employment, without any reference to the collaborative economy. Self-employed persons follow the Trade Licensing Act as well as the Commercial Code.

Employers united in the peak-level employer association see the growth of platform work as a positive sign for the economy and call for equal conditions for traditional and platform work with no additional regulations from the state. In the transportation sector, taxi providers would like to keep the current legal requirements in place and force platforms to adhere to the already set legal regulations, which stems from their overall negative perception of the platform providers. Employers from the accommodation sector, unlike in other countries, do not see online platform work as a threat and call for de-regulation of the sector for all. Microwork sector is seen in a neutral way by most of the actors.

## Future Directions of Research

The main goal of our future research is to focus on specific problems related to the implementation of the collaborative economy and its impact on the development of municipalities and regions, citizens, public institutions, businesses, non-profit organizations and to propose the use of collaborative economy models to solve specific local and regional problems.



Specific objectives:

- Provide systematic and comprehensive theoretical perspectives on the collaborative economy that reconcile the collected findings and can serve as taxonomy and the basis for further research.
- Systematically define the mechanisms, tools, and techniques of a digitally-mediated collaborative economy.
- Identify and define the specific features of models used in the collaborative economy and compare them with models applied in the traditional economy.
- Analyse the different models of the collaborative economy used in the environment of Slovak regions and municipalities.
- Compare the regulatory framework of collaborative economy platforms in selected partner countries and suggest potential implications in the SR.
- Propose the use of collaborative economy models to address specific local and regional problems (e.g., waste reduction, transport issues, tools sharing).

## Summary

The sharing economy leads to better choices and lower prices for consumers and offers growth opportunities for new and existing Slovak companies. In terms of further development, it is important to define the relationship of the sharing economy to the traditional economy, as well as the possibilities of functioning in the field of sharing economy for individual entities.

The problems concerning the regulation of the sharing economy are quite complex and ambiguous. They might be either directly or indirectly related to taxation. Indirectly related problems are mainly associated with the declining competitiveness of companies in the traditional economy, incomes of which tend to diminish as well as the amount they paid on income tax to the state, while the income of companies in the sharing economy may not undergo taxation due to the lack of an appropriate legal framework. The lack of legislative regulation of sharing economy companies leads to tax avoidance, which contributes to the reduction of state revenues, which represents one of the main disadvantages of the sharing economy. Despite this, there is an opinion that such a new type of economy can also contribute to an increase in state revenues by stimulating the development of innovation and the influx of investments in the economy.

By promoting a sharing economy through state institutions and setting appropriate conditions for the functioning of this new economy in relation to the traditional economy, a strong synergy effect can be created for the benefit of consumers, the state, and new investors.

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Arriva bike: <https://arriva.bike>

Bike KIA: <https://bikekia.sk>

Slovnaft bajk: <https://slovnaftbajk.sk>

Verejný bicykel: [www.verejnybicykel.sk/sk/](http://www.verejnybicykel.sk/sk/)

Zelený bicykel: [www.zelenybicykel.sk](http://www.zelenybicykel.sk)

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## A Snapshot of Slovenia's Collaborative Economy

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## Abstract

In Slovenia, the collaborative economy is in the early stages of development. The collaborative economy became a popular topic in 2015 when the government intensified its efforts to initiate a debate on legal reforms that would better accommodate foreign collaborative economy companies in Slovenia. While in 2016, the government was actively working on the topic and eager to start the discussions on legal reform in line with the European agenda for the collaborative economy since 2018, the issue has lost its momentum. After the Act Amending the Hospitality Act was

adopted, the government has slowed down its efforts to create a regulatory framework conducive to the needs of the collaborative economy. Nevertheless, the practice is becoming more and more common, with several sharing initiatives surfacing in the past few years. Most collaborative economy services are not yet subject to taxation and regulation, one of the most pressing questions that will have to be answered in Slovenia is how to regulate and tax the collaborative economy.

**Keywords:** Sharing Economy, Collaborative Economy, Slovenia, Airbnb, Uber

## Introduction

The collaborative economy became a popular topic in Slovenia in 2015 when the government intensified its efforts to initiate a debate on legal reforms that would better accommodate foreign collaborative economy companies in Slovenia. While in 2016, the government was actively working on the topic and eager to start the discussions on legal reform in line with the European agenda for the collaborative economy since 2018, the issue has lost its momentum. After the Act Amending the Hospitality Act (2016) was adopted, the government has slowed down its efforts to create a regulatory framework conducive to the needs of the collaborative economy (Kerr, 2019).

Nevertheless, the practice is becoming more and more common, with several sharing initiatives surfacing in the past few years. Prevozi.org, for example, an online platform where private individuals offer a ride to strangers for a small amount fee, has been around for several years and is still extremely popular. Ljubljana municipality has, furthermore, in its efforts to reduce carbon dioxide emissions, established two environmentally-friendly collaborative economy initiatives, Avant2Go (Ljubljana municipality, n.d.a) and Bicike (LJ) (Ljubljana municipality, n.d.b). While Airbnb is rapidly growing in popularity, Uber is, due to an unwelcoming legal framework, not offering its services in Slovenia (yet).

## Definition

The concept of the collaborative economy is not clearly defined in Slovenia. This question was discussed at a conference entitled “Collaborative Economy: How to Achieve an Acceptable Model?” organized by the Slovenian office of the European Commission and the Ministry of Public Administration in cooperation with the Slovenian Press Agency that took place in March 2017 in Ljubljana (Ministry for Public Administration 2017). Two Slovenian panellists, Marko Grobelnik, Slovenia’s digital champion at the European Commission (EC) and Janja Hojnik, Associate professor of law at the Law Faculty of the University of Maribor, referred to the definition of the collaborative economy formulated by the EC in the June 2016 Communication titled “A European agenda for the collaborative economy.” The Communication (European Commission 2016) stipulated “(...) business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. The collaborative economy involves three categories of actors: (i) service providers who share assets, resources, time and/or skills—these can be private individuals offering services on an occasional basis (“peers”) or service providers acting in their professional capacity (“professional services providers”); (ii) users of these; and (iii) intermediaries that connect—via an online platform—providers with users and that facilitate transactions between them

(“collaborative platforms”). Collaborative economy transactions generally do not involve a change of ownership and can be carried out for-profit or not-for-profit.” One of the panellists, Ms Tea Jarc from Mladi plus Union Association, was critical of the term “sharing” or “collaborative” economy, stating that, since in reality, no actual sharing takes place, “platform economy” or “economy on-demand” would be a more suited term. Dr Janja Hojnik pointed out that there are too many varieties of the “sharing economy” to create a single definition, as there is a huge difference between non-profit services such as Couchsurfing and those, whose business model is directed towards profit (e.g., Uber). However, dr. Hojnik found the above-mentioned European Commission definition to be a good starting point. Similarly, the government working group on the collaborative economy does not have a unified opinion on how the collaborative economy should be defined and how the issues that arise from it should be legally dealt with in Slovenia (Kralj 2017).

As elsewhere in the EU, in Slovenia, the term “sharing economy” (in Slovenian “delitvena ekonomija”) is interchangeably used with the term “collaborative economy” (in Slovenian “sodelovalna ekonomija”). While the former has been used frequently at the birth of the phenomenon, since 2016, the latter has prevailed. Rok Kralj, the author of the first book on the collaborative economy in Slovenia in 2013, defines the term “delitvena ekonomija” as “a common notion for diverse socio-economic models at the local, national and global level which allow everyone easy access to goods and services when they need them, without having to necessarily buy them or become their owner (Kralj 2017).

## Key Questions

The central question that remains unanswered is how to comprehensively regulate the field of the collaborative economy while also keeping in mind the need to protect the worker, the consumer as well as the state. The Slovenian government is aware of the fact that in several cities worldwide, due to the fact that a number of people have been buying properties with the sole purpose of renting them out on Airbnb, residents are struggling to afford rent in the city centres and have thus been pushed to the periphery. Consequently, the government is aware of the need for regulation as well as the importance of understanding new economic models before they can be regulated while also taking into account the fact that it is important not to excessively regulate and stifle them.

In light of the changing nature of work today, a question that likewise arises is how to ensure economic, social, and legal security to workers in the collaborative economy and who will be the stakeholders in the social dialogue with the government (STA science 2019).

Another relevant issue associated with the collaborative economy is the need to transform our economic model from linear to circular, in which resources are reused, recycled, and remanufactured. There is thus a need to figure out what systemic approach and what partnership is required for such a transformation and the role that the collaborative economy can play in it.



## Examples

As elsewhere, the main two types of the collaborative economy in Slovenia are the non-profit and the for-profit model. A for-profit platform for sharing electric cars was established in July 2016, with the support of the Ljubljana municipality and under the auspices of the Minister of Public Administration for the Republic of Slovenia. The company Avant2Go uses electric vehicles through a car-sharing model that started with 30 cars with the goal of expanding their network of cars to 500 in a few years.

Slovenia, which is one of the first countries in the world to use electric vehicles in the state administration through the model of car-sharing, is also one of the countries with the highest number of cars per capita, with over 600 cars per 1,000 people and over 1.2 million registered vehicles. With up to 95% of cars being parked all the time, the model of car-sharing should improve their efficiency and change the current understanding of vehicle ownership (Emerging Europe 2017).

The Ministry of Infrastructure has prepared a strategy and an action plan to promote the use of alternative fuels, which also includes measures to further promote e-mobility. The model of car-sharing represents a significant potential to expand the network throughout the country, thus promoting the concept of e-mobility, especially in urban centres. Avant2Go vehicles are technologically advanced, with no emissions of greenhouse gases. By implementing this project, the state administration wants to bring the user experience of sharing electric vehicles closer to a wider range of citizens and decision-makers as well as accelerate Slovenia's development. In 2012, a car-sharing platform Posodiavto.si was established, which was an online platform with a low monthly subscription where individuals who want to hire cars and those that are prepared to rent them meet. According to its creators, their primary goal was community building, not profit. The model, which is not operating anymore, was not turning a massive profit. However, since it was still not completely free, it belonged somewhere in the middle of the two extremes (for-profit and not-for-profit).

"Loopy Slovenia" circular bus service enables one to ride across Slovenia in two separate loops. At each stop, you can spend approximately 2 hours and see the sights before continuing your loop towards Ljubljana. It can be very difficult for a visitor to use public transport to travel in Slovenia, so the bus service was created as a transport solution to take visitors around the country, stopping at the main tourists' spots on the way practically free of charge.

### Project APPLAUSE (1.11.2017–31.10.2020): The Case of Innovative Wood Products in Centre of Reuse

Addresses unsolved questions with regard to invasive alien plant species in terms of the zero waste approach and circular economy. At present, plants are composted or incinerated, and with the pilot project for processing plants into paper at a semi-industrial level, it has been proved that they can be utilised for other useful purposes. The proposed system of managing invasive foreign plants is based on education and cooperation with the citizens of Ljubljana and three principles of operation: "Do-it-yourself," "Process with us," and "Bring to the collection centre."

Invasive Alien Plant Species (IAPS) are one of the biggest challenges in European ecosystems. They displace local vegetation, destroy agricultural land and cause damage to the European economy in billions of euros every year. Many of them are daily removed and mainly burned. The Applause project addresses unsolved questions regarding invasive alien species in terms of the zero-waste approach and circular

economy. By recognising the potential of IAPS, Applause aims to introduce sustainable production processes for transforming the biomass of collected plants into useful products made of wood and paper. One of the biggest challenges is to develop a successful and trustworthy circular economy model, finding a new use for all parts of collected IAPS and upcycling the residual materials. The project addresses the widest possible circle of stakeholders: kindergartens, schools, pupils, students, households, property owners, companies, tourists, professional organizations (Plavčak et al. 2019).

### Donar Chairs Manufacturing Company

Rethinking our philosophy of socially responsible, sustainable design; they have created a simple but unique chair made of recycled Felt (60% recycled PP bottles and 40% non-woven textile). Two pieces are linked with straps and can be combined in compositions of various lengths or stored in vertical stacks. Re-inventing the flexibility of Felt and its ergonomics by using just heat and pressure, Donar achieved comfortable seating by adapting the shape to the human body. Donar brings together its own knowledge and design in order to manufacture perfect chairs in which the human body does not feel the stress of prolonged sitting. It swears with ergonomic solutions and high-quality manufacturing practices. Donar's mission is green, sustainable development, and it is well-aware of the environmental impact of materials. Products must have a long life, although Donar recycles chairs, which are then sold at much lower prices (Spirit Slovenia 2017).

### Melu Company Internal Doors VINO

The joinery MELU follows a sustainable policy. Care for quality already starts in grow phase-high-quality product has to be made of a healthy tree. In the context of environmental production MELU implemented a closed production system in the frame of which they eliminate waste by producing sub-products-briquettes and pellets for heating.

Joinery MELU uses only natural materials; also, adhesives and colours are water-based. The internal doors of VINO are built from French oak wine barrels, which lend the product a special touch. The doors are made entirely from solid wood, brushed and oiled and therefore safe, as well as human and environmentally-friendly. With their contemporary design and superior quality, they are able to meet the highest expectations of modern living.

On the other end of the spectrum are non-profit initiatives, such as "Slovenia's first Library of Things." Borrowing items not used regularly by a single person is an innovative approach to confronting the economic crisis since it enables individuals to use items, they might otherwise not be able to afford. As well as reducing financial costs, the "sharing economy" is saving space and fostering social capital at the neighbourhood level (space offers opportunities for socializing and cooperation not only through coincidental run-ins but also through hosting various events).

A number of not-for-profit initiatives based on the concept of exchange have been set up as well; two representative examples are "Izmenjevalnica" (clothes swap initiative) and "Zelemenjava" (exchange of seeds and surplus products from the garden). In these two cases, there is no real online platform where the exchange would take place—an online presence merely serves the purpose of advertising the initiative and the exchange events that take place.

During the European Capital of Culture (ECC) in the program context of the Urban Furrows and in cooperation with the inhabitants of Maribor, the idea of the first community garden in Slovenia was raised. The project Common urban ECO garden (Smart City Maribor initiative 2019) continues to evolve primarily through the voluntary work of people and, as such is one of the sustainability impacts of the ECC. For the implementation of the project, the gardeners founded the Urban Eco Garden Association, which has received from the city municipality a rent for a symbolic price and has, on the other hand, committed to collectively maintain and care for the entire area of gardens.

## Context

In the past few years, two working groups, comprised of government officials from various ministries, have been established and have started working on legal reforms that would secure a legal framework for the labour, tax, and consumer protection aspects of the collaborative economy (Ministry of Economic Development and Technology 2017). The first working group, set up in September 2015, was unsuccessful, leading to stricter controls over the accommodation providers. The second group, led by the Ministry of Economic Development and Technology and established in November 2016, has a wider scope of activities. The group has been examining existing rules in all aspects relevant to collaborative economy and plans to propose legal reforms to allow all service providers a framework within which they can carry out their activities legally (Ministry of Economic Development and Technology 2017). The working group has been taking into account the need to separate non-profit and for-profit services as well as professional and temporary provision of services, ensure consumer protection and the protection of rights of employees and of self-employed individuals, as well as the need to define contractual obligations that might arise between users and service providers (Ministry of Economic Development and Technology 2017).

Kerr (2019) from the Ministry of Economic Development and Technology reports that the government has focused predominantly on temporary accommodation rental and transport of passengers since these two areas are by far the most extensive in terms of market share in the context of the collaborative economy. Furthermore, these two topics raise the most concerns in regard to possible legal violations by service providers regarding tax evasion and labour law infringements. The government's activity to accommodate a collaborative economy in Slovenia thus resulted in two legal reform initiatives. The first one is the Act Amending the Hospitality Act (2016), which was adopted on July 16th, 2016. The current legal framework allows individuals to rent out accommodation through Airbnb only if they are doing so occasionally, not more than five months a year and offering a maximum of fifteen beds. These individuals must register as property owners (*sobodajalec*) in the Business Register of Slovenia. Service providers may also choose to conduct their services as independent entrepreneurs (*samostojni podjetnik*) or through a legal entity or association in line with the Companies Act (2006), in which case their business must be registered to operate as a hospitality business (*Pravni SOS* 2017). The taxation is comparable to all other traditional accommodation providers (Gole 2017), and the fine for illegal renting out of rooms for tourism purposes is between 400 and 30,000 EUR (Financial Administration of Republic of Slovenia 2017). According to the Minister of Economic Development and Technology, the above-mentioned Companies Act is a suitable framework for

renting out rooms. However, the Housing Act (2003), which is in the jurisdiction of the Ministry for Environment, is deemed problematic as it requires the person who is renting out accommodation to obtain consent from 75% of the condominium owners beforehand, aside from a number of other demands that must be fulfilled. Korenč, a consultant for accommodation renting, reports that almost none of the accommodation providers are able to fulfil all of the demands, which leads to almost 80% of service providers operating in the legal grey zone. The Ministry for Environment has not been inclined to lower the number of required consents in the past few years, meaning that legal reform will most likely not occur in the near future (Hreščak 2018).

The second focus point of the Slovenian Government when it comes to the collaborative economy is transport. A good example of sharing of underutilized means or services in the field of transport that exists in Slovenia is the online platform [prevozi.org](http://prevozi.org) (n.d.), which links individuals who offer and seek long-distance transportation with reimbursement by other passengers determined by the driver (Vlačič and Pavliha 2018). The platform is unproblematic from a legal regulation point of view since the website does not charge a commission to its users, nor does it have any influence or control over the service providers and is therefore carrying out a non-profit activity. The opposite is true for a platform such as Uber, which would be compelled to comply with the Road Transport Act (2006) if it was to operate in Slovenia. The Act, however, effectively makes it impossible for Uber to operate as it does not allow for new forms of passenger transport (Poles 2018). Since occasional transport is only reserved for a predetermined group of passengers, Uber drivers could only offer their services in line with the provisions that regulate taxi drivers. According to these provisions, Uber drivers would have to properly mark their vehicles (Act Amending the Road Transport Act 2019), require a licence from the municipality (in case the municipality would have introduced permits), a licence for auto-taxi transport at the national level and would also have to use a taximeter (Road Transport Act 2006) which is not in line with Uber's business concept. Since, in the case of Uber and other similar initiatives, the price of the transport is arranged ahead, the demand for extra protection in the form of a taximeter is unnecessary (Act Amending the Road Transport Act 2019).

Due to these legal obstacles, The Ministry of Infrastructure drafted the Act Amending the Road Transport Act (2019) that aims to include new forms of the collaborative economy in the area of passenger transport and introduces a new form of passenger transport ("car and driver hire") (Ministry of Infrastructure 2018). The Act, among other things, also reduces the administrative barriers for the operation of taxi services which would make it easier for them to compete with new forms of passenger transport. It has, however, not been adopted yet. According to Kerr (2019), the government has lately been prioritising other issues.

In March 2018, the Parliament considered the proposal for the Act on the Functioning of Online Platforms of the Collaborative Economy (2018); however, the procedure came to a halt due to the end of the term of the Parliament and has not continued since. If the debates will continue and the law is adopted, Slovenia will be one of the first EU Member States with a comprehensive regulatory framework for the collaborative economy business models (Poles 2018).

In the past year, the work of the interdepartmental working group on the collaborative economy and the regulatory activities of the government have come to a stall (Kerr 2019). On the other hand, Slovenians appear to have a positive attitude towards the collaborative economy. According to Kralj (2013), in 2013, almost 60% of respondents were interested in joining organized forms of sharing, 36.8% were open to the

possibility, and only 4% were not interested. The positive disposition towards collaborative economy was likewise confirmed in a study conducted in 2018 by Fir (2018).

## Developments

The circular economy is one of Slovenia's strategic development priorities. It is closely tied to the Sustainable Development Goals (SDGs) and included in key national documents such as “A Vision for Slovenia in 2050,” “Slovenian Development Strategy 2030,” as well as in “Slovenia's Smart Specialisation Strategy.” The strategy's main goal is to improve the quality of life for everyone. Priority areas within the wider framework of natural resources: food system, forest-based value, manufacturing, and mobility (Godina Košir 2018).

The transition from linear to circular models in companies can take many forms, such as:

- Circular (Eco) Design—designing products in a modular way, facilitating repairs, maintenance, modifications, restoration, dismantling, recycling, etc.
- Transitioning from products to services—the consumer becomes a user and pays for a service, while the ownership of the product remains with the manufacturer, enabling them to focus on more durable, longer-lasting products at a higher cost, with a longer life and designed according to the principles of circular design, so that the materials used can be employed as efficiently as possible, reducing the material costs and price risks.
- Industrial symbiosis—various stakeholders exchange between one another materials/raw materials that were once declared to be waste. This means that the number of waste decreases while the practical value of the materials increases.
- Closing energy loops—the energy surplus of one economic subject can be used as energy input by another, or perhaps it can be advantageously used within the same company. In this way, the effectiveness of energy use is greatly increased, the costs go down, and the negative effects on the environment are decreased.
- Waste management systems and waste-to-energy as an important part of the circular economy (Malinauskaite et al. 2017).

## Issues

An issue in regard to the development of the collaborative economy in Slovenia is that top-down strategies have not been particularly enabling existing bottom-up initiatives. As mentioned above, due to intricate legal demands that must be fulfilled by property owners if they want to rent out their rooms through Airbnb, in 2017, around 80% of accommodation providers in the capital avoided paying taxes and rented out accommodation illegally (Habjanič 2017). Korenč reports the same number for 2018 (Hreščak 2018).

The Ministry of Economic Development and Technology strongly believes that it is important to level the playing field between regular providers of services and those who

offer them on a temporary basis, such as, for example, Uber drivers. However, in practice, there has been a halt in the activities of the government in the past year (Kerr 2019).

The most pertinent issue thus remains the above-mentioned Housing Act as well as the stalled progress on the amendments to the Road Transport Act and the newly proposed Act on the Functioning of Online Platforms of the Collaborative Economy.

Looking at the bigger picture, the Slovenian government, like others around the world, will have to give serious thought to the disruption and the consequences that major for-profit platforms are causing to their economies, labour markets and the environment. As has been pointed out, platforms such as Uber are far from collaborative as their (primary) goal is not an exchange of services between individuals but making a profit for the company's shareholders. It is thus of critical importance for researchers to make a deliberate stance on the importance of adequately labelling these platforms.

## Other Major Players

### University Research

- The roadmap towards the circular economy in Slovenia. Ministry of the environment and the spatial planning of the Republic of Slovenia.

The roadmap shows the way; it opens up a space for debate and for more detailed definitions of priority areas and activities, which, if given appropriate support, transdisciplinary collaboration, and suitable regulations, will draw the circular maps of our country and our planet (Godina Košir 2018).

Keywords: Circular economy, Slovenia, vision, circular economy, Slovenian Development Strategy 2030, smart specialisation

- Potentials of implementing circular economy in Slovenia.

The circular economy is a new model of the economy, which was created in response to the linear model of the economy. The massive depletion of resources for the production of products which at the end of their life cycle become waste no longer correspond to the needs of companies in the globalised world. In Slovenia, the circular economy is among the strategic development priorities. The transition from linear to circular economy is not a choice but a necessity. One of the opportunities for Slovenia is collecting and recycling for reducing dependence on imported materials and retaining value in the domestic economy (Ojsteršek 2018).

Keywords: Circular economy, limited resources, reuse, changing application patterns, efficient use of resources, recycling

- An analysis of the possibilities for the implementation of the circular economy principle in Slovenia (Bernat 2016)

Keywords: Slovenia, economic development, sustainable development, renewable energy resources, recycling, environmental protection, raw materials, waste material, trends, futurology

- Circular economy: a developmental model for reducing environmental impacts and improving competitiveness and wellbeing (Kržnik 2016)



Keywords: Slovenia, EU, China, economic development, economic growth, models, sustainable development, environmental protection, production, consumption, efficiency, measurements

- The principles of circular economy in the health care sector (Kogelj 2016)

Keywords: circular economy, sustainable development, environmental protection, recycling, waste material, case study, health services, Slovenia.

## Unions or Organizations Looking at Worker Concerns, Commercial Lobbying Groups, and Membership Organizations

- Circular change: A private non-profit organization with a strong international network serving as the best entry point for circular economy projects across Europe (Circular change 2019).
- Project Retrace: A Systemic Approach for Regions Transitioning towards a Circular Economy.

RETRACE aims at promoting systemic design as a method allowing local and regional policies to move towards a circular economy when waste from one productive process becomes input in another, preventing waste from being released into the environment. RETRACE addresses the EU challenge of transitioning towards a circular economy following the priorities set up by the “Flagship Initiative for a Resource-efficient Europe” for a shift towards a resource-efficient, low-carbon economy to achieve sustainable growth as enshrined in Europe 2020 strategy and the EC Communication “Towards a circular economy: A zero waste programme for Europe” (Retrace 2019).

- Portal: CelCycle: Potential of local renewable sources: Wood biomass, green residuals, annual plants, exotic invasive plant species, and biomass waste are a rich source of raw materials—a chance to significantly reduce imports and use of fossil-based entities (CelCycle 2019).
- Centre of Energy Efficient Solutions CER: Challenges and opportunities for a low-carbon economy.

CER realises its vision by promoting tools for accelerating the green economy and green technologies (innovations, business models, finance, regulatory environment, taxes, incentives, impact measurement); cooperation, networking, openness, distribution in the development of green technologies (networking between different sectors, industries, actors, competitors, and partners); raising awareness of the positive, multiplier effects of the green economy (health, knowledge, education, green jobs, equity, raising GDP, security, the future); promotion of Slovenian knowledge, scientific achievements, technological breakthroughs in the field of green technologies and global networking and internationalization (Centre of Energy Efficient Solutions 2020).

## Future Directions of Research

Seeing that globally most collaborative economy services are not yet subject to taxation and regulation, one of the most pressing questions that will have to be answered, not just in Slovenia but also elsewhere in the world, is how to regulate and tax the collaborative economy. This issue is particularly pertinent if there will be the



continuous interest of the Slovenian government for Uber or other major platforms to enter the Slovenian market. The question is just how much regulation is ideal for boosting the sharing economy as well as mitigate its (potentially negative) collateral effects. When it comes to regulation and taxation, a distinction will have to be made between individuals who at times rent out their apartment to tourists through Airbnb to, for example, ease the burden of repaying their bank loans and between those who buy an apartment with the sole purpose of renting it out through Airbnb. While the first individual clearly fits under the sharing economy umbrella and should be allowed to do so without heavy regulation for a limited number of days per year, the latter is running a business like any other and should thus pay appropriate taxes, obtain permission from the neighbours and so forth (Pikon 2019). Since it seems that there are more and more individuals that fit under the second category in Slovenia (Pikon 2019), up to date research looking into the motivation of people for using the platform would be welcome.

Another relevant issue that needs to be addressed is the extensive amount of data on users and on providers gathered by the platforms (Narasimhan, Papatla, Jiang et al. 2018) that are becoming more and more visible as data market players. Companies tout the importance of access to data as a resource in the continuous growth of products and services. However, the lack of transparency and the potential of market power aggregation (Richter and Slowinski 2019) are issues that must be examined more closely and discussed at the policy level.

## Summary

The circular economy is one of Slovenia's strategic development priorities. It is closely tied to the Sustainable Development Goals (SDGs) and included in key national documents. The strategy's main goal is to improve the quality of life for everyone. Priority areas within the wider framework of natural resources: food system, forest-based value, manufacturing, and mobility (Godina Košir 2018). The transition from linear to circular models in companies can take many forms.

Opportunities of the collaborative economy arise in various areas. Firstly, collaborative platforms provide individuals with the opportunity to share their assets or time, followed by obtaining income in a more flexible manner than through regular employment. Further on, services rendered through collaborative platforms create new choices for consumers and increase market competition, all leading to an improvement in the quality of services offered by the traditional provider. Finally, collaborative platforms may also yield positive outcomes for the government (Miklolič et al. 2017). As most of the collaborative economy transactions are processed digitally and online, they are not only traceable but also provide an opportunity for more effective collection of taxes and other dues, provided that collaboration between the authorities and platforms is ensured.

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CelCycle: <http://celkrog.si/?lang=en>

Circular Change: [www.circularchange.com](http://www.circularchange.com)

Inštitut WCYCLE Maribor: <https://wcycle.com>

Lopy Slovenia: <http://loopyslovenia.com>

The Library of Things: [www.rcke.si/en/projects/the-library-of-things](http://www.rcke.si/en/projects/the-library-of-things)

Vizija Slovenija 2050: <https://slovenija2050.si>

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## An Introduction to the Collaborative Economy in Spain

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### Abstract

A collaborative economy emerged after the 2007 global financial crisis and allowed a better allocation of resources that were traditionally underused. In Spain, however, the real impact of a collaborative economy has been discussed since some peer-to-peer platforms are considered to increase rental prices or to promote more precarious employment relationships. This debate led to enact of selected sectoral pieces of legislation, but there is still a lack of a unified concept and legislation on the collaborative economy. Despite these challenges, a collaborative economy has been useful to help people in the COVID-19 crisis, thanks to the creation of informal solidarity networks in neighbourhoods. Future research should discuss the new role of collaborative economy post-COVID-19 in a context of less tourism and social distancing.

**Keywords:** Collaborative Economy, Solidarity Networks, Crowdfunding, Tourist Dwellings, P2P

### Introduction

Spain has a lack of conceptualisation and regulation of the sharing economy phenomenon, but some sectoral pieces of legislation and judgements are affecting major platforms. This is the case of the regional limitations to platforms of shared transport (e.g., Uber, Cabify), suspension on tourist dwellings' licences, the possibility to forbid tourist apartments in condominiums, and the judgements regarding the labour law relationship between platforms and the so-called “riders.” While this legal framework is somehow restricting platforms' activity in this country, citizens started to consider the collaborative economy to have important disadvantages for the housing and labour market (IPSOS 2019). However, the collaborative economy recently rose and had a significant role in the management of the COVID-19 crisis in a context of lack of social benefits: during the lockdown, several informal support networks were created to assist older adults and people who have underlying medical conditions (Nasarre-Aznar 2020).

## Definition

The Spanish legal system does not have a concept for a “collaborative economy.” However, some governmental bodies proposed a definition. By way of example, the Comisión Nacional de Mercados y la Competencia (National Commission on Markets and Competition), a public entity subject to parliamentary control that promotes and defends proper functioning of the Spanish market, confirmed in 2016 that collaborative economy refers to the heterogeneous set of production and consumption models by which their agents share, in an innovative way, underused assets, goods, and services in exchange for consideration or not, using digital platforms and, in particular, the Internet (CNMC 2016: 12). This concept follows the one included in “A European agenda for the collaborative economy” by the EU Commission in 2016, but it also includes a for-profit collaborative economy, whose inclusion is still a discussion among scholars.

In a more general way, the Catalan Interdepartmental Commission of the Collaborative Economy published in 2017 the report “Propuesta para un buen encaje de la economía colaborativa y de plataformas en Catalunya,” in which it considers that, within the concept of the collaborative economy, one might include the new social and business models that, thanks to technological platforms, create a digital framework for citizens to share resources (goods, services, time, knowledge, skills) and, at the same time, generate a more efficient way to connect, create and share value (Generalitat de Catalunya 2017: 15).

Thus, one might include within this concept any type of action that enhance the exchange of goods and services which are underused or to better allocate them (such as in the food industry, Miralles et al. 2017), and also peer-to-peer (hereinafter, P2P) actions and methods to achieve it (Pedroche et al. 2016), such as platforms, distributed ledger technologies, cryptocurrencies (Cañigüeral 2017), and “tokenization” of assets (Garcia-Teruel 2020).

## Key Questions

The key questions worth asking in Spain are the following:

- Is the collaborative economy, including platforms activity, positively or negatively contributing to the housing and labour market?
- Are limitations to platforms (e.g., bans to tourist dwellings’ licences) ballasting technological development?
- Is a legal framework for P2P networks (e.g., distributed ledger technologies) necessary? Are they really enhancing P2P contact or just replacing old intermediaries with new ones?
- Should the EU regulate this phenomenon to achieve a true harmonisation between the Member States?
- How should consumers be protected in the collaborative economy era?
- How are health crises and social distancing going to affect collaborative economy solutions, such as co-housing and co-working?

## Examples

Since the concepts of the collaborative economy provided above include both the exchange of goods, services, and assets for free or in exchange for a commission, the main collaborative economy local players are also the main platforms operating in Spain, for example, Airbnb, Glovo, and Uber. According to the report “Plataformas de Economía Colaborativa: Una Mirada Global” (2018), platforms for sharing transport and tourist housing are the ones that generate more income in Spain. The first ones include Uber, BlaBlaCar and Cabify, and the second ones Airbnb, Booking.com, HomeAway or even Intercambiocasas, a platform to exchange housing for tourist purposes.

On the other hand, there exist some limited local platforms that also enhance the share of underused resources in the following sectors. In accommodation and tourism, one might find Hundredrooms, a search engine based in Mallorca (Spain), to find accommodation. By its turn, Nolotiro is a platform to give underused goods for free, Lendi to share them with your neighbours and Getaround a car-sharing platform. In the educational sector, Floqq and Cursopedia are two platforms where teachers can share videos to provide knowledge on a certain subject and where students can access these videos. Students shall pay to see some of the videos. To avoid the waste of food, Yonodesperdicio allows users to share food for free, and Yoomers to share meals, but, in this case, users pay for them. Finally, for crowdfunding purposes, Goteo is one of the most used in this country to fund social projects. For real estate, Housers, Privalore and Civislend, but could be introducing new intermediaries rather than promoting a collaborative economy (Garcia-Teruel 2019).

## Context

### Overview

Spanish Parliament attempted to regulate the collaborative economy and the technological tools that allow P2P contact, such as blockchain and cryptocurrencies, for specific cases. Some examples of them are Proposal No. 161/003428 to introduce Blockchain to Spanish Public Administration and Proposal No. 161/003048, on the regulation, taxation, communication of use of cryptocurrencies and blockchain technologies. However, due to general elections and consequently changes in the Parliament, these initiatives expired. At a regional level, Catalonia published the Catalan Agreement GOV/44/2016, of 5th April, which promotes a code of good practices for the collaborative economy sector. Within this action, the Catalan region created an Interdepartmental Commission to study the collaborative economy and, by its turn, the Andalusian Government promoted the study “La Economía Colaborativa como nuevo sector de oportunidad y el emprendimiento en Andalucía” (“The collaborative economy as a new sector of opportunities and entrepreneurship in Andalusia”) 2017. In addition, and although a lack of general legislation on the collaborative economy (Muñoz 2016), some sectoral rules and judgements are affecting major players or those tools that allow P2P transactions.

### Tax Law Issues

The taxation of platforms depends on the sector and activities that they provide. By way of example, the judgement of the Court of Appeal of Asturias 6 February 2015 (ROJ: SAP O 70/2015) established that, although Bitcoin exchanges by themselves



are not subjected to money laundering controls under Spanish Act 10/2010 (Official Gazette 103, 29.4.2010), any type of exchange of cryptocurrencies with banks are controlled by these institutions. Due to the lack of certainty about the taxation of cryptocurrencies, the department of taxation (Dirección General de Tributos) has solved several consultations on this topic. For example, Consultation No. V0999–18, of April 18th, 2018, explains the taxation of Bitcoin and other cryptocurrencies for the Income Tax and how to communicate to the Tax Agency the number of cryptocurrencies that a person has.

## Labour Relationships

There is not such a piece of legislation on labour law issues affecting the collaborative economy. The collaborative economy usually relies on voluntary work and ad hoc support networks that do not involve a labour relationship. However, several judgements do deal with the labour relations of the so-called “riders.” For example, in the Judgement of the Barcelona Court of Appeal of June 11th, 2019, the Court decided that riders of the company Deliveroo are actual workers and not self-employed. This is due to the fact, among others, that a relationship of dependence between workers and the company exists: they are not paid directly by clients but by the company. In any case, this shall be analysed on a case-by-case basis. See also the ruling ECJ 22 May 2020, B v Yodel Delivery Network Ltd.

## Consumer Law

General consumer law provisions apply to B2C relationships (e.g., platform-consumer). Apart from that, Act 5/2015 regulated for the first time in Spain equity crowdfunding and crowdlending platforms, imposing some duties, such as a previous authorisation by the Comisión Nacional del Mercado de Valores (Spanish Securities and Exchange Commission, CNMV) and limits to retail investors (Simón-Moreno 2017). Note that C2C relationships, as they do not involve a consumer relationship in terms of Article 3 Directive 2011/83/EU, are not subjected to consumer’s provisions but to private law rules (e.g., in Spain, the Spanish Civil Code).

## Transportation Law

Although they exist several platforms of the collaborative economy for car-sharing (such as Car2Go), this field of law is marked by the conflict between taxi drivers and the so-called “VTC” (vehículo de transporte con conductor), which refers to the platform economy (Valenzuela 2017). This field was affected by ECJ 20.12.2017 Asociación Profesional Élite Taxi v. Uber Systems Spain (C-424/15), in which the Court decided whether the activity of Uber was considered an Information Society Service or a Transport Activity, requiring an administrative authorisation. This conflict led to dozens of demonstrations, mainly by the taxi sector, and restrictions on the use of P2P transport platforms by some regions. An example of it, Balearic Islands published RDL 1/2019, of 22nd February (Official Gazette 109, 07.05.2019) and Catalonia the Decree 4/2019, of 29th January, which impose restrictions to VTC, in such a way that a minimum period of 15 minutes to contract the transportation services is required. Also, Spanish RDL 13/2018, of September 28th (Official Gazette 236, 29.09.2018), establishes that VTC may only provide their service for interurban routes, and RD 1076/2017 (Official Gazette 317, 30.12.2017) established the obligation to communicate every transport route that a VTC provides.

## Regulation on Tourism

Regulation on tourist dwellings depends on each region, but only Andalusia regulated the rental of rooms for tourist purposes (Article 5 Decree 28/2016). Since the spread of P2P tourist accommodation platforms such as Airbnb in 2008, scholars and practitioners discussed their effects on rental prices in big cities such as Madrid and Barcelona. Rental prices in those cities increased more than 10 per cent during 2017–2018 (Fotocasa 2017). However, the relationship between an increase in rental prices and tourist platforms is not clear. While some scholars established a negative impact of tourist dwellings on the rental market (e.g., Artigot-Golbardes 2017), other reports (InAtlas Barcelona 2017, CNMV 2018) highlight those platforms such as Airbnb cause no impact on the housing market. In fact, an increase in rental prices in those cities could be a direct consequence of the legislation on urban residential leases in Spain, since Act 4/2013 reduced the minimum duration of rental contracts from five to three years, and in 2016–2017 all those contracts finished, and therefore property owners tried to increase rents (Garcia-Teruel 2017).

In any case, some cities and regions introduced a suspension on tourist dwellings' licences due to the potential negative effects of P2P tourist accommodation platforms to the increase in rental prices, to condominiums and neighbourhoods (Lambea Llop 2016), such as Barcelona in 2017 and Madrid in 2018 (this last one being suspended by the Madrid High Court of Justice in 2019). For example, Order HFP/544/2018 (Official Gazette 131, 30.05.2018) compels platforms to inform through the tax law model 179 about the identity of the tourists that rent a dwelling since 2018. Some regions even banned the rental of rooms for tourist purposes (e.g., Canarias), but Courts considered that this ban could not be applicable (Judgement of the Supreme Court 26/2019, of 15th January). Also, RDL 7/2019 establishes that the condominium board can ban tourist dwellings just with 3/5 of the shares of the condominium. In addition, in the Judgement of the Catalonia High Court of Justice No. 4/2019, of 24th January, the Court considers that even if the board of a condominium authorised a tourist dwelling, this authorisation would not be applicable to a new owner if the board has prohibited this activity and this prohibition was entered into the Land Registry.

## Developments

Sharing economy is considered to produce 300,000M EUR in 2025 (Hernández 2019) and to represent around 1.4 per cent of Spanish gross domestic product (EY Foundation 2017). Airbnb alone had an economic impact just in the city of Barcelona in one year (from August 2012 to July 2013) of \$175M. Main platforms also create jobs for the population in a context of high unemployment rates (14 per cent in Spain 2020): for example, about 280,000 people work for collaborative economy platforms in Catalonia (Público 2018). However, these workplaces might be considered precarious, and the externalities of these platforms are not clear since, as pointed out above, there are different opinions regarding the increase in rental prices that accommodation platforms cause.

## Issues

Although the collaborative economy aims at achieving a better allocation of resources, conflicts arisen from platforms might be damaging the reputation of this concept. The

collaborative economy is thought to make employment relationships of certain sectors and the access to housing more precarious and unstable (Alonso-Almeida, Bremser 2017). Even the current Spanish President, Pedro Sánchez, declared in 2019 that under the concept of “collaborative economy,” arise several bad practices in terms of labour relationships.

Also, in 2017 the Centro de Estudios de Opinión de la Generalidad de Cataluña carried out a survey to 12,000 citizens, where they were asked about the advantages and disadvantages of the collaborative economy. 19.1 per cent of respondents said that the main disadvantage is the insecurity for consumers, followed by unfair competition (16.8 per cent) and precarious work relationships (12.9 per cent). For them, the most important advantage was that a collaborative economy enhances cheaper products and services (20.7 per cent). In addition, in a survey carried out by IPSOS in 2019, 80 per cent of respondents considered that tourist dwellings cause an increase in rents and also problems in condominiums (76 per cent).

Even the lawmaker considers that platforms are increasing housing prices: the explanatory memorandum of RDL 7/2019 establishes that P2P platforms for tourist accommodation have an impact on the housing market in a context where rental demand is increasing.

## Other Major Players

### University Research (Selection)

- UNESCO Housing Chair of Rovira i Virgili University:
  - Collaborative housing (Ministerio de Economía y Competitividad, DER2017-84726-C3-1-P). <http://housing.urv.cat/en/vivienda-colaborativa/>
  - Project on tokenization of property rights (Centre d'Estudis Jurídics i Formació Especialitzada). <http://housing.urv.cat/en/in-process/tokenitzacio-de-drets-reals/>
- Chair for Collaborative Economy and Digital Transformation. Universitat de València.
- University of San Pablo CEU Elche: “El ordenamiento tributario ante la economía colaborativa: de la clarificación a nuevas formas de cooperación público-privada” (“The tax legal order before the collaborative economy: from the clarification to new public-private forms of cooperation”) (Ministerio de Economía y Competitividad).
- Universitat Internacional de Catalunya, “Improvement of quality in collaborative consumption companies: model, scale and loyalty” (Ministerio de Economía y Competitividad).
- UOC, “Economía colaborativa y Espacios Turísticos: contribuciones, transformaciones y retos” (“Collaborative economy and tourist spaces: contributions, transformations and challenges”) (Ministerio de Economía y Competitividad).

## Unions or Organizations

- Unauto VTC. Association of vehicles with driver. <https://unautovtc.es>
- Asoriders. [www.asoriders.es](http://www.asoriders.es)
- Veïns i amfitrions de Catalunya. [www.veinsiamfitrions.org](http://www.veinsiamfitrions.org)

## Commercial Lobbying Groups and Membership Organizations

- Adigital. Asociación Española de la Economía Digital. [www.adigital.org](http://www.adigital.org)
- FEVITUR. Federación española de asociaciones de Viviendas de Uso Turístico y apartamentos turísticos. [www.fevitur.com](http://www.fevitur.com)

## Future Direction of Research

The impact of new technologies to enhance the collaborative economy, such as tokenization of assets and the use of cryptocurrencies, is still under discussion (Garcia-Teruel 2020). In addition, due to COVID-19 and the subsequent health and economic crisis, the role of the collaborative economy is now under question. Health authorities in Spain (and around Europe) recommend social distancing. This social distance might prevent people from sharing services and resources of the collaborative economy, such as co-working spaces, co-housing premises, and car-sharing. In addition, the debate about the increase in rental prices caused by accommodation platforms should be reactivated in the context of the potential reduction of tourism in Spain.

Moreover, a new role for the collaborative economy might emerge thanks to the informal creation of solidarity networks during the lockdown. These networks helped older people to subsist during this crisis, which showed their potential in future COVID-19 strains.

## Concluding Remarks

The collaborative economy movement increased after the 2007 global financial crisis as a response to the needs of the most vulnerable people and to better allocate resources that were traditionally underused (such as cars). This role has also been highlighted during the COVID-19 crisis, as several informal solidarity networks were created in neighbourhoods and multi-unit buildings to help older people subsist during the lockdown.

The collaborative economy, thanks to new technologies that allow P2P contact (e.g., platforms, blockchain), is considered to offer cheaper resources, services, and products, in particular, those that were traditionally accessible only to the middle and upper classes. However, some platforms devoted to enhancing P2P transactions have been considered to damage somehow traditional sectors, starting an intense debate on the increase in rental prices caused by tourist accommodation platforms in key Spanish cities. Nevertheless, after the COVID-19 crisis, it is important to assess the new role of the collaborative economy: would it have the same impact on rental prices accommodation platforms, considering the potential reduction of tourism? Are co-working and co-housing spaces going to disappear or, at least, decrease, considering that health authorities ask for social distancing? Is the population ready to share products again without health protection measures?

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## Sweden: A City-Centric Sharing Economy Built on Trust

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### Abstract

This chapter reports on Sweden as an active and critical player within the European sharing economy. With a key focus on cities, Sweden has launched a national program, “Sharing Cities Sweden”—a strategic innovation program for smart and sustainable cities with an allocated budget of 12 million EUR over four years. The objectives of the program are to develop world-leading test-beds for the sharing economy in Stockholm, Gothenburg, Malmö, and Umeå, as well as develop a national node to significantly improve national and international cooperation and promote an exchange of experience on sharing cities. In the following pages, the sharing economy in Sweden is outlined, first, through exploring the definitions adopted by various actors and key questions to be addressed, and second, with the help of examples of existing collaborative economy platforms. The report concludes with a discussion on the collaborative economy in a Swedish context, forthcoming developments in the sector, and the associated issues and challenges.

**Keywords:** Sweden, Sharing Economy, Sustainable Cities, Smart Cities

### Introduction

The collaborative economy in Sweden is developing at more or less the same pace as in other European countries, with areas, such as finance, growing faster than others (e.g., crowdfunding) (Felländer et al. 2019). Sweden ranked at number forty-two in the Timbro Sharing Economy Index published in 2018, a ranking which is evident through the existing home-grown initiatives, adoption of international sharing economy platforms, and through the “Sharing Cities Sweden” project. The project launched in 2018 and with a focus on exploring the emerging landscape of the sharing economy in cities. The report published in April of the same year by researchers at Lund University in collaboration with Viable Cities (a strategic innovation program for smart, sustainable cities led by KTH Royal Institute of Technology) outlines a program to “develop world-leading test-beds for the sharing economy in Stockholm, Gothenburg, Malmö, and Umeå” (McCormick and Leire 2019).

## Definitions

There does not seem to be one succinct and broadly embraced the definition of the collaborative economy in Sweden. In fact, a 2019 study (Markendahl et al. 2019) conducted collaboratively by researchers (Royal Institute of Technology, Stockholm, International Institute for Industrial Environmental Economics, Lund University) and city officials from Gothenburg, Stockholm, and Umeå discusses how there is no clear definition as the sharing economy is such an extensive concept with a wide range of activities and services that can be included. The Sharing Cities Sweden project has a technological focus defining the sharing economy as:

“Driven by digitalisation, the sharing economy involves the peer-to-peer exchange of tangible and intangible slack (or potential slack) resources, including information, in both global and local contexts. This mediated exchange tends to reduce transaction costs for users by replacing third-party intermediaries with digital platforms. However, the elimination of third-party intermediaries means that risks are often borne by the providers and consumers of resources rather than by a central actor” (McCormick and Leire 2019).

The Swedish Entrepreneurship Forum chose to use the Rachel Botsman definition as a starting point but also built on it through outlining various sharing practices more specifically:

“A system that activates the untapped value of all kinds of assets through models and marketplaces that enable greater efficiency and access” (Botsman and Rogers 2011)

“The sharing economy has been defined to include the renting, bartering, loaning, gifting, and swapping of assets that are typically underutilized, either because they are lying unused or because they have not yet been monetized. Such assets include a wide variety of tangible and intangible assets” (Felländer et al. 2019)

## Key Questions

Examining both the initial findings research report (Markendahl et al. 2019) and the project program report (McCormick and Leire 2019) published by the Sharing Cities Sweden project, several vital questions were put forward about sharing services and motivations for the various actors involved. Additionally, the Timbro Sharing Economy Index report put forward questions concerning the effect of collaborative economy on capitalism and business models.

- 1) What patterns can be identified for different types of sharing economy services?
- 2) What are the motivations and drivers for diverse types of actors to use different types of sharing?
- 3) What can drivers be identified for different types and patterns of sharing services?
- 4) How is a specific sharing service offered?
- 5) What happens when the distinction between employee and service provider is increasingly muddled?
- 6) Will capitalism itself change if digitised business models push down transaction costs to levels that eventually challenge the notion of the firm itself?

## Examples

In accordance with the definitions presented above, the examples provided are categorised in relation to the sharing of tangible assets or intangible assets and whether the initiative is non-profit or for-profit.

**Table 1. Tangible and Intangible Examples of Initiatives**

Assets	Name of Initiative	Type of Asset Shared	Description	Business Model	Location
Tangible	Skjutsgruppen	Cars	Peer-to-peer group with over 40,000 users who ride-share all over Sweden. Users self-organize in terms of arranging trips and fees. <a href="https://skjutsgruppen.nu">https://skjutsgruppen.nu</a>	Non-profit	Nationwide
Tangible	Hoffice	Offices	Peer-to-peer Home office sharing, users arrange group-working sessions in each other's home. <a href="http://hoffice.nu">http://hoffice.nu</a>	Non-profit	Nationwide
Intangible	FundedByMe	Financing	FundedByMe provides equity crowdfunding opportunities for entrepreneurs and investment opportunities for private investors. <a href="http://www.fundedbyme.com">www.fundedbyme.com</a>	For-profit	Nationwide
Intangible	TaskRunner	Labour	The platform allows users to get help with simpler services from quality-assured people in their local area on-demand. <a href="http://www.taskrunner.se">www.taskrunner.se</a>	For-profit	Nationwide

Source: Own elaboration.

## Context

An analysis of sharing economy activity in Sweden carried out by researchers in 2019 reported that, in general, interviews with city representatives give an overall picture of a positive attitude to sharing and initiatives to handle climate change (Markendahl et al. 2019). Swedish city governments embrace and support sharing economy due to its potential to reach the city's sustainability goals, for example, reduce climate impact from car-sharing. However, as in other European countries, there are regulatory issues regarding employment, most notably with platforms Uber and Airbnb, "a digital platform does not guarantee an individual's wellbeing in the same way that a "traditional" employer does, and individuals who provide their services through sharing economy transactions generally must bear a considerable amount of risk" (Felländer et al. 2019) collaborative economy practices can fall out of the scope of Swedish employment regulations. Although the aforementioned analysis of sharing economy activity in

Sweden reported that in Sweden, existing laws have, for the most part, regulated these challenges at the national level (Markendahl et al. 2019).

## Developments

As mentioned in the introduction, Sweden is undergoing significant development within the collaborative economy sector through the Sharing Cities Sweden project under the ongoing global movement and emerging cooperation among cities who work under the umbrella of "sharing cities." The project launched in 2018 and with a focus on exploring the emerging landscape of the sharing economy through a city's perspective. The project brings together partners from business, the public sector, academia, and civil society in four Swedish cities, Stockholm, Gothenburg, Malmö, and Umeå. A Sharing Cities Sweden summit took place on April 23, 2019, in Lund at the International Institute for Industrial Environmental Economics (IIIEE) during Lund University's Sustainability Week. The proceedings involved actors from the four test cities along with partners from the private and public sectors, universities, and institutes in collaboration with the funding bodies of the program: Vinnova, Formas and the Swedish Energy Agency (McCormick and Leire 2019). The project has a key focus on ICT (Information and Communications Technology) sustainable development and aims to develop and strengthen the sharing economy initiatives nationally and in cooperation with other international cities. The project report published in April 2019 provides a detailed account of both the overall nationwide goals in addition to the individual goals and areas of focus for each of the participating cities, which are summarised below.

### General Goals:

- 1) Context: The geographical area within each city is limited to certain areas and activities.
- 2) Experimentation: The aim is to design and test new solutions, technologies, and policies in real environments and do so in a transparent manner.
- 3) Participation: The development is based on collaboration with a diversity of stakeholders and users.
- 4) Leadership: Clear leadership and ownership are considered crucial and should be managed by local authorities and universities in cooperation with a variety of partners.
- 5) Evaluation: Evaluated in terms of their ability to formalise learning, drive implementation forwards and create impact.

## City Specific Focus

**Stockholm:** The focus is on cooperation with a citizenship initiative called ElectriCITY, now an economic association, which operates several local climate change initiatives in the district of Hammarby Sjöstad, which includes negotiated simulation with residents and stakeholders in workshops and the application of future-oriented scenarios.

**Gothenburg:** The focus is on Gothenburg's innovative capacity through combining knowledge, cultures and experiences and partnerships with a wide range of actors.

Malmö: The focus is on the integration of principles for the sharing economy into the physical development of Sege Park, an area with a rich history and exciting future. The existing parks and buildings provide the conditions for a good living environment. Sustainability, the sharing economy, and urban agriculture are some keywords for the building actors who are developing about 700 homes in Sege Park together with the municipality.

Umeå: The focus is on innovative solutions for mobility, green spaces, resource efficiency, use of indoor space, and consumption.

**Table 2. Examples of Initiatives in Stockholm**

City	Name of Initiative	Type of Asset Shared	Description	Business Model
Stockholm	Olio	Food	OLIO connects neighbours with each other and volunteers with businesses so surplus food and other items can be shared, not thrown away. <a href="https://olioex.com/food-waste-in/sweden/">https://olioex.com/food-waste-in/sweden/</a>	Non-profit
Stockholm	Hygglo	Various	A platform for consumer-to-consumer sharing) <a href="http://www.hygglo.se">www.hygglo.se</a>	Non-profit
Gothenburg	Klädoteket	Clothing	Shared closet clothing and accessories sharing—the items are owned by the company but shared among users through rental for a set period. <a href="https://kladoteket.se">https://kladoteket.se</a>	For-profit
Gothenburg	Cykelkoket	Tools, Skills	Cykelkoket is a collective bicycle repair workshop. <a href="http://www.cykelkoket.org">www.cykelkoket.org</a>	Non-profit
Malmö	Swop Shop	Clothing	Swop Shop is a store that offers you an easy, sustainable, and economical way to renew your wardrobe. <a href="http://www.swopshop.se">www.swopshop.se</a>	For-profit
Malmö	STPLN	Tools, Skills	Stpln is a unique meeting place, a makerspace, and an incubator for initiative and creative projects in Malmö. <a href="https://stpln.org">https://stpln.org</a>	Non-profit
Umeå	Fritidsbanken	Sports Equipment	Fritidsbanken Umeå allows locals and visitors to loan sports and leisure equipment for free. It also accepts donations of equipment. <a href="http://www.fritidsbanken.se">www.fritidsbanken.se</a>	Non-profit
Umeå	Delbar	Various	Delbar is a platform that offers an easy way to engage in sharing with friends and close social networks. It	Non-profit

			can facilitate the local sharing economy. <a href="http://www.delbar.se">www.delbar.se</a>	
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Source: Own elaboration.

## Issues

The Swedish Entrepreneurship Forum has observed a unique characteristic of the collaborative economy market in comparison to other European countries in that “Sweden tend to justify sharing on the basis of sustainability, rather than cost-effectiveness or efficiency” (Felländer et al. 2019). For example, the city of Gothenburg supports the Smart map32, which is a mapping of more than 100 sharing initiatives in the city. The aim is to visualise options for more sustainable consumption to its citizens (Markendahl et al. 2019). Although in line with the development of other nations, the guiding force in the Swedish context has been accessing over ownership and collaborative economy initiatives have been established and run by a multitude of actors in public and private sectors as well as non-profit organizations supported by networks of volunteers.

On December 17, 2016, the government decided to assign a special investigator to make a descriptive survey of divisional economic models, analyse users’ roles and legal position in divisional economic transactions, discuss the effectiveness of existing legislation in the sharing economy and the need for new regulations, and to assess whether there is reason to propose measures other than legislation to promote the positive development of the sharing economy (Bradley 2017).

## Other Major Players

As reported, there is extensive research carried out with regards to collaborative economy in the Royal Institute of Technology, Stockholm, International Institute for Industrial Environmental Economics, Lund University, and Stockholm University in addition to a much investment from both city level and national government, public and private sectors as well as non-profit organizations.

## Summary

In summary, the myriad of activities taking place within the sharing economy in Sweden appears to be largely driven by concerns with environmental sustainability and opportunities to build communities rather than to increase efficiency or as an alternative means of economic growth. The country has chosen to focus on individual cities as development test-beds for ongoing and future sharing activities and initiatives in both the profit and non-profit sectors while also developing a national node to significantly improve national and international cooperation and promote an exchange of experience on sharing cities. Although Sweden faces similar regulatory issues regarding employment as other European countries, the key factors for the success of the sharing economy in Sweden include a comparatively high-level of trust in other people (i.e., high social cohesion), comparatively high environmental awareness and

policy objectives, and a strong fraud prevention system (BankID: An electronic identification is a digital solution for proof of identity of citizens or organizations)

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## Relevant Websites

- Hygglo (a platform for consumer-to-consumer sharing): [www.hygglo.se](http://www.hygglo.se)
- Sharing Cities Sweden (a national program for the sharing economy in cities): [www.sharingcities.se](http://www.sharingcities.se)
- Time Village (a skill sharing platform): <https://timevillage.org>
- TipTapp (consumer-to-consumer logistics platform): [www.tiptacom/en](http://www.tiptacom/en)



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## A Note on the Emerging Landscape of the Sharing Economy in Switzerland

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## Abstract

To outline the emerging landscape of sharing economy services in Switzerland, this report synthesizes prior market research and technology assessment studies on collaborative consumption and its role in the Swiss workforce. It offers a bird's-eye view of key stakeholders in contemporary Swiss sharing economy services, as well as the models and tools adopted by these services. It also provides several examples of local sharing economy initiatives and identifies emergent issues in this space. The report concludes with suggestions for further reading and research inquiries.

**Keywords:** Sharing Economy, Switzerland, Pumpipumpe, Mobility, Leihbar, Sharely

## Introduction

A 2015 study from Deloitte (Zobrist and Grampp 2015) illustrates the growth of the collaborative economy in Switzerland. The study divides the Swiss sharing economy into five areas: transport, accommodation, goods, services, and financial services. Today, well-known sharing economy companies such as Airbnb and Uber are competing for customers with their traditional counterparts in the accommodation and taxi industries. For example, a study by the Valais Tourism Observatory in summer 2017 puts Airbnb's market share at 30 per cent of the total hotel beds supply across

Switzerland (Walliser Tourismus Observatorium 2017). This number has most likely increased since then.

Drawing on two prior in-depth inquiries of the state of the collaborative economy in Switzerland (von Stokar et al. 2018; Zobrist and Grampp 2015), this report puts forward the question: “What are the key characteristics of the Swiss sharing economy landscape?” The report is organized as follows. To begin, the authors present the adopted definition of the sharing economy in Switzerland; then, they offer three main questions that can be used to chart the current landscape of the sharing economy in the country. Next, the report provides several examples of sharing economy initiatives, briefly outlines the national context, the current developments, and the emergent issues within this space. The report concludes with the suggested readings and enumerates a few potential directions for future research.

## Definition

There is no agreed definition of the sharing economy in Switzerland. For example, the recent comprehensive inquiry of the national sharing economy landscape (von Stokar et al. 2018) considers the sharing economy as a special case of the platform economy. However, the Swiss Federal Council, in their “Report on the central framework for the digital economy” (The Swiss State Secretariat for Economic Affairs 2017), has largely agreed upon the European Commission definition of the collaborative economy as “a complex ecosystem of on-demand services and temporary use of assets based on exchanges via online platforms” (European Commission 2015). The report has also acknowledged that the transactions in the sharing economy do not imply transfer of ownership of a resource and involve time-limited use of resources. What is more, the report suggests accounting for peer-to-peer as well as hybrid models (i.e., business-to-consumer) of the sharing economy as usually, both offerings are widely present side by side within a single online marketplace or a platform.

## Key Questions

This report briefly outlines existing types and models of the collaborative economy in Switzerland, identifies key stakeholders, and illustrates technological tools used to support the collaborative economy in Switzerland.

### 1. What Types and Models of Collaborative Economy Are Present in Switzerland?

Airbnb and Uber are successful in large parts of Switzerland (Zobrist and Grampp 2015). In addition, an increasing number of start-ups have formed in the area (Ingber and Jürgensen 2014). The most popular ones have already expanded their business abroad. For example, Housetrip from Lausanne, a Swiss equivalent of Airbnb, has become one of the largest platforms for renting places across Europe. It was recently acquired by TripAdvisor. Sharoo, a car-sharing start-up from Zurich, is considered a pioneer in the field of software development for vehicle-sharing platforms (Zobrist and Grampp 2015). Mila.com, a platform for matching tech-savvy individuals (both professionals and private persons) with consumers in need of tech assistance, has expanded to 150 European cities.

It seems that most of the Swiss sharing platforms adopt a classic model of revenue generation: retaining a transaction fee (in per cent of the transaction value or using a fixed fee) each time they match a producer and a consumer. However, there are local grassroots initiatives that seem to be operating based on altruistic and communal values. For example, Pumpipumpe ([www.pumpipumpe.ch](http://www.pumpipumpe.ch)) is an online service that provides a set of stickers for one's mailbox to let neighbours see what things one can borrow. It offers a search and map interface to find available household items from close-by neighbours, as well as a messaging service to coordinate exchanges. However, it does not specify how the sharing transaction should take place. There is no monetary compensation explicitly designed and endorsed by the platform.

## 2. Who Are the Key Stakeholders in the Collaborative Economy in Switzerland?

The main stakeholders in the Swiss collaborative economy are predominantly businesses (including start-ups) that establish online platforms for delivering goods and services to individuals. However, there are occasional federal (e.g., as in the promotion of Mobility car-sharing through the federal rail services) and local governmental collaboration (e.g., as in Publibike.ch, a bike-sharing initiative operated by the Swiss Post, which collaborates with municipalities in setting up bikes in several Swiss cities) with the ecosystem of the collaborative economy. Several grassroots initiatives and non-profit enterprises are also present. However, their role in the overall ecosystem seems still small. In addition to the above-mentioned Pumpipumpe, an advocacy group called Sharecon (<http://sharecon.ch>) has promoted sharing economy initiatives in Switzerland (since 2013) and supports founders by providing networking opportunities with industry, policymakers, and society at large.

Large Swiss companies such as Migros (supermarkets), Mobiliar (insurance), Nestlé (food), SBB (rail) and Swisscom (telecommunication) have also realised the potential of the sharing economy (Zobrist and Grampp 2015). The political framework for start-ups in Switzerland is relatively good, given established infrastructure, a well-functioning labour market, high education standards and low regulatory hurdles. Nevertheless, experts identified several challenges when it comes to sustaining sharing economy start-ups: little financial support beyond developing the initial idea (e.g., particularly when a product reaches the market), the relatively small size of the Swiss market, and high labour and production costs (Zobrist and Grampp 2015).

Overall, a large majority of Swiss consumers (63%) agrees that the collaborative economy, in general, offers a more sustainable way to use underutilized resources (Zobrist and Grampp 2015). Nevertheless, the authors are not aware of the policies/mechanisms in place to secure its sustainable future. While there is growing governmental interest in supporting car-sharing initiatives (e.g., Mobility), stronger incentives (e.g., tax breaks for the shared car use) and more active participation overall would be beneficial to support and promote collaborative economy initiatives. In addition to that, only a few non-profits operate in the Swiss sharing economy—most businesses in this area are for-profit. What is more, despite the historical importance of local communes in Swiss society, few community-based non-profit initiatives are active in the sharing economy sector.

### 3. What Are the Technological Tools Used to Support Collaborative Economy Initiatives?

Smartphones and online platforms are ubiquitously used by consumers and producers of sharing economy services. An April 2017 study ranks Switzerland #3 in worldwide smartphone penetration (Newzoo 2017). Consequently, fielding online-based/mobile sharing services have a low barrier of entry in Switzerland.

For example, Sharoo developed its own car-sharing software that allows finding and unlocking vehicles using consumer smartphones (Burkhard 2014). Similarly, the car-sharing initiative from Luzern, Mobility.ch, uses RFID-based readers to provide access to their car fleet. Due to the partnership with Swiss Federal Railways (Schweizerische Bundesbahnen, SBB), customers can use the popular SwissPass card (which typically stores electronic versions of rail passes but also supports other types of tickets, such as ski passes) to also hold their Mobility “key” to access any of over 3000 Mobility vehicles across the country.

A dozen of food cooperatives (e.g., ortoloco.ch) and solidarity community-gardening associations use a specialised open-source platform Juntagrigo (<https://juntagrigo.org>), to coordinate their day-to-day activities (e.g., task allocation, billing, shareholder management) and handling interactions with community members (e.g., administer subscriptions for delivery fruits and vegetables).

### Examples

The local resource sharing community Pumpipumpe, founded in Bern in 2012, provides a set of stickers that can be put on a mailbox to let neighbours know what household items one is willing to share. Being a low-tech solution, the service neither specifies how the sharing of those items would be arranged nor endorse any monetary compensation—it is up to the individuals to agree on terms of use and arrangements for a return. The pre-defined images on the stickers vary from common household items (e.g., a bike-pump) and tools (e.g., a drill), to rarely used kitchen appliances (e.g., a pasta maker), to typical Swiss cookware such as fondue sets. One can design their own sticker as well, in case none from the standard set match.

### Pumpipumpe

It is a non-profit association that seeks to support face-to-face encounters of neighbours. The association is run entirely by volunteers. All revenues collected from the sale of the sticker sets (7 Swiss Francs/Euros for a set of 50) cover the printing and shipping costs. This rather simple idea quickly gained popularity outside Switzerland. Now, over 24,000 households participate worldwide. Pumpipumpe is an interesting example of a sharing economy service that promotes trust, encourages sustainable consumption, facilitates social encounters, and fosters the development of local communities.

Note that a for-profit version of Pumpipumpe also exists in Switzerland: Sharely (<http://sharely.ch>), the “local online rent and share platform.” They have a refined web search interface that can accommodate some specific requests, for example, categories of items or locations. A dedicated smartphone app allows one to quickly reach out to an owner to initiate a transaction. In contrast to Pumpipumpe, Sharely

implements a reputation review system using ratings from peers upon completion of the transaction (i.e., a return of an item).

### Mobility.ch

A cooperative from Luzern, founded in 1997, is a pioneer in car-sharing in Switzerland. Mobility uses the same model as Zipcar, providing time-based access to over 3000 vehicles in nine different categories. However, in contrast to Zipcar, Mobility is a cooperative, with nearly 40% of its 177,000 customers being members. Rates are based on the number of kilometres driven and the time spent having reserved the vehicle (fuel is included in the mileage, with each car featuring a specific debit card that one can charge refuelling to). Mobility developed its own car-sharing software, called MobiSys. It uses RFID-based readers installed in each car to provide access to its car fleet. Customers can link their existing RFID-enabled multi-purpose SwissPass card to unlock a vehicle (otherwise, a Mobility-specific RFID card is given out).

Contrary to other car-sharing services such as Car2Go, Mobility requires that each vehicle be returned to its specific parking spot at the end of the rental (similar to Zipcar). However, a recently established Mobility subsidiary operating under the brand Catch-a-Car ([www.catch-a-car.ch/en/about/](http://www.catch-a-car.ch/en/about/)) introduced a “free-floating” car scheme, where the vehicle can be dropped at a public parking or curbside parking within a residential zone. Similarly, to Car2Go, vehicles can be located using a smartphone a Catch-a-Car has only offered their service within the cities of Basel and Geneva. In the summer of 2019, the service was rebranded as “Mobility Go” and is now fully integrated into the Mobility ecosystem. Until early 2019 Mobility used to hold a share in a Sharoo AG (<http://sharoo.com>), which provides a platform for sharing private cars. Car owners install a controller box in their car, which enables Sharoo consumers to open and lock the car using the Sharo. Car owners can then set availability times and rates directly in the a

### Leihbar ([www.leihbar.ch](http://www.leihbar.ch))

It is one of the few tool libraries in Switzerland. It was founded in Bern in 2019 by the Swiss Consumer Protection Foundation. The library operates as a non-profit association; it has been run by twenty volunteers and has served over 200 members since its inception in March 2019. The yearly membership of 60 Swiss francs gives a member unlimited access to over 350 tools. The tools varied from simple hand tools for home and garden maintenance (e.g., pipe clamps, a wheelbarrow) to high-end power tools (e.g., Mitre saws, air compressors) to items for leisure (e.g., a dinghy, a sled). Leihbar uses state-of-the-art software among tool libraries myTurn (<https://myturn.com>) to handle the loans and to maintain the tools' inventory.

### Context

When it comes to the overall perception of sharing economy services in Switzerland, the Deloitte study (Zobrist and Grampp 2015) finds that 55% of Swiss consumers are willing to use sharing economy platforms, in contrast to 45% of the US consumers. However, the study also finds significant regional differences within Switzerland: while in the French-speaking part of Switzerland (roughly 23% of the population), 65% of participants are in favour of sharing economy services, only 32% of consumers in the German-speaking parts (which represents about 63% of the population). No data exists for the Italian-speaking or Romansch-speaking parts of the country (8% and

0.5% of the population, respectively). Despite these differences, Swiss consumers seem to be overall in agreement that the collaborative economy will lead to lower prices and a wider choice of options.

The Gottlieb Duttweiler Institute conducted a representative survey (Frick, Hauser, and Gürtler 2013) of people in Switzerland and Germany about their willingness to share and what motivates them to do so. The most shared categories of items were personal recommendations (e.g., travel tips), food, books, music collections, and tools. When it comes to motivations to share, the Swiss mainly pursue social aspirations (e.g., maintain social ties), they are also gladly willing to engage in sharing because it is fun to do things together instead of alone; it is good for the environment and the community at large.

With regard to policy, there seems to be no specific framework in place that regulates sharing economy business models. Some legal experts argue that many of the legal questions and uncertainties can be answered using existing laws and regulations (von Stokar et al. 2018; Zobrist and Grampp 2015). Nevertheless, there are growing concerns (Zobrist and Grampp 2015) of politicians and the general public about safety (for taxi services, e.g., via Uber) and hygiene standards (for room rentals, e.g., via Airbnb).

One of the most debated questions in Switzerland regarding the legal challenges of the sharing economy is whether the workforce behind an online sharing platform (e.g., Uber drivers) should be considered self-employed or rather employed by the platform operator (Auf der Maur and Gassmann 2017). The Swiss Federal Council report (The Swiss State Secretariat for Economic Affairs 2017) questions the lasting value of a “one-size-fits-all” regulatory approach to this issue because new working/business models rise and develop quickly, and instead recommends assessing each individual platform and their employment model on a per-case basis.

Another resolution came with regards to current Swiss rental law. After a three-month consultation process, the Swiss government suggest minor amendments to Swiss tenancy law (Der Bundesrat 2018), where subletters (as in the case of Airbnb) need to obtain a landlord’s general permission to sublet repeatedly over a given period, relaxing prior obligation to ask permission and report every paying guest every time they want to rent.

For further details on the required actions and recommendations, see a comprehensive report (von Stokar et al. 2018) commissioned by the Swiss Foundation for Technology Assessment (TA-SWISS).

## Developments

A survey from Deloitte (Grampp and Zobrist 2016) on the workplace of the future in Switzerland suggests that the growth of the digital and sharing economy led to more individuals establishing themselves as micro-entrepreneurs. According to their study, one in four working people in Switzerland currently works as a freelancer. When it comes to the remaining 75%, one-third of them would like to do so in the next year. The contemporary sharing economy services encourages people to offer and provide services via online platforms. Consequently, the rise of such services is considered by the study authors as the main driver of the freelancing trend. What is more, the study concludes that alternative workplace forms, such as co-working spaces or working



from home arrangements, become increasingly important for the Swiss workforce. The knowledge-intensive industries started to recognise this trend and seek to develop adequate solutions to leverage mobile workstyles.

Concerning the development of the sharing economy in Switzerland, the TA-SWISS study (von Stokar et al. 2018) predicts that the high-level of education of the Swiss workforce, well-developed industries (e.g., IT sector), fair digital expertise among the Swiss population as well as pragmatic legislation create favourable conditions in the country to exploit economic and social potentials of the sharing economy. However, the high purchasing power of the Swiss population could stand in the way of the growth of sharing economy services.

## Issues

The recent study of the sharing economy landscape in Switzerland (von Stokar et al. 2018), commissioned by TA-SWISS, not only illustrates the particular opportunities and challenges of the sharing economy in the country but also offers a set of strategies in order to maintain its positive dynamic development, as well as provides actionable recommendations how to mitigate its potential negative consequences. In particular, they outline the three biggest challenges for policymakers:

- 1) The ways data and data protection issues are managed by sharing economy platforms. The data that peer-producers and peer-consumers leave on sharing economy platforms (e.g., transaction details, profiles, reputation scores) has a high-value for platform operators. However, the end-users have no clear understanding of how this data will be used, as well as have limited control of its future dissemination. This can create undesirable effects that can lead to mistrust in platform operators.
- 2) The impacts of the platform economy on the labour market and social insurance (e.g., social security funds). In the event of rapid expansion of the platform economy, three main risks have to be addressed within future legal provisions: (i) the monetization of unpaid volunteer work; (ii) health issues for the working population, and (iii) the casualization of employment (e.g., lower job security, insufficient pay, less social security).
- 3) The consequences of the rapid expansion of sharing economy platforms on the competitiveness of the Swiss economy and business innovation. In order to ensure future competitiveness, Swiss business players should invest in developing their expertise in exploring the aspects of digitalisation of their existing business models (e.g., through integrating novel distribution channels offered by the sharing economy). In turn, administrative authorities and legislators are required to monitor the various markets and apply competition law as needed in order to prevent the formation of monopolies.

## Related Research Groups and Industry Efforts

Felicitas Morhart and Katharina Hellwig, researchers of the Faculty of Business and Economics of the University of Lausanne, have an extensive publication record in the sharing economy scholarly area. They especially focus on this phenomenon from marketing and consumer behaviour perspectives.



Claudia Binder, head of the Laboratory for Human-Environment Relations in Urban Systems at the School of Architecture, Civil and Environmental Engineering at EPFL, investigates the rebound effects and the related environmental impacts of the sharing economy.

Marlyne Sahakian, a researcher at the Institute of Sociological Research at the University of Geneva, explores the roles of alternative economies in relation to environmental concerns and social equity. She is particularly interested in the context of household energy and food consumption.

Anton Fedosov (University of Zurich) and Marc Langheinrich (USI Lugano) explore the role of interactive technologies to support sharing economy initiatives. Stemming from the systematic literature review of physical and digital sharing practices (Fedosov, Albano, and Langheinrich 2018), they developed a design toolkit and a corresponding methodology for the creation of novel sharing economy services and tools (Fedosov, Kitazaki, Odom, and Langheinrich 2019).

Sharecon.ch is a non-profit organization that promotes sharing economy initiatives in Switzerland and supports local start-up founders by providing networking opportunities with industry, policymakers, and media.

## Future Directions of Research

This report highlights several research avenues that one can explore in their distinct scholarly area (e.g., legal studies, economics, sustainable consumer behaviour). For example, by employing quantitative research approaches and conducting representative surveys among peer-consumers and peer-producers, one could investigate the environmental impact of the sharing economy and determine its rebound effects (e.g., how the saved or earned money are actually spent).

In turn, the authors are particularly interested in investigating the sharing economy initiatives in Switzerland, adopting qualitative research and design research approaches to examine the mechanics of how the sharing of underutilized resources plays out in practice. Future research could conduct a comparative study eliciting and contrasting the characteristics of different models in the sharing economy, ranging from mostly physical peers' encounters (e.g., the Pumpipumpe approach) to both physical and digital interactions (e.g., Bern's Leihbar physical space and an online inventory for tool requests), to dominantly digital interactions among peers (e.g., Sharely, a local online marketplace). A better understanding of the practices surrounding the different models, their boundaries, and limitations, as well as employed physical/digital innovations (e.g., Pumpipumpe's sticker system paired with an interactive map) contributes to social exchange literature and adds to Human-Computer Interaction research on local resource sharing communities that facilitate social encounters among members and encourage sustainable consumption practices at large.

## Summary

Drawing on prior market research and technology assessment studies, this report provided a (non-exhaustive) collection of the main developments of the state of the sharing economy in Switzerland from 2015 until 2019. The authors described the major players, the typical examples of the Swiss sharing economy initiatives, outlined the

consumer attitudes when it comes to sharing, and demonstrated the emergent issues for policymakers with regard to scaling the sharing economy in the national context.

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## Suggested Readings

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Mobility. More than car-sharing: [www.mobility.ch/en/](http://www.mobility.ch/en/)

Pumpipumpe. A sharing community: <http://pumpipumpe.ch>

Sharely Mietplattform. Lokal mieten und vermieten: [www.sharely.ch](http://www.sharely.ch)

Sharely on Twitter: “Brandneue Infografik mit einem Überblick über alle Sharing-Services in der Schweiz!”  
[https://twitter.com/sharely\\_ch/status/664004854633791488](https://twitter.com/sharely_ch/status/664004854633791488)

Verein Sharecon Schweiz Netzwerk, Sharing Economy, Sharing: <http://sharecon.ch>

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## A Socially Engaged Model of Sharing Platforms in Turkey: Design as a Blueprint of Practices and Local Cooperations

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### Abstract

The growing importance of sharing economy brought criticism with it. Can a new emerging economy be more socially engaged? Given the emergence of local forms of sharing, the current study attempts to collide the authentic socially engaged forms of sharing in the form of platforms, services, and communities from Turkey. Despite intense public attention, there have been very few studies about landscapes of sharing and caring in Turkey. This gap needs to be addressed, as Turkey has great potential. Rapid urbanisation, accompanied by an increasingly young population, provides unique opportunities for scalable new services. In addition to this, there has been remarkable progress in Turkey's entrepreneurial ecosystem in recent years. To that end, this study carried out a critical review and a thematic categorisation of sharing and caring platforms in Turkey. Based on a social model of sharing, the authors show the ecological, local, and regional values of such platforms. Key findings from the initial thematical mapping indicate regional and cultural potentials. The diversity in the monetary aspects of different platforms and how they relate to the cultural components also show the importance of a variety of assets for defining the value of sharing economy in diverse cultures.

**Keywords:** Sharing, Caring, Local Platforms, Turkey

## Introduction

Sharing as a form of social exchange existed long before the invention of online sharing platforms (Cook et al. 2013). Indeed, sharing is the form of traditional collaborative work in Turkey inherited from old civilizations in Anatolia (Akif Kara 2016). The first dictionary *Divanü Lugati't-Türk* from the 11<sup>th</sup> century, included the word *image*, the practice of collaboratively completing tasks in a village or village-like community (Akif Kara 2016). The historical existence of sharing was also mentioned under the framing of communal work in intangible cultural heritage reports (e.g., UNESCO 2019).

The sharing economy was the primary form of sharing introduced as business potential. Following a model of sharing idle capacities such as time, room, cars, this model has been fast-growing, mainly technology-centric, and technology-driven. Turkey is no exception. According to Timbro Sharing Economy Index, Turkey is at 94<sup>th</sup> place among 213 countries in the Sharing Economy Index (Bergh et al. 2018), and Turkey is one of the fastest-growing countries in the area of sharing economy (Beutin 2018), with the most prominent sectors for sharing economy in Turkey being media and entertainment (49%), retail and consumer goods (44%), automotive and transport sectors (40%) (Kalaycı Oflaz 2019). Turkey is firmly engaged in peer-to-peer and community sharing activities. A variety of classical platforms and services have recently been entered to support these and other concepts digitally. However, there is no documentation on the positive and negative impacts of these platforms in Turkey. The emerging legislation changes from EC, local news, and the establishment of more central groups indicate a growing interest in the topic. The current definitions of collaborative/sharing economy—as mentioned in Nesta documents or similar—have not yet recognised in governmental documents nor legislation.

The sharing economy as a new digitally enhanced practice has led to drastic changes in consumer behaviour. There has been a high tendency towards the sharing economy as a form of unregulated exchange of goods and services that allow people to make money from underutilized or idle assets. Many tangible assets are shared as services under this model. Many people are willing to try mobile apps that facilitate peer-to-peer business models, shared entrepreneurial enterprises, etc. Examples of the sharing economy are not limited to car-rentals or home rentals. People have a willingness for wide range of services provided by the sharing economy in tourism, automotive and transportation, labour, delivery, short-term loans, and retail and consumer goods. Sharing systems hold a promise to incorporate new ideas beyond existing financial and monetary platforms, such as creating micro-enterprises, collaborative currencies (Carroll and Bellotti 2015), valuing local neighbourhoods (Light and Miskelly 2015), and so on. However, this business innovation came with its limits. Recent studies on emerging peer-to-peer versions of sharing platforms also indicated to possible pitfalls of the emerging platforms at the humanistic side of systems such as discrimination of people of colour as entrepreneurs (e.g., as Airbnb flat hosts) (Edelman and Luca 2014), inequality, distrust, and safety concerns for disadvantaged populations (Dillahunty and Malone 2015), the insecurity and inequality created via on-demand work practices (Alkhatib et al. 2017; Dillahunty et al. 2018). The systematic literature review (Dillahunty et al. 2017) pointed to the importance of strengthening the connection of ecological aspects and environmental sustainability, engagement with pre-sharing economy sharing concepts, considering geographical diversity, holistic pro-social criteria for evaluating the quality of the services, more implications for policy, as well as diverse research practices.

In this chapter, to contribute to a more sustainable, care centred development of sharing cultures in Turkey, the authors turn to a more socially focused, geographically contextualized research of sharing. There has been a significant amount of work around the alternative versions of sharing, in addition to just repurposing idle capacities. In the Turkish context, Saf (2016) suggested the importance of social sharing via an example of cloth swapping to raise awareness of capitalistic consumption and its harm to workers and the environment. One idealized social perspective of the sharing related services is their relation to human's reciprocal capacity as untapped resources and its potential for social change (Bellotti et al. 2014). The collective, cooperative, and local aspects of sharing are essential and valuable potentials for the future of sharing platforms (e.g., Light and Miskelly 2015). The authors of this chapter set their work around the concept of relational assets in sharing, the social benefits that emerge over time from local sharing initiatives (Light and Miskelly 2015) rather than concentrating on the idle capacity and its reuse to form new monetary economies (see also Light and Miskelly 2019) to minimize the inequalities and build a more sustainable base.

In this work, the authors explicitly seek and discuss examples of sharing from Turkey that enhances the state-of-the-art of sharing as a social endeavour and as a care activity. In alignment with the work from Dillahunt et al. (2017) and Light and Miskelly (2019), the authors introduce the new and emerging forms of socially engaged sharing. The criteria are to either have a connection to environmental sustainability, or connection to pre-sharing economy sharing concepts such as rituals, or an emphasis on geographical diversity, or holistic pro-social criteria for evaluating the quality of the services (the worker conditions, transparency).

## Definitions

This section introduces the most frequent words and word pairs used in association with social sharing practices and emerging sharing related services in Turkey.

Words or word pairs that define the sharing activity:

- *Takas* (swap) replacing one object directly with another, without involvement.
- *Değiş tokuş* (exchange) of money (TDK 2020).
- *Değişim*—synonym (TDK 2020).
- *Trampa*—synonym, from Romaic, not used frequently (TDK 2020).
- *Trok*—synonym, from French, not used often (TDK 2020).

Words or word pairs that define the collaborating activity:

- *Kolektif* (collective)—covering many people or objects, the result of a combination of many people and objects (TDK 2020). This word is usually used to define the collaborative nature of the diverse acts, such as in *kolektif mimari* (collective architecture) or *kolektif yaşam* (collective life).
- *Dayanışma* (solidarity)—interconnection of those who form a community in emotions, thoughts, and common interests (TDK 2020).
- *Tesanüt*—synonym, Arabic, old, not used frequently (TDK 2020).



- *Imece*—many people gather and cooperate to give a hand to the work of a person or a community, thus finishing things in order altogether (TDK 2020).
- *Armagan ekonomisi*—is also used for some peer-to-peer exchange services, not included (gift economy) in the TDK dictionary yet.

Further, standard terms from English, such as “co-housing,” “co-working,” are used in English. These English terms can be used as a part of a Turkish sentence or take place in a Turkish advertisement as is.

The authors used the keywords mentioned above for the research of the platforms. The articles, news, and platform definitions were collected without pre-defined categories. Whenever a new term in Turkish occurs (e.g., translations such as Armagan Ekonomisi), it is added to the keywords pools. The authors collected 35 platforms (4 of them after the COVID-19 pandemic) initially by conducting desk research.

The examples in Table 1 are platforms and services from the categories of sharing: swapping, exchange, collectives, collective work, and the gift economy. For the decision upon inclusion of the platforms, the authors analysed these services, asking the following questions (created based on Dillahunt et al. 2017; Light and Miskelly 2019): how does the platform function, and who benefits from this? What monetary model does the platform use, and are there pro-social considerations? Which fundamental values define this platform? Is there a community behind it, and who is running the platform? Are there potential ecological benefits via this platform? Is the platform-based on a pre-sharing economy model? Is there something authentic about the platform about geography? Does the platform have the potential to create relational assets?

The authors excluded the platforms that would neither contribute to at least one of the directions as defined by previous work nor the lack of social sharing aspect of the platform, service, the community. The last column of the Table shows if the platform is included in the study (Y) or not (N).

**Table 1. Platforms and Services Found in Turkey Based on Desk Research**

No	Organization Name	Features	Relevant Aspects	Included
1	3 Boyutlu Destek 3-Dimensional Support	Volunteers with 3D printers provide medical parts, equipment for hospitals and pharmacies	Regional, COVID-19	Y
2	Acik Radyo listener support	Yearly crowdfunding campaigns that define if the radio goes for another year since 2004	Pre-sharing economy, community building, hybrid model offline and online	Y
3	Ağaçlar Trees	Seed and knowledge sharing blog	Sustainability, online	Y
4	Altın günü Gold Days	Solidarity get-togethers in a smaller group, where gold is exchanged	Pre-sharing economy, ritual, still offline	Y



5	Askıda (Pay-forward)	The general name to all on and offline pay-forward services	Pre-sharing economy, hybrid model, offline and online	Y
6	Askıda Fatura Pending Bill	Istanbul Municipality's post-COVID-19 solidarity platform for receipt payment	Municipality built version of no 5 for COVID-19, online only	Y
7	BBOM	A school managed by cooperation to reduce the cost of quality education	School system with a lot of voluntary organizational work	Y
8	Bookserf	Book sharing and donation platform	Online, based on the former offline versions, regional	Y
9	Bookshelves for the bus stops	Bookshelves for the bus stops	No sharing or community component found between humans	N
10	Book lease local bookshop	Lease system like a library	Makes books and education more accessible, regional	Y
11	CAK On Ayak CAK Seed Model	Seed system for a small dance company	Offline, reciprocal measures	Y
12	Çorbada Tuzun Olsun You should add salt to the soup	Volunteer support for homeless people	Offline, ritual driven	Y
13	Dayanışmanın 100ü Şiir Solidarity through Poetry	Post-COVID-19 theatre worker solidarity and support	Born with COVID-19	Y
14	Deliler ve Veliler Crazy and Saint	A coffee house where you can become a part of a community, independent of who you are	Regional, historical, offline	Y
15	Ekoharita	A platform for collective knowledge around ecological lives, including a map	Regional, community	Y
16	Ekofil	Society supported the publication model	Pro-social criteria	Y
17	Hayata Sarıl Lokantasi	Restaurant, serving to homeless in the evening	Pro-social, regional	Y
18	İhtiyaç Haritası Map of Necessities	Sharing and providing an oriented map, one can be a provider or a person/organization in need	A platform of scale, pro-social model	Y
19	Kadıköy Dayanışma Ağı Kadıköy Solidarity Network	Volunteer support for the neighbourhood works together with councils and municipality	Local	Y
20	Kara Kabare Theatre Group	A theatre group that uses gift economy	Pro-social criteria	Y
21	Kolektif House	Co-working space	Monetary oriented, no social sharing component	N

22	Misaffir	Short-term rental platform providing access to Airbnb	Regional, organizational	Y
23	ModaCruz	Second-hand luxury clothes, bags	Ecological aspect	Y
24	Ortak Araba Common Car	Car and journey sharing platform	Ecological aspect No specific novel contribution	N
25	Ortaktekne Shared boat	Luxury boat sharing platforms	Ecological and regional	Y
26	Sahibinden.com/takas	Swapping integrated into mainstream from owner site	Subcategory of user-created swapping in the monetary platform	N
27	Scotty	Motorcycle ride-sharing	Ecological and regional	Y
28	Sinek Sekiz Club Eight Publishers	Sustainable book, notebook, and product provider	Ecological, mainly online, monetary	N
29	Sinema	Monthly pay for the movie house	Pro-social criteria	Y
30	Storyberry.me	Experimental location-based collective memory collection map	Pro-social criteria	Y
31	TatildeKiralala	Airbnb like rental	Regional	Y
32	Tatuta villages	The connected platform of eco-villages for volunteer work and summer stays	Regional, pro-social	Y
33	Time vs service in the municipality	Book reading gives the child the opportunity for a bike ride	Pro-social	Y
34	Zumbara	Timebanking platform from 2010	The regional, pro-social platform of scale	Y
35	Zeynep Aksoy Yoga	Yoga courses with pay-as-you-wish model	Ecological, scalable	Y

Source: Shortlisted based on criteria from Dillahunt et al. (2017).

Later, the authors categorised unique examples according to their similar key characteristics and came up with the following groups:

- Localised global platforms, services, and communities are platforms, services, and communities that have significant similarities to the global sharing economy platforms, but with a focus on the local aspects of Turkey.
- Platforms, services, and communities started with a seasonal or regional emphasis are examples of the specifics that come with geography.
- Platforms, services, and communities based on the cultural sharing rituals or from local community practices are examples that have a direct connection to a cultural ritual or a local community in Turkey.
- (Generated later) Platforms from the above-given categories, with a specific focus on COVID-19, are examples with a particular emphasis on COVID-19 related collaborations. This last category is added in later stages to this work and aims to show how the authentic platforms were benefitted during the pandemic.

By this categorisation, the authors aim to answer the questions around the unique potentials in Turkey for the future of share and care platforms. Each of the categories above includes selected examples of sharing platforms from Turkey, including monetary and non-monetary examples. Examples include crowdfunding organizations, pay-forward actions, community building, services, and practices around sharing goods, time banking, and maps as more extensive service examples, governmental, regional examples.

## Key Questions

The collection of practical examples and their categorisation in this article aim to answer the questions around the possible contributions of Turkey to the emerging local and sustainable sharing practices, such as:

- In which areas do people create and sustain sharing platforms, services, or ways of sharing in Turkey?
- What are the unique characteristics of sharing practices locally shaped or appropriated in Turkey?
- How can sharing practices from Turkey contribute to the broader literature in the area?

In the following part, the authors present platforms, services, and community examples in a thematically categorised way.

## Examples

Each subsection shortly mentions the typical characteristics of different platforms, and if available, relations to the connection to environmental sustainability, connection to pre-sharing economy sharing concepts, emphasis on geographical diversity, holistic pro-social criteria for evaluating the quality of the services. The examples introduced here are in the given order: Localised global platforms, services, and communities; platforms, services, and communities started with a seasonal or regional emphasis; platforms, services, and communities based on the cultural sharing rituals or local community practices and platforms from above-given categories, with a specific focus on COVID-19. The four platforms introduced include examples both from monetary (e.g., resource sharing, paying less) as well as non-monetary cases from Turkey. The authors included both online and offline services and platforms. Instead of listing all the services, the authors present an overview of different models as case examples to the given categories. Each service is categorised either as monetary, where the users pay for the service, or semi-monetary, where money is involved, but the definition of exchange is not necessarily in standard terms, or non-monetary, where money is not used or mentioned.

### Localised Global Platforms

Sharing economy driver platforms such as Airbnb are available in Turkey from the beginning (Summary available in Varol and Celik 2020, in Turkish). Additional to this, localised versions of the global platforms and other service platforms seem to emerge based on the local context. An example of a related service is Misafir, an operational solution app for house owners who rent flats over Airbnb (Yuksel 2018). The services

providing help to the owners can be essential for the future design and integration of pro-social environments to better support workers and related services in the neighbourhoods.

**Misafir (monetary):** Misafir is a service provider that offers digital and operational solutions to owners who want to rent their homes for short/medium-term or share with guests over Airbnb, Booking, TripAdvisor, etc. The company enables owners to reach potential customers by publishing their advertisements on platforms. In addition to this, Misafir provides a wide range of services, including cleaning, security, organizing home parties, and professional management (Yuksel 2018).

A classic example of a non-monetary global platform is the oldest time bank system in Turkey Zumbara, established in 2011. The content and requests in the system could be engaging content for understanding time-specific exchanges in the Turkish context.

**Zumbara (non-monetary):** Zumbara is one of the earliest examples of time banking in Turkey. Zumbara is an alternative economic system platform that allows people to earn time in exchange for their service. For instance, after giving two hours of service, someone can either take 2 hours of service from one person or two different people as one hour from each. People use their know-how, experiences, and talents, support other people, and get supported. According to their statement, the Zumbara community uses the power of the technology and concepts of joining, sharing, contributing facilitated by the technology through their website (Zumbara 2020).

Some monetary sharing platforms have gained popularity in Turkey, with their potentials to make luxury goods more accessible to the public. Their way of sharing and co-owning also suggests less consumption and, therefore, can be considered as loosely connecting to ecological concerns. Two such examples are Modacruz (Modacruz 2020) and Ortak Tekne (Ortak Tekne (Shared Boat) 2019). Sinemia was a platform to improve the usage of movie theatres on idle hours or locations via collective usage (Reddit 2019).

**Modacruz (monetary):** Second-hand luxury clothes, bags, etc., a brand-oriented second-hand shop. Modacruz is an alternative to low-cost textile consumption (Modacruz 2020).

**Ortaktekne (monetary):** It is the local version of luxury boat sharing platforms (Ortak Tekne (Shared Boat) 2019).

**Sinemia (monetary)** Sinemia was a service design product from Turkey for watching movies in the movie house. On a monthly payment model as low as 8.99TL (around 1.2 EUR) per month, and with the help of location-based technologies, it directed the user to the nearest available movie theatre. The idea was to optimise the usage of the movie theatre and the use of the crowdfunding concept at the same time. The system was closed down in 2019 due to a law change (Reddit 2019).

Another example of localised global platforms can be the citizens organized maps for sharing information or idle capacities. This type of sharing has regional aspects integrated into classical platforms of mapping. Storyberry.me is an artistic example the authors selected to represent this category. Ihtiyac Haritasi is another platform where the needs are pinned to the map, and the match will be made to the people who can help.

Storyberry.me (non-monetary): An experimental location-based collective memory collection map. This website is designed by a storyteller artist to remember spaces collectively. It excludes stories that are homophobic, racist, or sexist (Çayır 2018).

Ihtiyac haritasi (Map of Necessities) (non-monetary): “Map of Necessities” is a non-profit social organization that aims to provide a space for people from all around Turkey to submit the needs around them to the map, that may be about health, education, or transportation, through the website of the organization (e.g., need for musical instruments in our local school). All the submitted needs are visible in detail through the map so that other people or organizations can be a volunteer to supply the demand. Any time, there are approximately 16,000 different needs submitted to the map. Ihtiyac Haritasi is a registered “social platform cooperative” at the Republic of Turkey Ministry of Customs and Trade Directorate-General of Cooperatives (Ihtiyac Haritasi (Map of Necessities) 2016).

Crowdsourcing and defining non-monetary means to support each other are other well-known practices of sharing globally. In Turkey, there are various creative examples of such support mechanisms. Here are three examples from cultural and artistic domains:

Acik Radyo listener support since 2004 (semi-monetary, self-defined): Acik Radyo is a radio station from Istanbul that actively supports open communication, peer-to-peer support systems, and ecological lives. The radio has run a yearly crowdfunding campaign since 2004. This campaign is organized by the audience (listeners) of the radio, who are also artists. Each artist/artist group runs a support program live during the crowdfunding week. The activities include talks on diverse topics, singing in the studio, as well as sharing histories about the Acik Radyo. During the live support programs, the famous presenters(artists) actively call for support and define the collective goal of the hour/day/week (e.g., “we want to close our session in 15 minutes, three supporters to go, please call:...”). The crowdfunding campaign of Acik radio is well-known for its capacity for audience building, acting as a social network, as well as co-owning a communication channel open to all sounds and cultures (Acik Radyo 2020).

Kara Kabare Theatre Group (semi-monetary): The group experimented with the gift economy concept for their tickets. Instead of selling tickets, they made a list of the things they may need and would like to have. It is also possible to pay for the theatre ticket on the pay-as-you-wish model via a tip box (Kara Kabare 2020).

CAK Barefoot Dance Company (CAK Seed Model) (semi-monetary): Cak is a dance and performance company in Istanbul. They use a seed system for the more significant monetary needs (such as repairs or construction of their stage) that will affect their artistic work afterwards. Though they have several financial and non-monetary compensation models, these are not formally defined, and the seed system is used both needs-based and regularly (Cak 2020).

### Platforms With a Seasonal or Regional Emphasis

Several platforms and services developed out of the regional or seasonal components, such as motorbike ride-sharing, eco-villages coops, and seed exchange platforms.

Scotty (Monetary): Scotty is for Motorcycle ride-sharing. The drivers are selected after completing a security check on IDs. The idea is locally designed for the Istanbul context and competing with taxi and Uber-like systems (where at the peak, it is impossible to move in the city by car) (Scotty 2020). Younger generations prefer Scotty for several

reasons, such as the association to freedom, its perception as a secure system, and so on.

The ecological life movement and activities around sustaining green environments, seeds, and lives gave rise to many groups. Here are a few examples to them:

**Ekoharita:** Ekoharita is a map of ecological activities in Turkey (Ekoharita,2020). Turkey has a long tradition of eco-villages to sustain collective alternative lifecycles. Early examples who experimented with collective lives in the region were from famous poets and painters starting from the 1960s. This route—among other locations—gained importance in recent years, giving rise to collectives organized by groups and individuals majorly migrating from the Istanbul region (Demir and Sürme 2017; Doğan 2016).

**Tatuta Villages (non-monetary):** Tatuta is a similar organization concentrating on volunteer work opportunities in the eco-villages. The eco-villages registered here accepts volunteers who live together with other eco-village members for a collaboratively decided duration. Volunteers contribute to the daily work of sustaining the village (Tatuta 2020).

**Permaculture-knowledge exchange/Tohum takas (Seed exchange) (non-monetary):** A Facebook group with 1,741 members to discuss and develop sustainable permaculture (Permablitz 2011).

**“Ağaçlar (Trees)”** is a community blog that people all around Turkey can share and exchange their seeds and saplings. The blog has more than 1000 active users, and the users communicate through the blog with each other (Ağaçlar 2020).

## Platforms and Practices Based on Cultural Rituals and Local Practices

Apart from seasonal and regional practices that gave rise to collaborative sharing platforms, some platforms and services came out of local practices or existing rituals. Examples of these are book lending platforms, collaborative work helping to cope with homelessness, gold day, and local pay-forward practices.

Equal access to education and freedom of publishing has long been an essential focus for solidarity in Turkey. Here are several services and platforms that are related.

**Time vs service, organized as a gift for children who read books (non-monetary):** Each child who sits and reads a book for 1 hour can use one of the bicycles for 1 hour. The municipality owns the bikes (1 saat oku 1 saat bisiklet 2016). This municipality-driven service was one of the earliest examples of the use of time banking to motivate children who do not have a bike to read more books.

**Book lease (monetary):** This is an older practice in some cities, regions in Turkey. Some bookshops offer a lease option of books for a week around 1/5th of the original price (price range defined locally). It is possible to buy the book after the week by topping up the amount. Online versions of the system are now available, especially for the preparation books for the state-held countrywide exams such as university entry exams and high school entry exams. The cost of the exam-preparation books is not affordable for a low or middle-income family, and such systems can help to increase access to equal education (authors' local experience, not documented).

**“Bookserf”** provides a platform for book sharing. Users create a profile through the website and upload photos of some of the books that they are willing to share. When another user is interested in one of the books, two users meet and exchange the book

for two weeks. Bookshelf gives opportunities for discovering new books and new people, supporting the book circulation. Also, the community has a studio in the city centre of İstanbul, and members sometimes get together for socialization, conduct workshops, and share ideas (Bookserf 2020).

Ekofil (semi-monetary): “Ekofil” is an initiative where writers, illustrators, translators, editors, and readers come together to design, implement and develop a community-supported publishing model that cares about wellbeing of the planet and humanity (ekofil 2020).

BBOM: Baska bir okul mumkun is an alternative school system that runs on a cooperative model. The BBOM coops integrate several ways of sharing, such as accepting donations to balance the cost of quality education (BBOM 2020).

Community solidarity for the ones in need is not a new thing. The following services are offline community examples for community solidarity. The last one has an online version recently, and the variation of their model has also been used in COVID-19-specific services by some of the municipalities (see next subsection).

Çorbada Tuzun Olsun Organization: “Çorbada Tuzun Olsun” Organization consists of volunteers coming from different backgrounds, ages, education levels who want to raise awareness of people who are living on the streets. “Çorbada Tuzun Olsun” is a Turkish saying, which means you should have a small contribution such as salt in the preparation of the soup. They have been operating since 2017, and they work in two specific regions in İstanbul. They provide essential needs to homeless people and aim to reintegrate them into society. Their contributions are the distribution of food, helping homeless people to supply identification cards, and getting homeless people to adopt the habit of carrying their ID cards. In the Beyoğlu region, they deliver food each night of the week, and in the Besiktas region, they provide food once a week. Besides, they encourage, teach them to benefit from social services and health services that the government provides (Çorbada Tuzun Olsun 2020).

Gold days practice in Turkey (monetary): A gold day is an example of a cooperation ritual based on the circulation of gold or money among a group of people who know and trust each other. It is a familiar ritual among Turkish women and lately among different groups of people. It is an organized get together of a group of people in routine intervals where each participant will bring a pre-defined amount of gold. The host of the event collects the gold. Each month another participant becomes the host that receives the accumulated gold. This ritual acts as a social gathering where people socialize while economically supporting each other (Bilecen 2019).

Deliler ve Veliler Coffeehouse (Coffeehouse for the mad) (semi-monetary) is a non-profit organization that serves as a shop where people can share their food, clothes, or furniture and take what they want without paying money. The building is in one of the most disadvantaged neighbourhoods in İstanbul, and the organization mostly supports homeless people and families living in the Balat neighbourhood, as well as street animals. The organization has many volunteers from different backgrounds to sustain the operation of the organization. They also support the children of the neighbour by conducting art workshops for them or supporting their courses organized by the volunteers. Most of the activity takes place in the building of the organization, but they also use their website to share their stories. According to the information that their websites provide, so far, around 13,000 people have been supported with clothing, 700 children attended the workshops and courses of the organization (Deliler ve Veliler 2018).



Hayata Saril Lokantasi (Embrace Life Restaurant) is a restaurant with a social focus in Beyoglu. The restaurant aims to support underprivileged communities by helping them with food and hiring them as a workforce. The homeless, former sex workers, alcoholics are welcome to work there (Hayata Saril 2020).

Askida Ne Var? (semi-monetary) a system that allows users to buy theatres, concerts, etc., tickets for students. As the ones who buy tickets get nothing monetary in return, the model is slightly different from paying someone else's coffee. Local versions for buying bread or soup for a needy person exist (without digital systems) (Askida Ne Var? 2017).

## COVID-19 Pandemic and Emerging Practices

During the emergence of the COVID-19 pandemic, the most acute health crisis with socio-economic side effects (UNDP 2020), Turkey integrated and transformed some of the existing sharing platforms or underlying ideas for creating community support and solidarity. The following examples show the diversity of social sharing during COVID-19.

"Askida Fatura" (semi-monetary) is an İstanbul based initiative organized by the İstanbul municipality that aims to provide a space for people living in İstanbul to support each other during COVID-19 days. Through the official website that the city offers, people who may have a hard time paying their utility bills apply and submit their bills to the system so that someone else can pay their bills. The number of receipts that are shared and paid is available on the website, and it has been around 180,000 since the time the initiative has started (Askida Fatura 2020).

3-Dimensional Support: This is a post-COVID solidarity platform established in 2020 where volunteers with 3D printers provide medical parts, equipment for hospitals and pharmacies by using 3D print technology. They produced more than 100,000 face shields. Their volunteers consist of people from different cities who have 3D printers, who can provide raw material, web designers, and people who can spread the word by using social media. More than 3000 people and organizations support this movement, and they found 4.522+ available 3D printers. Through the website or the mobile application, people can register as a volunteer or demand face shields. From GitHub or the website, volunteers download the 3D face shield prototype and start producing. Produced face shields sent for free to the hospitals and pharmacies (3 Boyutlu Destek 2020).

"Dayanışmanın 100 Şiir" (Solidarity through Poetry) is a solidarity network for theatre artists who cannot perform during the restriction due to COVID-19. The initiation aims to support the artists for their living expenses and therefore recommend the independent theatre in Turkey. Some of the well-known artists of Turkey volunteered to create the platform, and it consists of records of many artists reading poems of Turkish poets. People can use the platform to listen to poetry and donate to support the artists (Dayanışmanın 100 Şiir 2020).

One diverse example would be the sharing of Yoga practices as an online course with pay-as-you-wish model during COVID-19. Zeynep Aksoy Yoga Classes: Pay-as-you-wish. Zeynep Aksoy's teaching on mindfulness and yoga on the pay-as-you-wish model is one of its earliest examples of remote education that reached a broader audience with the model (Zeynep Aksoy 2020).

## Context

In this work, the authors aimed to introduce the less explored aspects of the sharing practices in Turkey. The examples above illustrate the ecological, pro-social, and regional potentials of the existing and emerging sharing related services from Turkey. This work is helpful:

- To create case studies and to understand the potentials of new services in Turkey.
- To develop platforms to ensure communication across different services.
- To follow up with cross-cultural studies for the nuances of different geographies.

The authors aimed to give a broader picture of sharing practices in Turkey beyond the emerging global sharing and gig economy platforms.

## Developments

In early 2020, the world paused in response to the COVID-19 outbreak. Since the global pandemic keeps people locked down at their homes, sharing and gig economy-based industries experience a stress test. They face severe challenges due to the COVID-19 outbreak, similar to previous work on the practices in gig economy models (Alkhatib et al. 2017). The pandemic changed lifestyles and attitudes. In particular, social distancing measures make people less use some sharing economy services.

On the other hand, solidarity and collaboration models became crucial to act fast during the outbreak. Neighbourhoods' practices, intergenerational help systems were all created and updated to ensure a healthy everyday life. The use of relational assets aligns well with the suggestion of Light and Miskelly (2019).

In this context, it would be interesting to investigate the social and local potentials of sharing in Turkey after the COVID-19 outbreak. Future studies should better examine how the learnings from the COVID-19 outbreak on collaboration and civic engagement can sustain and how sharing practices can include more vulnerable groups.

## Issues

In this section, the authors give examples of lawsuits and new legislation that may affect sharing practices. A general secretary division is available to organize any cooperative activities in Turkey (Turkish Trade Ministry website 2019).

Digital trustworthiness is crucial for sharing economy platforms. Trust plays a vital role in security, privacy, and ethical business practices. In this context, policymakers need to establish a regulatory framework for sharing economy practices preventing fraudulent business transactions. In some countries, there are non-government organizations (for example, the UK short-term rental association) facilitating to protect the rights of hosts and guests. However, there have been no particular regulatory framework or guidance for sharing economy in Turkey. The sharing economy industries are deregulated with no control from authorities. Indeed, the regulatory framework should be adapted to allow sharing economy platforms and companies to operate legally, but this may raise several complicated issues. In recent years, there have been some cases that some sharing economy services were banned due to unfair

competition and business practices. The most well-known examples are Booking.com and Uber. Turkey's Travel Agencies Association (TURSAB) filed a lawsuit against Booking.com, citing unfair competition about Turkey's competition law. Further, Turkey's United Taxi Drivers Association has protested against Uber and claimed unfair business practices of Uber (Independent 2017; Economist 2018).

In June 2017, a legislation change came into the procedure that is known as the Airbnb ban among citizens. As a result, the wording of "For those who earn a monthly rental income of 500 YTL or more per housing" has been changed to "For those who earn a rental income of 500 TL or more per month for each house, regardless of the amount in weekly, daily, or similar short-term housing rentals" (Government announcement on income tax, 2017) (Law No. 7163). Amendments to The Law on Evaluation, Classification, and Promotion of Motion Pictures) included a section that restricts wholesale activity, promotion, or campaigns, which involves the movie ticket to ban the sharing of ticket prices between producer and theatre owner (Derinbay and Ulker 2019). This regulation affected any sharing activities that involve movie theatre tickets and was the motivator for Sinemia, the movie theatre monthly subscription system (Reddit 2019)

After COVID-19, Çorbada Tuzun Olsun Organization is temporarily suspended food distribution because of a legal notice. Yet, they collaborated with a private food company and started the "Askıda Yemek" project. Rather than distributing meals by hand, this project aims to distribute food by hanging on the specific places in the Beyoğlu region, ordered from the "Meal Box" by volunteers (Çorbada Tuzun Olsun 2020).

## Other Major Players

Acikacik is an online platform that evaluates the transparency of different cooperative associations. They aim to assess non-governmental organizations and give transparent information about them to the public. 112 NGOs are registered (Acikacik 2020).

The social impact of the new and emerging cooperatives is of interest, and some university lead groups conduct applied research together with non-governmental organizations NGOs on the impact of cooperatives (KUSIF 2020).

The ecomap is an essential source for all sharing activities around ecological concerns (villages, seeds, consumption) (Ekoharita, 2020).

The most well-known needs match social cooperative is probably "İhtiyaç Haritası." The owners of the platform have a network that includes other cooperative activities such as around zero waste or crowdfunding for TV and theatre production (İhtiyac Haritasi 2020).

An online newspaper (Yesilist), with a green (ecological) life focus, writes blog articles on sharing economy issues since 2012 under the tag "paylasimekonomisi" (Collection of the articles 2020). The newspaper is a crucial source for reaching out to other communities and for organizing collective announcements and events. They also co-organized and promoted the economy 2.0 events, an event on new economies such as sharing economy and circular economy (Gelecekhane 2020).

Dayanisma kooperatifleri (the solidarity cooperatives) that operate in different domains such as education, food, health does not have a central registration system.

## Future Directions of Research

This study introduced 30 selected socially aware sharing platforms, services, and practices from Turkey and discussed the importance of regional, local, and pro-social perspectives for innovative social and collaborative sharing services.

The local interpretation of global concepts (Scotty, Tatilde, Ortaktekne) indicates the potentials of locality for new innovative peer-to-peer platforms. Beyond the technical service and innovative digital solution, the new ideas must take care of the local infrastructure, regulations, and unions' demands.

Season and regional facts can also play a role in growing a sharing platform. The ecological decisions, geographical restrictions, and daily issues such as the traffic jam in Istanbul can all be starting points for developing new collaborative sharing systems. Environmental sustainability, together with the geographical distance, was an inspiration to a variety of platforms in Turkey.

Rituals and local cooperatives call for many inspiring ideas. Developing systems to integrate them or to create communication across smaller local communities can become something more significant.

Pro-social perspectives of social sharing systems are underdeveloped and under-researched in Turkey. It is essential to integrate sustainable pro-social laws for the sustainable growth of the sharing economy.

## Summary

The growing importance of sharing economy changed several practices around the globe. Despite intense public attention, there have been very few studies about landscapes of sharing and caring in Turkey. This work provided insights into the social aspects of sharing economy and its practices providing a better understanding of the sharing economy in Turkey. The advent of technology has given rise to changing business environments and innovative business models and also brought several conflicts with them. The critical review of sharing related platforms, services, and practices illustrated the diversity of future possibilities. Key findings from the initial thematical mapping of the existing and emerging sharing practices from Turkey indicate regional, ritualistic, local, and seasonal potentials. The diversity in the monetary aspects of different platforms and how they relate to the cultural components also shows the importance of a variety of assets for defining the value of sharing economy in distinct cultures.

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## United Kingdom: An Examination of the Configuration of the Sharing Economy, Pressing Issues, and Research Directions

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## Abstract

This chapter aims to examine the configuration of the sharing economy in the United Kingdom. The chapter provides an examination of the key opportunities and challenges that this socio-economic model generates in the country. It includes an account of different sharing economy initiatives in the United Kingdom, including crowdfunding projects, tool libraries, timesharing banks, men's sheds, and shared workspaces, commercial sharing economy services, micro-libraries, community-

gardening projects, and paid online peer-to-peer accommodation. Increased consumer choice and economic benefits derived from an extended economy around the sharing economy are identified as key opportunities. Key challenges relate to policymaking and taxation of businesses and participants in the sharing economy, as well as the wider enforcement of health and safety regulations and the impact that the recent pandemic is having on the industry. The chapter also provides an examination of the latest developments and regulations in this area. In addition, the chapter identifies the most pressing issues and possible future directions of research in this context.

**Keywords:** Collaborative Consumption, Collaborative Economy, Policy, Sharing Economy, United Kingdom

## Introduction

The United Kingdom (UK) has a significant stake in the collaborative/sharing economy, endorsed by the UK Government as a business opportunity (Woskowsky 2014). The adoption and usage of the sharing economy among the UK population is high, with a survey, with 62% of the UK population having had participated in some form of sharing economy, and 73% of them engage in the sharing economy more than once a month (Ozcan et al. 2017). It is, therefore, more useful to think in terms of kinds of services and industries where the sharing economy has permeated, rather than individual platforms and projects. Some of the main drivers of participation in the sharing economy resonate with academic literature in other contexts (Böcker and Meelen 2017), namely the role that convenience and availability since many of the sharing economy platforms use technology to coordinate communication and to mediate transactions (Ozcan et al. 2017). Saving or making extra money is also another important driver for participation, as well as environmental factors (Ozcan et al. 2017). Despite the government's broadly positive view of the collaborative and sharing economy, a type of platform that has received particular attention and that has dominated a lot of the discussion on the sharing economy in the UK has been short-term rental (STR) platforms. The UK Government has recently conducted a review of the impact of this type of platforms and has published a report that identifies some of the primary positive outcomes and concerns that this industry brings to the country (Cromarty and Barton 2018).

The analysis of the state of the sharing economy in the UK is organized in nine sections. First, the chapter identifies the way the sharing economy has been conceptualised from a governmental perspective by examining the working definitions present in official government reports. Second, the chapter provides a number of examples of local sharing economy initiatives to provide a sense of the variety and scope of sharing economy initiatives in the UK. Then it shows some contextual information on the unique nature of the UK policy in relation to the sharing economy, where the devolved nations and local councils play an important role. The chapter continues by examining the latest developments of this industry, followed by the key pressing issues, including new ones that have emerged after the COVID-19 pandemic. Finally, a summary of the chapter and an examination of future directions of research about the sharing economy in the UK context is provided.

## Definitions

There is no one agreed definition of the sharing/collaborative economy, but a number of common threads run through what is generally understood by these terms. As the names suggest, there is an element of sharing and thus of collaboration in the creation of mutually beneficial transactions made possible via online platforms. Some online sharing/collaborative economy platforms give access to other peoples' skills or their time, while others grant access to resources or assets (Woskow 2014). It is worth noting that the key term is "access to" and not "ownership of." The sectors in which sharing and collaboration take place is diverse, and the scale, scope, and operation of activity are complex.

More recent reports commissioned by the UK Government provide additional insights on the governments' perspective on this type of economy. For example, Rahim et al. (2017) define the sharing economy as the "economic activity facilitated by the Internet, through digital platforms and applications (apps) that enable people or businesses to share, sell, or rent property, resources, time, or skills." The report outlines that one of the main purposes of the sharing economy is to bring together suppliers with customers through a common platform.

## Examples

### Crowdfunding

Crowdfunding allows users to raise funding through an open call on the Internet (Belleflamme et al. 2013). Crowdfunder is the UK's nearest equivalent to Kickstarter: a major rewards-based crowdfunding platform, which supports community enterprise, charitable donation, and product generation. Crowdfunder focuses on social issues, partly organized by geographical location. This is counter-intuitive given the scaling potential of automated platforms but works to grow an audience for local activity. "Crowdfunder Local" on the platform website features area-specific campaigns to show off campaigns, for example, "Crowdfund Somerset showcases the best crowdfunding projects in the county. If you have a community group, business, charity, or another great idea, then add your project today." The platform is very active in scouting for and helping to encourage both new projects and new partnerships. "The team has taken an entrepreneurial approach to develop new partnerships. For instance, Crowdfunder works with several UK universities running micro-crowdfunding sites and provides coaching to people starting on the platform. At the time of writing, about £70M (~76.64M EUR) had been raised for projects across the UK (Crowdfunder 2019).

Funding model: Crowdfunding is a private limited company; therefore, their business model relies on the transaction fees that they charge to the crowdfunder. At the moment they charge a crowdfunder fee of 3% + VAT and a transaction fee: 1.67% + 25p + VAT on UK/EU cards, 3.25% + 25p + VAT on non-UK/EU cards.

Digital presence: Crowdfunding platforms use websites and social media to engage users in diverse ways. For example, Crowdfunder has a website and presence on Facebook, Twitter, LinkedIn, and Instagram.

### Micro-Libraries and Sites of Local Exchange

The Lewisham micro-library is on the main road in a former phone box in South London. It was adapted over the course of a week by a local resident. None of the

original books remains, as they are regularly taken out, traded in, and replaced by residents. Apart from a sign explaining what to do, the micro-library stands there on its own, used and maintained by the neighbourhood.

Funding model: Lewisham micro-library is a one-off, paid for by local residents who did the work to transform it from a disused public phone box.

Digital presence: Micro-libraries like Lewisham micro-library rely on owned media such as a Facebook page, and they have also achieved some earned media via coverage in other media platforms such as Londonist.

### The Edinburgh Tool Library (ETL) Project

It is the UK's first tool library, promoting sharing as a way of reducing environmental impact. The members of the project lend to other members tools for do-it-yourself (DIY), gardening, decorating, and machine repair so that they do not need to own them. The launch of the workshop enables the members of the project to expand beyond their base in Leith and open a permanent tool library and woodworking workshop situated at the community co-working space, Tribe Porty on Windsor Place. ETL collaborated with the charity The Bikes for Refugees, a volunteer-led community project who repair and uncycle donated bikes for New Scots. In this collaboration, four New Scots and ETL members teamed up and learned the skills to repair bikes for someone who needs them. So far, they have run three workshops. Finally, ETL has created the Edinburgh Tool Network based on local book libraries. Once a week, volunteers from the ETL would run tool library sessions in each of the book libraries in Piershill, Craigmillar and Portobello. Through this project, ETL has diverted 4,028,48 kg tools from going into landfill by enabling the members to share tools.

Funding model: The Edinburgh Tool Library Project is a Scottish Charitable Incorporated Organization and has received funding from the Scottish Government's Climate Challenge Fund and the European Regional Development Fund.

Digital presence: The Edinburgh Tool Library Project (<https://edinburghtoollibrary.org.uk>) has its website with information about workshops, courses, tools inventory and news. There is a strong presence on social media (Facebook and Twitter) as well as newsletter.

### Men's Sheds and Shared Workspaces

"Men's Sheds" started in Australia as a forum to address men's wellbeing concerns, providing shared tools and support at carpentry and repair workshops. The sheds offer space to use craft skills to socially isolated older men. There is also a UK Men's Shed Association (<https://menssheds.org.uk>), funded by the Sainsbury Trusts.

Funding model: Lewisham's Men's Sheds were given the grant to set up and receive modest subscription or pay-per-visit for users to support running costs.

Digital presence: The initiative has a community page; very low use of digital tools for communication about the shed as (potential) members "tend not to be reached that way."

### Commercial Sharing Economy Services

Patchwork (<https://patchworkit.com>) is a digital business that supports groups of people buying a single collective present. An item, such as a bicycle, or a series of elements, is divided into small, manageably priced bundles to buy, shown in a Patchwork image on the site.

Funding model: informally crowd-funded £250k to build the business. The company takes 3% of all money transacted on its website. Partners, such as PayPal, guarantee legitimacy.

Digital presence: the business uses their owned media (i.e., website) to collect gift money. They also have e-commerce capabilities via a Patchwork store.

## Timebanking

Rushey Green Timebank runs alongside a medical practice. People give an hour of time to someone and, in turn, can claim an hour from another person in the scheme. Numbers have grown continuously, so there is now a distributed model with five hubs. The practice that it set up saw it as a remedy for issues not easily treatable, such as motivation and esteem. It has won awards for its work in community health and influenced the growth of other banks.

Funding model: the charity is supported by the local authority and other grants. The premises are given by the surgery. Time is banked and swapped (i.e., there is no voucher system).

Digital presence: a lively basic website ([www.timebanking.org](http://www.timebanking.org)) shares news and events and offers a “Donate” button. Brokering between time-swappers is face-to-face, though they are exploring a digital tool.

## Co-Owned Assets

The Ivy House community-asset pub is the first pub in the UK to be listed as an Asset of Community Value and the first building in Britain to be bought for the community under the provisions of the Localism Act 2011, invoked in haste to avoid redevelopment as apartments.

Funding model: loans and government grants secured the building. The pub is a cooperative, run day-to-day by a professional manager, with 371 local shareholders who contributed to refurbishments sitting on its committee.

Digital presence: the pub used social media to organize its share offer. Its website links to Facebook, Twitter, and Instagram, with multiple email addresses to manage its celebrity status (“probably the first Asset of Community Value ever”) for press, bookings, and advice to other groups.

## Community-Gardening

Breakspears Mews Community Garden was a run-down fly-tipping area full of car repair businesses. Big houses look over it on one side, while, on the other, are Council flats. People from both helped in its transition, led by a passionate local woman who still organizes the work.

Funding model: the local authority cleared the site, and local conservation society support enabled it to start-up and run.

Digital presence: a word press blog (<https://breakspearsmews.wordpress.com>) with information dated 2014 and only four followers; an email list alert about opening times.

## Exchange of Idle Tools and Items

Borroclub ([www.borroclub.co.uk](http://www.borroclub.co.uk)) is an online marketplace for people to rent out household items to others who live nearby. To some extent, this project captures some of the essences of ETL discussed earlier in this section, as the platform encourages

its users to not purchase items that they will not necessarily use frequently and instead to borrow them from the local community for a fee.

Funding model: Borroclub is a private limited company. Therefore, the platform finances from the fees that they charge to users and people listing their items.

Digital presence: Borroclub owns a website; however, due to the COVID-19 situation, the service was temporarily on hold. They also have a presence in social media platforms Twitter and Facebook.

## Exchange of Pets

Borrowmydoggy ([www.borrowmydoggy.com](http://www.borrowmydoggy.com)) is a platform that aims to connect dog owners with local people who would like to look after their dogs. The platform facilitates the process of arranging walks, playtime, overnight stays, and holidays for pet owners that often struggle to find where to leave their pets during certain times.

Funding model: Borrowmydoggy is also a private company, and therefore they finance their activities from the fees they charge to pet borrowers and pet hosts.

Digital presence: the platform has an online website and presence in the main social media platforms (e.g., Facebook, Twitter, Instagram, YouTube, and Pinterest).

## Context

The UK offers flexibility in certain areas of regulation through the devolved parliaments and assemblies. Devolution in the UK has created a national Parliament in Scotland, a Welsh Parliament—or Senedd Cymru—and a national Assembly in Northern Ireland in 1999 (Torrance 2019). In addition, the operation of many sharing economy companies is mainly regulated at the city level. In London, the primary measure includes the 90-day annual limit for Airbnb hosts (Booth and Newling 2016). This measure was established alongside a public campaign against Airbnb, which one year later was revealed ineffective both in terms of avoiding gentrification and regulating the home-sharing practice (Simcock and Smith 2016), with a total of 2,444 Airbnb properties rented in 2016 for more than six months of the year (Institute for Policy Research 2016). Other types of sharing economy that is considered less lucrative (e.g., dog sharing) are subject to less regulation, mainly adhering to self-regulating measures to ensure the safety of the participants involved. Other sharing economy industries, such as the short-term rentals, on the other hand, have been at the centre of media and other stakeholders' scrutiny, mainly due to the perceived impact that those platforms are having in those industries. In many cases, the UK did not have policies in place until pressure from industry associations and local councils led to changes in the short-term leasing policies of organizations such as Airbnb (British Hospitality Association 2016).

As a consequence of the rapid increase of STR platforms, the UK government and the House of Commons (2018) has commissioned a report to assess the impact of these sharing economy platforms in the country. The government defines STR platforms as those that provide marketplaces that connect people who want to rent out their properties or spare rooms with people seeking short-term accommodation (Cromarty and Barton 2018). Some of the main positive impacts identified by this report are:

- Increased consumer choice of different types of accommodation.



- Property owners can generate additional income.
- Opportunities for tourism growth in the UK.
- The spread of tourists spending beyond traditional tourist areas.

In Scotland, since the Scottish Independence Referendum in 2014, there have been various discussions by policymakers and the Scottish Government on how Scotland can become a more sustainable and independent region within the UK, but also a key international player in innovation, technology, industry, science, business, and economy. Along these lines, the Scottish Government (2018, 2019) has looked at possible opportunities to develop a strong sharing economy presence in the UK by taking advantage of the already successful story of the digital economy and social enterprise business environment in Scotland. It appears, though, that until very recently, the discussion was limited to Airbnb and Uber sharing economy types of examples disregarding or excluding a more diverse collaborative economy where the user is at the forefront. In the Unusual Suspects Festival in 2015 in Glasgow, an event on social enterprise and innovation organized by Six (Social Innovation Exchange), it was evident that firstly, there was not much reference or information on the collaborative economy (with the only exception of OuiShare London giving a short workshop on the subject) and secondly, that there were a growing need and interest in finding a more sustainable and peer-to-peer economic model for bottom-up initiatives, as well as start-ups. Other similar events organized in the country have concluded that the collaborative economy should go hand-in-hand with social innovation. Nesta, an innovation foundation, has also opened a Share Lab Fund to support ideas and initiatives that can show how collaborative platforms and models can help public services and deliver social impact—offering funds of between £10,000 and £40,000, plus non-financial support to stimulate experimentation and collaboration.

Other devolved nations have also identified the opportunities and challenges that the sharing economy can bring to their local economies. For instance, the Welsh Government considers that the sharing economy as a beneficial player as it brings additional rates for accommodation capacity, but it also considers that if no additional demand for those rooms is generated, more traditional commercial providers will be impacted (Welsh Government 2020). Limited policy discussion has occurred in the Northern Irish Assembly in relation to the sharing economy.

## Developments

For the sharing/collaborative economy, there is likely to be not one but many futures. These futures depend on the nature of the sector in which businesses operate; customer expectations; demand; competition; technology; innovation; regulation; public views and general acceptance or otherwise; stakeholder buy-in; and more besides. The need to make a financial return (profit)—even in the social enterprise (not-for-profit) sector—will continue; operating in the market economy will allow for no other option. The COVID-19 pandemic has shed light on how rapidly the world can be changed. Knight (2020) posits that some of the most successful sharing economy platforms are in the hospitality and travel sectors, and these are the ones that have been impacted the most during the pandemic. The sharing/collaborative economy will adapt to ongoing changes in the regulatory area and accommodate culture change, but as pressure builds from disgruntled stakeholders such as community groups,

challenges will increase. Some providers will withdraw from the market, and other platforms will cease to exist; new and better regulation will better address public concerns.

## Issues

The issue of how to regulate in an effective and efficient manner the vast array of activity and transactions taking place in these settings has prompted much debate, as well as some degree of intervention. The emphasis is on “light-touch” regulation that allows businesses to flourish while also offering some degree of consumer protection. Achieving the right balance between regulating too much or not enough can perhaps best be described as a stakeholder balancing act.

One challenge for regulating the sharing/collaborative economy is that of larger players operating in the market and those who are small or dabble infrequently. Trying to produce regulations (e.g., of tax, health and safety, planning, consumer protection) that work in an efficient and effective way for providers and consumers of services in a range of settings is a challenge to a one-size-fits-all approach to the regulatory environment. The case that is made for championing the sharing/collaborative economy is that it allows for new products and services to be provided in new spaces and environments in a cost-effective and efficient way. New businesses result in new jobs, less payment in welfare, additional tax revenues and citizens are given new opportunities to create and realise value, be that in the form of social, monetary, or other forms. Bringing people together opens possibilities that were previously unknown and unseen, but from this process, life opportunities are enhanced, and deeper, richer, and meaningful ways of living are opened up.

For all of these reasons, the sharing/collaborative economy is growing, and although the COVID-19 pandemic has presented a number of challenges to its operation, these are expected to be temporary, and new business ventures will emerge to seize and to make opportunities. The size of the sharing/collaborative economy can be measured in terms of financial turnover, as well as the number of people participating. Its expansion can be explained in terms of customer satisfaction with the experience, such as having a degree of ownership of the process and having a more customised service, plus of course, the inevitable cost savings that the sharing/collaborative economy delivers. As more people participate, the messier is the line between employed and self-employed, and with this, the challenges of paying and being taxed appropriately. For many providers/suppliers operating in this space, the sharing/collaborative economy is a source of secondary income that offers a useful supplement to wages. Through digital platforms, assets that are underused can be better utilised, and this can help address the issue of sustainability and help meet the UN Sustainable Development Goals (SDGs). The triple bottom line (Elkington 1999) of People, Planet and Profit, is delivered in and through the sharing/collaborative economy. As well as better matching suppliers and customers, it delivers economic and business uplift and makes better use of existing resources. For its advocates, it is a win-win situation, but for its detractors, the sharing/economy still occupies a space in which there are some who own the asset and others that do not. This inevitably raises the question as to who in the sharing/collaborative economy is the ultimate winner.

A summary of some of the most pressing concerns of the sharing economy in the United Kingdom are:

- The increase of commercial operators using residential properties as letting businesses in breach of planning rules.
- Challenge pose to local authorities in enforcing planning actions.
- Impacts on local housing markets.
- Negative effects on local communities and neighbours (e.g., noise disturbance and antisocial behaviour).
- Taxation compliance.
- Compliance with health and safety regulations.
- Implications of STR platforms in the hotel industry.
- How to ensure regulation is fit for purpose?
- How to protect and empower consumers and identify clear routes to redress?
- How to support the devolved Nation's business base to compete in the evolving market?
- How to ensure the wider economic, social, and community impacts are understood?
- What are the implications for the sharing economy suppliers, consumers and platform owners in an environment that is likely to be hit by travel and face-to-face interaction restrictions in the foreseeable future?

## Other Major Players

There are different organizations that represent the sharing economy in the UK, as well as universities, with some projects exploring the phenomena.

### Sharing Economy UK

Several sharing economy companies have organized themselves around a trade association. Sharing Economy UK (SEUK) is the trade body championing the sharing economy industry in the UK. Their main aim is to study and analyse the economic, social, and labour impact, current and future, of this economic activity and to collaborate with policymakers and the government in the development of efficient and rational policies that favour competition, innovation, growth, and development of the sharing economy (Sharing Economy UK 2019).

### Ouishare London

Ouishare was founded in Paris in 2012 to provide opportunities for networking and accelerate projects around the collaborative economy (Ouishare 2020a). Ouishare expanded to other cities (40), including London, where Manuel Heredero is the coordinator (Ouishare 2020b).

### Leeds Beckett University

Leeds Beckett University is leading the Erasmus+ project about the collaborative economy titled "Higher Education Curricula Development on the Collaborative

Economy in Europe,” which short name is COLECO (<https://colecoproject.com>). The COLECO project aims to develop cutting-edge curricula about the collaborative economy. In particular, the project is developing two master modules about the topic: (1) Collaborative Economy and (2) Digital Transformation, Peer-to-peer Accommodation and New Touristic Practices. Both modules would have a MOOC version with free access to the general public via the eLearning platform Edx.

## Future Directions of Research

Future directions of research in the United Kingdom have been identified in three realms.

### Post-COVID-19 and the Sharing Economy

The COVID-19 pandemic is likely to have a lasting impact on communities and the sharing economy for months, if not years, to come. Especially considering that some of the first sectors being affected are tourism, hospitality, and travel, which have normally been sectors where sharing economy platforms have been able to disrupt. There are a number of calls for more research in the areas of emergency management and tourism crisis that will have to consider the impact that this phenomenon had on sharing economy platforms.

### Rental Market

Research on short-term rentals and peer-to-peer (P2P) accommodation platforms has been substantial, but there are still several understudied areas. Sainahghi (2020) highlights that currently, most of the research in the area has focused on the demand side, looking at the motivations for usage, segmentation studies, drivers of consumer satisfaction. However, there are two elements that remain understudied in the rental market, particularly speaking about peer-to-peer accommodation: one in relation to the impact that P2P platforms are having in this sector. This is crucial since the economic impact studies reveal contradictory conclusions. This chapter also highlighted that there is still no conclusive position from governmental bodies and trade organizations in this sector. Secondly, more research on guests and hosts relationships studied, where most of the body of research has focused on non-commercial platforms.

### Health and Safety Policy

A common concern of industries that have been disrupted by sharing economy platforms is the perceived uneven field that exists between new entrants and established market players. At the moment, some advancements have been made in relation to health and safety regulation for sharing economy platforms, mainly within hospitality (Woskowsky 2014), but many other sectors still lack specific policies due to their nascent nature. We anticipate that as the sharing economy grows in other sectors, the strain between the platforms and established contenders will require changes in policy. In addition, platforms in the hospitality sector will be forced to engage more proactively in health and safety measures as a consequence of the changes in attitudes and policy that the pandemic brought to the sector (Gerwe 2020).

## Summary

In summary, sharing economy platforms in the UK have found not only a government with a pro-business approach that generally welcomes innovations such as the ones many sharing economy platforms have brought. In addition, the UK population is, in general terms, open and proactively using these platforms. Despite this generally positive outlook, there are some challenges that remain to be overcome. As the platforms gain more traction and other traditional players react to the disruption that sharing economy platforms bring to the marketplaces that they enter, changes in policy and other regulations usually follow. In addition, a new challenge emerged with the global pandemic experienced in 2020, and the long-term implications to the sharing economy in terms of adaptation of business models or service delivery remain still unknown.

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## Relevant Websites

COLECO project: <https://colecoproject.com>

Inside Airbnb: <http://insideairbnb.com>

Nesta's work: [www.nesta.org](http://www.nesta.org)

Sharing Economy UK: [www.sharingeconomyuk.com](http://www.sharingeconomyuk.com)

The Collaborative Economy Lab: <http://collaborativeeconomy.com>

The Institute of Public Policy: [www.ippr.org/search?search=sharing+economy](http://www.ippr.org/search?search=sharing+economy)

UK Hospitality: [www.ukhospitality.org.uk/page/Resources](http://www.ukhospitality.org.uk/page/Resources)



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