

TO THE QUESTION OF THE SHARING ECONOMY

Summary

At present, in the modern globalized world, the sharing economy as alternative socio-economic ecosystem plays an increasingly important role in the world economy. It should be noted that the sharing economy is changing the world – creating a mix of opportunities, challenges and threats for all actors on the one hand, and balancing the needs and interests with priorities for competitiveness and socio-economic innovation growth, on the other hand. Thus it is necessary to study such phenomena as the sharing economy. The results of SWOT-analysis of development of the sharing economy are presented in the article. A conceptual development model of the sharing economy is suggested.

Keywords: sharing economy, collaborative economy, collaborative consumption, principle “peer-to-peer” (P2P), social network.

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ДО ПИТАННЯ ШЕРИНГОВОЇ ЕКОНОМІКИ

Анотація

У сучасному глобалізованому світі шерингова економіка, яка розглядається як альтернативна соціоекономічна екосистема, відіграє все більш важливу роль у світовій економіці. Слід зазначити, що шерингова економіка змінює світ, створюючи для всіх учасників різноманітні можливості, виклики і загрози, з одного боку, та врівноважуючи потреби та інтереси з пріоритетами конкурентоспроможності і соціально-економічного інноваційного зростання – з іншого боку. Таким чином, існує необхідність вивчення такого феномена, як шерингова економіка. У дослідженні здійснюється SWOT-аналіз розвитку шерингової економіки та запропоновано концептуальну модель розвитку шерингової економіки.

Ключові слова: шерингова економіка, економіка спільного споживання, спільне споживання, принцип «peer-to-peer» (P2P), соціальні мережі.

Problem statement. At present we have to recognize that the sharing economy as a hybrid market model in which participants desire to be in control of their consumption through the optimization of resources and the mutualization of excess capacity in products and services, plays an increasingly important role in the world economy. As Charles Michalowski-Cummings and Qi-Ian (Kian) Poon (2016) stress: “The “sharing economy” describes a broad, macro trend that is reshaping how many services – and critically the outcomes they’re designed to provide – are offered and delivered. The most obvious manifestations of this new economic paradigm are the, by now, very familiar examples of Uber and Airbnb” [10]. As a matter of fact, the sharing economy is changing the world – creating a mix of

opportunities, challenges and threats for all actors at different levels, on the one hand, and balancing the needs and interests with priorities for competitiveness and socio-economic innovation growth, on the other hand. It should be noted in light of the current difficult situation in the country it is clear that Ukraine needs to use the new forms of economic development to provide socio-economic innovation growth as a basis for sustainable development of the state.

Analysis of resent studies. Sharing economy activity across world has accelerated over the past years and at present the sharing economy is a subject of academic debate and an important topic in the scientific literature. The scholars (Hamari J., Sjöklint M., Ukkonen A. [1], Matofska B. [2], Bostman R., Rogers R. [4], Andreotti A., Anselmi G., Eichhorn T., Hoffmann C. P. and Micheli M. [6], Vaughan R. [8], Lewis G. [9], PwC's (PricewaterhouseCoopers) experts [3; 5; 7] and etc.) analyze the features, benefits, problems and prospects of the sharing economy. So, Vaughan R. (2017) explores disruption in unexpected sectors and corporates adapting their business models; predictions of development of the sharing economy. Lewis G. (2016) considers the concept of "sharing" changing cities and argues: "Solving many of the most important challenges facing society today will hinge on the success of cities and the sharing or collaborative economy" [9]. In general, the sharing economy is now considered the means of enhancing economic development and providing sustainable growth within the countries.

Despite the recognition of the need to develop the sharing economy, many aspects because of its complexity and contradiction are not investigated. Because Ukraine lags behind European countries considerably in economic growth and living standards, development of the sharing economy has enormous potential for our country.

Main aim of the article is an attempt to study the key distinguishing features of the sharing economy and propose a conceptual development model on the Sharing Economy in the context of sustainable development based on existing trends.

Basic material. In the context of the present study we wish to emphasize that there is no common definition "sharing economy" and "over the last decade, the "sharing economy" has gained traction as an umbrella term describing a cultural, technological, and economic transformation, triggered by innovations in information and communication technologies (Bostman & Rogers, 2010; Schor, 2016; Sundararajan, 2013). The basic idea of the sharing economy is rooted in the "sharing paradigm" (Belk, 1985, 2010, 2014) or "sharing turn" (Grassmuck, 2012), whereby individuals, instead of buying, borrow or lend goods from others" [6]. As Matofska (2016) notices

“the *“Sharing”* in the Sharing Economy refers to the use and access of shared physical or human resources or assets, rather than the fact that there is no monetary exchange. A Sharing Economy enables different forms of value exchange and is a hybrid economy” [2].

It should be acknowledged that the sharing economy is an ambiguous multifaceted phenomenon and one of the main points of sustainability agenda in many countries. Obviously, the sharing economy has its own opportunities and benefits on one hand, and risks and problems on the other hand. So, we have defined the key strengths, weaknesses, opportunities and threats of development of the sharing economy (fig. 1).

STRENGTHS (S)	WEAKNESSES (W)
More asset-sharing and more efficient use of different kinds of resources and money Flexible working arrangements New sources of income New services / Extended supply / Low level of prices for customers Development of information and communication technologies New business model and innovations Positive impact on solving societal and global problems (environmental problems, pollution, poverty, unemployment, hyper-consumption and etc.) Successful cities and strong community	Challenges for economy in general and existing traditional companies in particular Legal framework Low interaction between sharing economy and tax system Trust
OPPORTUNITIES (O)	THREATS (T)
New opportunities for consumers and business in different areas New employment opportunities Financing opportunities for consumers and business Potential to contribute to competitiveness and socio-economic innovation growth	Regulatory problems and uncertainty Security of digital platforms Safety Reputation Insurance

Figure 1. SWOT-analysis of the Sharing Economy*

*Source: developed by author according to [1-3; 6; 8-12]

On the basis of currently available information, we focused attention on the brief analysis of the key moments. As Matofska (2016) notes: “The Sharing Economy is a socio-economic ecosystem built around the sharing of human, physical and intellectual resources. It includes the shared creation, production,

distribution, trade and consumption of goods and services by different people and organisations” [2]. It is worth noting that “digital platforms have accelerated the diffusion of these sharing processes by acting as mediators, thereby reducing transaction costs between providers, who offer their personal goods, and consumers, who are looking to use these goods (Botsman & Rogers, 2010; Gansky, 2010; Grassmuck, 2012)” [6]. The point should be made that sharing economy “has been expected to alleviate societal problems such as hyper-consumption, pollution, and poverty by lowering the cost of economic coordination within communities” (Hamari, Juho; Sjöklint, Mimmi; Ukkonen, Antti (2016)) [1]. However, “a recent Eurobarometer (2016) survey found that a majority of Europeans are aware of sharing platforms, yet only about one in five (17%) report having taken advantage of a sharing service personally” [6]. So, Vaughan R. (2017) comments that “the sharing economy is big business across the globe, with services like Uber, Airbnb and Deliveroo taking the UK, and indeed, the world by storm” [8] (table 1).

Table 1

Examples of the most popular sharing companies in world and Ukraine*

Company	Founded	Region served	Products / Services	Website
1	2	3	4	5
The Freecycle Network (TFN, or Freecycle)	2003	Global	Recycling	www.freecycle.org
Airbnb	2008	Global	Travel, hospitality service	www.airbnb.com
CouchSurfing	2003	Global	Travel, hospitality service	www.couchsurfing.com
BlaBlaCar	2006	Global	Vehicle for hire	www.blablacar.com
Uber	2009	Global	Technology company, vehicle for hire, delivery (commerce)	www.uber.com
OLX	2006	Global	Marketplace classifieds forums	www.olx.com
Preply	2012	Global	Education	www.preply.com
Turo (RelayRides)	2009	USA	Car sharing Car rentals, Cars	www.turo.com
Lending Club	2006	USA	Finance (Peer-to-peer lending)	www.lendingclub.com
TaskRabbit	2008	18 U.S. cities and London	Cleaning, Moving, Delivery, Handyman Services, General Services	www.taskrabbit.com

1	2	3	4	5
Lyft	2012	300 U.S. cities	Taxicab, Vehicle for hire	www.lyft.com
Deliveroo	2013	UK, Netherlands, France, Germany, Belgium, Ireland, Spain, Italy, Australia, Singapore, United Arab Emirates, Hong Kong	Online food ordering	deliveroo.co.uk
Fixura	2010	Nordic countries	Finance	www.fixura.fi
Kabanchik	2012	Ukraine, Russia, Belarus, Kazakhstan	Cleaning, Moving, Delivery, Handyman Services, General Services	www.kabanchik.ua
People's Project	2008	Ukraine	Military and civil crowdfunding	www.peoplesproject.com
Prometheus	2014	Ukraine	Education	www.prometheus.org.ua
MUSHROOM	2015	Ukraine	Hospitality service	www.mushroom.com.ua

*Source: according to the data of the official websites of these companies

The authors of EU Horizon 2020 Research Project: "*Ps2Share: Participation, Privacy, and Power in the Sharing Economy. Participation in the Sharing Economy*" (2017) (A.Andreotti, G.Anselmi, T.Eichhorn, C.P.Hoffmann, M.Micheli) reflected a common view that "corporations such as Uber or Airbnb report billions of Euros in revenues. Accordingly, ride- and accommodation-sharing services are among the most frequently used sharing platforms" [6]. For example, sharing economy activity across Europe has accelerated over the past years (2013-2015)

Table 2

Revenues and total transaction value facilitated by sharing platforms, 2013-2015 and 2025*

	2013	2014	2015	2025
Platforms revenues				
Europe	€ 1.0 bn	€ 1.8 bn	€ 3.6 bn	€ 83 bn
United Kingdom	£ 225 m	£ 425 m	£ 850 m	£ 18 bn
Value of transaction				
Europe	€ 10 bn	€ 16 bn	€ 28.1 bn	€ 570 bn
United Kingdom	£ 2.1 bn	£ 3.9 bn	£ 7.4 bn	£140 bn

*Source: according to 2016 PwC analysis [3; 5]

and the UK's sharing economy has grown the fastest in Europe (table 2). The UK has emerged as a sharing economy hub and also become the home to a number of sharing economy success stories who are rapidly expanding outside UK shores, such as Lovehomeswap, Justpark and Hassle [9].

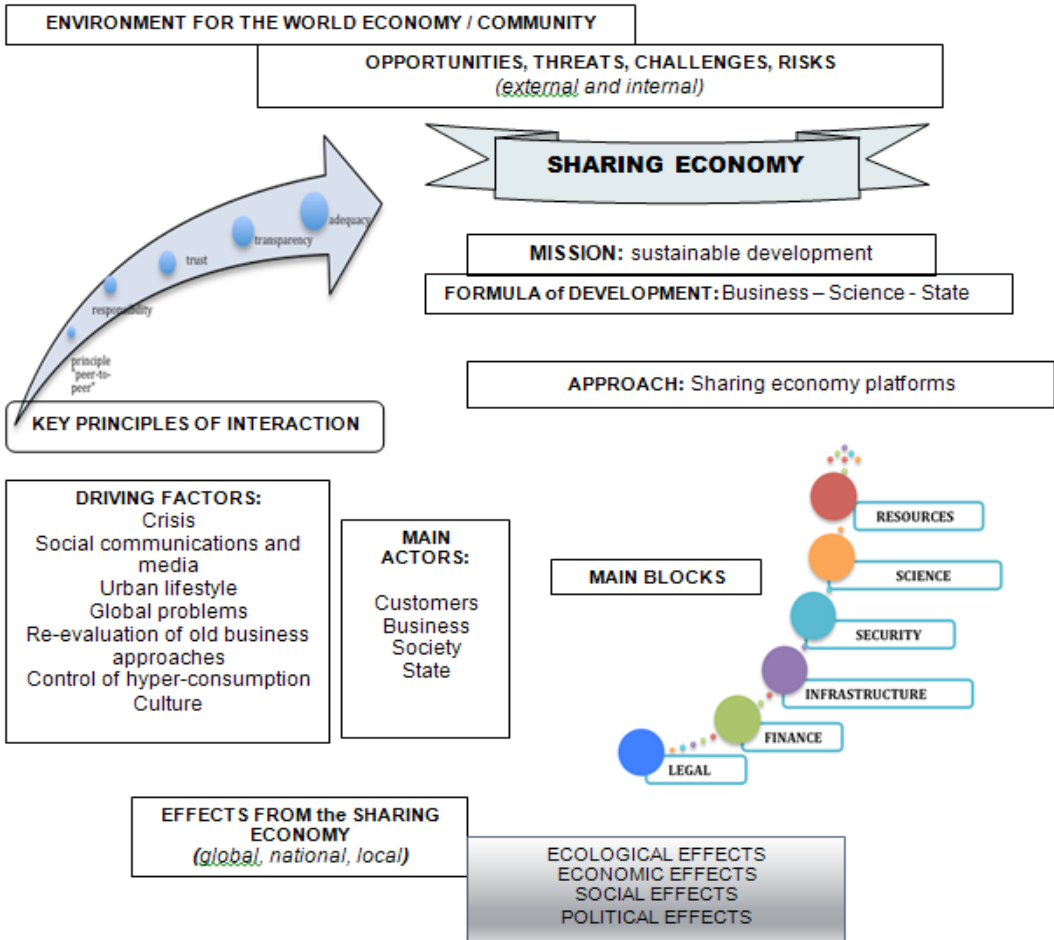


Figure 2. Conceptual development model of the Sharing Economy*

*Source: author

And now, some words about prospects. As Matofska (2016) argues "whilst the Sharing Economy is currently in its infancy, known most notably as a series of services and start-ups which enable P2P exchanges through technology, this is only the beginning: in its entirety and potential it is a new and alternative socio-economic system which embeds sharing and collaboration at its heart – across all aspects of social and economic life" [2]. Providers should continue to be the big winners, taking home around 85% of total revenues, with platforms

pocketing the remainder [8]. Total transactions for Europe's five most prominent sharing economy sectors – collaborative finance, peer-to-peer accommodation, peer-to-peer transportation, on-demand household services and on-demand professional services – could see a 20-fold increase to €570 bn by 2025, up from just €28 bn today, according to new analysis by PwC. Across Europe, PwC analysis estimates revenues accrued by platforms in the five key sectors of the sharing economy could reach €83 bn by 2025, up from just €4 bn today (table 2). Of the 5 key sharing economy sectors, on-demand household service platforms look set to achieve the fastest growth, expanding revenues by roughly 50% per year to 2025 [7].

Thus, as the result of our investigation we'd like to propose the conceptual development model of the Sharing Economy (fig. 2) based on currently available information [1-12] and our vision of development of the sharing economy.

Conclusions and directions of further researches. Hence, we can conclude that today the sharing economy is a global development trend. The sharing economy as an economic model facilitated by digital platforms is used when the asset is not fully utilized all the time. At the same time, it is necessary to remind that Ukraine takes a rather active part in these world processes. Undoubtedly, the sharing economy is effective tool for socio-economic development of a country in conditions of crisis and has the potential to play an increasingly important role in the Ukrainian economy. **Further research** should be focused on developing and implementing of world experience in Ukraine based on a comprehensive analysis of complex problems and their solutions in the context of the development of the sharing economy.

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К ВОПРОСУ О ШЕРИНГОВОЙ ЭКОНОМИКЕ

Аннотация

В современном глобализированном мире шеринговая экономика, которая рассматривается как альтернативная социоэкономическая экосистема, играет все более важную роль в мировой экономике. Следует отметить, что шеринговая экономика меняет мир, создавая для всех участников различные возможности, вызовы и угрозы, с одной стороны, и уравновешивая потребности и интересы с приоритетами конкурентоспособности и социально-экономического инновационного роста – с другой стороны. Таким образом, существует необходимость изучения такого феномена, как шеринговая экономика. В исследовании осуществляется SWOT-анализ развития шеринговой экономики и предложена концептуальная модель развития шеринговой экономики.

Ключевые слова: шеринговая экономика, экономика совместного потребления, совместное потребление, принцип «peer-to-peer» (P2P), социальные сети.

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