Comparative Study on Sharing Economy in EU and ECORL Consortium Countries

ECORL Economy Co-responsibility Learning

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1. Introduction

Writing a document on the “social economy” and “sharing economy” is a challenging task, as entire reports and books have been devoted to the subject. More importantly, in the scientific literature and in the public discourse, we find a broad range of definitions and understandings of the nature of these phenomena and on the relationship between the them. One could debate to no end on what the term means in each of these cases, what exactly is included or left out. This uncertainty not only poses conceptual problems in describing these phenomena, but also risks undermining the very important role that they all play in today’s society. While trying to navigate through the multitude of concepts used in the literature, in this report we have focused mostly on the sharing economy.

In the last few years, the **social economy** has increasingly gained political visibility as a sector that constitutes an important pillar notably in terms of employment and social cohesion across Europe and which is also key to achieving the goals of the Europe 2020 Strategy.

Various EU Council document refer to the social economy enterprises as the universe of organizations based on the primacy of people over capital and include organisational forms such as cooperatives, mutual, foundations and associations as well as newer forms of social enterprises and may be regarded as vehicles for social and economic cohesion across Europe as they help build a pluralistic and resilient social market economy. Acting in the general interest, social economy enterprises create jobs, provide socially innovative services and goods, facilitate social inclusions and promote a more sustainable and locally anchored economy. They are based on *solidarity* and *empowerment* principles.

Social economy enterprises[1] are economic actors whose main purpose is to create a positive social impact. By definition, social economy enterprises use the majority of their possible profits as a means for achieving their primary social objectives, rather than maximizing profits for their owners and shareholders. Their activities rely primarily, but not exclusively, on limited profit distribution business models, whereby most of their surpluses are re-invested in further development of their activity.

The **sharing economy** has always existed in some form, but a confluence of technologies has significantly reduced traditionally high search and transactional costs and allowed this model to grow rapidly into many industries. Combined with the increasing trust consumers place in online systems such as peer reviews, ratings, and social media verification, the sharing economy has entered the mainstream. (Quinones & Augustine, 2015).

The sharing economy refers to a business model that actually belongs to a 'family' with multiple organisational schemes: some of them are very simple – barter – other much more sophisticated – online exchange platforms, based on complex algorithmic software. (Goudin, 2016)

The appearance of sharing economy schemes in historical and geographical terms varies from one model to another: bartering goes back to ancient times and is practiced all around the world, while trading platforms have only emerged in the last few years – in connection with the development of the internet and smartphones – and if their expansion is global, it assumes the presence of communities of critical size and an enabling environment (accessibility) to be economically viable. Between these two opposite examples, many

[1] Outcomes of proceeding of the General Secretariat of the Council of the EU, dated 7 December 2015 (15071/15)

other forms of sharing economy – based on pooling resources – have been tested over time and still work: cooperatives, mutual societies, associations and foundations, *tontines*. (Goudin, 2016)

The sharing economy has grown tremendously over the past few years and is no longer just for the early adopters, but is starting to become an everyday feature of modern society. Over the last decade, the sharing economy has grown from dealings taking place between friends and family to a pool of global businesses which are being increasingly valued in the billions. The sharing industry as a whole had an estimated $15 billion in revenues last year, and is expected to continue to grow at an exponential pace (PWC, 2015). Uber and Airbnb are the two highest profile companies in the sharing economy, and they are representative of the most developed areas of this movement: ride and accommodation sharing. These sectors have grown rapidly and are developed enough that they are now threatening the traditional business models of the taxi and hospitality industries. (Quinones & Augustine, 2015)

While figures on the significance of the "sharing economies" are hard to come, the PwC analysis suggests considerable future growth potential. It has calculated that the total revenues for the five most prominent sharing economy sectors in the UK – peer-to-peer (P2P) finance, online staffing, P2P accommodation, car sharing and music/video streaming – could rise to around £9 billion by 2025, up from just £500 million today. Globally, revenues from these sectors could hit $335 billion by 2025, up from just $15 billion today. (Carson, 2014) The opportunities for business and for entrepreneurs are huge – indeed already Airbnb is valued at over $10 billion. (Wosskow, 2014)

This model is typically characterized by two parties entering a transaction that allows them to share the use of an asset or service in a mutually beneficial way. The difference between the sharing economy and the traditional rental economy is that the rental economy involves a firm owning an asset that is then rented out. *In the modern version of the sharing economy, an app or service connects an owner of an asset that is used below capacity with someone who would like to use it.* The basics of the sharing economy have always existed, as owners of underutilized assets such as a car, a power tool, or an empty guest room searched for those who desired the temporary use of such assets in their community via bulletin boards or newsletters. What has changed is the emergence of mobile software platforms that allow these two parties to easily come together whenever and wherever they wish. This significant reduction in searching and transactional frictions, as well as the flexibility to conduct a trade anytime and anywhere from a smartphone, has driven the sharing economy into the daily lives of many people, changing patterns of consumer behavior. The modern sharing economy allows the participants to have a unique experience that transcends that of a traditional commercial transaction. This model is an apt example of the millennial ideals of breaking with the traditional way of doing things, being flexible, and embracing the advantages of digital and mobile technology. Therefore, it is worthwhile to understand the impact of this new model and its implications for the banking industry. (Quinones & Augustine, 2015)

There are several **macro-economic factors** driving the growth of the sharing economy. One such factor is *decreased consumer trust* in the corporate world as a result of the financial and economic crisis. In addition, *unemployment rates* have risen and the purchasing power of consumers has dropped. Therefore people are in need of ways to earn or save money, which is why consumers are currently more receptive to *peer-to-peer* business models centered on *consumer needs both as a potential supplier and buyer*. Furthermore, the required technology for hosting an online peer-to-peer market has, in recent years, become available at more reasonable cost.

They use **digital platforms**, offering consumers access over ownership (i.e. renting, subscribing) and often involve deeper social interactions than traditional sectors. One reason that these companies have been able to grow so rapidly is that their business model, based on the use of specialized software, allows them to scale up, gain recognition, and generate strong network effects without having to invest in costly underlying assets, such as cars or buildings. Moreover, these companies focus on the unique experience of the transaction versus solely focusing on the price. Their principles when it comes to the design of the transactional experience emphasize *flexibility, ease of use, and transparency*. This has allowed them to continue growing even as the economy has improved and consumers are able to afford more traditional options. (Quinones & Augustine, 2015)

Trust, convenience and a sense of community are all factors in pushing adoption of the sharing economy forward. Thanks to consumer willingness to try mobile apps, there are lower barriers to entry when it comes to building brands and scaling up quickly—the innovation clock is now set to fast-pace, and will get even faster as consumers become more trusting of relationships tied to social sentiment and communities of users. (PWC, 2015)

2. Objectives and Methodology

The main objectives of the Comparative Research is to investigate the Sharing Economy trend in Europe, in particular within the ECORL Consortium Partners, and to better inform citizens on what it is, who needs it and how it works.
The process of globalization and the recent economic crisis have plunged citizens into deep crisis towards the traditional system of managing and investing their savings and paralyzed their planning. Individuals are faced with an economic downturn without being equipped for it and without the basic knowledge necessary to deal with it.

Social Economy, Social Business and the Sharing Economy could be an alternative response to the crisis generated by the traditional economic system.
Ethical finance, sustainable lifestyles, environmental sustainability and Third Sector could be the new keywords of the alternative economy.

The goal of the Comparative Research and the ECORL Project is to provide adult people with a basic information of Economy and of best practices in Sharing Economy, making them aware that they are not only consumers but themselves potential service providers, the so called “prosumers”, able to generate their own goods and economic well-being. (Rifkin 2011)
The challenge of this Study is to analyse the New Economy paradigms together with the related risks and contradictions. Albania, Croatia, Italy, Lithuania and Spain are lacking legislation on the new jobs, scarcely regulated by law for the workers and their Welfare State.

The Comparative Research Methodology use a fourfold following approaches:

- *Theoretical*, using texts, articles, recent European Union researches and documents on Sharing Economy ;

- *Experiential*, using online surveys and an analysis of good practices at national level in order to learn local needs and valorise the best local experiences of Sharing Economy;

- *Collaborative*, using a cooperative and comparative analysis of Social and Sharing Economy among the five different countries of the ECORL consortium. A common Glossary within the Consortium partners will be an useful tool to better understand the subject matter;

-*Interactive*, updating data, legislations and best practices by Ecorl Partners and learners, during the project lifetime.

3. Navigating through the multitude of concepts

The review of the literature shows a multitude of concepts such as “social economy”, “social market economy”, “sharing economy”, “social enterprise”, “social business” and very often such terms are interchangeably used. One could debate to no end on what the term means in each of these cases, what exactly is included or left out, and we do not pretend here to redefine them. However, we will try to present below some of the views of various authors that we find most relevant on the subject.

The social economy has been recognized as a distinct set of economic actors only recently. However, organisations belonging to the social economy have long been an important part of the European social, economic, and political history. The term social economy first appeared in France during the first third of the 19 century and its relevance has gone far beyond French borders throughout the centuries, finding a great resonance throughout Europe. Indeed, for almost two centuries now social economy institutions have been key players in the broader social and economic development process both at national and at local levels. (EC, Social economy and social entrepreneurship (Social Europe guide, Volume 4) - ISSN 1977-2343, 2013)

The term “**social economy**” is used to define a specific part of the economy: a set of organizations (historically, grouped into four major categories: cooperatives, mutual, associations, and, more recently, foundations) that primarily pursue social aims and are characterized by participative governance systems. For close to two centuries, these organizations have engaged in the production of goods and services alongside the Market (i.e. private corporations) and the State (i.e. public sector institutions). The main goals pursued by social economy organisations include both the provision of goods and services (including employment opportunities) to their members or community and the pursuit of general interest goals (i.e. activities that benefit society at large like the provision of services of general interest) (EC, Social economy and social entrepreneurship (Social Europe guide, Volume 4) - ISSN 1977-2343, 2013). Historically, social economy organizations have been grouped into four major categories: cooperative enterprises, mutual societies, foundations and associations, whose legal form may vary considerably from one country to another.

The term “**social market economy**” refers to a political-economic model created after World War II in response to the need to spread confidence in a new democratic system. At its heart, it sought to harmonize the principle of market freedom with the principle of social security by giving the State an active role in promoting both market competition and balanced social development. This approach was often considered a ‘third way’ between the laissez faire capitalism, based on the principle of minimal State intervention, and the centrally planned economies, in which the State fully directed economic activity. The concept of social market economy originated in Germany and is often associated with its post-WWII reconstruction, but has over time acquired a broader meaning. The social market economy is based on two clearly distinct but complementary pillars of state action: on the one hand, the enforcement of competition to keep prices stable and generate growth and innovation; and on the other, social policy measures to guarantee social justice by correcting negative outcomes and bolstering social protection.

Partly within and partly alongside the universe of social economy organisations, social enterprises have emerged in recent years as a new and very significant phenomenon not only throughout Europe but also in other continents (such as Asia, where Muhammad Yunus promoted the concept of ‘social business’, and North America). Despite the lack of a universal definition of the term, in Europe the concept of social enterprise is increasingly used to identify a ‘different way’ of doing business, which occurs when enterprises are created specifically to pursue social goals. The European Commission gives the term ‘social enterprise’ the following meaning: ‘an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities’. (EC, Social Business Initiative, 2011)

As defined in various EC documents, the concept of social enterprise overlaps with the traditional social economy organizations and cuts across legal forms, as an entity that operates as a social enterprise might choose to be registered as an association, cooperative, charity etc., as a private enterprise, or as one of the specific forms set up in recent years under national legislation. What distinguishes social enterprises from traditional associations or charities is the fact that social enterprises earn a substantial proportion of their income through trading, rather than being dependent on grants or donations. An indicator of this strong vocation to social purpose, the majority of any profits of these social enterprises (independent of its legal form, for-profit or non-profit) are reinvested or otherwise used to achieve the social mission of the enterprise. (EC, Social economy and social entrepreneurship (Social Europe guide, Volume 4) - ISSN 1977-2343, 2013).

A “**social business**” is a company created for social benefit rather than private profit. Pioneered by Nobel Peace Prize Laureate Prof. Muhammad Yunus, it is a type of business that focuses on addressing specific social or environmental problems in a financially self-sustainable way. Investors in social businesses are entitled to only the original principal of their investment. Any profits generated by the social business are recycled into the same or other social businesses or socially beneficial activities. Thus, while social business in many aspects is similar to normal commercial business, it does not aim to maximize shareholder value. Instead, it aims to generate beneficial social and environmental outcomes through (i) focus on maximizing employment and income opportunities to all stakeholders along a commercial value chain, including micro-entrepreneurs, with particular focus on vulnerable groups such as female or rural populations, and/or (ii) tailoring products or services to solve specific social or environmental problems.

The sharing economy has attracted considerable attention, but that attention is relatively recent. If measured by web search interest in the term 'sharing economy', then interest has mounted from 2012 onwards, with the greatest web search interest in Italy, Germany, the United Kingdom and the United States. This relative novelty explains the lack of a settled definition. (Goudin, 2016)

Otherwise known as collaborative consumption or peer-to-peer marketplaces, the ‘sharing economy’ seems to be mostly about getting the maximum use from an asset or skill and thereby allowing participants to make or save money. Leaving aside ‘earning or saving money’ as one driver of the ‘sharing economy’ phenomenon, a renewed belief in the importance of community, as well as the global recession which has fundamentally shocked consumer behaviors, are among the key drivers. (Opinium-Research & Marke2ing, 2012)

People have always shared the things that they own – the digital sharing economy now allows them to do this with people they have never met before and can connect with online. The existing sharing economy platforms are only scratching the surface of what might be possible. The full potential of sharing models is only just starting to become clear, and more research is needed to show how local areas can benefit from embracing these models. Social care, transport, and makerspaces are all areas where sharing economy models are starting to transform communities and services, but we need to do more to understand these benefits and share best practice. (Wosskow, 2014)

The "**sharing economy**" started coming out as a concept in early 2000. However, sharing unused resources or trading accessibility for money or in-kind is ageless. Long before the web, Servas International, a non-profit founded in 1949 by a peace activist, did the same. Subscribers to Servas paid a nominal fee for membership and agreed to open their doors to other travelers in the network (Trivett & Staff, 2013). Over the last decade this model has grown rapidly into many industries, with a confluence of technologies which has significantly reduced traditionally high search and transactional costs. Combined with the increasing trust consumers place in online systems such as peer reviews, ratings, and social media verification, the sharing economy has entered the mainstream.

The term "sharing economy" has now become an umbrella encompassing different types of economic activities, somewhat informal, though all of them dependent on online platforms that bring together providers of different goods and services and users, and where mutual trust is an essential input as standard and more intrusive regulation is often absent. The term "sharing economy" does not have a consensual definition and has been used as a catchword encompassing different, but possibly overlapping, types of more or less informal economic activities, though all of them dependent on online platforms and all of them involving new governance structures. (Gata, 2015) The term "sharing economy" may not have a consensual definition and has been used as a catchword encompassing different, but possibly overlapping, types of more or less informal economic activities, though all of them dependent on online platforms and all of them involving new governance structures. (Gata, 2015)

The definition of the "sharing economy" does not seem to have a consensus even at EU level. The European Commission prefers to use the expression 'collaborative economy', defined as 'a complex ecosystem of on-demand services and temporary use of assets based on exchanges via online platforms'.[2] The other EU institutions do use the expression 'sharing economy'. The European Parliament refers to it in its resolutions of 9 September 2015[3] and 29 October 2015[4], and defines it as: 'a new socio-economic model that has taken off thanks to the technological revolution, with the internet connecting people through online platforms on which transactions involving goods and services can be conducted securely and transparently'. The European Economic and Social Committee also referred to the sharing economy in its Opinion of 21 January 2014.[5] Finally, the Committee of the Regions has recently published an opinion[6], where it argues in favour of the need to distinguish between the different forms of sharing economy; it calls for a coordinated approach between the European Commission and the Member States in order to enable successful sharing economy initiatives to spread easily across EU borders. (Goudin, 2016)

The terms "sharing economy," "peer economy," "collaborative economy," "on-demand economy," "collaborative consumption" are often being used interchangeably, though they mean very different things, as are the ideas they go hand-in-hand with, like "crowdfunding," "crowdsourcing," and "co-creation." (Botsman, 2015). They can involve C2C, B2C, C2B and B2B "sharing".

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[2] COM (2015) 550 final

[3] European Parliament resolution of 9 September 2015 on the implementation of the 2011 White Paper on Transport: taking stock and the way forward towards sustainable mobility (2015/2005(INI)).

[4] European Parliament Resolution of 29 October 2015 on new challenges and concepts for the promotion of tourism in Europe (2014/2241(INI))

[5] European Economic and Social Committee (2014), 'Collaborative or participatory consumption, a sustainability model for the 21st century'

[6] 'The local and regional dimension of the sharing economy', Committee of Regions Opinion Number: CDR 2698/2015., 3-4 December 2015.

The Oxford Dictionary of English defines "sharing economy" 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". Wosskow (2014) defines "sharing economy" as "online platforms that help people share access to assets, resources, time and skills". This definition underlines an important characteristic of the "sharing economy": the significant level of disintermediation it allows in transactions between providers and final customers.

Botsman (2015) attempts to clarify these concepts, by defining "sharing economy" as "an economic system based on sharing underused assets or services, for free or for a fee, directly from individuals", as is the case of Airbnb or BlaBlaCar. On the other hand, according to Botsman's definition, Uber would be classified as an "on-demand service", i.e., «a platform that directly matches customer's needs with providers to immediately deliver goods and services».

In this case, no sharing of underused assets may be involved at all. In the case of "collaborative consumption", still according to Botsman, there is a reinvention of traditional market behaviors (such as renting, lending, swapping, sharing, bartering, and gifting) through a technology that takes place in ways and on a scale not possible before the internet. What is common to sharing economies, on-demand services and collaborative consumption is the use of computers, tablets, smartphones as IT devices to easily access goods and services in the real world. For the purpose of this column, let us agree on using the term "sharing economy" as an umbrella for all these different activities, as most of the issues that will be addressed here are common to all of them.

The sharing economy allows people to share property, resources, time and skills across online platforms. This can unlock previously unused, or under-used assets – helping people make money from their empty spare room and the tools in their sheds they use once a year. It allows people to go from owning expensive assets, such as cars, to paying for them only when they need them. Individuals can make more from their skills, and work more flexibly. (Wosskow, 2014)

Sharing economies involve new forms of production, transaction (mostly spot transactions) and consumption. They may be regarded as examples of "disruptive innovations" in that they compete with traditional ways of producing, distributing and consuming goods and services, through the use of technological innovations such as smartphones, digital content and online distribution that may be considered disruptive. The new forms of production and of (mostly) spot transactions lead us back to the literature on 'markets vs. firms' and how these two alternative forms of organizing economic activity may arise to minimize associated transaction costs. As these types of technological innovations (including the download of apps) reduce transaction costs (e.g., they reduce the costs of dispersion, as it is now much cheaper to match the two sides of a market, i.e., they thicken an otherwise too thin a market, thus increasing economic efficiency), they facilitate trade: people are able to rely more on (spot, peer-to-peer) markets (in this case, digitalized markets) and less on firms for the production and distribution of goods and services, i.e., on 'markets vs. firms' as two alternative forms of organizing economic activity, we would see "more markets and less firms". (Gata, 2015)

According to Gata (2015), even if several incumbents operating in these markets may fight this new type of competition, some incumbents are themselves joining in the "sharing economy". He mentions the cases such as Avis, Daimler, GM, B&Q in the UK, which by listing excess capacity (cars, office space, and other durable physical assets) on peer-to-peer rental sites. And they have the advantage of bringing in their solid reputation. Just like what has been happening with online shopping (Walmart and Tesco, for example). They are not necessarily cannibalizing themselves; they want to compete with newcomers and expand their markets. (Gata, 2015).

Wosskow defines the sharing economy in UK as online platforms that help people share access to assets, resources, time and skills. It encompasses a broad church of businesses and business models: peer-to-peer marketplaces such as Etsy, which allows anyone to sell their craftware; services like City Car Club, where people can share access to a car without having to own one themselves and time banks like the Economy of Hours which allows you to trade your skills, an hour for an hour. (Wosskow, 2014). Indeed, Nesta has estimated that about 25% of the UK adults use internet technologies to sharing assets and resources. (Stokes, Clarence, Anderson, & Rinne, 2014)

In their 2010 book, Rachel Botsman and Roo Rogers identified technology, cost consciousness, environmental concerns, and a resurgence of community as the main drivers of the sharing economy. (Botsman & Rogers, What's Mine Is Yours: The Rise of Collaborative Consumption, 2010). Dutch academic Pieter van de Glind confirmed this in a survey. “Practical need, financial gains and receiving praise from others are the main extrinsic motives. The main intrinsic motives are social and environmental. Besides motivational factors, networks, (social) media and recommendation prove to be explanatory factors for the willingness to take part in collaborative consumption,” he writes. (van de Glind, 2013)

According to Goudin (2016), the sharing economy refers to a business model that actually belongs to a 'family' with multiple organizational schemes: some of them are very simple – barter – other much more sophisticated – online exchange platforms, based on complex algorithmic software. (Goudin, 2016)

The appearance of sharing economy schemes in historical and geographical terms varies from one model to another: bartering goes back to ancient times and is practiced all around the world, while trading platforms have only emerged in the last few years – in connection with the development of the internet and smartphones – and if their expansion is global, it assumes the presence of communities of critical size and an enabling environment (accessibility) to be economically viable. Between these two opposite examples, many other forms of sharing economy – based on pooling resources – have been tested over time and still work: cooperatives, mutual societies, associations and foundations, *tontines*. (Goudin, 2016)

These different models have common elements that are more or less similar to each other; however, they come from different 'philosophies' and have neither the same economic rationale nor the same purpose. Some of them are not profit-based businesses – they fall into the sphere of the social economy; others are for-profit companies but their organisation and governance comply with ethical goals – they could be classified as social entrepreneurship. Others choose a form of entirely for-profit business: this is the case, mainly, for exchange platforms, created mostly in the form of start-ups and whose sharing element lies not in their organisation, but in the object of their activity. (Goudin, 2016)

The sharing economy covers many sectors, including transport, delivery and logistics, travel and hospitality, home services, dining, food and beverages, and finance, each with their own substantial market potential. Some companies are developing and expanding globally, whereas other markets are still more confined to the US often in dense urban areas, and/or developed countries. For example, as of early March 2015, Airbnb reported operating in more than 34,000 cities and 190 countries (figure 4), and over 60 million guests[7]. Other services are only available in defined and smaller geographic areas, at least initially, such as one-hour delivery by Amazon—only available in (some parts of) the Manhattan borough of New York City. (van Welsum, 2016) For van Welsum (2016), the fast evolving cloud-computing platforms that enable new

[7] https://www.airbnb.com/about/about-us (accessed 10 April 2016).

business models, combined with a rapid uptake in digital technologies by consumers and a change in consumer behavior and preferences have enabled the emergence of a so-called 'sharing economy' concept and related business models. With new start-ups offering all kinds of services springing up every day, there was soon talk of the 'Uber[8] of everything' or 'the uberification of the service economy'. (van Welsum, 2016).

To help understand the social economy Botsman & Rogers segment the market phenomena into three broader groups (Botsman & Rogers, What's Mine Is Yours: The Rise of Collaborative Consumption, 2010):

- **Collaborative Lifestyles** link groups with similar needs or objectives to share assets like time, space and skills. This requires a high level of trust between participants which is facilitated by star ratings and reviews of participants.
- **Product Service Systems** which enables the consumer access to a product that comes without the actual burden of owning but renting instead. Internet technology means that this kind of service can increasingly be offered on a peer-to-peer basis.
- **Redistribution Markets** aim to bring together unwanted or underused items with those who have a need for them by a variety of models. Items might be given away for free, swapped for other items or sold for hard cash. The internet is reducing transaction costs of arranging beneficial trades.

For van Welsum (2016), the term 'sharing economy' seems to be somewhat of a misnomer: what exactly is being shared, and is it really sharing if we pay to 'share' or is it just a form of renting or paying for a service? In reality, most of these new/digital economy services involve the more efficient utilization ('sharing') of physical assets (a house, car, physical space, machinery, tools, appliances, clothes, shoes, bags/accessories), or time (e.g. through tasks such as cooking, cleaning, assembly of furniture, doing DIY[9] jobs, running errands, etc.). It seems that for sharing economy users, access to assets is more important than ownership of such assets. (van Welsum, 2016)

4. Features of the new form of economy

Some of the features of good practice identified within the non-traditional economy include:

A wide spectrum of beneficiaries. The sharing economy offers opportunities for people across the demographic spectrum to generate an income, either full time or part-time, and/or as a complement to other employment, being a parent at home, or while in education. (Hall & Krueger, 2015) Those who benefit in the sharing economy include the successful companies, their founders, owners, investors and employees, but also consumers who have more efficient access to (more of) these services. Participants in these service models benefit from the opportunity to generate income including as a supplement to other sources of income. Indeed, in some cases, the sharing economy creates new full time employment opportunities, in other cases part-time opportunities or freelance and contracting opportunities, which allow people to complement their existing jobs or earn extra money while in education, for example. (van Welsum, 2016). For example, Jonathan Hall and Alan Krueger find that "drivers who partner with Uber appear to be attracted to the platform in large part because of the flexibility it offers, the level of compensation, and the fact that earnings per hour do not vary much with hours worked, which facilitates part-time and variable hours". (Hall & Krueger, 2015)

[8] https://www.uber.com/
[9] Do-It-Yourself (DIY).

Source: http://www.gravitytank.com/pdfs/info_graphics/SharingEconomy_web.pdf.

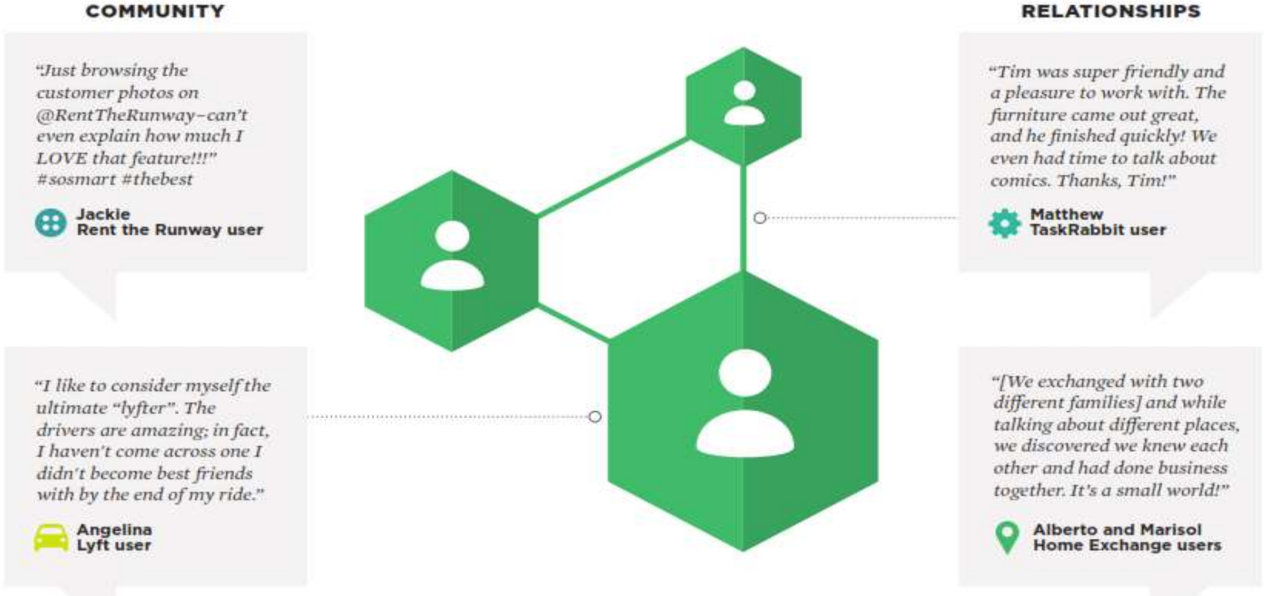
Greater flexibility. It is clear that many participants on the supply side benefit from greater flexibility in choosing when to work or make assets available, and on the demand side users/consumers benefit from customized and/or on-demand services. The users/consumers may also benefit as they have a more efficient way to satisfy their needs, and in cases it may give them access to goods and services they might otherwise not be able to afford. For example, a person may not be able to buy a certain type of power tool, but they can afford to 'share' it for an hour or a day without having to buy it themselves. Or someone may be able to just buy a person's time for the duration it takes to hang up a picture frame rather than having to employ a full-time handyman. At the aggregate level, the allocation and use of time and resources should become more efficient, and services gaps may be bridged. More efficient use of physical assets and other resources that might otherwise be idle should aid sustainable development. Especially in the developed world this can be seen as a positive development to counter some of the consumerist tendencies where people are thought to 'have more than they need'. Thus, sharing assets can be seen as putting less strain on societies going forward. (van Welsum, 2016). In addition the sharing economy is making inroads beyond the West and benefiting more of the world's poor, who have been traditionally excluded from the market. (Perini, 2014)

The sharing economy fosters specific economic models. It redefines the concept of work and thereby has an impact on the labour market. Thus, it encourages all actors in the social field to reflect on the meaning and place that the salary system has in our society, and thereby, to rethink social protection, historically linked to the salary system. According to Gouding (2016), the entrance to the market of SE platforms has led to the introduction of products and services at a much lower price. People can now rent an entire flat at the price of a mid-range priced hotel room, return home by taxi for half the price of a normal taxi fare, etc. (Goudin, 2016)

At first it's all about the money. Hard times mean people want to both save and make extra cash…


AVERAGE ADDITIONAL INCOME EARNED BY PROVIDER
in dollars per year
$2.9K
$9.3K
$3K
mTurk
Airbnb
RelayRides
61%
Adults who say earning extra money is the main motivation for sharing
$24K
$9K
$6.2K
Lyft
Skillshare
Vayable

… but it quickly becomes about connections. Turns out, people love helping people



Source: http://www.gravitytank.com/pdfs/info_graphics/SharingEconomy_web.pdf.

Knowledge coordination and decreased transaction costs. The exchanges the SE facilitates are not necessarily new (people have been renting out rooms, they have been sharing car rides, etc.) but the reduction in transaction costs because of knowledge coordination allows for unlocking underutilized assets. (Goudin, 2016)

Costs of transaction. Nowadays, many people have access to products and services they wish to purchase. Making use of digital platforms, the SE is able to significantly reduce transactions costs. For instance, it has never been easier to gather information on prices, quality, specifications, of products and services. To be sure, we have fast and cheap access to knowledge in the three above-mentioned fields that compose transactions costs. SE platforms provide room for peer-reviews, rating systems, personalised searches, etc. This is a pivotal factor for the success of the SE. (Goudin, 2016) However, we are facing a challenge that is related to data and intelligence regarding what we want to buy. There is so much (often contradicting) information out there that is has become cumbersome to make a sound decision on what to purchase. Indeed, according to Allen & Berg (Allen & Berg, 2014) it is not the cost of the resource (asset) itself that constitutes a problem to society, but rather the cost of coordinating the knowledge that people need to transact the resource. People need to know how to exchange in order to speed up and increase transactions. Such knowledge can lead to decreased transaction costs. Goudin (2016) mentions three main types of transaction costs: (i) search and information costs; (ii) bargaining and decision costs; and (iii) policing and enforcement costs.

Reducing social exclusion. While some concerns have been raised about social exclusion within the sharing economy (i.e. social insurance of non-standard employment, etc.) in some markets, the sharing economy might reduce social exclusion by increasing access to goods and services. If the ability to access these markets becomes increasingly essential, however, and platforms and market participants are extremely risk averse, then it might be difficult for those who do not appear reliable to those participants to establish themselves in the market.

Empowerment of economic actors. We have already touched upon this element in the above paragraph but it still deserves some explanation. Users of the sharing economy play a key role in a concept the sharing economy has universally integrated: i.e. reputational mechanisms. Through reputational rating mechanisms, for example, it has become impossible for those that do not play by the rules to hide. Indeed, if users do not share in a satisfactory manner, they will be excluded from future exchanges. In addition to empowerment related to policing and oversight, sharing economy users are also empowered in the sense that they receive additional earnings alongside their regular income, and have the opportunity to choose when and where they want to make use of platforms (which contrasts with traditional corporations where one has to follow the rules regarding working time, work place, etc.). Better (more sustainable) use of underutilized resources. This can be derived from the definition and it is arguably the pivotal benefit sharing economy can provide to society. Many of our assets remain underused. Yet at the same time, we are facing huge environmental challenges. SE can help coming to a more sustainable market. The French Environment and Energy Management Agency (ADEME) has calculated that shareable goods account for about one third of household waste. Therefore, intuitively, one can expect a positive impact from the SE on the environment. Demailly & Novel (Demailly & Novel, 2014) elaborate on the subject and explain how three different elements could contribute to such an impact.

Provides workplace flexibility. According to Kumar (2015) the sharing economy responds to the growing demand for more workplace flexibility. He argues that freelance work could be the employment of the future and SE has a vital role to play in it. For example in the case of drivers they may simultaneously use different platforms (Uber, Blablacar) to provide their services, without being committed to one single one, and combining it with their regular jobs. (Kumar, 2015)

Creates new services. Still according to Kumar (2015), the sharing economy is responsible for the creation of many new services that could not easily be provided by traditional companies. As an example he refers to the case of Uber. A 'normal' taxi company could have never provided this type of service (basically a very cheap taxi ride for a great number of people) without having an enormous car fleet, which is extremely expensive.

Prevents the shadow economy. According to Goudin (2016), provided that mechanisms are in place to collect taxes from users of the sharing economy that generate (part of) their income with their sharing economy activities, the sharing economy is a means to get people out of the shadow economy. (Goudin, 2016)

Technology and Innovative. Technology is a key driver and booster for the sharing economy: such a change would not have been possible without the development of the internet, mobile devices and digital platforms that facilitate individual access to many services and play an intermediary role in linking the supplier and the user of these services. The use of these technological advances has probably also been reinforced by the parallel development of social networks – themselves helped by technological innovation. These networks, by developing the notion of communities, have encouraged the development of relationships and interactions specific to these communities; they have established them as full actors in the economic field. New needs and new demands specific to these communities have appeared, as they have gradually revealed and imposed themselves in their capacity to act as stakeholders, in prescribing trends, and as lobbyists (particularly through the use of evaluation systems). Finally, advances in technology have also played a role in the growth of the sharing economy by allowing paperless financial transactions: online or mobile payment systems to develop hand in hand with the rise of e-commerce and digital platforms; they allow ordinary individuals to achieve modest peer-to-peer economic transactions, sometimes single transactions, which would not have been possible previously due to a lack of adequate support and back office facilities. (Goudin, 2016)

When the sharing economy knocks, how will you answer?

The sharing economy comprises new business models empowered by multiple disruptive technologies (i.e., cloud-based collaborative apps riding on high-bandwidth, always-on mobile networks and the web) that exploit previously inaccessible information to instantaneously match consumer needs to idle capacity, thus creating disruptive economic efficiencies. The Ernst & Young's report explores how sharing economy business models work, the benefits they bring, why they're important and the issues and challenges faced by sharing economy companies as well as by the industries they disrupt.

Benefits and opportunities: There were identifed five proven, tangible benefits and opportunities that emerge from sharing economy business models.

- **Customer delight**: The power of delighted customers cannot be overstated. "The customer's voice will always carry a lot of weight and customer delight is why the sharing economy is here to stay," says Pat Hyek, EY's Global Technology Industry Leader.
- **Individual entrepreneurship**: Sharing economy models empower individual entrepreneurs in various ways. "The sharing economy makes entrepreneurs of us all," says Paul Brody, Ernst & Young LLP's Americas Strategy Leader, Technology Sector.
- **New "abstracted" value creation**: Technology providers are often surprised by the unintended uses their products serve once they are released. Sharing-economy models may drive a similar phenomenon throughout other industries too.
- **Developing economy boost**: In developing economies, sharing economy models may enable first-time access to certain assets for a large portion of the population.
- **Societal benefits**: Sharing economy models are believed to be better for the environment because they make greater use of existing resources. Also, increased utilization and efficiency raises productivity, which in turn can raise standards of living.

Challenges: The sharing economy also introduces new challenges. Three of the most disruptive include:

- **Government challenges: tax, regulatory and legal**: If significant commerce migrates from incumbent market participants to sharing economy businesses, governments may see revenue flows disrupted before they're able to enact new rules.
- **Incumbent company and workforce challenges**: Sharing economy models often disadvantage incumbents in multiple ways, from luring customers away to not having to own the assets they monetize.
- **New business risks**: Sharing economy models face their own challenges and uncertainties, from the continuous rapid evolution of their own business models to newly enacted tax, regulatory and legal codes.

Source: http://www.ey.com/GL/en/Industries/Technology/ey-understanding-the-sharing-economy

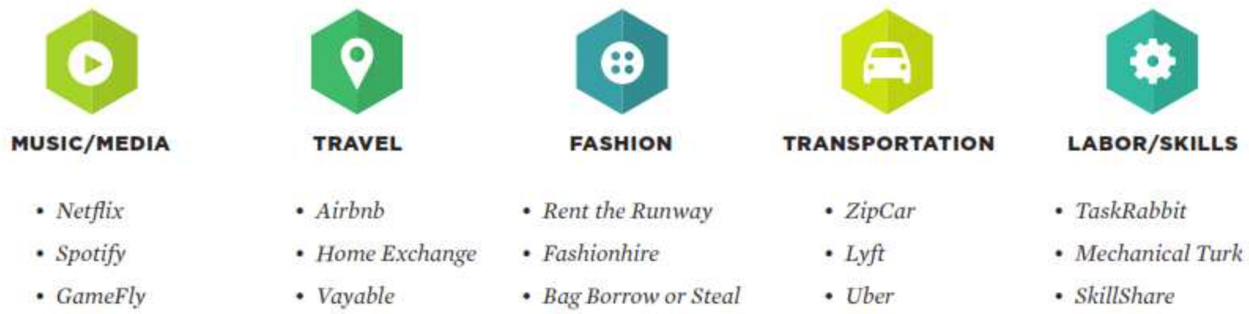
Peer-to peer based sharing of access to products and services and business to consumer markets. Nearly all business models deployed by companies in the sharing economy show a similar value proposition to customers. To a certain degree, they all host a platform or online market place through which the demand for certain assets or services amongst peers is matched with the ownership of those assets and services by other peers. In the conventional model, companies provide access for consumers to company owned property; in peer-to-peer models, companies facilitate access for consumers to consumer owned property or skills and competencies. Most of these companies function through an online platform or marketplace that connects consumers. Thus, they link people that own certain assets and skills with consumers in temporary need of them.

These companies can facilitate peer-to-peer markets for potentially all products or services owned by consumers. This business model might become particularly disruptive to conventional rental solutions for mobility, accommodation, catering and other services: it is indeed able to serve the same needs at a significantly lower price. Moreover, it empowers consumers to capitalise on their property and skills, providing them with an opportunity for micro-entrepreneurship and lowering the total cost of ownership. The partially disruptive specificity of this business is also the fact that, for some services, labour and workforce themselves become a good, which can be traded on the market. (Goudin, 2016)

According to Goudin (2016), the sharing economy focuses especially on consumer markets (i.e. peer-to-peer or business-to-consumer markets), as opposed to pure business-to-business markets. While platforms similar to those used in the sharing economy might gain scale connecting businesses (particularly small firms), and the corporate marketplace has been discussed as a potential growth sector for new and existing platforms (Slagen, 2014), this seems like a separate phenomenon that might have quite different economic impacts and policy implications. Equally, the sharing economy can be seen as the extension of trends which have already been taking place within the corporate world for some time, with specific firms specialising in owning assets and providing them to others as a service (e.g. aircraft leasing). Digital technologies allow the sharing economy to be created for consumers, when previously this extension of the rental model required the scale and organisational capacity of a corporation. We will, however, address the potential for consumers other than individual households to use sharing economy platforms (e.g. local governments). (Goudin, 2016)

Disruption in tradition markets. Everyone agrees that the sharing economy is shaking grounds and disrupting the market, providing a real challenge to traditional market players, authorities and consumers. In fact, the exchanges the sharing economy facilitates are not new in themselves: people have been renting out rooms, sharing car rides, or providing cleaning services for ages, but the novelty now is the reduction in transaction costs, and the possibility platforms offers to reach consumers worldwide through one single click. Better and more sustainable use of underutilised resources (cars, houses, skills) is claimed to be a pivotal benefit SE can provide to society. Creation of employment, prevention of the shadow economy and access to new services for consumers are amounting advantages according to the sharing economy advocates. But many are the complaints against these business models: people are renting their apartments without complying with the existing regulations for hotel accommodation; drivers are making rides for a price without complying with the taxi regulations. The industry has mobilised and several cases have been brought to court pleading the prohibition of some of the business models. (Goudin, 2016).

It's happening across almost every category. If you can name it you can probably rent it



Source: http://www.gravitytank.com/pdfs/info_graphics/SharingEconomy_web.pdf.

An environmental dimension. The growth of the sharing economy raises hope among proponents of a sustainable development that respects our environment and efficient use of resources. The model on which it is based – pooling and sharing of goods and services, increased use and optimal reuse of these assets, with priority given to local trade patterns –seems indeed well in line with the characteristics and criteria of a greener economy; and would even be indispensable for an ecological transition. As noted by the European Economic and Social Committee, (EESC, 2014) 'Collaborative or participatory consumption could prove resilient in the current economic and financial climate, and provide a response to the growing uncertainties caused by the economic crisis. It could also represent an opportunity to get back on track towards sustainable economic, social and human development in an environmentally-friendly way'. (Goudin, 2016)

At present, according to French Agency for Environment and Energy Control (ADEME, 2012), 40% of freezers and refrigerators are replaced while still in working order; the situation is the same for 25% of dishwashers and 14% of washing machines. Similar examples are identified also in various other countries. Therefore, the sharing economy may be presented as a tool for ecological transition only if it meets a number of conditions, such as the durability of the goods or a change in habits in relation to consumption.

5. Challenges of the sharing economy models

Trust and Identity. Trust is a key component of the sharing economy, and is critical for all peer-to-peer businesses. As the sharing economy grows, online reputation and identification are becoming increasingly important assets. People – consumers and workers – need to trust both the platform they are using, and the people they are connecting with. Sharing economy platforms take trust very seriously. Many peer-to-peer platforms include rating systems – for example, on Airbnb both hosts and guests can leave public reviews about each other. Some check their members' ID using third party ID verification tools. Where security is particularly important, some platforms will also do a criminal record check. Reputation aggregators such as eRated allow people to collect and share their ratings across multiple sharing platforms – so that a strong eBay rating can help users to build trust on Etsy. (Wosskow, 2014)

According to PwC Report (2015), 89% agree the sharing economy is based on trust between providers and users, and 64% of consumers say that in the sharing economy, peer regulation is more important than government regulation. These results, together with the arguments developed in this Note, underscore the importance of understanding the sharing economy as "an economy built on trust". (Gata, 2015)

Free online social networks such as Facebook, Twitter, LinkedIn, QZone provide further relevant information about participants' profiles in sharing economies, complementing the information provided by the dedicated internet reputation systems, and increasing the likelihood of achieving a suitable separating equilibrium. Successful participations in the "sharing economy" will foster trust: people's repeated and successful participation in the "sharing economy" enables the accumulation of each participant's "stock of trust" and the overall "stock of trust" of the "sharing economy" itself, as the latter is a function of all the participants' "stocks of trust". Greater trust leads to greater participation in the sharing economy which, in turn, will produce greater trust, provided the number and negative impact of opportunists are kept sufficiently low. (Gata, 2015)

Creating value beyond economic aspects. The Sharing Economy initiatives mainly focus their operations in cities where, as customers, they target the age group of millennials. The orientation on expanding their business model to rural areas is very limited, as it lacks population density and has a lower concentration of underutilized assets. The Sharing Economy initiatives recognize their customers price sensitive. Elderly people are only regarded as a potential customer group by a minority of the initiatives. A need to identify the potential the Sharing Economy has for the rural areas as well as for the elderly can be identified, as well as the necessity to develop the enabling conditions for this to happen. (Wagner, Kuhndt, Lagomarsino, & Mattar, 2015)

Regulations. According to Wosskow many home sharers in UK are often unclear on what regulations actually do apply to them. Some users who wish to use these platforms on a more professional basis would be happy to undergo more rigorous checks – for example fire safety inspections – to give them and their guests more peace of mind. And many individuals who do have spare space are put off sharing it by the fear that they may be forced to undergo inspections (Wosskow, 2014). Another challenge that today's regulators face are the increasingly blurred dividing lines between who is a professional (or dedicated producer/seller) and who is not (i.e., who is a peer seller) when they both offer the same type of goods or services, i.e., when they can coexist and compete with each other. Even if in any given jurisdiction the regulator is able to make a clear distinction between them in each instance, the point is that the number of instances needing clarification may grow very fast and a broad and stable enough distinction may be elusive. Hence, it seems that the “sharing economy” not only has been challenged by existing regulations, but it is itself posing challenging questions on the scope and intent of such regulations.

Social protection: Social protection is another field that the specific organisation of the sharing economy disrupts, or even subverts. While workers in these sharing economy companies have employment/income generation opportunities, they may be disadvantaged longer term as current systems do not generally entitle them to benefits, health insurance, sick leave, unemployment insurance/benefits, pension schemes, or training. It is also likely that the competition from new ‘sharing economy’ business models will cause traditional business to constrain and reduce worker benefits and protections in order to compete effectively (van Welsum, 2016). A refusal or 'neglect' by many players in this economy to pay social contributions may eventually jeopardize the proper functioning and effectiveness of our social protection systems. However, such behaviours are indicative of the growing inadequacy of these systems in relation to the new business reality of the sharing economy. Such an economy is not based on a collective and centralised structure, but on a multitude of 'contractors', independent from each other. The issue may ultimately arise, of a move to a model where contributory obligations and social protection are no longer linked to employment status (salary system) but the individual (Goudin, 2016). Going forward it is important for governments and policy makers to think about how to address the implications of these social aspects of the sharing economy. One example would be a system where benefits are ‘portable’—attached to the person rather than the job or company—so workers take it with them wherever they go. (van Welsum, 2016)

Insuring the risks. For many people, and for many activities, insurance is vital. Whether inviting someone into your home, or sharing a lift with them, people want to know that they are covered if something goes wrong. (Wosskow, 2014). However, at the moment people’s existing insurance policies often do not cover them when they engage with the sharing economy. According to Wosskow, many sharing economy platforms have tried to resolve this by working with insurers and brokers to offer their own bespoke, insurance products. While some insurance brokers have started offering coverage to some sharing economy businesses in UK, a large number of platforms have been struggling to engage with insurers for an array of reasons, including:

- a lack of awareness of sharing business models
- platforms are operating at too small a scale to be ‘worthwhile’ for insurers to work with
- platforms do not always have enough data to accurately price the risk of sharing activities

Fiscal system. Gata (2016) emphasizes also the challenges posed by sharing economies to the fiscal system. Users of sharing economy services have reported that it can be difficult to calculate exactly how much tax they need to pay when they make money from the sharing economy. For people sharing their primary home, the Rent-a-Room Allowance can apply – and some activities may be entirely exempt. For people in receipt of benefits or tax credits, declaring income from tasksharing sites can be complex and even result in them losing their benefits (Wosskow, 2014). According to Gata (2015), the sharing economy may also raise some competition issues, as when independent contractors operating on one side of the platform may be using a common pricing algorithm. New regulatory and competition issues may arise as the sharing economy evolves and its characteristics are better understood. (Gata, 2015)

Sharing economy industry representation. According to Wosskow (2014), there are common issues that affect all or many of the organisations and platforms working across the sharing economy. As a relatively new sector, it is often (unjustly) characterised by the press as an unregulated ‘wild west’. A trade body for the sharing economy can both help platforms to work better together on common issues, and build consumer confidence. Such a body would also be in a position to create a new kitemark for sharing economy platforms.

With so many platforms out there, consumers often find it difficult to know which they can trust, and what would happen if anything went wrong. This was flagged very clearly in the responses to the Review's call for evidence. A voluntary kitemark would guarantee certain minimum standards that consumers expect – around issues such as insurance or a right of redress. (Wosskow, 2014)

6. European context – the sharing economy in Europe

Generally, it remains very difficult to quantify the economic contribution of the sharing economy, even if it claims to be presented as a proper sector per se. According to a study by the European Commission, the revenue generated by the sharing economy for individuals who use it to supplement their income reached US$3.5 billion worldwide in 2013. Already, the turnover of this economic sector is estimated at €20 billion and, according again to the European Commission, the market for the sharing economy could eventually reach US$110 billion[10]. It is undeniable that this economy is experiencing almost unprecedented growth and is becoming customary at an incredible speed: in France alone, according to a recent study[11], while 19% of consumers reported use of this type in 2013, twice as many considered it in 2014, and 60% in 2015.

Furthermore, the phenomenon is not just about small innovative start-ups: large companies have already realised that this new economic model affects many sectors of activity, and that this new consumption model challenges the whole trade chain. Big traditional groups are thus now investing in the sharing economy and buying start-ups that enrich their production processes and their supply range. (Goudin, 2016)

The Case of UBER

Together with Airbnb, Uber has occupied a central role in recent academic papers and in specialized news on the "sharing economy". The way different jurisdictions have responded to the challenge posed by Uber to incumbents illustrates several of the issues raised above. For the most part, these responses have been of a regulatory nature. Drivers operating for Uber are said to be operating without the proper licenses; Uber itself has been regarded as a company operating transport services but doing so without the proper licenses and certificates; public safety issues have also been raised.

Moreover, complaints about Uber's "unfair competition" when, it is claimed, there is already an "excess supply of taxi services" (a claim which is hard to reconcile with the very high values taxi medallions achieve in the secondary market, e.g., on online auction platforms such as OLX), have been reflected in decisions by Courts called to rule on the matter in several jurisdictions, sometimes answering requests for an injunction to be issued against Uber's activities. This was the case in Portugal, where Uber had been operating its service Uber Black since July 2014, and UberX since December 2014. Following a complaint by a national association of taxi owners, using most of the arguments mentioned above, a preliminary injunction against Uber was issued by a Court in Lisbon last 24 April 2015, followed by an appeal by Uber and a final decision by this same Court last June 25, prohibiting Uber's activities in Portugal.

Many of these complaints by incumbents go beyond competition policy, at least as defined in many jurisdictions. However, they have the merit of focusing our attention on the need to revisit the existing regulatory framework on taxi services, which may have outlived its usefulness and whose broadness and intrusiveness may be hard to justify. Another recurrent issue, over which there is already some jurisprudence, is on whether drivers contracting with Uber are its employees or operate as independent contractors. As mentioned above, their juridical nature is crucial in helping to determine whether Uber's pricing algorithm can be regarded in any way as facilitating collusion between independent market operators.

Finally, the forceful response of taxi services incumbents to what they regard as Uber's encroachment on their economic activity has a lot to do with the very high values taxi medallions achieve in the secondary market, as mentioned above. The owners of such medallions regard them as an important part of their retirement plan and, as such, will strongly oppose their devaluation following a market liberalization initiative. Taxi services in Ireland were deregulated by a Decision of the Irish High Court in 2000, and affirmed by judicial review in 2001. The High Court also issued three judgments against compensation for the holders of taxi medallions following the deregulation of the

[10] http://ec.europa.eu/enterprise/policies/innovation/policy/business-innovation-observatory/files/casestudies/12-she-accessibility-based-business-models-for-peer-to-peer-markets_en.pdf.

[11] Enquête Fevad/CSA sur les perspectives d'achat sur Internet en 2015

sector and the devaluation of such medallions in the secondary market. This is to say, holding a medallion was not considered a property right meriting compensation following its devaluation.

Source: Gata, J. (2015). The Sharing Economy, Competition and Regulation. CPI.

While sharing economy is developing very fast in various EU countries, UK seems to be doing somhow better. There has been tremendous growth in the sharing economy in UK in recent years, and this is set to continue.

The sharing economy is already transforming many sectors in UK, including accommodation, skills and transport, as Wosskow has set out in his report. It is spreading across new sectors, including food, fashion and consumer electronics, and changing the way businesses work with each other. (Wosskow, 2014)

The opportunities within the sharing economy are not just for big businesses, and many –particularly young people and women – are already making the most of these opportunities

They have the potential to turn the UK public into a nation of microentrepreneurs – making money through the assets and skills that they already have, and saving money by accessing goods and services rather than buying them outright. For example:

- 20,000 property owners in the UK are renting out their driveways through JustPark, making an average of £465 a year (£810 in London)
- People renting out their own cars through easyCar Club earn an average of £7,800 a year (or almost £650 per month)[12]
- Zipcar members save more than £300 each month compared to the average cost of owning and operating a car in an urban environment[13]
- 63% of UK's Airbnb hosts reported that Airbnb income helped them pay bills they would otherwise struggle to pay, and a typical Airbnb host in London earns around £4,600 by renting out for 33 nights a year[14]

According to Wosskow, for women within the UK, the sharing economy represents a real opportunity to work flexibly and to be 'microentreprenuers', particularly when they have a family. 44% of economic inactivity in women of working age in London is due to caring responsibilities such as being a mother[15] – for these women the sharing economy can offer a lifeline back into work. With around a third of sharing economy businesses having been founded or co-founded by a women, the sector seems set to have a real impact on why and how British women work in the future. (Wosskow, 2014)

Much needs to happen if we are to realise this ambition:

- The government should embrace the opportunities offered by the sharing economy, both to make its own operations more efficient, and to make better use of public resources
- Regulations must be examined to ensure they are still fit for purpose and meet people's expectations – particularly for accommodation and online task-sharing platforms

[12] http://s3.easycar.com.s3.amazonaws.com/easycar-club/Life%20For%20Rent%20-%20FINAL%20-%20250314.pdf and http://s3.easycar.com.s3.amazonaws.com/easycar-club/Wheels%20of%20Fortune%20-%20FINAL%20-%20280514.pdf
[13] http://www.zipcar.co.uk/rates/savings/london
[14] http://blog.airbnb.com/economic-impact-airbnb/
[15] http://www.ons.gov.uk/ons/dcp171778_383092.pdf

- We need to support start-ups in the sharing economy – by encouraging experimentation and innovation – and sharing what works
- The sharing economy itself needs to come together – to have a single voice on common concerns, and to set benchmarks and standards of service in order that consumers know what they can expect when they use these services

Accommodation

There are a number of platforms which allow people to rent out properties or parts of properties. The most famous is AirBnB, but there are a number of competitors including: HomeAway, HouseTrip, 9Flats, Wimdu, Onefinestay, Roomerama, Sleepout, Love Home Swap and Holidaylettings. (Goudin, 2016)

If someone had a property which was wholly or partially unoccupied they might previously have allowed friends and family to stay in a spare room or a holiday home, an option which already existed as a substitute for hotels, bed and breakfasts. However the practice was limited by the high cost of matching those with accommodation free to those in need of accommodation, particularly beyond borders and establishing trust on both sides of transactions between strangers. (Goudin, 2016)

Information and communication technology, in the form of the platforms mentioned above, and the hardware that makes them possible, has significantly reduced the broadly-defined marketing cost of offering private rental occupation. Digital platforms and portals have thereby extended the potential of that rental model to short-term rentals which might only be a marginal use for a property principally used as a main residence by the owners. It might thereby reduce the degree to which assets are under-utilised by allowing people to make better use of otherwise unoccupied property. (Goudin, 2016)

Shared space and accommodation

Space is one asset where supply is completely fixed. Yet it is often used inefficiently. The sharing economy can help us make better use of this fixed asset: matching people with spare space with those that can make use of it, and sharing access to space where ownership is unnecessary or unaffordable. Space sharing is already taking many forms in the UK, (Wosskow, 2014) including:

- **personal accommodation** – platforms such as Airbnb that connect people with spare rooms to those that need somewhere to stay
- **office space** – from services that let you rent a desk by the hour (such as NearDesk), to co-working spaces and start-up incubators such as Tech Hub
- **makerspaces, hackerspaces and fablabs** – shared spaces, often run as not-forprofit clubs, where people can use equipment such as 3D printers, and share ideas with like-minded people
- **pop-up commercial space** – services such as We Are Pop Up that help retailers, bars and restaurants find empty spaces for short-term ventures and many other areas, including sharing your **driveway** (e.g. JustPark), loft space (e.g. Sharemystorage.com) and even fields (fieldlover.com)

Peer-to-peer finance

Peer-to-peer finance can be split up into two broad types:

- **Crowdfunding** is a means to build financial support for a project from a diverse pool of backers. Backers pool their resources, each pledging to contribute a sum of money to the project. The pledge will usually only be fulfilled if the project meets its funding goals. Backers contribute a small sum relative to conventional funding routes and do not necessarily expect a financial return. In reward based crowd-funding the incentive to contribute is a promise of some sort of gift such as getting your hands on the product first or being named as the sponsor of a movie. In equity based crowdfunding the backer receives shares in the business. In either case, a desire for the project to succeed is usually part of the motivation to contribute.

- **Peer-to-peer lending** companies facilitate lending by individuals, to other individuals who were previously unrelated to one another. Unlike crowd funding, the intention of Peer-to-Peer lending is typically profit. While a company is required as an intermediary to bring borrowers and lenders together and carry out basic credit checks, Peer-to-Peer lending promises to give a better deal to both lenders and borrowers by cutting out the banking middlemen who would otherwise decide who receives a loan and tend to charge higher commissions, caused by factors such as their higher cost of service.

Co-working spaces are changing the way businesses think about office space. Instead of entering into a long-term lease on a large property, co-working spaces allow businesses to rent individual desks, often by the hour. These services mean businesses can work much more flexibly, by only paying for the space they actually need. In addition, they can help like-minded businesses meet each other and share ideas and skills. This flexibility is particularly useful for start-ups and small enterprises, and can significantly lower the cost of starting a business. Some co-working services operate dedicated spaces. Others, such as Spacious, connect businesses with spare space to those who need it. However, there is more potential to share un- or under-used spaces. Office space sharing services often find it difficult to persuade landlords and tenants to sub-let space, even on a very temporary basis, as under current legislation tenants immediately gain security of tenure. (Wosskow, 2014)

Sharing tasks, time and skills

The sharing economy is not limited to sharing physical things – people are also sharing both their time and their skills. As with other parts of the sharing economy, this is not new – but the rise in digital, mobile and social networking technologies is making it ever easier for people to find each other. This ranges from the purely philanthropic (e.g. Do-it, a platform that connects people to volunteering opportunities), to marketplaces where you can buy and sell 'tasks'. (Wosskow, 2014)

TaskRabbit, Skillshare, 99Designs, Kaggle, Shareyourmeal and others allow people to share their labour and human capital. There is also a labour element in a number of other services. In some cases, that labour element is quite large, e.g. DogVacay or UberX. In others, it is relatively modest but still might be a substantial part of why consumers chose these services over ownership. For example, renting a car from ZipCar might be preferable to owning a car for some consumers in part because they felt that the challenges of ownership – arranging maintenance, paying taxes and even identifying a suitable car in the first place – was a job which they did not want to do. This still represents a potentially-significant division of labour. It was possible to hire people for all of these tasks before the advent of the sharing economy, however again the rental model is extended with more tasks being undertaken with short-term contracts, including some work which might previously have taken place outside the labour market, and that reduces the extent to which labour or human capital is underutilised. (Goudin, 2016)

"Time banking" allow people to trade their skills, an hour for an hour. This creates a new form of 'currency', where everyone is valued equally. Sometime banks are hyperlocal, aimed at serving a particular community. Others, such as Echo, are national. Activities that are 'traded' in this way are very diverse – they can include spending time with elderly people who would otherwise be alone, language tuition, gardening, meditation, and interior design. Businesses and charities alike are embracing this trend. Entrepreneurs are saving money by teaching programming in exchange for a desk in a co-working space. Larger businesses are helping their employees volunteer as part of their corporate social responsibility work. And charities are finding a new source of volunteers. The government and local authorities are also starting to use time banks, both to build up their employees' skills, and to exchange expertise and experience between organisations. (Wosskow, 2014)

Task sharing platforms can help make the labour market more flexible, by matching excess supply (people looking for work) with demand (those who need work to be done). By extension, they can help un- (and under-) employed people find more work. (Wosskow, 2014). Hassle.com is a good example of task sharing platform.

Shared approaches to transport

There are two types of transportation service which fall under our broader definition of the sharing economy. First, the hiring of the assets themselves: hiring a car, bike or other mode of transport. Firms in this segment include: ZipCar, Car2Go and Autolib' for cars and bike share schemes often organised by city with municipal involvement, such as the Velib' scheme in Paris. Second, the hiring of an asset mixed with labour and human capital: hiring a car or other vehicle and someone to drive it. The most prominent firms in this segment are Uber and Lyft. (Goudin, 2016)

Rental services for cars and other vehicles again existed before the advent of the sharing economy (as did individuals sharing their cars with friends and family in need of one for an occasional journey). Information and communication technology has reduced the scale required in terms of the individual transaction: people might rent cars for an hour as technological change has simplified the process dramatically. It has also reduced the scale required of the market opportunity needed for it to be worthwhile to enter the market. (Goudin, 2016)

The relative simplicity and low cost of becoming a driver for a service like Uber reduces barriers to entry. This can further extend the rental market and thereby reduce the extent to which assets are under-utilised both by allowing people to make more use of their cars but also by allowing others to avoid buying a car which would otherwise be under-utilised. (Goudin, 2016)

Car ownership is no longer necessary for more and more individuals. Instead, millions of people are now sharing cars or journeys – saving and making money by reducing the impact of car ownership and travelling on household budgets. This also has wider benefits in terms of reduced travel times, congestion and pollution. There are various models of transport sharing, which include car rental, car clubs, ridesharing, car rental and bike sharing. (Wosskow, 2014)

Ridesharing is an increasingly popular travel option. For drivers, it is a way of sharing the cost of petrol and having some company. For passengers, it can be cheaper and more convenient than other travel options – travelers can save 75% by ridesharing compared to the cost of a last minute train fair. The average occupancy rate for car journeys is 1.6 people, but for BlaBlaCar16 rides it is 2.8

According to Wosskow, at present, in the UK you are not allowed to make a profit on ridesharing – drivers may only charge passengers an amount that covers a share of the petrol and running costs for the journey. The idea here is that when ridesharers start making a profit, they are becoming taxi drivers (and so would

[16] https://www.blablacar.co.uk/about-us

need a licence as such). But there is a clear distinction between a taxi and someone who fills empty seats for journeys they would have taken anyway. (Wosskow, 2014)

Car clubs are a form of car rental whereby users pay a subscription that gives them access to a vehicle for as long (or short) a time as they want. Most car clubs own the vehicles themselves corporately, but with peer-to-peer models such as easyCar Club, members are giving each other access to their own vehicles. According to Wosskow, there are three established car club models (Wosskow, 2014):

- round-trip, where a car is returned to the same base
- fixed one-way, where a car club member can leave a car at another designated parking bay
- floating one-way where a car can be parked within a geographic area, and not designated bays

According to Wosskow, Car club membership stands at over 150,000 in the UK, with the majority being London based. Research from Zipcar[17] estimates that each car club car removes around 14 privately owned cars from the roads. The average Zipcar user saves £300 per month, reduces their carbon footprint and eases local parking. Transport for London and Carplus forecast that London could have one million car club members by 2020, taking some 120,000 cars off the roads. (Wosskow, 2014)

Intellectual property

Spotify, Apple Music, Pandora, Tidal, Rhapsody, Google Play and others (YouTube might be counted in this category), and similar services for video often offered as part of a broader package of services by broadcasters, allow users to rent intellectual property in digital formats temporarily, rather than purchasing them permanently. Before online distribution became feasible, customers could buy, rent or steal content from those who owned the right to distribute that intellectual property. Rental services were limited by the size of the transaction. While movies were rented on videotapes and then DVDs, such services were less common with music where being able to listen to a CD for a short period of time was not valuable enough to justify the transaction costs of a short-term rental. Radio allowed people to listen to songs one at a time but removed the listener's ability to choose what was played when. Of the three potential models for the distribution of music, at first peer-to-peer services increased the ease of pursuing the illicit option, with services like Napster. iTunes and similar services then extended the purchase option. Finally, Spotify and its competitors extended the rental model, establishing a means for consumers to access music on a track-by-track basis and thereby extending the rental model by reducing the viable size for a given intellectual property rental (to a single track for a single play). (Goudin, 2016)

Verticals of the future

The new sharing models are being adopted across the economy. For instance, DogVacay[18], a US-based peer-to-peer service to look after dogs while the owners are on holiday, has just raised $25m. Bike sharing is increasing in popularity, with Spinlister[19] now available in 40 countries. And services such as RiseArt[20] allow people to rent works of art they would not be able to afford to buy. (Wosskow, 2014)

Clothes and fashion: Individuals increasingly want to do something more with the old clothes they no longer wear than just throw them away. Initiatives such as Uniqlo's Clothing Recycling Initiative[21] and

[17] http://www.zipcar.com/
[18] https://dogvacay.com/
[19] https://www.spinlister.com/
[20] http://www.riseart.com/
[21] http://www.uniqlo.com/

M&S's Shwopping[22] encourage retail customers to bring back their old clothes for re-use or recycling. In addition, there are a range of businesses, such as Girl Meets Dress, where the 'sharing' of designer clothing enables shoppers to wear high price items by renting them at a fraction of the cost of a complete purchase. (Wosskow, 2014)

Although there are clearly examples of the sharing economy working well for clothes and fashion in the UK, it is still at an early stage. The market in the US may give an indication of the potential growth of this sector – Rent the Runway's users[23] rented about $300m of clothes in the first half of 2014. (Wosskow, 2014)

Food: Sharing models now exist at all stages of production and distribution for food – from the field to the plate. Examples include:

- Food distribution services such as FarmDrop[24] and the Food Assembly[25] that allow people to buy direct from the farmers that produce their food – an evolution of farmers' markets
- Popup restaurant platforms such as Grub Club[26] that put gourmet chefs in temporary restaurants
- Supper clubs and meal sharing platforms such as Casserole Club[27] that allow people to share their meals with elderly people that can't cook for themselves

Items: Sharing possessions is an increasingly popular part of the sharing economy. Models include platforms such as RentMyItems.com and StreetBank[28] that allow people to share items such as power tools with local people, either for free or for money. (Wosskow, 2014)

Peerby, NeighborGoods and others allow people to share other consumer goods such as drills, trailers, barbecues, suitcases and garden scissors. These goods may well have been shared in the past among friends, family and neighbours. Information and communication technology has again reduced the cost of marketing their availability, to the point where it is worthwhile to offer them to be borrowed to strangers for free or rented for a fee, at least within a reasonable geographical area. (Goudin, 2016)

B2B and Logistics: Much of the innovation in the sharing economy so far has been about consumers. However, the sharing economy also offers opportunities for businesses to share with each other. Public sector organisations have started finding efficiencies by sharing back-office functions such as HR – but this is only the beginning. Businesses such as BrandGathering[29] demonstrate what can be achieved here. BrandGathering is an online platform that connects businesses to undertake joint marketing and branding activities – helping them to save money, but also to capitalise on each other's networks and customers. Logistics is another area where the sharing economy is likely to be increasingly important. Sites such as Nimber[30] take a peer-to-peer approach to delivery, unlocking a significant potential for efficiencies and savings. (Wosskow, 2014)

Sharing Cities: On an international level, there are also some great examples of cities and communities embracing sharing at the core of how they operate. Seoul and Amsterdam are good examples – and great work is being done in parts of Australia, such as Victoria. The idea of a 'sharing city' is a new concept, and

22 http://www.marksandspencer.com/s/plan-a-shwopping
23 https://www.renttherunway.com/
24 https://www.farmdrop.co.uk/
25 https://thefoodassembly.com/en
26 https://grubclub.com/
27 https://www.casseroleclub.com/
28 http://www.streetbank.com/
29 http://www.brandgathering.com/
30 https://www.nimber.com/

the possibilities are only just becoming real. They can include: sharing the local council’s buildings with community groups; building new housing developments with car club bays incorporated and integrated into the local transport network and creating local online hubs where residents and businesses can share their skills and possessions with each other. (Wosskow, 2014)

7. ECORL consortium countries - overview of sharing economy

Sharing economy is permanently increasing in the globe, especially USA and Europe as a sector that has rapidly grown from a niche market to an almost mainstream social movement. This sector everyday attracts new entrants and assisted by the technology reaching approximately the entire globe.

In the CEE countries, and especially in the Western Balkans, the concept of sharing economy is not so much developed and used by the people. In this area, people relatively are not familiar with the benefits and the concept of working of the sharing economy. Despite it, with the progress of the technology, especially with increased internet access, have contributed towards the information of the mass with this phenomena.

Contrary to the American and EU markets, the Western Balkan region consists of several small countries which creates fragmented markets. Cities do not grow over one million inhabitants and usually economic and social activities are centralized in the capital. What makes the region even more fragmented is the use of different languages: every single country has its own language, different enough from the others that it is not understandable by neighboring populations.

Given the fact that the sharing economy needs critical mass to develop further, these countries start with an important handicap because of their high level of heterogeneity (Berkovics, 2013).
Among the ECORL consortium partners, Italy, Spain, Croatia, Lithuania and Albania, the concept is the most developed in Italy and Spain, followed by Croatia, while in Lithuania and Albania the concept of sharing economy is very little developed.

In Italy and Spain, the sharing and social economy is quite developed. The study carried out by OCU (2015) showed a very high participation of the population in sharing economy in both Spain, with 74% of respondents and Italy with 62% of respondents having been involved in some forms of collaborative consumption any time in the past (OCU, Altroconsumo, Proteste, Achats, & Euroconsumers, 2015).

Participation in CC activities

	COUNTRY				
	Belgium%	Italy%	Portugal%	Spain%	Total%
	N=391	N=780	N=606	N=643	N=2420
Transportation initiative	21	9	11	[illegible]	14
Accommodation initiative	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Used products initiative	[illegible]	[illegible]	[illegible]	44	[illegible]
Collaborative lifestyle initiative	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Any CC initiative (all included)	[illegible]	62	74	[illegible]	[illegible]
Any CC without second hand products	[illegible]	44	[illegible]	[illegible]	[illegible]

Base: Complete general population file (weighted)

Participation in and awareness of CC collaborative transportation initiatives

		COUNTRY				
		Belgium (%)	Italy (%)	Portugal (%)	Spain (%)	Total (%)
		N=391	N=780	N=606	N=643	N=2420
Carpooling	I have participated	19	5	6	7	8
	I have not participated, but I am aware of this initiative	78	85	86	82	83
Ridesharing	I have participated	2	4	4	4	4
	I have not participated, but I am aware of this initiative	78	75	76	78	77
P2P car & parking rental (not for Brazil)	I have participated	1	4	3	12	5
	I have not participated, but I am aware of this initiative	68	65	66	62	65

Base: Complete general population file (weighted)

Source: OCU, Altroconsumo, Proteste, Achats, & Euroconsumers, 2015.

Participation in and awareness of CC collaborative lifestyle initiatives

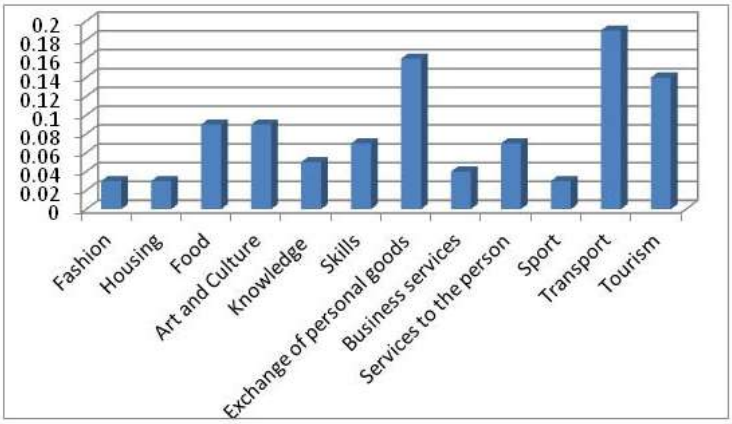
		COUNTRY				
		Belgium (%)	**Italy (%)**	**Portugal (%)**	**Spain (%)**	**TOTAL (%)**
		N=391	N=780	N=606	N=643	N=2420
Crowdfunding	I have participated	8	5	6	7	7
	I have not participated, but I am aware of this initiative	66	60	66	67	65
Crodwlending (peer-to-peer lending)	I have participated	2	4	3	7	4
	I have not participated, but I am aware of this initiative	58	58	63	64	61
Group purchases	I have participated	12	15	11	18	15
	I have not participated, but I am aware of this initiative	65	64	57	58	61
Timebanking	I have participated	1	2	2	3	2
	I have not participated, but I am aware of this initiative	52	71	71	72	68
Garden sharing (not for Italy)	I have participated	2	--	3	6	4
	I have not participated, but I am aware of this initiative	71	--	78	69	73
Home Restaurant (only Italy)	I have participated	--	3	--	--	3
	I have not participated, but I am aware of this initiative	--	64	--	--	64
Repair cafes	I have participated	3	1	2	4	2
	I have not participated, but I am aware of this initiative	72	54	63	53	59
P2P tourist activities	I have participated	4	7	6	11	8
	I have not participated, but I am aware of this initiative	50	51	57	53	53
Micro tasks and errands	I have participated	5	6	7	6	6
	I have not participated, but I am aware of this initiative	58	57	65	63	61
P2P education/collaborative learning	I have participated	3	8	5	8	6
	I have not participated, but I am aware of this initiative	51	52	60	58	56
P2P handicraft sales	I have participated	8	8	17	12	11
	I have not participated, but I am aware of this initiative	48	52	57	54	53

Base: Complete general population file (weighted)

Source: OCU, Altroconsumo, Proteste, Achats, & Euroconsumers, 2015.

In **Italy**, there were 118 main platforms [31] dedicated to these activities in 2014 (excluded the crowdfunding ones that are currently 67 as it will be shown at the end of this section), 91 Italians and 27 from foreign companies with offices in Italy that do not include the big international players (Collaboriamo, 2015). The companies that own these platforms are all quite young so it is expected that their business model could change in the next future.

The sharing platforms in Italy in 2014 by sector



Source: www.collaboriamo.org (2015).

Italy has got an Italian Sharing Economy Association (AISE) called Sharing Italy[32]. It was founded in 2014 with the aim to foster the development of "sharing economy" activities and projects inspired by the collaborative economy principles. Its components and representatives are professionals and experts in the field of communication, media, digital technology, and other figures. The AISE currently offers several services in order to educate enterprises and workers to the use and diffusion of sharing economy solutions.

[31] There are also some other smaller platforms. Some of them will be described in the best practices section.
[32] http://www.sharingitalia.it

The phenomenon has expanded substantially across the Italian economy as the number of platforms is growing in many sectors such as: fashion (3% of total platforms), housing (3%), food (9%), art and culture (9%), knowledge sharing (5%), work (7%), exchange of personal goods (16%), business services (4%), services to the person (7%), sport (3%), transport (19%), and tourism (14%)[33].

Examples of sharing economy sub-sectors in Italy

There are 2 platforms in **fashion** dealing with second-handed clothes exchanges. They are Depop, Babybrom specialised in kids clothes, and Mysecret dressing room that deals with the rent of brand clothes.
The **housing** refers to 3 platforms in which there are no agencies or intermediaries involved between individuals that desire to sell or rent an accommodation (CasaNoi, and Materest), or that likes to share foods or services with the neighbourhood (Vicini di casa).

The **food** platforms are 11. This sector is quite developed and offers a wide range of services. It is important to recall social eating platforms where the hosts organise dinners for the other members of the platform (Vizeat that is French, Gnammo, Peoplecook, Kitchenparty, Bon Appetour); take away dinner (Mamau, Mychefhome); the exchange of products and food in excess (Ifoodshare, Scambiocibo, Nextdoorhelp); Homefood for chef training courses.

The **art and culture** platforms are 10, and offer different types of services. The first one is the books exchange (Comprovendolibri, Green books Club). Then books exchange with interactions among members with the same tastes and favourite authors (Appboosha, Biblioshare, SuperFred); the chance to stay in artists' houses (MyHomeGallery) or watch movies on demand (Movieday); the sharing of short stories, film or music reviews, articles etc. (Interwine); and a platform to check shows, artists and other cultural events in Italy (Openculture Atlas).

The **knowledge** sharing platforms are 6. They offer a wide range of services. Lectures can be uploaded and purchased by members (Tech4learn); documents, slides, dissertations, speeches etc. can be shared (Docsity), as well as high school and university exams, exercises, tests, etc. (Oilproject); exchange of second-handed textbooks (Testi usati); foreign language experiences and study experiences (Linguorum, Bed&Learn).
The **skills** sharing platforms are 9. Skills can be purchased at reasonable prices (Chimiconsigli, Gli Affidabili, Makeitapp, Minijob, Solvercity, Tabbid, Upwork o Croqquer). Other platforms provide as a reward "credits" (Timerepublik).

The **exchange of personal goods** platforms are 9. They differ from the skills platform because they offer specific services such as babysitting or caregiver (Le cicogne, Mystarsitter, Oltretata, Sitterlandia); pet sitters (Animali alla pari, Holidog, Petsharing e Petme); language non-professional teachers (Fluently).

The **business services** platforms are 6 refer for the most to coworking activities. In details, there are platforms to rent spaces for working or events purposes (Whataspace e Ufficio temporaneo). Other platforms offer consultancy (Oxway, Thikalize) or marketing and brand design services, also in the creation of mobile applications (Zoopa, Appsquare).

The **services to the person** platforms are 18 and aim to let member exchange, rent or sell consumption goods. They offer general services (BarattoFacile, Cose inutili, E-barty, Permute, Permuteonline, Persoperperso, Reoose, Soloscambio, Svendere, Zerorelativo, Kijiji), but also specific goods such as athletic equipment (Sharewood). Other platforms are used to sell second-handed goods (Secondamano, Ebay, Subito), and to rent different goods (LocLoc, Sharing it!) paying with different currencies in circulation or with currencies created ad hoc (Useit).

The **sport** platforms are 4. The aims are to meet people that desire playing soccer (GoKick, Fubles, Sportilia) or other sports (We-sport).

The **transport** platforms are 22. 15 out of 22 refer to ridesharing services that offer the chance to share car seats for long (Autoincomune, Autostrade Carpooling, Avacar, Blablacar, Drivebook, Flootta, iGoOn, JoJob, Roadsharing, Viaggiansieme), or short distance trips (Clacsoon, Letz-go, Mooca, Scooterino, Strappo, Clubsharing). Other platforms let members rent their garage or parking place (Parksharing e Sparkyclub). Some platforms offer also home delivery services (CanGo, TocTocbox e YouPony), or exchange of train tickets (Scambiotreno).

The **tourism** platforms are 17, and are for the majority owned by foreign companies with offices in Italy. At first, there

[33] These data are collected from the report "Sharing economy: La mappatura delle piattaforme italiane 2015" by Collaboriamo.org.

are platforms where hosts can rent or swap short stays rooms or apartment and other types of accommodation (Airbnb, Tripwell e Bedycasa, Guestoguest, Homelink, Nightswapping, Scambiocasa). There are also platforms that facilitate the meeting of tourists (Curioseety, GoCambio, Guidemeright, Native Cicerone, PiacereMilano, Tourango, Zestrip, StandbyMi). Other platforms organise sails trips for members (Sailsquare), and let individual exchange a night free of charge rewarded by some small works (BarattoB&B).

As mentioned at the beginning of this section, in Italy there are also several crowdfunding platforms, currently 67 (source: Italian crowdfunding network, December 2015). These platforms are involved in several sectors such as arts, social, culture, etc., and can be distinguished in 5 main categories as listed below:

Reward based, where donors receive a reward whose value is much lower than the fund raised such as vip tickets, thank you letters or email, etc. Some examples: Be Art; Be Crowdy; Com Unity; ForItaly; Gig Farm; etc

Donation based, for ethical and social purposes, not for profits and third sector. Some examples are: Coommon; Civibanca; Let's donation; Rete del dono; Universitiamo, etc.

Lending based, in order to help low income people to obtain financial resources from privates, without specialised intermediaries. Some examples: Prestiamoci; Borsa del Credito; Smartika; Terzo Valore.

Equity based, where investors can finance mainly innovative start up, also linked to sustainability and green issues. Some examples: AssitecaCrowd; CrowdFundMe; Fundera;

Mixed forms, such as Buonacausa, Produzione dal basso, Replace.

In **Spain**, the current configuration of the Social Economy is determined by law 5/2011 of 29 March, on Social Economy, legal title, unprecedented in Spain, which marked a turning point in the recognition, visibility and development of the sector both within the State as in the European Union. This sector is represented by the Spanish Business Confederation of Social Economy (CEPES).
This law aims to establish a common legal framework for all entities in the social economy and determine building measures for them. Additionally, the law comes to defining the Social Economy as "the outfit of economic and business activities in the private sphere, which is carried out by entities pursuing the collective interest of its members, the general economic or social interest, or both of them".
On the other hand, it is of major importance the approval of law 43/2015, of 9 October, of the Third Sector of Social Action, which aims to regulate the organizations of Third Sector of Social Action, strengthen their capacity as interlocutor with the central government and define building measures that public authorities can take on your behalf.

In Spain, an association of sharing economy companies has been established - SharingEspana[34], originally founded by 26 members including international ones such as Airbnb[35] and BlaBlaCar[36], and also local initiatives such as Chicfy[37] or SocialCar[38]. Also, various platform technical providers like MangoPay[39] (payments) and Traity[40] (reputation) are also in the mix.

[34] http://www.sharingespana.es/
[35] https://www.airbnb.com.au/
[36] http://www.blablacar.com/
[37] http://www.chicfy.com/
[38] http://www.socialcar.com/
[39] https://www.mangopay.com/
[40] https://traity.com/

While social entrepreneurship has started to pick up, the Sharing Economy is still very young in Croatia, Lithuania and Albania and a lot has to be done before it becomes mainstream.

In **Croatia**, on the 30th of April 2015 the government of the Republic of Croatia formally accepted the *Strategy for the Development of Social Entrepreneurship 2015 – 2020.* The more formal definition of social entrepreneurship is now readily usable and can be considered a focal point for all interested stakeholders wishing to form any similar organization. Social entrepreneurship is defined as the business based on the principles of social, environmental and economic sustainability where the profit generated is entirely or largely invested for the benefit of the community. The legal forms of social enterprises can be: limited liability private company, limited liability public company, cooperative, associations, foundations, institutions (ustanove), Mutual Insurance Company and Credit union.

Pioneers of the first social enterprises were civil society organizations (CSO) whilst forming a separated legal entity such as cooperatives (their tradition dates back in the mid-19th century), associations or commercial companies working on the principles of returning the investment to the founder. Various activities have been performed within these social enterprises such as intellectual, cultural, tourism, agriculture, production etc. Their way of contribution to the social problem also varies from generating new job opportunities for the groups at risk of social exclusion, to the provision of services for socially vulnerable groups, conservation of natural resources, promotion of regional development and revival of the resources of the local communities in which they operate.[i]

Their work towards social enterprises development has been complemented further by state institutions that contribute to the development of public policies such as the Ministry of Labour and Pension System, Ministry of Social Policy and Youth, the Ministry of Business and Trade and the Government Office for Cooperation with NGOs.

The economy of sharing in the Republic of Croatia tends to be rental economy-oriented, or rental systems-based. The root causes of the phenomenon can be found in the traditional orientation of the Croatian economy towards **tourism**. Tourism sector contributes to almost 20% of Croatian GDP. When we would observe the structure of tourist accommodation establishments, we would immediately be able to bring a conclusion on why Croatians started to be involved in the process of sharing. Almost 50% of permanent beds are registered in private accommodation (rooms, apartments, villas with swimming pool). Renters want to achieve the high occupancy rate of their beds and relying only on traditional travel agencies was no longer sustainable. Croatian small travel agencies started to lose their market share for the boost of strong and big intermediaries and the growth of sharing economy supply.

In **Lithuania**, the only possible support for the social business is provided to one type of the social business models, so called social enterprises.

The concept of social entrepreneurship in Lithuania particularly popular during the ending of 2007 - 2013 EU financial period and in the planning of new 2014 – 2020 period. Nowadays the concept of social entrepreneurship is reflected in The State Progress Strategy ”Lithuania 2030”, that has been approved in the national progress program in 2014.

In Lithuania a Law on Social Enterprises was passed in 2004 (amended in 2011) which defines a social enterprise as “any sort of enterprise that is set up to create employment for people that are severely disadvantaged in the labor market”. This Law distinguishes two types of social enterprises: social enterprise and social enterprise of the disabled. Both types of social enterprises have to meet the prerequisites in order to qualify for social enterprise status (creating employment for people that are severely disadvantaged in the labor market; they should respect list of non-supported activities).
It is not easy to find examples of the social business in Lithuania. The causes are quite clear: there are neither legal nor financial incentives to start and develop the social business. All in all, there is also a lack of confidence in the private initiatives: thousands of thousands people in Lithuania still live in the closed post-soviet institutions.
In Lithuania is a practice-based opinion that social enterprises must contribute to the sustainable employment of the vulnerable groups and/or to the prevention of their economical inactivity.
In the statement of the social enterprises the only legitimate model is when the social enterprises employ people from targeted groups who have lost their professional and general working capacity, who are economically inactive and people who cannot compete in the labor market in equal conditions.
Factors constraining the start-up and development of social enterprise:
it was emphasized that in the Statement of social enterprises given concept of the social enterprise does not correspond to criteria identified by European Commission: in Lithuanian social enterprises there are still traditional pursuit of the greater profit, not enough is reinvested into the social mission. It could be said that the owners decide themselves where to invest money.
Another crucial obstacle for embedding the concept of social entrepreneurship is its lack of awareness in society. Social enterprise is frequently mistaken for social firms.

In **Albania**, two coworking spaces have started to show up in the center of the capital city, Tirana: Talent Garden[41] and MyOffice’Al, both established about one year ago. Talent Garden is a place where digital, tech and creative industry minds can connect. MyOffice’Al is located right in the centre of Tirana and only a walk away from the main square. While Talent Garden function mostly based on subscriptions, the MyOffice’Al concept is a pay for what you use and when you use it. This is a plus if you’re not looking to be tied to a contract or subscription based coworking space.

Although few things have started to move, adapting sharing models is a not an easy exercise in countries in like Albania where people tend to rely too much on institutions to solve their problems. They too often wait for the company, the State, the authorities or any other powerful body to tell them what and how to do.
In addition, the majority of the population in Albania, as in most Western Balkan countries, is not the best fit with the general profile of sharing platform users. If we only look at one indicator, online shopping, it is clear that it is still not a common habit. On the other hand, these countries have a large young generation which if very prone to adopting new technologies and thus show potential growth of the online payments sectors and the trend is expected to be slowly moving in a positive way.

[41] http://tirana.talentgarden.org/

8. Selected cases studies from ECORL consortium countries

ITALY

G.A.S.

G.A.S. is the acronym for the Italian expression "Gruppi di Acquisto Solidale", solidarity based purchasing groups. It is a group of people who cooperate in order to buy food and other commonly used goods directly from the producers. The basic idea is to prefer small producers establishing a trusting relationship, rather than multinationals large scale distribution.
A solidarity based purchasing group chooses the products and producers on the basis of respect for the environment and the solidarity between the members of the group and the producers. Respect for the environment, trust toward each other, fair trade and organic foods are the priorities of the GAS.
A group of friends or neighbors responding to these principles can set up a GAS. One of the members will be in charge of vegetables: he has the task of looking for a local farmer; another GAS member will be in charge of soaps and he should look for a manufacturer of soaps. The GAS will then decide which of the producers best responds to the principles of solidarity and trust, so the members choose the producers satisfying the ethical requirements. The Gas is now ready to order though a GAS platform soaps and vegetables but also bread, tissues, plants …
The first Gas was born in 1994; now, there are in Italy more than 2.000 GAS
http://www.economiasolidale.net/

Coworking

Coworking platforms are growing in Italy. There are several projects related to sharing knowledge and competences or workplaces. Some of these projects are also promoted by local administrative institutions.
One example is “Millepiani” project (http://www.millepiani.eu/), launched by the Province of Rome in 2013, still ongoing. The project is aimed to create different spaces in the city of Rome where people can cowork in projects, and where can find spaces in order to organise work meetings or temporary offices paying a fee in case of no-social purposes action (i.e. a student pays a ticket of 5 euros per day; an individual of 20 euro per day; 5 tickets for 5 days plus 2 hours of meeting room for 80 euro). Many other coworking spaces and projects are spread all over Italy (i.e. Casa netural - http://www.benetural.com - for the rural coworking).
In addition, there are many other online platforms on a national basis where coworking projects are listed (a “coworking of the coworking”) (http://coworkingitalia.org/). Coworking groups can join the platform for free but they should own at least 9 workstations.

Sardex

Sardex (http://www.sardex.net) is an innovative model for credit clearing exchange launched in the Italian island of Sardinia in 2010. Companies part of this network suffering lack of liquidity can obtain money from other members that gain some credits to spend in the future whether they will incur in the same situation.
The basic idea that inspired this project is that it is more convenient to help companies to recover instead of letting these companies cutting salary to the detriment of demand and, as a consequence, of local firms and development, or even closing down.

The business model has been studied by several experts worldwide, and reported in many economic newspaper and magazine. Transactions are free. There are only membership and annual fees used to reward brokers working for Sardex. Below there are some basic data about Sardex performance (source: http://beyondmoney.net/2015/08/20/sardex-an-emerging-model-for-credit-clearing-exchanges/):
Members: about 3,000
Current transaction turnover: about 1.5 million euro equivalent per month
Expected turnover for 2015: 50 million
Velocity of credit circulation: 12 times per year
Employees included as sub-accounts: 1,000.

Le cicogne

As mentioned, Le cicogne (http://www.lecicogne.net/)is a network of babysitting platform launched in 2015, as a result of a project started a couple of years before in the start-up laboratory of a Roman private university.
The platform functioning is quite simple. Families can easily keep in touch with the babysitters listed in the platform to find help with their sons. They publish their advertisement on the platform and the babysitters reply if interested. Then parents select one of them to meet and they eventually choose in order to start the job. The price per hour is set by the babysitter based on suggested per hour tariff.

Membership is free from both demand and offer side. However the platform offers some special services for a fee: the premium service for 7.99 euro fee where parents can choose among 3 instead of 1 candidates and their announce will be listed at the top; the last minute service for 3.99 euro to get a babysitter from 24 to 12 hours before; for 5.99 euro from 12 to 4 hours before; for 7.99 euro from 4 hours to 30 minutes before. Finally, for every transaction, parents pay a fee of 2 euro to Le cicogne.

The platform follows a specific policy as regard security. Babysitters are identified scanning their identity card and they have to pass an interview by phone with the company Customer Care service. As for many other platforms, babysitters' reputation and ability is public thanks to a feedback system based on number of stars.

Gnammo

Gnammo (https://gnammo.com/) is an Italian platform for social eating launched in 2012. The platform let the members-cookers organise dinner at their place at reasonable prices, set by the chef. In this way, member-guests can have dinner with other persons that they usually have never met before. There is not a membership and any transaction fee at the moment. They could taste different menu and a new social experience. The number of members is increasing and is currently about 166,000.

SPAIN

Relendo

Relendo (www.relendo.com) is an online platform that allows the rent of products among people from the same area. You can enter this website and find what you need. When you find it, you can ask the owner of the product any questions you have. Once everything is clear, you can book by the time you want and pay securely through the platform. After that, the rental period the product is produced. When the item is returned and is confirmed that everything is fine, users value the whole process and is made the payment to the user who owns the item.

When asked about the conception they have of the "sharing economy", the founders of Relendo commented that "it is a new form of consumption; a real alternative to the hyper-consumerism that our society suffers and that is destroying the planet. Sharing economy bet on facilitate the access to a product or service to people other than the owner, in a way that we will make the most of existing resources".

AlterKeys

Another example of sharing economy is AlterKeys (es.alterkeys.com), known as the Spanish Airbnb. This platform offers accommodation anywhere in Europe for short periods of time. It is also a great opportunity for those who are going to spend time away from home and want to get some extra money, who have a free room or a second home that exploit when unoccupied. According to its director, on this site you can find "a flat in London, a house in a tree, a castle in Scotland, or a couch in Barcelona".

Grow.ly

Grow.ly (www.grow.ly) is an alternative crowdlending platform for businesses (loans between private individuals and companies in exchange for an interest rate). In Spain practically 100% of the financing of SMEs comes through banking and we need that a new alternative appears. The process is simple and transparent: the SME contacts with Grow.ly applying for a loan. If the company exceeds some parameters, the loan is published on the platform. During a period of a maximum of 30 days investors can study the company, see who is behind the project, etc., and even ask questions in an open forum. Then the investors will choose whether they want to lend to the company, the amount (from 50 €) and the interest rate they want to obtain. Upon completion of the auction period all offers are sorted from lowest to highest interest rate and those with higher interest rates are removed. The company formalizes at the average weighted interest rate on the remaining tenders and the investor always gets the interest rate that has bid. In Grow.ly a loan is funded from a multitude of people and a person can also participate in several loans, diversifying their risk this way.

CROATIA

AirBNB

The popularity of Airbnb has been rising in Croatia. It was interesting to follow the stages of development of home sharing through AirBNB in the last few years. Three years ago, people were still sceptic about Airbnb. Not much beds were offered on Airbnb. But, ever since 2013 social and traditional media have started to promote Airbnb as a very user-friendly tool and very profitable business for renters. Very many newspaper articles were dealing with home sharing topics and people started to be more and more curious about it. Renters started to look for other channels through which they could offer their accommodation facilities. It was not only Airbnb they were focusing on, but they had launched a strong media campaign in Croatia. Airbnb was inviting people to join their community (radio, newspapers, magazines etc.). An unprecedented range of accommodation choices is now being offered on Airbnb. People rent their villas with pool (this kind of accommodation facilities is becoming more popular in Croatia), apartments with pool, rooms, houses. The main advantage for renters offering their facilities on Airbnb is the very low commission Airbnb charges them. The commission is around 3%. Renters have to pay the VAT on the 3% commission charge to the Croatian tax authorities. This is an easy process and requests only the filling of certain forms (templates) and their handing to tax authorities. Currently, there are more than 51 thousand of Croatian properties listed on Airbnb. The growth of visitors who booked an accommodation in Croatia last year through Airbnb amounted to 175 % (from the British, German, French and American markets). The increase in reservations from the Croatians travelling abroad amounted to 133%.

Timebanking in Pula "Ura po Ura"

Timebanking sees time as currency, as opposite to traditional economy. Timebanking in Pula, operating under the name “Ura po ura“ (hour by hour), is a voluntary model of doing business which tries to offer different services to society. It was created as a project of the Association Pula City Workshop and National Foundation for Civil Society Development. At the very beginning people willing to engage in such forms of activities needed more knowledge and experience on bank operations. Members of timebanking of Udine, Trieste and Milan were very helpful and supportive. In order to make this project work, money was not needed. This bank can be joined by each person willing to contribute to society's well-being by offering its time and knowledge. The offered services do not demand reciprocity, although we all can give time and we all are happier when having possibility to give time (or knowledge) in return. “Ura po Ura” in Pula counts 60 members and 6 civil society organizations. Internet and social media enable easy and fast service exchange. However, different forms of gatherings are organized in order to stress direct contacts and social aspects of idea of time banking. There is one person in charge for supply and demand coordination. The so far performed activities included: organizing different second-hand product fairs, creative workshops on making items from used and recycled products/materials, workshop on wild edible plants and others. The main challenge it to get society familiar with the importance of mutual collaboration and support and get people involved in creation of better society, which is today much needed.

Solidarity exchange group

Solidarity exchange group represents organized group of people who jointly exchange specific products and services. There is significant difference between solidarity shopping and traditional shopping. The members of group jointly make decision on which products to buy and from which producer, always based on previously defined criteria. The buyer is in direct contact with supplier in order to build trust. There are no large supermarkets or other sales intermediaries. In that way buyers support small local businesses which have traditionally very unfavorable position on market. The exchanging objects are mostly fruit and vegetables. The motive to join to solidarity exchange group as a buyer is to have access to organic, seasonal, fresh and local food. The small local businesses are motivated by having possibility to reach consumers directly, under the low costs. The idea is to conduct a business on mutual benefit of both sides. It is possible to achieve agreement between local vegetable producers and consumers on the quantity and price in advance. In such a way local businesses are able to plan its crop while business risk is jointly shared between members of the group. The group is active in several cities in Croatia: Zagreb, Pula, Opatija, Čakovec and others.

This model of exchange is based on three principles:

Transparency, basing on group's vision, it is crucial openness and communication between members on which local farm consumers want to support. On the other hand, local farmer is obligated to inform the group on its economic situation and price calculation.

Trust , the consumers are ready to trust the local farmers once the producer delivers the whole picture of farming process. The mentioned means that the consumers are familiar with all farming costs and they accept the price under which the product is offered. The price is not negotiable. In such a way the relationship between consumers and farmers becomes more confident. Since it is possible that some problems occur on demand or supply side, there is need for solidarity.

Solidarity, since the exchange process is based on trust, group shares the risk of production. The food sector depends on human resources, weather and other factors. It is possible that local vegetables farmer is due to weather conditions in one season not productive enough. It is expected from consumers to consolidate themselves and pay the higher price for the product.

LITHUANIA

Social taxi

Social taxi provides the unique services helping to assure the organization of trips to and from economic and social occupation places for people with reduced mobility or movement disability. Trips usually take to/from work, hospital, university, cinema, theater, supermarket, meetings, various organizations etc.). The aim of services is the improved mobility of disable people allowing move at ease to different places for affordable price. The priority of the services goes to people having working capacity less than 55%. Taxi works 24/7. Social taxi is the first service of this type in the Baltic States. The project implementing and administrating organization is The National Social Integration Institute. The Institute directly works with many people with movement disability who were giving useful tips and advices that helped for Social taxi to appear. These people were taking an active part in the Social taxi planning, implementation and assessment stages from the first ideas of the project. The social taxi is not only for giving a lift for disable but also a personal assistance from getting out from home, carrying personal belongings, accompanying to the car and similar support that assures the independence from family members and autonomous movement.

Those who would like to use the services of Social taxi, firstly have to make a contract with The National Social Integration Institute. After registration, person gets a unique number with which the service can be ordered. The employees are drivers-personal assistants. The projects started in 2012 and are running in 4 cities of Lithuania. It is also operating in few towns in Latvia (Daugpils). However, according to the initiator of the project similar initiatives do not change the situation of disable people mobility.

Vinted.lt

"Vinted.lt" platform has 11 million users, 22.3 million units of clothes, 8 countries (USA, UK, Germany, Austria, France, Lithuania, Poland, Czech Republic) and 240 employees. "Vinted.lt" is a big friendly community. Everyone can search for the new treasures or sell the clothes that you do not wear anymore by creating a profile. "Vinted.lt" has received a 20m Euro investment from prestigious American risk capital fund "Insight Venture Partners" and this fact allows to think that "Vinted.lt" initiative is one of the best in the field. Its market is every young woman in age between 14 and 27. Last year the platform had quadrupled. It was proved that they are able to improve the rate of the development and adjust even to the most concurrent markets like the ones in USA.

The team of "Vinted.lt" is composed only by the best experts of the field. It has started in Lithuania in 2008. At the beginning it was only a website where it was possible exchange clothes. "Vinted.lt" became a European company when it obtained large investments. Some people who cannot afford buying new clothing still do not want to buy it at second-hand shops because it is time-consuming and not very pleasurable. By assessing these two aspects, the idea of "Vinted.lt" came into life.

In order to sell something, the users have to upload pictures with a short description of the item and a price. There is also a function on the website which enables a communication between the seller and the buyer. There is also a forum where users can discuss various subjects and share their ideas and advices. A mobile version of the platform is also available.

Due to a rapid development of the company, challenges of the team communication were faced. The biggest problem is that the groups are meeting only when it is convenient for them or if there is a problem of some kind. These communication problems were solved by creating autonomous working groups having 30 goals and all the tools to achieve them. The fact that you are located in Lithuania is not an obstacle to create a business in a global scope. "Vinted.lt" is the only online clothing store in Lithuania where the conditions are made suitable for the individuals to exchange the goods. "Vinted.lt" aims to apply the most modern technologies of business. On 2014 almost 75% of all deals were made via mobile phones.

Finally, the product speaks for itself and does not need any advertising. Our users spread the word about "Vinted.lt" by themselves: they tell their friends what they have bought, sold or exchanged on the website, convenience and benefits of the platform and etc. Starting a business in such a small market as Lithuania has an advantage as it makes you think globally, how to create a product for an international market.

9. Growth opportunities for developing countries

The argument is often made that many of the sharing economy type services (e.g. delivery services, concierge type services) already exist in developing countries, but informally. Even when this is the case, there is scope to make the process more efficient, and more beneficial (if more people can benefit from consuming the services and/or from becoming a supplier of the services) through the use of the sharing economy technologies and platforms. In developed countries, the shift to platform services based employment could be seen as a shift to more informal types of working arrangements, more 'informal' ways to generate income, whereas in developing countries it could be seen as a way to formalize services that already existed informally while also increasing the opportunities and scope for innovation and creation of new services. A local development argument can also be made in locations where sharing economy companies offer their services, in particular if/when they use local workers, and if it leads to agglomeration effects. If these companies invest in a locality it may improve the infrastructure (or the infrastructure may have been improved to attract them), create more local investment, attract other businesses, and create (more) employment opportunities.

It can also be argued that the 'sharing economy' attributes may be more inclusive and provide more economic opportunities for developing countries. For example, it is sometimes argued that the user/customer review system used by many 'sharing economy' type services can overcome some of the informational problems that traditionally justify regulation. Take the review systems used by Uber and Airbnb on both the supply side (drivers and accommodation) and the customer side. These systems might (arguably) be able to bypass the need for more formal regulation to maintain certain standards and safeguards: "in a country with a corrupt government, would you be more confident having a cab driver with a long list of good reviews or one with a bureaucratically issued license?."[42] Many developing countries are still plagued by issues that can make doing business there in the traditional sense and/or with large companies and fixed investments unattractive, such as unreliable or corrupt governance, difficulties in access to funding, weak/nonexistent regulation and enforcement of (intellectual) property rights, business models that require large amounts of capital investment that is not footloose (i.e. not easy to pull out or move rapidly). However, sharing economy business models provide opportunities that can bypass many of these weaknesses as they typically require less capital investment, can benefit from peer or crowd funding type models, and the peer-to-peer and review systems may help overcome the governance and regulatory issues. (van Welsum, 2016)

[42] http://www.forbes.com/sites/modeledbehavior/2014/08/04/the-sharing-economy-and-developing-countries/#39efd41a56a4

10. Conclusions and recommendations

11. Common Glossary

Sharing Economy. The Oxford Dictionary of English defines "sharing economy" 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". Wosskow (2014) defines "sharing economy" as "online platforms that help people share access to assets, resources, time and skills". This definition underlines an important characteristic of the "sharing economy": the significant level of disintermediation it allows in transactions between providers and final customers.

Social Business: A "social business" is a company created for social benefit rather than private profit. It is a type of business that focuses on addressing specific social or environmental problems in a financially self-sustainable way. Investors in social businesses are entitled to only the original principal of their investment. Any profits generated by the social business are recycled into the same or other social businesses or socially beneficial activities. Thus, while social business in many aspects is similar to normal commercial business, it does not aim to maximize shareholder value. Instead, it aims to generate beneficial social and environmental outcomes through (i) focus on maximizing employment and income opportunities to all stakeholders along a commercial value chain, including micro-entrepreneurs, with particular focus on vulnerable groups such as female or rural populations, and/or (ii) tailoring products or services to solve specific social or environmental problems.

Disruptive innovation. De Streel & Larouche (2015) define disruptive innovation as "a technological innovation that takes place outside the value network of the established firms and introduces a different package of attributes from the one mainstream customers historically value".

Collaborative Consumption. The shared use of a good or service by a group. Collaborative consumption differs from standard commercial consumption in that the cost of purchasing the good or service is not borne by one individual, but instead is divided across a larger group as the purchase price is recouped through renting or exchanging[43]. Some examples of innovative applications of collaborative consumption are eBay, Craigslist, Airbnb (peer-to-peer travel), Zipcar (car sharing), food swap, and home swap.

Collaborative learning is an educational approach to teaching and learning that involves groups of students working together to solve a problem, complete a task, or create a product. Collaborative learning is based on the idea that learning is a naturally social act in which the participants talk among themselves. Some examples of collaborative learning are Wikipedia and MOOC.

Collaborative finance describes a specific category of financial transaction which occurs directly between individuals without the intermediation of a traditional financial institution. This new way to manage informal financial transactions has been enabled by advances in social media and peer-to-peer on line platforms. Some examples of collaborative finance approaches are crowdfunding, crowd-sourced equity, lending peer-to-peer, mini-bond.

Collaborative governance is a concept that addresses the process of establishing, steering, facilitating, operating, and monitoring cross-sector organizational arrangements to address public policy problems that cannot be easily addressed by a single organization or the public sector alone. This mode of governance focuses on public issues and brings multiple stakeholders from different sectors together in common forum to engage in consensus-oriented solution seeking, problem solving and decision-making in order to leverage and build on the unique attributes and resources of each[44].

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43 www.investopedia.com

44 UNCG Collaborative Capacity Work Group, Working Draft, January 12, 2012.

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