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## SHARING ECONOMY AS A NEW BUSINESS MODEL OR JUST A PHENOMENON?

### A BRIEF INTRODUCTION TO THE SHARING ECONOMY

*The average electric drill is used between 6 to 13 minutes over its lifetime.’ [Reissman, 2015, p.1.] It is the most common example which is used to illustrate the meaning of the sharing economy. In my study I examine the new phenomenon called ‘sharing economy’. In the research literature there is no widely accepted definition for this new appearance so I summarized the characteristics of the phenomenon based on the literature available. The sharing economy is a new socio-economic trend that is greatly changing our life. The development of the technologies created online platforms where individuals can share goods and services like cars, houses, household products and services. The expansion of the number of mobile devices and the increasing internet penetration contributed to the spreading of the collaborative communities. The new business solution has got plenty of benefits: on-demand access to goods and services, efficient utilization of unused assets, growing employment, consumption and productivity. The sharing platforms can create win-win situations for both buyers and sellers. The collaborative for-profit businesses have many disadvantages, too. There may be unsafe products or ones with substandard quality with no state control; producers may evade local regulation more easily than traditional companies. In my working paper I am focusing on the following question: Can we call the sharing economy a new business model or is it just a passion of the millennia? I further consider the dangers and opportunities they may provide for businesses and the degree to which they challenge traditional business models. In the first part of my paper I wrote a brief review of the new phenomenon and I examine the working environment of the new business solution. In the second part of the study I analysed the advantages and issues regarding the sharing economy.*

## 1. THE DEFINITION OF THE SHARING ECONOMY

Sharing economy is a business solution to offer and use products and services through online platforms. Usually the transactions are based on sharing, swapping or changing goods and services. There is no widely accepted definition of the phenomenon in the research literature, yet. Many working papers call the new solution as ‘sharing economy’ or ‘collaborative economy’ or ‘collaborative consumption’ or ‘peer-to-peer economy’; while sometimes they call ‘connected consumption.’ In this section I collect the main researches and present the main definitions regarding the expressions. In the following I use the above mentioned expressions as synonyms because there is no consensus in the research literature regarding the proper name.

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In the research literature the ‘collaborative consumption’ (CC) was firstly mentioned in 1978 by Felson and Spaeth. Their approach described a community structure as a sociological way, where the people consume the economic goods or services in a joint event; they examined many daily events where collaborative consumptions occurs (like eating meals with relatives, using public washing machines etc.) Their definition is the following: *‘events in which one or more persons consume economic goods or services in the process of engaging in joint activities with one or more others’* [Felson, Spaeth, 1978, p. 614.]

This aspect is a wider application of the definition because they included examples like watching movie with somebody on the TV as ‘collaborative consumption’ although nowadays the meaning of the expression ‘collaborative consumption’ has greatly narrowed.

Later, the development of the information technologies has enabled the rise of online platforms boosting collaboration and sharing. The earliest examples of CC are the editable encyclopaedias (e.g. Wikipedia) and peer-to-peer file sharing websites (e.g. The Pirate Bay). More recent examples are car-sharing companies (like BlaBlaCar, Uber), flat sharing companies (like Airbnb) and crowdfunding services (like Kickstarter).

According to [Benkler, 2002] open source software was the pioneer of the new phenomenon (CC) because this was the first project in the history which was produced by tens of thousands of programmers contributing to large and small scale projects to create open source software in early 2000s.<sup>2</sup> No one ‘owns’ the software in the traditional sense, the product is purely collective. The author calls the new production model commons-based peer production, where the products are created by a teamwork and the participants are not organized in firms and do not choose their task based on the expected income.<sup>3</sup> Benkler highlighted the fact that the new economic way of production appeared because of the lower cost of communications and the lower cost of physical capital than earlier. It means that the cost of coordination significantly reduced or even diminished.

In his theory Benkler argued with Coase’s transaction cost theory in the new economic model: there are incurred costs of obtaining a good or service via the market like information costs, bargaining cost. Markets and companies’ management are alternative coordination mechanisms for economic transactions.[Benkler, 2002] [Coase, 1937] Benkler suggests that the traditional business models may require a move from *‘product-based models’* to *‘information-embedding products-based model’* [Benkler, 2002, p. 71.]. Firms that adopt this new model can compete with the disrupters and can be more successful in the future. Nike and its lifestyle community around the platform Nike+ is a peer-to-peer community connected to the Nike brand. Nike+ is an online platform where you can share your experiences and can motivate other Nike customers. This platform can strengthen the connection between the users and between the brand and the users. People who participate in Nike+ are more likely to buy Nike products. It is a very first example of the power of collaborative consumption. [Lobensommer, 2017]

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2 In 2000 IBM announced a three-year, \$1 billion initiative to support the Linux open-source operating system and put more than 700 engineers to work with hundreds of open-source communities to jointly create a range of software products. [Boudreau-Lakhani, 2013]

3 According to Benkler the organization of economic production works in two ways: either as employees in firms, following the directions of managers, or as individuals in markets, following price signals.

Botsman and Rogers examined the roots of the collaborative consumptions in their book (What's mine is yours). According to their definition, sharing economy means an economic model which is based on *'the old stigmatized C's associated with coming together and sharing – cooperatives, collectives, and communes – are being refreshed and reinvented into appealing and valuable forms of collaboration and community. We call this groundswell Collaborative Consumption.'* [Botsman and Rogers, 2010, p. 11]

The new business solution in their definition may be local with face-to-face connection or people connected through the internet via a peer-to-peer network. These business solutions have the same fundamentals: critical mass, idle capacity, belief in the community and trust between strangers. They identified three aspects of the sharing economy: product service systems, redistribution markets, collaborative lifestyles. They argued that the participants of the new business models are 'micro entrepreneurs' who are making some money (to increase their salary) and those who are making money from creating peer-to-peer solutions as a business owner.

According to [Hamari, 2016] the collective consumption is a community-based model where the social and environmental problems like pollution, waste are reduced or even eliminated. The collaborative consumption covers many sectors and provides new opportunities for people, but their approach is narrower compared to Felson and Spaeth's theory. *'Collaborative Consumption (CC) means the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services. CC has been expected to alleviate societal problems such as hyper-consumption, pollution, and poverty by lowering the cost of economic coordination within communities.'* [Hamari, 2016, p. 614.]

In the news the collaborative consumption was firstly mentioned by the Time Magazine in 2011 in an article defining renting, lending and sharing of goods as one of '10 ideas that will change the world': *'And it's the young who are leading the way toward a different form of consumption, a collaborative consumption: renting, lending and even sharing goods instead of buying them. You can see it in the rise of big businesses like Netflix, whose more than 20 million subscribers pay a fee to essentially share DVDs...'* [Walsh, 2011, p.1.]

According to [Belk, 2014] sharing economy means *'the acquisition and distribution of a resource for a fee or other compensation'* [Belk, 2014, p.3.]. Belk does not agree with the Felson and Spaeth regarding the definition. Belk mentioned the example of watching a football game with friends as collaborative consumption: in line with Felson and Spaeth's theory it is CC, but Belk says it could be CC only if the group of friends bought ticket to watch together. He also argued Botsman and Rogers's theory: Belk says the definition is a mixture of marketplace exchange, giving gift and sharing. Belk's definition is the narrowest among the above mentioned definitions because he considers only marketplace exchanges and monetary or non-monetary compensations.

Eckhardt and Bardhi suggest the sharing economy is not based on sharing at all. *'When sharing is market-mediated — when a company is an intermediary between consumers who don't know each other — it is no longer sharing at all'* [Eckhardt-Bardhi, 2015, p. 1.]. When buyers are paying to access someone else's goods or services, the proper name should be access economy. Their view is totally different from the above mentioned theories.

They claim that consumers simply want to buy products or services and the only question is the price. If consumers can buy the same product or services at lower price with more convenience, they would do so. He highlighted that companies that based their model on direct connection

between strangers were unsuccessful. For example 'Midrate' company opened a platform to connect people who wanted to sell currency and people who wanted to buy it. The company skipped the intermediaries (currency exchange office, bank etc.) and offered exchange rates close to the market rate. For this better price people bore the risk of exchanging the money with a stranger.

Based on the presented literatures I summarize the definition of collaborative economy. In my opinion this model includes businesses where transactions are based on sharing, swapping and exchanging and the transactions are compensated by fee or other compensation (other assets/services). It is a 'socio-economic system', because sharing communities are organized along the interest of a topic.

## 2. SHARING ECONOMY AS A BUSINESS MODEL?

The fast changing technologies and trends created an environment where firms can benefit from the disruptive technologies and they can compete with the businesses from sharing economy if they utilise the opportunities. In this section I present the types of the sharing economy businesses.

[Juliet Schor, 2014] grouped activities in collaborative economy into four categories: recirculation of goods, increased utilization of durable assets, exchange of services and sharing of productive assets. In addition, there is a group of activities which are usually non-monetized activities. The five classifications are:

- Recirculation of goods: This category includes online platforms where the focus is on consumer-to-consumer and business-to-consumer second-hand sales like eBay.
- Utilization of durable assets: This category includes businesses ensuring the opportunity of sharing durable goods among individuals like Uber or Couchsurfing.
- Exchange of services: This category includes service platforms (e.g. TaskRabbit) where one can schedule everyday tasks/home services at a certain time (e.g. to assemble furniture).
- Sharing of productive assets: This category consists of platforms which focus on sharing assets or space in order to increase production like educational platforms (Coursera).
- Non-monetized activities: This category includes activities/shares which are free like tool libraries among the neighbours. These sharing platforms can have a function like 'public good' because they can enhance public/community benefits.

[Hamari, 2016] made differences among the mode of exchange like access over ownership or transfer of ownership. Based on these two categories the type of the trading activity in the new business model could be renting, lending, swapping, donating or purchasing used goods. Table 1 shows the results of Hamari's collection of related collaborative consumption websites. According to the selection, 254 websites were chosen as CC services in 2016. 75% of the found businesses were related to the renting and lending business. Only the minority of the businesses focused on swapping, donating and purchasing used items. Based on the Table 1 'access over ownership' is the most common mode of exchange services: it means that users share their services to others for a limited time (like renting).

Table 1. Overview of the 256 collaborative consumption services collected in 2016

Mode of exchange	Trading activity	Monetary transaction	Market allotment	Example
Access over ownership	Renting	Yes	131 platforms	Renttherunway.com
	Lending	No	60 platforms	Couchsurfing.com
Transfer of ownership	Swapping	No	59 platforms	Swapstyle.com
	Donating	No	59 platforms	Freecycle.co.uk
	Purchasing used goods	Yes	51 platforms	Thedup.com

[Hamari, 2016, p. 3.]

In 2015 there were more than 7500 sharing platforms globally. Some of the areas where the sharing economy already resulted in some disruption:

- **Peer-to-peer accommodation:** citizens sharing access to unused space in their home like Airbnb, Couchsurfing, Onefinestay, HomeAway
- **Peer-to-peer transportation:** individuals sharing a ride like Uber, Blablacar, Car2Go, Lyft, Yandex;
- **On-demand household services:** marketplaces entitling people to get support with household tasks like TaskRabbit, ZipJet, Deliverooo, Instacart, We are Pop Up
- **On-demand professional services:** marketplaces entitling businesses to get support with skills like administration, design, marketing like Upwork, HolterWatkin
- **Collaborative finance:** peer-to-peer lending like Kickstarter (crowdfunding), LendingClub (consumer lending), FundingCircle (Investor-to-SME lending) (Vaughan, 2016)

### 3. SIZE OF THE SHARING ECONOMY

PwC research shows that by 2025, five biggest collaborative economy (p2p accommodation, p2p transportation, on-demand household services, on-demand professional services, collaborative finance) sectors could generate global revenues of USD 335 billion.

[Vaughan and Daverio, 2016] estimated the revenue of the sharing economy in the EU: the sector's revenue increased from around EUR 1 billion in 2013 to EUR 3.6 billion in 2015 which is equalled 0.2% of EU gross domestic product (GDP). Although some activities of the sector are not accounted into the GDP figures yet, but the importance of the sector is growing. They estimated that the fastest growing sectors in sharing economy were peer-to-peer transportation, collaborative finance and on-demand household services [Vaughan, 2016]. According to [Vaughan, 2016] usually 20-30% of the household expenditure is for shareable goods so that it is a niche market which the sharing economy tries to cover.

[GSMA, 2016] suggested people living in emerging country had more willingness to participate in sharing communities. They found the highest willingness among people in the Asian Pacific countries. The reason behind this fact could be that sharing economy can create new markets and businesses, generate jobs, promote entrepreneurship and increase income and lastly improve lives [GSMA, 2016]. And its importance in the emerging countries is bigger than in developed one.

In China the sharing economy transactions were worth more than USD 500 billion in 2016, where around 600 million people were involved in sharing activities. According to a recent estimation [Ming, 2017] the sharing activity can reach the 10 percent of China's GDP by 2020. The key driver of the spreading the sharing solution among Chinese people is the high penetration of mobile technology in the country. From bicycles to basketballs, everything is on loan among

Chinese people. In 2017, there was an umbrella-sharing start-up, which has lost almost all of its 300,000 umbrellas across 11 Chinese cities within a few months: the company couldn't charge users high enough fees for unreturned umbrellas [Ming, 2017].

#### 4. THE ADVANTAGES OF SHARING ECONOMY

In this section I review and collect the main studies regarding the advantages of the sharing economy. The emergence of the new business model is changing the traditional industries like transportation, restaurants or accommodation. The new business solution has positive effect on utilization, job creation, productivity, efficiency and has some environmental and social benefits, too.

The collaborative economy can create economic value in many ways. Firstly, it offers the opportunity to take advantage of unused capacities. Secondly, sharing market is widely competitive and more specialized than a regular one and it combines more buyers and sellers than a regular market. Moreover, sharing economy can reduce transaction costs and expand the boundaries of trade by reducing the cost of finding traders, making bargains easier and reducing costs of performance monitoring. Transaction costs can be reduced through the easier access to information, too.

Benkler's theory [Benkler, 2002] highlighted two main advantages of the new production model. On one hand, CC is better at identifying and attaching human capital to production processes (instead of a hierarchical manager system), as the peer production model uses less information to match the task/project with the best person. On the other hand, *'there are substantial increasing returns, in terms of allocation efficiency, to allowing larger clusters of potential contributors to interact with large clusters of information resources in search of new projects and opportunities for collaboration.'* [Benkler, 2002, p. 2.] suggested removing property rights and contracts as the organizing principles of collaboration (Coase's theory) can significantly reduce transaction costs among market participants and the participants can get higher returns on their businesses.

[Shirky, 2009] focused on the economic problem of idle capacities, as he suggested unused value is wasted value. Idle capacities in an economy provide huge opportunities for collaborative economy. Information technology created the opportunity to use the power of crowds effectively. For example Apple uses developers and users from all over the world creating apps, podcasts, contents in his platforms free to enhance the company's growth [Boudreau-Lakhani, 2013].

The sharing economy reduces asymmetric information also through the economization of trust with the opportunity of rating in the platform (reputational feedbacks). The new way of reputational trust mechanisms allows consumers to write opinions and ratings instantly and through this they can shape companies' brand and operation. Trust is established not only by rating systems but by means of other methods like profile pictures or credible user verification etc. Trust became a valuable, marketable good [World Bank, 2016].

Sharing economy also provides solution for G.A. Akerlof's lemon problem<sup>4</sup>: the difficulty of distinguishing good quality products from bad quality products. Information asymmetries

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<sup>4</sup> George A. Akerlof argued in 1970 that when sellers have more information about products than the potential buyers (for example in a used car market) then the lower quality cars ("lemons") would force out the higher quality products because uncertainty (asymmetric information) among buyers would decrease the average value and the average price of used cars.

also create moral hazard problems. Akerlof emphasized the role of the government in his theory to handle the asymmetric information: governmental intervention can increase the welfare of all market participants [Akerlof, 1970]. Online review services and other information-sharing technologies can effectively reduce asymmetric information and can create a partly self-regulating market [Koopman, 2016]. These online solutions provide more information to more consumers than ever before. But the role of the government cannot vanish; it can only diminish partially. Reputational systems will not completely substitute the legal mechanism (further discussion in section V. and VI.)

Dynamic pricing is also a huge advantage against the traditional actors. For example on-demand technologies like Uber can charge more fares in peak-time and can charge less when few customers want to use the cars. The dynamic pricing is not dependent on the time of the day, but rather on the matching of supply and demand. [EY, 2015]

The sharing economy can exacerbate the traditional sector's negative impacts on environment and can find solutions on localized externalities. For example, increase in visitors to a neighbourhood can be induced by a high concentration of Airbnb hosts and can cause benefits for local restaurants.

The sharing economy produces economic gains because people are able to consume goods that were previously unaffordable. For example people stay in other people's homes while travelling through Couch-surfing and it is free (it's a mutual connection). Solutions of sharing economy provide better use of environmental resources through reducing excess capacity [Weforum, 2016].

The sharing economy has improved efficiency, productivity and sometimes better product/service quality among the traditional actors. They changed the traditional industries but they don't use a new business model, but just utilise resources more efficiently.

## **5. DISADVANTAGES OF THE COLLABORATIVE ECONOMY**

Nowadays there may be unsafe products or ones with substandard quality with no state control; producers may evade local regulation more easily than traditional companies. Service provider platforms can place business risk on employees and the state regulation cannot protect them. [Marchi-Parekh, 2015] suggested policymakers and the sharing economy's companies can solve the potential issues together:

- Legal and regulatory perspective
- Clarifying roles and responsibilities for tracking and penalizing abuses
- Collecting taxes
- Preventing consumers' rights
- Preventing employers' rights
- Safeguarding fair competitions
- Preventing abuse of data privacy

Developing unified regulatory regimes for the sharing economy as a whole is greatly challenging: the scope of the CC businesses varies from the for-profit activities to the non-profit activities and the related economic activities from rental to selling services (in different industries).

The local policymakers combat to achieve a balance between suitable forward guidance and regulation of legitimate public-interest issues. According to [World Bank, 2016] research local regulators and policymakers should concentrate on few main questions regarding the new business model:

- Private actors could be discouraged to protect the public interest, although they know the public interest better
- Disruptive firms may eventually gain disproportionate market share due to network effects
- Personal data accumulation poses a host of privacy challenges
- Regulators should control the ways through which businesses monetize the use of user information [World Bank, 2016]

N. Davidson and J. Infranca argue that collaborative car companies reduce car usages and traffic (through increased use of cars) because these services may provide rides at a cost that lure individuals away from public transportation, leading to more vehicles on the road. [Davidson-Infranca, 2016]

Questions of employment law, consumer protection, unfair commercial practices, tax law, and insurance are a common occurrence. Handling of insurance-related issues is a frequent problem of the sharing economy. Who is responsible in a sharing platform when something goes wrong?

Another problem with sharing economy platforms that online price discrimination (through machine algorithms) can work more accurately than offline price discrimination (for example targeted coupons). The question is how much price discrimination is fair? Can it harm the consumers' rights? [Yaraghi-Ravi, 2017]

It's important to highlight that the evaluation of the sharing economy's role depends strongly on location, country, social culture and regulation. The sharing economy faces a number of regulatory hurdles in different countries:

- Fare caps in Indonesia and India
- Limits on hours of operation in South Korea
- Outright restrictions against private individuals as drivers in Japan and Taiwan
- Non-sharing-specific laws, such as China's National Cyber Law that requires companies to localize their data
- Fines against sharing services, for example Airbnb got fined in Japan after entering the market. [Riley Walters, 2017, p. 2.]

## **6. CHALLENGES OF REGULATION**

The sharing economy and the states are facing with the challenges of regulation, taxation, sustainability, quality and global competition. Tax evasion is common practice among the sharing economy's participants. Moreover, these companies usually pay tax at the most favourable regions.

Regulation makes the business environment more predictable, creates a secure market situation, sets the scope for the main actors and protects stakeholders.

The actors of the collaborative consumption put pressure on existing business models and regulatory frameworks and trigger significant changes in the old economic model and regulation.



States have an opportunity to develop long-term solutions that encourage innovation while protecting consumers and society more general and through the new regulatory framework help improving new collaborative sectors.

### **6.1 THE INDIVIDUAL GOVERNMENTS' ROLE IN REGULATION**

Governments may need to develop a fair and competitive environment for the old and new industries in sharing economy, so shaping regulations is necessary, although regulation against the sharing economy can undermine the development and may hamper economic growth. Nowadays it is a huge dilemma for states to find the appropriate measures, while it's also a dilemma whether to regulate locally or globally because some actors of the sharing sector operate globally; hence, local regulation could be less efficient. [Davidson-Infranca, 2016]

Sometimes the online platforms can be better 'regulators' than the government or community policies through running background checks on sharing service providers and responding quickly to conflicts among members. These businesses already have reputation that is more inclusive than a simple licensing regime. Self-regulation can supplement the state regulation framework. And also the actors of the sharing economy can help the government regulators (for example the inspectors) to identify mistakes among the actors (like fake brand products). [Balaram, 2016]

### **6.2 REGULATION GLOBALLY?**

The sharing economy may cause a paradigm shift within the international relations, too. These companies have the opportunity to work above state regulation. The spreading of the sharing economy threatens and can reduce the power of the state.

The new business models can undermine individual state regulations (e.g. financial regulations, consumer protection), tax regimes (e.g. corporate taxes), domestic norms (e.g. the extension of welfare states' role) and local institutional practices (e.g. compulsory working days, employer-employee bargaining). Business model in the sharing economy can utilise the above mentioned 'opportunities'. Uber, Airbnb as some examples of the sharing economy also have the solution to operate above the state regulation. Lot of cities or countries cannot regulate effectively these companies, so they rather ban these companies' activity in their territories. Moreover, these actors can effectively change not only the role of the international institutions and relations, but also the domestic situations and even some non-state actors can change the direction of the global politics.

Many research papers concluded that it is mainly due to the globalization: the faster movement of information (beliefs, ideas, doctrines), the faster transportation (people, physical objects), and the faster movement of financial assets (money, instrument of credit).

Although the main directors of the global governance are still the individual states, because they were elected by voting citizens; hence, they have the democratic power. States can adapt to the new business model, but they need to become more flexible and they need to build stronger networks abroad to strengthen governmental integrity. The functional components of the states can work with their subnational or supranational counterparts more effectively.

International relations should adapt to the new business solution. Stronger international regulations (even unified regulation in special fields like tax, securities regulation) international treaties and agreements can provide a solution to eliminate the shrinking power of the states.

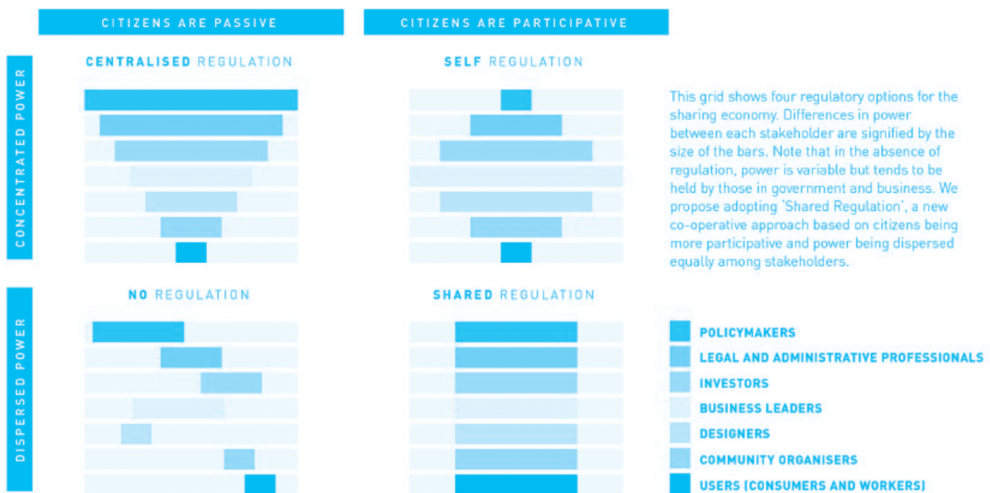
### 6.3 SHARED REGULATION

Many research papers suggest that a move from the traditional regulation to the shared regulation can be a proper solution for the new global governance.

According to [Balam, 2016] suggestion *'sharing platforms should not be viewed as entities to be regulated but rather as actors that are a key part of the regulatory framework (in the sharing economy'* [Balam, 2016, p. 36.] It means that banning these actors is not a good way to solve the problem. There is a solution coming from the actors of the sharing economy which can supplement state regulation (for example background verification checks, ratings and review systems).

Many researches suggest that 'shared regulation' could be an optimal solution for renewing the existing regulation regime. Policymakers, legal and administrative professionals, investors, business leaders, designers, community organisers and users should cooperate together in a shared-regulation. Chart 1 shows the four possible opportunities of regulation. According to [Balam, 2016], the fourth one is the optimal solution.

Chart 1. From self-regulation to 'shared regulation' [Balam, 2016]



## 7. CONCLUSION

The collaborative economy (CC) is a new socio-economic trend that is greatly changing our life. The development of the technologies created online platforms where individuals can share goods and services like cars, houses, household products and services.

The new business model has plenty of benefits: on-demand access to goods and services, efficient utilization of unused assets, growing employment, consumption and productivity. Also, there are some disadvantages of the sharing businesses like users' protection, data privacy and unfair competition.

The sharing economy presents a paradigm shift within the international relations, too. The main directors of the global governance are still the individual states, because they were elected by voting citizens; hence, they have the democratic power. States can adapt to the new world order, but they need to become more flexible, they need to build stronger networks abroad to strengthen governmental integrity. Also, 'shared regulation' among the main actors (users, business owners, state, international organizations) could be an optimal solution. To create the conditions for a fairer sharing economy, there regulation should be more open and transparent.

The growth of the sharing economy globally is outpacing our system of legal and international relations, but the establishment of appropriate regulation for fair reporting and operating without fraud protection remains for the years ahead us.

This paper provides a brief introduction to the economy of collaboration and helps understand many of the issues surrounding its regulation. But more research is recommended in this topic. What are the net benefits of the sharing economy to the society? What are the overall consumer surpluses resulting from these new services and industries? To what extent is the sharing economy creating new markets? How have sharing economy platforms affected competition, innovation and consumer choice? As the sharing economy continues to grow, these and other questions should be addressed and policymakers should be open to the reforms that may be needed to maximize the potential opportunities of the collaborative consumption and collective welfare.

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