Putting the sharing economy into perspective

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Why did we select this research?

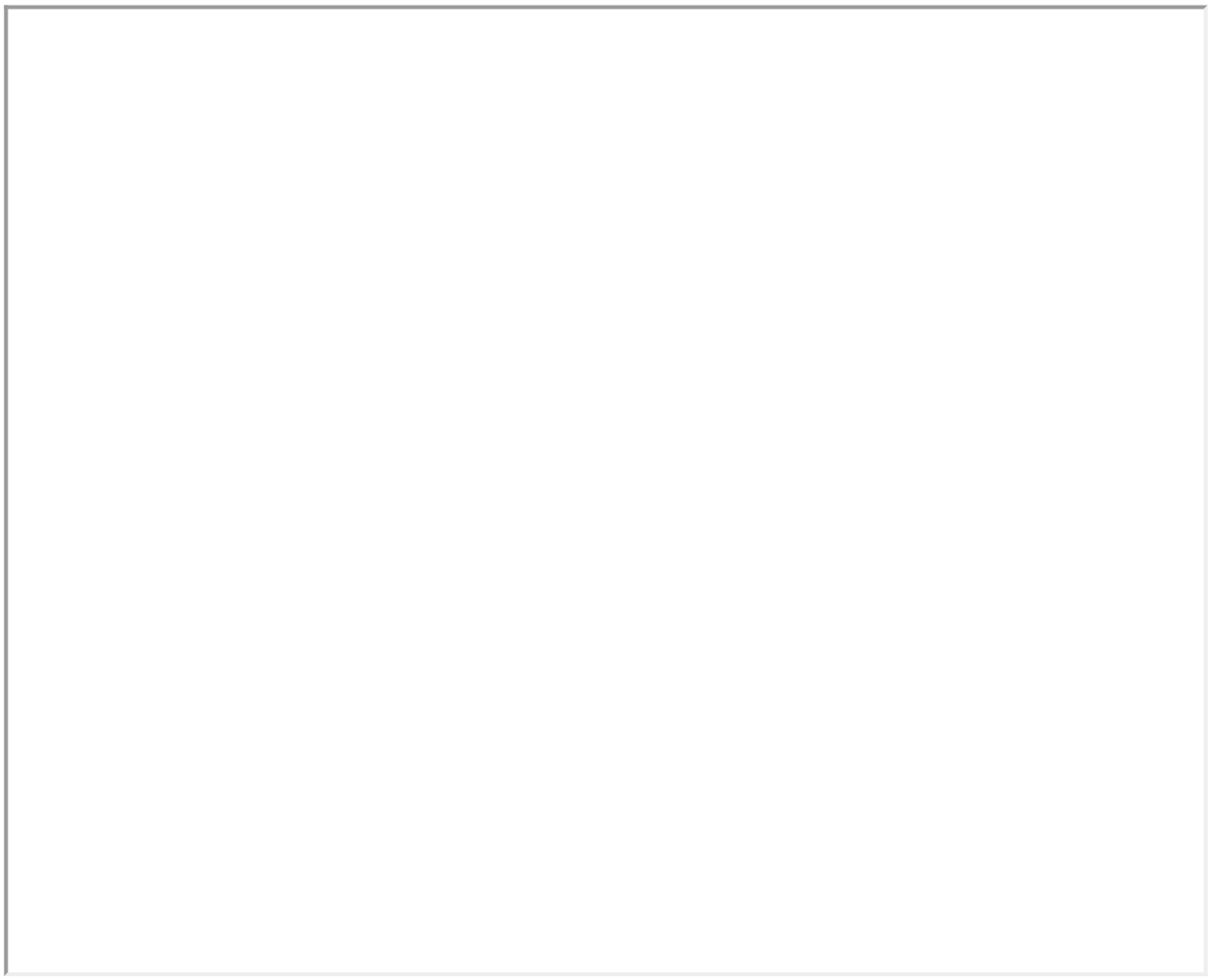
This paper literally puts the sharing economy into perspective by providing a conceptual framework to define the sharing economy and its close cousins (e.g. on-demand economy, second-hand economy). The paper assesses sharing economy platforms in terms of the economic, social and environmental impacts and reflects on current regulations and possible alternative platform architectures. More specific, this paper helps to develop a basic understanding of the definition, impact and sudden rise of the sharing economy from an economic-historic perspective..

Key findings:

- The economic, social and environmental **effects of sharing economy platforms are largely unknown**. While the direct economic benefits are obvious from the large volume of monetary transactions taking place, the distributional effects may be quite skewed. Since the bulk of revenue in the sharing economy (as defined) accrues via home sharing, already well-off home owners will profit most. Environmental benefits mostly lie in car and ridesharing, and the overall effects of sharing economy platforms may be small due to rebound effects. The social effects are complex and not necessarily inclusive.
- **Restricted access to user data** hampers the enforcement of regulations and, consequently, policy evaluation.
- The **typical response of regulators** has been to create institutional boundaries between the sharing economy and the regular economy by **putting a cap on a sharing activity**.
- **Current governmental institutions have not yet come up with an adequate and credible response** to the concerns of incumbent business interests and the

unions.

- **Various alternative platforms are being founded**. Serious experiments are emerging ranging from cooperative-based and crowdfunded platforms to platforms that make use of alternative currencies or more novel block-chain technology. The possibilities for a fully socialized sharing sector, with platforms owned and governed by their users is an intriguing option.
- **The initial fear that platforms may naturally grow into monopolies** as has happened with search engine and social media platforms **may turn out to be ill-founded.**



Reference

Frenken, K., & Schor, J. (2017). Putting the sharing economy into perspective. Environmental Innovation and Societal Transitions, 23, 3-10