

# The Emergence of the Sharing Economy: Implications for Development

Last Modified on 08/05/2019 4:34 pm CEST

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Date Published: 2017

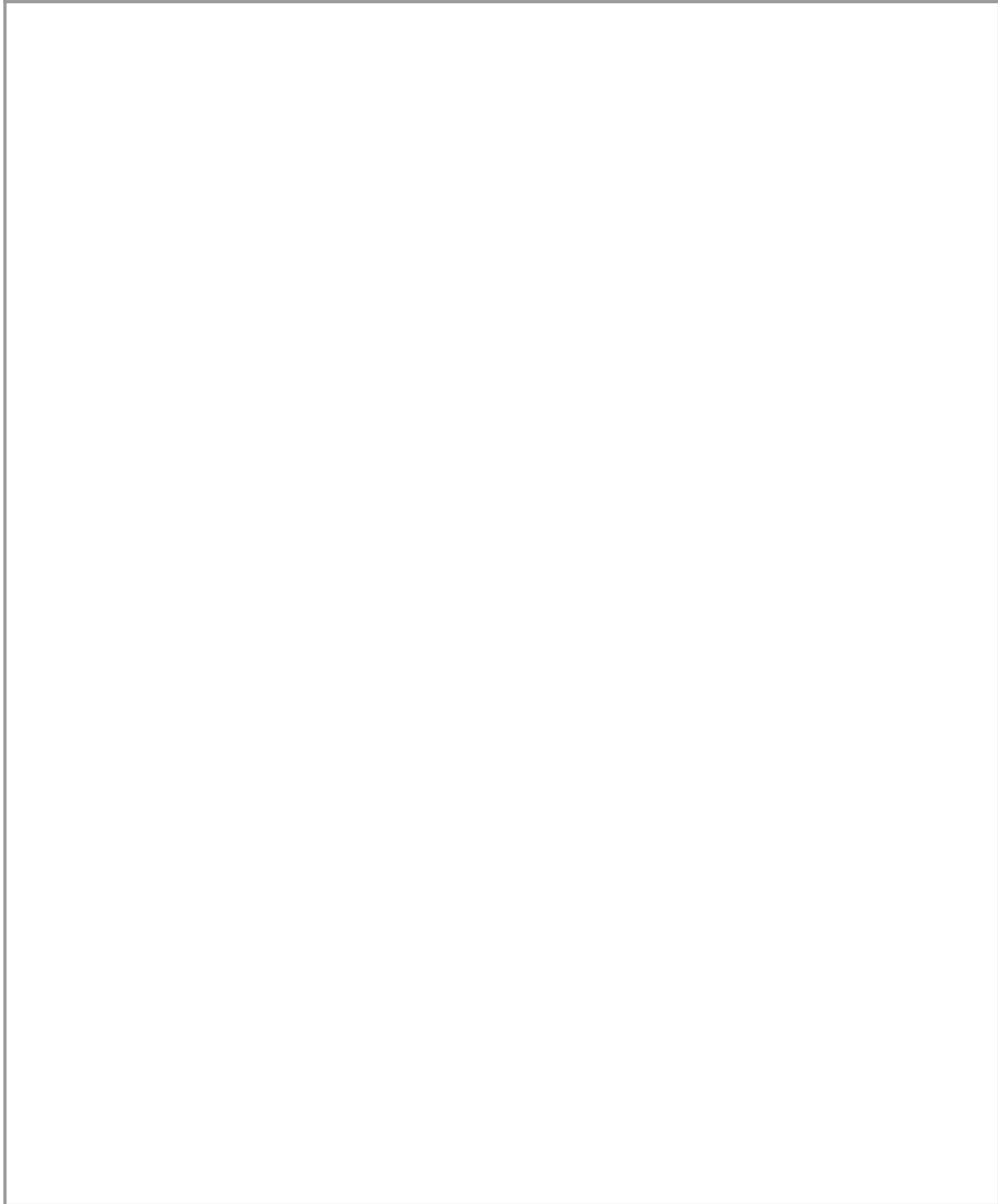
## Why did we select this research?

There is a particular hope that the sharing economy will start to create access and mobility for what is referred to as 'the bottom of the pyramid', or the approximately 4 billion people who live on less than \$8/day and have only indirect participation in formal economies due to lack of collateral, education and perhaps other factors. The sharing economy can make it easy for people to leverage the excess capacity in their material goods for either community development or financial gain and the sharing economy can also make available goods or services that might not otherwise be available given the high transaction costs involved in sharing.

## Key Findings

- There is an urban-rural divide considering access to the sharing economy in terms of literacy and internet. Given this divide, it remains to be seen whether and how the sharing economy will disrupt incumbent industries and what level of income mobility new sharing economy jobs can offer.
- At the level of individuals it is interesting to consider how the sharing economy enables or constrains the potential for upward mobility, and through this, greater security and stability.
- The sharing economy may offer avenues to resolve chronic system-wide problems, such as poor regulatory compliance and corruption.

- Questions can be raised about the appropriate form of sharing platforms for developing country contexts. What kind of sharing platforms is most likely to facilitate upward mobility at the bottom of the pyramid?
- The sharing economy has been propelled by exciting new technologies. The ease with which individuals can now connect, exchange, share information, and cooperate is truly transformative. That's the promise of the sharing platforms about which virtually everyone agrees. But technologies are only as good as the political and social context in which they are employed. Software, crowdsourcing, and the information commons give us powerful tools for building social solidarity, democracy and sustainability. Now our task is to build a movement to harness that power.



## Reference

Hira, A. & Reilly, K. (2017) The Emergence of the Sharing Economy: Implications for Development. *Journal of Developing Societies*, Vol. 33(2): 175-190.

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