

## **THE SHARING ECONOMY: A NEW CHALLENGE**

The specific feature of current economic development is emergence of new cooperative business models. Most widespread model is the sharing economy. The term has covered a lot of economic and social activities involving online transactions. Therefore many researchers state that the term “the sharing economy” is misleading. One can find some synonyms to the sharing economy, e.g. peer-to-peer economy, gig economy, collaborative economy, access economy, uberization etc.

The aim of paper is to define the main sharing economy models, their features and new challenges caused by this phenomenon.

The term “the sharing economy” has been widely used since about 2010. In 2016 nearly a quarter of Americans were making money in the sharing economy and many more using the same platforms to hire cleaners, handyman and drivers or to find rental accommodations. According to a 2014 study of PricewaterhouseCoopers, that looked at five components of the sharing economy: travel, car sharing, finance, staffing and streaming, the global spending in these sectors totalled about \$15 billion, which was only about 5% of the total spending in those areas. The report also forecasts a possible increase of "sharing economy" spending in these areas to \$335 billion by 2025, which would be about 50% of the total spending in said five areas.

In general, the sharing economy refers to a hybrid market model of peer-to-peer exchange. However, nowadays the term is used in a broader sense to describe any sales transactions that are done through online market places, even ones that are business to consumer, rather than peer-to-peer. There exist two main sharing economy models, namely for-profit model (commercial implementation) and associative model (co-operative structures). Both of these models are based on the same goal: to find the best way to share goods and resources in order to promote economic development. The primary difference is in terms of revenue. The for-profit model is primarily focused on creating added value for investors and customers whereas the associative model also tries to meet the needs of employees, local authorities and society by sharing revenue in a different manner. One can encounter other classifications of models. For instance, there exist business models that are built around the notion of sharing. The first model is fundamentally about renting out underused physical assets such as houses, holiday homes, cars and office space. The second model focuses on enabling consumers to serve other consumers directly. Examples cover a vast spectrum of services, e.g. peer-to-peer lending, encyclopedias and tutoring. The third model makes the re-distribution of used goods more efficient (eBay and Craigslist).

It is important to enumerate the changes or driving forces that led to emergence of the sharing economy. The driving forces include: Information Technology and Social Media, social commerce, Urban Life Style and increasing Volatility in Cost of Natural Resources.

The sharing economy leads to some benefits, that include the following: reducing negative environmental impact by reducing the amount of good needing to be produced which cuts down on industry pollution; stronger communities; saving costs by borrowing and recycling items; providing people with access to goods who can't afford buying them or have no interest in long-term usage; increased independence, flexibility and self-reliance by decentralization, the abolition of certain entry-barriers and self-organization; increased participatory democracy; accelerating sustainable consumption and production patterns in cities around the globe; increased quality of service through rating system provided by companies involved in the sharing economy; increased flexibility of work hours and wages for independent contractors of the sharing economy.

The Review of European Economic Policy noted that the sharing economy had the potential to bring many benefits for the economy, while noting that this presupposes that the success of sharing economy services reflected their business models rather than “regulatory arbitrage” from avoiding the regulation that affects traditional businesses. However, there are some challenges for management. For instance, Airbnb slowly destroyed the renting market in Berlin. This made rents skyrocket and forced the middle class to move outside the city. Researchers notice that the fundamental question we face today is how these companies can find a balance in order to share the value they create. Uber is very useful for consumers. However, it's missing a social model. For the moment, we can safely say that the fruits of the sharing economy are far from being shared by everyone.

Apparently, the sharing economy creates new possibilities for everyone. The main driving force for the sharing economy is widespread of Information Technology, Social Media and social commerce. The sharing economy leads to some economic and social benefits, but there are some challenges, that concern finding balance of sharing the value creating in the sharing and traditional economy.