



# SharON Project: An effective support system of collaborative economy stakeholders

## Report on Work Package 1:

### Mapping of Collaborative Economy Initiatives and Assessment of the Regional Ecosystem in Partner Regions



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Call for proposals: Opportunities for European Entrepreneurs in the Sharing Economy (ref.:251-G-GRO-PPA-16-9953).

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# sharON partnership



# Commission perspective

## Sharing economy=collaborative economy

- Lack of shared definition.
- Temporary usage of service or assets
- No exchange of ownership
- Transactions facilitated by a digital platform or marketplace
- Participants: C2C or C2B

Source:

COM(2016) 356 - A European agenda for the collaborative economy, Brussels, 02.06.2016

<http://ec.europa.eu/DocsRoom/documents/16881/attachments/2/translations> (downloaded 30.04.2018)

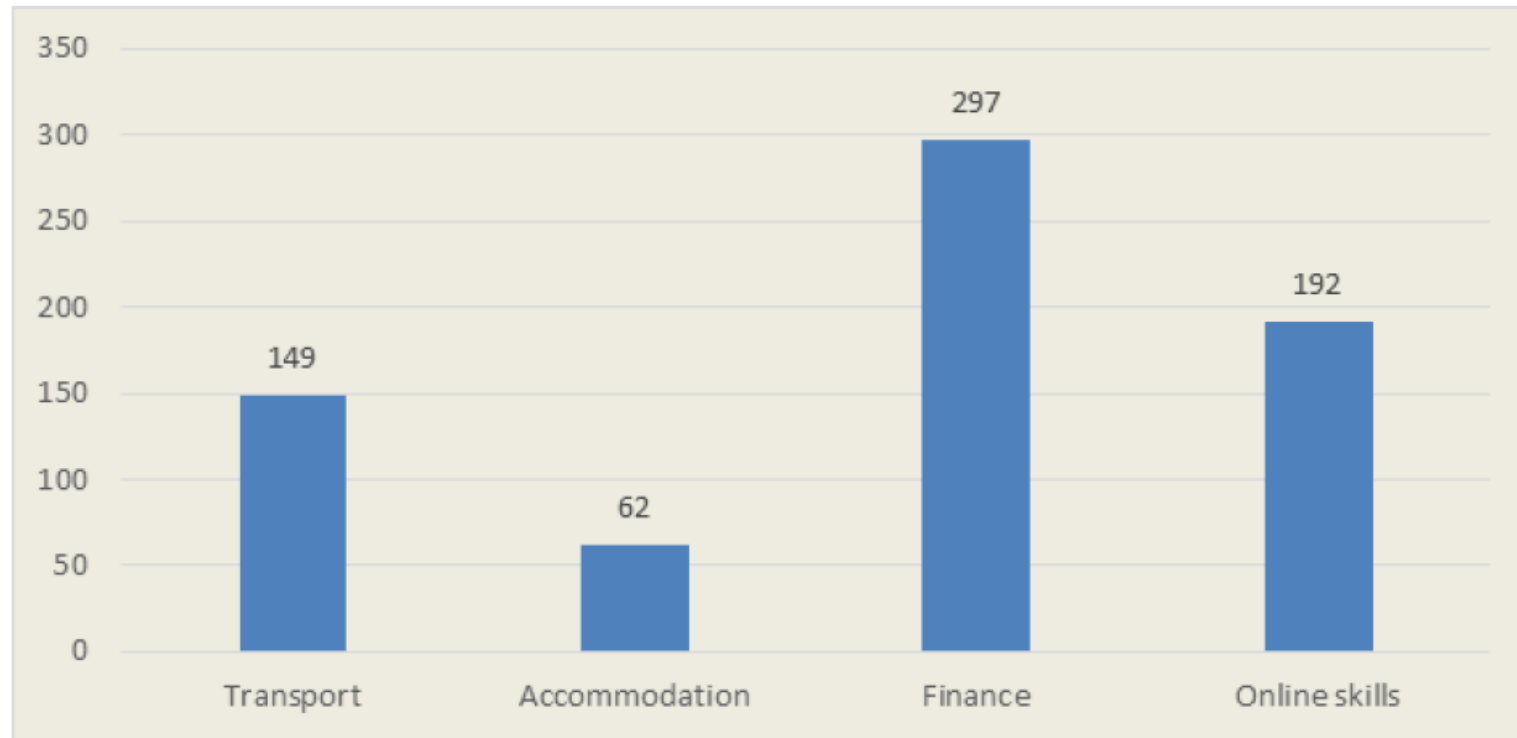


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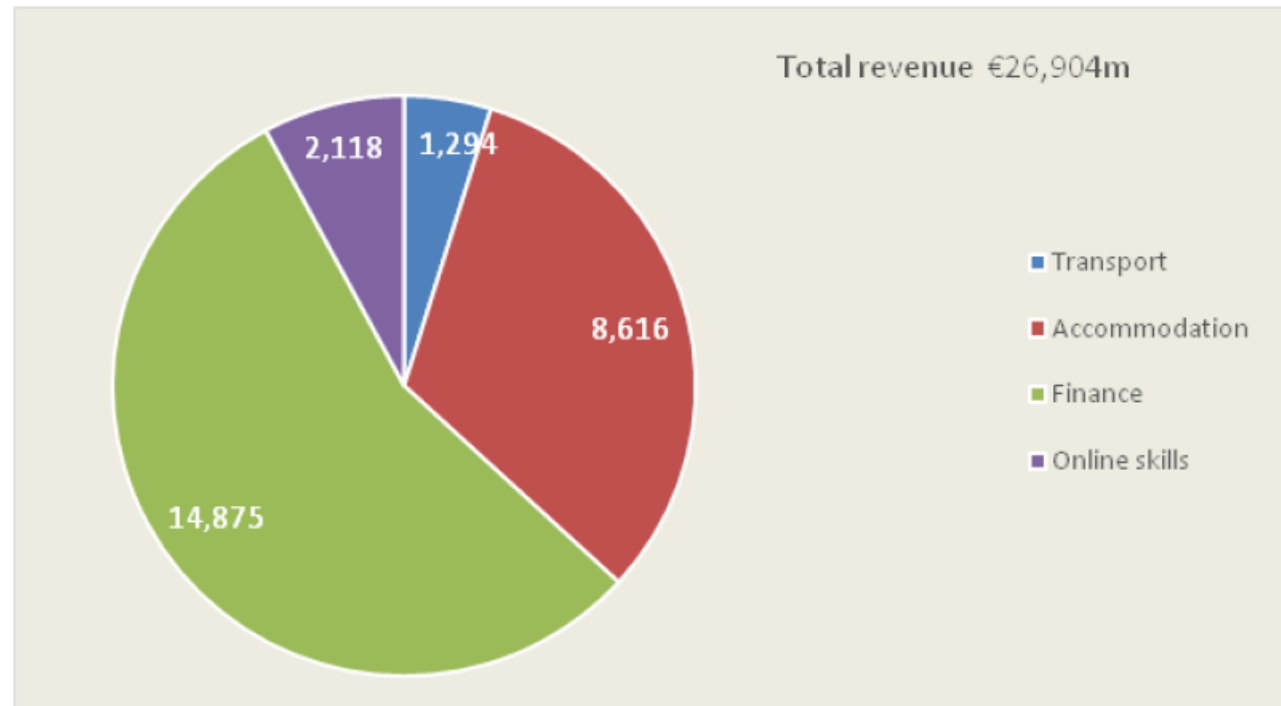
# Commission perspective

## Collaborative economy platforms by sector in the EU (2017)



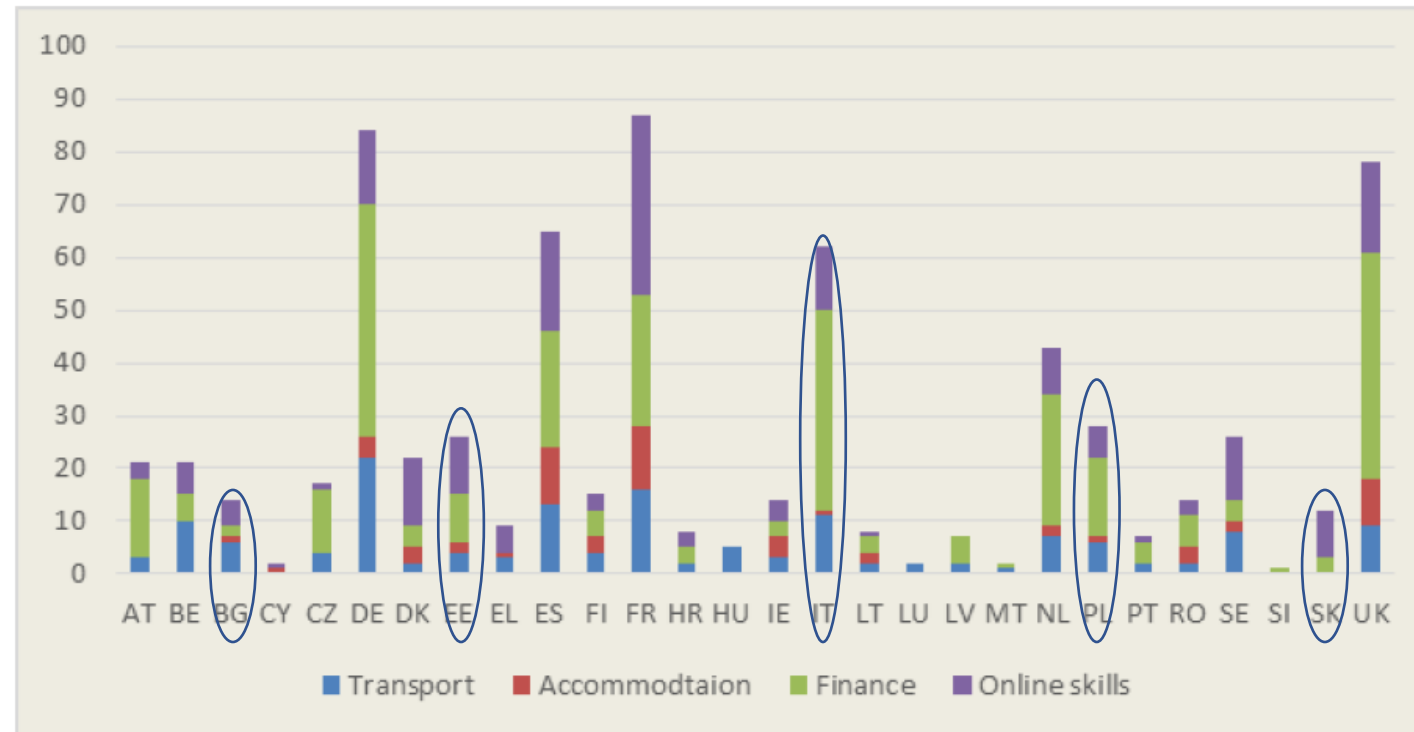
# Commission perspective

## Revenues (2017) – platforms and providers



# Commission perspective

## Collaborative economy platforms in EU MS (2017)



# Description of work

**Objective:** Discovering the potential of the regions and regional stakeholders in shared economy through mapping and identifying innovation-oriented and technology-driven SMEs in collaboration with high-growth potential and ability to benefit from the support available based on an assessment of their needs and potential risks in shared economy area

## Tasks:

T 1.1. Assessment of the regional eco-system

T 1.2. Identifying key players and stakeholders on collaborative economy



# Environment analysis

- a SWOT analysis derived from the mapping of: market forces; key trends; industry forces; and macroeconomic forces
- identification of categories in the regional sharON ecosystem and their expectations
- measures: geographic delineation, size (population), main economic sectors, characteristics related to the socio-cultural context





# Methodology

To reach the targets, SharON team carried out desk research in their regions, searching for data relevant on the topic being discussed, including regional and national reports, publications and databases on sharing economy, general regional characteristics, etc.

Based on the data, analysis was carried out, including:

- Environmental analysis and identification of the most important sharing economy categories in the regional ecosystems;
- SWOT analysis for sharing economy within each region;
- The current report of the collaborative economy initiatives and platforms available in the regions as well as the identification of the main players supporting the sharing economy.



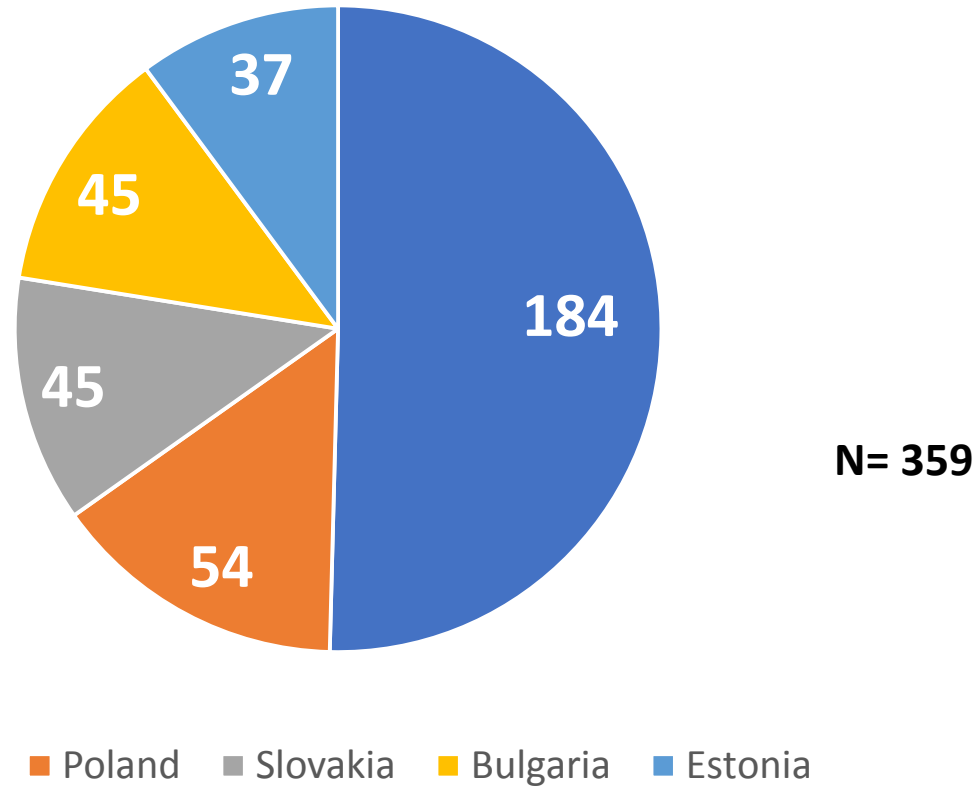
# Characteristics of participating regions

	Italy	Poland	Bulgaria	Slovakia	Estonia
<b>Population of SharON region(s) (million)</b>	Veneto Region 4.9 (Italy 60.6)	Kujawsko-Pomorskie 2.1 and Mazowiecki 5.3 (Poland 37.95)	7.1	5.43	1.32
<b>GDP of SharON region(s) (million EUR)</b>	151 634 (Italy 1 680 523)	Kujawsko-Pomorskie 18 959 and Mazowiecki 44 953	50 429	84 985	23 002

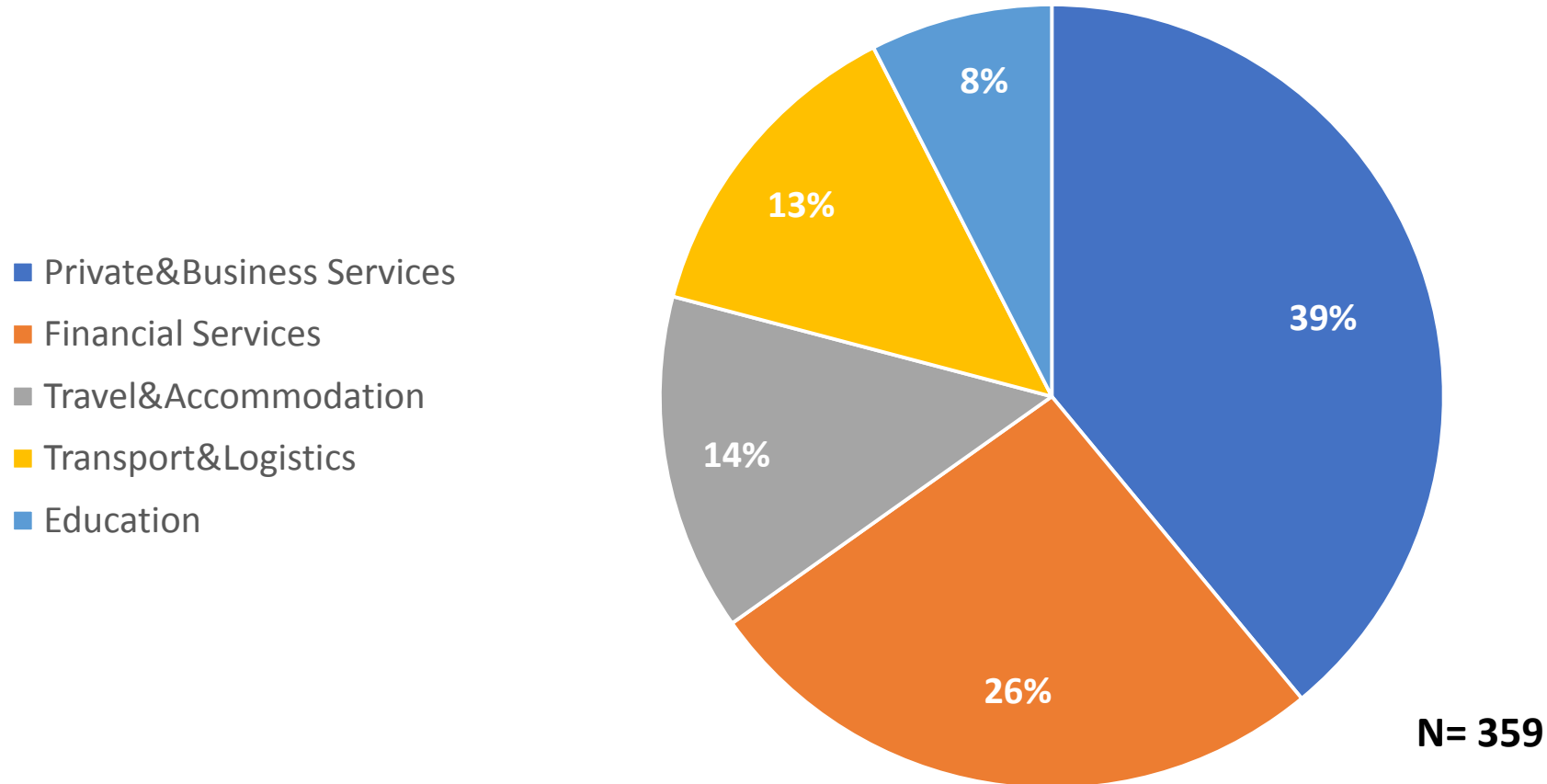
# Characteristics of participating regions

- Most of the platforms created during last 4-5 years
- Fastest growing sharing economy sectors:
  - Private and Business Services (e.g. freelancer marketplaces for household tasks, food delivery, on-demand admin. and accountancy services, etc.)
  - Financial Services (e.g. crowd-funding and peer-to-peer lending )
  - Travel&Accommodation (e.g. sharing access to unused space in homes to holiday travelers)
  - Transport&Logistics (e.g. ride-sharing)
  - Education (e.g. Massive Open Online Courses, sharing notes, lectures etc.)

# Sharing economy platforms in participating sharON regions



# Sharing economy platforms in participating regions



# SWOT in Italy

## STRENGTHS

- New economic/cultural model
- Property owners can monetize their underutilized assets
- Cheaper rates
- Environmentally friendly
- Participants are incentivized to act responsibly (bad reviews)
- Rating system maintains/boosts trust
- Low prices
- Contestability of the market by many people able to use social platforms
- Use of social networks to develop projects and to promote them on the market
- Promotes informed consumption forms based on rationalisation of resources and on goods/services exchange (access rather than possession)

## WEAKNESSES

- Lack of trust in others/products' quality --> barrier to sharing
- Customers do not always know what they are going to get
- A lot of platforms are not yet able to establish an own business model
- Rural dwellers are excluded because of the lack of proximity to potential users (sharing economy as an urban concept)
- Legal implications
- Italian culture not very open/ready to these innovations
- Weakening of the competition principle, market without rules
- Italy is late in the digitalisation process of economy and society (Digital Economy & Society Index: Italy --> 25/28)

## OPPORTUNITIES

- Price increase
- Possibility of partnerships (e.g. Gnammo-Barilla)
- Market open to everyone who can make available a platform, a website or an organisation and thus is able to develop online projects.
- Exploit the almost complete lack of regulations in order to penetrate certain market segments thus becoming leaders in the field

## THREATS

- Actions against competition (e.g. taxi drivers protests against Uber)
- Difficulty to enforce/check regulations
- Sharing economy perceived as shadow economy (Federalberghi Veneto: "Il Veneto fra I territory più infestati dall'abusivismo. Urge un intervento per frenare il fenomeno")
- Lack of regulatory framework BUT (Possible hindering/limitation of the market due to the implementation of normative restrictions)
- Italian Government do not encourage sharing economy (contrary to France and UK) (Number of sharing economy companies by country of origin (2016)-> Poland,Sweden,Italy,Belgium: <25; Spain,Germany,Netherlands: >25-<50; France,UK: >50)

# SWOT in Poland

## STRENGTHS

Social aspect (integration, the ability to meet new people, travel) building social ties  
Faster and cheaper access to services and products  
Enriching the offer, diversity  
Easier and increased access to resources  
Effective use of resource  
Availability for everyone

## OPPORTUNITIES

Technological progress  
With the development of the sector, the trust in the community will increase  
Attitude millennials generation (activities for the public good, need of belonging, experience instead of having, following values or care for the environment)

## WEAKNESSES

Fuzzy responsibility  
Availability of sharing economy services, mainly in large cities  
Poor quality of services  
Low social trust  
Sharing economy is a common phenomenon in practice, but poorly recognizable in the definition

## THREATS

Lack of precise legal and tax regulations  
Limited trust of people to each other and to services offered by platforms  
Increase in unemployment (employment without employee benefits)  
Development of the shadow economy  
Threat to some industries (tourism, transport), unfair competition.

# SWOT in Slovakia

## STRENGTHS

**New business opportunities, new market places**

**The possibility of more efficient use of owned goods (cars, real estate, appliances) by individuals who use them occasionally and through participation in the shared economy will increase their usability and will enable the landlord to save money compared to the acquisition of the equipment in personal ownership.**

**Enhancing competition on the supply side by enabling the involvement of a broad mass of people pushing down on the price of goods and services on the one hand, but at the same time ensuring the high level of services provided, which can also push for the quality of service provided in the same sector provided by the traditional economy.**

**Shared economy platforms also work in the online job market, allowing for specific types of jobs to match offer with demand without changing the geographic location of participants in this transaction.**

**A system of shared economy makes it easier for individuals to work, allowing them to set their own conditions or more flexible working hours.**

## OPPORTUNITIES

The shared economy can respond more flexibly to changed market conditions and, thanks to the use of modern technologies, also cover a larger market share with lower costs for customers.

The area of the shared economy is one of the key areas that the European Union itself has developed. The objective of the European Union is to build a Single Digital Market in which uniform digital business rules apply to all Member States.

The development of the shared economy in the coming period will exert pressure to increase information literacy in people, thereby also increasing the number of people involved in the sectors of the shared economy.

## WEAKNESSES

Low ability to supervise transactions by governments at national and local levels.

It is not possible to talk about a unified and coherent institutional framework in the sphere of the shared economy in Slovakia.

Users on the bidder's side are not employees and do not apply to them, for example severance payments, health insurance, or premium, while providing their services through Shared Economy Platforms to provide their services or to rent goods at lower prices than companies operating in the traditional economy sector, thereby reducing the profitability of these companies, which may appear in the course of time jobs in the traditional economy sectors.

Loss of tax revenues from a state budget view, which is mainly due to the realization of most transactions via online business platforms or business contracts, where transactions can not only be realized between market participants in goods and services in one country but can be carried out among people around the world.

In the case of a shared economy, third parties (platform providers) are rather profitable than the users themselves offering goods and services through shared-economy platforms.

## THREATS

Shared economy regulation is more complex and complex than the regulation of platforms in the field of traditional business models of e-commerce, since traditional-sector companies are subject to national, sectoral, regional or local level regulation.

The sector of shared economy across sectors is an extremely fast-growing segment with a global impact, making it more difficult to apply local legislation to the activities of these companies.

Services or goods provided via shared-economy platforms are not covered by consumer protection law (only applicable to services provided by the platform for customers using its services) and, in the case of specific services, the statutory requirements for their implementation are not met as in the case of companies in a traditional economy.



# SWOT in Bulgaria

## STRENGTHS

Easy to start, almost no regulations  
Peer regulation is more important than government regulation  
Platforms enable a more precise, real-time measurement  
"Owning today feels like a burden tomorrow"

## WEAKNESSES

Most people will not trust sharing economy companies until they are recommended by someone they trust  
Responsibility issues (incl. insurance)  
Requires new business models, which are not well studied (lack of experience)

## OPPORTUNITIES

The growing number of digital devices  
The sharing economy is built on trust  
Need to find ways to authenticate the identity of consumers  
Diversified employment models  
Optimization of underutilized assets

## THREATS

GDPR, R 2016/679  
Overcrowded online space  
Brand development takes a lot  
Re-thinking the value of ownership

# SWOT in Estonia

## STRENGTHS

Rapid and continuous growth of the sector

Fast development of ICT sector provides continuous growth opportunities to sharing economy players

Ease of doing business both on the users as well as the business perspective

Job possibilities to less protected societal groups

Societal control of the service providers with quick and open feedback option

Better price

Unique offer and mass customization – better choice of services for end-user

## WEAKNESSES

Although the first sharing economy companies were set up in Estonia already in 2000, this is still a new field with a lot of companies in very early stage.

High competition, as the sharing economy platforms are easily copied and launched.

No state regulation for private persons planning to sell their products/services via sharing economy platforms

## OPPORTUNITIES

Access to internet is almost a human right nowadays and a continuously growing number of people are connected with access to the platforms

New P2P and C2B business models – change in consumer behavior

Positive effects on entrepreneurship and economy – possible push for relaxed regulations for the entire entrepreneurship sector in Estonia incl. potential new business form - freelancers in business and setting up an entrepreneurship account for private persons

## THREATS

Rules and regulations governing the sector might tighten in the near future, making business in the field not that profitable any more

Consumer protection not well covered

Overcrowded market makes newcomers hard to gain traction

# SWOT - summary

## STRENGTHS

- Faster and cheaper access to services and products
- Unique offer, a wide range of choices
- New economic/cultural model
- The possibility of more efficient use of owned goods
- More job possibilities

## WEAKNESSES

- Requires new business models which are not well studied
- Lack of experience
- Low social trust
- Lack of legal regulations
- Responsibility issues

## OPPORTUNITIES

- Growing number of digital devices
- Technological progress
- Increasing the number of people involved in the sectors of the shared economy.

## THREATS

- Development of shadow economy
- Unfair competition
- Lack of precise legal and tax regulations
- Overcrowded markets
- Customer protection is not well covered

# Follow-up activities – WP 2

2.1. Survey for shared economy contributors: The electronic questionnaire for assessing training needs of shared economy stakeholders

2.2. Regional trainings/workshops for shared economy stakeholders. A number of tailored-oriented events addressed to companies & startups

2.3. Regional round-table for stakeholders. An event for national/regional authorities on how to enhance the shared economy ecosystem and its stakeholders



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