Welcome to this **Dunod podcast** to help you with your studies. Today, we are going to talk about the **sharing economy**.

The term "sharing economy" refers to a socio-economic model thanks to which individuals can share resources, such as goods, services, or skills, with one another through online platforms or communities. Assets or services are shared between private individuals, either for free or a fee. It involves what we call short-term peer-to-peer transactions. It enables people to access, use and share underused assets or services owned by some, leading to increased efficiency, reduced costs and savings for all involved. Sellers or service providers connect to buyers or service users, and it is a win-win situation.

In the sharing economy, individuals can rent out their properties, vehicles, or other material possessions to others when they are not using them. Thus, many resources are better used, and this provides an opportunity for individuals to earn income from their idle assets. Examples of popular sharing economy platforms include Airbnb for accommodations; Uber, Blablacar, or Lyft for carsharing; WeWork, a co-working space provider enabling people to rent out office space on a short-term basis; or LeBonCoin for all kinds of consumer goods and services.

Significantly, the sharing economy extends beyond physical assets and includes sharing skills or services. Nowadays, many online platforms facilitate the exchange of services like freelance work, tutoring, or even pet or house sitting. Various individuals can offer their skills and expertise and earn some income by providing services to help and support others. This can be done face to face or remotely.

The sharing economy has gained significant popularity due to its potential to promote sustainability, reduce costs and waste, and foster community connections. It offers both advantages for consumers and gig workers, like potentially lower prices for goods and lower costs for services. Additional income and revenue streams can be generated. Underutilized resources are being used. Flexibility and convenience are also undeniable, as providers and consumers end up making arrangements that suit both sides. More importantly, resource sharing and reducing production, consumption, waste and the carbon footprint all have a positive impact on environmental sustainability. Finally, the sharing economy implies people are interacting and engaged with others, and that is a very positive outcome in societies where people are often condemned as individualistic and self-centred.

However, the sharing economy also has a few drawbacks and raises various concerns. Indeed, it often operates in a regulatory grey or blurry area, as it disrupts traditional industries and existing regulations do not always adequately cover these new activity models. This can lead to concerns about safety, consumer protection, fair competition, social benefits and protection, for instance. In addition, as the transactions involved often imply interactions between strangers, there can be challenges in ensuring the quality and reliability of the goods or services on offer and shared. Trust between providers and consumers can be a significant concern, as there are still limited legal recourses in case of disputes, subpar experiences or litigation. Labour rights and worker protections cannot be ignored either. As participants or providers in the sharing economy are often classified as independent contractors or freelancers, it means they are usually not entitled to the same social benefits or legal protection typically associated with traditional forms of employment.

We take it for granted today that *everyone* has access to a phone or computer, and that the benefits of the sharing economy can be equally distributed. That is far from the truth, as many individuals may lack the necessary resources or access to participate fully, creating potential disparities, inequalities, and exclusion. Another point to make is that the popularity and success of sharing economy platforms can disrupt traditional industries, leading to job losses or financial challenges for established businesses. This necessarily results in tensions and resistance from those affected by these changes, as we saw when taxi drivers went on strike to protest against Uber drivers.

Finally, one more thing to keep in mind: sharing economy platforms collect and store vast amounts of personal data from users, providers and consumers alike. Worries about data privacy and security are not negligible, and there is a clear need to ensure that this information is protected and used responsibly and ethically.

In a nutshell: the sharing economy has advantages and disadvantages. It is crucial to address them and find solutions balancing its benefits with the need for regulation, fairness, protection, and inclusivity.

SHARING ECONOMY

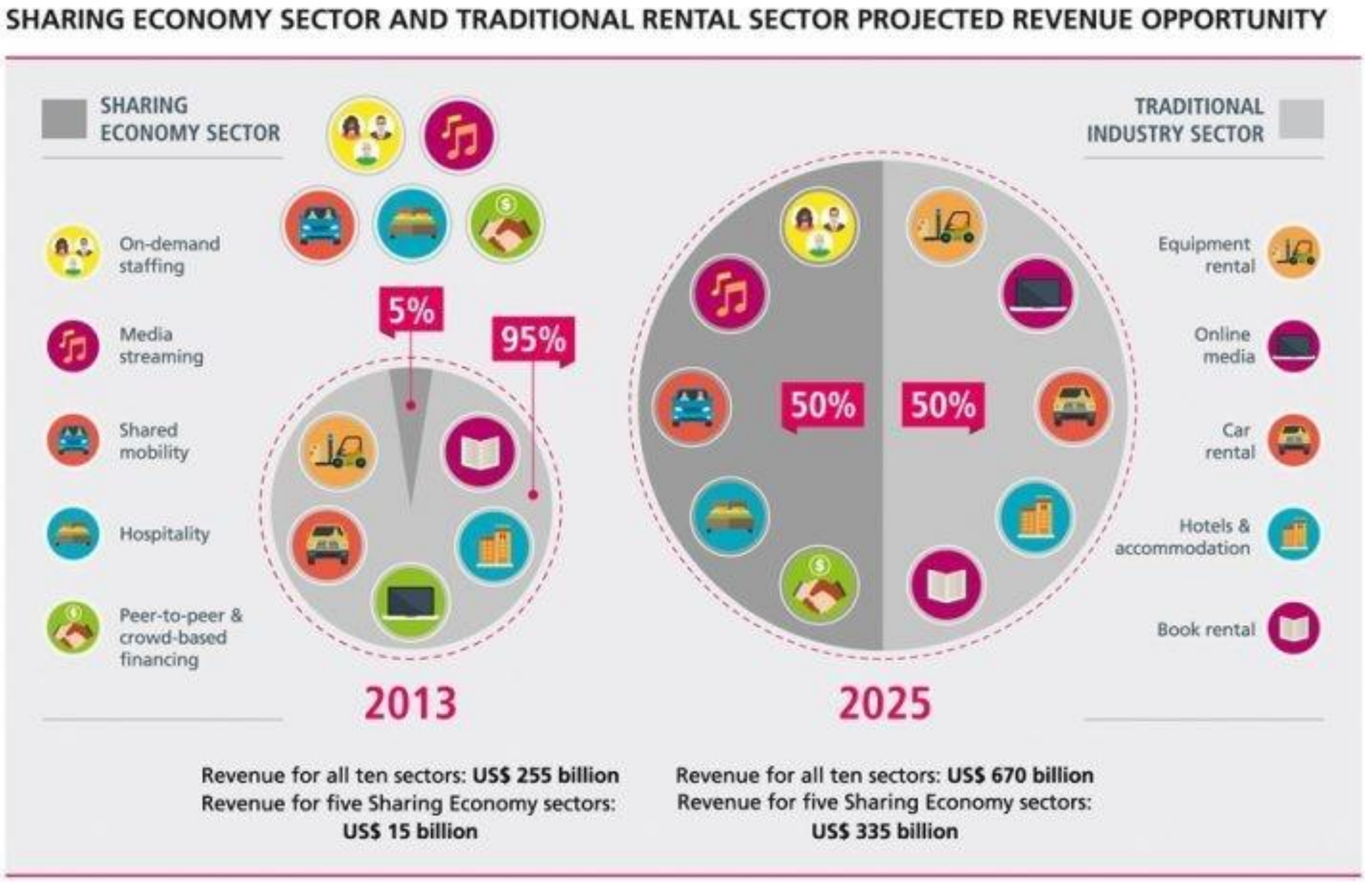

Figure 3: Illustrative revenue potential across five traditional and Sharing Economy sectors; **Source:** PWC – The Sharing Economy