SELECTED ASPECTS OF THE SHARING ECONOMY’S IMPACT ON LOCAL DEVELOPMENT, IN THE CONTEXT OF SOCIAL BENEFITS

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Purpose: The purpose of the article is to assess the sharing economy’s potential to impact local development, in the context of strengthening community ties and stakeholder value creation.

Methodology: The article employs the methods of critical analysis of the subject literature and a case study.

Findings: The authors have demonstrated that sharing economy contributes to the achievement of social, environmental and economic goals on a local scale, creating value for internal stakeholders. Sharing economy activities integrate local communities around common goals as well as strengthen the sense of local communality. Trust, collaborative consumption, local communality, and concern for the environment become the leading values, replacing approaches focused on such categories as possession or money.

Practical implications: The presented examples of sharing economy indicate the necessity to involve local authorities through diagnosing the residents’ needs, spreading awareness of the availability of collaborative consumption in given territory, support of local leaders’ initiatives and initiation of own sharing economy projects. Authorities should take advantage of proven solutions recognized as paradigmatic, an example of which is Milan, whose undertakings have been recognized by the awarding of the prestigious "Earthshot Prize", the so-called "Green Nobel Prize".

Social implications: The analysis shows the multidirectional benefits for the local community, emphasizes the importance of social ties, in the context of counteracting social exclusion protecting the natural environment.

Originality: The Authors attempted to identify the sharing economy through the prism of social benefits for the local community, which can inspire local communities, including the local leaders and local authority representatives in particular.

Keywords: sharing economy, local community, ecology, relations.

Article category: general overview, case study.
1. Introduction

One of the problems modern society has been increasingly facing is excessive consumption. The pursuit of possession, accumulation or use of goods to the exclusion of other values poses a threat not only to the environment, but to society as a whole. The social, environmental and individual costs incurred as a result are felt both globally and locally.

One alternative way of meeting consumer needs is the sharing economy, conventionally understood as a long-term change in the behavior of modern consumers, entailing abandonment of excessive possession of goods, in favor of renting or sharing. In consequence, this not only leads to the improvement in the quality of life of the individuals directly involved, but also protects the environment and serves to create qualitatively new social relations within a given environment. This new model of consumption has been gaining an increasing number of supporters also in Poland, which is reflected in such activities as resale and exchange of used goods, sharing of the items owned and donating those no longer needed, or short-term rental of necessary products, instead of purchasing.

The interest in the sharing economy primarily results from the change in consumers’ mentality and lifestyle, facilitated by the development of communication and information technologies. The ecological and economic aspects, which, due to the deteriorating economic standing of Polish households can become a leading factor determining the development of the sharing economy in the coming years, play an important role here as well.

The subject of sharing economy has been taken up with increasing frequency in the world literature. The concept first emerged in 1978 in an article by American professors Felson and Spaeth (1978). Leading publications contributing to the development of the sharing economy category include publications by such authors: Chen (2009), Botsman, Rogers (2010), Belk (2010), Graham (2010), Bardhi, Eckhardt (2012).

In subsequent years, the scope of publications on sharing economy has expanded steadily, with a large intensification in 2017-2018 (Hossain, 2020). The wave of academic publications has been accompanied by an increase in practical sharing-economy solutions.

PricewaterhouseCoopers estimated that the value of sharing economy will grow from $15 billion in 2014 to $335 billion in 2025 (Hossain, 2020).

Also in Polish literature, a noticeable increase in publications on sharing economy has been observed. In the context of a new consumer trend, the subject matter has been presented by, inter alia, Wardak, Zalega (2013), Burgiel (2015), or Rudawska (2016). The theoretical approaches have been enriched by methodological aspects involving sharing economy measurement, as presented in the works by Malecka and Mitrega (2015) or Szymańska (2019).

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1 The literature uses many interchangeable terms for the concept of sharing economy (collaborative consumption: shared consumption, shared economy, peer to peer economy). The study presented uses the category: sharing economy.
Sharing economy constitutes an important stimulus for the development of enterprises’ innovation activity, which can manifest in various areas. Malecka and Mitręga highlight the links between the sharing economy and product/process innovation (Malecka, Mitręga, 2015), while Niezgoda and Markiewicz (2018) present the context of social innovation, relating their analysis to the tourism market.

The subject literature review shows that the issue of sharing economy is considered through various approaches, in relation to manifold business models and diverse stakeholder groups. Against the background of the ongoing considerations, the reference to sharing economy’s importance for local development, constituting the subject of this study, should be considered as a distinct research gap.

The study aims to assess the potential sharing economy’s impact on local development, in the context of strengthening the community relations and stakeholder value creation. The Authors adopted a thesis stating that sharing economy contributes to the achievement of social, environmental and economic goals locally as well as builds and strengthens the local communality, creating value for stakeholders.

The article is of a review nature, employing the method of critical analysis of the relevant subject literature and a case study.

2. Features and forms of sharing economy vs. local community benefits

Botsman and Rogers (2010) identify four key determinants contributing to the development of sharing economy, i.e.: environment equilibrium, the importance of community and authenticity, peer-to-peer technologies, and financial benefits. B. Schor (2011) describes the development of collaborative consumption as a social innovation, driven by the ethos of lasting, sustainable development as well as by the development of new information and communication technologies and network communities.

The subject literature pinpoints that the sharing economy blends into the idea of social entrepreneurship, which refers to activities undertaken for specific social benefits. The social benefit aspect of collaborative consumption has been presented by Niezgoda and Markiewicz (2018), who presented their considerations in relation to the development of the tourism function. The authors cited have indicated the common features of the sharing consumption and social innovation concepts. In both cases, activities are undertaken for social benefit and serve to solve social problems. Indeed, social innovation can be associated with new organizations as well as strategies, concepts and ideas aimed at meeting social needs (Romanowski, 2019). To this end, as Daszkiewicz (2015) emphasizes, it is necessary to identify the social problems in detail, and dedicate the programs developed to those issues, allowing for changes of a sustainable nature.
The features of social innovation, including its novelty, efficiency as well as the fulfillment of social needs and improvement of the society's capacity to act in particular, are also noticeable in sharing economy ventures. It should be emphasized, however, that owing to online platforms, the process can entail the sharing of consumption with strangers, persons from outside the social networks which usually encompass family members, neighbors or friends and acquaintances.

The advantage of collaborative consumption entails the matching, via an online platform, of free resources with the demand, which leads to a reduction in costs, owing to the elimination of intermediaries in favor of direct exchange of goods and services between parties. Moreover, in tourism, as Niezgoda and Markiewicz (2018) underline, the individual consumer approach as well as the convenience and speed of transactions enhance service satisfaction, while the creation of new jobs becomes an important instrument in the fight against poverty and social exclusion, resulting in increased social satisfaction and greater social cohesion.

The community context plays a very large role within the framework of collaborative consumption, as consumers seek opportunities to establish sincere interpersonal relationships. Mutual engagement should be built on a sense of belonging and shared purpose (Govers, 2013, p. 74). As Botsman and Rogers (2010) point out, a currency other than money is used here – 'trust,' which, from the perspective of local community creation, is of major significance.

Szymanska's research on sharing consumption shows that respondents value selflessness, like to give socially or act for the benefit of others by creating grassroots initiatives, and derive much joy and satisfaction from cooperating with others, thus confirming their desire for belonging to a particular community (Szymanska, 2018).

The determinants of sharing economy development can most broadly be divided into external (i.e., economic, environmental, demographic, social and cultural, etc.), internal (psychological), and marketing factors, including product or service information in particular.

With regard to the latter group of factors, the basic prerequisite for taking advantage of the services offered in the sharing economy entails the awareness of the availability thereof. Consumers need to be aware of the existence of alternative ways to meet their needs, in order to even consider whether they wish to make use of those or not. While access to information is not a problem for young, mobile consumers, an information barrier does exist for older loners who do not have access to the Internet. As Burgiel (2015) emphasizes, the digitally excluded, i.e., those who cannot and/or do not know how to use information technology (ICT), not only are unaware of the many sharing economy activities, but also are not able to take advantage of many of such initiatives. The lack of access to ICT can pertain to both those who cannot afford the necessary equipment and services, as well as the elderly, disabled, sick, under-educated, who are thus largely socially excluded. These individuals are left to take advantage of those forms of sharing economy which are available locally. The problem lies in the question of how to raise their awareness of such solutions. This therefore poses a challenge for local authorities and other entities involved in the process of countering social exclusion.
One important feature of the sharing economy entails the respect for the principles of sustainable development. In addition to economic and social rationality, its positive impact on the environment, and therefore its compatibility with ecological goals is also assumed. It is recognized that co-consumption is environmentally friendly, as it reduces the demand for new products. The concern for the environment, expressed in the surveyed consumers’ specific pro-environmental behaviors, is manifested through the sharing of surplus food with others, refraining from purchasing food products in environmentally unfriendly packaging, or non-consumption of products (e.g., meat) the manufacture or transportation of which poses a threat to the environment.

Achievement of social, economic or environmental goals is only possible with the involvement and support of local governments. This problem has been indicated by, inter alia, Ganapati, Reddick (2018), who have presented the public economy challenges, including the sharing economy opportunities and challenges for the public sector in general and digital administration in particular. The authors have highlighted that the sharing economy enables the reuse of existing assets, in which public entities can play a facilitating role, by working with service-providing platforms (e.g., transit services), to improve residents’ access to public services. This could include, for example, access to information on the scale of demand for specific services or access to infrastructure.

The benefits to specific territorial entities flowing from the sharing economy also include waste reduction, as well as the use of surplus resources, including labor. Surplus assets can be flexibly leased to the interested local online platform users. The reuse of those assets and resources potentially reduces the pressure for natural resources (Ganapati, Reddick, 2018).

Shared economy is reflected in many areas of exchange of both tangible and intangible nature.

Botsman and Rogers (2010) have distinguished three main categories of co-consumption: product service systems, redistribution markets, and collaborative lifestyles, which involve specific forms of exchange and interaction. Each of these forms affects the local market to a greater or lesser extent, bringing specific benefits to the local community.

From a local market perspective, provision of affordable city bicycles, which brings benefits not only of an individual nature, i.e., improvement of physical fitness, but of a group nature as well, by contributing to the reduction of traffic jams or exhaust fumes, which also benefits the environment, can be an example of such a system of product services. More and more cities are now investing in solutions based on the idea of bike sharing. It is worth noting that in recent years, the availability of scooter rentals by the hour, which requires registration with an appropriate app, while an embedded chip emits a signal to a database signaling the location of available scooters, has been gaining in popularity.

With regard to redistribution markets, in which interested parties transfer used items to one another, its important, from the perspective of social exclusion counteracting, to emphasize the social role thereof. Depending on the item (e.g., furniture or clothing), transactions can be free
of charge or against payment. This extends the life cycle of products, which reduces the number of the resources needed for the production thereof as well as the amount of waste, thus contributing to environmental protection. The increasingly popular, especially in large cities, foodsharing public fridges, where community members can leave food that is still fit for consumption but for various reasons is no longer need or is in excess, are one example of support for those with the lowest income. This solution helps avoid food waste and, at the same time, provides valuable support, especially in light of the increasingly high prices of food products, for those who cannot afford to buy food. In many Polish cities, after the outbreak of war in Ukraine, community stores were set up, offering essential products for refugees, where the entire assortment (mainly footwear and clothing) brought by the local community is offered to refugees from Ukraine at zero price.

The third category of co-consumption identified by Botsman and Rogers (2010) is collaborative lifestyle, which entails a specific lifestyle. In this case, we are dealing with such intangible benefits as time, skills or space. This can be exemplified by the so-called time banks, which contribute to the creation and strengthening of local ties and usually operate as informal institutions of mutual assistance, service exchange between members of a specific community, or online services. The exchange is cashless, meaning one receives a service for a service, and the currency of the exchange is time, i.e., one receives 1 hour of someone else's time for 1 hour devoted to a particular person (group of people). Time bank users declare what services they can offer at a certain time and date. One particularly valuable variety of such institutions can be time banks, which involve the integration of young people with older people, allowing intergenerational sharing of skills and experience as well as the passing on of local traditions, etc. In exchange for unique, valuable lessons in history or old traditions, young people educate the older generation in computer skills, for example. It should be noted that this type of ‘time banks’ have already began to function in territorial units (e.g., within the emerging social service centers), generating invaluable value for the internal stakeholders.

Another example in this category, which consolidates local ties, can be carpooling, i.e., the sharing of car rides for a fee, to reduce the cost of commute to a given destination. In practice, this often refers to arranged work or college commute carpools for people living in particular, often suburban locations. In addition to the contacts made, a valuable effect of such co-consumption entails the reduction of exhaust fumes, which in the long term contributes to environmental protection.

In the category of reaping the benefits of ‘place’, in turn, couchsurfing, i.e., a platform through which people from all over the world can be offered free accommodation, can serve as an example collaborative lifestyle. This provides the people traveling to a given destination with opportunities to get acquainted with its culture, traditions or local crafts, as well as allows them to enter into relations with internal stakeholders forming the community of a that territory. External stakeholders are treated as partners, who are not just mere recipients of the offer, but active, involved participants in communication. They co-create the value of the place and
participate in the creation of its brand. Stakeholders, as informed participants, become sources of information and ambassadors of the territory (Kuźniar, Kawa, 2018; Kuźniar, 2021). The process, at the same time, requires not only dialogue and commitment on both sides, but also motivation and mutual trust (Rebelo et al., 2020). After the outbreak of war in Ukraine in February 2022, housing provision took a new form of selfless, unilateral assistance to refugees.

In light of the presented examples of shared economy activity, it should be stated that its effects, consisting in the derivation of such intangible benefits as time, skills or space, in addition to the material benefits directed especially to the disadvantaged, are largely noticeable locally. This supports the fight against social exclusion, allows the creation of new relationships and formation of social ties, including the building and strengthening of local communities.

3. Foodsharing as an expected direction of shared economy development – case study

According to the data published in a report developed by the environmental organization Feedback EU, European Union countries waste 153 tons of million food every year, which is higher than all 2021 food imports in EU countries. The European Union imported nearly 138 million food items (No Time to Waste, 2022). In Poland, according to the results of the research project Opracowanie systemu monitorowania marnowanej żywności i efektywnego programu racjonalizacji strat i ograniczania marnotrawstwa żywności [Development of wasted food monitoring system and an effective food loss rationalization and food waste reduction program], carried out by the Instytut Ochrony Środowiska [Environmental Protection Institute], nearly 5 million tons of food are wasted annually, more than half of which (60%) comes from households directly (NIK, 2022).

One effective way to solve the problem of food waste, bringing tangible social and environmental benefits, is foodsharing, which allows individual users, as well as group entities (producers, restaurateurs, traders), to share excess food, through the operation of foodsharing facilities. Such facilities, e.g., refrigerators, cabinets, shelves, allowing specific food products to be stored in accordance with instructions, are used for free exchange of food between users. In addition to the food provided by individual community members, foodsharing institutions also have a network of contacts with markets, bakeries, local bars, caterers, where they pick up the surplus unsold food, which then goes to community refrigerators. In Cracow, for instance, a total of several dozen kilograms of food goes to three such fridges each day (Urban, 2022).

It should be emphasized that, by design, foodsharing is not an aid institution; anyone can use it to take or exchange a product, owing to which ecological goals of reducing consumption attitudes are achieved. When the poorest community members take advantage of the offer,
additional social goals are realized. Special applications facilitating the use of and access to free or cheap products, an example of which is the Danish app Too Good To Go operating in more than a dozen European countries, including Poland as of recently, play an important role in the development of foodsharing.

There are about 150 foodsharing facilities in Poland, covering more than 30 cities. The largest number of such facilities (a dozen or so each) operate in Warsaw and Wrocław, a few in Cracow, Szczecin and Toruń, as well as in Bielsko-Biała, Sosnowiec and Łódź, while the others are scattered throughout the country (Foodsharing Poland, 2022). Some of them signal the function of collaborative consumption via their name, e.g., the Wspólna spiżarnia [Shared Pantry] in Bydgoszcz, Lodówki pełne dobra [Refrigerators full of goodness] in Cracow, Lodówka dla głodnych [Fridge for the hungry] in Leszno, Dla ludzi i jedzenia [For people and food] in Wrocław, or the outlet of the Fundacja Sercem Przyprawione [Seasoned with heart] in Konin. The essence of the involved foodsharing entities’ activities has been aptly reflected in the mission of the NGO Foodsharing Warsaw: *We save food from going to waste. We encourage all to share food with everyone. We build a sense of responsibility for reducing food waste.*

A model example of food waste reduction can be Milan, whose representatives aim to halve the amount of the food going to waste in the city by 2030 (Borejza, 2022). Restaurants, schools and stores have been involved in the project. The project began in 2014 with research to understand where the most food could be most easily saved. This was followed by consultations with the people of key significance in this matter (including restaurateurs), and a pioneering program with simple yet effective principles was developed. Eight years after the project was initiated, the city has managed to make use of hundreds of tons of food each year. Instead of ending up in the trash, the food goes to the needy suffering from malnutrition, significantly improving their diets. In consequence, it inhibits the development of many diseases, thus reducing the cost of medical care. Achievement of the goals intended was possible owing to the proactive attitude of the city government and the launch of measures to facilitate collaborative consumption, through:

1. Financial incentive for businesses - in 2018, a rule was introduced, according to which entities participating in the city's anti-food waste program received a 20 percent discount on garbage collection fees. In return, they were to pledge donation of food still fit for consumption but destined for disposal.
2. Involvement of school cafeterias in the project by ‘connecting’ them with food banks. Owing to a network system enabling the flow of information, the unused fit-to-eat canteen food goes to an assigned bank, and from there - to the needy. Moreover, based on a diagnosis of the students' eating habits, certain tendencies have been changed, and access to take out containers was provided so that the not eaten at school could be taken home. This was accompanied by environmental education activities.
3. Food exchange centers - places were set up to collect surplus food and distribute it to those in need. These places are very popular (the first two centers established in the city have been collecting and distributing nearly 20 tons of food per month, the equivalent of about 40 000 meals). The third and newest center has been established with the aim to help the youngest residents, where they can get clothes or toys in addition to food.

4. The network system links school cafeterias with local farmers, owing to which students get wholesome local products. This creates commercial outlets for farmers, while the reduction of the need to transport food over very long distances brings positive environmental effects.

The active efforts of the Milan authorities to reduce the waste of several hundreds of tons of food per year have been recognized – the city has been awarded the ‘Earthshot Prize’ or the so-called ‘Green Nobel Prize.’ It has become a ‘role model’ in the field of sharing economy and is currently setting directions for other territorial units. Through ongoing initiatives, social, economic and ecological goals are being realized and the local community is strengthened consistently.

4. Conclusion

The development of alternative forms of consumption, observed over several years in Western countries, which are inscribed in the idea of sharing economy, has been finding increasing application also in Poland. This is noticeable both on the theoretical level as well as in practical activities. The study of the literature on the subject, as well as the analysis of practical activities, allows confirmation of the thesis stating that sharing economy contributes to the achievement of social, environmental and economic goals on a local scale as well as builds and strengthens the local community, creating value for stakeholders. Some of the sharing economy activities are only possible locally, bringing specific benefits to internal stakeholders, including to the poorest groups of the local community. Collaborative consumption enables reduction of individual consumption, encouraging extension of the life cycle of products, thus eliminating product wastage, reducing waste, or limiting the use of transportation and production raw materials. The departure from consumerism toward product sharing with other community members consolidates social ties and strengthens the sense of local community. Trust, sharing, and concern for the environment become key words, replacing the approaches focused on such categories as money or possession.

From the perspective of local community formation, the integration of different groups of residents, the ability to realize one's passions without the need to purchase products, and, above all, the satisfaction of basic physiological needs by those in a difficult life situation have become quite important tasks.
It should be emphasized that at a local level, sharing economy activities sensitize to the needs of the poorest, who, in view of the deteriorating economic situation of households, will steadily increase in number. This raises the question of whether local authorities are able to take advantage of the potential of the residents in their territory and create the right conditions for resource sharing. The example of Milan shows that a thorough analysis of needs, formulation of ambitious plans and consistent implementation thereof can bring the expected social, economic and environmental results.

This example should become an inspiration for Polish territorial units, which have already gained positive experience in creating favorable conditions for the implementation of various forms of sharing economy. The scale of the initiatives undertaken is still insufficient, however, especially in the context of the deteriorating economic situation of many households, or the influx of refugees from Ukraine. What is more, the unstable political situation, intensifying economic restrictions or the still trailing pandemic are becoming a threat to the sharing economy.

In conclusion, the development of the sharing economy creates both new opportunities and new challenges for local government units, whose task should be to diagnose the needs of residents, spread awareness of the shared consumption availability in the territory, support local leaders’ initiatives, as well as initiate their own projects in the field of sharing economy.

Educational activities, emphasizing the fact that sharing economy does not only entail the aiding of the poorest groups and the saving of financial resources, but also the strengthening of closed-loop economy, which is based on the principle of the longest possible product use waste minimization, need to be widely undertaken.

The sense of shared responsibility contributes to the consolidation of social ties and builds local communities, which consequently leads to the reduction of social exclusion and increases individual creativity.

References


