

The Evolution, Impact and Future of the Sharing Economy

Jiajing Ling^{1,a,*}

¹The University of Manchester, Manchester, M13 9PL, The United Kingdom

a. Jiajing.ling@student.manchester.ac.uk

*corresponding author

Abstract: An economic approach known as the "sharing economy" facilitates resource sharing via an online platform. It is distinguished by the sharing of unwanted items or the right to utilize resources, as well as the use of technology and trust to create a sharing platform in order to realize the vision of a collaborative economy. The development of the sharing economy has had an impact on the labor market. The pressure on employment has decreased due to the rise of new informal employment models, but it has also had an effect on conventional labor relations. The laborers' ties to the platform have deteriorated, and issues like the inadequate defense of social rights and interests have come to light. Platforms for the sharing economy should adhere to the "sharing benefits and responsibilities" idea to split the cost of workers' social security and advance economic growth. A major driver of economic growth is the rise in informal employment that has been brought about by the sharing economy. Workers have more employment possibilities and flexible work schedules under the shared labor paradigm. However, there are also obstacles to the sharing economy's growth, such as ambiguous legal obligations and social security problems. In the future, the sharing economy must support social rights and interests and work with the government, businesses, and labor to further the sharing economy's sustainable growth.

Keywords: Sharing economy, Development, Impact, Future

1. Introduction

Robin Chase believes that the sharing economy is a collaborative economic model that creates platforms for sharing and encourages individual participation by utilizing excess productivity and technology. Liu Genrong's Sub-I describes this model as an open exchange system that is based on Internet technology and network platforms, with trust as a bond to protect the owner's livelihood from disruption. Chinese and foreign scholars have different focuses when defining the sharing economy. The Report on the Development of China's Sharing Economy defines the sharing economy as the integration of resources using the Internet and other modern IT to meet diverse needs. It utilizes the Internet and modern IT to enable the sharing of usage rights and integrate various dispersed resources, thus defining the sharing economy. The development of this economy is driven by three key factors: sharing economy platforms, the laborers who engage with these platforms through contracts, and the consumers. These emerging platforms connect individuals with their sharing behaviors and allow them to benefit from their participation.

The Internet platform has enabled the sharing of resources, thus creating a model of economics that encourages social and economic exchanges. This model offers flexible, economical services to

meet the needs of both individuals and businesses and has had a profound effect on traditional industries and economic forms. This paper will explore the development, influencing factors, and future trends of this sharing economy. The research objectives are as follows:

1. analyze the development status of sharing economy: by studying the development status of sharing economy, people will understand its application in different industries and the degree of development in different regions. This will help reveal the rise and development trend of sharing economy.

2. The rise of the sharing economy is influenced by various factors, including technological innovation, social and cultural changes, and policies and regulations. Understanding the impact of these factors on the development of the sharing economy enhances our comprehension of its origins and the driving force behind its sustainable growth.

3. Evaluating the effects of the sharing economy: The growth of the sharing economy has generated numerous beneficial outcomes, including enhanced resource efficiency, expanded employment prospects, and increased social interactions. However, it has also introduced certain negative consequences such as labor rights and consumer protection concerns. Analyzing the impact of the sharing economy facilitates a comprehensive assessment of its effects on both the economy and society.

4. Analyzing technological innovation, policy changes, and market demand can provide insights into the future development trend of sharing economy. As a novel economic model, sharing economy warrants attention. Studying growth patterns of sharing economy facilitates reference for individuals, enterprises, and government officials looking to participate.

By studying the development status, influencing factors and future development trend of the sharing economy, it is possible to gain a more comprehensive understanding of the operation mechanism and development trend of the sharing economy, and provide suggestions for rationally guiding and managing the sharing economy.

2. Labor Market

2.1. Impact on Labor Market Supply and Demand

The rapid growth of the sharing economy has led to the emergence of new forms of informal employment, which have both alleviated employment pressures and impacted traditional labor relations. The reduced dependence of workers, the detachment of platforms from workers' personal identities, and the increased mobility of workers have challenged the existing legal protections, resulting in issues such as the lack of social rights and interests' protection for workers and their displacement. The sharing economy, with its characteristics of low-cost and high-efficiency labor, has attracted a large number of workers and provided new impetus for economic development. However, the unclear labor relations, inadequate social security, and weak legal protection for this group of workers are inconsistent with the original intention of the sharing economy. If people fail to accelerate and improve the social rights and interests of these workers, it will hinder economic development and impact social stability. In the sharing economy, the principle of sharing benefits and responsibilities should be followed, and all parties involved should share the social security costs of this labor force, promoting better and faster economic development. The sharing economy drives the benefits of the labor market.

However, the legal status of online platforms remains unclear and there is a lack of social insurance coverage, which has hindered the recognition of these work models. According to the Annual Report on the Development of China's Sharing Economy, the total value of sharing economy transactions in China has exceeded 4.9 trillion yuan, with over 70 million employees [1]. In the era of the Internet, employment methods have become more diverse, leading to an increase in informal occupations. The

number of informal employments in China has surpassed 200 million, contributing to economic growth. The sharing economy has played a significant role in promoting informal employment and generating substantial wealth. According to the State Administration for Industry and Commerce (SAIC), the total volume of China's individual economy is approximately 980.55 trillion yuan, with private enterprises accounting for over 50% of the GDP, reaching about 274.34 trillion yuan [2]. However, the Chinese economy has become increasingly reliant on non-statutory jobs. Under the labor-sharing model, particularly when there is high demand for labor, workers are only required to possess basic operational skills and have low entry barriers to start working. Labor sharing respects the genuine intentions of workers, separates ownership and usage rights, and gradually reduces personal dependence on work. In comparison to the traditional labor model, the sharing economy provides workers with more employment choices and the flexibility to independently arrange their working hours. However, there are several issues that need to be highlighted in the sharing economy. Firstly, some workers in the sharing economy do not receive adequate social security benefits. Secondly, certain workers in the sharing economy are unable to enjoy reasonable wages and benefits. Lastly, it is challenging to safeguard the legitimate rights and interests of some workers in the sharing economy. Therefore, it is crucial for the government to strengthen supervision and regulate the practices within the sharing economy to enhance its sustainability and fairness. Additionally, sharing economy enterprises should establish robust internal management systems to ensure the full protection of workers' basic rights and interests.

2.2. Challenges to the labor market

During the rapid development of the sharing economy, the labor market encounters various new challenges. Firstly, as the sharing economy continues to grow, the traditional labor model becomes less applicable. Traditional recruitment methods used by enterprises are gradually being phased out, and more and more individuals are becoming freelancers on sharing economy platforms. Therefore, it has become crucial to adapt to these changes and find suitable employment opportunities. Secondly, the rapid growth of the sharing economy has impacted many traditional industries, leading to job losses and the need for individuals to undergo transformation. In such circumstances, it is important to find new opportunities or acquire the necessary skills through retraining. Additionally, the sharing economy has introduced new risks, such as privacy breaches and security concerns. Addressing these issues requires collaborative efforts from the government and all sectors of society to ensure the healthy development of the sharing economy. Lastly, the development of the sharing economy also brings forth new opportunities and innovations, including the emergence of new business models and the application of new technologies. In this context, it is essential to actively explore and leverage these opportunities to promote social progress and development. Under the labor-sharing model, enterprises collaborate to share labor resources, reducing costs and pursuing economic benefits.

In order to reduce costs, some enterprises employ covert methods to evade their legal responsibilities regarding social insurance, labor protection, and employment risks for shared employees. They may utilize standardized conditional sharing agreements or private agreements to conceal information such as working hours, labor intensity, labor protection, and remuneration for workers. Consequently, they fail to provide essential social insurance coverage and labor protection conditions, while potentially extending working hours or increasing labor intensity for workers [3]. Currently, labor sharing has not been formally integrated into government supervision or oversight by relevant agencies. The fast, convenient, and discreet electronic contracts facilitated by online platforms further complicate the effective management of liability risks through private agreements between enterprises. These practices directly expose shared employees and laborers to legal liabilities.

3. Optimization Measures for Employment Strategies of Government and Enterprises in the Context of Sharing Economy

3.1. Labor Costs

The enterprises operating sharing economy platforms should bear their responsibilities. One of the biggest challenges faced by informally employed individuals in the sharing economy is the lack of social security and welfare. As platform enterprises, they should actively fulfill their obligations instead of prioritizing profits. It is important for platforms to clearly define the rights and obligations of both parties before signing labor agreements with workers. This will help manage the platform enterprise more effectively and enhance the workers' sense of job security and loyalty. Enterprises should provide appropriate social insurance for workers in different job categories to safeguard their basic rights and interests. For instance, in the courier and logistics industry, platforms should offer work injury insurance for couriers and establish compensation standards for different accidents. Travel platforms should negotiate and come to agreements with workers regarding private car insurance. Each platform should formulate specific insurance policies based on their unique circumstances. While enterprises have the responsibility to generate profits, it would be a significant step forward if every sharing economy platform prioritized social welfare and responsibility over profit-seeking. This would benefit society as a whole [4]. Therefore, this paper advocates that sharing economy platforms should uphold the principle of "sharing benefits", share costs and enhance social welfare together [5].

3.2. Employment Diversity

In comparison to the traditional labor model, the sharing economy provides workers with more employment choices and the flexibility to independently arrange their working hours. However, there are several issues that need to be highlighted in the sharing economy. Firstly, some workers in the sharing economy do not receive adequate social security benefits. Secondly, certain workers in the sharing economy are unable to enjoy reasonable wages and benefits. Lastly, it is challenging to safeguard the legitimate rights and interests of some workers in the sharing economy. Therefore, it is crucial for the government to strengthen supervision and regulate the practices within the sharing economy to enhance its sustainability and fairness [6]. Additionally, sharing economy enterprises should establish robust internal management systems to ensure the full protection of workers' basic rights and interests.

The paper argues that sharing economy platforms should assume their corresponding responsibilities. Informally employed people under the sharing economy platform suffer from a lack of social security and other social benefits. As a platform enterprise, it should actively assume its own responsibilities and not choose to avoid them by chasing profits. Before signing the labor agreement with the workers on the platform, the platform should clarify the rights and obligations of both parties, which will help to further manage the platform enterprise and enhance the workers' sense of employment security and employment loyalty. Enterprises should match different types of workers with different social insurance to protect the basic social rights and interests of workers [6] such as courier logistics industry, the platform should match to the courier employee injury insurance, specifying the compensation for different accidents. The sharing economy platforms should uphold the principle of "sharing benefits," share costs, and work together to improve social welfare. It is a great progress for the whole society if each sharing economy platform can pursue profits while also considering social welfare and responsibility [7]. Therefore, the paper advocates that the sharing economy platforms should play a responsible role and take action to promote the healthy development of the sharing economy.

3.3. Regulatory transformation

The law, as a tool for effective governance of the country, should play its authoritative role in safeguarding the rights and interests of informally employed persons. In China, labor relations are different from labor relations, which refer to the contractual relationship between laborers and enterprises under formal forms of employment [8]. The law, to a certain degree, safeguards this relationship, allowing laborers who abide by the legal employment contract to enjoy the rights and interests laid out in both labor law and labor rights and interests law, including social insurance participation, avenues to protect their rights and interests, and other social advantages. However, in the sharing economy platform, the informally employed people so far do not have a complete specification that clearly defines their rights and obligations under the labor relationship, and the relevant legal protection is insufficient. To this end[9], China should clarify the basic characteristics of informally employed persons under the sharing economy platform and formulate relevant laws with the basic goal of safeguarding their social security rights and interests, giving full play to the advantages of the new type of labor and circumventing the disadvantages of the new type of labor, as well as formulating a complementary legal system, for example, including disputes prone to arise in informal employment in the scope of commercial insurance, while combining it with social insurance for relief. At present, those engaged in informal employment on the sharing economy platform tend to be younger and more highly educated, and most of them are workers with a competitive advantage in the labor market, making it all the more necessary for the government to create a high-quality policy environment to promote the healthy development of the labor market. Under the whole sharing economy platform, the government, as an organization with administrative power, plays an important role in building a social security support system for the informally employed. Under the new labor model, all parties involved include not only platform business operators, service providers and consumers living on platforms, but also the market and government regulation, and the government, as a central role, should balance the interests of all parties. First, the government should fully recognize that sharing platforms are a key element of a new employment model that promotes economic development and alleviates employment pressure [10]; second, the government should protect the workers who provide services on the platforms because their participation is the driving force behind the development of the platform economy, and most of the laborers in this model lack social rights and interests; and, third, the government should encourage the consumers, who are also a part of the "value co-creators", to use the sharing platforms to improve their employment opportunities. Third, the government should encourage consumers who are also part of the "value co-creation" to use the sharing platform to improve the online utilization of the platform; finally, the government should have certain standards and constraints on the regulators to promote the development of the sharing economy platform and informal workers. Only when the government acts as an intermediary and balances the interests of all parties can the issue of social security for informally employed workers under sharing economy platforms be resolved.

4. Conclusion

The review paper introduces the background and objectives of the analysis. The analysis of sharing economy development, impact, and future provides insights into the characteristics and potential of the sharing economy. The main findings suggest that the sharing economy has become a phenomenon important to global economy, utilizing technological platforms and social networks to provide users with more convenient, economical, and sustainable consumption options. The sharing economy has achieved remarkable success in areas such as transportation, housing, tourism, and finance. In addition, the sharing economy has had positive impacts on the economy and society, providing additional income-generating opportunities, reducing resource waste, and contributing to sustainable

development. However, the lack of regulation and information asymmetry pose challenges to the sharing economy, along with the risk of market monopolization.

The paper concludes with policy recommendations for promoting the healthy development of the sharing economy. Firstly, the government should strengthen regulation and formulate reasonable rules and standards to protect users' rights and interests. Secondly, support and training should be provided to help share economy platforms and participants to improve service quality and safety. Thirdly, it is necessary to strengthen cooperation and form a global cooperation mechanism to address cross-border cooperation and business exchanges. These policy measures aim to promote the sharing economy's healthy development and ensure that it will bring more opportunities and challenges to social and economic development. In sum, the sharing economy has great potential and influence, and through research and effective policy support, people can better understand this new phenomenon and promote its development.

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