

Free sharing economy essay sample

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Sharing economy is a socioeconomic system involving the interaction and sharing of goods and services. These services could include, but not limited to the production, creation, distribution, consumption and trading of goods and services. The sharing economy has seen a steady rise over the years due to recent technological advances. Technology has played a major role in that it has made it very easy to transact business with individuals without physical interaction. It has become much easier to access car rentals, designer clothes, hotel bookings, central city parking space and online ticketing with a simple call or a click of a button. Individuals and companies are making millions of cash by making these services and products available to the people.

Traditionally, consumers are used to buying of goods and have rights and ownership, but through the shareable economy, it is now possible for consumers to hire anything they want for a period. In addition, consumers can have temporary access rights to a product. This is convenient in that no extra costs are involved, and the consumer has the benefit of making his/her choice of goods and services. The internet has provided a simple way for individuals to borrow and lend shareable goods and services even to the less unfortunate. Several startups have provided ways on offering of services to consumers who need the services at a reasonable cost without the involvement of middlemen or other costs like transport.

The rise in unemployment and has risen in recent times, and the purchasing power has dropped to its record lowest. Therefore, people are in need of ways to make and save money. Technology and internet connectivity have offered a simple way for individuals to create startup firms that are making

millions in the sharing economy. The sharing economy system mostly relies on technology to empower individuals, non-profits organizations, corporations, and government with information that enables the sharing, distribution, and reuse of goods and services. In the sharing economy, firms allow consumers to utilize new roles and tasks that were normally done by businesses.

The driving force for sharing economy is the availability of funds. Affordable rates on hosting such shareable economic systems have made it possible for individuals and corporation to host such services. Technology has played a major role with the availability of smart devices, including smart phones and affordability of internet services. Smart phones with apps, satellite positioning and maps can pinpoint any nearby rental rooms and car rentals to hire. Startups are making millions with the introduction of apps offering shareable services. Consumers are now able to search, inquire and make transactions with the touch of a button. These services have made it possible to make arrangements at the comfort of your home and interact with individuals miles away.

Shareable economy has offered new insights in terms of employment opportunities. Individuals now can raise extra cash by working under their favorable conditions. Startup firms such as Airbnb lets people rent out their relay rides, or rent out their spare rooms. In addition, it allows other people or consumers to rent the cars and spare rooms and the owner takes a small percentage of the total paid out. Such schemes offer extra cash to owners and a relief to the consumers, renting is considered way cheap than buying something outright or renting from a hotel or car-rental firm.

Startups in the shareable economy enjoy several advantages in the business market as compared to established firms offering services like hotels and car rental firms. Startups enjoy support from online social networks and social forums that help in establishing trust. Payment methods for the services are mostly done over the internet payment systems that handle the billings. Firms are faced with mistrust from consumers and customers who have either experienced delays or overbooking in certain hotels.

Major concerns are government involvement in terms of collecting tax returns and other revenues from the shareable startups. Most of these startups are new in the market, and there are no laws that govern them. This is a major setback for the governments who are losing millions in tax evasion as the shareable platform enjoy a tax-free haven amongst other legislative laws. Major firms in the rental services are crying foul, as owners of rented apartments offer their spare rooms which are deemed a violation of the signed agreement by their owners.

According to Friedman, sites like Tradesy and TaskRabbit both create and destroy jobs, but are still attributing positively to the economic struggles. Some of the labor-related problems in sharing economy include; no health insurance, no security, pension or workers' compensation, paid vacation, unemployment insurance or paid sick days this makes it less attractive. The idea of shareable economy is appealing, but it needs a lot of resources to be pumped and fully realize its potential. The government is missing out on all the revenues it could garner from these services as currently they are not under any scrutiny. Further, if people will continuously use the shareable economy platform, less manpower will be used in creating new products. In

addition, the platform does not offer any long term opportunities nor solve the problem of unemployment.

The bargaining power of individuals and firms define the labor market in relation to the supply and demand of goods and services. Sharing economy does not offer standard rates for services and products offered, unlike the regulated and established organizations that require physical interaction. Sharing economy might be a source of extra income for individuals and firms like Airbnb or Uber as it facilitates the use of underutilized resources. The Government and regulatory bodies should come up with ways to tax these firms and individuals offering sharing economic services. Regulated firms and hotels charge tax on tourists, hotel and rental car firm while the sharing economy platforms allow individuals to utilize the services offered without payment. This is missed opportunity by the government to get more revenue and resources.

As far as sharing economy is concerned, it should be embraced as it offers untapped opportunities which can be used to alleviate the level of poverty, unemployment rates and self reliance. Sharing economy is set to rise with the ever growing technological advances and more markets are set to embrace this new trend.