

POSSIBLE CONTRIBUTIONS OF THE COLLABORATIVE ECONOMY TO ACHIEVING THE SUSTAINABLE DEVELOPMENT OBJECTIVES IN ROMANIA

Alexandru-Gabriel VULPE¹⁴¹

Abstract

Scientific research based on unequivocal statistical data has reported that the tendency to deplete natural resources, correlated with population growth and the effects of pollution, lead mankind to an uncertain future.

This article aims to investigate how the collaborative economy can contribute to the achievement of sustainable development objectives in Romania, while highlighting the benefits it can generate in the economy.

The hypothesis from which this article starts and which it aims to confirm is that the development of the collaborative economy will lead, on the one hand, to a reduction in the pollution of the environment and, on the other hand, to a more efficient use of natural resources.

Keywords: collaborative economy, sustainable development, natural resources, pollution

JEL classification: Q01, Q55

Introduction

Climate change, increasing inequality (uneven distribution of income), depletion of natural capital are just some of the challenges of the current economy that have given rise to a broad debate on the need to rethink the paradigm of economic development.

Widely recognized economists, disagreeing with the principles of economic growth promoted by mainstream economic theories, have laid the foundations for extensive literature centered on the concept of sustainable development.

Although economic growth models (such as post-growth, de-growth) have advanced in the margins of this new development philosophy, the main global economic players have transposed sustainable development into public policy, through an adaptation of the current system to the social and environmental conditions.

At the EU level, in addition to the policies launched to promote sustainable development, other economic initiatives have been encouraged to contribute to and sustain sustainable development, including circular economy, data economy, and collaborative economy.

Romania's adoption of the principles of sustainable development was achieved by adding in 2008 the National Strategy for Sustainable Development, which is currently (10 years after adoption) in the process of updating and evaluating the recorded results in relation to the objectives set by the 2030 Agenda for Sustainable Development (United Nations-adopted document). By adopting this Strategy, Romania has formally aligned with the UN and EU standards, but some of the legislative initiatives with an impact on this area indicate a lack of firm commitment and coherent strategy for achieving sustainable development goals.

On this background, this paper proposes a comprehensive analysis of the possible contributions that the development of the collaborative economy can bring to the achievement of the sustainable development objectives assumed by Romania within the National Strategy for Sustainable Development.

At the same time, this paper aims at highlighting the substantial potential that Romania has to take on a leading role in promoting, implementing and capitalizing on the opportunities specific to the collaborative economy, with clear benefits in terms of protecting biodiversity and unique and rich natural capital at its disposal.

¹⁴¹ School of Advanced Studies of the Romanian Academy (SCOSAAR), Bucharest, Romania, PhD.(c), email: foxaldoo@gmail.com

Description of the Problem and Conceptual Delimitations

I. Sustainable development has entered the public agenda as a major and urgent concern for the well-being of mankind with the launch of the The Limits to Growth report (also known as the Meadows Report) in 1972 by the Club of Rome, but the term Sustainable Development was first used in 1984 by Lester Brown, director of the World Watch Institute in Washington DC.

Through sustainable development we understand all the forms and methods of socio-economic development that focus primarily on ensuring a balance between social, economic and environmental aspects and elements of natural capital.

In Romania, sustainable development as a self-standing issue has been in the concern of a relatively small group of researchers, mainly from the academic and non-governmental area.

However, the sustainable development for post-communist Romania has constantly oscillated between the deindustrialisation process (which automatically attracted a reduction in carbon emissions) and the tendency to turn into a raw material supplier (with serious consequences on the environment).

This paradoxical and counterproductive situation introduced the sustainable development as a subject of public policy, initiated by the Ministry of Environment, which ended with the promotion of the National Strategy for Sustainable Development adopted by the Government in 2008.

Thus, following closely the European legislation, namely the European Sustainable Development Strategy, the national approach set the following sustainable development objectives:

1. *To limit climate change and its costs and negative effects to society and the environment.*
2. *To ensure that transport systems meet society's economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment.*
3. *To promote sustainable consumption and production practices.*
4. *To improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services.*
5. *To promote equal access to high-quality health care and to improve protection against threats to health.*
6. *To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.*

II. The definition of the concept of collaborative economy has been affected both by the disputes between a small number of specialists (each interested to impose their own vision and thus to claim the paternity of the concept) and their space and language of origin. Otherwise, without referring strictly to content that is more differentiated by nuances than by essence, the term collaborative economy is often replaced by "collaborative consumption", "sharing economy", "peer-to-peer economy", "on-demand economy" etc.

Thus, Rachel Botsman, one of the most authoritative voices in this phenomenon, proposed the following definition for the collaborative economy: an economic system of decentralized networks and markets that unlocks the value of the underutilized goods by connecting directly and unmediatedly the owner with the potential client.

The increasing size of the collaborative economy has led the European Union to assume, with the adoption of the Single Market Strategy in 2015, the development of a European Agenda for Collaborative Economy, which also provides guidance to Member States on how to apply European legislation in this area.

On June 2, 2016, the European Commission launched a Communication entitled "A European Agenda for the Collaborative Economy" to Parliament and the European Council, which is part of the Single Digital Market Strategy. In this Communication, the European Commission assumes that fostering a collaborative economy is key to achieving the objectives of the Single Digital Market Strategy and to creating a more flexible and efficient way of using existing resources and

labor. The European Commission has also highlighted the positive role that collaborative platforms can play in stimulating competition, but also on current consumer behavior.

Thus, the definition proposed by the European Commission in the sense of the above-mentioned Communication for the collaborative economy refers to "business models in which activities are facilitated by collaborative platforms that create an open market for the temporary use of goods or services often provided by individuals".

In the same sense, the collaborative economy involves three categories of actors:

- service providers who share assets, resources, time and/ or skills;
- their users;
- online platforms ("collaborative platforms") - facilitating transactions between the two parties.

Methodology and Scientific Research

Taking into account the fact that collaborative economy is estimated mainly by the use of probabilistic approximations, due to the lack of relevant data sets and conclusive indicators, it is difficult to determine the quantitative impact it determines in achieving the objectives of sustainable development, meaning in which the work rather proposes a theoretical display of the connection between collaborative economy and sustainable development.

Prevalently empirical and qualitative, this paper tries to estimate, from a theoretical to a practical approach, the impact which the collaborative economy can have in achieving the sustainable development objectives assumed by Romania.

The common basis of the research methods used is represented by the bibliographical documentation and the interpretation of specialized literature in relation to the continuous observation of the practical reality.

Practical Ways Through Which The Collaborative Economy Can Contribute To Achieving Sustainable Development Goals

Considering the novelty of the concept of collaborative economy and the relatively low penetration rate at the present moment, the assessment of the impact and contribution that this phenomenon can bring to the sustainable development of the planet will be based on a probabilistic interpretation, the resulting conclusions suggesting rather trends and directions of evolution with a relatively uncertain degree of materialization.

The hypothesis from which this assessment starts and which it is trying to confirm is that the development of the collaborative economy will lead, on the one hand, to a reduction of the pollution of the environment and, on the other hand, to the efficiency of the use of natural resources, as well as an increase in the citizens' standard of living.

Given the insufficient level of maturity and development of the Romanian economy, which cannot ensure the access of a large mass of population to high quality products, the collaborative economy can raise the standard of living and the quality of citizens' lives without affecting the country's trade balance (by limiting the transfer of value to the economies from which the goods are imported).

Also, in order to provide clarity and structure for the impact that the collaborative economy can have on sustainable development, a distinct assessment will be made for each of the sustainable development objectives established at the level of the European Union and taken over by Romania in its own sustainable development strategy.

1. Overall Objective of the EU SDS: To limit climate change and its costs and negative effects on society and the environment.

One of the fundamental arguments used to promote the collaborative economy is the contribution it promises to make in the fight against climate change.

Thus, all the arguments in terms of environmental protection are based on two major components:

- The reduction of waste and the amount of waste produced as a direct result of extending product life and use, considering that the same quantity of goods can meet the needs of many

people. To substantiate this idea, a series of data from specialized studies is produced, most notably the one conducted by the French Environment and Energy Management Agency (ADEME), which revealed that goods whose use can be improved (through loan, rental, exchange, resale) represent approx. one-third of household waste, and adopting specific co-operative behaviors can lead to a 20% reduction in waste.

Likewise, a study by ADEME also deals with the life and use of electronic equipment, the resulting conclusions suggesting that:

- 40% of the refrigerators are replaced, although they are in good working order;
- 25% of the washing machines are replaced, although they are in good working order;
- The technical lifespan of a TV is approx. 80,000 hours, while the duration of use does not exceed 60,000 hours.
- The average lifespan of a phone is estimated at 10 years, while in France statistics show that people change their phone every 2-3 years.

Based on these data, collaborative economy proponents say that similar situations are also recorded in clothing, furniture, toys, home and gardening tools, so that taking on behaviors specific to collaborative economy could cause a reduction in the production of those goods and, implicitly, in the quantity of waste produced, with a favorable impact on the environment.

- Reducing the energy consumption needed in order to produce a larger quantity of products as well as the energy they consume.

This component with a positive impact on the environment comes as an externality of the former, starting from the idea that if the quantity of goods produced is reduced due to the decrease in demand for the respective products, the environment also benefits from the reduction of the demand for the electricity required to produce the goods in question and for the independent operation of those goods.

Also, a significant impact on the beneficial effects generated by the collaborative environmental economy is driven by transport emission reductions, these issues being more fully addressed in the section below, about the next objective.

2. Overall Objective of the EU SDS: To ensure that transport systems meet society's economic, social and environmental needs whilst minimizing their undesirable impacts on the economy, society and the environment

The completion of the collaborative economy as an economic and social system accepted and promoted by the authorities is largely due to the real applicability of this system in the transport sector.

The most eloquent example is the Uber company, which, just six years after its launch, has become the world's largest taxi company valued at more than \$ 60 billion without having even a car. Practically, the Uber model has proved the potential of collaborative economy and has inspired the launch of many other collaborative platforms.

Also with application in the field of transport, an equally eloquent example is the BlaBlaCar company launched in France, which has reached from one million users in 2011 to 25 million users in 2015. BlaBlaCar representatives estimate that members registered on the platform as drivers have accumulated savings of approx. 250 million euro and contributed to the reduction of carbon emissions by approx. one million tons of CO₂.

Whether we are talking about Uber or BlaBlaCar, the purpose of both platforms is to capitalize on the latent and/ or wasted potential and to contribute, by promoting these collaborative economy behaviors, to protecting the environment and meeting the economic and social needs of communities which they serve. Thus, in addition to the fact that the users of the services provided by those platforms benefit from favorable prices and hence higher mobility, perhaps the most important impact it generates concerns the reduction of carbon emissions, knowing that the transport sector determines 50% of the consumption of fossil fuels.

3. Overall Objective of the EU SDS: To promote sustainable consumption and production patterns.

Leaving aside the clear benefits that the collaborative economy brings in combating climate change by cutting emissions, the greatest contribution it brings to the sustainable development of humankind is to promote a more responsible and sustainable consumption style .

An essential argument for changing consumption patterns is the results of annual research made by the Global Footprint Network and WWF, which in 2018 revealed that mankind consumed the resources that the planet is capable of regenerating over that year on August 1, and the trend shows continuous depreciation. As a term of comparison, in 1961 mankind consumed three quarters of the resources generated by the planet in one year, the ecological deficit occurring in 1973.

Although the collaborative economy is by itself a more sustainable consumption practice, an aspect developed within the previous objectives, its success depends significantly on the signal that the authorities will give, as well as on how they will regulate the field.

With regard to this objective, the European Union has embarked on a wide-ranging legislative process, which, in addition to promoting the collaborative economy, aims to mobilize other legislative and financial instruments to facilitate the transition to a sustainable consumption and production model. In this respect, the European Union has introduced another concept, called the *circular economy*, which aims to "close the loop".

4. Overall Objective of the EU SDS: To improve management and avoid overexploitation of natural resources, recognizing the value of ecosystem services.

In support of the transition to a new paradigm, the promoters of the collaborative economy invoke a simple logic, namely that by increasing the life of the products and implicitly using them to the full potential, the production of goods is diminished, with beneficial consequences both on the environment line (reduction of waste) and savings (reduction of resource consumption).

Thus, concrete examples are derived from the studies on the use of certain goods in most households, which lead to the idea that a large part of them is underutilized. The most common example is cars, which, according to the studies, approx. 92% of the time are in the parking lot.

In order to facilitate and stimulate the development and take-up of specific behaviors specific to the collaborative economy, a legislative package promoting the circular economy, entitled "Closing the loop", was launched at the level of the European Union.

Through a circular economy, the European Commission understands a socio-economic system whereby "the value of products and materials is kept as long as possible, waste and use of resources are minimized and resources do not leave the economic flow once they have reached the end of their lifespan, but are reused and create value further on".

In fact, the action complements the agenda for the development of the collaborative economy as a prerequisite for increasing the quality and sustainability of products so that they can be re-introduced/ maintained for a longer period in the economic circuit.

In essence, by combining the patterns of behavior specific to the collaborative economy and the circular economy, a better use of the underutilized goods is achieved, an increase in the use and lifespan of the produced goods and, finally, a reduction of the resources used to produce such goods, these aspects without affecting in any way the degree of satisfaction of the needs of the population.

5. Overall Objective of the EU SDS: To promote equal access to high-quality health care and to improve protection against threats to health.

In Romania, health has become a major global problem, as a result of massive exodus of medical staff from the native medical system.

Under these conditions, it is increasingly difficult for patients to access quality medical care at a cost-effective price, mainly due to the low availability of qualified medical staff.

Continuous acceleration in the field of knowledge, innovation and technological development influences remarkably all areas of human existence including medical field with definite benefits in terms of improving the quality and accessibility of medical services.

This registry encompasses the many virtual medical platforms that provide healthcare services that are pooled generically under the name of e-health. An example of such an application is Mediprice. It was launched in Romania, representing a virtual meeting space for people interested in purchasing medical services and health professionals registered on the platform.

6. Overall EU-SDS Objective: To create a socially inclusive society by taking into account solidarity between generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.

Regarding this sustainable development objective, the collaborative economy contributes to several levels, both in terms of encouraging the behaviors and attitudes necessary for the development of social inclusion, as well as increasing the quality of citizens' lives.

First, no matter which party we are (supplier of goods/ services or consumer), engaging in the collaborative economy involves initiating and sustaining a social interaction. Therefore, there are many voices expressing that beyond the material benefits it has the potential to produce, the collaborative economy is primarily a vector of social equality. Practically, one of the motivations for adopting behaviors specific to the collaborative economy is that it allows a certain category of people to access goods and services they would not otherwise have, thus giving rise to new forms of solidarity. This view is also shared by M. Cohen, who sees the social side as a priority in developing and taking on sustainable consumption behaviors, to the detriment of the environmental dimension.

Also, by changing the vision of consumption and by facilitating the transition from ownership to access, the collaborative economy encourages the altruistic and prosocial behaviors, the fundamental prerequisites for the advent of humanity to the post-materialist stage.

Additionally, the collaborative economy determines an increase in efficiency, transparency and competitiveness, along with a reduction in the risk of informational asymmetry, aspects that contribute to a higher quality of life.

Also, the collaborative economy is manifested as a factor stimulating competitiveness on the market, which translates into lower prices for consumers.

Last but not least, the collaborative economy offers new opportunities on the labor market, providing a viable alternative to classic employee status through a flexible program and the ability to develop a new source of income based on underutilized assets.

Alternatively, the collaborative economy offers a good opportunity to enter the ranks of entrepreneurs without involving high costs and risks.

Finally, another aspect specific to the collaborative economy, innovation, provides the premises for an accelerated growth with high added value for both the entrepreneur and the community he serves.

Conclusions

The role of this article is to contribute to a better understanding of the theoretical and applied concepts that have developed within sustainable development in order to ensure the coherence of future public policies that will affect the economic field.

Sustainable development is and must remain a desideratum of all generations, a continuous process to engage every citizen in a responsible and continuous manner. Thus, viewed as an end in itself, sustainable development subordinates a wide range of instruments and measures, including the collaborative economy.

The European Union, the global leader in the fight against climate change and the promotor of a sustainable economic development approach, has adopted, besides the legislative package for the cooperative economy, a firm commitment to stimulate the circular economy designed to "close the loop".

At the level of Romania, although it can be said that there is a normative framework dedicated to the transition to a sustainable development-centered economy, it seems to be inconsistent and unaccompanied by a plan of systematic measures to promote and popularize the practical means by which the population can make an important contribution to this goal.

Regardless of the material or environmental benefits promised by the collaborative economy, its success in terms of contributing to the fulfillment of sustainable development objectives depends largely on producing a change in current production and consumption practices. Without a profound change, without solidarity, cooperation and trust, any effort, initiative or action is doomed to failure.

From an economic point of view, the key points of sustainable development are represented by the reduction of environmental pollution and the productivity of natural resources, meaning more goods and services per unit consumed.

Therefore, sustainable development, like the collaborative economy itself, does not only refer to changing people's behavior regarding the environment, but also to changing thoroughly the conception of the economy, society and politics.

Bibliography

Benoit, T. (2012), Étude sur la durée de vie des équipements électriques et électroniques, <http://ademe.typepad.fr/files/dur%C3%A9e-de-vie-des-eee.pdf>

Botsman, R., Rogers, R. (2010), What's mine is yours: The rise of collaborative consumption, Harper Business, New York.

Botsman, R. (2015), Defining The Sharing Economy: What Is Collaborative Consumption—And What Isn't?, https://www.fastcoexist.com/3046119/defining-the-sharing-economy-what-is-collaborative-consumption-and-what-isnt_

Brundtland, H. (1987), Our common future, World Commission on Environment and Development, Oxford University Press, <http://www.un-documents.net/our-common-future.pdf>

Cohen, M. J.(2007) Consumer credit, household financial management and sustainable consumption, International Journal of Consumer Studies, 31, 57-65, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1061894

Demilly, D., Novel, A.-S. (2014). The sharing economy: make it sustainable, Studies N°03/14, IDDRI, Paris, France, 30 p., regăsit online la următorul url: http://www.iddri.org/Evenements/Interventions/ST0314_DD%20ASN_sharing%20economy.pdf

Jackson, T. (2009), Prosperity Without Growth: Economics for a Finite Planet, Earthscan, London.

Sundararajan, A. (2016) The sharing economy. The end of employment and the rise of crowd-based capitalism, The MIT Press, Cambridge.

*** (2016) A European agenda for the collaborative economy, European Commission, <http://ec.europa.eu/DocsRoom/documents/16881/attachments/2/translations>

*** (2015) Closing the loop - An EU action plan for the Circular Economy, European Commission, <https://eur-ex.europa.eu/legalcontent/EN/TXT/?qid=1453384154337&uri=CELEX:52015DC0614>

*** (2016) Proposal for a new European Consensus on Development Our World, our Dignity, our Future, European Commission, https://ec.europa.eu/europeaid/sites/devco/files/communication-proposal-new-consensus-development-20161122_en.pdf

*** (2008) Strategia Națională pentru Dezvoltare Durabilă a României Orizonturi 2013-2020-2030, Ministerul Mediului și Dezvoltării Durabile, http://www.mmediu.ro/beta/wp-content/uploads/2012/06/2012-06-12_dezvoltare_durabila_snddfina romana2008.pdf