

BUSINESS MODELS IN THE PERSPECTIVE OF A SUSTAINABLE ECONOMY

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ABSTRACT: *In the current socio-economic context marked by frequent and profound changes, it is necessary, perhaps more than ever, to adopt a way of carrying out economic activities that, in addition to efficiency and profitability, also aims at social welfare, environmental protection and a new way of managing resources. I consider that, from this point of view, the model of the collaborative economy responds very well to this desideratum and as such, the present paper aims to present a series of specific aspects and its particularities.*

KEY WORDS: *collaborative economy, business models, competitiveness, sustainability.*

JEL CLASSIFICATIONS: *O10, O33.*

1. INTRODUCTION

Business models are changing quickly today with the use of digital technologies, and the survival and growth of the business can be ensured only by accurate information and by implementing appropriate changes at the right time.

The new business models aim to redefine the concept of successful business and to give greater importance, not only to micro and macroeconomic indicators of profitability, but also to those that measure the degree of personal satisfaction in economy and society, ecological sustainability, how to use of resources, social responsibility, etc.

Nowadays, it is observed that entrepreneurs are more and more preoccupied in endowing their business with digital systems, state-of-the-art technologies, platforms, etc. to make it more visible in the online environment and, implicitly, to increase its performance; these changes are felt in almost all traditional business models.

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One of the business models based on the concepts stated above is the collaborative economy which has a huge potential to generate revenue, and which has already penetrated many areas such as: financial services, transport, tourism services, media products, services professional etc.

2. COLLABORATIVE ECONOMY - CONCEPTUAL APPROACHES

The collaborative economy is a new market model, or, as many experts believe, an extension of existing models, outlined in an environment based on trust and collaboration, supported by online tools.

The European Commission considers that "the term 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 this context, the European Parliament highlights the need to see the collaborative economy not only as a collection of new business models offering goods and services, but also as a new form of integration between society and the economy, where the services provided are based on a wide range of relationships, where economic relationships intertwine with social ones, creating new forms of community and new business models (https://www.europarl.europa.eu/doceo/document/TA-8-2017-0271_RO.html).

The collaborative economy is a socio-economic system built on the concept of sharing physical and human resources. It includes the creation, production, distribution, trade and consumption of goods and services by individuals and organizations, in a common way and is based on the integration of the qualification and experience of the participants. These "peer-to-peer" models create new opportunities for individuals, communities and companies, as it allows them to collaborate and conduct various transactions, thus meeting their own needs.

The collaborative economy is a system that has the potential to change decisively the business model of many activities, which increases the growth potential of the world economy and can over time lead to major changes in people's consumption and accumulation behaviour (<https://www.businessmagazin.ro/analize/sharing-economy-un-model-pentru-o-lume-digitala-16818591>).

Although the collaborative economy began to take shape in the mid-2000s, its development has intensified greatly based on the development of the Internet and associated technologies. Thus, through it, the rhythm and the area of activities that people practiced before were accentuated. At the same time, another factor in the development of the collaborative economy was the economic crisis of 2008-2009, which pushed more and more people to look for new ways to save or, on the other hand, people who sought to obtain additional income. Based on the demand but also on the technological means of manifesting the supply, the most successful start-ups in the field were developed, and the business models of the collaborative economy took off.

The concept of collaborative consumption has become increasingly popular in recent years, and companies such as Uber and Airbnb perfectly reflect the benefits. The two entities are some of the most valuable companies based on the idea of sharing goods, they are often used to describe how the collaborative economy should work.

The basic principles of business models in the collaborative economy aim at:

- sharing, not owning a good;
- integration of participants' qualifications and experience;
- trust, transparency, human contact, authenticity, mutual aid;
- lower costs;
- development of local and regional communities;
- unused value is lost value;
- market transparency and free access to information;
- urban density favours collaboration.

The economic model of collaborative consumption implies the situation in which the participants have common access to goods and services, which differs from the classical system, in which each participant was the sole owner of the good or service consumed. This model is possible through the use of online platforms, online markets and all tools that involve the use of modern technologies.

The collaborative economy involves three categories of actors:

- service providers who share assets, resources, time and / or skills - these may be individual who provide services on an occasional basis or professional service providers who act in the exercise of the profession;
- users of these services, goods, etc.;
- intermediaries linking providers to users through an online platform and facilitating transactions between the two parties (collaborative platforms).

3. MAIN ADVANTAGES

The main advantage of the collaborative economy is that it allows a more efficient allocation of resources in the economy, in terms of using those goods considered to be "pending" (such as real estate or long-term use), but also services with low barriers to entry on market. Moreover, the collaborative economy contributes to increasing the revenues of service providers and creating new flexible jobs (http://www.consiliulconcurentei.ro/wp-content/uploads/2020/05/dc-implicatiile_dezvoltarii_economiei_colaborative_sinteza_ro.pdf).

From the perspective of consumers, the main advantages of the collaborative economy are represented by the convenient access to services, the availability of ratings and reviews from other users, the diversity of services, attractive prices, etc.

At the same time, business models and trends in the collaborative economy have a considerable impact on the labour market, being part of the current digitalization of society. The collaborative economy creates new opportunities and new flexible career paths for all categories of users, especially for the self-employed, the unemployed who are currently away from the labour market or could not otherwise participate in it, and can therefore serve as a way to enter the labour market (https://www.europarl.europa.eu/doceo/document/A-8-2017-0195_RO.html).

The advantages offered by the collaborative economy are also multiple in terms of the categories of people considered to be often disadvantaged in the labour market.

Thus, collaborative economy models can contribute to stimulating the participation of women, young people, the elderly in the labour market, by offering opportunities for flexible forms of entrepreneurship and employment (working from home, part-time program, etc.).

In the current socio-economic context determined at the world level by the COVID-19 pandemic, perhaps more than ever the advantages of this economic model on the labour market have been noticed; the increase in workload on digital platforms can be explained by the fact that it offers a number of benefits for both employers and employees, especially in the context of the need for flexibility in these special markets.

4. DIMENSIONS OF THE COLLABORATIVE ECONOMY

Collaborative economy models can be applied over a wide range of markets, although certain economic sectors are more likely to adopt this new type of economic activity. In this sense, the collaborative platforms on the market for passenger transport and short-term accommodation services stand out. These markets are more likely to be part of the collaborative economy, for at least two reasons: the characteristics of goods (durable goods, especially those of long use and low utilization rate, obviously have a higher potential to be traded on such markets compared to perishable goods; market access (in general, services with low barriers to entry have a higher potential to be part of the collaborative economy compared to those heavily regulated areas).

The collaborative platforms execute a variety of business models, which are presented below:

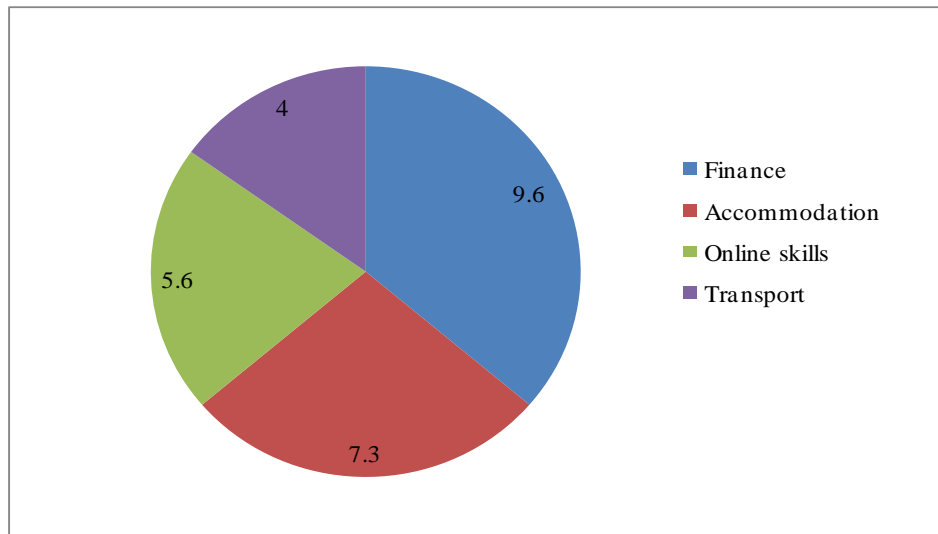
- Transport: ridesharing, peer-to-peer vehicle rental, rides on demand, parking spaces, delivery transport services, online food delivery;
- Accommodation: residence renting, home sharing, home swapping;
- Finance: reward-based funding, equity funding, debt funding;
- On-line skills: on-demand household services, on-demand professional services.

Regarding the size of the collaborative economy, the data published by The European Commission in 2018 indicates a value of approximately 26.5 billion EUR in 2016, representing 0.17% of the GDP of the European Union. Most revenues were generated in the financial services sector (9.6 billion EUR) and accommodation (7.3 billion EUR). These are followed by professional services (5.6 billion EUR) and transport services (4 billion EUR) - Figure 1.

In Romania, the largest share in the total revenues of collaborative platforms has accommodation and transport services, followed at a great distance by financial and professional services.

In terms of revenues from collaborative economy-specific activities by European Union countries, the highest revenues were in France (6.6 billion EUR, about 25% of the total collaborative economy at European Union level), United Kingdom (4.6 billion EUR, 17%), Poland (2.7 billion EUR, 10%), Spain (2.7 billion EUR, 10%) and Germany (2.5 billion EUR, 9.5%), these countries generating at the same time, most jobs in the collaborative economy (approximately 284,400).

In the top of the revenues generated within the collaborative economy, Romania is placed on a rather marginal place, being obtained in 2016 revenues of only 87.8 million EUR and created approximately 6,254 jobs. This does not automatically mean a modest performance in terms of the activity of the collaborative economy in Romania or in Member States with a smaller economy, but rather the fact that large economies offer higher development opportunities, given the higher number and purchasing power of consumers in these countries (http://old.consiliulconcurentei.ro/uploads/docs/items/bucket15/id15902/dc-implicatiile_dezvoltarii_economiei_colaborative.pdf).



Source: The European Commission, Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 EU Member States, Final Report 23 February 2018

Figure 1. Estimated collaborative market revenue in the EU-28 in 2016 by sectors (EUR billion)

At the European Union level, the services provided by the collaborative economy platforms are most commonly used in countries such as: France, Ireland, Latvia, Germany, Estonia. The most reluctant countries, in which the collaborative economy is less developed are Cyprus, Malta, Czech Republic (www.europarl.europa.eu/news/ro/headlines/economy/20170428STO72971/infographic-ponderea-economiei-colaborative-in-ue).

Regarding the popularity of collaborative platforms, one in two Europeans heard about them, and one in six used them. The situation of collaborative platforms according to the age of users at the level of the Member States of the European Union is as follows (Figure 2).

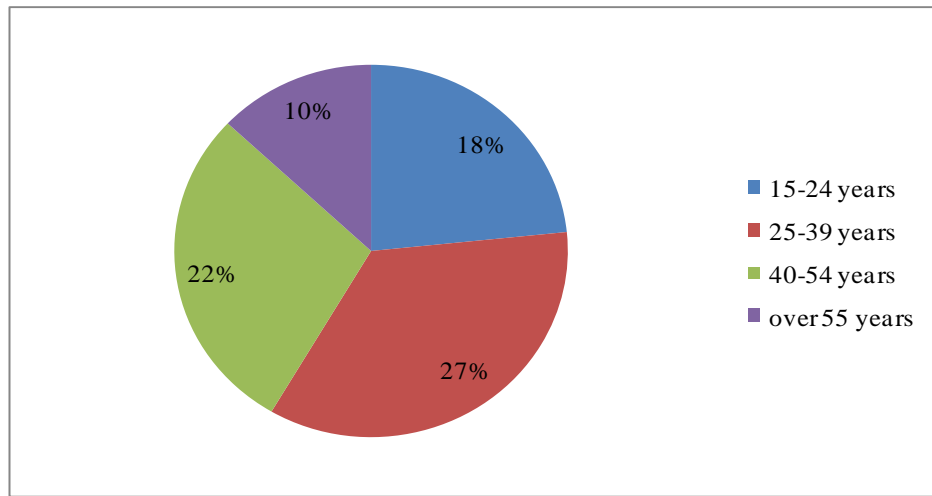
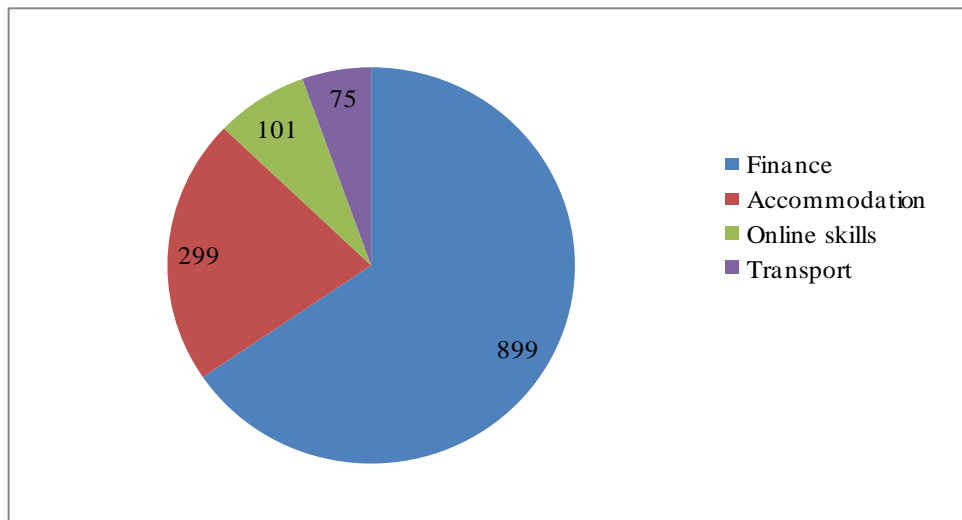


Figure 2. Using collaborative platforms according to the age of users

If we analyse the incitement of investors towards such business models, we note that around 1.4 billion EUR in EU collaboration platforms have been invested at the level of 2017. In particular, investments were directed to the financial sector, accommodation, transport and professional services. Investments in platforms have been mainly made for IT infrastructure development - Figure 3.



Source: The European Commission, Study to Monitor the Economic Development of the Collaborative Economy at sector level in the 28 EU Member States, Final Report 23 February 2018

Figure 3 Investments into collaborative economy platforms up to 2017 (EUR million)

5. CONCLUSIONS

The collaborative economy creates new opportunities for both consumers and entrepreneurs, using a wide variety of resources, which under other conditions would remain unused. As such, it can contribute to employment and economic growth at EU countries, if it is encouraged and developed in a responsible way. Innovation-based, the new business models of the collaborative economy have a significant potential to contribute to competitiveness and economic growth.

Although collaborative platforms can sometimes be a challenge for market participating market participants and existing practices, they promote new employment opportunities, flexible working conditions and new sources of income. For consumers, the collaborative economy can provide benefits through new services, extensive supply and lower prices. It can also stimulate asset sharing and a more efficient use of resources, which can contribute to the achievement of EU sustainability targets as well as the transition to the circular economy.

As a corollary of the exposed, we can say that the digital platform economy is already an integral part of the European economy, and its economic and social importance will continue to grow significantly in the future.

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