

3 Discussion and additional in-depth information

3.1 Are Financial benefits totally unimportant?

It seems that a financial benefit is totally unimportant to involve in sharing, for Flemish Givers, and that this is not only applicable for the LETS group (still a dominant subgroup in this sample), but also for the rest of the sample. This finding does not match the findings in the American literature though, nor does it corroborate with the perception of several platform owners and the testimonies of two American and two Flemish Airbnb renters we interviewed.

First, perhaps this incongruence is a counter effect of the procedure of the research, in which social media was used to find respondents. By such, self-selection may have played an important role, and, hence, maybe the most *prosocial*, cooperative-without-interest people participated in this survey, whereas the more *proself* and financial motivated subjects did not.

Second, most of the Givers in our survey take part in non-profit platforms (such as Peerby, Couchsurfing, Facebook groups, and LETS) rather than in profit initiatives, and, therefore, we need to be careful in interpreting and generalizing our findings. Actually, if we drilled down in our sample, we noticed that only nine of our respondents are Givers on profit platforms (on Airbnb, Cozycar, Drivy, homemade meals (ThuisAfgehaald) and two platforms where one sells second hand clothes). These nine subjects did not significantly differ in any way from the non-profit Givers, except that they were wealthier and perceived it as such and they had a substantially higher educational degree. However, taking into account that an Ecological motive was still the top answer for them, they were significantly more Financially and Convenience driven and less Ecological driven than Givers within non-profit platforms.

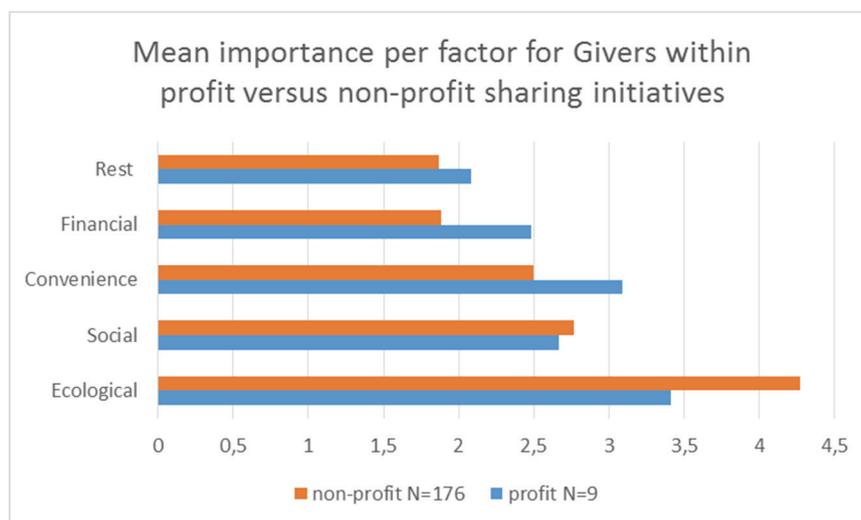


Figure 2: Mean importance per factor for Givers within profit versus non-profit sharing initiatives

Although Ecological issues as well as Social aspects are the main reasons to share on platforms, based on the quantitative study, they were rarely mentioned in the in-depth interviews we had with the four renters on Airbnb. "I think if you look at the big picture it is, I mean we have as a home owner, I have empty rooms and so instead of building hotels and places like that why not use the resources that are available now.". Even the Social cohesion and collaboration aspect of sharing was not that outspoken in the interviews. Some Airbnb renters did say they "like to host people, have a talk with them and listen to their stories", but did not intend to become friends or did not pursue some kind of cohesion, they kind of realized that they caused rather the opposite by renting out rooms to tourists.

In fact, our interviewees admitted that the Financial aspect is important: *“To be honest, I don’t think a lot of people still stick to the social aspect of sharing but only to the financial aspect of it.”* Some of them said that they or friends of them rented out parts of their house through Airbnb only out of materialistic aims (e.g., *‘being able to pay the down-payment of their house after a divorce’* or *‘for being able to stay in a certain city that has become very expensive to live in’*). Also, they stipulated that renting out by Airbnb provided an additional income which is twice as lucrative than if they would rent out on a long-term basis (3-6-9 contract).

However, financial motives were not of any importance for interviewed Givers of non-profit platforms (LETS, Peerby and a free Facebook group), which confirms the findings from the survey, or of a minor importance for interviewed Givers of food platforms (JoinUs2Eat and FLAVR). Another food sharing platform, MenuNextDoor said that it is rather impossible to earn a monthly pay with selling food on their platform but they do try to recruit new chefs by stating on their website *“Make money with your passion. Every chef makes between 100 and 350€ per day”*. According to CAMPR, a kind of Airbnb for campers, some people earn 200 or 300€ per festival weekend by renting out their garden to campers. Most do this for fun, not for the additional income, because they barely have a handful of campers per season. However, CAMPR also supports farmers in renting out their meadow during festivals, and they do attain a critical mass and hence a rather substantial income.

However, Flemish people are also kind of ashamed to be judged as a ‘capitalist’ and this may -after all- be a third influencing factor against which we may have to interpret our findings obtained from the survey. Maybe, although the survey could be filled in anonymously, our participants may have answered *socially desirable*.

In any case, the nine Givers in the profit sharing sector, did not only score higher on Financial motives, but also on Convenience and on the Rest items, including passion, ratings, technology and the new normal. Additionally, Convenience is seen as an important factor for non-profit Givers, according to the administrator of a free gift group on Facebook we interviewed: *“by giving away something one does not have to do the effort to bring it to the recycling depot, for example.”*

Passion was also named during the additional interviews. For example, some chefs on the food sharing platform could reduce their work to a 4-day week and work one day a week as a chef, since they prefer to earn money by their passion for food. Passion was also brought to the attention by several Airbnb renters who mentioned that once they wouldn’t love the job anymore, they would return to long term renting without any hassle (cleaning, changing sheets, maintaining the house, preparing for breakfast, ...). But for now, *“they loved doing it”*.

Furthermore, Convenience also seemed a more prominent motive in the interviews than in the survey. A user-friendly platform was *“by far”* the number one reason according to many Givers: *“Efficient, real-time, no transaction of funds, everything is done online.”*

3.2 Opportunities for micro-entrepreneurship for Givers according to the platform owners

The user-friendly and convenience advantages just mentioned may also apply to a lowered threshold or aversion to start a micro-enterprise through the platform. People can easily try a career-switch as entrepreneur through these platforms. Some platforms we interviewed mention themselves that they stimulate peer-to-peer business by lowering the threshold for entrepreneurship. FLAVR for example states that chefs can just concentrate on what they are passionate about, that is making good food, and FLAVR facilitates: no searching for customers (the marketplace is already available), no administration (FLAVR provides for chef’s invoices), no investments (chefs can just use their own kitchen), According to FLAVR, some chefs have already downsized their job from 5 to 4 days a

week and earn additional income for that one day a week through FLAVR. Some FLAVR chefs started their catering business through FLAVR and that is OK with FLAVR, as long as food is sold peer to peer. FLAVR even wants to facilitate this shift more in the future and wants to provide a template for chefs to complete when they want to start a business. FLAVR also fixes all paperwork for them: legal concerns like food certification, insurances, and so on. This way, chefs are up and running right away. CarAmigo agrees with this facilitating role saying that it is very risky to start a car renting business and that the platform can serve as a start to entrepreneurship. Furthermore, a platform can also serve as a real-life test case for would-be entrepreneurs. Chefs can try out whether their food would sell before investing in a restaurant. According to several platform owners, stimulating micro-entrepreneurship is a nice side effect for their Giving members, and some of them want to focus more on assistance to the Givers on that one, either for free or for which they should pay.

Based on our quantitative study, however, we can conclude only that Flemish Givers – or at least the ones responding to our survey – mainly participate in non-profit initiatives and that Ecological and Social motives play major roles. The former holds true for the nine profit Givers. Platforms then should stress Ecological benefits and outcomes. However, the ease to enter the platform and to use it should also be an argument to attract Givers onto the profit-oriented platform. These two factors combined with a Financial benefit can trigger the right audience for a profit platform. Givers love to make an extra buck, but it should be combined with or be camouflageable underneath other benefits.

Furthermore, based on the extra in-depth interviews, we can see that micro-entrepreneurship is indeed a main trigger for *some* Flemish ‘Givers’, but sometimes a surprisingly unintended outcome, becoming a pursuit after a while, for others. The survey however revealed that a career switch was not a top answer, not even for the nine Givers within the profit platforms (1.33/5).

3.3 Future research

This study confirms partly (i.e., based on the interviews) that sharing initiatives help people to become an entrepreneur and to overcome some disablers or fears while doing so. It would be interesting to further investigate whether individuals who otherwise never would have become a micro-entrepreneur, now consider it due to the facilitation, efficiency and the low entry level of these platforms. Maybe, at a micro level, it stimulates individuals who are otherwise averse to risk-taking and innovativeness and who are less proactive, which are three factors of the Individual Entrepreneurial Orientation scale of (Vantilborgh, Joly, & Pepermans, 2015).

However, it is also interesting – or even necessary – to monitor the effects of this kind of micro-entrepreneurship, at a more global and macro level. Related to the impact sharing platforms have on ‘work’, there are two opposite visions. There is a pessimistic vision that predicts a race to the bottom. Within this vision, profits are scoured by companies that manage the software. In that case, only a few remnants remain for the ‘employees on call’, with low wages, less or no social security and an increasing general uncertainty. On the other hand, there is the utopian vision. Within this vision, the future of work is defined in terms of flexibility, fluidity, innovation and creativity. In this vision, every individual would be an independent micro-entrepreneur who determines his own future and who earns enough money to maintain a (sufficiently) wealthy existence (Metropolregio Rotterdam Den Haag, 2016).

Many fear however that this new economy will be (more and more) disruptive as it competes with classic sectors and industries (Airbnb with hotels, Uber with taxi-drivers) and that it will affect mainly lower and middle-class jobs. Furthermore, many had expressed great hope for this alternative economy, as a counter reaction to overconsumption and capitalism and as a mean to bridge to some extend a period of poverty. It is then disappointing to see that the sharing economy changed from

something small, cute and necessary to the less-favoured and middle-class, where the "poor" or "lower middleclass" could become richer, for instance by doing chores or provide services, to something where the "rich" become even richer just because he/she possess more assets (homes, goods, cars) (also known as the Matheus effect). Politics should take into consideration the risks and the disruptive character of the sharing economy and act quickly to avoid a further division in society. A new regulatory framework or even a new "social contract" is needed for the emerging share economy to ensure that it has a social face and is not just aimed at efficiency and maximization of profit for a minority. However, one could argue/protest why more wealthy people could not pursue more wealth, whereas less wealthy could? Also, politics just need to stimulate more micro-entrepreneurship, instead of limiting it. One way to do 'just', in our opinion, is to collect fair taxes on the additional income coming from sharing goods or services, and to align income-taxes from this 'new' economy with income-taxes from the 'old' economy. To be able to do so, however, peers should 'share' their income and/or platforms should 'share' their data with governments. Too idealistic? In all probability, it is. However, a Belgian tax regime for some sharing initiatives was recently introduced. Taxes will be withheld at the source and paid to the tax authorities, at least for and by a handful of sharing platform. The Program law of July 1st 2016 (Belgian State Gazette July 5th 2016) sets up a legal framework for earnings received from sharing activities. It consists of an advantageous but limited tax regime for Givers.

The income previously categorized as "miscellaneous income" will be taxed at 20% after deduction of a 50% allowance, so the actual tax rate will be 10%. Some conditions, however, should be fulfilled:

- the earnings may not exceed 5,100 € per year (indexed for 2018);
- the earnings should be obtained outside the context of one's professional activity;
- for services only (does not apply to accommodation sharing, nor for car sharing);
- by one peer to another peer (who both act as private persons);
- by means of a recognized digital platform, that will have to register with and be approved by the tax administration;
- payment should be exclusively organized through the digital platform, by which cash payments are banned, all transactions are to be paid electronically so that they can be traced.
- service providers that offer services via other channels than the digital platform, or to to professionals, will be disqualified.

Until now, eight service sharing platforms are recognized: Listminut.be, FLAVR.be, Conceptz (klaariskees.be), bpost (Bringr.be), Heetch.com, Pwiic.com, MenuNextDoor.be and BRANPONT (bijlesherent.be). The new and advantageous regime does not apply to accommodation sharing, but, if, for example, an Airbnb host provides breakfast, that part of the income could fall within the scope of the new law. And, while car sharing (goods and movable property) would fall outside the scope of the law, Uber services would fall within.

The advantageous tax regime is not the only way to stimulate entrepreneurship. There are also other concessions. *"The Royal Decree 38 of 27 July 1967 that governs the social security regime for the self-employed is adapted to exclude individuals who earn less than 5,000 € from the sharing economy from social security. They will not have to register as self-employed and will, therefore, not have to pay social security contributions. They will not have to register with the Enterprises' Database and they will not have a Business Number. The income from the sharing economy will be VAT exempt (the VAT threshold is €25,000) so that they will not have to charge VAT (but they cannot recover the input VAT). Furthermore, they will not have to file an annual client listing."* (Quaghebeur, 2016).

The law and regulation realizes a twofold objective. It sets up a straightforward tax regime to manage several sharing initiatives, while enabling Givers to start a new activity without any starting capital and with little or no risk. Will this small adjustment in legislation be sufficient to get more individuals

in touch with the sharing platforms, as a Giver? Will it be promote people to communicate their extra income to the legal services? Will the gap between *prosocial* (ecological, social) motivated sharing and *proself* (financial) motivated sharing be closed within the near future by collecting taxes in a linear or progressive way? Will the responses formulated and frameworks offered by the government(s) solve current issues, such as emerging excesses, without enfeebling the many entrepreneurial opportunities and positive (social) outcomes. In fact, the impact of such a rather small change in law regarding a rather small proportion within the landscape of the sharing economy (i.e., services only, income <5,100€) should be examined immediately, with the above mentioned questions in mind.

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