

Afterword

Let Us Share

What We Do Best



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Love it or hate it, the digital economy is not a futuristic concept anymore. It is very much a phenomenon of today, which causes a lot of headache to decision makers. Central-Eastern European countries have either given in to the lobby of the more traditional economies (such as taxi companies) and reacted against the newly emerging innovations, or – as in the case of Estonia – they are embracing the change by creating an open legal framework to aid the new, digital markets.

Sharing and digital economies usually thrive together in happy symbiosis. Digitalization, easy access to the Internet, apps and smartphones made sharing behaviors easier, and provided a platform for buyers and sellers to find each other. The question of the digital and sharing economy is not a purely economic or legal one. Decisions of politicians *for* or *against* the new trends affect voter behaviors. The new digital services create a new political demographic: people who are used to immediate access to services and feedback, and people who see how others, in more fortunate places, benefit from a sharing economy.

Sharing enabled people who cannot afford certain properties, such as a car or a flat, to gain access to the possessions of others, who in turn can capitalize on this demand. The positive externalities of such voluntary exchanges affect the economy in general and feed innovation by creating incentives for average individuals as well as market players.

Innovative technologies have found their way into all walks of life. People of all ages are strolling through the streets immersed in the content on their smartphones and enjoying the latest fads – today it is Pokémon Go, tomorrow it will be something else. Despite the wide criticism such creative solutions may meet, they also make

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a lot of people smile. And so, eager Pokémon hunters go out onto the streets, run around, socialize with like-minded individuals and contribute to the economy – as local businesses found ways to capitalize on this recent craze¹.

¹ Some businesses (cafes, restaurants etc.) lure people in by advertizing that there is a rare Pokémon in their shop.

The phenomenon of Pokémon Go reminds us that a free market cannot be predicted. Economists should examine opportunities and incentives rather than absolutes. There is no way of telling if a new sector will emerge and what externalities it will bring. Nowadays, people can use Tinder to find a life partner, Kickstarter or Indiegogo to find investors for their businesses and use various services to shop online. A lot of people do not even have to hire someone to pick up their child home from school while they are working, as they can trust a stranger, for example an Uber driver to safely fulfill this task. This is because trust is being built by the feedback system, which shows the positive or negative opinions of users.

While a lot of people have lost faith in the political system and politicians as such, they are willing to believe a reputation system. Ebay, Uber and Airbnb use the rating-based method to build trust, rather than telling people to trust their customers as a rule².

However, while a lot of sharing services have managed to build trust among the buyers and sellers, in some cases the service itself failed to be welcomed with open arms by the population. In many countries digital literacy is still below average and people are afraid to use the Internet for purchases and transactions. The novelty of the digitalized sharing economy meant that the tax code in various countries could not fit the new businesses into a clear category, thus politicians and their voters alike felt that the new services are not contributing enough. This obviously is not always true, but populists have managed to exploit the general lack of knowledge about this new market to bring legislation against them, to help the protectionist lobby.

The articles featured in this issue explored the practices of the Central-Eastern European countries, demonstrating good and bad policies and providing recommendations in order to facilitate a better future where sharing economy can thrive in a digital age, and everyone has the opportunity to benefit from it.

It is my personal belief that the main objective of the authors contributing to this issue was to assist the decision makers, the voters and the companies in understanding the mechanisms behind these new, innovative economies from the perspective of economics, politics and law. By providing both sides of the argument and by analyzing practices from different countries, the fifth issue of the *4liberty.eu Review* magazine is a diverse collection of ideas, suggestions and experiences.

We hope you found as much pleasure in reading the presented articles as we had in writing and editing them, and that you can take away something new from the experience. Because you should not be afraid of new things. Some caution is, of course, welcome, but do not forget that it is constant change that is the vehicle of progress. So let us move forward by doing what this new economic trend does: by sharing. Sharing knowledge and experiences, to benefit us all. ●



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² This grassroots trust and reputation building is also crucial at P2P crowdfunding.