

General attitudes and subjective behavior in sharing economy

Jukka Surakkaⁱ, PhD, Jukka Piippoⁱ, PhD

Abstract

With this presentation our attempt is to clarify possible connections between *sharing economy*, *trust/mistrust* and *social capital*. We analyzed the possible connections by using a survey concerning trust and social capital by exploring the concept, manifested online through resource exchange activities in the city of Helsinki and its surroundings. We focus on citizen's attitudes to share geographically contextualized information, exchange belongings and various services and potentially motivate citizens to engage in local activism. Our assumption is that these online activities affect social and civic engagement in the city and are connected to experience of trust/mistrust and social capital either in positive or negative way. In this paper we present results of empirical research concerning sharing economy, trust/mistrust and social capital. On an ideological level the concept of sharing economy suggests that money is not relevant for motivating participation but however, it is unknown whether sharing economy online is experienced as trustworthy and increases citizen's experience of trust and increased social capital. However, in spite of positive attitudes for sharing economy, and trust to other people, they do not have experience in sharing economy, do not change, borrow or rent goods. There is huge difference between attitudes and subjective actions.

Keywords: sharing economy, social capital, survey, trust

1 INTRODUCTION

This paper aims to present and discuss issues concerning sharing economy in the cities of Lahti, Vantaa, Espoo and Helsinki. The cities form the Finnish Metropolitan area, where research and development in sharing economy is actively going on. Results in this paper are based on survey which was delivered to citizens through the cities official websites.

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ⁱArcada University of Applied Sciences, Dept. of Health and Welfare (jukka.surakka@arcada.fi, jukka.piippo@arcada.fi)

1.1 Social capital

The theory of social capital attempts to describe the factors that create the quality and quantity of social interactions and social institutions. Social capital has been characterized as the glue that holds societies together. Social capital is referring to networks, norms, and social trust prevailing within the community that enables the participants to act more effectively to pursue shared objectives. It is a property of groups rather than individuals. This nature of social capital distinguishes it from social networks and social support, which are more properties of individuals. The amount of social capital correlates positively to the general health of inhabitants.

The American political scientist Robert Putnam (1996) describes social capital thus: ‘By “social capital”, I mean features of social life — networks, norms, and trust — that enable participants to act together more effectively to pursue shared objectives’. Piippo & Aaltonen (2008) have studied the phenomenon of trust which is in line with Putnam’s idea since trust is a crucial factor for effective functioning and strongly connected to social capital.

The literature suggests four main theoretical strands, all of which overlap to some extent. Broadly, these are collective efficacy, social trust/reciprocity, participation in voluntary organizations and social integration for mutual benefit (Lochner et.al. 1999). The concept also can be broken down into ‘structural’ and ‘cognitive’ social capital. Structural components refer to roles, rules, precedents, behaviors, networks and institutions. These may bond individuals in groups to each other, bridge divides between societal groups or vertically integrate groups with different levels of power and influence in a society, leading to social inclusion. ‘Cognitive social capital’ describes the values, attitudes and beliefs that produce cooperative behavior (Colletta & Cullen 2000).

The links between cognitive and structural social capital are complex and multidirectional. As with many descriptors of communities, the theories supporting these constructs depend on the prevailing philosophy and conceptualization of societies, politics and theory of mind. Structural components of social capital are the “roles, rules, precedents and procedures as well as a wide variety of networks that contribute to cooperation” (Uphoff, 2000, p. 218). Structural social capital has two dimensions –horizontal, reflecting ties that exist among individuals or groups of equals or near-equals, and vertical, stemming from hierarchical or unequal relations due to differences in power or resource bases. Structural social capital is shaped by government policies and the formal service networks that result from their implementation.

Trust is a significant element of social capital and the phenomenon of trust has been studied extensively in relation to the concept of social capital (Jokivuori 2005, Sinervo et.al. 2005) and within working life (Burke et.al. 2007). Trust is considered as being a basic human need and its development is in high degree depending on interaction within the human environment (Erikson, 1968; Piippo & Aaltonen, 2004, 2008) and as phenomenon it has been studied from several points of view, e.g. Erikson (1968) from a psychological viewpoint, Giddens (1990, 1991) from a sociological viewpoint and Lögstrup (1994) from a philosophical viewpoint. All these viewpoints have similarities since all consider that trust is a basic human need and that the development of trust depends on interaction with the social environment. Erikson (1968) argues that if the development of basic trust is disturbed, mistrust appears. According to Erikson (1968) and Giddens (1991) even experience and development of safety depends on the persons’ basic trust: trust and safety are interdependent. Giddens (1990, 1991) has argued that the development of trust is a mutual process between two or more persons, a process

which includes disclosure and honesty. When one side discloses something personal about him or herself, he/she invites the other side to also disclose something personal. This kind of process continues, according to Giddens (1990, 1991), and gets stronger when the trust developed is not betrayed. In such a process, honesty is important, since all participants are vulnerable and if the disclosed personal issues are misused, the process stagnates.

According to earlier research it can be assumed that trust as an independent phenomenon is difficult to investigate since its development is influenced of many different factors. According to Helkama (2004) in situations where equality prevails people trust each other's which can lead to new ideas and solutions. Helkama also points out that equality creates trust and inequality mistrust. According to Luhmann (1979) trust is based on a single persons actions but on communicative actors' actions. Giddens (1990, 1991) argues that trust is a process between two or several persons. Trust has also a special premise, basic trust (Erikson, 1968). Basic trust is a psychological phenomenon and a basic human need to which development environmental factors are significant. Basic trust can be thought as having importance to a person's capability to trust others. Weak or hidden basic trust influences a person's skills negatively and then a person is mostly mistrusting others. Academic interest in trust has been going on for decades and several of leading researchers look for a universally accepted definition of trust (e.g. Misztal 1996; Seligman 1997; Hardin 2002; Stolle 2002; Khodyakov 2007). Trust has been outlined as the core of social order, influencing economic productivity and democratic stability, as well as civic integration and engagement (Lewicki et al. 1998; Newton 2001; Welch et al. 2005). As such trust is seen as maintaining a critical importance and productive, cohesive function in the context of individuals, communities, regions, and nations (Stolle 2002). In this paper trust is seen as attitude to others in which basic trust has its importance. Trust can be seen as result of co-operation or interaction but also prerequisite for co-operation and interaction (e.g. Laaksonen 2008, Burke et.al. 2007). Bachmann (2003) divides trust to three categories: personal trust meaning trust to other persons, system trust meaning trust to social structures and actions and institutional trust meaning trust to societal institutions to which basic trust has its importance (Erikson 1968).

1.2 Sharing economy

Sharing is intrinsic and intuitive, and is inextricably entwined with the progression of human development. Sharing is one of the oldest human behaviors (Rinne et al. 2013). The commons – from drinking water to grazing land, and more recently from roads to infrastructure – are intrinsic to our everyday lifestyles, yet have slipped out of the collective lens of awareness as populations are increasingly urbanized, personalized, and privatized. The global population has become entrenched in the dominant ownership mindset. People are wading through an asset-heavy lifestyle engineered by the rise of hyper-consumption with a lot of stuff, most of which isn't really wanted, needed, or even used. While established businesses continue to hammer consumers with various iterations of the same proven formula – create product, sell it, collect money, repeat – a new, grassroots model of doing business is emerging, providing consumers with the power to get what they want and need at less personal and environment cost. This emerging business model, a broad trend that is impacting every sector of society and business, is called the sharing economy.

The concept of sharing economy started to appear more visible in the 2000s. One stimulus to sharing economy was the tragedy of the commons, the idea that when we all act solely in self-interest, we deplete the shared resources we need for our own quality of life. The term collaborative consumption was coined by Felson and Spaeth (1978). Both terms/concepts refer to new kind of economic affairs between individuals and groups. According to Lahti &

Selosmaa (2013) sharing economy is a combination of old-age communal ways if acting and modern forms of contact keeping which are made possible by modern technology. Sharing economy means social and economic systems which are developed through network technology. That makes it possible to develop different kind of forms for ownership, sharing of resources and skills in such scales that was not possible before. The Sharing Economy relies on willingness of the users to share and in order to make an exchange, users have to be trustworthy. According to Green (2012) sharing economy organizations state they are committed to building and validating trusted relationships between members of their community, including producers, suppliers, customers or participants.

The sharing economy can be conceptualized as a large-scale social shift with firm roots in the invention of the Internet. Just over fifteen years back, sharing economy forerunners eBay and Craigslist launched, empowering people to become both buyers and sellers through the widespread adoption of peer-to-peer commerce. This peer-to-peer transaction model enabled people to effectively unlock and redistribute the untapped value of underutilized assets. The continued growth of the sharing economy is contingent upon one crucial factor: trust. Trust is the enabling factor inherent within all sharing-sector activities. Because of its centrality to the success of the sharing economy, various thought leaders – entrepreneurs, social advocates, academics, investors, journalists etc.– have opined as to how trust is established and maintained among strangers engaging in peer-to-peer transactions. Trust concerns as the primary barrier to using sharing economy business (Davis 2012). A survey by (Pick 2012) suggested that trust indicators enable online person to person transactions.

In this study our objective is to examine citizen's attitudes to sharing economy and also the relationship between sharing economy and trust.

2 MATERIAL AND METHODS

This paper is based on survey developed of already existing and tested questionnaires. The survey contained totally 86 questions mostly in form of statements. In the whole survey, questions were divided in clusters: a) basic demographic information, b) questions concerning the use of sharing economy on internet, c) using sharing economy outside internet, d) questions concerning social capital and e) questions concerning trust. Survey was implemented in cities of Lahti, Vantaa, Espoo and Helsinki, at their official homepages.

68 of the respondents were women and 35 were men. The mean age of the respondents was 48 years. 75 percent of the respondents had University degree.

Material was analyzed by using SPSS program for quantitative analysis. Answer alternatives were scaled: agree totally - agree in some degree- do not totally agree- do not agree at all. Results are presented in frequency tables and significance of answers was tested by Chi-square test.

3 RESULTS

Over 50 percent of the respondents do not share anything at Internet based forums. However, they also consider peoples as general to be more willing to share and to being more communal that then earlier. When looking at distribution between men and women it is obvious that women consider people to be more willing to share and to be more communal. Statistical analysis shows a difference between men and women when it is about changing things with others. Women are more willing to change things ($p = 0.016$). In general women are more

interested of sharing economy than men and they think that people in general share to little things on Internet based forums.

Of all respondents, 90% consider it rational to buy things through Internet. These respondents belong to a group who consider their economic situation as good or very good on a scale between 1 – 10. However, it can be assumed that these persons do not necessary sell and buy at Internet since about 60% of persons with “good income” buys and/or sells things on Internet “seldom” or “never” according to the answers. It is also quite interesting to notice that almost 50% of the respondents encourage others to use more Internet even if they do not do that themselves.

Eighty seven percent of the respondents answered that “Too much consumption is a risk for the society” ($p < 0.000$), and 79% stated that “people should prefer collective ownership since one does not need to own everything”, and 90% had general trust in people, and 82% trusted on person they met for the first time, but 91% stated that when they are involved with a stranger, it is better to be careful before trusting him. However, when people trust generally to others and close friends, they do not change, borrow or rent goods with each other ($p=0.07$). Those who generally trusted people, had no personal experience in sharing economy.

According to the distribution of answers (Table 1), a great majority of the respondents agreed with the proposed statement, with an exception concerning question number three.

Statistical analysis indicated that answers number 1 and 3 had significant differences. 1: “Too much consumption is a risk for the society” ($p < 0.000$), and question 3: “Buying things is a patriotic gesture because it is good for the nation’s economy” ($p < 0.05$). However, the statistical power in this analysis is weak, due the limited number of respondents and also that among them there were only few “distrusting” respondents.

Table 1. Questions concerning sharing economy and trust (n=89).

Question/statement	Agree %	Does not agree %
Too much consumption is a risk for the society	87	13
If people are consuming less it has a negative effect on employment	61	39
Buying things is a patriotic gesture because it is good for the nation’s economy	43	57
Development does not mean higher consumption but better consumption	90	10
Recycling things is better option for environment then buying new things	63	37
People should prefer collective ownership since one does not need to own everything	79	21
I generally trust people	93	7
How much do you trust on person you meet for the first time	82	18
When I am involved with a stranger, it is better to be careful before I trust him	91	9

4 DISCUSSION

People are generally positive to sharing economy and collaborative consumption. The results indicate that people consider consumption as a risk for the society and a more qualitative approach to consumption is needed. The respondents positive attitude concerning recycling and collective ownership might indicate that people in general are against increased consumption and private owning. However, in spite of positive attitudes for sharing economy, and trust to other people, they do not have experience in sharing economy, do not change, borrow or rent goods. There is huge difference between attitudes and subjective actions.

The respondents seem to have general trust to others when they meet a person for the first time. However, respondents were also of the opinion that one should be careful with strangers, when one is more closely involved with an issue, before trusting them. This indicates that people generally trust others. However, when meeting a stranger, according to Erikson's (1968) idea of basic trust, the personal quality of trust may have influence and it has importance in trusting others.

According to the respondents, people who prefer sharing economy owns general trust. This is of importance since trust is one of the ground stones in successful sharing economy. Sharing economy should also, at least in some level, be based on personal interaction. This because ex. Giddens (1990, 1991) is of the opinion that trust is developed in personal interaction between partners. Also according to Rinne et al. (2013) in sharing economy environments, trust is essential when they conclude, "Trust is the social glue that enables collaborative consumption marketplaces and the sharing economy to function without friction."

Respondents regarded sharing economy more beneficial than consumption in relation to national economy. Perhaps, this indicates that respondent's individual private economy and consumption is more important than national economy. Their approach on consumption may be more on individual level than on global level. The main limitation of the study is the limited sample, questions were too many and several respondents did not finalize the survey. Results can be discussed also from the point of view that most of the respondents had positive attitude towards sharing economy and were not "distrusting". This can depend on the fact that persons, already interested of sharing economy, have answered the survey.

However, sharing economy or collaborative consumption as phenomenon are not new or revolutionary since people have shared things for decades. People and groups of people have been sharing tool, food, machines, vehicle and other "issues" or services a long time before the terms of sharing economy and collaborative consumption appeared. Perhaps the most important and new aspect of the terms is created through social media and different kinds of Internet based activities and possibilities when people can share knowledge and other kind of personal resources anonymously. Sharing economy has also developed to profit giving business for different instances (e.g. Leonard, 2014, Morozow, 2014, Baker, 2014) and has been therefore criticized. Our findings are similar as in in a recent study (Hamari et al. 2015) that in sharing economy an attitude-behavior gap might exist; people perceive the activity positively and say good things about it, but this good attitude does not necessary translate into action.

For future research; there is a lack of quantitative studies on motivational factors that affect consumers' attitudes and trust towards sharing economy. Sharing economy is predicted to have a major societal impact (EU Environment, 2013), and it may have a significant impact on online sales, which makes it important to examine the role and effects of sharing economy in an online consumption context. The context is of great interest since participation in

sharing economy communities and services are generally characterized by trusting other people, doing good for other people and for the environment, such as sharing, helping others, and engaging in sustainable behavior.

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