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## THE SHARING ECONOMY AND MANAGEMENT OF A SUSTAINABLE ENVIRONMENT IN THE TOURISM SECTOR ON A GLOBAL SCALE

**Abstract:** The paper will discuss the impact of development of sharing economy on ecological sustainability for the tourism sector at global scale since the main focus in the literature is generally limited to economic and social impacts. It will provide a mathematical model in order to measure the impact of the sharing economy on the welfare of individuals who take part in particular tourism destinations as well as providing benefits for other individuals as a positive external outlook. The development of the model will be dependent on the findings obtained in this study. The results will show that the sharing economy together with collaborative consumption in the tourism sector is an increasing trend in global economy that contributes to ecological sustainability as well. By sharing the means of production, transportation, communication etc both tourists and service providers are capable of decreasing their ecological footprints. In conclusion the paper will contribute to the literature by filling a gap with respect to the lack of connection between environmental sustainability and sharing economy in tourism sector.

**Keywords:** sharing economy, sustainability, moral economy, alternative tourism.

### 1. INTRODUCTION

Sharing instead of owning has become a prominent trend in the economy at a global scale. The sharing economy refers to the peer-to-peer based activity of obtaining, giving or sharing access to goods and services that are coordinated through community-based services (Hamari, Sjöklint, Ukkonen, 2015). The sharing economy has become an appealing alternative for consumers parallel to the rising awareness for environmental problems such as sustainability, climate change and overconsumption, and interest in social inclusion by 'localness' as well as communal consumption (Albinsson, Yasanthi Perera, 2012; Hamari Sjöklint, Ukkonen, 2015). Based on a distinct and ancient consumer behavior, sharing has become an increasingly vital research topic in the literature (Belk, 2010). Alternatively, the term collaborative consumption can be used instead of the sharing economy. According to Botsman and Rogers (2010) collaborative consumption consists of both sharing and exchanging and these activities are found in different groups including friends, neighbors, civic groups, universities, etc. who organize sharing events in various forms (Albinsson, Yasanthi Perera, 2012).

In many areas from carpooling to accommodation and even food, people have started to share what they

have with each other in return they get what they need. Along with economic and social impacts, environmental sustainability is a key benefit from these sharing activities. For instance, saving energy, recycling, walking instead of driving, eating healthily and do-it-yourself practices can be named as gains of a sharing economy (Scholl, Schulz, Süßbauer, Otto, 2010; Frick, Hauser, Gürtler, 2013; Schiel, 2015). Sharing leads to politically correct behaviors which express a conscious and smart urban way of living (Schiel, 2015). Moreover, reducing the individual environmental impact through adoption of healthier way of living and avoiding an unnecessary environmental burden is also the main motivation behind the sharing economy (van de Glind, 2013; Owyang, Samuel, Grenville, 2014). Since sharing decreases environmental impact, promotes a more efficient use of resources, it also functions as a facilitator for new social contacts (van de Glind, 2013; Dubois, Schor, Carfagna, 2014; Schor, 2016).

This paper will discuss the impact of development of sharing economy on ecological sustainability for the tourism sector at global scale, since the main focus in the literature is generally limited to economic and social impacts. The paper will provide a mathematical

model in order to measure the impact of the sharing economy on the welfare of individuals who take part in particular tourism destinations as well as providing benefits for other individuals as a positive externality. The development of the model will be dependent on the findings obtained from this study.

The results will show that the sharing economy together with collaborative consumption in tourism sector is an increasing trend in the global economy that contributes to ecological sustainability. By sharing the means of production, transportation, communication etc both tourists and service providers are capable of decreasing their ecological footprints.

In conclusion, this paper will contribute to the literature by filling a gap with respect to lack of connection between environmental sustainability and sharing economy in tourism sector.

## 2. METHODOLOGY

As a method, this paper will use a literature review by comparing previous studies with consideration of tourism studies from different parts of world.

## 3. MORAL ECONOMY AND ALTERNATIVE TOURISM

The sharing economy is a challenge for the models of individual consumption which result in hyper-consumption and unsustainable outcomes whereas sharing is capable of lessening the environmental burden as well as increasing the general health within a community (Albinsson, Yasanthi Perera, 2012). This challenge includes a moral dimension, since economic activities of all kinds are influenced and structured by moral dispositions and norms which can be compromised, overriden or reinforced by economic pressures (Sayer, 2004). Therefore, while considering actions with respect to ensuring environmental sustainability, moral factors that take place in terms of Kantian philosophy can be taken into consideration.

According to Kant, the categorical imperative refers to a search for and establishment of a supreme principle of morality that acts as a universal law of nature (Kant, 2002). In other words, if an action is right, it can be implemented as a command for all other rational beings to follow as if it were a universal law; but it is wrong if this is not the case (Rentmeester, 2010). On the basis of Kant's categorical imperative and climate change, it has been argued that sustainable practices can be universalized within a general and naturally self-sustaining schema of action and therefore they are right, and

unsustainable actions cannot be universalized hence they are wrong (Schönfeld, 2008).

Thus, when individuals decide to become responsible consumers who have specific concerns about environmental sustainability, they are involved in a morally right action. Moreover, moral consumers in the tourism sector, i.e. moral tourists, are generally more reflective about their influence on local destinations and economies (Butcher, 2003) and they see their own mobility, lifestyle, and consumption choices as a way of self-fulfilling experience as well as political agency (Haenfler, Johnson, Jones, 2012). Alternative tourism opportunities such as ecotourism, slow tourism and voluntourism offer more meaningful ways of connecting with the world compared to hegemonized hedonism engendered by mass tourism (Fullagar, Markwell, Wilson, 2012; Lyons, Hanley, Wearing, Neil, 2012; Molz, 2013).

## 4. ENVIRONMENTALLY SUSTAINABLE SHARING PRACTICES IN TOURISM SECTOR

New tourism practices have emerged while the moral qualities of mass tourism and the moral limits of alternative tourism are being considered within the scope of the tourism literature. The most recent cases in this type of ecologically sustainable alternative tourism are "slow tourism" as in the case of Cittaslow Movement (Pink, 2008; Fullagar, Markwell, Wilson, 2012), voluntourism that enhances alternative goodwill experiences and activities (Alexander, Bakir, 2010) and hospitality exchange networks including online (Molz, 2013).

Sustainability is one of the core topics in today's world. Companies have increased their efforts for sustainability, meanwhile consumer groups initiate sustainable solutions for possible energy crises, environmental degradation as well as global financial meltdown (Albinsson, Yasanthi Perera, 2012). Although there are several achievements of world-wide sustainability for instance, the development of environmental policy, institutionalization of environmental bureaucracy, the diffusion of environmental management in the private sector, the increased environmental awareness of citizens, an active civil society represented by NGOs, and the emergence of interdisciplinary environmental sciences and education (Jänicke, Kunig, Stitzel, 1999; McNeill, 2003; Heinrichs, 2013), sustainability problems have not been solved.

Nevertheless, shared consumption is one of the useful alternatives that targets decreasing the adverse impact on the environment through anti-consumption and sustainability-oriented practices including rejection, consumption reduction and reuse of available products. These efforts have been motivated by the individual needs and values of a newly emerging consumer groups who are

concerned with the well-being of the environment (Black, Cherrier, 2010).

In general, sharing is neglected and despised in today's capitalistic societies since the global economic system of the current world relies on profits and individual ownership of the means of production. The private ownership system has created its own philosophy of living known as individualism which promotes self-centeredness among society despite the shared interests. However, sharing events foster sustainability practices and enhances benefits for the whole community on various platforms such as reduced environmental influence and sense of psychological well-being for customers (Albinsson, Yasanthi Perera, 2012).

Having discussed the impact of moral tourism as well as environmental sustainability, a model will be presented in the next section in order to show the possible mathematical relationship between these variables.

## 5. MODEL

There are four main factors that can be used for measuring the impact of the sharing economy. First of all, tourism revenues reflect improvements in welfare in a particular destination regarding to sharing economy activities. Alternative tourism activities based on sharing practices is capable of increasing the financial well-being or participants who involve in this type of interaction by sharing what they need and saving money. Hence, economic gain is an important factor for environmentally sustainable sharing economy activities and the revenue received by stakeholders and distributed among service providers can be considered as an indicator for the impact of collaborative consumption.

Furthermore, alterations in the overall life quality of tourists as well as service providers can also become an indicator for measuring the impact of the sharing economy. Its practices in tourism positively affect the well-being of individuals who engage in tourist activities either as a service taker or as a service provider.

In addition to these aspects, environmental regeneration as an outcome of collaborative consumption can be added to the model while measuring the impact of a sharing economy. As long as responsible consumers prefer to use alternative ways of consumption such as sharing or exchanging instead of directly owning, environmental degradation will be reduced and nature will find an opportunity to recover.

Lastly, there is the additional pleasure that responsible consumers will have after they accomplish what they consider as a duty. For them, protecting the environment is one of their fundamental aims, therefore if the sharing economy helps them to contribute to environmental well-being; they will receive pleasure for completing this task.

Hence the model can be considered as:

$$(1) SE = \beta_0 + \beta_1 TR + \beta_2 QL + ER^t + d + \varepsilon$$

where,

SE is the impact of Sharing Economy

TR is Tourism Revenues

QL is Quality of Life for Tourists and Service Providers

$d$  is Pleasure due to Completing One's Duty regarding the Environment

$t$  is Time

ER is Environmental Regeneration due to a Sharing Economy

$\beta_0, \beta_1,$  and  $\beta_2$  are coefficients, and

$\varepsilon$  is residual (i.e. the effect of other variables).

In general, the impact of sharing is dependent on four variables, namely tourism revenues, the quality of life of tourists and service providers, environmental regeneration and the moral duty regarding environmental protection. Plus, there may be other variables that can explain variance in the level of social inclusion that this model has not captured. For that reason, a residual is presented in the model denoting the variance that cannot be explained by the three main variables.

## 6. CONCLUDING REMARKS

Although sharing practices have historical origins through the course of human evolution, capitalistic market conditions have forced customers to privately own their assets. However, globalization processes parallel with the rapid development of technology have paved the pathway for interaction, which, in turn provides the possibility for sharing activities to re-emerge in economic life.

Specifically, tourism is an important sector since it requires continuous interaction between service takers and service providers. Therefore, communication makes the sharing economy possible between suppliers who want to share their belongings. Those who are involved in sharing activities generally follow moral conduct as the Kantian perspective describes regarding the protection of the environment. All in all, nature is where we live, thus we need to be concerned about environmental sustainability even in the little practices of our daily lives.

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