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2021

Citation: Česnuitytė, Vida, Leta Dromantienė, Dainius Bernotas, Jūratė Banytė, Elena Vitkauskaitė, and Eglė Vaičiukynaitė. 2021. "Sharing Economy in Lithuania: Steady Development with Focus on Transportation Sector." In *The Collaborative Economy in Action: European Perspectives*, edited by Andrzej Klimczuk, Vida Česnuitytė, and Gabriela Avram, 178–196. Limerick, Ireland: University of Limerick.

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Abstract

The sharing economy is a new and underdeveloped phenomenon in Lithuania, starting from the definition of the concept in a state's legal framework and scarce statistics. The aim of the paper is to describe the trends of the digitally supported sharing economy in Lithuania. Available national and international information and data were analysed. It was shown that the most popular services in Lithuania there is the transport sector, in the second place there is the accommodation sector, in the third—food-related services. The reasons why Lithuanians offer services via collaborative platforms mostly concern additional sources of income and flexible working hours. Over two-thirds of the habitants express their positive attitudes towards sharing economy and collaborative platforms, and over ninety per cent would recommend other services offered via collaborative platforms. Though 97% of the Lithuanians have never offered the services via sharing economy and collaborative platforms, and it is mostly because of no item or interest, and two-fifths do not know at all those collaborative platforms are. The development of the sharing economy in Lithuania as far is gaining speed, and in the future, the principles of these phenomena are going to be used in an even broader scope of the sectors.

Keywords: Sharing Economy, Collaborative Economy, P2P Sharing Platform, B2C Sharing, Car-Sharing, Accommodation Sharing, Sharing of Things, Lithuania

Introduction

The aim of this paper is to describe the trends of the digitally supported sharing economy in Lithuania. By 2019, approximately one-fifth of the population in Lithuania will be involved in activities of sharing economy and collaborative platforms (Eurostat 2019). The activities mostly spread in the sectors of transportation, accommodation, financing, and rental of goods. The main advantage of participation in the sharing economy and collaborative platforms related to an opportunity to get wider choices, to obtain easier and cheaper the desired services or items, as well as to get additional income by sharing assets, items, or skills with users. Over the last few years, more and more Internet platforms have been created for buying, selling, or sharing services and goods for free or for a very symbolic price. Habitants of the country increasingly use various Internet platforms for sharing goods and services (Šumskis 2016; Grybaitė, and Stankevičienė 2016; Sagatauskas 2019). So, sharing economy is a relatively novel but rapidly rising phenomenon in Lithuania, on which relevant statistics is absent, and comprehensive research is lacking. The latter are scarce, many related questions still are not answered, and numerous issues are not solved, including taxation, licences, consumer rights, and social guarantees.

The main problematic questions in this paper are the following: how the concept of sharing economy is defined in Lithuania? How much and under what context has the phenomenon of sharing economy is developed in the country? In order to answer the research questions, we explore available national and international information and data sources that expose various aspects of the sharing economy in the country.

The paper consists of eight parts, including dominating in the country discussion on the concept of sharing economy definition, highlights of the key questions in relation to this concept. Further, we provide several examples of sharing economy activities. For a clearer picture of the status of sharing economy in Lithuania, further in the text, the context of its development, issues, other major players, future directions of research, and the level of development will be described. The paper will be finished with summarising part, a list of references, suggested readings, and a list of relevant websites.

Definition

The sharing economy concept, in general, is an umbrella term that covers other economic systems such as collaborative economy, peer-to-peer economy (P2P), gig economy, crowdfunding or crowdsourcing, co-working, and co-branding (Report on European Agenda… 2019).

In Lithuania, the sharing economy is rather a new phenomenon, and until now, not received enough attention from official institutions. As a consequence still, there is no official definition of the concept in a state's legal framework. On the other hand, as a working concept, the sharing economy is understood as peer-to-peer based collaborative activities on providing, acquiring or exchange access to goods and services facilitated by a community, mostly via specialised Internet platforms (Skaistė 2019). Such activities are mostly related to several economic sectors: transportation, financing, accommodation, rental of goods, but it is not limited.

At the same time, in the context of political and academic debate, various terms are used to define this rapidly evolving phenomenon: dalijimosi ekonomika (sharing economy), partnerystės ekonomika (peer economy), principu "pagal pareikalavimą" grindžiama ekonomika (on-demand economy), partnerystės platformų rinkos (peer platform markets), trumpų projektų ekonomika (gig economy), bendradarbiavimu grindžiamas vartojimas (collaborative consumption), santalkos kapitalizmas (crowd-based capitalism), and other (Shared Consumption… 2018). For example, the concept "collaborative economy" is translated into Lithuanian language as "bendro vartojimo ekonomika," which direct meaning is "economy of joint consumption." Nevertheless, the concept is used, and its content is understood as a wide range of activities arising from a variety of collaborative business models. These business models, including non-profit ones, range from collaborative platforms that enable the exchange of goods and services around the world to small collaborative micro, small and medium-sized enterprises providing services to local communities.

In summary, the concept of sharing economy and its content in Lithuania still needs more clarity and is waiting for more attention from official institutions.

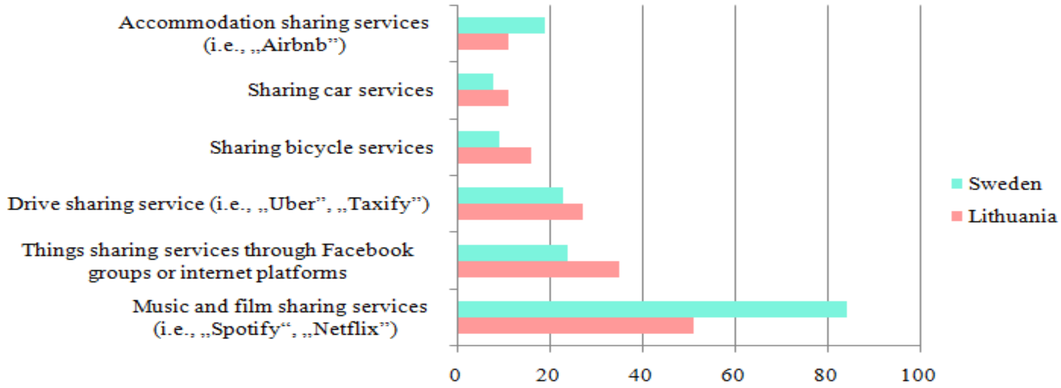
Key Questions

Customers, as a rule, win from the main positive sides of the sharing economy: it guarantees a falling level of prices and a wider choice of services and goods. Meanwhile, companies participating in the activities win from lower requirements and regulation of the quality and competencies of the services and goods that they provide. For example, sometimes they may work without licences, not to pay “pillow” fees, etc. Companies offer their services in renting housing, cars, bikes, lending money, transporting people, mediating second-hand business. At the same time, providers of services and goods, especially in small and medium businesses, face increasing competition at the national as well as at the global markets. The development of the sharing economy in Lithuania, additionally, goes under the context of strict legal regulation of the free market, and time-to-time appearing calls for even stricter regulations. The latter, usually, concern the questions of taxation, social guarantees, and consumer rights (Skaistė 2019).

Another key question concerns sectors of sharing economy development. Although consumers in the other countries mostly tend to exchange or share with electronics and means of transport, the most popular exchange or share product in Lithuania is clothing (Degutis 2018). This might have to do with Vinted, a highly successful clothes sharing Internet platform launched in 2012. Vinted remains the most popular in its field, and it even outstands Facebook and Instagram, social networks which gained more users after launching the purchase feature. On the other hand, research carried out in 2018 in Lithuania and Sweden revealed that the most popular product among 18–35 years old Lithuanians is music and film sharing in comparison with physical objects, things, or services’ sharing. Platforms such as Spotify and Netflix in 2017 were used by 51% of 18–35 years old Lithuanians. Meanwhile, in Sweden, this number reaches up to 84% (see Figure 1).

Figure 1 indicates that object sharing has remained in second place, with 35% of the respondents. And in this field, Lithuania is ahead of Sweden. In the latter country, objects are shared only by 24% of the respondents. Among the most popular services are also the following: offering a drive, sharing bicycles and vehicles, which again are more popular in Sweden. It is foreseen that in the future these services will be even more popular because of the high petrol costs and interest in ecology. Accommodation services, for example, Airbnb, are more prevalent in Sweden.

Figure 1. The Use of Sharing Economy Services (Age Group 18–35; in %)



Source: Own elaboration based on data of research held in 2018 by Spinter Tyrimai, Tieto/HUI Research.

Considering information on the development of different sectors of the sharing economy, it can be predicted for the future that the principles of this phenomenon are going to be used in an even broader scope of the sectors of the economy and daily life, including energetics or so. On the other hand, research and statistics about sharing economy and collaborative platforms still are scarce in the country. For example, the lack of statistics on tourists' flows and working hours is evident, and that leaves many questions without answers.

Examples

In this part, five cases of sharing economy ventures developed by the Lithuanians are presented. The first three of them illustrate the highly successful initiatives of the collaborative economy. The last two reveal that may occur other practices that also have the potential for growth.

VINTED Case

Keywords: e-commerce company, trade and exchange goods, P2P sharing platform

Vinted (www.vinted.lt) is a Lithuanian online used clothing retailer founded in 2008. It contributes to buying, selling, and swapping second-hand fashion: women's clothes, shoes, and accessories. The platform emerged as a fun sharing hobby by a private person.

In order to offer the items in the Vinted, users need to create a profile and make deals. Then users communicate with each other directly. For selling an item, the peer should download the free Vinted app, take photos of the item, describe it, and set an expected price. Then the item is sold; the seller should box the item, follow the shipping instructions, and make sure to send the item within five days. There are zero selling fees, so what the seller earns is theirs. The seller is paid as soon as the buyer confirms that deal. Meanwhile, the buyer has the opportunity to browse among millions of unique items, search thousands of brands, and find favourites. They may communicate with the seller, ask any questions about the item. After the item is chosen, the buyer can buy it by tapping a button. Payment is carried out via PayPal, bank card, or Vinted

Wallet. The item's estimated delivery date is given at check-out, and usually, it is delivered in a few days.

Recently, Vinted is the largest online international consumer-to-consumer marketplace in Europe on second-hand fashion. In a few years, it has grown into a community that recently united 30 million users from Lithuania, Austria, Belgium, the Czech Republic, France, Germany, Luxembourg, the Netherlands, Poland, Spain, the United Kingdom, and the United States of America. And, the community still is growing up, 90 pieces are uploaded every minute, and every 49 seconds, one Vinted transaction is performed. The result is renewed contents of the individual wardrobe. Between 2013–2018, Vinted attracted $100 million of investment to help it to grow. Such success, probably, was determined by the fact that sellers can quickly reach millions of people, sell simple and without great burdens of formal requirements and taxes meanwhile, and buyers can shop safely from such a wide marketplace.

In 2010, Vinted received an award for the best start-up, in 2011—for the best website. According to owners, it was really an enormous rise of late-stage venture capital rounds flowing to European tech scale-ups lately (Tech.eu Podcast 2019). A good experience and great success of Vinted encouraged the creation of similar consumer-to-consumer services: Public groups in Facebook "Vilnius mothers' market," "Women's wardrobes," and "Online market (buy, sell, and change).

Dalinuosi.lt Case

Keywords: tools sharing, car-sharing, P2P sharing platform

The platform of the UAB Dalinuosi.lt is a local virtual community where registered users their possessions can share. This initiative started in 2012 in Lithuania. Five individuals decided to create a platform that adds to solving arguments often occurring between the lenders and the people who borrow things and return them in a significantly poorer condition (Dalinuosi.lt 2019). In 2018, the platform received a new investor Aurelijus Rusteika who invested 100 thousand EUR for company development (Dževeckytė 2018). Important to note, a new investor strengthened Dalinuosi.lt not only financially. Since now, goods of the grocery Topo centres can be shared on the company's platform. Recently, this platform united over 25 thousand members and over 500 successful deals are done each month. Although this initiative is based in Lithuania, it is planned to expand it to other European countries as well.

Dalinuosi.lt is based on a virtual platform where natural and legal persons can register using Facebook or their email address and then upload their possessions and share them. Even though there is a wide range of different things that can be rented via it. All these things are grouped into eight categories such as (1) bikes and scooters, (2) camera lenses, (3) cameras, (4) electronics, computers, (5) drones, (6) gaming consoles, (7) GoPro and action cameras, and (8) holiday and travel (Dalinuosi.lt 2019).

There is also a communication tool that helps the borrower to contact the owner of the desired item and make sure that it is free at the time the item is needed. After both parties arrange all the details, the borrower makes an online payment on the same platform then gets the owners' contact information and a rental agreement. After the agreed period, the borrower has to return the item, and the lender must leave a reference about him. The borrower does not have to leave a recommendation about the owner but is encouraged to do so by the developers of this platform. It is important to note here that with every transaction, the platform takes 15% commission, depending on the payment plan the owner has chosen (Dalinuosi.lt 2019). If the borrower happens not to receive the required item, the money is returned, and the owner's items are banned. Partnership with Topo centres consumer electronics retail chain allows the users of the platform to receive additional services, such as long-term buy-out possibility. Moreover, the company offers to advertise to items already placed on the platform (Dalinuosi.lt 2019). Dalinuosi.lt has been working with the insurance company Lietuvos draudimas (Lithuanian insurance) since 2015, which allows the members of this community to ensure their possessions against any damage or loss (Tnews.lt 2018).

This platform directly encourages the phenomenon of sharing things in Lithuania and creates undeniable economic benefits to the lenders as well as borrowers. While the owners can offer their unused items and get extra income, the borrowers can save money by renting them and avoiding the necessity to purchase them. In addition to the economic benefits, this platform also has social benefits as it unites thousands of members, creates new connections, and brings together a unified community. It is likely that Dalinuosi.lt will continue working successfully and encourage people to use the mutual benefits this platform has to offer.

CityBee Case

Keywords: car-sharing, bike-sharing, electric scooter-sharing, B2C sharing, transportation network

CityBee (www.citybee.lt; UAB "CityBee Solutions") is a local Lithuanian service, which operates on car-sharing, bike-sharing, and electric scooter-sharing services. This company started in 2012 in Vilnius when it had only five vehicles to share, and in a few years, it became the pioneering car-sharing service (CityBee 2019). Since its launch, CityBee has shown tremendous growth and reached a nearly doubled user base in 2018 and has over 800 cars all over Lithuania. In 2018, the company became profitable for the first time since its inception became profitable by earning 139.129 EUR profit and expects to grow seven times by 2023 (Miknevičius 2019). In the spring of 2019, CityBee has launched a new service—an electric scooter-sharing service and was the first company for this service in Baltics countries (Modus Group 2019).

A car-sharing service is based on the CityBee mobile. According to CityBee (2019), the sign-up process involves a few steps. Firstly, a new customer should provide data about his driver's licence and a payment card. Customers can choose from over 1300 diverse types of cars (e.g., electric cars, hybrid cars), 150 vans, 300 bikes, and 2000 scooters. The customer pays only for the time and kilometres are driven.

The simple sign-up process is used for bike-sharing and electric scooter-sharing services as well. For the bike-sharing service, customers should sign up and provide a payment card. The customer can choose the nearest bicycle stop on the app, select a bike, scan its QR code, and unlock a bicycle. Later, the bicycle can be parked in the orange CityBee bicycle zone. The same process works within a scooter, which can be parked in the orange CityBee scooter zone. The price of both bicycle and electric scooter rides consists of a fixed fee (i.e., pay as you go).

The value offered by CityBee can be valuable for both private customers and companies as well. The main value for companies is the ability to refuse their own companies' cars and benefit from a convenient transportation service in many cities. While CityBee is a suitable alternative for one-car families as well because it enables them to use a car on-demand and save some costs. Importantly, electric cars are quiet and friendly to the environment. This sharing program decreases traffic congestion and improves parking space availability, and contributes to eco-friendly living issues in cities. Hence, car-sharing, bike-sharing, and electric scooter-sharing services enable citizens to save money, choose the sharing economy services, and protect the environment.

Trumpam.lt Case

Keywords: accommodation, room sharing, P2P sharing platform

Trumpam.lt (www.trumpam.lt; UAB "BitNet") is a local Lithuanian company that owns an online platform that enables users to lease or rent a short-term room, flat, or apartment in the cities of Lithuania and resort towns (Trumpam.lt 2019). It is an alternative of stay in traditional hotels. It also can be entitled as Lithuanian Airbnb version.

Services of the Trumpam.lt started in 2012 in Lithuania, and due to the increased demand and interest in the market, an online platform Dayrent.lt was launched in 2015, which provided 3 hours place rental services (Trumpam.lt 2019). In 2016, the company reached the Belarus market within an online platform Dayrent.by (Sabaliauskas 2016).

Trumpam.lt offers apartments (in total, 640), flats (232) and guest houses (57), cosy summer houses, and covers a wide range of towns (Vilnius, Kaunas) and resorts (Nida, Palanga) in Lithuania. Thus, Trumpam.lt also provides a wide variety of accommodation choices for customers. For instance, from a night at the studio flat for 22 EUR to a night in an apartment for 260 EUR in Old Town of the capital city Vilnius (Trumpam.lt 2019).

Hosts are motivated to earn extra money for renting services (i.e., flats, apartments, rooms). Therefore, Trumpam.lt is based on a virtual platform where hosts can register within an email address, and upload an offer of rent place, and provide contact details. Hosts can select the price, images, and other details. Importantly, travellers can reach hosts directly and negotiate with them about the final price and payment conditions.

There are fixed costs for hosts. Hosts should pay 6 EUR for two months and 10 EUR for six months (Trumpam.lt 2019). Moreover, hosts can receive professional photographer services from Trumpam.lt for the additional costs and advertise or present their place more efficiently (Trumpam.lt 2019). Trumpam.lt does not own any room or flat and gets the fee only from the hosts. All travellers do not pay any fees to Trumpam.lt and get the lowest prices for accommodation.

Trumpam.lt enables hosts to gain economic benefits from underutilised resources such as rent a room for the selected period. Thus, individuals (travellers) can pay less for the room, flat, or apartment in comparison to hotels in Lithuania. Finally, Trumpam.lt encourages a local Lithuanian community of both hosts and travellers and stimulates collaboration and creates a friendly environment.

Real Is Beautiful Stock Case

Keywords: photobank, P2P sharing platform

Real Is Beautiful Stock (www.realisbeautifulstock.lt/en) is the first in the world to open an Internet platform for the country's photobank, started by Lithuanians in 2017. The idea came from the civil initiative: many people have beautiful images made by a camera or phone and stored in personal digital devices. The platform gives an opportunity to share for free with the country's images made by the people of Lithuania.

Though, for the usage of an image for commercial purposes, permission from the photo's author is necessary.

An initiative was started by a New! creative agency. Further, other partners joined: Digital Sense who coded the website, Metida provided legal consulting, Bosanova agency helped with communication, Godspeed created the design, the Department of Tourism allowed using the Real is Beautiful's logo and supported the idea from day one while most of the Lithuanian media helped spread the message. Respected public figures and photographers of Lithuania joined an initiative. Though all other Lithuanians can join, and according to owners of the platform, the latter even bigger stars here (Real Is Beautiful Stock 2019).

Recently, the photobank consists of over 800 photos. In order to make the search easier, all photos are marked as Vilnius, summer, morning, city, etc. Creators of the platform expect such sharing practice will represent Lithuania in the world and contribute to the creation of a positive image of the country.

Context

The first sharing economy businesses in Lithuania appeared only a decade ago. As already mentioned above, until now, there is no definition of the sharing economy in the Lithuanian legal framework (Skaistė 2019). The essence of the sharing economy in Lithuania: one entity directly providing services to another entity. Usually, the goods or services are offered via special Internet platforms. The main economic engines of sharing from the service provider side are the ability to get additional income, the employment of its assets, items or sharing their skills, and for the user—wider choice, easier and cheaper to book the desired service or item. There are many platforms in Lithuania where inhabitants can share services or goods without any fee or for a very symbolic price and, in that way, contribute to social engagement and development of citizenship, to support those who are in need and contribute to social cohesion.

At the end of 2015, Seimas of the Republic of Lithuania (further: Parliament) adopted a new Consumer credit law amending articles, adjusted to rapidly proved popular peer lending platform (Law of the Republic of Lithuania 2015). Parliament set limits that in case of lending over 5,000 EUR, it is necessary to register a legal entity. Though, such restrictions do not meet the potential of free movement of capital which is a fundamental value of the Community under the EU Treaty. This has led to both—different attitudes of the governmental institutions and different paces of development. In order to see how sharing economy's markets operate, an analysis of the relationship between the governing bodies and the sharing economies is needed. The most important task now is to ensure a balance between the regulatory and operating principles of shared economic development.

However, the issue of sharing economy and collaborative platforms, as well, a problem of lack of legislation on its take growing place in the Government and the Parliament of the Republic of Lithuania. In September 2017, a roundtable discussion, "Sharing Economy: Opportunities, Challenges, Threats," was held at the Ministry of Finance (Skaistė 2019). Representatives of business and public authorities debated how the sharing economy can contribute to the country's competitiveness and economic growth. Issues on what regulatory framework would help to adequately protect consumers and people working with these services were considered. Participants concluded that the rapidly emerging sharing economy and collaborative platforms stimulates progress and allows citizens to offer additional services, as well as expand new employment opportunities, provide flexible working conditions and new sources of income. The conference, held in May 2018 at the Parliament of Lithuania, stressed the influence of the sharing economy and collaborative platforms for the development of the overall country's economy and labour market, as well, issues on sharing economy taxation peculiarities, consumer rights and data protection, challenges of the sharing economy and collaborative platforms in various sectors discussed (The impact of the growing sharing economy… 2018).

In summing up, the growing debate and attention to the sharing economy and collaborative platforms confirm the fact that it is indeed becoming an essential part of the economic development in Lithuania. It is novelty and different forms of the free market are the main reasons why until now, there is no clear, complete legislation in this area in the country.

Developments

According to Timbro Sharing Economy Index (Bergh, Funcke, and Wernberg 2018), which is the global index of the sharing economy. The country is ranked in 108th place among 213 countries. The index is equal to 1.2 on a scale of 0=underdeveloped and 100=highly developed. The comparison of these measures with that of the neighbour countries such as Latvia or Poland that are ranked, accordingly, in the 58th and 92nd places with the indexes of 6.9 and 1.8, it can be stated that the sharing economy still is under development in Lithuania.

According to Eurobarometer (The Use of Collaborative Platforms 2018), the experience and behaviour of Lithuania's population regarding usage of the collaborative platforms is rather close to the EU-28 average with, accordingly, 13% and 14% of people who use the services offered via a collaborative platform regularly or occasionally (that is once every few months or often), and 76% and 82% of the population who never used such services. The other European countries, such as Belgium, Bulgaria, Italy, and Portugal, also, are close to Lithuania's situation. In these countries, only 8%-12% of the population use such services regularly or, and 81–83% of the population never use such services. Meanwhile, the highest per cent of the population (26%) who regularly or occasionally use such services, and the lowest per cent of the population (59%) who never use them is in Latvia, the neighbour country of Lithuania.

Eurobarometer results reveal that among the population in EU-28, most used services offered via the collaborative platforms, usually, concern three sectors: accommodation (e.g., renting an apartment), transport (e.g., car-sharing), and food-related services (e.g., home-delivery, food-sharing) (The Use of Collaborative Platforms 2018). In Lithuania, the most mentioned sector is transport services (81%), whereas, in EU-28, the most mentioned is the accommodation sector (57%). Even more, usage of services offered via the collaborative platforms in the transport sector, Lithuania is leading among all the EU-28 Member States. In the second place in Lithuania is accommodation, in the third place is food-related services, the least popular in the country; there are the sectors of household services (e.g., gardening, repairs, childcare), professional services (e.g., IT services, accounting), and collaborative finance (e.g., peer-to-peer lending, crowdfunding). To be mentioned, in the sector of household services (e.g., gardening, repairs, and childcare), Lithuania is in the last place among the EU-29 Member States.

Those who offered services via collaborative platforms, mostly concerned with an additional source of income (47%, in comparison to 50% in EU-28) or because of flexible working hours (40%, equal to EU-28). The twice lower share of habitants stated that the reasons were an easy way to interact with the consumer (25%, in comparison to 53% in EU-28), an easy opportunity to become a service provider (22%, in comparison to 43% in EU-28), an opportunity to offer additional or more innovative services (20%, in comparison to 36% in EU-28). Less than one-tenth of habitants confirmed the following reasons: the main source of income, access to more consumers, more sustainable and efficient use of available assets (The Use of Collaborative Platforms 2018).

According to Lithuanians, the most important advantages of the sharing economy and collaborative platforms compared with traditional channels are more convenient access to services (61%, in comparison to 73% in EU-28), and cheaper or even free services (44%, in comparison to 59% in EU-28) (The Use of Collaborative Platforms 2018). In total, 32% of Lithuanians state that collaborative platforms provide a wider choice of services unavailable via traditional channels, as well, the availability of ratings and reviews (in comparison to 56% and 60% in EU-28, accordingly). Among the least important advantages of the sharing economy and collaborative platforms for Lithuanians are the possibility of exchanging services instead of paying for them and the opportunities they offer to interact with interesting people (both 19%, in comparison to 31% and 34% in EU-28, accordingly). In total, the average number of advantages mentioned by Lithuanians is 2.2, in comparison to 3.1 in EU-28 (The Use of Collaborative Platforms 2018).

By stating that Use of Collaborative Platforms on top of traditional channels, 72% of Lithuanians express their positive attitudes towards sharing economy and collaborative platforms (in comparison to 60% in EU-28). Though, the statement that the Use of Collaborative Platforms replaces traditional channels is supported only by 22% of Lithuanians (in comparison to 32% in EU-28). Answering the question, whether habitants would recommend to other services offered via collaborative platforms, 54% of Lithuanians answered “Yes, definitely,” 38% answered “Yes, to some extent,” and only 8% said “No.” In comparison to EU-28, according to per cent are the following: 35%, 53%, and 13%. So, Lithuania’s population is rather positive concerning the development of sharing economy and collaborative economy (The Use of Collaborative Platforms 2018).

Notwithstanding, at the same time, sharing economy and collaborative platforms have a number of shortcomings that influence both the state and traditional businesses. One of the main drawbacks that have the greatest impact on the sharing economy and the dissatisfaction of traditional entrepreneurs is the lack of legal regulation. In such a context, 97% of Lithuanians have never offered services via a collaborative platform (in comparison to 94% in EU-28). According to their subjective opinions, the sharing economy and collaborative platforms compared with traditional channels have numerous disadvantages. In total, 29% (in comparison to 49% in EU-28) of the population think that sharing economy and collaborative platforms lack clarity about who is responsible in the case of a problem; 21% (in comparison to 38% in EU-28)—that misleading rating and reviews from users; 19% (in comparison to 37% in EU-28)—that misuse of personal data; 17% (in comparison to 34% in EU-28)—that ensure less trust in the providers of services offered via collaborative platforms; 13% (in comparison to 22% in EU-28)—that problems with the online booking process or payments; 12% (in comparison to 24% in EU-28)—that services offered via collaborative platforms are not as expected. In total, 21% (in comparison to 15% in EU-28) of the population think that there are no significant disadvantages of collaborative platforms at all (The Use of Collaborative Platforms 2018).

The main reason why they never used a service offered via a collaborative platform, according to the biggest share of Lithuanians (41%, in comparison to 36% in EU-28), is that they do not know what collaborative platforms are. In the second place (28%, in comparison to 34% in EU-28) is the reason of preference of the services offered via traditional channels (e.g., with direct personal contact). The least shares (less than 6%) of Lithuanians state that they never used services offered via a collaborative platform because of concerns about sharing personal data on the platform or the Internet, lack of trust in the services offered via collaborative platforms, lack of technical knowledge about how to use collaborative platforms, and poor Internet access. Meanwhile, the main reason why most of the Lithuanians (60%, in comparison to 64% EU-28) never offered a service via a collaborative platform is no item or interest. A less important reason is the lack of technical knowledge about how to use collaborative platforms (17%, in comparison to 31% in EU-28). The other, least important reasons (proved by less than 8% of the population) are the following: lack of trust in the online booking process or payments, lack of trust in consumers using provided services, unclear or complicated to provide the service legally, a complicated system for payment, unclear impact on own employment status, and poor Internet access (The Use of Collaborative Platforms 2018).

In any case, the development of the sharing economy and collaborative platforms in Lithuania as far is gaining speed, even a bit slowly. For example, the share of individuals who used any website or app to arrange accommodation from another individual in 2017 was 9%, and in 2019 was 14% (in comparison to 18% and 21% in EU-28). Individuals used dedicated websites or apps to arrange accommodation from another individual in Lithuania in 2017 was 5%, and in 2019 was 10% (in comparison to 14% and 17% in EU-28). Those who used any website or app to arrange a transport service from another individual in 2017 constituted 7%, and in 2019 constituted already 14% (in comparison to 8% for both years in EU-28). And individuals used dedicated websites or apps to arrange a transport service from another individual in 2017 constituted 5%, and in 2019 constituted already 12% (in comparison to 7% and 6% in EU-28) (Eurostat 2019).

Lithuanian residents are increasingly using global operating platform sharing services: cars (www.uber.com, www.citybee.lt, etc.), renting property (houses, apartments: www.airbnb.com, www.trumpam.lt, etc.), changing unwanted and unneeded items to others and thus not only to benefit but also to provide potential customers with a service or sell goods at competitive prices. Lithuania is also increasing new peer money lending platforms that help small and medium businesses to get money for business development easier and faster (www.savy.lt). So, sharing economy and collaborative platforms open up opportunities and many advantages for new forms of business, even with some disadvantages.

Compared to competing for traditional business in Lithuania, there is a lack of legal regulation, and that is the biggest challenge for the future development of the sharing economy. For example, traditional taxi operators face more constraints than Uber or other companies providing ride services: operating licence, insurance service, more technical inspection, etc. However, as long as there are no straightforward legal acts that define and regulate economic sharing, it is subject to individual performance requirements as Uber company does not guarantee minimum wage, holiday, health care benefits, and other social guarantees. The State Tax Inspectorate provides a broader explanation of the independence of activity of the relationship between the resident and the other counterparty through the individual. Such a relationship must be fundamentally different from the relationship between the employer and the employee. That is, the relationship with the other party to the transaction must not include any characteristic of the employment relationship, such as the agreement on remuneration, the place of work and functions, working time, and leave. The resident himself deals with issues relating to his activity and covers his expenses in connection with the activity.

Although Lithuania does not have direct laws for the sharing economy and collaborative platforms, some laws in force have an impact on it. First of all, the Law of the Republic of Lithuania on Value Added Tax (Law of the Republic of Lithuania on Value Added Tax 2002) creates unequal conditions for doing business. One of the most critical issues is the unequal taxation of services. In Lithuania, hotels are obligated to pay the state for the provided accommodation and other services 9% value-added tax (VAT), 15%- or 5%-income tax, 0.3% to 3% real estate tax, wage (15% Personal Income Tax, 9% Mandatory Health Insurance Contributions, 30.98% State Social Insurance Contributions, 0.2% Contributions to the Guarantee Fund) and others. The private accommodation services are taxed less. Often, individuals are not even VAT payers. For those who do not receive the 45,000 EUR reward during the year, the lessors are not obliged to register as VAT payers, which does not create an obligation to pay VAT on every transaction executed. In Lithuania, short-term rental of residential premises is not regulated in national legislation. The Lithuanian Civil Code regulates only the long-term lease of residential premises and the Law on Tourism—the requirements for accommodation services.

Another important field of the sharing economy: concentrated financing—mutual lending. Vytautas Zabulis, head of the first lending platform “GoSavy” in Lithuania, stays that the platform operators are still the most critical on the relatively non-liberal regulation of P2P financing: with many fuses and constraints, relatively small amounts of money only can be invested and borrowed. Mutual lending is regulated by the Law of the Republic of Lithuania on Fiscal Financing (Lietuvos Respublikos sutelktinio finansavimo įstatymas 2016; Lietuvos Respublikos akcinių bendrovių įstatymas 2000; 2003), which specifies that the Bank of Lithuania shall perform the functions of supervision and legal regulation of the activities of concentrated funding platform operators. The Bank of Lithuania refers to all laws regulating concentrated funding (Dėl Viešojo sutelktinio finansavimo platformų operatorių sąrašo... 2016; Dėl Sutelktinio finansavimo platformų operatorių informacijos... 2016; Dėl informacijos apie finansavimo platformų vadovus ir dalyvius... 2016; Dėl Sutelktinio finansavimo platformų operatorių finansavimo... 2016). These legal acts clearly set out who can carry out the activities of the funding platform operator, how the funders are selected and the prudential requirements.

The following external factors have a major impact on the development of sharing economy and collaborative platforms: the legal framework, the growth of smart technology users, and the pursuit of financial independence. The most important factors influencing the development of economic activity models are the following internal factors: small transaction costs, promotion of sharing economy platforms, easy access to platforms, development of quality of goods or services. The rapid search and ordering of goods and services, the price of goods or services, and the large variety of goods or services, security on platforms have an important impact.

Issues

The results of the Eurobarometer survey (The Use of Collaborative Platforms 2018) let to state that one-third of Lithuania's population is cautious in using sharing economy and collaborative platforms because of not trusting the Internet transactions in general. Additionally, almost one-fifth of the population do not trust the provider or seller; one-quarter of the population was disappointed because the services and goods do not meet expectations. One-fifths of the population stated a lack of information on the services provided. As Lithuanians, as the population of other European countries, especially underlined lack of knowledge who is responsible in case a problem arises.

Notwithstanding, Lithuanian citizens are quite active and establish themselves sharing platforms via which provide drive services (www.kasveza.lt), sell or buy women's clothes (www.vinted.lt), share for free photos (www.realisbeautiful.lt, https://welovelithuania.com/duk/), and other various social initiatives of sharing goods on social networks, such as Facebook (e.g., for donate flowers https://lt-lt.facebook.com/groups/1094864730601191/). Especially, rapidly services are spreading related to tourism, food share, and big families. These developments are mostly related to leisure activities, daily practices, and particular social groups, especially those who experience some kind of need.

Other Major Players

Issues of sharing economy and collaborative economy are under the interests of researchers from many universities and research institutes in Lithuania. Further, listed several universities and keywords on priorities in researching issues of its researchers:

- Mykolas Romeris University: social policy aspects; economic aspects; service providers and receivers; interpersonal relationships; statistical data; ethnographic research.
- Klaipėda University: tourism; accommodation; health services.
- Kaunas University of Technology: economic aspects; technological aspects.
- Vytautas Magnus University: economic aspects.

Moreover, individual entrepreneurs, NGOs, and private businesses are involved in the sharing economy and collaborative economy in Lithuania. Among such, NGO Maisto bankas (www.maistobankas.lt) could be mentioned that specialises in foot sharing.

Future Directions of Research

Adapting to changing customer needs is essential to maintain positions in sharing economy model-based service market. The transition from traditional consumption to experience-based consumption is one of the latest trends (Angus and Westbrook 2019), which is in particular characteristic of transportation and accommodation sharing services in Lithuania. On the other hand, usual customers' routines and established consumption habits are changed by external factors, for example, force majeure forces. The global COVID-19 pandemic had an impact on all economic sectors as well as sharing economy. According to experts (Gebel 2020), every economic sector where direct contact with people is essential will be affected by this pandemic as customers will start avoiding sharing economy services to prevent such contact. This is especially relevant for accommodation services. However, representatives of Lithuanian sharing economy businesses forecast that the drive to move forward will not disappear, though it might happen that car ownership will decline. Therefore, the demand for ride-sharing, ride-hailing and micro-mobility (e.g., e-scooters) might increase (Degutis 2020). Given prevailing consumption trends and external factors, one of the future research directions could be focused on preferences and factors affecting the motives of Lithuanian sharing economy platform users.

Summary

In the paper, we aimed to describe the trends of the digitally supported sharing economy in Lithuania. For the realisation of this aim, available national and international information and data were analysed. It was shown that sharing economy is a new and underdeveloped phenomenon in Lithuania, starting from the definition of the concept. Until now, there is no official definition in a state's legal framework of what sharing economy is, except in translated documents of institutions of the European Union. Moreover, relevant information about the development of sharing economy and collaborative platforms in various sectors is scarce. Though, it is known that Lithuania, according to Timbro Sharing Economy Index, is ranked in 108th place among 213 countries.

The development of the sharing economy and collaborative platforms in Lithuania goes under the context of lack of attention from the official institutions, but at the same time, strict legal regulation of the free market and time-to-time appearing calls for even stricter regulations. Even so, companies win from lower requirements and regulation of the quality and competencies on services and goods that they provide.

Customers win from the main positive sides of the sharing economy, and collaborative platforms guarantee of the falling level of prices and a wider choice of services and goods. The most popular services of the sharing economy in Lithuania are of the transport sector. Even more, according to services offered via the collaborative platforms in the transport sector, Lithuania is leading among all the EU-28 Member States. In the second place are services of accommodation sector, in the third, there are food-related services.

The reasons why Lithuanians offer services via collaborative platforms mostly concern additional sources of income and flexible working hours. The twice lower share of habitants does that because it is an easy way to interact with the consumer, an easy opportunity to become a service provider, an opportunity to offer additional or more innovative services. Over two-thirds of the habitants express their positive attitudes towards sharing economy and collaborative platforms, and over ninety per cent would recommend to other services offered via collaborative platforms. At the individual level, the most important advantages are related to the more convenient access to services and cheaper or even free service. One-third of Lithuanians see advantages in a wider choice of services unavailable via traditional channels and the availability of ratings and reviews.

The main drawback that has the greatest impact on the sharing economy development and the dissatisfaction of traditional entrepreneurs is the lack of legal regulation. As a consequence, 76% of the population never used such services, and 97% of the Lithuanians have never offered the services via sharing economy and collaborative platforms. From the subjective perspective, the main reason why some Lithuanians never offered a service via a collaborative platform is no item or interest. Also, the sharing economy lacks clarity on who is responsible in the case of a problem; one-fifth of worry about misleading ratings and reviews from users and about the misuse of personal data. Two-fifths do not know at all those collaborative platforms are.

The development of the sharing economy and collaborative platforms in Lithuania as far is gaining speed, even a bit slowly. External factors that influence the development of sharing economy and collaborative platforms are the legal framework, the growth of smart technology users, and the pursuit of financial independence. Among influential internal factors are important small transaction costs, promotion of sharing economy platforms, easy access to platforms, development of quality of goods or services. Considering the developments of the sharing economy in different sectors, it can be predicted that in the future, the principles of these phenomena are going to be used in an even broader scope of the sectors.

Acknowledgments

We would like to thank Modesta Stuinaitė for her contribution to the data collection process.

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