

The background of the cover features a close-up, high-angle view of several books and stacks of papers. The books have various colored spines, including blue and black. The pages are mostly off-white or light beige, showing some signs of age. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and texture. The overall composition is centered and balanced, with the text overlaid on a dark, semi-transparent rectangular area.

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THE IMPACTS OF THE SHARING ECONOMIC MODEL ON VIETNAM

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In recent years, there have been many new global companies investing and operating in Vietnam as a form of sharing economy (Uber, Grab, Foody, Agoda, Facebook, Google, etc.). These kinds of economic models are popular in the world but very new in Vietnam. Sharing economy enterprises bring both benefits and challenges for Vietnam. Before time, there is no policy and law to govern the activities of these companies. So, they make the challenges for the authority of Vietnam to manage. This paper will analyze the nature, characters, and impacts of the sharing economy in Vietnam. It also mentions the problems and recommends some solutions to manage the activities of sharing - economy companies.

INTRODUCTION

For about five years nearly, there has been an appearance of a new kind of business in Vietnam. It is known as a kind of sharing economy. This is the result of the Industrial Revolution 4.0 happening around the world. Sharing economic enterprises make business based on the applications of information technologies. Originally growing out of the open-source community to refer to peer-to-peer based sharing of access to goods and services, the term is now sometimes used in a broader sense to describe any sales transactions that are done via online marketplaces, even ones that are business to business (B2B), rather than peer-to-peer.

In Vietnam, there are many famous international brands of sharing economy enterprises. We can call names of them as Uber, Grab, Agoda, Google, Facebook, Airbnb, etc. The new kind of business has made many changes in using services and goods in Vietnam. The operation of sharing economy enterprises is very different from traditional business. The price of services is much cheaper than traditional services. So, there is a conflict between the sharing economy enterprises and traditional enterprises. The problem is related to equal competition in business. Moreover, this new kind of business has created many new challenges for the policy and legal makers of Vietnam as well as the administration and management of government. The

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government must have issued new legal documents to guide the operation and activities of sharing economy enterprises.

Therefore, in this paper, I will analyze more on the details about the impacts of sharing economy enterprises activities in Vietnam following with the recommendations on some solutions to improve the situation.

UNDERSTANDING ABOUT SHARING ECONOMY

The sharing economy is an umbrella term with a range of meanings, often used to describe economic and social activity involving online transactions. For this reason, the term sharing economy has been criticized as misleading, some arguing that even services that enable peer-to-peer exchange can be primarily profit-driven. However, many commentators assert that the term is still valid as a means of describing a generally more democratized marketplace, even when it's applied to a broader spectrum of services.

Also known as share - economy, collaborative consumption, collaborative economy or peer economy, a common academic definition of the term refers to a hybrid market model (in between owning and gift giving) of peer-to-peer exchange. Such transactions are often facilitated via community-based online services. Uberization is also an alternative name for the phenomenon.

The sharing economy may take a variety of forms, including using information technology to provide individuals with information that enables the optimization of resources through the mutualization of excess capacity in goods and services. A common premise is that when information about goods is shared (typically via an online marketplace), the value of those goods may increase for the business, for individuals, for the community and society in general.

Researcher Christopher Koopman, an author of a study by George Mason University economists, said the sharing economy "allows people to take idle capital and turn them into revenue sources." He has stated, "People are taking spare bedroom[s], cars, tools they are not using and becoming entrepreneurs on their own. "Run Sundararajan, a New York University economist who studies the sharing economy, told a January congressional hearing that "this transition will have a positive impact on economic growth and welfare, by stimulating new consumption, by raising productivity, and by catalyzing individual innovation and entrepreneurship".

A study in Inter-economics / The Review of European Economic Policy noted that the sharing economy has the potential to bring many benefits for the economy while noting that this presupposes that the success of sharing economy services reflects their business models rather than 'regulatory arbitrage' from avoiding the regulation that affects traditional businesses.

An independent data study conducted by BUSBUD compared the average price of hotel rooms with an average price of Airbnb listings in thirteen major cities in the United States. The research concluded that in nine of the thirteen cities, Airbnb rates were lower than hotel rates by an average price of \$34.56. A further study conducted by BUSBUD compared the average hotel rate with the average Airbnb rate in eight major European cities. The research concluded that the Airbnb rates were lower than the hotel rates in six of the eight cities by a factor of \$72.

Transport further information: Uber (company) and Lyft. Using a personal car to transport passengers or deliveries requires payment, or sufferance, of costs for fees deducted by the dispatching company, fuel, wear and tear, depreciation, interest, taxes, as well as adequate insurance. The driver is typically not paid for driving to an area where fares might be found in the volume necessary for high earnings, or driving to the location of a pickup or returning from a drop-off point. Mobile apps have been written that help a driver be aware of and manage such costs. Uber, Airbnb, and other companies have had drastic effects on infrastructures such as road congestion and housing. Major cities such as San Francisco and New York City have become even more congested due to ride sharing. According to transportation analyst Charles Komanoff, "Uber-caused congestion has reduced traffic speeds in downtown Manhattan by around 8 percent".

The New York Times wrote that there was a recent corporate decision by Uber which aimed at lowering its fare rates by 15% in over 100 cities in the United States. This decision caused many Uber employee drivers to assemble and express their disagreement with the recent pay cut. Uber has made a statement claiming that "when it cut prices previously, the number of time drivers spent waiting for fares fell; meaning drivers did more business and ultimately earned more money". Several academics recently demonstrated that in 2015, Uber generated \$6.8 billion of consumer welfare in the United States. About local Delivery, the sharing economy model of Uber has been replicated in other similar areas. Theride sharing economy gave birth to food and grocery delivery systems. Uber launched a food-ordering app called UberEATS which not only allows users to order food, but also enables users to register to be UberEATS drivers. Similar to Uber drivers, UberEATS drivers get paid for delivering food. An example of grocery delivery in

the sharing economy is Instakart. It has the same business model as that of sharing economy-based companies like Uber, Airbnb. Instakart uses readily available resources, and the shoppers shop at existing grocery shops. The contract workers use their vehicles to deliver groceries to customers. Instacart manages to keep its cost low as it does not require any infrastructure to store goods. In addition to having contract workers, Instacart allows signing up to be a "personal shopper" for Instacart through its official web page.

The Harvard Business Review argues that "sharing economy" is a misnomer, and that the correct word for this activity is "access economy". The authors say, "When "sharing" is market-mediated—when a company is an intermediary between consumers who don't know each other—it is no longer sharing at all. Rather, consumers are paying to access someone else's goods or services." The article goes on to show that companies (such as Uber) who understand this, and whose marketing highlights the financial benefits to participants, are successful, while companies (such as Lyft) whose marketing highlights the social benefits of the service are less successful.

The notion of "sharing economy" has often been considered as an oxymoron and a misnomer for actual commercial exchanges. Arnold and Rose proposed to replace the misleading concept of "sharing" with that of mutuality or mutualization. A distinction can therefore be made between free mutualization such as genuine sharing and for-profit mutualization in the likes of Uber, Airbnb, or Taskrabbit. To Ritzer, this current trend towards increased consumer input in commercial exchanges refers to the notion of presumption, which, as such, is not new. The mutualization of resources is for example well known in business-to-business (B2B) like heavy machinery in agriculture and forestry as well as in business-to-consumer (B2C) like self-service laundries. But three major drivers enable consumer-to-consumer (C2C) mutualization of resources for a broad variety of new goods and services as well as new industries. First, customer behavior for many goods and services changes from ownership to sharing. Second, online social networks and electronic markets more easily link consumers. And third, mobile devices and electronic services make the use of shared goods and services more convenient (e.g. smartphone app instead of physical key).

Salon writes that "the sharing economy ... [is] not the Internet 'gift economy' as originally conceived, a utopia in which we all benefit from our voluntary contributions. It's something quite different—the relentless co-optation of the gift economy by market capitalism. The sharing

economy, as practiced by Silicon Valley, is a betrayal of the gift economy. The potlatch has been paved over, and replaced with a digital shopping mall."

Oxford Internet Institute, Economic Geographer, Graham has argued that key parts of the sharing economy impose a new balance of power onto workers. By bringing together workers in low- and high-income countries, gig economy platforms that are not geographically-confined can bring about a 'race to the bottom' for workers.

"Unlike earlier generations of information or technology-based enterprises, sharing enterprises rely on a critical mass of providers and consumers who are sufficiently close to each other or to other amenities to make their platforms work, often finding value in the very fact of the beneficial spillovers from proximity." Uber, for example, takes people who live in one common area and transports them to another area. However, to make the initial pick up the Uber driver must be relatively close to the passenger. Urban settings inherently force people to live and work nearby. This means that the amount of people going to and from similar destinations is going to increase. Uber realized this and created a business format to take advantage of this new urban setting. Airbnb is another example of a company that solves a problem created by the centralized urban setting. In urban settings where there is limited space for housing people are always hard pressed to find cheaper housing and rental options when moving from city to city. Airbnb realized this and was able to take advantage of people who had space they aren't using and rent it out at cheaper costs to the people who need a place to stay for shorter amounts of time.

METHOD AND MODEL

The goodness-of-fit test in the LISREL model is generally measured from the overall model fit (i.e. external quality of model) and the internal quality of the model. Regarding the overall model fit test, the common goodness-of-fit valuation indices contain (1) " χ^2 ratio" (Chi-Square ratio), standing for the difference between the actual theoretical model and expected value, which is better below 3, (2) goodness of fit index (GFI) and adjusted goodness of fit index (AGFI), which show better goodness-of-fit when close to 1, (3) root mean square residual (RMR), reflecting the square root of "fit residual variance/covariance means", which is better below 0.05, and (4) incremental fit index (IFI), revealing excellent goodness-of-fit of the model when above 0.9.

The evaluation indicators for the internal quality of model in LISREL include (1) SMC (square multiple correlations) of individual manifest variables, i.e. R^2 of manifest variables and latent variables, which should be above 0.5, (2) component reliability (ρ) of latent variable, as the

Cronbach's α of the observation indicator of the latent variable, which should be above 0.6, and (3) average variance extracted of latent variable, which is calculated by dividing the R2 sum of manifest variables in a latent variable with the number of manifest variables to reveal the percentage of the latent variable being measured with the manifest variables; the value is better above 0.5.

RESEARCH SAMPLE AND SUBJECT

Clients and partners of the sharing economy enterprises in Hanoi and Ho Chi Minh city are randomly distributed 500 copies of questionnaires in this study. A total of 337 valid copies are retrieved, with the retrieval rate of 67%. The retrieved questionnaire data are analyzed with the statistics software.

RELIABILITY AND VALIDITY TEST

Validity refers to a measurement scale being able to measure what a researcher intends to measure. The common validity contains "content validity", tending to qualitative test, "criterion validity", using known external criteria and the correlation coefficient of the test for the evaluation, and "construct validity" used for evaluating the theoretical consistency of the measurement to other observable variables. The questionnaire content in this study is based on past theories and referred to the actual conditions of the research objects to design the measuring tool, which could truly express the essence of the affair and the complete representativeness, to ensure the content validity of the questionnaire. The final commonality estimate of factor analysis is applied to test the construct validity of the measurement items, and the validity appears in 0.8~0.9, showing good validity test results of the questionnaire.

RESULTS AND DISCUSSION

Impact of labor issue: Relationship to job loss: Vinasun is one of the biggest traditional taxi company in Vietnam, from when Uber and Grab appeared in Vietnam for 3 years, the revenue of Vinasun has decreased 11% and profit down 35%. They have to cut off cars and staff. Therefore, many taxi drivers lost their job.

The sharing economy has succeeded in large part because the real economy has been struggling. Specifically, in the magazine's view, the sharing economy succeeds because of a depressed labor market, in which "lots of people are trying to fill holes in their income by monetizing their stuff and their labor in creative ways," and that in many cases, people join the sharing economy

because they've recently lost a full-time job, including a few cases where the pricing structure of the sharing economy may have made their old jobs less profitable (e.g. full-time taxi drivers who may have switched to Uber or Grab). The magazine writes that "In almost every case, what compels people to open up their homes and cars to strangers is money, not trust. ... Tools that help people trust in the kindness of strangers might be pushing hesitant sharing-economy participants over the threshold to adoption. But what's getting them to the threshold in the first place is a damaged economy and harmful public policy that has forced millions of people to look to odd jobs for sustenance.

Some people believe the recent recession led to the expansion of the sharing economy because people could easily employ themselves through the services that these companies offer. However, this concept is only hiding the fact that such employment is only a new face for contractual work and temporary employment that doesn't provide the necessary safeguards for modern living. When companies use contract-based employment, the *"advantage for a business of using such non-regular workers is obvious: It can lower labor costs dramatically, often by 30 percent, since it is not responsible for health benefits, social security, unemployment or injured workers' compensation, paid sick or vacation leave and more. Contract workers, who are barred from forming unions and have no grievance procedure, can be dismissed without notice"*.

Circumventing labor protection law(s): Economy wrote about the debate over the status of the workers within the sharing economy, whether they should be treated as contract workers or employees of the companies. This issue seems to be most relevant among sharing economy companies such as Uber. The reason this has become such a big issue is that the two types of workers are treated very differently. Contract workers are not guaranteed any benefits and pay can be below average. However, if they are employees, they are granted access to benefits and pay is generally higher. The State of California is trying to go after Uber and make them pay a fine to compensate workers fairly. The California Public Utilities Commission was working on a case that *"addresses the same underlying issue seen in the contract worker controversy—whether the new ways of operating in the sharing economy model should be subject to the same regulations governing traditional businesses"*. Like Uber, Instakart too had to face similar lawsuits. In 2015, a lawsuit was filed against Instakart alleging the company misclassified a person who buys and delivers groceries as an independent contractor. Instakart had to eventually make all such people part-time employees and had to accord benefits such as health insurance to those qualifying. This phenomenon helped Instakart to get thousands of employees overnight from zero. Benefits are not accrued evenly.

Susie Cagle wrote that the benefits big sharing economy players might be making for themselves are "not exactly" trickling down, and that the sharing economy "doesn't build trust" because where it builds new connections, it often "replicates old patterns of privileged access for some, and denial for others." *William Alden wrote that "The so-called sharing economy is supposed to offer a new kind of capitalism, one where regular folks, enabled by efficient online platforms, can turn their fallow assets into cash machines ... But the reality is that these markets also tend to attract a class of well-beeled professional operators, who outperform the amateurs—just like the rest of the economy."*

The local economic benefit of the sharing economy is offset by its current form, which is that huge tech companies reap a great deal of the profit in many cases. For example, Uber, which is estimated to be worth \$50B as of mid-2015, takes up to 30% commission from the gross revenue of its drivers, leaving many drivers making less than minimum wage.

Impact on tax and legal policy: The appearance of sharing economy enterprises made a new challenge for the Vietnamese Government. Sharing economy is very new and the legal system of Vietnam lacks the provisions to govern activities of these companies. The lawmakers have to update and enact new policies and regulations to govern the activities of sharing economy enterprises. *For more detail as following:*

To manage the activities of sharing economy enterprises, the authority has discussed and combat so much to decide to admit this kind of economy in Vietnam. The government has permitted these companies to operate legally in Vietnam and require those to obligate regulations of Vietnam. When some traditional companies disagree with a new company sharing economy because they think the sharing economy will kill the traditional business, the government had to recommend the lawmakers to make new laws and change regulations to govern the sharing economy. For example, to collect tax from sharing economy enterprises such as Uber, Grab or Facebook, the ministry of finance must give new accounting tax of enterprise income and individual income tax as well as VAT. This regulation was required to make fair competition between the traditional businesses and sharing - economy companies. Vietnamese authorities continuously improve the regulations to manage the sharing economy enterprises better.

Besides the change in tax policy, Vietnam's Government also recommended the Parliament amendment of Article 292 Code of Criminal 2015. When new Penal Code was enacted, the start-up community was quite worried because of the new provision of Article 292. They felt that regulation would imprison all of the founders of IT startups. Article 292 has some regulation which criminalizes some business activities (trade). Therefore, the startup community requires

the lawmakers to remove article 292 out of the Penal Code 2015. Before the anti-Article 292 was very hard, the government had to recommend the Parliament amend the Penal code 2015 although it was just enacted. And this situation makes a new trend and impacts directly the process of law making in Vietnam. It creates the democratic regime in law making. I think this is a good and positive impact sharing economy brings to Vietnam.

Impact on the environment: Reducing negative environmental impact by reducing the number of goods needing to be produced which cuts down on industry pollution (such as reducing the carbon footprint and consumption of resources). In the sharing economy, we can share many things such as car, houses. When we use one thing together, the cost is automatically reduced. Moreover, it helps to reduce the use of material such as oil, gas, paper, electricity etc. Therefore, it reduces the CO2 and dust, traffic jam, and of course, the reduced pollution of air and water will improve the quality of environment. So, we can conclude that the sharing economy has a positive impact on the environment.

Impact on the price and quality of services: Saving costs by borrowing and recycling items; providing people with access to goods who can't afford buying them or have no interest in long-term usage. In Vietnam, the taxi price was very high until Uber and Grab appeared. The service price of Uber and Grab is cheaper than traditional taxis but the quality is still better. This is why many people in Vietnam have changed their habits and started using Uber and Grab service instead of traditional taxis like Vinasun taxi or Mailinh taxi. The impact of price on taxi service is very positive. It showed that the traditional taxi companies must improve the quality and reduce the price. It is very good for clients and protects the client better because they will have more choices to use the service. In general, the competitiveness of the price between the sharing economy enterprise and traditional company is good to develop the economy positively.

Others issues: Business Insider wrote that companies such as Airbnb and Uber do not share their reputation data with the very users who it belongs to. This is an issue since no matter how well you behave on any one platform; your reputation doesn't travel with you. This fragmentation has some negative consequences, such as the Airbnb squatters who had previously deceived Kickstarter users to the tune of \$40,000. Sharing data between these platforms could have prevented the repeated incidents. Business Insider's view is that since the Sharing Economy is in its infancy, this has been accepted.

However, as the industry matures, this will need to change. Giana Eckhardt and Fleura Bardhi say that the sharing economy promotes and prioritizes cheap fares and low costs rather than

personal relationships, which is tied to similar issues in crowdsourcing. For example, Zipcar is advertised as a ride-sharing service, but it's been brought into consideration that the consumers reap similar benefits from Zipcar as they would from, say, a hotel. In this example, there is minimal social interaction going on and the primary concern is the low cost. Other examples include myriad other sharing economies such as Airbnb or Uber. Because of this, the "sharing economy" may not be about sharing but rather about access. Giana Eckhardt and Fleura Bardhi say the "sharing" economy has taught people to prioritize cheap and easy access over interpersonal communication, and the value of going the extra mile for those interactions has diminished.

CONCLUSIONS AND RECOMMENDATION

The results show that participation in the sharing economy is motivated by many factors such as its sustainability, enjoyment of the activity as well as economic gains. The "sharing economy" may not be about sharing but rather about access. Giana Eckhardt and Fleura Bardhi say the "sharing" economy has taught people to prioritize cheap and easy access over interpersonal communication, and the value of going the extra mile for those interactions has diminished.

In Vietnam, the sharing economy brings many new valuations and makes many new impacts to the people and society. It not only benefits the economy and clients but also poses a challenge to the authority on how to manage sharing economy enterprises. It helps the government and Parliament of Vietnam to boost and improve the legal system to cover and govern a new kind of economy.

When the sharing economy just appeared in Vietnam, the authority was confused and passive to manage. Then, they researched the sharing economy and found out some new policy to manage. The lesson is that Vietnam's leaders need to be more active to enact the policy and law that have prediction and vision with the changing economy. If the Vietnam's authorities have a good prediction and vision, they will avoid passive approach and be more active to manage the sharing economy and other issues in society.