Regulating digitalization: Sharing economy and the case of Uber in Dubrovnik

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Abstract
People have become the part of the digital society in which globalization has found channels to be spread. Because of the frequent use of technology, large number of innovations involve platforms and applications. Those new technological changes influence people in many ways and they call for rapid policy development in order to be effective. Governments need to learn to respond adequately to the new trends digitalization is bringing. One of those trends is the sharing economy. As a technological and innovative trend, it is still struggling with the regulation and meaning of the term. Uber, as one of the most successful platforms of the sharing economy has also dealt with regulation issues. The first part of the article introduced the regulatory challenges that digitalization brought as well as explained what the sharing economy meant. It also analyzed regulation problems that Uber has been facing in numerous countries, with special emphasis on Croatia. The second part of the article dealt with how citizens have accepted Uber. The author has conducted a survey in Dubrovnik in which was shown that citizens prefer Uber as sharing economy platform and also pointed out why.

Key words: globalization, digitalization, the sharing economy, law, Uber, Dubrovnik

Introduction / Uvod

When globalization was defined, it was said to be irreversible. But according to some authors, globalization has been stalling. Warden Bello (2007:111) says that one of the reasons globalization is oversold because production and sales of most transnational companies continue to take place within the country or region of origin, not spread equally across the region. Also, there has been a big difference between the promise of globalization and free trade and the results of neoliberal policy which brought poverty and inequality. For him, *globalization is a spent force* (Bello 2007:112-113). Others, like Hu and Spence (2017) claim that the globalized
economy is under attack with flowing information clashing with cybersecurity, UK leaving the EU and Trump with putting "America first". But is it too harsh to say that globalization is stalling or that is in retreat? Maybe globalization has found other channels and patterns to be spread. According to the experts at McKinsey global institute Manyika et al. “globalization is not heading into reverse. Rather, it is entering a new phase defined by soaring flows of data and information” (2016). Globalization and digital technology have been connected through financial markets, culture, global production networks and especially e-commerce (Hart 2010). Over the last 20 years, the Internet has become a pipeline for billions of dollars in commerce, national economies and the nature of globalization itself (Lund and Manyika, 2017). Globalization turned out to be a more digital form. Manyika et al. state that this form of globalization opened the door for developing countries, small companies and individuals. Tens of millions of enterprises like Alibaba and eBay have become successful exporters in e-commerce. Around 12 percent of global good trade is conducted via e-commerce. Individuals are using platforms to learn, find new work and show their talents (2016). Digital globalization is not used by transnational companies only, but also by small companies and individuals who try to find their place in a global market. Digitalization transforms the way people live and affects society. Therefore, governments and regulators have to play a major role in encouraging digital innovation and in incentivizing the development of these technologies for the benefit of society. They can limit potential unintended negative consequences of these developments by providing general rules that reflect societal values and preferences (OECD, 2019). But, because of the rate the digitalization spreads, regulatory frameworks sometimes cannot catch up with technological developments. But that does not mean the change is slowing down. The world is going digital. Technological changes are visible everywhere and people are more connected because of it. The global flow of information and communication also brought one of the fastest-growing trends in the digital and business world called the sharing economy.

The article deals with the issue of regulating the sharing economy as digital innovation, offering Uber as an example. By analyzing works of various authors, the first part of the article briefly describes the regulation challenges that governments have in today’s digital society as well as introducing the term sharing economy. Special attention will be brought to Uber and its situation of handling the regulations throughout the various countries. The goal of the article is to acknowledge the problem the sharing economy, and Uber as a part of it, has with the regulation and to point out that they still have not found the right way to represent their services in the legal system.

The second part of the article discusses the Uber in Croatia, with special emphasis on Dubrovnik. While Uber struggles with regulation on the one hand and business opponents on the other, the question remains how the citizens see them. In order to determine whether the citizens of Dubrovnik were affected by the regulation problems Uber was going through, if they intended to participate in a sharing economy and why, the survey was conducted. Dubrovnik was chosen due to the novelty of Uber. The survey will be offered to the people with the residence in the city of Dubrovnik and to those who use private transportation. Results will clarify how citizens see Uber as digital innovation and if they respond to the changes
digitalization brings, despite unclear regulatory framework. Therefore, the second part of the paper aims to show what stimulates citizens to participate in a new digital trend, such as sharing economy. Author considers this paper important because it can give clearer image of citizen’s determination if or when using digital innovation, such as sharing economy.

**Digitalization and regulatory framework / Digitalizacija i regulatorni okvir**

Globalization is not something new. But, as Nwaobi (2002: 3) said, the present era has distinctive features where shrinking space, shrinking time and disappearing borders are linking people’s lives more intensely, more immediately than ever before. Thomas Friedman used the term *flatness of the world* which was the metaphor for globalization. He stated that the world is becoming flat in the sense of a more level playing field or platform for all of those who want to participate in the global economy. Barriers have been reduced or erased by the existence of new technological infrastructure.

The consequences of a flat world are for him deep and extensive (Friedman, 2005, according to Hart, 2010). Those new technological changes affect people in many ways. New products that feature a strong service component; the role of data as a driver of economic growth; the automation of tasks with artificial intelligence (AI) and the emergence of new business models such as platforms (OECD, 2019). What is important to realize is that the change is inevitable, and the society needs to find the way to adapt. Tirole discusses the need for Internet users to have confidence in the digital ecosystem. He explained that “Internet of things” will make us even more connected and that the prospect inspires both hopes and fears and it is natural under the circumstances to worry about constant surveillance. For him, the social acceptability of digitization depends on us believing that our data will not be used against us, that the online platforms we use will respect the terms of our contract with them, and that their recommendations will be reliable (Tirole, 2017). Digitalization indeed has transformed the world we live in. Both the arrival of digital technology and the development of the Internet call for rapid policy development, which could permit a common approach across all different communications sectors (Petros, 2014). But it is not as easy. The OECD reported on *regulatory effectiveness in an era of digitalization* and recognized challenges which can be divided into four broad categories:

- The pacing problem: digital technologies tend to develop faster than the regulation or social structures governing them and there is a growing consensus that digital technologies break new “pacing” grounds.
- Designing “fit-for-purpose” regulatory frameworks; Digitalization blurs the usual delineation of markets and sectors, as illustrated by the “new” convergence in telecommunications, media markets and digital platforms. It also confuses the traditional distinction between consumers and producers. This blurring of boundaries affects the scope of the regulators’ mandate and activities.
- The regulatory enforcement challenges; Digitalization challenges regulatory enforcement by questioning the traditional notion of liability. In particular, it makes it more difficult to apportion and attribute responsibility for damage or harm caused by the use of technology to end users.
- The institutional and transboundary challenges; Digital technologies can span multiple regulatory regimes, creating the potential for confusion and risks. It pays no regard to national or jurisdictional boundaries and drastically increases the intensity of cross-border flows and transactions. It gives businesses global reach while being able to locate various stages of their production processes or service centers across different countries. The mismatch between the transboundary nature of digitalization and the fragmentation of regulatory frameworks across jurisdictions may undermine the effectiveness of action and therefore people’s trust in government (OECD, 2019).

OECD also recognizes that international regulatory cooperation is needed to avoid arbitrage; protect consumer rights effectively and promote interoperability across regulatory frameworks and enforcement, whilst creating a favorable environment for the digital economy to succeed (2019). People are very much easily adapting to the changes digitalization has brought. By being protectors of the public, governments must respond to the challenges in the most adequate way. Trends are increasing each year and some of them so fast and efficient that they can change the entire industries. Rifkin (2014) wrote that new business models are beginning to emerge and they are accommodating the requisites of two very different economies – one, a capitalist economy operating in the market, and the other a social economy operating on the Commons. For him, sharing economy as a new business model is a hybrid creature, part market economy and part social economy.

**Behind the term *Sharing economy / Izraz Ekonomija dijeljenja***

Even though sharing is something that every human being recognizes as a part of his life, the sharing economy started to develop in the 21st century after the rise of digitalization and technology. The term is addressed in the Oxford dictionary in 2015 and it is defined as “an economic system in which assets or services are shared between private individuals, either for free or for fee, typically by means of internet (Heo, 2016). Hamari et al. (2015) also characterize it as the peer-to-peer based activity of obtaining, giving and sharing the access to goods and services which are coordinated through community-based online services (Hamari et al., 2015, according to Yaraghi I Ravi, 2017). For Wallsten (2015) the phenomenon behind sharing economy is “turning unused or under-used assets owned by individuals into productive resources. “He claims that homes and cars can give more, but they are underused considering what potential they can give.

The genius of the sharing economy, however, was to harness new technologies – smartphones, GPS, payment systems, identification, feedback mechanisms – to allow almost anyone with the right assets to make those services available outside of the formal hotel or taxi industry. In other words, new technologies significantly reduce the transaction costs of matching under-used assets to those willing to pay to employ those assets. These new services are becoming ubiquitous (Wallsten, 2015)

Figure 1. clearly shows how quickly the trend has “escalated“ and how fast it is boosting.
According to the research PricewaterhouseCoopers conducted (2016), the biggest sector of the sharing economy is the transport sector where they use vehicles as the most sharing object. The organization of the sharing economy in transport uses digital platforms for a possibility of travels on long and short distances. In Europe, France comes first with 800,000 equal members in sharing cars. Germany comes second with 140,000 members and Italy behind it with 130,000 members (Stojković, 2019).

The driving forces behind the sharing economy are, according to Stemler (2016): technology, economic pressure and something that he calls, modern trust. Of course, in the world where individualism and consumerism are developing, living in the cities and not having time for bonding, the person would believe that sharing is something that is not developed easily. But, according to Stemler, modern trust is not something new, but return to the old concept, still not quite on the same scale. Modern trust is built on a system of ratings and feedbacks and reviews, which first started with eBay. Pierre Omidyar, was the founder of eBay who recognized the potential of the Internet and the absence of a virtual secondhand market. Himself and his partners in eBay also discovered that community members might behave in a fraudulent, or simply lazy, manner. Therefore, they created a mechanism for a feedback loop that allowed buyers and sellers to rate one another. They also “began monitoring the activity across the eBay marketplace, flagging potentially problematic sellers or buyers, providing its payment options, and eventually guaranteeing every purchase.” (Stemler, 2016)

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2 It’s about access to an empty seat of the car that travels on the same destination. As such, it can be:
   - Sharing services on shorter destinations
   - Sharing services on the longer destination
   - Network of sharing cars
   - Networks of equal car sharing
   - BC2 network of car-sharing (model of one-way drivers, a model of return drives and free-floating model)
   - Platforms of sharing parking space (Stojković, 2019).
3 Stemler claims that people before the industrial revolution, had shared among themselves. It was acceptable to borrow someone’s tool, horse, or spare bed, especially in America where people in small towns and farming communities would build tight-knit relationships over the years (2016).
4 Pierre Omidyar, was the founder of eBay who recognized the potential of the Internet and the absence of a virtual secondhand market. Himself and his partners in eBay also discovered that community members might behave in a fraudulent, or simply lazy, manner. Therefore, they created a mechanism for a feedback loop that allowed buyers and sellers to rate one another. They also “began monitoring the activity across the eBay marketplace, flagging potentially problematic sellers or buyers, providing its payment options, and eventually guaranteeing every purchase.” (Stemler, 2016)
protect their interests” (Stemler, 2016:38). The sharing economy uses the same trust system, making it much easier to comply with. As Tanz (2014) said: “Airbnb and Lyft finally got Americans to trust each other”, but not just Americans, the whole population also.

Still, as sharing economy is being a new trend, it makes it hard for law to identify it. The biggest challenges to the sharing economy are regulations. First, governments do not have a strong regulatory framework when it comes to new technologies (Posen, 2016: 407). Dyal-Chal (2015) claims that one reason for regulatory confusion is because sharing economy is still not clearly defined. Many regulators are simply not prepared for the new regulatory changers, therefore instantly treating new business as antibusiness. He also states that sharing economy is a different form of market where people have developed a way for individuals to succeed by sharing their private assets. But again, for him: Policymakers do not recognize the sharing economy as a different form of capitalism that it is. They view it as breaking the rules of market behavior, rather than creating a new set of rules (Dyal-Chal, 2015:246).

Because of no regulating form, many sharing platforms violate the law and operate without legislative reform. While some jurisdictions want to ban these platforms, some of them grant experimental licenses. Those who banned them claim that since Transportation network companies (TNCs) are not taxis in legal matter, they just ruled that TNC is an illegal taxi operation (Katz, 2015). However, that is not the case everywhere. Katz also writes that some of the cities created a new legal category, different from the one created for taxis. Some of them issued early guidance for TNCs. Some features are minimum insurance requirements, regular inspections, driver background checks, rules for not discriminating drivers, vehicle registrations and so on (2015). One thing is for sure, they must create a regulation in which both sides will be satisfied.

**Uber between the law and practice / Uber između zakona i prakse**

Uber is one of the most successful platforms of sharing economy and it is definitely ground-shaking innovation in transportation services. But again, as stated before, since it is not clear what does it do (if not driving passengers for profit), on the terms of regulations it is still pretty foggy. One of the biggest regulation issues is whether Uber is a “taxi service” or a “sharing service” (Duncan, 2016). Uber self-declares as a “connecting service” which is based on electronic intermediation via application between people who want to share a car. They reject being involved neither in the taxi service nor in the transport of passengers (Duncan, 2016). Even so, it is fighting on courts against traditional taxi drivers, who state that Uber does not play fair. If Uber is not considered to be a taxi service, it could mean an unfair competition where they have an advantage because they do not need to comply with the same rules as taxi drivers do. Taxi providers are fighting with Uber in various countries, and it mostly resulted in banning, partially banning or regulating Uber. Another big problem

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5 The idea of Uber started in 2008 when Travil Kalanick and Garret Camp could not get a lift in Paris. A year after in San Francisco, they have created an application that enables people to “click for a drive”. Three years after, in 2011 Uber has been spread on the international level. (https://www.uber.com/hr/newsroom/povijest/) According to statistics, Uber is available in 600 cities and 65 countries. Around 14 million Uber trips are completed each day and over 10 billion rides have been completed. (https://www.businessofapps.com/data/uber-statistics/)
for Uber is a safety issue. Numerous reports have raised a question of protection against sexual assault, harassment and other kinds of unsafe behavior by their drivers⁶ (Dyal-Chand, 2015). All of this gives reason for governments not to regulate these platforms as a special category.

Uber has been available in Finland since 2014. But shortly after, it was under investigation for an illegal transport service. Also, some Uber drivers were arrested and accused of driving the passengers without a professional license. Two of them claimed that those drives cannot be defined as professional, but as a friendly neighborhood ride. Even so, with provided evidence they were proclaimed guilty (Karpannen, 2017). Because of this and some other problems, Uber suspended its operations in Finland for a year. They were waiting for the removal of taxi permit caps and fare restriction, which came into effect on 1 of July 2018 (Lomas, 2018). Järvinen, general manager from Uber Nordics stated that more than 250,000 people in Helsinki have opened an app even though Uber did not operate. Also, Finns were using the application outside their country (Uber, 2018).

In Italy, there were several protests against Uber, claiming that this service has an unfair disadvantage because they can get permits in small cities and then operate in bigger cities, which is much cheaper. Due to the events that happened, Uber was banned in Italy in April 2017 after a court in Rome decided that it was performing illegally and making traditional taxies hard to compete (Chapman, 2017). It was banned temporarily and came back shortly after, but only in Milan and Rome and only as Uber Black⁷ option.

The Hungarian government was working against Uber also. Again, with the pressure that taxies created, Prime Minister Viktor Orban's right-wing Fidesz party had a strong majority with the legislation that could restrain the activities of Uber. The new law permitted the Hungarian national communications authority to block internet access to “illegal dispatcher services”. Rob Khazzam, general manager for Uber in central Europe said that Uber was not banned in Hungary, but it was impossible to work under those conditions, so they retreated. For now, they did not come back (Than, Feyo, 2016). In Budapest, e-commerce expert Egon Ervin Kis said he believed the new law would suffocate innovation:

“This is taking away from everybody the opportunity to use this kind of innovation to develop, for the taxi drivers to develop with it, along with the passengers. And if we want to come back to this kind of operation in a few years’ time, then the situation will be totally different, because e-commerce is changing really fast”(Euronews, 2016).

Uber also fought regulations in the UK. In 2014, between 4,000 and 10,000 taxies stopped working as protesting Uber. When it happened, downloads of Uber⁸

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⁷ More expensive and more premium drives in luxury cars.
jumped by 850 percent which brought Uber on the pages of newspapers. In 2015, the number of Uber drivers jumped on 25,000 and surpassed the number of black car drivers. On the other hand, former mayor of London complained that the number of Uber drivers had led to traffic congestion, pollution and illegal parking through the city. A year after, new mayor proposed the new rules for cab drivers which included tougher driving tests and English-language tests, which did not benefit Uber since their drivers were largely from immigrant communities as opposed to native Londoners who were mostly driving black taxis. Again in 2017, there was a lawsuit that claimed that Uber drivers were generating over 1 billion pounds a year and avoiding up to 40 million pounds a year in VAT. Later on, Uber has been banned under the explanation that the company did inadequate background checks and failing to report criminal incidents to the police (Smith, 2017). Throughout the time, Uber’s permission has been banned and then renewed. In 2019 Uber lost its license because it was found that around 14,000 drives were taken by drivers who faked their identity on application (Topham, 2019). But again, in 2020 Uber was granted a London license for 18 months (Duffy, 2020).

According to Smith (2019), despite the legal problems Uber deals with, numbers still prove its popularity:

- 99 million monthly active users, last updated in 2019
- 155 million Uber app downloads, last updated in 2018
- 17 million average number of Uber trips per day, last updated in 2018
- 5.22 billion drives in 2018.

**Uber in Croatia / Uber u Hrvatskoj**

Uber has been in Croatia since 2015. They decided to enter Croatia’s market with the model that includes drivers with taxi license which meant that every person who has a license for driving a taxi can also be an Uber driver. In the first month, Uber application was downloaded 13,000 times, which was a good sign (Galović, 2015). But, a year after, minister of Traffic department announced that Uber was not legal because they did not have a license for taxi driving and they were not enrolled in the court register. By not following the law, they had got 1.5 million Kuna fine. That same minister said that he was not against Uber, but the law had to be respected. Uber replied that they were legal since they were not taxi drivers. For them, taxi drivers had privileges, had taxi signs and they had official stops for taxies, but Uber drivers only transported passengers on demand over the application (Žabec, 2016). Uber has already had 1000 drivers working and around 100,000 users with application in 2016 (Crnjak, 2016). How are these situations handled amongst people, especially drivers? There have been unpleasant situations several times, where taxi drivers allegedly attacked Uber drivers.⁸ Being aware of situations on the roads and the fact that despite all the fines, Uber meant to stay, Ministry of traffic planned to change

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⁸The attack happened in Velika Gorica, near the airport, where three people approached a person in a vehicle and asked him if he worked for Uber. After a confirmed answer, they verbally attacked him and threatened him. He filmed everything and waited for police to come. (jutarnji.hr, 2016)
- The attack happened in Pula, where taxi drivers attacked Uber driver in front of the shopping center and said that the city of Pula is “theirs” and Uber drivers had nothing to do there. (net.hr, 2018)
the law and make taxi driving more approachable. Because of that, in June 2018 they changed the law and equalized Taxi and Uber. Minister of Traffic department stated that this is a good opportunity to raise the number of taxies, which Croatia as a tourist destination had too little, only 3000 (Vlašić, 2018). After the act of liberalization, traditional taxi drivers were not satisfied. Their representative said that it was not a good decision to deprive local self-government of power when it came to regulation of taxi transportation, but they were satisfied with the outcome of equalizing Uber with Taxi (HINA, 2018).

Citizens of Dubrovnik about Uber / Gradani Dubrovnika o Uberu

Dubrovnik is one of the most visited cities in Croatia. As being such, there has always been a strong need for effective public and private transportation. Before Uber, there were only traditional taxies available. The prices were pretty high since there was no competition. After Uber had come to Croatia, the situation changed. Taxies were starting to block the roads and protest against Uber and there were attacks on Uber and Taxi drivers in Dubrovnik. Uber has received 37 reports of violence and aggression against their drivers (HINA, 2017).

Liberalization calmed the tensions between drivers since Uber was equalized with Taxi in the matter of the law. On the other hand, it brought different problems. Before liberalization, the number of vehicles that were performing private

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9 With a new law, regulations were the same for both, Uber and Taxi. Amongst other requirements, the most important for this case is that vehicles:
- cannot be more than seven years old
- must have a taximeter, except in the case when the transportation will be charged through an electronic application
- must have TAXI tag
- must have a price list set up on a place where a consumer can see it, except in a case when the compensation will be charged through an electronic application (Pravilnik o posebnim uvjetima za vozila kojima se obavlja javni cestovni prijevoz i prijevoz za vlastite potrebe NN 50/2018)
Another important change is that now, a license is the same for both. If a person does not have a suitable certificate, they have to take professional qualification exams for performing activities on public road transport. (http://www.uoz.hr/images/vijesti/docs/01_uputa_za_prijavu_ispita_1285060380.pdf)
10 Overnight stays in Dubrovnik, were also up with 3,080,807 recorded so far in 2019. This was 6% more than in the same period last year. In 2018, Dubrovnik reached the 3 million overnight stay on 21 August. (Croatiaweek, 2019)
11 Taxi drivers stopped the traffic in a place called Duboka Ljuta, which is near the airport and stated that they had decided to spontaneously gather in the protest against the poor legal system of the Republic of Croatia, which did not protect them. Taxi carriers were seeking to level the terms of business for Uber because it was making them unfair competition by not paying fees to the City and driving at much lower rates in the summer season only (Srzić, 2017). Blocking the highway had a negative impact on all citizens of the city, especially the passengers who lost their flights at the airport. Former manager of the airport had disapproved of this act, together with the mayor of the city (Poslovni.hr, 2017)
12 One of the taxi drivers physically attacked Uber driver who got wounded. The case was reported (Dubrovački dnevnik, 2018). Uber driver claimed: “I trumpeted him to warn him because he endangered me in traffic. He took it personally and after 20 meters stopped me and immediately started to beat me through the window. He hit me 4-5 times with a fist in the face and after covering my face, he kept hitting me 10 times” (Libero portal, 2018).
On the other side, a taxi driver defended himself claiming that he was provoked in order to destroy him. (Index, 2018)
- There has been a conflict between Uber drivers and the taxi drivers in a place called Močići, near the airport. According to their representative, several taxi drivers were attacked with shocker guns and ended in the hospital. The reason is unknown. (Dubrovački dnevnik, 2017)
transportation was 500, now it has reached 3000 (Barišić, 2019). The current mayor of the city of Dubrovnik, suggested the change of the law in the cities which were protected by UNESCO, stating that taxi transportation had to be controlled in order to reduce crowds around the city. He also warned that, if the law did not adjust, he would impose a restricted traffic zone in which only electric taxies would be allowed to drive (Barišić, 2019).

The survey and the results / Anketa i rezultati

The author decided to use Dubrovnik in a survey because one of the most popular travel locations in Croatia and not small number of Uber drivers provided their services. To discover how its citizens reacted on Uber as a sharing platform, the survey has been conducted with two methods: online survey where the author used the program Google Forms and shared them on social networks to reach younger generations, and drop-off survey. The reason for conducting a “drop off” survey is because the generation above the age of 50 does not use social networks as much. One hundred surveys were prepared, but only 55 subjects were willing to fill it. Others stated that they did not use this kind of transportation.

The survey was structured very simply with only asking the question of usage TAXI or UBER and explaining the reason. The first part consists of general questions which include gender and age. In a total of 250 participants, Chart 1 divides the gender and age of participants.

Chart 1. Results provided by the author / Dijagram 1. Autorovi rezultati istraživanja

These results are not surprising since the first two categories of subjects mostly use the Internet and social networks. The reason for conducting a “drop off” survey is because the generation above the age of 50 does not use social networks as much. One hundred surveys were prepared, but only 55 subjects were willing to fill it. Others stated that they did not use this kind of transportation.
In the other part of the survey, subjects were asked to answer the question of whether they used Taxi or Uber. According to the results, 144 subjects would rather use UBER in comparison with 106 subjects who preferred TAXI, as Chart 3 shows.

![Chart 3](image.png)

**Chart 2.** Results provided by author / Dijagram 2. Autorovi rezultati istraživanja

The last question was an open type, where the subject gave the reason for choosing selected transportation. It was divided into five categories:

- **Price** – this category shows which transportation was cheaper to use
- **Efficiency and simplicity** – this category included: usage of application, transparency, simplicity of calling via mobile phone and convenience.
- **Trust** – this category included: trust in driving with the person who has state license exam, distrust of price demand elasticity and distrust in drivers
- **Habit** – this category included: a habit of usage of transportation and no interest in downloading the application
- **Supporting local employment** – this category included: supporting the locals who were driving taxi transportation or supporting friends and family who were also driving one.

As Chart 3 illustrates, the results show that 83 of them use Uber because of the cheaper price. Also in the category of efficiency and simplicity 51 subjects think that Uber is most convenient. In the category of trust, 39 subjects would rather drive with Taxi since it represents safety for them. Taxi also wins in the category of habit, since Uber is relatively new in Dubrovnik and not all of them wanted to change their habits or they just were not interested in downloading the application. The last category was included because 11 of the subjects said that they would drive with Taxi because they supported people from Dubrovnik who were mostly traditional taxi drivers or they just supported their friends or family who also worked in that category.
Results show that participants, in total, choose Uber. The main reason is the price, which was due to the changes in market supply and innovation of using the application that Uber has introduced. Also, it showed that those subjects who chose traditional transportation did not feel safe with a new digital trend. This result is important because it showed that people reacted positively to such an innovative thing as Uber, and also gave reason for governments to be more effective in the regulation of such a huge trend as sharing economy so that all people should feel safe when using it.

Conclusion / Zaključak

The article dealt with the issue of regulating the sharing economy as digital innovation offering Uber as an example. With analyzing previous papers, it was acknowledged that digital platforms, i.e. Uber still did not find the right solution for a regulatory framework. Governments adjust sharing economy platforms or equalize them with traditional private transportation, i.e. taxis so that they can resolve eventual complications that Uber, as a sharing and innovative platform, has brought. One of those examples is Croatia, where the new law managed to solve the problem with equalizing Uber and traditional taxi transportation. It is important to point out that Uber has never declared itself as a traditional driving platform but as a sharing platform. By being so, governments have to find a way to make the right regulatory framework for this digital innovation, as well as for all of them.

The conducted survey also revealed that citizens of Dubrovnik, by choosing Uber as a more effective type of private transportation, responded positively to this new sharing economy trend that digitalization has brought. It also pointed out...
that the regulation problems the city of Dubrovnik and Uber had did not persuade citizens not to use it. On the other hand, those who have chosen to drive with a taxi as traditional private transportation do not feel safe with something that is still unknown and unexplored. These results are important because they show what determines citizens to use sharing economy and it can be useful for future researchers, inventors and governments to find an adequate regulative framework and the best solution for business people and their users. The change is inevitable and we see how it easily consumes our lives on a daily basis. Therefore, governments and the digital sector should be able to form strong alliances so that new technologies digitalization brings benefits to us all.

Bibliography / Bibliografija


Reguliranje digitalizacije: ekonomija dijeljenja i slučaj Ubera u Dubrovniku

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Sažetak
Ljudi su postali dio digitalnog društva u kojem je globalizacija pronašla kanale za širenje. Zbog česte uporabe tehnologije, velik broj inovacija uključuje platforme i aplikacije. Te nove tehnološke promjene utječu na ljude na mnogo načina i zahtijevaju brz razvoj politike kako bi bile učinkovite. Vlade moraju naučiti prikladno odgovoriti na nove trendove koje digitalizacija donosi. Jedan je od tih trendova ekonomija dijeljenja. Kao tehnološki i inovativni trend, još se uvijek bori s regulacijom i značenjem pojma.

Uber, kao jedna od najuspješnijih platformi ekonomije dijeljenja, također se bavio pitanjima regulacije. U prvom dijelu članka predstavljaju se regulatorni izazovi koje je donijela digitalizacija te se objašnjava što znači ekonomija dijeljenja. Također, analiziraju se regulatorni problemi s kojima se Uber suočava u brojnim državama, s posebnim naglaskom na Hrvatsku. Drugi dio članka bavi se time kako su građani prihvatili Uber. Autorica je u Dubrovniku provela istraživanje koje je pokazalo da građani preferiraju Uber kao platformu ekonomije dijeljenja te je istaknula zašto.

Ključne riječi: globalizacija, digitalizacija, ekonomija dijeljenja, pravo, Uber, Dubrovnik