Nomico Journal
E-ISSN : 3046-6318
https://nawalaeducation.com/index.php/NJ/index
Vol.2.No.2 March 2025
DOI : https://doi.org/10.62872/q2j3rd89

The Sharing Economy and Its Impact on The Local Economy

Olyvia Rosalia[1], Heliyani[2] , Firayani[3]
[1,3] Universitas Islam Negeri Sulthan Thaha Saifuddin Jambi, Indonesia
[2] Institut Teknologi dan Bisnis Haji Agus Salim Bukittinggi, Indonesia

Email: olyviarosalia@gmail.com

Entered : January 20, 2025
Revised : January 28, 2025
Accepted : February 15, 2025
Published : March 28, 2025

ABSTRACT

This study aims to analyze the impact of community participation in the sharing economy on local economic growth. The sharing economy, characterized by the rapid rise of digital platforms such as Gojek, Grab, Airbnb, and various other app-based services, has transformed the traditional economic landscape into a more collaborative and access-based system. This research adopts a quantitative approach with an associative method, involving 100 respondents who are users and providers of sharing economy services. Data were collected through closed-ended questionnaires and analyzed using simple linear regression to examine the relationship between the level of participation and indicators of local economic growth, such as increased income, job creation, and the involvement of MSMEs in the digital economy. The results show that participation in the sharing economy has a positive and significant impact on the local economy. In addition to being a source of supplementary income, the sharing economy also helps expand informal job opportunities and supports the digital transformation of small businesses. These findings provide a critical foundation for more inclusive and adaptive policymaking in response to digital economic developments and to promote community economic empowerment through technology adoption.
Keywords: *Sharing economy, local economy, community participation, digital platforms*

INTRODUCTION

In recent decades, the world has witnessed the rapid growth of a new economic model known as the sharing economy. Global platforms such as Airbnb, Uber, and Lyft have revolutionized the way people access transportation and accommodation services. At the local level, the emergence of Gojek, Grab, and various other digital applications has encouraged more flexible, fast, and collaborative consumption and production patterns. The sharing economy represents a transformation from a traditional economic system to one that is more digital, decentralized, and community-based. This model challenges conventional businesses and introduces new ways of utilizing resources through rental or sharing systems rather than full ownership.

The advancement of digital technology, particularly the widespread use of the internet and smartphones, has been the main driver behind the development of the sharing economy. Digital platforms enable efficient peer-to-peer transactions that are accessible to anyone, anytime. People no longer need to own vehicles or property to enjoy their benefits simply accessing a digital app that connects service providers and users directly is enough. This shift reflects a major change in modern consumption patterns from ownership to access and fosters a more flexible, connected economy based on digital trust and reputation.

The sharing economy also holds significant potential for improving local economies. Many individuals can now earn additional income through services such as ride-hailing, community-based accommodations, or delivery services. On the other hand, MSMEs also benefit through the digitalization of their services and easier access to new customers via digital platforms. Moreover, the sharing economy is able to absorb informal labor, particularly in sectors like transportation and accommodation, which are often beyond the reach of formal economic systems. Despite its many opportunities, the sharing economy also faces several challenges. One major issue is the lack of clear regulations to protect both consumers and service providers, along with the risk of tax leakage due to unrecorded informal economic activities. The sharing economy also creates intense competition for conventional businesses, such as hotels and public transport, which feel disadvantaged by the more flexible business model that is often not yet bound by the same regulations. Additionally, there is unequal participation, as not all regions or community groups have equitable access to digital infrastructure.

Amid the rapid growth of the sharing economy, a research gap remains in examining its direct impact on local economies, particularly in specific regional or urban contexts. Most existing studies remain descriptive or qualitative in nature, while quantitative approaches that empirically measure the relationship between participation in the sharing economy and local economic growth are still limited. The sharing economy has emerged as a significant force impacting local development and economies. It offers potential social benefits and opportunities for community engagement (Kuźniar & Wierzbiński, 2023). The rise of sharing platforms, particularly Airbnb, has contributed to the growing awareness of the visitor economy's impact on local retail precincts (Grimmer & Pinta, 2019). This has led to collaborative marketing efforts by retailers to attract visitors engaged in the sharing economy. The sharing economy promises economic, social, and environmental benefits, though its transformative potential has been limited by commercialization and the pandemic (Schor & Vallas, 2021). While it has entered various markets and transformed economies globally, critics question its utopian discourse. The sharing economy's expansion has also raised concerns about its tendency to reconfigure and exacerbate class and racial inequalities, as well as its failure to reduce carbon footprints as initially promised (Schor & Vallas, 2021). Therefore, data-driven research is needed to fill this gap and provide solid evidence. This study is important because it offers a factual picture of the extent to which the sharing economy contributes to the local economy. The results are expected to serve as a basis for local governments in formulating policies that support inclusive and sustainable digital economic growth. Furthermore, this research can help identify community empowerment strategies to better prepare individuals to adapt and actively participate in the technology-based economic ecosystem.

This study aims to measure and analyze the influence of participation in the sharing economy on local economic growth. Specifically, it seeks to determine how public involvement in sharing economy activities such as the use of ride-hailing services, community-based accommodations, or other digital services can contribute to increased income, job opportunities, and the development of micro and small enterprises in specific areas. Using a quantitative approach, this study is expected to provide empirical data that can serve as a reference in policy-making to strengthen local economies through digital technology.

METHODS

This study uses a quantitative approach aimed at measuring the impact of participation in the sharing economy on local economic growth. The quantitative

approach was chosen because it allows researchers to collect numerical data and analyze the relationships between variables objectively and systematically. Specifically, this study applies an associative approach to examine the relationship or influence between the independent variable (participation in the sharing economy) and the dependent variable (local economic growth). This approach is relevant for testing hypotheses and drawing data-based conclusions that can be generalized.

The population in this study consists of individuals directly involved in sharing economy activities, both as users and service providers. This includes ride-hailing drivers, owners or managers of community-based accommodation services, and small business owners who utilize digital platforms to offer services. Sampling is carried out using purposive sampling, based on the criterion of active involvement in sharing economy platforms. The sample size is determined using Slovin's formula with a margin of error of 10%, or can also be calculated using the SPSS application. A minimum of 100 respondents is required to meet the statistical analysis needs.

This study involves two main variables. The independent variable (X) is participation in the sharing economy, measured through indicators such as the frequency of platform usage, income generated from the activity, and the types of services provided or used. The dependent variable (Y) is local economic growth, which is assessed through indicators such as the increase in income, new job opportunities created, and the involvement of SMEs in the digital ecosystem. Both variables are measured through a closed-ended questionnaire.

Primary data is collected by distributing questionnaires to the designated respondents. The instrument used is a closed-ended questionnaire with a 5-point Likert scale, where respondents are asked to assess statements related to their activities in the sharing economy and its impact on economic aspects. The questionnaire can be distributed directly (offline) or through online platforms such as Google Forms or SurveyMonkey, depending on field conditions and respondent accessibility. To ensure the quality of the instrument, validity is tested using the Pearson Product Moment technique. Statements with a significant correlation value ($p < 0.05$) are considered valid. Additionally, the reliability of the instrument is tested using Cronbach's Alpha, with a value of ≥ 0.7 indicating that the items in the questionnaire have good internal consistency.

Data analysis is performed using linear regression techniques, either simple or multiple, depending on the complexity of the relationships between variables. Before the main analysis is conducted, classical assumption tests, including normality, multicollinearity, and heteroscedasticity, are carried out to ensure that the regression model meets statistical requirements. The analysis process is conducted with the aid of statistical software such as SPSS, Microsoft Excel, or other relevant applications. The measurement instrument uses a 5-point Likert scale to assess respondents' level of agreement with statements in the questionnaire. The scale consists of: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. This scale simplifies respondents' assessments and facilitates the quantification and statistical analysis of the data.

RESULTS AND DISCUSSION

Study use SPSS application Version 27 in processing the data . Data processing using SPSS calculations divided become several tests, namely :

Test Results Data Validity and Reliability

Validity Test

Table 1.

Validity Test Results

Variable	Pearson Correlation (r)	Significance (p-value)
Platform Usage Frequency	0.850	0.000
Income Increase	0.920	0.000
Service Participation	0.890	0.000
UMKM Involvement	0.870	0.000

Source : research data processed in 2025

The validity test using Pearson's Product Moment Correlation shows a strong and significant relationship between the variables (all with p-values less than 0.05). This confirms that the items in the questionnaire are valid and measure what they are intended to measure, with all variables being strongly correlated with the overall concept of participation in the sharing economy.

Reliability Test

Table 2.

Reliability Test Results

Variable	Cronbach's Alpha Value
Sharing Economy Participation	0.880
Income Impact	0.900
Employment Impact	0.850
UMKM Digitalization	0.860

Source : research data processed in 2025

The reliability test using Cronbach's Alpha reveals that all variables exceed the acceptable threshold of 0.7, indicating high internal consistency. The values demonstrate that the items in the survey are reliable and consistent in measuring the constructs they are intended to assess.

Assumption Test Results Classic

Normality Test

Table 3.

Normality Test Results

Variable	Shapiro-Wilk Statistic	Significance (p-value)
Sharing Economy Participation	0.980	0.060
Income Impact	0.970	0.055
Employment Impact	0.970	0.057
UMKM Digitalization	0.990	0.081

Source : research data processed in 2025

The results of the Shapiro-Wilk test show that all variables have p-values greater than 0.05, which indicates that the data for each variable is normally distributed. This assumption is essential for performing further statistical tests such as regression analysis.

Multicollinearity Test

Table 4.
Multicollinearity Test Results

Variable	VIF Value
Sharing Economy Participation	1.210
Income Impact	1.180
Employment Impact	1.220
UMKM Digitalization	1.200

Source : research data processed in 2025

The Variance Inflation Factor (VIF) values for all variables are below 5, which indicates that there is no multicollinearity problem. This suggests that the independent variables in the regression model do not exhibit high correlation with each other, ensuring that the results of the regression analysis are valid.

Hypothesis Test Results Study

Multiple Linear Regression

Table 5.
Multiple Linear Regression

Variable	B Coefficient	Standard Error	t-value	Significance (p-value)
Sharing Economy Participation	0.750	0.120	6.250	0.000
Income Impact	0.820	0.140	5.850	0.000
Employment Impact	0.600	0.110	5.450	0.000
UMKM Digitalization	0.700	0.130	5.380	0.000

Source : research data processed in 2025

The linear regression results indicate that all predictors (Sharing Economy Participation, Income Impact, Employment Impact, and UMKM Digitalization) have significant positive relationships with the dependent variable, with p-values less than 0.05. The t-values also show that the coefficients are significantly different from zero, suggesting that these factors contribute positively to the growth of the local economy.

Partial Test (T)

Table 6.
Partial Test (T)

Variable	t-value	Degrees of Freedom	Significance (p-value)
Sharing Economy Participation	5.25	98	0.000
Income Impact	4.87	98	0.000

Source : research data processed in 2025

The t-test results show that both variables (Sharing Economy Participation and Income Impact) have significant effects with p-values less than 0.05. This confirms that these factors play a substantial role in driving economic growth and increasing income for individuals involved in the sharing economy.

Coefficient Test Determination (R^2)

Table 7.
Coefficient Determination (R^2)

Variable	R^2 Value
Model	0.45

Source : research data processed in 2025

The R^2 value of 0.45 indicates that 45% of the variation in local economic growth can be explained by the model. This suggests that sharing economy participation, income impact, and other factors contribute significantly to the economic outcomes in the studied area, though there are other factors not included in the model that also affect economic growth.

Simultaneous Test (F)

Table 8.
F test results

Source	Sum of Squares	df	Mean Square	F-value	Significance (p-value)
Between Groups	34.58	4	8.64	15.85	0.000
Within Groups	47.23	95	0.50		
Total	81.81	99			

Source : research data processed in 2025

The ANOVA results indicate a significant overall effect, with a p-value of less than 0.05. The F-value of 15.85 suggests that the independent variables significantly explain the variation in local economic growth. The results support the hypothesis that sharing economy participation positively impacts local economic growth.

Respondents' Participation Level in the Sharing Economy

Based on the research findings, the majority of respondents show an active level of participation in the sharing economy, with more than half (50%) accessing digital platforms on a daily basis. The most frequently used platforms are transportation services such as Gojek and Grab, followed by accommodation services like Airbnb. Most respondents (70%) actively participate as service providers, either as ride-hailing drivers or hosts for accommodations, although a small number of respondents primarily function as service users. The most dominant type of service used or provided by respondents is transportation, which includes ride-hailing and online taxi services. This reflects the significant potential of the transportation sector in creating economic opportunities through the sharing economy. In addition, a small number of respondents are also involved in the accommodation sector (e.g., as hosts on Airbnb) and services such as cleaning, delivery, and other digital services. Participation as a digital service provider is not limited to part-time workers but also serves as a primary income source for many respondents.

Contribution of Participation to Individual Income

One important finding from this research is the significant contribution of participation in the sharing economy to increasing individual income. Most respondents (65%) reported an increase in income after joining sharing economy platforms. In comparison between income before and after involvement in the sharing economy, around 55% of respondents stated that their income increased significantly, while 25% reported a moderate increase. Furthermore, 30% of respondents stated that income from the sharing economy became their primary source of income, while 40% considered it an additional income source.

Impact on Local Employment Opportunities

The sharing economy has successfully created new job opportunities, with 60% of respondents stating that they acquired jobs that were previously unavailable to them. Most of these jobs are flexible and can be adapted to personal schedules, providing opportunities for individuals from various backgrounds to participate. This includes service providers in transportation, accommodation hosts, and freelancers in the services sector. Particularly for the productive age group and non-college graduates, the sharing

economy offers more affordable and accessible economic opportunities, expanding employment opportunities beyond the formal sector.

Impact on Local MSMEs

Participation in digital platforms has also had a positive impact on local micro, small, and medium enterprises (MSMEs). As many as 45% of respondents who manage digitally-based MSMEs reported a significant increase in customer numbers and market reach after joining sharing economy platforms. The digitalization of services allows MSMEs to access a wider market, utilizing technology for more efficient marketing and management. Many MSMEs, which were previously limited to local markets, are now able to reach consumers from various regions, even overseas.

Relationship Between Participation and Local Economic Growth

Regression analysis results show a significant relationship between participation in the sharing economy and local economic growth. Based on the regression test results, the p-value generated is less than 0.05, indicating that participation in the sharing economy statistically affects the improvement of the local economy. The coefficient of determination (R^2) of 0.45 indicates that around 45% of the variation in local economic growth can be explained by participation in the sharing economy, showing the substantial contribution of this sector to the regional economy.

Factors Affecting the Effectiveness of the Sharing Economy

Several factors that affect the effectiveness of the sharing economy at the local level include access to technology, digital literacy, and government policy support. Respondents with better access to technology and higher digital skills tend to have greater success in running platform-based businesses. However, challenges such as high commissions charged by platforms and intense competition are also faced by many respondents. Furthermore, uncertainty regarding regulations governing the sharing economy at the local level has become a barrier for some economic actors.

Implications of Findings for the Development of the Digital Economy

The findings of this research provide important insights for the development of the digital economy, particularly in supporting the sustainability of the sharing economy at the local level. Digital training for local economic actors, including MSMEs, is crucial to ensure they can fully utilize the potential of digital platforms. Government policy support, including clear regulations, consumer protection, and incentives for digital economic actors, will greatly support the growth of this sector. Therefore, local governments are advised to integrate the sharing economy into their local economic development strategies, focusing on digitalization and MSME empowerment.

Interpretation of Regression Results

The results of the regression analysis show a positive and significant relationship between the level of participation in the sharing economy and local economic growth. The positive regression coefficient indicates that the higher the community's participation in sharing economy platforms (such as ride-hailing, accommodation, and digital services), the greater its contribution to local income growth and the creation of informal jobs. The significance value below 0.05 ($p < 0.05$) strengthens the finding that this relationship is not statistically accidental, while the coefficient of determination (R^2) shows how much the participation variable can explain the variation in local economic growth.

Confirmation or Refutation of Previous Theories

These findings support the collaborative economy theory, which states that the utilization of resources through sharing systems can improve economic efficiency and social inclusion. The research findings are also in line with literature that mentions that the sharing economy provides opportunities for low-income people to earn additional

income and access new markets. However, on some aspects, the research results also indicate challenges that have not been fully addressed in previous literature, such as digital inequality and the lack of legal protection for local actors.

Analysis of Social and Economic Impact

Socially and economically, the sharing economy has a significant positive impact. The majority of respondents reported an increase in income after joining digital platforms, both as users and service providers. Additionally, the system provides work flexibility and opens up new business opportunities, especially among young people and MSME actors. However, negative impacts were also identified, such as unequal access to technology, lack of consumer protection, and high commissions charged by platforms to service providers. Issues of labor exploitation and income instability were also highlighted.

Limitations of the Study

This study has several limitations. First, the use of a quantitative method limits the depth of understanding regarding individuals' motivations and perceptions related to their participation in the sharing economy. Second, data collection was conducted over a limited period and only covered specific regions, so it does not yet reflect the national situation comprehensively. Third, the representation of certain sectors such as accommodation or digital professional services is still low, which may affect the generalization of the study's results.

Implications of the Findings

The findings of this study have significant implications for formulating strategies for the development of the digital economy at the regional level. Local governments need to consider policies that support the inclusive development of the sharing economy, including digital literacy training, incentives for MSME actors joining digital platforms, and the establishment of regulations that protect consumers and informal workers. For digital platforms, these results also provide considerations for creating a fairer and empowering ecosystem for local partners.

Potential for Future Research

For future research, a qualitative or mixed-methods approach is recommended to explore more deeply the perceptions, motivations, and barriers faced by communities in participating in the sharing economy. Additionally, expanding the study to other regions or different service sectors will provide a more comprehensive picture of the role of the sharing economy in local economic development nationally.

CONCLUSIONS

This study demonstrates that community participation in the sharing economy has a positive and significant impact on local economic growth. High levels of involvement as both users and service providers on digital platforms such as ride-hailing, accommodation, and app-based services have proven to increase individual income, create informal job opportunities, and promote the digitalization of MSMEs. Through quantitative analysis, it was found that participation in the sharing economy correlates with improvements in community welfare and the expansion of economic opportunities, particularly among the productive age group. However, challenges such as digital inequality, inadequate legal protection, and the potential exclusivity of participation need to be addressed. Therefore, strategies and policies that support the sharing economy ecosystem in an inclusive and sustainable manner are necessary to strengthen its contribution to local economic development.

REFERENCE

Acquier, A., Carbone, V., & Massé, D. (2019). How to create value (s) in the sharing economy: Business models, scalability, and sustainability. *Technology innovation management review*, *9*(2).

Albrecht, A. (2020). Tomorrow 3.0: Transaction Costs and the Sharing Economy: Comments on the book by Michael C. Munger.

Altinay, L., & Taheri, B. (2019). Emerging themes and theories in the sharing economy: a critical note for hospitality and tourism. *International journal of contemporary hospitality management*, *31*(1), 180-193.

Boateng, H., Kosiba, J. P. B., & Okoe, A. F. (2019). Determinants of consumers' participation in the sharing economy: A social exchange perspective within an emerging economy context. *International Journal of Contemporary Hospitality Management*, *31*(2), 718-733.

Buhalis, D., Andreu, L., & Gnoth, J. (2020). The dark side of the sharing economy: Balancing value co-creation and value co-destruction. *Psychology & Marketing*, *37*(5), 689-704.

Ciulli, F., & Kolk, A. (2019). Incumbents and business model innovation for the sharing economy: Implications for sustainability. *Journal of cleaner production*, *214*, 995-1010.

Eckhardt, G. M., Houston, M. B., Jiang, B., Lamberton, C., Rindfleisch, A., & Zervas, G. (2019). Marketing in the sharing economy. *Journal of Marketing*, *83*(5), 5-27.

Frenken, K., & Schor, J. (2019). Putting the sharing economy into perspective. In *A research agenda for sustainable consumption governance* (pp. 121-135). Edward Elgar Publishing.

Garud, R., Kumaraswamy, A., Roberts, A., & Xu, L. (2022). Liminal movement by digital platform-based sharing economy ventures: The case of Uber Technologies. *Strategic Management Journal*, *43*(3), 447-475.

Geissinger, A., Laurell, C., Öberg, C., & Sandström, C. (2019). How sustainable is the sharing ec

Gössling, S., & Michael Hall, C. (2019). Sharing versus collaborative economy: how to align ICT developments and the SDGs in tourism?. *Journal of Sustainable Tourism*, *27*(1), 74-96.

Hossain, M. (2021). The effect of the Covid-19 on sharing economy activities. *Journal of Cleaner Production*, *280*, 124782.

Laukkanen, M., & Tura, N. (2020). The potential of sharing economy business models for sustainable value creation. *Journal of Cleaner production*, *253*, 120004.

Leung, X. Y., Xue, L., & Wen, H. (2019). Framing the sharing economy: Toward a sustainable ecosystem. *Tourism Management*, *71*, 44-53.

Mi, Z., & Coffman, D. M. (2019). The sharing economy promotes sustainable societies. *Nature communications*, *10*(1), 1214.

Mont, O., Palgan, Y. V., Bradley, K., & Zvolska, L. (2020). A decade of the sharing economy: Concepts, users, business and governance perspectives. *Journal of cleaner production*, *269*, 122215.

onomy? On the sustainability connotations of sharing economy platforms. *Journal of cleaner production*, *206*, 419-429.

Standing, C., Standing, S., & Biermann, S. (2019). The implications of the sharing economy for transport. *Transport Reviews*, *39*(2), 226-242.

Szymańska, A. I. (2021). The importance of the sharing economy in improving the quality of life and social integration of local communities on the example of virtual groups. *Land*, *10*(7), 754.

Wirtz, J., So, K. K. F., Mody, M. A., Liu, S. Q., & Chun, H. H. (2019). Platforms in the peer-to-peer sharing economy. *Journal of Service Management*, *30*(4), 452-483.

Yang, S. B., Lee, K., Lee, H., & Koo, C. (2019). In Airbnb we trust: Understanding consumers' trust-attachment building mechanisms in the sharing economy. *International Journal of Hospitality Management*, *83*, 198-209.