

## **Pear to Pear in Social Economy through Social Technologies, some Perspectives on this New Challenge in the Eastern Europe**

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### **Abstract**

*The economic environment is now in a difficult situation and it is looking for way to overrun this low. There are more and more examples that this time people find a solution thru sharing economy. We will present here the potential and some barriers for the eastern part of Europe, for Romania.*

*We will present here also some cultural lag that influence and will influence a more and more the economic system and will show some aspects that happens in socio-economic world due to the changes in technology and especially because those changes are happening more quickly than other changes creating some gaps. So, this period of time between the appearance of the new social technologies and the whole process of implementation of its forces will have a great impact within the economy. There will be highlighted some dissimilarities about the limitation and advantage that the share economy through social technologies will have into the rural compare to urban area.*

*Keywords:* Pear to pear economy, Social economy, Social technologies, Education

### **1. Introduction**

Simultaneously with the most recent world economy crises we can notice a dynamic grow of peer to peer sharing economy. After each world economic crises, the economies are looking for solution to overcome the moment. This time people are tinkering with a new kind of economy, a share economy, with minor precedents in modern world. While these initiatives were not saw so often in the past, there is a large potential for the future, and their dynamic is extraordinary, they represent a bottom-up effort to address the economic crisis and build a better economy for the world. In this paper, we will focus especially on that impact in Romania and will extended to Eastern part of Europe and Europe.

We will present here also some cultural lag that influence and will influence a more and more the economic system and will show some aspects that happens in socio-economic world due to the changes in technology and especially because those changes are happening more quickly than other changes creating some gaps. So, this period of time between the appearance of the new social technologies and the whole process of implementation of its forces will have a great impact within the economy.

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urban area of the studied zone.

## 2. Experimental, Results and Discussion

I think that an important aspect of our life is about connections. Connections are important, they create a lot of opportunities, and a lot of great ideas. The economy is now more connected than ever. But this time we will discuss about another new revolution in technology and especially in sharing economy.

The technology can distance us or can bring us together. We think that connections and sharing can be very positive for social life and for economy. In the past the discrepancy between consumption, waste and scarcity was huge. In this sense the sharing economy can bring some brilliant solutions.

Taking in consideration the trends and the dynamic of the number of the devices connected to the Internet this will climb more than 60 billion in the next 5 years. So this place will be more attractive for those who want to capitalize this huge opportunity

Unfortunately, the Romanian environment is still different than the rest of Europe. Romania was name once the granary of Europe, but there have been many years when we import wheat. Agriculture has a significant role in Romania. In all the years after the revolution there has been no fruitful state strategy to re-launch the agriculture, and more and more obstacle from the European Union. We have to mention also that there have been also some program of the European Union that help in a way the developed of agriculture but the biggest problem that face was subsidy from the state in the agricultural and forestry sectors. However, the sector requires further development. Romania has the highest proportion of rural population in the EU (45%), the highest incidence of rural poverty (over 70%), and one of the largest gaps in living and social standards between rural and urban areas.

Under the Europe 2020 strategy, Romania has committed to reduce the population at risk of poverty by 580,000 persons and to achieve an employment rate of 70 percent by 2020. By 2013, only a third of the poverty target had been achieved. One in five Romanians is income poor, and a large share of income poverty is persistent, in that three-quarters of the poor have been poor for at least three years.

One-third of the population is severely deprived materially in the sense of not being able to afford items considered to be desirable or even necessary to lead an adequate life. Decreases in the poverty rate pre-2010 reversed in 2010–13, resulting in a marginal decline in poverty of less than 1 percent between 2008 and 2013 as shown in the statistical data collected from world bank (worldbank stat.2016). We have to take this into consideration when discussing about digital economy in rural area.

The rural European area that we refer here is a treasurable resource for Europe and for the world also. This resource is not just the land and the nature that is situated in this area but also the population of rural region, their experience, skills, abilities, culture and diversity of this space.

The progress cannot be fully realized without paying a special attention to development. There is a strongly need especially in the Eastern Europe and in the rural area to diminished poverty, lake of hope, despair and social exclusion.

Science and technology have a great potential to bring economic grow, but in order to be effective and to bring sustainable grow it's a strongly need to educate population in that way. Rural people face many challenges that are different from place to place and from time to time. This time the biggest challenge that is in front of us is a fundamental one and that why it needs special attention from the authority and

institution that can help to diminish the cultural gap.

The people trust will bypass the government, the central banks or other powers, and this is the beautiful of social media and internet and so people can bypass the traditional institution and create this sharing economy.

The changes in technology and material culture come more rapidly than changes in non-material culture. The time interval between the appearance of a new trait (material culture) and the completion of the adaptation it forces (non-material culture) is known as 'cultural lag'. (Puja M., 2015)

In Romania this problem is very often felt because of the grate rate of rural population, and the leak of education for middle age person and week interest from the government in changing this.

Another interesting problem we identifying in this paper is the differences of percent in category of household consumption expenditures, and we will highlight some discrepancy that can be source for the gap in-between economy of United State, Europe on one side and eastern Europe on the other side.

**Table 2. Example of the construction of one table**

<b>CATEGORY</b>	<b>United State (%)</b>	<b>European Union (%)</b>	<b>Romania (%)</b>
Housing, water, electricity, gas and fuels	20.20	21.90	17.20
Transport	17.60	13.60	6.20
Food and non-alcoholic beverages	15.30	20.30	40.00
Health	5.70	3.40	6.40
Communications	1.60	2.70	4.80
Recreation and culture	14.70	9.40	4.50
Restaurants and hotels	7.60	9.00	1.40
Furnishings, household equipment	3.60	6.20	4.00
Clothing and footwear	3.80	5.10	5.30
Alcoholic beverages, tobacco	5.30	3.50	7.70
Education	2.90	1.20	0.50
Miscleanous	1.70	3.70	2.00

Source: <http://data.worldbank.org/indicator/NE.CON.PRVT> si Institutul National De Statistica [www.insse.ro](http://www.insse.ro)

After sowing some data in Table 1, we will show also some graphics to better highlight the issue and to understand the problem.

We can notice so obvious in Figure 1 that Romanians spend for food almost half of their income, and in this case there will be less money left for the rest, and we include here especially education, recreation and culture, transport, etc. That's one of the reason that the rate of penetration for technology in Romania is not as expected. The positive thing is that the price of technologies became more accessible and the young generation

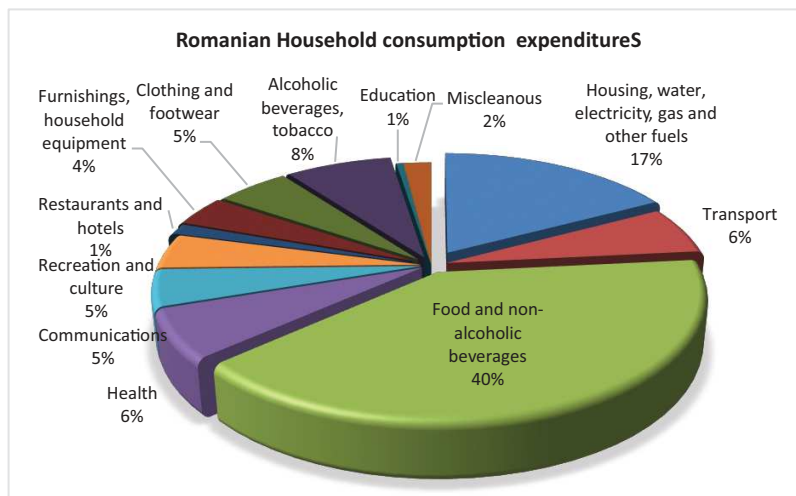
is using like natural. Still remain the old population and the rural area that will delay the advantages that can be brought by the share economy through social technologies.

If we will see things beyond the sectors that are traditional we will discover a huge potential that Digital Market can bring in the picture, and if the population will be aware of this potential definitely those can take this advantage and develop social economy. A population that is well informed can use this digital environment to fulfill their objectives through expand the customer segment throw direct sales in the Digital Market. If they will no longer need an intermediary, the social business can grow faster and can bring more satisfaction to those that are involved.

Allowing for the digitalization of services, the adoption of sharing economy models and the development of networks of producers, providers, users and workers, the DSM has the potential to improve access to information, develop online transactions, reduce trading and challenges operating costs, dematerialize consumption and improve the ways in which social economy actors operate. So they can become associate in businesses, main actors, not just users or services providers, or workers. Being more involved the business people will more motivated and the business has more chances to succeed. If we are looking at the good practice examples we will find Airbnb or Uber, and others but we have to see even the other side of the coin, because all this examples are very important competitors for the new starters in social entrepreneurship, in this peer to peer economy.

As the author of the study “Optimuty Advisors Social economy” said: However, social economy actors face challenges on the level of competition from dominant digital-based service providers (e.g. Uber and Airbnb) in terms of public awareness, allocation of work, as well as wage levels. Whereas appropriately developed, the interlinks between digital technologies and the social economy could help balance creative freedom and social protection objectives and therefore contribute to fully unleashing the growth potential of the new sharing economy. (LIGER Q. et al 2016)

**Figure 1. Romanian household consumption expenditure in 2015**



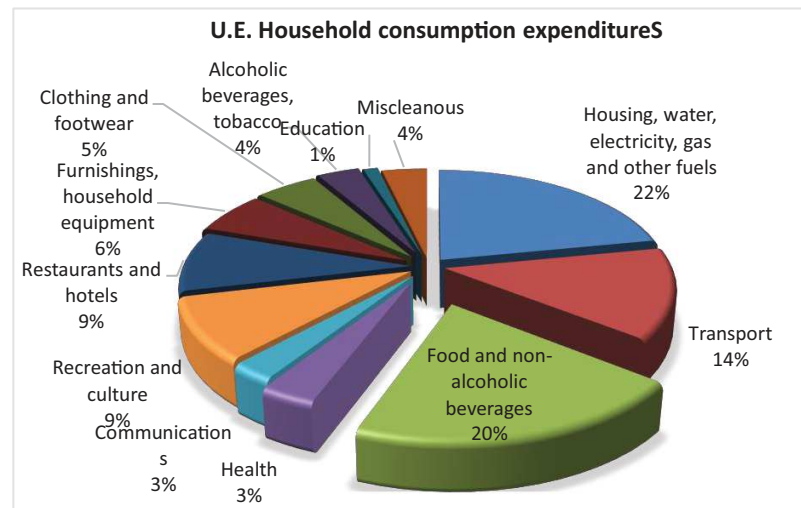
*Source:* Source: INS Figures do not sum to 100% due to rounding

Now if we take a look again at table 1, we can show in a graphic how the Romanians spend their income in comparison with the average European family and Americans family. So we highlight in Figure 1 some percent that can explain why Romanian are at the end of ranking when discussing the electronic commerce or developing social economy through social media technology, etc.

As we can see the percent from expenditures that a family spend in education is strongly connected with the development of economy, of social economy and peer to peer economy and a lot more. The dynamic of numbers from Romania, to average Europe and America reveal ones more the fact that if your spending has to go in an important percentage for food then you will have less for the other and this means less for education. If the Romanian government would have a good strategy to encourage education then the economy would benefit and the population would be more satisfied.

Unfortunately none of the strategy worked so far, if there were any, so we still have in Romania one out of four households that have the toilet situated in the backyard inside the house when the European average is under 3%. And in spite of all of this, the percent of the internet penetration is 62% in Romania. This is a first step but if this is not enough if there will be no increase in the percentage of education in total spending. So this is a must prove by all the country that succeed.

**Figure 2. U.S. Fig 2 E.U. Household consumption expenditures in 2015**



Source: Eurostat Figures do not sum to 100% due to rounding [<http://www.eea.europa.eu/data-and-maps/indicators/trends-in-share-of-expenditure/assessment>]

The digitalization allow institution but also people to be much close using virtual platforms. This is a privilege and an opportunity. The people can come together being more creative innovative and creating a bigger market. For those into the rural area is more helpful because it can cancel the geographical distance between them. So they can take this advantage to recreate here on the platform that pear to pear economy. There are a lot of platform and now more and more are coming out trying to bring people together and businesses together. Some problem still remain. For example after studying the area

“Marginimea Sibiului” I notice and people from that community recognize that they prefer the real market where they can meet with other people where they can see other and be seen by others. This is just one problem and those problems of mentality are the most resistant to change.

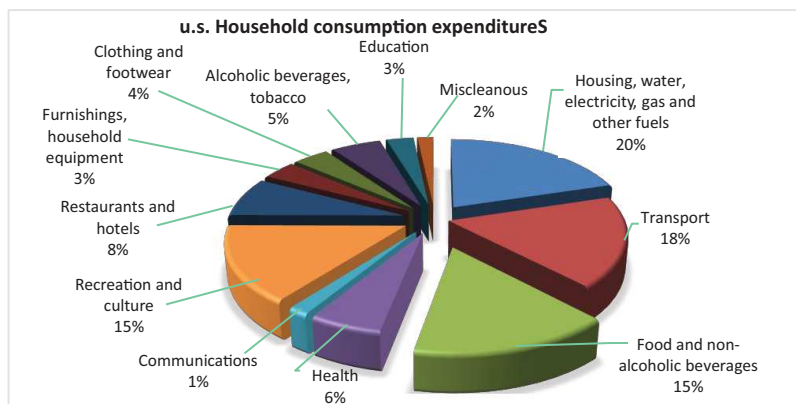
Rural communities are famous for using technology in novel ways. When the telephone first came to rural America in the early 20th century, communities adapted the rural custom of “visiting” to it. Although a system of rings signaled an individual home on a party line, other people would invariably join in or just eavesdrop. It was common enough that speakers would often adjust their conversations for large audiences. The practice so irritated Bell Telephone that the company instructed rural customers to behave more like its urban ones. In the end, however, Bell recognized a business opportunity and created a telephone specifically designed to support the rural custom (Atwood, 1984; Kline, 2000);

Only humans can successfully deal with other humans and, more than ever, the high level work is being done in teams. In truth, this new era we are embarking on will not be solely human driven or machine driven, but a collaboration between humans and machines. Consider that when a freestyle chess tournament that included both humans and machines was organized, the winner was not a chess master or a supercomputer, but two amateurs running three simple programs in parallel. And that's why the new economy really is a social economy. The future belongs not to the strongest or the smartest, but those who can collaborate—with humans and machines—most effectively. (Greg Sattel, 2011)

### Conclusion:

The challenges for the selling process are increasing in the same direction with the level of consumer information. The differences between rural and urban in Romania we have to admit that they are still significant. On one way it is easier to sell to consumer that are not so well informed about the market but an honest seller should prefer an informed customer.

**Figure 3. U.S. Household consumption expenditures 2015**



Source: <http://data.worldbank.org/indicator/NE.CON.PRVT.CD> Figures do not sum to 100% due to rounding

There are a lot of villages that have internet connection and computer rooms, but there are just a few if none person who use them, because they do not have the wish or the education to do that and I am referring now especially to the old population in rural area but even those that are between ages are difficult to convince to use the new technologies. The opportunities are quite large in the rural area and this can be seen in the growing number of rural deliveries.

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