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Current and Prospective Expansion of the Sharing Economy in Albania

Eglantina Hysa

Department of Economics
Epoka University, Albania
ehysa@epoka.edu.al

Alba Demneri Kruja

Department of Business Administration
Epoka University, Albania
akruja@epoka.edu.al

Vera Shiko

Institute of Transport, Albania
Vera.Shiko@ital.gov.al

Abstract

Globalisation has brought immense changes to the national and international economic structure. The digital revolution and ICT expansion positively impacted the sharing economy development. In this regard, the most avant-garde countries in sharing economy seem to be the advanced countries. However, transitory countries such as Albania are making satisfactory progress as well. While being part of some global cases of sharing economy, Albania is also experiencing domestic incentives related with. The sectors involved in sharing economy are affiliated to different domains, including agriculture, tourism, healthcare, transportation, etc. Albania strongly embraced technology because of its relatively young population and the flexible education system adopting to the market needs. The Albanian government is doing well on the promotion and usage of public platforms, which are supportive of the sharing concept. Although not specifically for the sharing economy, the government of Albania has released some useful strategic plans to embed the necessary instruments and infrastructure to digitalisation. However, there is more to do for sharing economy in specific terms. The collaboration of three actors, businesses-academia-government, would bring to the Albanian market new capacities and additional added values.

Keywords: Sharing Economy, Digitalisation, ICT Ecosystem, Triple Helix, Development, Case Study, Albania

Introduction

One of the main infrastructure conditions of the sharing economy is the spread of the Internet and its usage. According to Kemp (2020), the Internet penetration in Albania is 72%, which is considered a substantial value compared to the 59% worldwide penetration. The more Internet usage increases, the more the number of social networks and mobile phone users is expected to increase, thus, expecting more development of a sharing economy. With the Industry 4.0 revolution, the digitisation process of the economy has become a priority agenda of the Albanian government. The Government of Albanian has taken a strong commitment towards supporting and promoting digital initiatives as a powerful tool that leads to modernised governance, increased know-how for a society that is more open, and sustainable economic development for its citizens. Even though a developing country, the digitisation process has been almost in the same parameters and phases as in the other developed countries. According to the Institute of Statistics of the Republic of Albania, INSTAT (2020), 97.5% of economic entities have used computers during 2019 for job-related issues. Of these entities, 97.8% have Internet access, while in EU countries, this ratio is on average around 97%. Of the total active enterprises, 23.4% has operated in the area of information and communications technology. Albania has adapted its legal framework on information society to comply with the EU Acquis Communautaire while being constantly in touch with the dynamic development of the Digital Single Market (MIPA 2014). The concept of sharing economy arises with the digital economy. However, the awareness of the terms “sharing economy” and “collaborative economy” is still very modest in Albania (ECORL 2016). According to the “Timbro Sharing Economy Index (TSEI),” the first global index of the sharing economy, Albania is ranked 79th place in a list of 213 countries. TSEI for Albania in 2018 is calculated as 3.3 points, considering the highest value of this index to be 100 and the lowest one to be 0 (Timbro 2018).

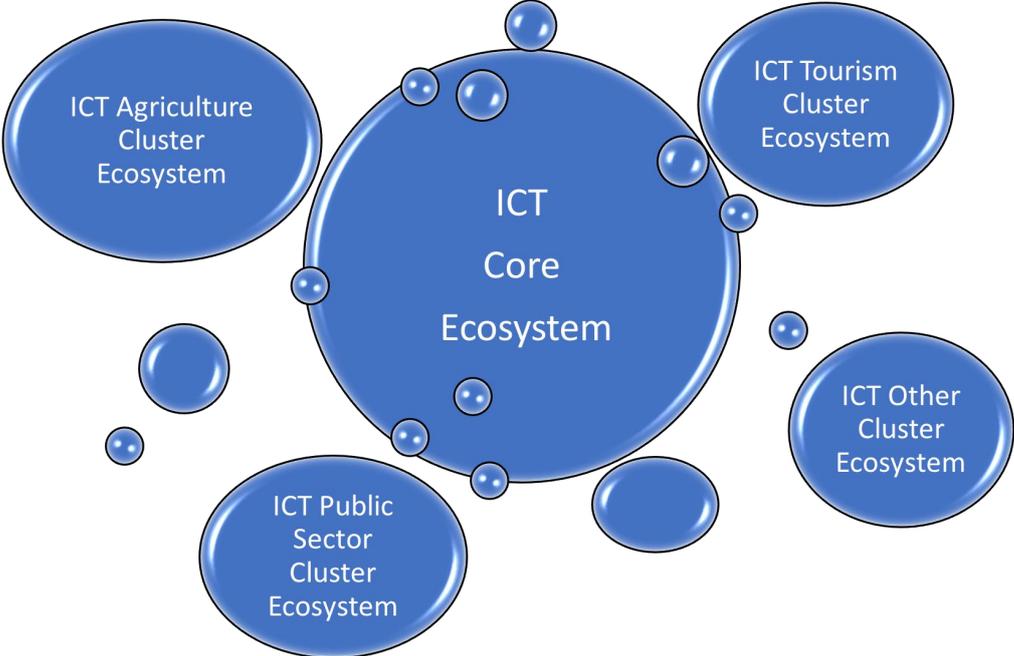
Definition

According to the “Oxford Dictionary of English,” sharing economy is defined as “An economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the Internet.” Meanwhile, Woskow (2014) defines sharing economy as “online platforms that help people share access to assets, resources, time and skills.” As such, the level of the sharing economy in Albania is mostly in line with this last definition. Albania has started to set up some general platforms, mostly related to the government. In 2011, Albania joined the Open Government Partnership, an organization of reformers inside and outside of government, working to transform the way government serves its citizens. One of the implemented projects was the e-Albania project which is a general platform offering assistance in documentation delivery. This is a new application that facilitates and optimises the cost and time.

Even though the collaborative economy is implemented in different sectors in Albania, there still does not exist a definition of it. ICT-Centric Innovation Ecosystem Country Review of 2016 recognises the role of the ICT industry in the economy and seeks to

bring in policy frameworks that will strengthen it and make it a central part of a medium- and long-term vision of Albania’s development (ITU 2016: 5). To achieve it, ITU (2016) recommends the formation of collaborative clusters of relevant stakeholders in several areas of the industry to bring together the key actors in these industries. According to ITU (2016), the collaboration of clusters can be found in agriculture, tourism, the public sector, and others. As shown by Kruja (2020) study on agriculture, the synergic cluster collaboration among ecosystem stakeholders is decisive in the sector’s performance enhancement. The agriculture sector is important for Albania, but it has to be supported by the entrepreneurial spirit to be boosted (Hysa and Mansi 2020). At the same time, the role and support of ICT are crucial at this point. Figure 1 shows the interaction of ICT with different cluster ecosystems.

Figure 1. Collaboration Between Clusters



Source: Own elaboration based on ITU (2016).

Key Questions

The collaborative economy has many contributions to the economic development of the country (for the private as well as the public sector), which are associated at the same time with challenges. One of the main contributions is the transparency of all the processes, as they are performed online, by reducing corruption and building trust among partners. Besides it, there exists the challenge of missing regulations and clear operating standards for these new business models. Albania has made some progress in social entrepreneurship. Starting from the year 2016, there is a legislative framework regarding the “Social Enterprises in the Republic of Albania,” Law No. 65/2016, even though there are a lot of discussions about the clarity and effectiveness of this law to properly implement it. As in the other countries, Albania also lacks legislative regulations for the transactions performed within the sharing economy. In terms of specific policies, there were concerns about taxation on ICT firms and start-ups, the role procurement plays in supporting the ecosystem, support for key actors and

projects in the ecosystem, and the enforcement of intellectual property rights (ICT 2016: 73). So legislative regulations are needed for taxation, social security, and health insurance.

Another concern raised by Corradini and Re (2016) is the financial support needed for digital investments, which in most cases are enabled through public-private partnerships; as well as workforce ICT skills required to maintain this continuous development. To exploit the digitalisation potentiality, bottlenecks need to be removed, and an adequate environment has to be created (Corradini and Re 2016: 11). Researchers suggest collaborations within the industry; collaborations between industry and academia; as well as collaboration between the private and public sector to overcome the different ecosystem challenges (Rinkel et al. 2016; Kruja 2020).

Examples

The major collaborative economy players in Albania are the public and private sectors. In the public sector, a significant role has been undertaken by the municipality of Tirana, which is trying to transform Tirana, the capital city of Albania, into a smart city. From the private sector, the developments have arisen from the global firms as well as from domestic ones. The main sectors influenced by the collaborative economy are tourism, transportation, and agriculture. Some of the well-known implementations of the sharing economy are described below.

Food Bank Albania

Food Bank Albania is a non-profit organization dedicated to the fight against poverty and food waste in Albania. They believe that their goals can be achieved through solidarity and by raising awareness throughout Albanian society about poverty and food waste. To address food surpluses, they collaborate with businesses, institutions, and individuals to collect food donations and raise awareness about food waste. To address poverty, they provide the food they collect to organizations or the State Social Services involved in the fight against poverty. This organization has a common platform that can be used by individuals, businesses, governmental bodies, etc. The platform can be used by contributing financially or in-kind, participating in a campaign or initiating own campaign, etc. The information is offered both in Albanian and in English.

Mobike

Mobike is an innovative bike-sharing service very smart and easy to use that will change your way of living in the city. This service is offered by the municipality of Tirana. It is very efficacy, especially for younger people and people that want to use a bicycle. The slogan of this service is composed of four components: fast, cheap, simple, and comfortable. This service has its own application, the app Mobike. The registered individuals can find out the nearest bicycle by using this application. The money is automatically paid based on the time usage. The information is offered both in Albanian and in English.

Talent Garden

Talent Garden is a campus in Tirana, the capital city of Albania, with almost 50 desks. It is a space-sharing example by featuring several unique concepts designed to support innovation, including smart co-working spaces, fab-labs, relaxation areas, TAG Cafes, event spaces, meeting rooms and classrooms. They provide different

membership forms to their clients for the different services. TAG People is an exclusive online platform included in every membership to get in touch with other members. Members can ask questions, share news, announce product launches, access discount codes for top tech events, and promote their job openings.

Teledoc Albania

Teledoc Albania is a sharing economy platform in the health sector. It provides the opportunity for doctors to supply video or audio consultation 24/7 to patients in Albania. The application can be downloaded by individuals who are at least 17 years old. The application also offers the family sharing opportunity where up to six family members are able to use it.

Baboon

Baboon is a food delivery platform, which simplifies the ordering process by avoiding brochures, confusion, uncertainty in the price, or telephone calls. They provide information about restaurants in Tirana, traditional meals, and kitchens from all over the world.

AgroQuality

AgroQuality is a platform that enables the promotion of different food safety standards such as Global GAP Organic, and HACCP AgroQuality is an initiative aimed at promoting the development of food quality standards and increasing professionalism in each production unit. Each producer can receive personalised information from national and international AgroQuality experts.

The Innovation Map Albania

The Innovation Map Albania is a unique platform that maps the innovation ecosystem in Albania. The main goal of the platform is strengthening the ability of key stakeholders to connect to resources, engage in collaborative transformation, and create services for needs across the country. Through these platforms, all stakeholders will have the possibility to understand priorities from the local ecosystems in various regions of Albania, to ensure good matching and policy coherence, to have a common understanding of the needs and resources which will help them to address resources to the good practice grassroots programmes and engage the ecosystem in the process of development and transformation.

Apart from the examples explained above, there are some other examples classified by different industries. One of the most evident forms of the sharing economy in Albania is the co-working spaces. There are some examples, such as Talent Garden, MyOffice'Al, and eOffice. All these examples are offering their places, services, and sometimes technological assistance. These examples might be considered as a good indicator of industry cooperation. Table 1 presents the industries having some examples of sharing (collaborating) economy for the case of Albania.

Table 1. Summary of the Sharing Economy Examples in Albania

Industries in Albania	Examples
Hotels, accommodations, and space	Airbnb (global) Talent Garden (global) MyOffice'Al (domestic) eOffice (global)
Transportations	Mobike (domestic)
Retail and consumer goods	Baboon (domestic) Food Bank Albania (domestic)
Healthcare	Teledoc Albania (domestic)
Agriculture	AgroQuality (domestic)
Services	Fiverr (global) Freelancer (global) Share-architects (global) Innovation Map Albania (domestic)
Media and entertainment	HitchGathering (global) IntoAlbania (Innovative Tourism in Albania) (domestic)

Source: Own elaboration.

In addition, to a considerable number of companies, including the sharing economy, there are some existing projects focusing on this concept. One of the examples of sharing economy is a project financed by the EU, specifically for capacity building in Albania regarding the tourism sector. The project “Beyond Borders: Introducing Smart Tourism and Sharing Economy” is conducted in the northern side of Albania as well as Northern Macedonia.

Context

Since 2009, the Government of Albania developed two strategies supporting innovation: “The National Strategy for Science, Technology and Innovation 2009–2015” and the cross-cutting strategy “Digital Agenda for Albania 2015–2020.”

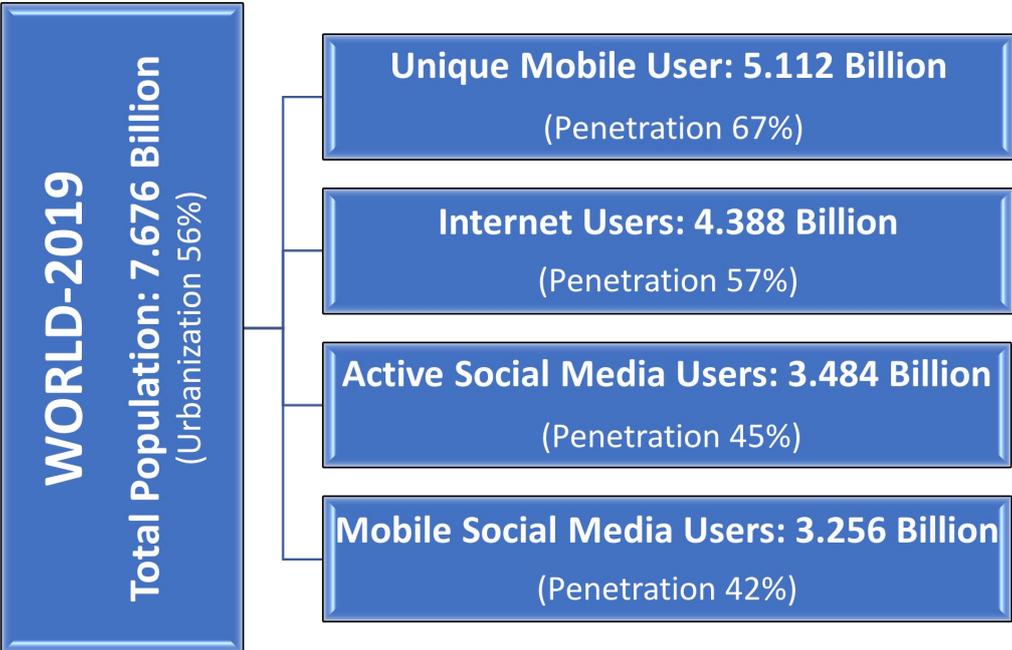
The first strategy is a cross-cutting strategy of Science, Technology, and Innovation (STI) envisioned for 2009–2015, the first document of this kind representing the long-term platform of research and innovation development in Albania (CoM 2009). This strategy defines a clear vision and objectives, which are in line with other national strategies such as: “the National Strategy for Development and Integration” and “the Higher Education National Strategy.” This strategy had foreseen the identification of national research priorities, the structuring of STI policy implementation, the identification and further support of national capacities with this regard and the pushing of STI development in Albania. If the first strategy had to do more with capacity building of public and private entities with special emphasis on STI, the second strategy is focused more on the digitalisation of all public institutions.

The second strategy, that of “Digital Agenda for Albania 2015–2020,” was designed to embrace the digital revolution, which would support the creation of new opportunities for citizens and businesses to benefit (MIPA 2014). This strategy is seen as fundamental to the modernisation of governance, increasing know-how for a society

that is more open and sustainable economic development for its citizens. The proposal of such a strategy was important given that Albania is being categorised as a country having powerful instruments to develop the digital market and e-services.

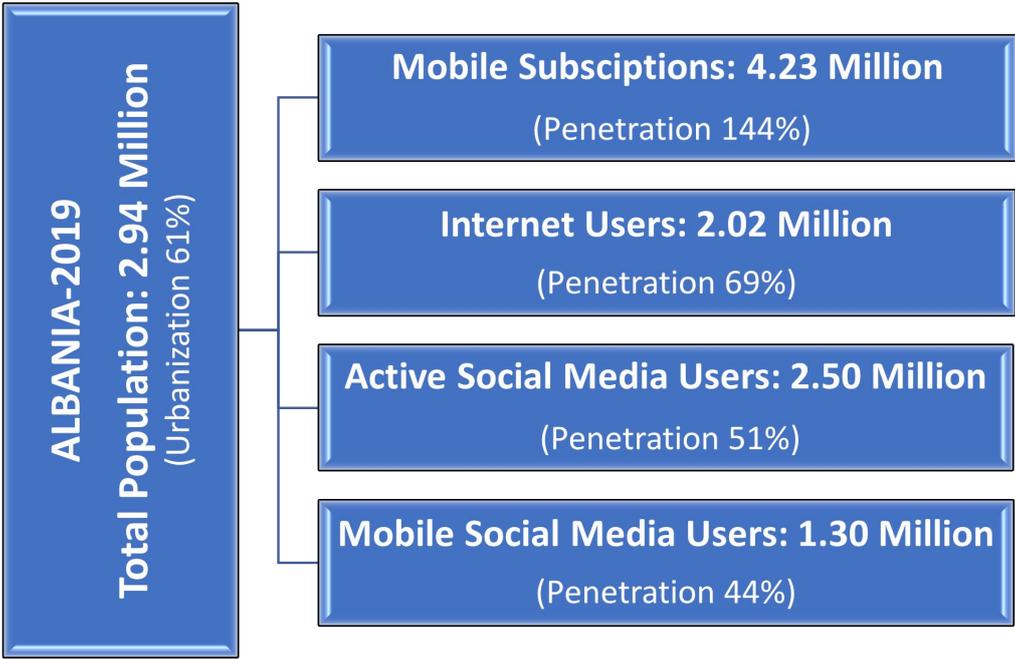
In this context, Albania has a positive approach to digitalisation and Internet usage. Figure 2 and Figure 3 show the world and Albanian data for 2019 about digitalisation. Albania's percentage usage overcame the world average of each category. Mobile subscriptions and Internet usage are higher in Albania than in the rest of the world. This is because of the young population in Albania, the advantages of the geographic position of this country (in Europe), the existing human capital in Albania, and the support of policymakers in this regard.

Figure 2. Digital 2019, World Overview



Source: Own elaboration based on the Report of Kemp (2019).

Figure 3. Digital 2019, Albania Overview



Source: Own elaboration based on Report of Albania, Kemp (2019).

In January 2018, the Republic of Albania launched the “Economic Reform Programme 2018–2020.” Based on its information, Reform twelve is related to the implementation of the legal and regulatory framework for the development of the broadband infrastructure.

“The adoption of the new law and the respective regulatory acts allow the establishment of the right framework for the development of high-speed electronic communication networks, promoting the joint use of the existing infrastructure and the development of new physical infrastructure with a view to reducing costs through cooperation, infrastructure sharing and synergies with other utilities, the coordination of civil works and the establishment of the single point of information. Also, the new law addresses the right of way issues” (RoA 2018).

Another important strategy for better integration of Albania to EU policies is the “Sectoral Strategy of Transport and Action Plan 2016–2020” in line with the “European Transport Policy.” The priorities of this strategy are strongly related to their interconnection of trans-European Transport networks, interoperability of transport services, digitalisation of ICT information and communication technology networks and the related infrastructure. The development and modernisation of Albania’s transport infrastructure have been and remains one of the top priorities of the government of Albania. The aim has been i) to create the preconditions for the development of other sectors of the economy, ii) to increase the accessibility of freight and passengers in trade and service delivery, and iii) to significantly contribute to overall economic growth and development of the economy (MoIE 2018).

Developments

Albania includes almost full coverage of the population with mobile phones. The young generation, but not only, make intensive use of mobile phones on the basis of a solid 4G infrastructure. The secure identity cards since 2009 enable electronic identification and make use of digitalisation tools in the public and private sector. In 2014, the government of Albania had launched the governmental portal, e-Albania, which is in full line with Digital Agenda for Albania 2015–2020. This portal includes a lot of services related to Albanian citizens, foreigners, businesses, and governmental structures. The existence of unique portal e-government in Albania and the inclusion of public consultation system within the e-Albania has increased the exposure and access of citizens to the system, especially during the COVID-19 lockdown.

The period of lockdown emerged with the utilisation of online tools and methods in many domains. The education sector was the most evident and vital due to this constraint. Teachers and educators had to find some common platforms for sharing information and knowledge. On the other side, businesses (employers and employees) had to use online tools to reach banks, governmental agencies, etc.

Issues

As discussed in the previous sessions, Albania represents many capacities in Internet usage, digitalisation, ICT development and other related domains. This is because of the young generation, adapted education system to the market needs, the willingness of Albanians to use technology, and governmental support.

However, when we discuss the sharing economy performance for Albania, we see that there are some limitations and barriers. The sharing and collaborative concepts are still new to this market. This is mostly related to the lack of experience. Another reason might be the inability of businesses to collaborate with other businesses of the same sector or other cross-sectors needed to form the concept of sharing economy.

In addition, the low performance of sharing economy in Albania is due to the difficult business environment in this country. The corruption level is relatively high compared to EU countries. At the same time, there exist low trust and low reinforcement of laws and regulations. Furthermore, there are fundamental problems with property rights and related issues that might emerge in the case of collaborative businesses and sharing opportunities.

Lastly, there is a lack of clear evidence of the triple helix support, the collaboration among businesses-academia-government. If incentives of sharing economy would be supported by these actors, sharing economy would push the economy forward by having low costs, increased consumer surplus, updated with innovation, exposure in larger markets, etc.

Other Major Players

As mentioned above, other incentives toward sharing economy can be in the form of projects, such as “Beyond Borders: Introducing Smart Tourism and Sharing Economy,” with partners for Northern Macedonia and Albania. The key stakeholders are entrepreneurs not directly involved in the tourism sector, local tourism service

providers, and public authorities dealing with the culture and countries heritage (EUforYOU 2017).

There are some initiatives from universities to create platforms that might be in the help of the graduate students to find their proper job and in the help of companies and other recruitments to find their proper graduate profile for the open positions. However, till now, there has been no launched platform of this kind.

The ITU (2016) report expresses the necessary developments to follow in the Albanian economy as below:

“Albania today is lacking relevant ICT led clusters that are focusing on unlocking high-value growth for various sectors from agriculture to tourism, garment manufacturing, and others. Each specific sector already represents an industry loosely connected to the ICT ecosystem. There is an opportunity to bring these ecosystems together so that innovators in Albania can start finding solutions addressing the needs of these verticals and developing innovation in Albania with the competitive global aim” (ITU 2016: 89).

Universities are the major player in the sharing economy, as they have the potential to promote entrepreneurial spirit and foster ICT developments to come up with solutions addressing the market needs. Thus, the economic resources to achieve growth (labour, capital, land, and entrepreneurship) can be improved through investment, exploration, education, and technology innovation (Berhani and Hysa 2013; Vladi and Hysa 2019). The strong collaboration and knowledge share starting from education time will support the development of the sharing economy in the country.

Another essential need for collaboration is that between the university-government-industry as specified by the triple helix model. Knowledge is the key element of the innovation systems, and the institutions which have an important role in its development can be stated as: universities and academic institutions (develop and transfer knowledge); government organizations; innovative enterprises (Kruja 2013: 7). These collaborations focusing on the promotion and fostering of a collaborative economy will bring up necessary and expected economic developments.

Future Directions of Research

At the individual level, the biggest challenge to the sharing economy is the “limited understanding” of the benefits coming from collaboration. Whereas at the national level, the process of sharing economy should be supported by different actors. Bringing all these actors together is a challenge itself. The sharing economy for Albania, but not only, can be supported by further research on some studies envisioning the entrepreneurs’ behaviour and insight toward the sharing economy, which might reflect on some important data on micro-level studies. Another important research area to be considered might be the studies analysing the “sharing-conceptualisation” environment for each actor involved in the collaborative economy and their readiness to cooperate. These studies might help in identifying the barriers and ambiguities and proposing new dimensions to the sharing economy.

Summary

Albania is a post-communist country, which is still categorised as a transitory one, even though they have passed around thirty years after the fall of the communist system. Albania is a relatively small country in the international sphere. This has its' advantages and disadvantages. Being a small country means it is difficult to compete in the international arena, but at the same time, it can be easy catching up with the rest of the world. However, globalisation has brought a significant impact on Albania. Albania is doing a great job in dealing with ICT developments. One of the key factors in this direction is the human capital in this country. Albania has a young generation relative to EU countries. Moreover, this young generation is keen on technology, making this country have some positive steps toward ICT expansion. Engagement with technology is the very first step toward a collaborative or sharing economy. Technology and innovation formulated policy are the right way to transform the economy into a knowledge-based economy (Alfaro et al. 2019). Thus, Albania must do more on setting up the right platforms and collaborative environments. This means that the governmental bodies should implement the right legislative framework that must be in line with the EU directives and processes. At the same time, universities and research institutions should bring into focus the immediate need for such developments.

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Talent Garden Tirana: <https://talentgarden.org/al/campus/tirana/>

Teledoc: <https://apps.apple.com/al/app/teledoc-albania/id1463777205>