

Review Paper

Creative Destruction and the Sharing Economy

Mohamed Buheji* and Dunya Ahmed

International Institute of Inspiration Economy, Slovenia

Received: 21 Mar. 2017, Revised: 22 Apr. 2017, Accepted: 24 Apr. 2017.

Published online: 1 May 2017.

As from its title, the book focus on the concept of Sharing Economy and its role in creating creative destruction and disruptive innovation. The Uber taxi system and application is discussed as disruptive innovation that creates new thinking in political economy.

The book is organizes around four chapters in a classic strategic way besides the introduction and the conclusion.

The book is full with repetitions and short examples from the successful Economics of Uber. However, the book more focus on the struggle between innovation and regulation that is trying to "Destroy Uber the destroyer".

The author discusses how Uber economics plays as a force for economic and socio-economic development. However the author again critique the regulators whom envisage wellbeing, but in reality they are usually are short sighted and can't precise expect future development. This is due that regulation is static. However, sharing economy as of Uber app is more of dynamic. The author was successful in explaining how the sharing economy is competitive and hard to expect since it is made based on interdisciplinary thinking. This interdisciplinary thinking is made in the case of Uber of law + philosophy + sociology + history, besides economics. Thus it is really an economy that is linked to different people, economy and society.

Sharing economy (i.e. doing and creating businesses from things that you don't own) managed to raise attention of economics tools thus leading to better market + welfare + equilibrium + profit + cost.

The author calls for a framework where the individuals are free to act and work on really as per Austria school of economy which combines socialist evolution with open-ended market.

We believe that the author was successful in showing how Uber economy influenced and developed our societies and changed its behavior to accept sharing as a concept. However, it believed that the author didn't give enough explanation how Uber economy made utility and cost to be subjective, nor did he explain how the social institution impacted the human action in this case specifically.

*Corresponding author e-mail: buhejim@gmail.com



The book brings in smoothly the importance of cooperative practice as an entrepreneurial opportunity. However again the author fails to illustrate how Uber symptoms help in "welfare promotion and maximization".

We believe the author managed to discuss how the Uber applied Austrian Economics through bringing in more volunteer groups that affected the market of taxi. This type of pull thinking economy managed to create more realisation today about the importance of using and sharing extra access, re-defining the individual ideal inventory or capacity vs. increasing the individual financial access and ownership. The case of mobility as an economy driver can be applied to any other area.

Uber economy has opened a strong positive debate how one can use societal population density, need for services sustainability, desire for community, the feel of overcoming government strict regulations, the lack of trust between sellers and buyers and sellers data in order to disrupt the market with the proposed business model.

The book leaves us with wide expectation of more projects to come in relevance to Sharing Economy. The variety of disruptive innovation that used some of the sharing economy and created global companies as Pizza Hut, Amazon which uses the (1 hour sharing economy) or the Tesla Car that created even more disruption proven that such entrepreneurial driven projects can:

- 1- Unlock the value of capacity
- 2- Be utilised as a Driver
- 3- Use the supply side as a unique value
- 4- Can utilize the customer whom are in demand side
- 5- Have a business that is built on distributed market space.

The book is suitable as a Case Study reference book for both undergraduate and postgraduate Business, Sociology and Law Students for discussion on how Business Models are built on the basis of Cooperation and even Collaboration. However, the reader has to be patient with high repetitions.

We believe that the book is a good reference to all entrepreneurs whom going to use sharing economy in their business. It simulates for them how their business would influence or can influence the economy, society and the technology.