Collaborative Economy in Developing Countries: Perspectives from the Philippines

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Abstract : Over the past decade, a phenomenon has emerged at the frontier of the digital economy: a wave of 'disruptive' technologies that offer digital solutions to variety of everyday problems, challenging the way traditional industries operate. Most of these disruptive technologies are applications ('apps') that rely on the Internet to connect people to people for sharing, selling, renting, or lending, creating a unique economic model wherein users provide for other users' demand – called 'collaborative economy.' Although collaborative economy is spreading in every part of the world, there may be different ways in which this phenomenon is unfolding throughout the developing countries. In this study, the characteristics of collaborative economy in the Philippines are highlighted and compared from observations in the developed world. The paper looks at two leading collaborative economy ventures in the Philippines – Grab and Shopee – probing into how these smartphone-based platforms place technology into the 'micro-frictions' of the Philippine developing context. Using framing analysis on interviews conducted among Grab and Shopee users in Metro Manila, three frames have been identified: 1) metropolitan solution; 2) financial inclusion and; 3) formalization of labor. This research contextualizes the Fourth Industrial Revolution in ASEAN by analyzing the effect of a digital economy in everyday life.

Keywords: ASEAN Unicorns, collaborative economy, developing countries, fourth industrial revolution

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