

Politics & The Sharing Economy

by Adam Parsons

Can the sharing economy movement address the root causes of the world's converging crises? Unless the sharing of resources is promoted in relation to human rights and concerns for equity, democracy, social justice and sustainability, then such claims are without substantiation – although there are many hopeful signs that the conversation is slowly moving in the right direction.

In recent years, the concept and practice of sharing resources is fast becoming a mainstream phenomenon across North America, Western Europe and other world regions. The internet is awash with articles and websites that celebrate the vast potential of sharing human and physical assets, in everything from cars and bicycles to housing, workplaces, food, household items, and even time or expertise. According to most general definitions that are widely available online, the sharing economy leverages information technology to empower individuals or organisations to distribute, share and re-use excess capacity in goods and services. The business icons of the new sharing economy include the likes of Airbnb, Zipcar, Lyft, Taskrabbit and Poshmark, although hundreds of other for-profit as well as non-profit organisations are associated with this burgeoning movement that is predicated, in one way or another, on the age-old principle of sharing.

As the sharing economy receives increasing attention from the media, a debate is beginning to emerge around its overall importance and future direction. There is no doubt that the emergent paradigm of sharing resources is set to expand and further flourish in coming years, especially in the face of continuing economic recession, government austerity and environmental concerns. As a result of the concerted advocacy work and mobilisation of sharing groups in the US, fifteen city mayors have now signed the Shareable Cities Resolution in which they officially recognise the importance of economic sharing for both the public and private sectors. Seoul in South Korea has also adopted a city-funded project called Sharing City in which it plans to expand its 'sharing infrastructure', promote existing sharing enterprises and incubate sharing economy start-ups as a partial solution to problems in housing, transportation, job creation and community cohesion. Furthermore, Medellin in Colombia is embracing transport-sharing schemes and reimagining the use of its shared public spaces, while Ecuador is the first country in the world to commit itself to becoming a 'shared knowledge'-based society, under an official strategy named 'buen saber'.

Many proponents of the sharing economy therefore have great hopes for a future based on sharing as the new *modus operandi*. Almost everyone recognises that drastic change is needed in the wake of a collapsed economy and an overstretched planet, and the old idea of the American dream – in which a culture that promotes excessive consumerism and commercialisation leads us to see the 'good life' as the 'goods life', as described by the psychologist Tim Kasser – is no longer tenable in a world of rising affluence among possibly 9.6 billion people by 2050. Hence more and more people are

rejecting the materialistic attitudes that defined recent decades, and are gradually shifting towards a different way of living that is based on connectedness and sharing rather than ownership and conspicuous consumption. 'Sharing more and owning less' is the ethic that underlies a discernible change in attitudes among affluent society that is being led by today's young, tech-savvy generation known as Generation Y or the Millennials.

However, many entrepreneurial sharing pioneers also profess a big picture vision of what sharing can achieve in relation to the world's most pressing issues, such as population growth, environmental degradation and food security. As Ryan Gourley of A2Share posits, for example, a network of cities that embrace the sharing economy could mount up into a Sharing Regions Network, then Sharing Nations, and finally a Sharing World: "A globally networked sharing economy would be a whole new paradigm, a game-changer for humanity and the planet". Neal Gorenflo, the co-founder and publisher of Shareable, also argues that peer-to-peer collaboration can form the basis of a new social contract, with an extensive sharing movement acting as the catalyst for systemic changes that can address the root causes of both poverty and climate change. Or to quote the words of Benita Matofska, founder of The People Who Share, we are going to have to "share to survive" if we want to face up to a sustainable future. In such a light, it behoves us all to investigate the potential of sharing to effect a social and economic transformation that is sufficient to meet the grave challenges of the 21st century.

Two sides of a debate on sharing

There is no doubt that sharing resources can contribute to the greater good in a number of ways, from economic as well as environmental and social perspectives. A number of studies show the environmental benefits that are common to many sharing schemes, such as the resource efficiency and potential energy savings that could result from car sharing and bike sharing in cities. Almost all forms of localised sharing are economical, and can lead to significant cost savings or earnings for individuals and enterprises. In terms of subjective well-being and social impacts, common experience demonstrates how sharing can also help us to feel connected to neighbours or co-workers, and even build community and make us feel happier.

Few could disagree on these beneficial aspects of sharing resources within communities or across municipalities, but some controversy surrounds the broader vision of how the sharing economy movement can contribute to a fair and sustainable world. For many advocates of the burgeoning trend towards economic sharing in modern cities, it is about much more than couch-surfing, car sharing or tool libraries, and holds the potential to disrupt the individualist and materialistic assumptions of neoliberal capitalism. For example, Juliet Schor in her book *Plenitude* perceives that a new economics based on sharing could be an antidote to the hyper-individualised, hyper-consumer culture of today, and could help rebuild the social ties that have been lost through market culture. Annie Leonard of the Story of Stuff project, in her latest short video on how to move society in an environmentally sustainable and just direction, also considers sharing as a key 'game changing' solution that could help to transform the basic goals of the economy.

Many other proponents see the sharing economy as a path towards achieving widespread prosperity within the earth's natural limits, and an essential first step on the road to more localised economies and egalitarian societies. But far from everyone perceives that participating in the sharing economy, at least in its existing form and praxis, is a 'political act' that can realistically challenge consumption-driven economics and the culture of individualism – a question that is raised (although not yet comprehensively answered) in a

valuable think piece from Friends of the Earth, as discussed further below. Various commentators argue that the proliferation of new business ventures under the umbrella of sharing are nothing more than “supply and demand continuing its perpetual adjustment to new technologies and fresh opportunities”, and that the concept of the sharing economy is being co-opted by purely commercial interests – a debate that was given impetus when the car sharing pioneers, Zipcar, were bought up by the established rental firm Avis.

Recently, Slate magazine’s business and economics correspondent controversially reiterated the observation that making money from new modes of consumption is not really ‘sharing’ per se, asserting that the sharing economy is therefore a “dumb term” that “deserves to die”. Other journalists have criticised the superficial treatment that the sharing economy typically receives from financial pundits and tech reporters, especially the claims that small business start-ups based on monetised forms of sharing are a solution to the jobs crisis – regardless of drastic cutbacks in welfare and public services, unprecedented rates of income inequality, and the dangerous rise of the precariat. The author Evgeny Morozov, writing an op-ed in the Financial Times, has gone as far as saying that the sharing economy is having a pernicious effect on equality and basic working conditions, in that it is fully compliant with market logic, is far from valuing human relationships over profit, and is even amplifying the worst excesses of the dominant economic model. In the context of the erosion of full-time employment, the assault on trade unions and the disappearance of healthcare and insurance benefits, he argues that the sharing economy is accelerating the transformation of workers into “always-on self-employed entrepreneurs who must think like brands”, leading him to dub it “neoliberalism on steroids”.

Problems of definition

Although it is impossible to reconcile these polarised views, part of the problem in assessing the true potential of economic sharing is one of vagueness in definition and wide differences in understanding. The conventional interpretation of the sharing economy is at present focused on its financial and commercial aspects, with continuous news reports proclaiming its rapidly growing market size and potential as a “co-commerce revolution”. Rachel Botsman, a leading entrepreneurial thinker on the potential of collaboration and sharing through digital technologies to change our lives, has attempted to clarify what the sharing economy actually is in order to prevent further confusion over the different terms in general use. In her latest typology, she notes how the term ‘sharing economy’ is often muddled with other new ideas and is in fact a subset of ‘collaborative consumption’ within the entire ‘collaborative economy’ movement, and has a rather restricted meaning in terms of “sharing underutilized assets from spaces to skills to stuff for monetary or non-monetary benefits” [see slide 9 of the presentation]. This interpretation of changing consumer behaviours and lifestyles revolves around the “maximum utilization of assets through efficient models of redistribution and shared access”, which isn’t necessarily predicated on an ethic of ‘sharing’ by any strict definition.

Other interpretations of the sharing economy are far broader and less constrained by capitalistic assumptions, as demonstrated in the Friends of the Earth briefing paper on Sharing Cities written by Professor Julian Agyeman et al. In their estimation, what’s missing from most of these current definitions and categorisations of economic sharing is a consideration of “the communal, collective production that characterises the collective commons”. A broadened ‘sharing spectrum’ that they propose therefore not only focuses on goods and services within the mainstream economy (which is almost always

considered in relation to affluent, middle-class lifestyles), but also includes the non-material or intangible aspects of sharing such as well-being and capability [see page 6 of the brief]. From this wider perspective, they assert that the cutting edge of the sharing economy is often not commercial and includes informal behaviours like the unpaid care, support and nurturing that we provide for one another, as well as the shared use of infrastructure and shared public services.

This sheds a new light on governments as the “ultimate level of sharing”, and suggests that the history of the welfare state in Europe and other forms of social protection is, in fact, also integral to the evolution of shared resources in cities and within different countries. Yet an understanding of sharing from this more holistic viewpoint doesn’t have to be limited to the state provision of healthcare, education, and other public services. As Agyeman et al elucidate, cooperatives of all kinds (from worker to housing to retailer and consumer co-ops) also offer alternative models for shared service provision and a different perspective on economic sharing, one in which equity and collective ownership is prioritised. Access to natural common resources such as air and water can also be understood in terms of sharing, which may then prioritise the common good of all people over commercial or private interests and market mechanisms. This would include controversial issues of land ownership and land use, raising questions over how best to share land and urban space more equitably – such as through community land trusts, or through new policies and incentives such as land value taxation.

The politics of sharing

Furthermore, Agyeman et al argue that an understanding of sharing in relation to the collective commons gives rise to explicitly political questions concerning the shared public realm and participatory democracy. This is central to the many countercultural movements of recent years (such as the Occupy movement and Middle East protests since 2011, and the Taksim Gezi Park protests in 2013) that have reclaimed public space to symbolically challenge unjust power dynamics and the increasing trend toward privatisation that is central to neoliberal hegemony. Sharing is also directly related to the functioning of a healthy democracy, the authors reason, in that a vibrant sharing economy (when interpreted in this light) can counter the political apathy that characterises modern consumer society. By reinforcing values of community and collaboration over the individualism and consumerism that defines our present-day cultures and identities, they argue that participation in sharing could ultimately be reflected in the political domain. They also argue that a shared public realm is essential for the expression of participatory democracy and the development of a good society, not least as this provides a necessary venue for popular debate and public reasoning that can influence political decisions. Indeed the “emerging shareability paradigm”, as they describe it, is said to reflect the basic tenets of the Right to the City (RTTC) - an international urban movement that fights for democracy, justice and sustainability in cities and mobilises against the privatisation of common goods and public spaces.

The intention in briefly outlining some of these differing interpretations of sharing is to demonstrate how considerations of politics, justice, ethics and sustainability are slowly being allied with the sharing economy concept. A paramount example is the Friends of the Earth briefing paper outlined above, which was written as part of FOEI’s Big Ideas to Change the World series on cities that promoted sharing as “a political force to be reckoned with” and a “call to action for environmentalists”. Yet many further examples could also be mentioned, such as the New Economics Foundation’s ‘Manifesto for the New Materialism’ which promotes the old-fashioned ethic of sharing as part of a new way of living to replace the collapsed model of debt-fuelled overconsumption. There are also

signs that many influential proponents of the sharing economy - as generally understood today in terms of new economic models driven by peer-to-peer technology that enable access to rather than ownership of resources - are beginning to query the commercial direction that the movement is taking, and are instead promoting more politicised forms of social change that are not merely based on micro-enterprise or the monetisation/branding of high-tech innovations.

Janelle Orsi, a California-based 'sharing lawyer' and author of *The Sharing Solution*, is particularly inspirational in this regard; for her, the sharing economy encompasses such a broad range of activities that it is hard to define, although she suggests that all its activities are tied together in how they harness the existing resources of a community and grow its wealth. This is in contradistinction to the mainstream economy that mostly generates wealth for people outside of people's communities, and inherently generates extreme inequalities and ecological destruction - which Orsi contends that the sharing economy can help reverse. The problem she recognises is that the so-called sharing economy we usually hear about in the media is built upon a business-as-usual foundation, which is privately owned and often funded by venture capital (as is the case with Airbnb, Lyft, Zipcar, Taskrabbit, etc.) As a result, the same business structures that created the economic problems of today are buying up new sharing economy companies and turning them into ever larger, more centralised enterprises that are not concerned about people's well-being, community cohesion, local economic diversity, sustainable job creation and so on (not to mention the risk of re-creating stock valuation bubbles that overshadowed the earlier generation of dot.com enterprises). The only way to ensure that new sharing economy companies fulfil their potential to create economic empowerment for users and their communities, Orsi argues, is through cooperative conversion - and she makes a compelling case for the democratic, non-exploitative, redistributive and truly 'sharing' potential of worker and consumer cooperatives in all their guises.

Sharing as a path to systemic change

There are important reasons to query which direction this emerging movement for sharing will take in the years ahead. As prominent supporters of the sharing economy recognise, like Janelle Orsi and Juliet Schor, it offers both opportunities and reasons for optimism as well as pitfalls and some serious concerns. On the one hand, it reflects a growing shift in our values and social identities as 'citizens vs consumers', and is helping us to rethink notions of ownership and prosperity in a world of finite resources, scandalous waste and massive wealth disparities. Perhaps its many proponents are right, and the sharing economy represents the first step towards transitioning away from the over-consumptive, materially-intense and hoarding lifestyles of North American, Western European and other rich societies. Perhaps sharing really is fast becoming a counter-cultural movement that can help us to value relationships more than things, and offer us the possibility of re-imagining politics and constructing a more participative democracy, which could ultimately pose a challenge to the global capitalist/consumerist model of development that is built on private interests and debt at the cost of shared interests and true wealth.

On the other hand, critics are right to point out that the sharing economy in its present form is hardly a threat to existing power structures or a movement that represents the kind of radical changes we need to make the world a better place. Far from reorienting the economy towards greater equity and a better quality of life, as proposed by writers such as Richard Wilkinson and Kate Pickett, Tim Jackson, Herman Daly and John Cobb, it is arguable that most forms of sharing via peer-to-peer networks are at risk of being subverted by conventional business practices. There is a perverse irony in trying to imagine the logical conclusion of these trends: new models of collaborative consumption

and co-production that are co-opted by private interests and venture capitalists, and increasingly geared towards affluent middle-class types or so-called bourgeois bohemians (the 'bobos'), to the exclusion of those on low incomes and therefore to the detriment of a more equal society. Or new sharing technology platforms that enable governments and corporations to collaborate in pursuing more intrusive controls over and greater surveillance of citizens. Or new social relationships based on sharing in the context of increasingly privatised and enclosed public spaces, such as gated communities within which private facilities and resources are shared.

This is by no means an inevitable outcome, but what is clear from this brief analysis is that the commercialisation and depoliticisation of economic sharing poses risks and contradictions that call into question its potential to transform society for the benefit of everyone. Unless the sharing of resources is promoted in relation to human rights and concerns for equity, democracy, social justice and sound environmental stewardship, then the various claims that sharing is a new paradigm that can address the world's interrelated crises is indeed empty rhetoric or utopian thinking without any substantiation. Sharing our skills through Hackerspaces, our unused stuff through GoodShuffle or a community potluck through mealshare is, in and of itself, a generally positive phenomenon that deserves to be enjoyed and fully participated in, but let's not pretend that car shares, clothes swaps, co-housing, shared vacation homes and so on are going to seriously address economic and climate chaos, unjust power dynamics or inequitable wealth distribution.

Sharing from the local to the global

If we look at sharing through the lens of just sustainability, however, as civil society organisations and others are now beginning to do, then the true possibilities of sharing resources within and among the world's nations are vast and all-encompassing: to enhance equity, rebuild community, improve well-being, democratise national and global governance, defend and promote the global commons, even to point the way towards a more cooperative international framework to replace the present stage of competitive neoliberal globalisation. We are not there yet, of course, and the popular understanding of economic sharing today is clearly focused on the more personal forms of giving and exchange among individuals or through online business ventures, which is mainly for the benefit of high-income groups in the world's most economically advanced nations. But the fact that this conversation is now being broadened to include the role of governments in sharing public infrastructure, political power and economic resources within countries is a hopeful indication that the emerging sharing movement is slowly moving in the right direction.

Already, questions are being raised as to what sharing resources means for the poorest people in the developing world, and how a revival of economic sharing in the richest countries can be spread globally as a solution to converging crises. It may not be long until the idea of economic sharing on a planetary scale - driven by an awareness of impending ecological catastrophe, life-threatening extremes of inequality, and escalating conflict over natural resources - is the subject of every dinner party and kitchen table conversation