Share to Care, Care to Share

Making Collaborative Consumption More Social

by DR. ANNIKA BEIFUSS

"Uber, the world's largest taxi company, owns no vehicles. [...] And Airbnb, the world's largest accommodation provider, owns no real estate. Something interesting is happening." (Tom Goodwin)

More and more companies are getting rich by providing resources they do not own. Sharing economy means making money by making connections, by matching people with needs and those with something to offer. The main job is customer service. According to the online community The People Who Share, the sharing economy is "a socio-economic ecosystem built around the sharing of human and physical resources." More and more things are offered to share: cars; train, tram or bus rides; food; lodging; couches; gardens; tools; skills and much more. There are few boundaries to what can be lent or borrowed.

Handling Material Resources

In its infancy and before the ubiquity of the World Wide Web, sharing economy or collaborative consumption was not a big trend, but mainly used by the economically less advantaged. In a prototypical fashion, rideshare opportunities were created simply because there were four students needing a ride and only one person who owned a car. Costs were divided among these five people; there was no need for an external party to be involved. Sharing cars or apartments were regarded as phenomena mainly found in the "eco scene" or among students. It made best use of scarce resources and/or money.

This has changed drastically over the last 20 years. Things are shared in a very different manner today: not only have startups like Airbnb and Uber changed the rules of economy by creating unexpectedly large sharing communities; by now, even huge multinational corporations like Ikea, H&M and Marks & Spencer help their customers to share their used products like furniture and clothes. Of course, these big companies encourage customers to give away their used things for a reason: they are at the same time promoting more consumption, so the money that a person saves by sharing is not lost for the economy. With apps like "prêt-a-louer," a rental portal for luxury fashion, or "onefinestay" for luxury accommodation, the sharing economy trend has by now even reached the luxury industry – and with it a clientele who only a few years ago wouldn't have dreamed of sharing their designer fashion or apartments with other people. The sharing economy marks nothing less than changing values and a transforming market.

By default, sharing economy is grassroot-oriented: it stands for restrained and conscious consumption and sustainability; it makes more efficient and effective use of resources than if people were only using their own things. It prioritizes access over private ownership and peer-to-peer networks over hierarchical control and relies on bottom-up processes rather than top-down wealth distribution. In a way it makes more of what is already there – more of the space in cars and homes, more of tools, clothes and other products that are rarely used. In effect, there is less waste and greater sustainability of our activities, the consumption of energy and resources is minimized and demand for long-lasting high quality products increases.

Is Sharing Caring?

Sharing economy has become a huge economic sector. Along with this development, the idea of sharing in modern economy has changed drastically. With it, the reasons for sharing have changed. Sharing has become something people do for profit rather than out of environmental awareness or necessity. People offer lifts not only because they have to go someplace and have a spare seat, but because they can make easy money without having a taxi license. Rooms are not rented out because they would otherwise be empty, but because one can make good money by offering a room in a big city. Users of these services in turn can have a cheaper or more comfortable ride and can profit from on-site support by local residents.

Emily Castor, director of the ride-sharing company Lyft, points out the freedom and empowerment that the sharing economy provides for workers. It enables individuals to break away from rigid job requirements, share what is already there and this way can extract value out of formerly underused resources. This kind of micro-entrepreneurship makes people less dependent of their employers and gives them more choices to do what they like to do. There is also a big social aspect in the actual transaction: people get to know each other and benefit from making new acquaintances; the community grows. Sharing economy democratizes the economy.

There is, as always, a downside to the system: in the sharing economy, risks are transferred from employer to employee. Technically, sharing platforms don't regard themselves as employers but rather as brokers; obversely, people offering their goods or services are considered self-employed. Their services are ordered only on demand; permanent employment becomes less common. The self-employed "sharing workers" are responsible for all the insurances, they are never going to get paid overtime anymore, cannot get paid vacations and have to do their taxes on their own. Users of the sharing platforms bear the other part of the risk. They don't know who they are dealing with and have to rely on the collective judgment and online ratings. We all know how easily these online ratings can be manipulated. The main challenge of the future sharing industry is to protect the self-employed employees' and the consumers' rights.

Adding Value by Sharing Value

Socially, the sharing economy can be boon and bane. One big chance for social engagement lies in the sharing economy's capability to join forces. It can connect people and organizations who have and those who need. One big weakness of social engagement and charity organizations is their general lack of resources to operate and grow. Businesses can help. They can offer sharing platforms for providing support to their customers to generate community engagement. They can connect volunteers for social projects. They can offer to share their premises for good causes, or share some of their products for good use. To make sharing more social again, the direct cash value needs to be subtracted again. Instead, free sharing should be seen as a long-term investment to society and - why not? - to the public image of the company. If companies made their workshops available for creatives and hobby craftsmen at the weekend, not only might the workshop users profit from the available space and sharing their know-how and plans, but the company might in turn be perceived as an interesting potential employer. If a company is perceived responsible and trustworthy, it can strengthen ties between them and their clients. Giving employees the opportunity to be involved in a company's sharing activities like giving away free food to those who don't have enough can not only make the neighborhood but also the workplace more social. Putting unneeded company cars at the disposal of care facilities for example could be a means to generate positive press coverage. Neighborhood engagement can enhance the relationships with local authorities.

There is also something every one of us can do. We all have something to share, because most people who can read this have too much: the cars which are sitting in the driveways, the large quantities of food that are thrown away, the clothes we rarely wear, the books we have already read, and let's not forget: we all have knowledge and skills to share. The community as a whole has enough for everyone. There are people who are in need of what you have to share: you can share your things in all kinds of communities like churches, workplaces, schools, neighborhoods and others. Just take what you have and make it available for those around you.

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