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**WHAT'S
MINE
IS YOURS**
THE SHARE
ECONOMY IS
CHANGING
THE WAY
WE LIVE

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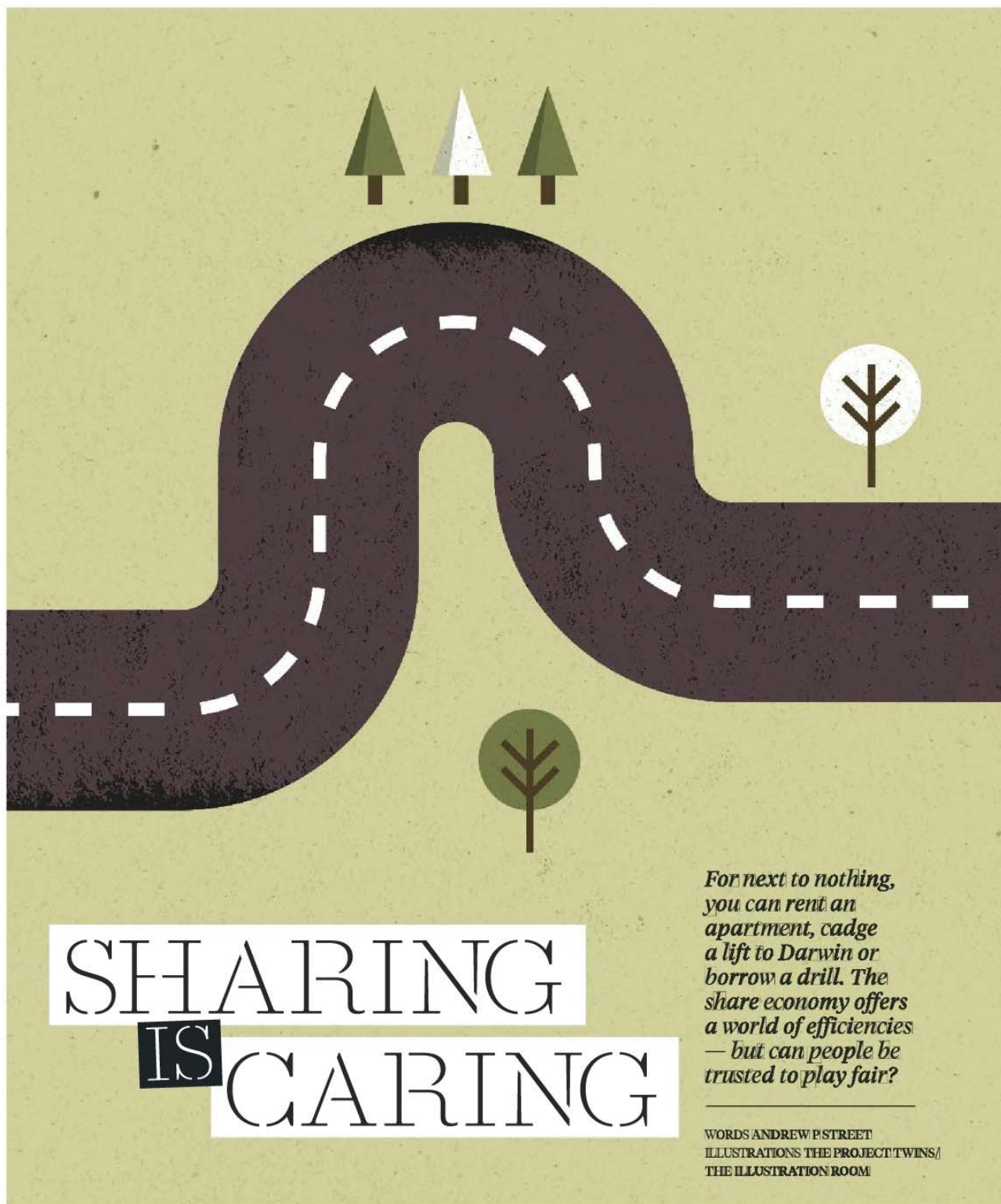
WINDING AND DINING

A taste of the
Great Ocean Road

MANILA ON THE MOVE

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SHARING IS CARING

For next to nothing, you can rent an apartment, cadge a lift to Darwin or borrow a drill. The share economy offers a world of efficiencies — but can people be trusted to play fair?

WORDS ANDREW P STREET
ILLUSTRATIONS THE PROJECT TWINS/
THE ILLUSTRATION ROOM



Spend a little time browsing urban living blogs or scanning trend pieces in magazines and you'll no doubt read about how the share economy is shaking things up the world over; how it's empowering communities to make real changes, and that it's taking the efficiencies of an interconnected digital space and applying them to real-world problems.

The web guide Lifehacker is all over it. TED also conducts talks about it and it sounds super-cool. So, just one thing. What exactly is the share economy?

In a nutshell, it's an ecosystem built around sharing services and resources — or, it's people exchanging things they have and skills they possess. Once upon a time, a person who owned a hedge-trimmer could never have connected with a complete stranger in a neighbouring suburb who needed it, but now, thanks to the internet and real-time technology, they're alerted in seconds.

It offers undeniable efficiencies: if you happen to have a spare room just sitting there, a property with an unused parking space, a video camera you barely use, or a car that remains un-driven for most of the day, then here's a way to make a little cash by connecting with someone who's prepared to pay for short-term use.

However, like all tools, it depends on how it's used — and any system based largely on human beings trusting one another is going to run the risk of people taking advantage. And that's the challenge of the share economy: how can you build a system on trust that's also impervious to abuse?

HOW IT WORKS

It's useful to distinguish between companies that seek to redistribute resources in a more efficient manner,



and for-profit businesses using the new possibilities of the technology to either create or enter an existing market. There's a good deal of overlap, however, and both parties are busily transforming the urban landscape.

Most of the services work sort of like eBay: sellers and buyers register and they're rated on the quality of their interactions, and those who don't reach a base standard are banned. It relies on the community acting ethically and honestly, with users rating one another.

And there are plenty of straight-up good reasons why people should be able to share objects or skills. Plenty of us own a drill, for example, so it makes sense to let others use it — especially if you're getting a few dollars each time.

In her influential 2010 TED talk, 'sharing innovator' Rachel Botsman, the Sydney-based founder of advisory company Collaborative Lab, promoted the less-tangible but similarly positive 'trust mechanics' in what she called 'collaborative consumption'. Sharing stuff promotes trust, and trust is a valuable quality for a society.

Wired's executive editor Jason Tanz put it beautifully. "It's a little bit of humanity in what was, previously, a fairly impersonal transaction," he said in an interview with Boston public radio station WBUR. "If you look at how our ►

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economy has developed after the industrial revolution, the whole idea is building systems so you don't have to know, or trust, the people you're interacting with," Tanz continued.

"When there are systems put in place to help safeguard your interactions and help give you information about the people who are providing these services to you, it turns out that people are willing to go that extra mile once that bridge is breached."

THE GOOD

Car sharing reduces the number of vehicles on the roads and in car parks, and for those who don't need a car every day — or live in high-density areas that don't necessarily have ready access to parking spaces — it's an elegant solution. On the negative side, these systems really only work for cities with a certain population density, and the number of available vehicles decreases abruptly once you get about 10 kilometres away from most city centres. Regardless, peer-to-peer services such as DriveMyCar and CarNextDoor are gaining popularity, as are GreenShareCar,

Flexicar and market leader GoGet CarShare, which has a fleet of its own.

While the taxi industry dispute plays out through the New South Wales courts (see "The Bad", below), Uber continues to be a driving force in transport and other donation-operated players such as Backseat and RideSurfing have launched. Coseats and Jayride specialise in town-to-town travel, and Transfercar offers free use of rental cars to help companies relocate their cars between branches.

There are also sharing services for borrowing tools (Open Shed, Freegler, Friends with Things), getting odd jobs done (Airtasker), locating a car park (Parkhound, Parking Made Easy and FindACarPark) and, perhaps most famously, finding accommodation. Airbnb is the number-one example, but a few services, such as VRBO, are starting to move in on room-sharing territory.

What all of these things have in common is that they take existing resources and distribute them in a more efficient way: you could easily spend a couple of hundred dollars to buy a lawn mower you only use half a dozen times, but this way you can get manicured lawns for far, far, less by borrowing it from someone nearby. And if you just need a crash pad when you're passing through a town, wouldn't you rather give someone a bit of spending money than pay hotel rates for a room you're barely going to use?

THE BAD

Of course, there are those who don't hold such a utopian view. Take taxi companies, for example. They pay massive fees to operate, have a stringent licensing system and have made huge investments in fleets of vehicles and comprehensive radio

and digital networks. Put an unregulated car-share service such as Uber into the mix and sparks are bound to fly.

Roy Wakelin-King from the NSW Taxi Council says: "All governments are asking of the likes of Uber and Airbnb is to comply with the laws covering everyone else — not an unreasonable request in our view. The bottom line is that real industries are made up of complex systems that ensure accountability, responsibility and ultimately the provision of customer service within the confines of the law. These fundamental aspects of business cannot be simply replaced by technology companies 'facilitating' consumption, and which have a record of walking away when there are attempts to hold them to account for problems that inevitably arise."

This is happening in the US, too, as legislators — most vociferously, New York state attorney general Eric Schneiderman — have accused sharing services of being less about collaborative consumption and more about getting around onerous but necessary regulations.

The biggest issue facing businesses being set up around the share economy is that most of our legal system is based around ownership of goods — which gives relatively unambiguous answers regarding one's legal responsibility. Collective ownership is more of a legal headache, and one that's only going to become more pressing as groups and communities begin using more collective systems — for example, as food sharing networks and neighbourhood power generation become more widespread.

Then there are the thorny issues of local housing laws. Airbnb has been in a prolonged legal dispute with attorney general Schneiderman regarding New York's rent restriction laws that prohibit renters from subletting their apartments for less than 30 days at a time. After a year of fighting a subpoena to hand over host records for investigation of illegal rentals, Airbnb has finally agreed to comply.

And, of course, there is a more straightforward problem: what happens when people are just, well, jerks? ►



US condominium owner Cory Tschogl recently faced this exact conundrum when two men booked a 44-day stay in her Palm Springs holiday house and simply stopped paying after 30 days. The pair then refused to leave, claiming they were now legally squatting since, under California law, anyone in a building for more than 30 days has tenant's rights. Attempts to serve writs on them were unsuccessful as they refused to acknowledge their identity, wearing masks when opening the door. They eventually sneaked out and, once identities were revealed, the pair were permanently banned from using Airbnb.

While clearly a minority experience, it illustrates the shaky foundation for these businesses. As they're built on trust, they're doomed if that trust is lost.

THE FUTURE

The biggest moves in the share economy space seems to be around neighbourhoods working together, where there's already a level of trust and accountability. For example, the single largest barrier to

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people moving to solar energy has been the prohibitive cost of buying and installing the panels, so it's no surprise that community energy is one of the most popular emerging areas. The US is starting to see more and more community solar projects, where a group of residents collectively lease and use solar panels for 100 per cent green energy generation. Solar leasing is starting to catch on locally, so energy sharing seems a likely new direction in Australia, too.

The success of existing accommodation leasing services means that sharing entrepreneurs are already starting to look into the holiday market: expect big players such as Uber and Airbnb to start offering comprehensive all-share packages for travellers looking to visit a city. Similarly, destination-based services are likely to explode in the coming years: if you happen to live in a convenient, sought-after locale, this could be a goldmine.

Of course, the risks still remain, and it's going to take the legal system a while to catch up with the realities of this new model. So who's right: the utopians or the pessimists? Or as some see it: the anti-capitalists or capitalists?

There are risks, certainly — but there are also myriad new opportunities. Botsman believes we're at the 'fight stage' of the share economy's evolution but, she cautions, we should not lose sight of the powerful economic and sociological shifts in priorities we are experiencing. "We have to be careful not to dilute the humanness and empowerment that lies at the core of collaborative consumption," she says.

In her book *What's Mine Is Yours*, co-written with Roo Rogers, Botsman states that "collaborative consumption is by no means anti-business, anti-product or anti-consumer. People will still shop and companies will still sell," so there is no need to be alarmed.

Share economy advocates such as Stephanie Smith, entrepreneur and creator of social design projects such as 'Wanna Start a Commune?', agree. "What we are interested in doing is making them an integral part of culture, not a counterculture." ☘