LOCAL GOVERNMENTS AND THE SHARING ECONOMY REPORT

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Babe O’Sullivan, Sustainability Liaison, City of Eugene
Juliet Schor, Professor, Sociology, Boston College
About the project

Local governments are faced with a tsunami of Sharing Economy activities.

How can cities strategically engage with the Sharing Economy to advance sustainability?
SHARED SPACES

Airbnb

- Portland
- Austin
Recommendations:
Use clear terminology – short-term rental, operator and client

Thoughtfully regulate short-term rentals, especially in communities with low vacancy rates, in order to safeguard equity and housing affordability, and to mitigate possible impacts on neighbours, community character, and city resources.

What to watch for:
Claims of environmental benefits without evidence
COMMUNITY SHARING

Tool Libraries

- Toronto
COMMUNITY SHARING

Fix-It Clinics

- Hennepin County
3 KEY MESSAGES

The Sharing Economy is not inherently sustainable but cities can help to make it more so.

Community sharing is a promising area where local governments can play proactive, enabling roles.

Addressing data gaps is critical for understanding sustainability impacts on cities.
“Outside the US, the impetus to share in transportation, housing, foods, and goods is more integrally tied to city-level goals of carbon emission reduction, informational transparency and genuine democracy. By embedding sharing practices within those larger municipal movements, the likelihood that the sharing movement can achieve its stated goals is greater.”

Juliet Schor, Professor of Sociology, Boston College
Close to 100 city cases and snapshots…
Close to 100 city cases and snapshots...
Community Sharing is often overlooked area where local government can play a key role.
Community Sharing Recommendations

• Prioritize support for innovators that focus on reuse, repair, borrowing/swapping, buying less & smarter

• LG roles – inventory, profile & promote; facilitate & connect; repair cafes

• To scale – community-based behaviour change; expansion into new ‘hoods; innovator organization; public space
Major data gaps about how the Sharing Economy impacts cities inhibits interest and innovation.
Recommendations to Address Data Gaps

- Prioritize Sharing Economy research & forge partnerships
- Require data sharing when negotiating regulatory agreements
- Explore preferential access to city markets when data is shared
- Public and private sector collaborations on Sharing Economy, data sharing
There is great diversity among activities as well as baffling boundaries drawn by participants. Juliet Schor
A RANGE OF SHARING ECONOMY BELIEFS

- Opens up possibilities to tap into a potentially huge, affordable, and more flexible pool of labour that doesn't require contracts or benefits.
- Creates rewarding, flexible new jobs and livelihoods and opportunities for ‘micro-entrepreneurs’.
- Offers a wealth of opportunities for anyone to make money.
- Offers financially stressed people a way to keep their heads above water.
- Makes it easier to impress by looking like we can afford to own expensive items or access exclusive experiences or services.
- Means people can get the same benefits of owning stuff by accessing it occasionally, and contributing to a less materialistic society.
Creates a windfall of new business opportunities, because it significantly expands opportunities to sell new goods and services.

Helps people save time and money.

Makes it easier and cheaper for people to fly all over the world.

Means we don’t have to spend time getting to know people or trading information first to exchange goods and services with them.

Is key to reducing our consumption and environmental footprint, because it reduces the need to make new goods and directs consumer demand to rented or used goods.

Helps people exchange valuable goods and services without spending any money at all.

Makes our vacations more environmentally friendly and fosters genuine connections with locals.

Creates new opportunities for trusting relationships between people exchanging items.
A spectrum of actors (non-profit to social enterprise to for-profit) that identify with Sharing Economy beliefs and traits and buy, sell, rent, loan, borrow, trade, swap and barter a broad range of tangible and intangible assets including goods, time, and space.

Information technologies and web platforms support necessary trust and reciprocity, and dramatically lower transaction costs.
(1) Utilizing information technology to varying degrees
(2) Making use of idle capacity of assets; access over ownership
(3) Connecting dispersed networks of people and/or assets
(4) Opportunity for trust building, reciprocity and social connectivity
(5) Embracing the commons to varying degrees
## Five categories of Sharing Economy Actors

<table>
<thead>
<tr>
<th>ROLE</th>
<th>DEFINITION</th>
<th>EXAMPLES</th>
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</thead>
</table>
| For-profit                  | Profit-oriented actors who buy/sell, loan/borrow, rent, barter, trade/swap, invest, donate/receive donations with the aid of information technologies that significantly lower transaction costs and enable exchange among strangers. | · Airbnb  
· Homeaway  
· Ebay  
· Craigslist  
· Uber  
· Car2Go  
· Zipcar  
· OpenDoor |
| Social Enterprise/Cooperative | Same definition as for-profit actors EXCEPT social and/or environmental motivations are given higher priority, relative to profit making.                                                                 | · Cooperative carsharing companies e.g. Modo  
· Cooperative tool libraries with web platforms & computerized inventory  
· Swapsity  
· CoHousing focused on market-rate housing  
· Centre for Social Innovation (Toronto) |
| Non-profit                  | Same definition as for-profit and social enterprise actors EXCEPT they are non-business actors where the primary motivation is advancing their mission or purpose.                                           | · Freecycle  
· The Hive  
· Non-profit [non-coop]tool libraries  
· Non-profit carsharing organizations e.g. eGo Carshare (Denver)  
· Non-profit CoHousing, e.g. O.U.R. Ecovillage |

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### Five categories of Sharing Economy Actors

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<th>Category</th>
<th>Description</th>
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| Community         | Actors focused at the local or neighborhood scale with varied structures yet non-profit and informal models dominate. Most transactions are non-monetized. The use of information technology is more modest with a greater emphasis on in-person connection. Often-explicit emphasis on meeting local needs and sustainability goals. | - Community swaps  
- Fix-it clinics/repair workshops  
- Toy libraries  
- Seed libraries  
- Food buying clubs  
- Community gardens  
- Community kitchens  
- Timebanks |
| Public-sector     | Unlike the other actors above, public-sector organizations are subject to highly developed standards of accountability, transparency, and legitimacy. They use their relatively sophisticated infrastructure to support or forge partnerships with any of the actors above to promote innovative forms of sharing, but are ultimately answerable to citizens who are not necessarily involved in these exchanges, and to their governing bodies. | - Public libraries offering space (and potentially cataloguing systems) to items other than books-- tools, seeds, fishing equipment  
- Municipal governments that run bike-sharing organizations  
- Publicly-owned community centres hosting community kitchens, community gardens, swap meets  
- Municipal purchasing favouring Sharing Economy actors |
## Local Government Roles

<table>
<thead>
<tr>
<th>Level of Effort of Local Govt.</th>
<th>Local Govt. Action Type</th>
<th>Local Govt. Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>No action</td>
<td>No role for Local Government</td>
</tr>
<tr>
<td>Community-Only</td>
<td>Facilitative actions</td>
<td>- Monitor</td>
</tr>
<tr>
<td>COMMUNITY-LED</td>
<td></td>
<td>- Inventory – assess, survey, map, identify gaps</td>
</tr>
<tr>
<td>FOR-PROFIT, NON-PROFIT, COMMUNITY</td>
<td></td>
<td>- Promote – celebrate, profile</td>
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<tr>
<td></td>
<td></td>
<td>- Fund – provide grants</td>
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<tr>
<td></td>
<td></td>
<td>- Support – other resources including space, in-kind advice, capacity building, leveraging others to provide support</td>
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<tr>
<td></td>
<td></td>
<td>- Make minor policy adjustments – business as usual policies (including permits) adapted to sharing economy activities</td>
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<tr>
<td></td>
<td></td>
<td>- Convene – bring together stakeholders</td>
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<tr>
<td></td>
<td></td>
<td>- Partner / collaborate</td>
</tr>
<tr>
<td>High</td>
<td>Preparatory actions</td>
<td>- Educate/outreach</td>
</tr>
<tr>
<td>CITY-LED</td>
<td></td>
<td>- Advocate – to higher levels of government</td>
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<tr>
<td></td>
<td></td>
<td>- Develop plans</td>
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<tr>
<td></td>
<td></td>
<td>- Make major policy and code adjustments</td>
</tr>
<tr>
<td></td>
<td>Implementation actions</td>
<td>- Demonstrate – lead by example</td>
</tr>
<tr>
<td>CITY-LED</td>
<td></td>
<td>- Develop programs / services</td>
</tr>
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<td></td>
<td></td>
<td>- Improve facilities / infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Own – manage and operate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regulate – mandate, incentivize</td>
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<td></td>
<td></td>
<td>- Enforce</td>
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| Medium Effort   | Preparatory actions     | Educate/outreach, Advocate to higher levels of government, Develop plans, Make major policy and code adjustments |
|                 |                         |                   |
|                 | Implementation actions  | Demonstrate - lead by example, Develop programs/services, Improve facilities/infrastructure |

| High Effort     |                         | Lead by example, regulate |
|                 |                         |                   |
Sustainability defined as advancing quality of life for all equitably while living within our ecological means.
SUSTAINABILITY FILTER

1. Living within Ecological Means
2. Resilience
3. Natural Systems
4. Equity
5. Prosperous Local Economies
6. Quality of Life
Guiding questions on the ecological, social and economic dimensions of sustainability:

1. **Living within ecological means**
   Does the Sharing Economy activity support absolute reductions in energy and materials flows to live within our ecological means?

2. **Resilience**
   Does the Sharing Economy activity enhance resilience and climate adaptation?

3. **Natural systems**
   Does the Sharing Economy activity protect and restore natural systems?

4. **Equity**
   Does the Sharing Economy activity advance equity and social inclusion and embrace diversity?

5. **Prosperous local economies**
   Does the Sharing Economy activity advance economic vitality and diversity, a level of self-reliance, and decent jobs?

6. **Quality of life**
   Does the Sharing Economy enhance social connectivity and wellbeing for all?
Local governments should care about the Sharing Economy because it could...

- Advance connectivity
- Create jobs
- Lower education, collaboration and research costs
- Save money
- Spur social innovation
- Reduce the need to acquire things for status
But without thoughtful checks it could also...

- Shift consumption to a different sector or activity
- Erode the affordable rental supply
- Erode the tax base
- Exclude people from these exchanges
- Push local wages and benefits down
- Redefine status by access rather than ownership
City cases and snapshots…
SHARED GOODS

Equipment, machinery, tools, toys, clothing, furniture, appliances, books and electronics
Recommendation:
Support Business-to-Business exchange through initiating and / or supporting online platforms and Industrial Symbiosis pilot projects, including those where local government provides space or acts as an anchor partner.

e.g., Partners in Project Green (Ontario)

What to watch for:
Triggering rebound effects – savings from sharing goods are used to buy other goods.
“Bottom-up, democratized start-ups for energy creation, storage, and sharing” including distributed generation of energy
Recommendation:
Stimulate the renewable energy market through local government purchasing power or by buying shares in local energy cooperatives.

What to watch for:
Missing this opportunity to help cities transition to renewable energy and achieve carbon reduction targets
access to transportation services shared amongst users on a short-term, as-needed basis that includes:

- public transit
- bike and scooter sharing
- carsharing
- ridesharing (vanpooling and carpooling)
- ridesourcing (e.g. Uber or Lyft);
- taxis
- micro-transit
- commercial delivery services
Shared Mobility

Ridesourcing

Minnesota

Montreal

CO²

CH₄

Majority of initially carless households modestly increase emissions

Minority of car-owning households emit significantly less emissions - much lower vehicle miles / km traveled (VMT/VKT) and shed car(s)
Some Definitions

**Ridesourcing** - (e.g. Uber, Lyft) on demand service where users “source” a ride through an app from a pool of private passengers vehicles

Drivers *not* travelling in the same direction as passengers; earning money is the motive

**Ridesharing** – (e.g. vanpooling & carpooling); filling up empty seats; passenger same destination as the driver; non-profit motive

**Ride-splitting** – (e.g. UberPool & LyftLine) an evolution of ridesourcing that allows strangers to share a ride & split costs
## Ridesourcing’s Contribution to “Living within Ecological Means”

<table>
<thead>
<tr>
<th>2050 ECOLOGICAL SUSTAINABILITY GOALS</th>
<th>TRADITIONAL RIDE-SOURCING&lt;sup&gt;50&lt;/sup&gt; (IN DOWNTOWN EVENING CONTEXT FOR PRIMARILY SOCIAL TRIPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong increases in non-auto modal share – transit, bike, walk</strong>&lt;br&gt;(e.g. 60% in 2030; 86% one planet in 2050)</td>
<td>No&lt;br&gt;· Replaces some transit, biking and walking trips (43% in SF study)</td>
</tr>
<tr>
<td><strong>Increases in transit ridership</strong>&lt;br&gt;(e.g. 9% on average; up to 40%+ in low ridership cities by 2050)</td>
<td>Unclear, mixed impact&lt;br&gt;· Competes with transit (33% would have bused)&lt;br&gt;· Complements transit (66% of ridesource trips would have taken at least twice as long by transit)</td>
</tr>
<tr>
<td><strong>Major reductions in Vehicle Kilometre / Miles Traveled (VKT/VMT)</strong>&lt;br&gt;(e.g. 71% 2030 in Seattle; 78% one planet in 2050)</td>
<td>Unclear, mixed impact&lt;br&gt;· 60% of users drive the same amount; 40% drive less&lt;br&gt;· Induces new car trips (8% modest estimate)&lt;br&gt;· Mileage driven between trips not documented</td>
</tr>
<tr>
<td><strong>Major reduction in private car ownership</strong>&lt;br&gt;(e.g. 96% for one planet in 2050)</td>
<td>No&lt;br&gt;· 90% of users do not change car ownership levels</td>
</tr>
<tr>
<td><strong>Major increase in electric vehicles</strong>&lt;br&gt;(ALL electric for 2050 one planet)</td>
<td>No&lt;br&gt;· No control over the nature of cars driven&lt;br&gt;· Uber in Chicago piloting 25 EVS – rent or lease to own</td>
</tr>
</tbody>
</table>
Other Sustainability Impacts of Ridesourcing

- Health impacts uncertain
- Concerns about access for disabled
- Low-income participation lower
- Concerns about quality of jobs – wages below minimum wage increases & living wage for households with children
Ridesourcing Recommendations

- Facilitate the expansion of ridesourcing into suburban municipalities
- Explore the use of ride-splitting to scale carpooling
- Address multiple barriers to the participation of low-income people
- Cultivate a shift towards integrated mobility planning
There is the potential for equity to be integrated into the heart of these services.
“The future for mobility lies in the transportation cocktail that allows for the use of various modes during the same trip. It’s thus a blend of traditional and new, collective and individual methods of transportation.”
(Mr. Michael Labreque, Chairman of the Board of Directors, Société de Transport de Montréal)
Chapter 6: STRATEGIC OPPORTUNITIES

• Focus and align
• Lead by example
• Commit to equity
• Address data gaps
• Develop systematic, integrated approaches over time e.g., Vancouver, Seoul

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Chapter 7: RESOURCES

Sharing Economy Networks and Experts

Readings

Listservs

peers

OUISHARE

SHAREable

the center for a new american dream more of what matters

COLLABORATIVECONSUMPTION.COM
Hennepin County Fix-It Clinic Release Form

Data-sharing partnership agreement between the City of Los Angeles and Waze

San Francisco's short-term residential rental ordinance

adapt if a template exists, and share for everyone’s benefit

More...
LOCAL GOVERNMENTS AND THE SHARING ECONOMY

A roadmap helping local governments across North America strategically engage with the sharing economy to foster more sustainable cities.

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Lisa Lin, Sustainability Manager, City of Houston, Texas
Jo Zientek, Deputy Director, Integrated Waste Management, City of San Jose, CA

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Questions and Discussion

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Thank you!

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