

When Sharing Goes Global

By Megan D. Proud

Learning to share is one of those basic life lessons you learn as a child, whether it is with a sibling or a friend down the street. So what does that same concept look like when applied on a broader scale in 2017?

Today's sharing economy is defined as "a socio-economic ecosystem built around the sharing of human, physical and intellectual resources."¹ The language associated with this kind of sharing includes familiar words like recycling, reusing and co-operatives, and newer terms like peer-to-peer lending, gig economy and crowdfunding. Whichever way you look at this business movement, it is rapidly growing and challenging traditional notions of private ownership.

In the 1990s, companies like eBay and Kijiji led the way without making too many waves.² Today, companies like Airbnb and Uber are redefining industries. In the eyes of the U.S. Department of Commerce, sharing economy firms are really digital matching firms with a few common characteristics such as using technology to facilitate peer-to-peer transactions, relying on user-based rating systems for quality control, having the ability to offer workers flexible working hours, and typically involving workers using their own property.³

Take Airbnb, for instance. Since its start in 2008, the firm's estimated 30 million guests have had places to stay due solely to property owners' willingness to open their doors, sharing all or part of their residences with strangers. While renting vacation properties is nothing new, this concept with its digital platform has taken things to a whole new scale. Airbnb, which remains privately held, is said to have a valuation of over \$10 billion—comparable to well-established global hotel chains.⁴



Meanwhile, Uber has earned its share of media attention disrupting the taxi industry and challenging city policymakers across Canada and around the world. On the one hand, Uber offers efficiencies for consumers, offers workers flexible working hours, and offers new opportunities for people who may have been unable to participate in traditional industries. On the other hand, this good news comes at a cost, as such disruptive services jeopardize traditional business models, directly affecting jobs and corporate revenues.

As the Ubers and Airbnbs of the world continue to grow, they are raising a host of tax, safety and regulatory issues that are in the process of being answered. As policymakers play catch-up, as old competitors adapt and new ones emerge, unexpected issues influencing the success of the current sharing business models will likely arise. But, as long as owners remain willing to offer up what is theirs with the right mix of quality and price according to potential consumers, the wheels of the sharing economy will keep on turning.

1. Benita Matofska, "What is the Sharing Economy?" *thepeoplewhoshare*, Revised September 1, 2016, <http://thepeoplewhoshare.com/blog/what-is-the-sharing-economy>.
2. Tx Zhuo, "Airbnb and Uber Are Just the Beginning. What's Next for the Sharing Economy?" *The Entrepreneur*, March 25, 2015, <https://www.entrepreneur.com/article/244192>.
3. Joanne Penn and John Wihbey, "Uber, Airbnb and consequences of the sharing economy: Research roundup," *Journalist's Resource: Research on today's news topics*, June 3, 2016, <http://journalistsresource.org>.
4. Ahmed Mahmoud, "The Impact of Airbnb on Hotel and Hospitality Industry," *Hospitality Net*, March 7, 2016, www.hospitalitynet.org/news/4074708.html.

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