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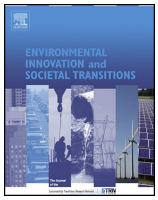

Putting the sharing economy into perspective

Koen Frenken[a,*], Juliet Schor[b]

[a] Copernicus Institute of Sustainable Development, Utrecht University, The Netherlands
[b] Boston College, United States

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ABSTRACT

We develop a conceptual framework that allows us to define the sharing economy and its close cousins and we understand its sudden rise from an economic-historic perspective. We then assess the sharing economy platforms in terms of the economic, social and environmental impacts. We end with reflections on current regulations and future alternatives, and suggest a number of future research questions.

1. Introduction

In the Spring of 2014, the sharing economy held an unusual gathering in San Francisco, a sort of "coming out" party. Entitled "SHARE," the conference included not only founders, funders and fans of the sharing economy, but also harsh critics. Politically progressive insiders and outsiders raised questions about access, exclusion and the distribution of value in the sector. They discussed their vision of a fairer, lower-carbon, more transparent, participatory and socially-connected economy, and whether those goals are consistent with the actions of the large, moneyed players—the successful platforms and the venture capitalists who are backing them with vast sums of finance. More recently, a key figure from the French sharing economy think thank OuiShare even stated at their annual conference in Paris that "the sharing economy is over" as it did not live up its initial promises (De Grave, 2016).

It is clear that the sharing economy is creating enormous amounts of wealth, and that it has been using a socially-progressive feel-good rhetoric to do so. But will the platforms share that wealth with users—on both the provider and user sides of the market? Will the platforms ensure widespread access—by expanding their user base beyond the mostly white, highly educated, able-bodied urbanites who have comprised the bulk of users in the first stage? Will they make good on their promises to provide decent livelihoods for providers, opportunities for so-called "micro-entrepreneurs" and will they continue to provide real value to customers? Or is the rhetoric merely a thin veneer to hide a predatory business model that will ultimately appropriate value to investors and founders, once the market develops and users are locked into the platforms? Will the platforms behave like the monopolies that some seem poised to become? While it's too early for definitive answers to answer these questions, we believe it is crucial we start asking them in a more analytical, empirical and critical manner.

* Corresponding author.
E-mail address: k.frenken@uu.nl (K. Frenken).

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Our aim with this paper is to put the sharing economy into perspective by providing a conceptual framework that allows us to *define* the sharing economy and its close cousins and to *understand* its sudden rise from an economic-historic perspective (Section 2), to *assess* sharing economy platforms in terms of the economic, social and environmental impacts (Section 3), and to *reflect* on current regulations and possible alternative platform architectures (Section 4). We end with some research questions for future research (Section 5).

2. Definitional issues

There has been widespread ambiguity and even confusion about the term "sharing economy" among academics and the public alike. One reason is due to a common misconception about the sharing economy: its novelty. Participants in the sharing economy employ a discourse of trendiness, technological sophistication, progress and innovation. However, this characterization betrays both class and race myopia, as well as what historians call "presentism," or blindness to the past. Humans have always shared. Sharing reproduces social relations and solidifies cultural practices (Belk, 2009). Furthermore, sharing is not just a relic of pre-modern societies. Carol Stack's classic ethnography of the dense relations of reciprocity and interdependence among poor black urbanites in the U.S. showed how important sharing was to survival even a few decades ago (Stack, 1974). By contrast, Hochschild's (2012) recent work on the growth of outsourced services among middle class whites suggests lower and declining levels of sharing. Thus, the claim that sharing is new ignores the higher levels of sharing that the working class, poor and communities of color have historically practiced and have partially maintained in the face of the growth of markets.

However, there *is* something new about the sharing economy, which one of us has called "stranger sharing" (Schor, 2014). Historically, although there are some exceptions, people tended not to share with strangers or those outside their social networks. Sharing was confined to trusted individuals such as family, friends and neighbours. Today's sharing platforms facilitate sharing among people who do not know each other, and who lack friends or connections in common. Stranger sharing consequently entails a higher degree of risk, and for many of these platforms the situations are quite intimate—sharing one's home or car, or eating food prepared by unknown cooks. The digital platforms are able to make stranger sharing less risky and more appealing because they source information on users via the use of ratings and reputations. Although there is a growing body of evidence that ratings are generally inflated and not very accurate (Overgoor et al., 2012; Zervas et al., 2015), rating systems have nevertheless been sufficient to entice large numbers of people to enter into novel, unknown situations.

It is also important to note the historical links between the sharing platforms and activity such as the collaborative software movement that harnesses the unpaid work of software engineers to write code and solve problems collectively (Benkler, 2004). The success of the open source movement paved the way for other kinds of peer produced content such as Wikipedia and citizen science (which is produced by massive numbers of volunteers) as well as shared online content such as file-sharing, video posting, music sharing. There is a strong historical and global connection between the emergence of peer-to-peer platforms and a widespread feeling that the new technology-enabled practices these platforms allow for, empower people (Benkler, 2006). This explains why file sharing, open source software, distributed computing, crowdfunding, p2p lending, bitcoin, and sometimes even social media, are quite often put under the umbrella term of the sharing economy.

To add to the confusion, some critics have argued that sharing by definition does not include financial remuneration (Belk, 2007). Indeed, this is a popular response to the use of the word sharing, when a more accurate term is "renting." But a moment's reflection suggests that the word is used in many cases where money is part of the arrangement, including cases such as sharing an apartment, or sharing the cost of a meal, or even the commonly used term "sharing expenses." We talk about sharing in many contexts, such as sharing on social media, or sharing secrets, sharing experiences, or sharing friends. As such, there's plausibility to using the term to denote a person renting out an asset such as a room, a car or a durable good. But it is certainly stretching the term beyond reasonable usage to say that paying a person $8 to make a pizza delivery (as on Postmates) or a bit more to clean one's house or put together Ikea furniture (as on Task Rabbit) has anything to do with "sharing".

It should be obvious from the foregoing that the sharing economy tent has become quite capacious. Platforms want to be under the big tent of the 'sharing economy,' because of the positive symbolic value of sharing. Put differently, the confusion about the definition of the sharing economy is self-propelling due to the performativity of the term itself. From an academic point of view, there are two relatively easy routes to deal with the definitional issue. First, one chooses not to define and delineate the sharing economy but rather tries to understand why different actors attribute different meanings, and why such rhetoric tactics may or may not suit them. This is an interesting research question in itself that can be linked to the broader question of how innovations are shaped and framed by discursive practices, roles and positions. A second stance is to abandon the term altogether. This seems logical from an analytical point of view, but obstructs communication outside academia where the term may last for a long time and may even continue to gain in importance. Hence, in our opinion, the current confusion is an untenable state of affairs and the easy ways out do not solve the fundamental problem. If we are to ask questions about the entity called the sharing economy, we will be unable to come up with coherent answers if the object itself is incoherent.

Here we do not wish to disregard alternative definitions as these have been reviewed and discussed elsewhere (Puschmann and Alt, 2016). Rather, we want to put forward one particular definition that not only helps to define the sharing economy, but can also be used as an analytical tool to define closely related forms of economy which are often associated with sharing. We follow Frenken et al. (2015) and define the sharing economy as: *consumers granting each other*