

Navigating the Sharing Economy: A 6 Decision Guide for Municipalities

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Why did we select this research?

This report is designed to help municipalities understand this new economy, what it means on a local level and how to respond appropriately. In other words, the report navigates this new terrain to help city leaders analyze the impact of various sharing economy services on their own residents and businesses and make decisions based on local needs.

The Guide provides a brief introduction to the sharing economy and then identifies the following six decisions to guide municipalities that are anticipating or reacting to a shared economy platform in their jurisdiction.

- What type of approach is most appropriate?
- What are the primary public policy goals?
- What type(s) of sharing will be included?
- What kinds of policy actions or tools are needed?
- Design considerations
- Implementation and evaluation

The Guide includes case study examples to illustrate different ways municipalities have answered these questions, along with links to further reading materials, resources and cases.

Key insights

Municipalities should keep three points in mind:

1. **The sharing economy encompasses a wide range of models and sectors.** The

term “sharing economy” brings to mind private companies such as Uber and Airbnb. However, sharing itself is part of a larger tradition, the most established and promising examples of sharing are not always found in Silicon Valley and don’t necessarily involve sophisticated apps. This sector includes bike-sharing programs, community gardens and many other socially and ecologically minded ventures. Case studies in this Guide were selected to help illuminate these lesser-known but important and impactful examples.

2. **There is currently a lack of data on the impacts of the sharing economy**, especially outside of large cities, but the data that does exist points to both positive and negative impacts. The range of models and the rapid growth of sharing make it difficult to draw general conclusions about the impacts of sharing. In some cases, there just isn’t enough data to fully evaluate impacts. In other cases, concerns have been raised. This Guide does not explore specific sectors or sharing initiatives, but what is clear is that **municipalities must consider a range of potential positive and negative impacts.**

Responding to the sharing economy has the potential to realize significant public value, including:

- improvements in service delivery and cost reductions
- economic development
- a reduction in environmental impacts

At the same time, municipalities should not ignore potential issues that may arise in the context of certain sharing initiatives, such as:

- uneven service delivery
- the rise of precarious employment
- lack of independent data to accurately track the impact of sharing-driven activities
- the erosion of consumer protections

Municipalities will need to both evaluate impacts at a local level and take steps to ensure any sharing initiatives in their community are carefully aligned with their goals.

3. **Municipalities have a range of options available to shape the local sharing economy.** Municipalities that choose to engage with the sharing economy are not limited to establishing regulations through bylaws. Instead, there is a range of options local governments can use to craft a response that advances the public interest. Some of these tools may already be familiar to municipalities; other tools provide ample opportunity to introduce novel forms of procurement, decisionmaking and public engagement into

municipal processes. The choice of tool will depend on local contexts and objectives: there is no one-size-fits-all solution. Different models of sharing necessitate different responses, and local governments can opt to play a number of different roles depending on their policy objectives.

