The role of municipality in the sharing economy

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Why we did select this research

Today, local governments are becoming increasingly interested in the potential of the 'sharing economy' (SE). By enabling the consumption of resources and services through sharing as opposed to purchasing goods for ownership, urban sharing organisations (USOs) that form a key element of the SE promise to deliver economic, environmental and social benefits to cities and their citizens. However, experience has shown that not all dimensions of the SE yield positive sustainability outcomes, which raises the need for local governments to intervene in the phenomenon. The thesis provided by Simo Sulkakoski offers interesting insights on this topic.
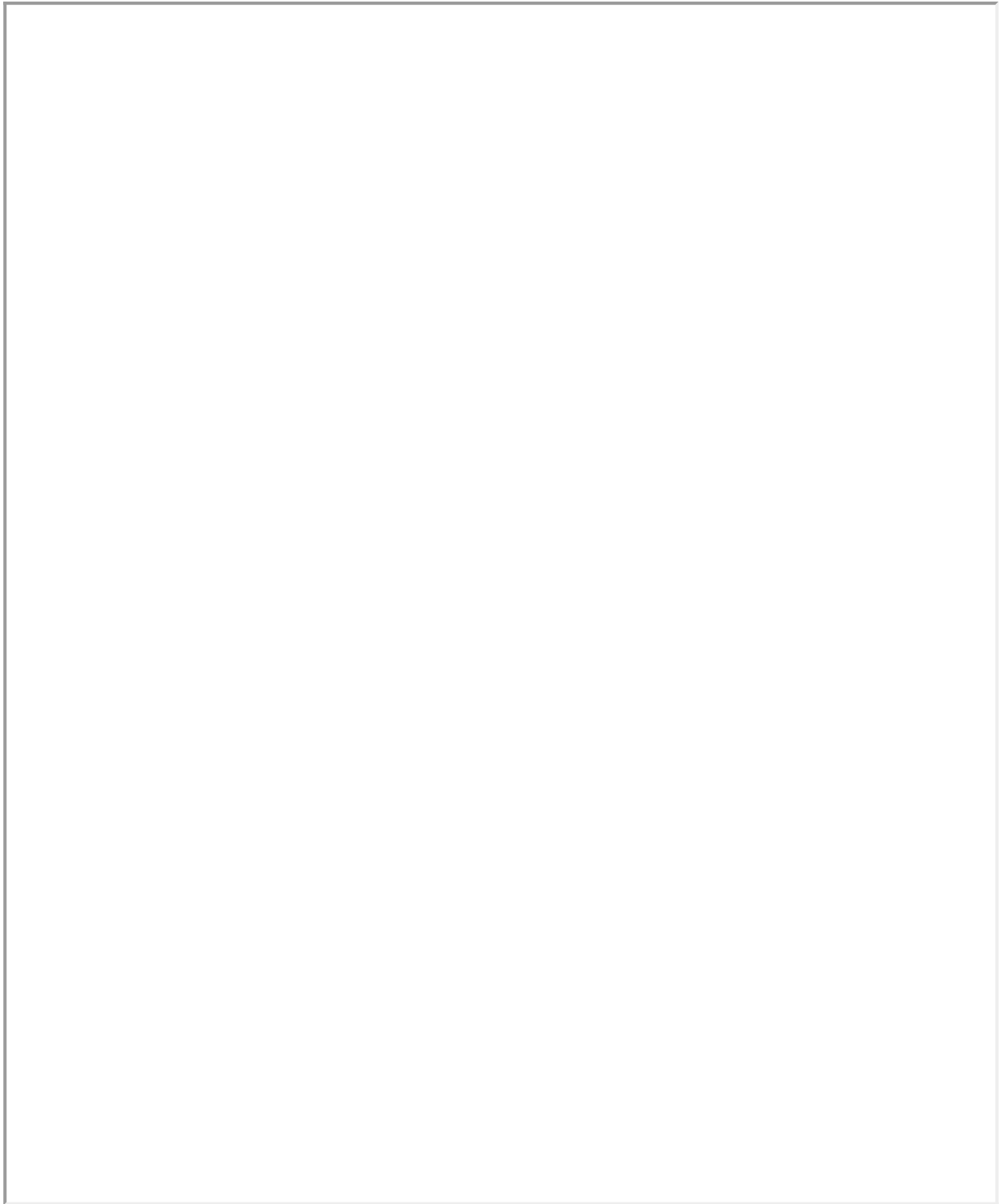
Key findings

Cities around the world are seeking to address consumption of natural resources by exploring new ways of consuming products and services. One solution is the so-called "sharing economy" - "a consumption-production mode in a city, in which value is generated through transactions between peer actors (both organisations and individuals) offering temporary access to idling or under-utilised rivalry physical assets". The providers of sharing economy services promise to generate new economic activities and development, while justify their existence with positive impact from environmental perspective. However, SE impacts on urban

sustainability and consumption patterns are unknown. Municipalities are trying to respond and to protect their citizens from negative effects. Adopting a comparative case study approach, this thesis analyses how the Swedish municipalities of Malmö and Gothenburg govern the SE and how they relate the SE to their overall sustainability agendas.

Aim of the thesis was to analyse how Malmo & Gothenburg govern the local sharing economy and analyse the role sharing economy plays in the agenda of these municipalities. Both of the municipalities were found to recognise the SE in one (Malmö) or several (Gothenburg) of their municipality-wide steering documents but lack an official strategy for governing the SE. Importantly, the mentions of the SE in these steering documents were made in relation to a wider discussion on the sustainability work and agenda of these municipalities. Both municipalities also engage with their local SEs as direct providers of full sharing services and experimenters. Experimentation takes place primarily through the SCS-related activities. In addition, Gothenburg municipality pursues generating more sharing activity in the city by providing open data to the businesses and the civil society through a digital platform.

Recommendations

- Strive for an extensive and comprehensive evaluation of the impacts of the SE across the cities to determine which USOs ought to be supported, in order to facilitate the achievement of the socio-economic and environmental goals by the municipalities;

- In order to enable policy development, define the term 'sharing economy' and determine what to include and what to exclude in the SE definition, preferably in consultation with local sharing actors, academic partners, other cities and nation-level officials

- Develop a long-term strategy that sets a vision of the SE and SE-related goals and objectives for the municipality;

- Complement the long-term strategy with short-term action plans which outline in more detail how the municipality will work with the SE in practice

Source: Simo Sulkakoski (2018). The role of municipality in the sharing economy - Governance approaches in Malmo and Gothenburg. Lund, Sweden, September 2018.