



## What's wrong with the sharing economy

### Description

The so-called sharing economy has come under a lot of criticism lately. Think of the apparently (almost) unregulated and unfair practices surrounding Uber, the global car hire (taxi) firm that designates its drivers as self-employed.

Passengers like Uber. Once subscribed, you book a car and driver via your smartphone. You track your nearest available ride on the Uber map. Drivers registered with Uber are semi-independent and free to work when they like and upon request – but without a guaranteed wage, holiday pay and other rights.

### Life-style rents

Airbnb provides a different kind of sharing service. I can rent out a room, or my whole flat, to strangers for any period, and independently of how my area is zoned, and what the neighbours think of living next door to an ersatz hotel. Stories abound of how a sense of local community gets destroyed as properties in highly desirable neighbourhoods are handed over to short term tenancies.

Developers also buy up properties with a view to leasing them out via Airbnb. There are also stories about owners who find their homes trashed by Airbnb tenants, with little chance of compensation.

Initiatives that start out as enablers for small scale, local, micro-entrepreneurs (ordinary home owners) eventually end up in the hands of big business.

### Bit economies

Digital currencies are also part of the sharing economy. They ostensibly enable peer-to-peer exchange independent of centralised control hierarchies. They carry the benefits and vices of cash economies. As with black and grey economies, you can exchange digital money for goods and services without being traced, or having to declare income to the tax department.

But digital money is corporatised. My [bitcoin wallet](#) is connected to a network node or hub somewhere in Luxembourg. As far as we know, bitcoin mining is dominated by big companies with huge

CPU farms in China. Where big profits are involved, successful small enterprises and initiatives eventually succumb to the pressures of scale. Either they grow to become big corporations, or big firms take them over. There's nothing new here.

## Living up to the name

Criticism of the sharing economy are well aired in the press. But those who take the terminology that develops around the idea seriously (i.e. literally) face the biggest challenge. For example, according to critic Tom Slee, many people believe that

“By taking part in the Sharing Economy we help to build our community instead of being passive and materialist consumers; we help to create a new era of openness, in which we can find a welcome and a helping hand wherever we go. The Sharing Economy promises to help previously powerless individuals take more control of their lives by becoming ‘micro-entrepreneurs’.”  
(10)

According to Slee, many expect the sharing economy to introduce flexible ways of working, to bring people together, encourage trust amongst strangers, and to counter the hegemony of hotel chains, fast food outlets, banks and financial institutions. Sharing economies soak up unused resources and are more sustainable. Of course, the idea of the sharing economy is sustained by the Internet and its egalitarian visioning.

## Gigs and temps

The darkest side of this sharing narrative is that consumers and the short-term contracted labour force are fed the idea that they are participating in a new democratised economic order. The sharing economy is just part of a sales pitch, and a way of dressing up inequities and dodgy business practices.

Having set up the idealised narrative of *sharing* it is fairly easy for any critic to show how far short the industry around the ideal falls short. Maybe the idea is misnamed. Call it ‘the gig economy’ rather than ‘the sharing economy’. At best, it entails a raft of technologies and business practices that disrupt some of the usual ways of thinking about work, service, and the economy. That can't be all bad.



Also see: [Romancing the blockchain](#), [Share city](#), [Life changing technologies \(about disruptive technologies\)](#).

## Bibliography

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1. Economics

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