



Planning and the So-Called 'Sharing' Economy / Can Shared Mobility Deliver Equity?/ The Sharing Economy and the Ongoing Dilemma about How to Plan for Informality/ Regulating Platform Economies in Cities – Disrupting the Disruption?/ Regulatory Combat? How the 'Sharing Economy' is Disrupting Planning Practice/ Corporatised Enforcement: Challenges of Regulating AirBnB and Other Platform Economies/ Nurturing a Generative Sharing Economy for Local Public Goods and Service Provision

Anna Joo Kim, Anne Brown, Marla Nelson, Renia Ehrenfeucht, Nancy Holman, Nicole Gurrán, Jathan Sadowski, Mara Ferreri, Romola Sanyal, Marta Bastos & Klaas Kresse

To cite this article: Anna Joo Kim, Anne Brown, Marla Nelson, Renia Ehrenfeucht, Nancy Holman, Nicole Gurrán, Jathan Sadowski, Mara Ferreri, Romola Sanyal, Marta Bastos & Klaas Kresse (2019) Planning and the So-Called 'Sharing' Economy / Can Shared Mobility Deliver Equity?/ The Sharing Economy and the Ongoing Dilemma about How to Plan for Informality/ Regulating Platform Economies in Cities – Disrupting the Disruption?/ Regulatory Combat? How the 'Sharing Economy' is Disrupting Planning Practice/ Corporatised Enforcement: Challenges of Regulating AirBnB and Other Platform Economies/ Nurturing a Generative Sharing Economy for Local Public Goods and Service Provision, *Planning Theory & Practice*, 20:2, 261-287, DOI: [10.1080/14649357.2019.1599612](https://doi.org/10.1080/14649357.2019.1599612)

To link to this article: <https://doi.org/10.1080/14649357.2019.1599612>



Published online: 30 Apr 2019.



Submit your article to this journal [↗](#)



Article views: 2194



[View related articles](#)



[View Crossmark data](#)



[Citing articles: 5](#) [View citing articles](#)

Planning and the So-Called ‘Sharing’ Economy

Anna Joo Kim

School of Public Affairs, San Diego State University, San Diego, CA, USA

‘Sharing economy’ technology platforms now encompass housing (most prominently Airbnb); transport (from taxi-replacements Uber and Lyft to short-term rental bicycles and electric scooters); to temporary labor (TaskRabbit). Undoubtedly, more such concepts are being developed, funded, and deployed as we speak. ‘Sharing’ platform creators describe their work as ‘disruptive’ and ‘innovating in the regulatory sphere’ and in many cities have been at odds with both planners and residents as well as competing industries.

Planning scholars and practitioners have been caught on the back foot due to the rapid speed at which the ‘sharing economy’ has emerged and the lack of data available publicly for assessing its scale and how it’s affecting the cities we plan. We invited authors to discuss how we ought to conceive of the sharing economy, how we might understand its impacts across people and places, and how planning could or should respond to its emergence and growth. The papers we received span two issues of interface. In this issue, the writing focuses on the planning regulatory response to platforms; and in issue 20.2 we will take up the implications of these platforms for work and labor in the city.

These authors connect the ‘new’ sharing economy to older more endemic forms of informality, to reiterate that in some ways we are still dealing with questions around whether or not informality can be regulated, and also if the extractive platform sharing economy maintains some relationship to the other versions of sharing.

What the sharing economy has always done, even before the emergence of large corporations as mediators, is to challenge what Brown calls the “status quo.” An important question she asks in her piece for this Interface is whether or not the status quo, in this case the traditional taxi industry, was good to begin with. Brown directly compares ride-share platforms to a taxi industry that has presented significant barriers to African American mobility. While digital infrastructure is still uneven, and ride hailing via apps might result in a user’s “delayed mobility”, the traditional taxi industry for some people of color in some neighborhoods meant no mobility at all. A question I would also like to raise is how the more visible version of ride-hailing has replaced and possibly displaced the pre-existing informal and underground community mechanisms for how African American or Latinx or Asian immigrants solved mobility problems *before*, through similar but differently accessed informal ride-sharing strategies (Blasi & Leavitt, *Driving Poor*, 2006).

We as planners are asked to think about allowing for, and being comfortable with allowing the informal to exist and to also question planning’s primary impulse to regulate – challenged by any version of the sharing economy. Nelson & Ehrenfeucht reflect that the question of the

sharing economy in its simple form is partly a question of how to plan for informality. Informality has always existed, but the relationships are highlighted by the app-based sharing economy that has created a scale of visibility that more directly confronts cities with the problem of sharing. As they write, “home-sharing is big business,” and big business like this cannot be ignored.

But at what scale will we decide to regulate? The “platform economy” as Holman defines it may be a more useful term than “sharing economy” to accurately describe what is creating regulatory conflict. She points out that, although this is big global business with some version of Airbnb present in nearly every country, it is also a city-scale problem, and cities need to do the work to catch up to the regulatory process. Cities in this case need to innovate to regulate, and Gurran & Sadowsky agree: if Airbnb and other platforms “hacked” existing regulations around rental restrictions and short term regulations, there are also even newer “hacks” emerging as a response – a resistance, if you will, to the extractive sharing economy. While local regulation appears somewhat easy for companies to evade, there is a “resistance” network of real neighbors in real neighborhoods who have also learned to innovate – with apps emerging to help communities regulate the presence of illegal activity, such as Host Compliance and Sublet Spy.

Many of the authors also point out the primary disadvantage that neighbors, neighborhoods, and cities are faced with when it comes to any form of “combat” against the platform sharing economy. As Sanyal and Ferreri discuss, local governments struggle to enforce existing (and pending) local laws and policies around short term rentals, for example. One of the primary reasons that local governments struggle with enforcement is due to lack of data; government access to corporate data is needed for better enforcement.

Bastos & Kresse’s discussion of how the City of Seoul is creating a system of “carrots” and not just sticks points to possible solutions around how governments create flexible and hybrid forms of regulation. The Seoul Metropolitan Government’s sharing policy seeks to collaborate with, rather than control, the peer to peer sharing platform. In particular, it promotes and stimulates start-ups that use sharing that improves the social welfare of a greater number of users – a government sponsored program that looks for alternatives to “extractive commercial platforms”. While still vague in its intent, the policy is overall to support a larger “ecosystem” of sharing that connects different forms of sharing to increase the access of local residents to needed social services, housing, or other resources.

There is something important about how disruptive the commercialization of the sharing economy is. The new version of sharing via platforms, whether extractive or not, is at a scale large enough to serve as a global wake-up call to local governments to figure it out, and figure it out fast. Enough people really, truly, informally (and maybe illegally) share their lives, their homes, their cars, and their resources, and it’s not always bad – but, it’s not always good. Although ‘sharing’ is sometimes ill-defined, this issue explores how ‘sharing’ as it has proliferated worldwide via digital mechanisms (aka the ‘App’) has butted heads with local governments and local regulatory policies. Where there is overlap between ‘old’ and ‘new’ sharing is that the app-based sharing economy in its flexibility, people-driven-ness, and in its place of exchange (the private car or the private home) does still mimic old-fashioned sharing: primarily in its evasiveness. Policy, even as it emerges, and cities, even as they try to regulate, remain befuddled by sharing, even corporatized, large-scale sharing as mediated by multi-billion dollar companies like Uber, Lyft, and Airbnb. Further confusion arises as we try to puzzle out how ‘sharing’ becomes a job, or at least becomes labor. In the Interface in issue

20.2, we will consider how platforms are reshaping work in today's 'hustle' economy, and how planners might address the relationship of work to the city.

Notes on Contributor

Anna Kim's research is focused on immigrant participation in the informal economy and ethnic labor markets, as well as community economic development and health outcomes related to the built environment. Email: anna.kim@sdsu.edu

Can Shared Mobility Deliver Equity?

Anne Brown 

University of Oregon, Eugene, OR, USA

Physical transportation infrastructure and resources – or lack thereof – have long demarcated neighborhoods of 'haves' from neighborhoods or 'have nots,' with disproportionate investment in higher-income and white neighborhoods. Shared mobility such as ridehailing (e.g. Uber and Lyft), now presents two possible futures; it could bridge the existing transportation divide and boost mobility for all travelers, or it could exclude some travelers and neighborhoods and perpetuate existing inequities. The question now for planners is; can new shared modes provide a more equitable transportation future? And what role do planning researchers and practitioners have in delivering such a future?

Delivering More Equitable Mobility

In most American cities, urban spatial structures require all travelers – including zero-car households – to occasionally travel by car. Before shared mobility services, taxis provided critical auto-mobility for zero-car travelers, many of whom are low-income. American households earning less than \$25,000 per year, for example, took 17 percent of all trips, but 41 percent of taxi trips (NHTS, 2009; Schaller, 2015). But taxi access varies by *who* hails a ride, and U.S. taxis have a long history of racial discrimination. In Washington, D.C., for example, taxis are 25 percent less likely to pick up a black than a white rider (Wrigley, 2013). In Seattle, 60 percent of white riders were picked up by the first empty taxi that approached compared to just 20 percent of black riders (Ge, Knittel, MacKenzie, & Zoepf, 2016).

Can new shared services provide more equitable access compared to this status quo? My own audit study of Uber, Lyft, and taxis in Los Angeles suggests, yes. Echoing research from other cities, I find evidence of pervasive racial discrimination by taxis; black riders in Los Angeles were 73 percent more likely than white riders to have a taxi trip cancelled. In contrast, ridehail services (Uber and Lyft) nearly erased the service gap between riders. All but 4 of 1,704 (99.8%) ridehail users reached their destinations compared to about 80 percent of taxi hailers. In other words, taxi discrimination prevents mobility, while ridehail discrimination slightly delays but does not preclude mobility. When riders were picked up, ridehailing also narrowed the wait time gap between black and white riders: compared to white riders, black riders waited between 6 and 15 minutes longer for taxis but only 11 seconds to 1 minute 43 seconds longer for ridehailing, controlling for time of day and location.



Platform and policy-level interventions are needed to fully close the gap between ridehail users, but ridehailing's improvements relative to taxis offer insight into three ways that shared mobility technologies may lessen discrimination's experienced effects. First, ridehail ratings may deter discrimination. Picking up strangers in one's car involves inherent risk, and taxi drivers face high rates of personal injury and death (Menéndez, Socias-Morales, & Daus, 2017). Unlike taxis, ridehail star ratings may provide a form of rider-vetting and reduce proxy discrimination by drivers, who can use star ratings rather than observable traits to make inferences about passenger behaviors. The potential benefits of rating systems come with two caveats; the ratings themselves may be subject to implicit or explicit bias, resulting in lower rankings for people of color, as cited in a 2016 Boston lawsuit (Adams, 2016), and travelers with comparable ratings may still receive unequal service. In the previously-mentioned audit study in Los Angeles, black riders waited longer than white riders despite all riders having 4.5/5 ridehail star ratings or higher.

Second, greater (perceived or actual) driver accountability on ridehailing compared to taxis may deter discrimination. Despite formal channels established for taxi complaints, auditors in Los Angeles reported that "There's no accountability, I felt, with the taxis, 'cause you don't rate them. I tried calling them [the taxi company] and they didn't care." By contrast, ridehail apps offer built-in driver accountability tools that allow riders to rate drivers and quickly file service complaints, including reports of discrimination; drivers with low star ratings may be removed from ridehail platforms.

Finally, the sheer supply of ridehail vehicles may reduce negative outcomes resulting from individual acts of discrimination. While ridehail drivers cancelled on riders less frequently than taxis, the consequences of those cancellations also diverged starkly from taxis. A taxi cancellation results in no service, and 26 percent of black riders in the Los Angeles audit study were not picked up by a taxi compared to about 15 percent of white riders. During ridehailing trips, however – and even though black riders were 4 percentage points more likely to be cancelled on compared to white riders – a rider was assigned to a new driver 18 seconds later on average, limiting the mobility implications of individual cancellations. Short reassignment times are due both to the dynamic assignment of riders to the closest driver, and to the large, mostly uncapped, supply of ridehail vehicles, which increases the odds that another driver is nearby.

While new services may deliver better and more equitable service, improved mobility outcomes depend on individual access to the two keys that unlock shared mobility services; a smartphone and bank account. Nationally, higher shares of younger, less-educated, low-income, and non-white populations are unbanked or underbanked (FDIC, 2016). In researching the geography of Lyft trips in Los Angeles, I find no evidence that ridehailing excludes neighborhoods based on resident income or racial-ethnic characteristics as taxis have historically done. Instead, findings suggest ridehailing exclusion occurs along a digital divide. Fewer Lyft users live in majority-Hispanic neighborhoods relative to the neighborhoods' share of the county population and controlling for the built environment. Lower Lyft use in majority-Hispanic neighborhoods may reflect banking or technological barriers in these neighborhoods. For example, about 16 percent of Hispanic households are unbanked compared to just 3 percent of white households and Spanish-only speaking households have lower rates of smartphone ownership (47%) compared to non-Spanish speaking households (68%) (FDIC, 2016). Data plans may also preclude access; Smith et al. (2015) find that 44 percent of smartphone users lose service at some point due to financial constraints, and that low-income, black, and Latino users

are all twice as likely to have cancelled or lost service at some point compared to higher-income and white users (Smith et al., 2015). Without smartphones or data plans, travelers cannot hail shared mobility services.

Data & Metrics: Tools for Equity

My research suggests that ridehailing offers more equitable car access compared to services previously available, but policies are still needed to close the gap entirely between riders. To do this, planners must set concrete metrics and require data to ensure equitable outcomes.

Equity-first metrics should reflect both shared mobility opportunities and outcomes. Opportunity metrics reflect if or *how much* service is available, such as the number of vehicles per mile or capita in a neighborhood. Outcome metrics measure *how well* shared mobility serves a neighborhood, such as wait times across neighborhoods. Metrics should reflect access at both the individual and neighborhood level given observed service variations across each. Finally, in addition to measuring who uses shared mobility, cities should adopt a metric that captures who *does not* use such services – such as the number of users per capita in neighborhoods or shared mobility user demographics – to understand who may be excluded from shared mobility services.

Cities should use equity-based metrics to dictate the data requests (or requirements) from shared mobility companies. While tempting, requesting huge quantities of disaggregate data from private mobility companies is unlikely to yield productive outcomes if unassociated with concrete performance metrics. Cities should adopt data standards, such as the Mobility Data Specification developed in Los Angeles, to standardize data obtained from shared mobility companies. Standardized data can both help cities justify data requests or requirements and also encourage cross-jurisdiction analyses to foster deeper understanding of equity outcomes across multiple contexts. While data alone will not guarantee equitable service across space or eliminate discrimination, it can answer more questions, more reliably, and at lower costs than in previous years and help to advance equitable access to ridehail and other shared services.

Equitable access to shared mobility will only be achieved if cities can bridge the digital mobility divide. For example, the Bike Share for All program in the San Francisco Bay Area does not require a credit card, allows people to sign up in-person rather than using a smartphone, and is compatible with the regional transit fare card. But considerations for how shared mobility can include *all* travelers, not just those with bank accounts and smartphones, remains woefully absent from many planning discussions. For example, just one in five bike share operators set explicit equity goals (Howland et al., 2017). To place equity at the forefront, cities can require shared mobility companies articulate explicit equity goals and offer access options for residents without smartphones or bank accounts. Similar requirements should also be placed on partnerships forged between cities, transit agencies, and shared mobility companies.

Shared mobility can deliver more equitable transportation. But to do so, we must set equity-first metrics that are easily understood and evaluated, and collect data to track those metrics and ensure we achieve our goals. These tasks are a call to action for both planning researchers and practitioners. Researchers should support practice through rigorous evaluation of performance metrics, pilot, and plans to advance equity-first goals. And practitioners must plan with equity at the forefront and consider, with each plan or proposal, and who may be included and excluded, and how to bring potentially excluded groups into the fold.

Notes on Contributor

Anne Brown is Assistant Professor in the School of Planning, Public Policy, and Management at the University of Oregon. Her research investigates equity, innovative mobility, travel behavior, and transportation finance. Email: abrown33@uoregon.edu

ORCID

Anne Brown  <http://orcid.org/0000-0001-5009-8331>

References

- Adams, D. (2016). Boston-based attorney argues uber's star ratings are racially biased, *The Boston Globe*. Retrieved from <https://www.bostonglobe.com/business/2016/10/06/attorney-for-uber-drivers-says-star-ratings-are-racially-biased/R28mqWL6ShjMFB5xAr3uGL/story.html>
- FDIC. (2016). *2015 FDIC national survey of unbanked and underbanked households*. Retrieved from <https://www.fdic.gov/householdsurvey/2015/2015report.pdf>
- Ge, Y., Knittel, C. R., MacKenzie, D., & Zoepf, S. (2016). Racial and gender discrimination in transportation network companies. Cambridge, MA: National Bureau of Economic Research.
- Howland, S., McNeil, N., Broach, J., Rankins, K., MacArthur, J., & Dill, J. (2017). Current efforts to make bikeshare more equitable: Survey of system owners and operators. *Transportation Research Record: Journal of the Transportation Research Board*, 2662, 160–167.
- Menéndez, C. K. C., Socias-Morales, C., & Daus, M. M. W. (2017). Work-related violent deaths in the us taxi and limousine industry 2003 to 2013: Disparities within a high-risk working population. *Journal Of Occupational And Environmental Medicine*, 59(8), 768.
- NHTS. (2009). *2009 National Household Travel Survey*. Washington, D.C.: US Department of Transportation
- Schaller, B. (2015). *Special Report 319: Between public and private mobility examining the rise of technology-enabled transportation services: Taxi, sedan, and limousine industries and regulations*. Washington, D.C.: Transportation Research Board.
- Smith, A., McGeeney, K., Duggan, M., Raine, L., & Keeter, S. (2015). *U.S. Smartphone use in 2015*. Washington, D.C.: Pew Research Center.
- Wrigley, W. (2013). WUSA9 investigation finds D.C. cab drivers discriminating against black customers, *Huffington Post*. Retrieved from http://www.huffingtonpost.com/2013/05/23/wusa9-taxi-discrimination-video_n_3326228.html

The Sharing Economy and the Ongoing Dilemma about How to Plan for Informality

Marla Nelson ^a and Renia Ehrenfeucht^b

^aDepartment of Planning and Urban Studies, University of New Orleans, New Orleans, LA, USA; ^bSchool of Architecture and Planning, University of New Mexico, Albuquerque, NM, USA

In the late 2000s, Airbnb and Uber focused attention on new forms of direct global exchange through online platforms that connected buyers and sellers. This trend was collectively dubbed ‘the sharing economy’, invoking positive relationships in which people offer goods, space or skills to others who need and want them. Participants engaged in what began as a relatively informal set of exchanges, using an online platform to find a room or to offer rides and handcrafted goods. To some observers and participants, the sharing economy appeared to be a new and appealing way to find a place to stay or a ride, that was a convenient alternative to the highly corporate global economy. For planners and public officials, the sharing economy highlighted an enduring dilemma – how to plan for informality.

In examining this dilemma, we investigate three conceptual questions that have arisen from a project about the politics of regulating short term rentals (STRs) in New Orleans, Louisiana:

- *What is new or different between the sharing economy and other types of informal activity?*
- *What is at stake and for whom?*
- *Can planners effectively and fairly enforce regulations on the sharing economy?*

New Orleans has widespread informal traditions that extend beyond housing. Public parades and street vending are integral to the city’s rich cultural traditions, and participants’ practices blur formal and informal lines (Ehrenfeucht & Croegaert, 2017). As a city that has faced decades of decline and neglect, many residents also take action to maintain their neighborhoods, police the streets, and earn their living outside the formal economy. After Hurricane Katrina, residents exercised their right to return to the city through both formal and informal planning processes and everyday reclamations of space (Nelson et al., 2007; Irazabel & Neville, 2007). In this context, if and how to regulate STRs has been a source of fierce debate.

What Is New or Different between the Sharing Economy and Other Types of Informal Activity?

As Kovács et al. (2017) argue, sharing economies are not particularly novel, but instead they resemble other forms of informal vending and entrepreneurial activity that, by some accounts, grew in the U.S. during the Great Recession (2007–2009). New Orleanians have long engaged in home-sharing in the form of renting rooms, sharing houses, and creating new units in singles or doubles. Short-term rentals are not new either. In New Orleans, property owners near Mardi Gras parade routes or in neighborhoods adjacent to the site of the annual New Orleans Jazz and Heritage Festival, have historically let their houses and apartments (along with driveways, yards and parking spots) to visitors. These exchanges occurred informally and at specified times with full-time residents leaving town during the events or doubling up with family or friends elsewhere in the city.

While the economic transaction is essentially the same, platforms like Airbnb and HomeAway have altered the scale, scope and operation of home-sharing. The mass connectivity which these platforms provide has made exchange possible across multiple degrees of separation, enabling transactions among people who are physically and socially separate (Kovács, 2017). And although structured as a peer-to-peer network, home-sharing is big business. In 2016, Airbnb was valued at \$30 billion (Rosoff, 2016).

The City of New Orleans, with a population of under 400,000, hosted almost 11 million tourists in 2017 (Brasted, 2018). Home-sharing platforms have reduced transaction costs, making



it easier for the growing number of visitors to rent a place to stay in the city's historic neighborhoods. At the same time, the platforms have enabled investors to amass and 'share' a portfolio of STR properties. In New Orleans and many other cities, commercial operators have rapidly increased the numbers of STRs (Lane & Woodworth, 2017). While Airbnb and other platforms emphasize that home-sharing enables low- and moderate-income homeowners to supplement their income by renting out an extra room, such hosts represent a small share of STR listings and revenue in New Orleans. Seventy percent of short-term rental listings in 2016 were for whole unit rentals, with many owned by multi-unit investors (NO CPC, 2018).

What Is at Stake and for Whom?

Battles over STRs have been playing out at the local level nationwide involving numerous publics: hosts and visitors; neighbors in popular STR neighborhoods; competitor industries; and municipalities. During the ongoing efforts to regulate, and at times reign in, STRs, these interest groups have actively attempted to shape the narratives and define: what is at stake and for whom? People engaged in other forms of home-sharing are also stakeholders who could be affected by new processes but are rarely vocal. Proactive policies to guide home-sharing must respond to both the potential benefits and impacts, and recognize how different participants are situated in the exchanges.

Proponents of STRs emphasize their economic impacts, their ability to create a flexible range of tourist accommodations, and their role in helping provide supplemental income to low- and moderate-income homeowners. This last issue resonates with local officials, leading to regulatory efforts that differentiate between STRs owned and managed by community residents versus whole house rentals owned by absentee investors.

In contrast, affordable housing advocates point to studies that suggest the proliferation of STRs reduces the supply of long-term rental units and drives up rents, exacerbating housing affordability issues and contributing to gentrification (Lee, 2016; Horn & Merante, 2017). In addition to affordability concerns, neighborhood residents often express worries about quality of life issues including loss of neighborhood character and noise. Hotel associations consider STRs unfair competition and articulate their critiques in terms of the need for more stringent regulations regarding the collection of local taxes on behalf of hosts and the need to comply with health and safety standards, efforts that Airbnb and other platforms have resisted.

In New Orleans, STR debates have largely focused on housing affordability and the loss of neighborhood character. Local activists, through independent analyses and community engagement, called attention to these issues, prompting the City Planning Commission (CPC) to undertake their own study of STRs and develop regulations that were adopted by the City Council in 2016. While some considered the regulations creative approaches to maintain control and allowing innovation, critics argued they did too little to protect affordability. In response, a coalition of organizations committed to ethical and sustainable tourism issued new guidelines to reform the STR legislation. In response, the CPC adopted, and a city council member proposed, some modified guidelines. A key recommendation is limiting STR permits to one per operator and to residents with a valid homestead exemption. This intends to ensure that STRs are owned and managed by a community member, not an absentee landlord.

Can Planners Effectively and Fairly Enforce Regulations on the Sharing Economy?

Like New Orleans, many local governments have started to craft regulations to balance competing interests and manage the local impacts of STRs. Yet enforcing local laws and permitting systems has proven difficult (Gurran, 2018), and New Orleans has exercised little oversight since adopting its initial STR regulations. In 2016, Airbnb entered into an agreement with the city to share data and include a pass-through registration system on the Airbnb website. While Airbnb held the agreement up as a model of their collaboration with local governments, they provided insufficient data to identify hosts who were not following rules and Airbnb ultimately removed the pass-through registration system, which made enforcement impossible.

Conflicts between local governments and STR platforms are common and platforms have become reticent collaborators with local governments. This creates a paradox because many participants, including consumers, home-sharing hosts and drivers, would accept and even welcome more formality in the form of regulation, job security, and standards. The multi-billion dollar platforms, however, want to create the perception of informality.

To make the situation muddier, even though sharing platforms benefit from the perception of informality more than the service providers, producers and consumers, increased regulation could also have disparate effects on people engaging in other forms of home-sharing as their activities are further scrutinized. In other contexts this has disadvantaged lower income residents with longer traditions of informal activities that supplement incomes and available services. Even with access to STR information, ordinances would likely be inconsistently enforced, instead becoming a tool that can make participants vulnerable to irregular enforcement efforts. Uneven enforcement enables home-sharing even in restrictive environments but also leaves hosts vulnerable to fines. As Devlin (2011) has shown with street vending, if enforcement becomes complaint driven, complaints, and at times harassment, can determine how and where informal or sharing economy activities operate as much as or more than specific regulations can.

The purpose is not to romanticize informal urban life, but to recognize that formalizing it has consequences that can make the situation harder for those on the margins. Regulating the sharing economy raises complex issues for planners and urban residents. The sharing economy and its publics have many competing and complementary impulses and potential outcomes. The public sector is responding through policy and regulation, but the effects of current planning efforts are not yet materialized or well understood. Cities across and beyond the United States have increasingly attempted to incorporate, regulate, tax and reign-in the sharing economy, as they have taken similar steps around other informal activities including street vending. The real challenge is how to mediate competing claims, mitigate local adverse impacts without demonizing new participants or those who historically found creative ways to augment limited incomes by sharing space, and address new or intensified patterns of vulnerability, all while attempting to retain the benefits of this newly elevated landscape of consumption and service.

Notes on Contributors

Marla Nelson is an Associate Professor in the Department of Planning and Urban Studies at the University of New Orleans and Coordinator of the Master of Urban and Regional Planning program. Her research on inclusive, equitable development seeks to inform planning and policy to increase opportunity within cities and regions. Email: mnelson@uno.edu

Renia Ehrenfeucht is a Professor and the Chair of the Community & Regional Planning at the University of New Mexico. She researches public spaces and the politics of everyday life, asking how ordinary spaces and interactions shape urbanity. She also focuses on community change in shrinking cities and communities. Email: rehrenfeucht@unm.edu


ORCID

Marla Nelson  <http://orcid.org/0000-0003-1086-7305>

References

- Brasted, C. (2018, May 1). New Orleans sets record with nearly 11 million visitors in 2017. *The Times Picayune*. Retrieved from <https://www.nola.com>.
- Devlin, R. T. (2011). 'An area that governs itself': Informality, uncertainty and the management of street vending in New York City. *Planning Theory*, 10(1), 53–65.
- Ehrenfeucht, R., & Croegaert, A. (2017). Learning from New Orleans: Will revising or relaxing public space ordinances create a just environment for street commerce? In J. Agyeman, C. Matthews & H. Sobel (Eds.), *From Loncheras to Lobsta Love: Food Trucks, Cultural Identity and Social Justice* (pp. 109–128). Cambridge, MA: The MIT Press.
- Gurran, N. (2018). Global home-sharing, local communities and the Airbnb debate: A planning research agenda. *Planning Theory & Practice*, 19(2), 298–304.
- Irazábal, C. & Neville, J. (2007). Neighbourhoods in the lead: Grassroots planning for social transformation in post-Katrina New Orleans? *Planning, Practice & Research*, 22(2), 131–153.
- Horn, K., & Merante, M. (2017). Is home sharing driving up rents? Evidence from Airbnb in Boston. *Journal of Housing Economics*, 38, 14–24.
- Kovács, B., Morris, J., Polese, A. & Imami, D. (2017). Looking at the 'sharing' economies concept through the prism of informality. *Cambridge Journal of Regions, Economy and Society*, 10, 365–378.
- Lane, J. & Woodworth, R. M. (2017). *Hosts with multiple units: A key driver of Airbnb growth*. (CBRE Hotels' Americas Research, March). Retrieved from the American Hotel & Lodging Association website: https://www.ahla.com/sites/default/files/CBRE_AirbnbStudy_2017_0.pdf
- Lee, D. (2016). How Airbnb short-term rentals exacerbate Los Angeles's affordable housing crisis: Analysis and policy recommendations. *Harvard Law and Policy Review*, 10(1), 229–253.
- Nelson, M., Ehrenfeucht, R., & Laska, S. (2007). Planning, plans, and people: professional expertise, local knowledge, and governmental action in post-hurricane Katrina New Orleans. *Cityscape*, 9(3), 23–52.
- New Orleans City Planning Commission (NO CPC). (2018). *Short term rental study*. (2018 edition). Retrieved from the City of New Orleans website: https://www.nola.gov/nola/media/City-Planning/Preliminary-STR-Study-9-18-18_1.pdf.
- Rosoff, M. (6 August 2016). Airbnb is now worth \$30 billion. *Business Insider*. Retrieved from <https://www.businessinsider.com>.

Regulating Platform Economies in Cities – Disrupting the Disruption?

Nancy Holman 

Department of Geography and Environment, London School of Economics, London, UK

Introduction

The private sector has increasingly become involved in the governance of cities including in planning. This can be seen in places like London where the 2015 Deregulation Act has loosened the powers planners have to control short-term letting and in cities like New York City where Uber and Lyft have been in a pitched battle with regulators. Much of this can be seen as a shift towards new modes of working due to the advancement of mobile technologies and digital networks that have begun to transform the way we live, work and entertain ourselves in cities. In many respects this has also challenged how we, as planners, regulate housing, transport and the urban economy in ways that help to create better outcomes for local communities.

In this *Interface*, I will work through these issues referring to the example of short-term letting in London, which though not new, has recently become much more pronounced due to platforms like Airbnb, Booking.com and Onefinestay. Importantly, I will use the term ‘platform economy’ rather than ‘sharing economy’ as it allows us to focus on the key dynamic that has made formerly informal activities like ride sharing and couch surfing, ramp up into a globally branded phenomena. This innovation is of course the App, which acts as an intermediary between service providers and service users. This means that companies like Airbnb can boast of having a platform containing close to 50,000 homes in London (“Inside Airbnb,” n.d.) without ever having to invest in bricks and mortar, or that companies like Uber can act as the clearing house for over 5 billion rides globally (Sherman, 2018) without directly employing its drivers. Without intensive computing and advancements in digital technologies, this would have been impossible only a few years ago.

What the platform economy means for cities can be seen as both an advantage and as a disadvantage, depending on how we choose to shape the opportunities that technological advancements bring. On a positive note, offering flexible and accessible work or the ability to gain income from under-utilised assets like rooms in our homes, may bring welcome relief to individuals struggling in the current economic climate. However, in an unregulated form they also can lead to gentrification and rising house prices (Ferreri & Sanyal, 2018; Wachsmuth & Weisler, 2018) and, in the case of platforms like Uber, Lyft and Deliveroo, the exploitation of labour (Martin, 2016). I will argue that in order to ensure that the benefits of platform economies extend beyond venture capitalists to city dwellers, that we need to imagine new ways to regulate and new ways to fund and model these innovations. We are at a relatively early stage in the development of this new method of service delivery. If we work to shape it rather than either attempting to crush it or ignore it, we have the opportunity to make it more beneficial to a wider section of the population. However, I am not sure that this can be done at a global level as we have too many competing values and ideas that are embedded locally in our societies. Instead, I believe

that cities are best placed to consider how to work through issues of platform capitalism, as they are closest to the populations they serve.

The Regulation Conundrum

Regulating platform economies is a tricky business. For example, the relaxation of short-term letting (STL) regulation in London saw planners faced with massive informational asymmetries and a nearly unenforceable regulation (Holman, Mossa, & Pani, 2018a). The enforcement against STL infractions, already a time intensive and expensive business, grew ever harder as a near tidal wave of new properties came on-line. For example, the London Borough of Westminster saw listings on Airbnb of entire homes rise from just under 1500 in November 2013 to over 3500 in March of 2016. With no way of tracking which properties were listed and no way of knowing how long properties were listed for, planners found themselves becoming amateur detectives, trawling Airbnb's website trying to determine which properties were listed in the borough and increasing their door-to-door visits in areas where illegal activity had traditionally been highest. Worse still, when faced with complaints, they found themselves able to offer only minimal help to their residents. This dynamic opens the door to a loss of trust in the planning system and a potential lessening of job satisfaction amongst practitioners.

The question then is, how is it possible to offer some form of control of the worst excesses of the platform economy without losing the benefits it can provide? In their incisive paper on regulation of the 'sharing economy', Finck & Ranchordas (2016) outline the multiple ways that cities have chosen to deal with it. They describe *tolerant or minimalist* cities that see benefits in promoting platforms, and either do not enforce their own zoning regulations or impose minimal regulations in the form of tax collection, night limits and residency requirements. Whilst this is designed to restrict business interests from exploiting STL in the city, it is not always successful. London is a case in point, as the regulations proposed by central government did little to curb multi-listings, which are a common indicator of professional operators in the sector (Holman, Mossa, & Pani, 2018).

Another style of engagement discussed by Finck and Ranchordas (2017) is what they term the *restrictive approach* where cities seek to eliminate or strictly limit their illegal operation. For example, Barcelona has initiated legislation and created an agreement with Airbnb to share data. Properties that do not have a license can now be tracked and owners fined. This is one of the first instances where a city has been able to enter into a data sharing arrangement with the platform (O'Sullivan, 2018). Whilst this represents a significant improvement over the more intransigent position Airbnb took on data sharing, it goes only a small way to limiting the activities of other homesharing platforms. Cities are therefore left to continue battles and negotiations with a growing number of platforms on an individual basis.

How Can Cities Benefit from Sharing?

Permissive approaches run the risk of being overwhelmed by the sheer magnitude and proliferation of platforms and their ability to build markets quickly and exponentially disrupting local housing, transport and labour market practices. In addition, they represent

costly time intensive options for implementing tax policy, night limits and other regulations as data asymmetries and local skills put planners continuously on the back foot. Finally they also run the risk of altering the relationship between planners and residents who face problems with STL, as the protection in terms of enforcement that planners can provide is minimal. More restrictive modes of regulation solve, at least to some extent, the issue of informational asymmetries by forcing platforms to reveal the location of each property being advertised. Whilst this may prove to be more successful than the permissive approach, it still requires considerable and seemingly unending negotiation between an ever-increasing number of platforms.

A different way forward may be to disrupt the disruption of platforms by providing diverse, ethically led cooperative platforms that combine the best parts of collaborative consumption with an App based interface. The platform co-operative movement has been heavily supported by Trebor Scholz of the New School in New York, and simply-put allows for transactions to be mediated via the platform whilst profit and ownership is shared amongst its producers. This means that any profit made is shared amongst those who actually produce the labour rather than platform owners or venture capitalists whose interests are more often about maximising value rather than supporting fairer employment practices or supporting locally affordable housing. Jeremy Corbyn and the Labour Party in their 2016 Digital Democracy Manifesto also took up this idea and it has taken hold in a number of cities.

The way that cities can support the formulation of platform cooperatives is through proactive planning policy and investment funds, which encourage their development. Whilst this may seem overly ambitious or too difficult a number of cities around the world are making significant progress. Seoul, South Korea was one of the first to declare itself a 'sharing city' in 2012 and since this time has made steady progress in providing a policy and investment climate that encourages private companies and civic organisations to create sharing platforms in the city aimed at supporting social values (Moon, 2017). Barcelona and Amsterdam have also embarked upon this path, pushing toward progressive values through the fiscal and regulatory fostering of socially based cooperative platforms.

Clearly it is early days and much remains to be seen as to how the platform economy develops and what other disruptions may come from new technologies. However, much like the destructive forces of early industrialisation, which had to be mitigated through planning and employment law, platform economies need to be shaped toward providing more sustainable and socially just outcomes for society. It is unlikely that governments will have the time, labour force or budget to strictly enforce significant regulation. Laissez-faire approaches are also problematic as there is little ability to prevent the worst excesses of platform capitalism with limited regulation. We are therefore left to imagine a different way forward. Properly fostered platform cooperatives may offer us just this.

Notes on Contributor

Nancy Holman's recent work examines how planners in London have tackled issues of enforcement with respect to the loosening of regulation of short-term letting in London arguing that this has limited planner's opportunities to develop a critical voice that allows



them to advocate for policy interpretations that help to create better outcomes for local communities. Email: n.e.holman@lse.ac.uk



ORCID

Nancy Holman  <http://orcid.org/0000-0002-4536-5092>

References

- Ferreri, M., & Sanyal, R. (2018). Platform economies and urban planning: Airbnb and regulated deregulation in London. *Urban Studies*. doi:10.1177/0042098017751982
- Finck, M., & Ranchord, S. (2016). Sharing and the City. *Vanderbilt Journal of Transnational Law*. Retrieved from <http://papers.ssrn.com/abstract=2741575>
- Holman, N., Mossa, A., & Pani, E. (2018a). Planning, value(s) and the market: An analytic for “what comes next?” *Environment and Planning A*, 50(3), 608–626. doi:10.1177/0308518X17749730
- Inside Airbnb. (n.d.). Retrieved 22 November 2018, from <http://insideAirbnb.com>
- Martin, C. J. (2016). The sharing economy: A pathway to sustainability or a nightmarish form of neoliberal capitalism? *Ecological Economics*, 121, 149–159. doi:10.1016/j.ecolecon.2015.11.027
- Moon, M. J. (2017). Government-driven sharing economy: Lessons from the sharing city initiative of the Seoul Metropolitan Government. *Journal of Developing Societies*, 33(2), 223–243. doi:10.1177/0169796X17710076
- O’Sullivan, F. (2018). *Barcelona finds a way to control its airbnb market*.
- Sherman, L. (2018). *Is uber for everything a good thing?*
- Wachsmuth, D., & Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A*, 50(6), 1147–1170. doi:10.1177/0308518X18778038

Regulatory Combat? How the ‘Sharing Economy’ is Disrupting Planning Practice

Nicole Gurrán  and Jathan Sadowski 

School of Architecture, Design and Planning, University of Sydney, Sydney, Australia

The sudden emergence of the so-called ‘sharing economy’, with its disruptive implications for cities, has escalated ongoing contests over the role of planning under neoliberalism. Long cast as constraints on the free market, planning systems throughout the world have been corroded by waves of reforms advanced by private development interests and their political representatives (Lord and Tewdwr-Jones, 2014; Sager, 2011). ‘Sharing’ corporations such as Uber and Airbnb have escalated such battles, casting urban regulations as outdated constraints to digital innovation and local participation in the global market. Many elected officials and residents have been enlisted to these movements – supporting bids to change planning rules or licensing requirements (Murillo, Buckland, & Val, 2017). Others have mounted fierce resistance, backing strict regulations (Gurrán, 2018). New platforms to assist in policing these rules have also emerged, allowing cities to outsource regulatory compliance to online services.

What do these disruptions mean for planning practice, urban policy, and spatial regulation? We consider this question by drawing on ideas from regulatory theory, which explains how firms in pursuit of capital depend on favourable institutional and regulatory regimes (Baldwin, Cave, & Lodge, 2011), including effective compliance and enforcement (Prior, 2000). As businesses seek expansion, they push against regulatory barriers, using political techniques such as discursive framing, lobbying, alliance building, and financial donations with the objective of softening or capturing the regulatory environment to support their growth (Goodwin, Duncan, & Halford, 1993). In the urban arena such tactics have influenced central planning reform agendas (Raco, Street, & Trigo, 2017). They may also play out in local permissions and zoning decisions.

Platforms – which make profits by leasing access to services ranging from software applications to ride ‘sharing’ and accommodation bookings – adopt many of the same tactics used by traditional firms, but their competitive advantage over incumbents depends more fundamentally on evading or usurping regulations, thus avoiding compliance costs (Pollman and Barry, 2016). This is particularly so for ‘sharing economy’ platforms such as Uber and Airbnb, who compete with traditional service providers by operating beyond established licensing and planning regulations. These platforms have engaged in what has been described as “regulatory entrepreneurship” (Pollman and Barry, 2016), or simply “hacking” (Sharp, 2018), designed to grow their market share while mobilising broad based support through platform users (riders, hosts, guests) and their elected representatives (McNeill, 2017).

Extending these ideas and focusing on rental markets, we argue (below) that, in many cities, struggles around online “home-sharing” are more properly characterised as regulatory ‘combat,’ with digital platforms and tourism vs. local planners and residents. This confrontation is giving rise to new forms of regulatory arbitrage and planning regulation within the housing sector, as well as renewed interest in enforcement and compliance as a neglected domain of planning practice.

Three-Pronged Attack

As Edinburgh continues to look for what the best regulations for short-term rentals might be, unlike other players, Airbnb wants to champion this effort by supporting Government and City Council officials with information that will better help them to craft effective home sharing rules that work for all, because it’s the right thing to do. (Airbnb Citizen, 2018)

Airbnb has sought to shape the regulatory agenda by defusing three fundamental concerns about “home-sharing”. The first relates to the economic impacts for traditional accommodation providers and their employees. Unlike hotels, Airbnb hosts face few costs to entry – able to transform residential space into tourism accommodation simply by listing online – often bypassing planning rules, license fees, and local taxes (Guttentag, 2015). However, the platform rejects claims that short term rentals compete unfairly with hotels. Instead, it recruits as allies the “everyday citizens” and the local businesses they “support”:

Marianne, a host in Leith notes that restrictive regulation would negatively impact her as a home sharer adding that, “I’d have to close my room and despite the obvious income drop from a wasted space in my home, I’d have less money to feed into my community and local businesses I’m now able to support.” (Airbnb Citizen, 2018)



The second battleground is on impacts for neighbours and communities. As a submission to an Australian inquiry on regulating short term rentals makes clear, conflicts between tourists and local residents can be intense and corrosive:

We have had faeces and eggs thrown at our house and vehicles damaged for challenging these people about their anti-social behaviour. ... A lot of residents have sold up and moved away because of poor behaviour by short-term rental tenants near-by ... This leads to a loss of community as there is ... an influx of constantly turning over tenants who have no local ties and no desire to fit in. (Name Suppressed, 2015)

Rather than involving the law, Airbnb prefers to adjudicate fights via their platform. They claim that the online marketplace offers a transparent framework for managing conflict and risk, regulated by reputation and trust in the form of mutual reviews (where hosts and guests rate each other) (Gurran and Phibbs, 2017). Neighbours are excluded from this exchange.

The third battleground focuses on permanent rental housing supply. Recent research has highlighted impacts of commercial “home-sharing” on housing supply in Los Angeles (Lee, 2016), New York (Wachsmuth and Weisler, 2018), and Sydney (Gurran and Phibbs, 2017). Airbnb refutes these findings, contending that most hosts “share” their own home rather than absorb rental supply. Such claims are unable to be tested, because Airbnb and similar platforms refuse to share listings data with public authorities, turning user “privacy” concerns into an effective shield.

At the same time, the platform has reframed the debate to portray “restrictive” home-sharing rules as the real problem, preventing ordinary families from earning additional income and pointing to a heavy regulatory burden on the housing system.

Airbnb is not fighting alone on these three fronts, but rather as the commander of a coalition of users, lobbyists, and allies in media and government. Airbnb has built its support base by expanding users (now over 400 million guests and five million properties). The platform champions its latent political power: “New poll says most Canadians support home-sharing”, declared Airbnb in 2016, reporting on a survey the platform itself had commissioned (Airbnb Citizen 2016). Airbnb has even enlisted regulators to help expand its position and power. For example, during a period when short-term rental regulations were under active review, an Australian government agency offered seniors \$100 vouchers to become Airbnb hosts (NSW Government 2018).

Sharp (2018) writes that Airbnb staff studied the tactics used by grassroots organisations and emulated these by sponsoring “home-sharing clubs” that can be readily mobilised to defend/attack policies and attend protests. The campaigns waged by Airbnb have been effective in not only achieving deregulation, but also *reregulation* that has changed the rules of combat in their favour (Ferreri and Sanyal, 2018).

Resistance Strikes Back

At the same time, the fight has been far from one-sided.

An international network of local resistance groups, from Canadian based “Homes not Hotels” to “Save North Shore Neighborhoods” in Hawaii and “Neighbours not Strangers” in Australia has mobilised community action, influencing policymakers and legislators.

Some local resistance efforts target tourists themselves, aiming to make visitors uncomfortable about occupying local homes. “Enjoy your stay in our former homes, y’all”, proclaims

a poster in New Orleans, while in Berlin, the slogan “castrate gentrification” appears beneath a distorted image of the Airbnb logo.

Cities have proven to be plucky and bold in their efforts to defend local housing supply and neighbourhoods by affirming existing or introducing new planning rules and licensing regimes. Thus cities increasingly cap the length of time homes can be rented to tourists, or limit the number of rooms able to be offered while a “host” remains present.

Ironically, but consistent with the rise of platform capitalism whereby new online businesses seek to insert themselves into any space where value might be captured (Srnicek 2017), new platforms have emerged to help cities enforce these regulations. Firms such as “Host Compliance” have won contracts with a growing number of local authorities, such as Los Angeles, Nashville, and Eugene, to police short term rentals. Rival firm “Sublet Spy” uses “advanced military technology and artificial intelligence” to help landlords “catch illegal sublets on sites like Airbnb”, and offers cities a “municipal compliance dashboard” to help “collect taxes, enforce laws, and levy fines” (Sublet Spy 2018).

War Wages On

In a likely win for the platforms, regulations on “home-sharing” are increasingly being set by higher levels of government. This reflects a wider shift in urban planning and reform under neoliberalism, whereby limiting local discretion and reducing “regulatory red tape” is seen to facilitate development and economic growth. Overcoming local barriers to new and affordable housing is one thing, but dismantling regulatory protections and undermining planning authority, just so tourists can access residential accommodation, seems quite another.

As platforms become more powerful and more central to everyday life, they acquire what Frank Pasquale (2018: np) calls “functional sovereignty.” Urban governance is now a target for disruption. Platforms “are no longer market participants. Rather, in their fields, they are market makers [...] In functional arenas from room-letting to transportation to commerce, persons will be increasingly subject to corporate, rather than democratic, control” (Pasquale, 2017: np).

The ultimate outcome of the regulatory combat initiated by so-called sharing economy platforms like Airbnb has not yet been decided. But the aggressors have been winning battles, while planners and residents are put on the defensive. It is important not to lose sight of their underlying goal – and the high stakes for cities – as platforms continue to press for rules that empower them to draft our homes and other assets in the service of global capitalism.

Notes on Contributors

Nicole Gurrán is Professor of Urban and Regional Planning at the University of Sydney. Her research focuses on intersections between urban planning and the housing system, particularly relationships between urban regulations, housing supply, and affordability as well as the political dimensions of housing policy. Email: nicole.gurran@sydney.edu.au

Jathan Sadowski is a Postdoctoral Research Fellow in Smart Cities at the University of Sydney. His research brings together technology studies, urban geography, political economy, and social theory. He applies this interdisciplinary approach to the study of “smart systems” (data-driven, networked, automated) and how transformative technologies are being used to shape society. Email: jathan.sadowski@sydney.edu.au



ORCID

Nicole Gurran  <http://orcid.org/0000-0003-2646-384X>

Jathan Sadowski  <http://orcid.org/0000-0002-3184-384X>

References

- Airbnb Citizen (Producer). (2018, 11/12/18). Airbnb continues to work with Scotland for fair home sharing regulation. Retrieved from <https://www.airbnbcitizen.com/airbnb-champions-work-with-scotland-for-a-fair-home-sharing-solution/>
- Baldwin, R., Cave, M., & Lodge, M. (2011). *Understanding regulation: theory, strategy, and practice*. Oxford University Press.
- Ferreri, M., & Sanyal, R. (2018). Platform economies and urban planning: Airbnb and regulated deregulation in London. *Urban Studies*, 55(15), 3353–3368. doi:10.1177/0042098017751982 Retrieved from <https://journals.sagepub.com/doi/abs/10.1177/0042098017751982>
- Goodwin, M., Duncan, S., & Halford, S. (1993). Regulation theory, the local state, and the transition of urban politics. *Environment and Planning D: Society and Space*, 11(1), 67–88. doi:10.1068/d110067 Retrieved from <https://journals.sagepub.com/doi/abs/10.1068/d110067>
- Gurran, N. (2018). Global home-sharing, local communities and the airbnb debate: A planning research agenda. *Planning Theory & Practice*, 19(2), 298–304. doi:10.1080/14649357.2017.1383731
- Gurran, N., & Phibbs, P. (2017). When tourists move in: How should urban planners respond to Airbnb? *Journal of the American Planning Association*, 83(1), 80–92. doi:10.1080/01944363.2016.1249011
- Guttentag, D. (2015). Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector (vol 18, pg 1192, 2015). *Current Issues in Tourism*, 18(12). doi:10.1080/13683500.2013.844910
- Lee, D. (2016). How Airbnb short-term rentals exacerbate Los Angeles's affordable housing crisis: Analysis and policy recommendations. *Harvard Law & Policy Review*, 10, 229–253.
- Lord, A., & Tewdwr-Jones, M. (2014). Is planning “under attack”? Chronicling the deregulation of urban and environmental planning in England. *European Planning Studies*, 22(2), 345–361. doi:10.1080/09654313.2012.741574
- McNeill, D. (2017). Start-ups and the entrepreneurial city. *City*, 21(2), 232–239. doi:10.1080/13604813.2017.1353349
- Murillo, D., Buckland, H., & Val, E. (2017). When the sharing economy becomes neoliberalism on steroids: Unravelling the controversies. *Technological Forecasting and Social Change*, 125, 66–76. doi:10.1016/j.techfore.2017.05.024
- Name Suppressed. (2015). *Submission No 3; Adequacy of the regulation of short term holiday letting in NSW inquiry*. Sydney: NSW Parliament.
- Pasquale, F. (2017). From territorial to functional sovereignty: *The Case of Amazon*. Retrieved from <https://lpeblog.org/2017/12/06/from-territorial-to-functional-sovereignty-the-case-of-amazon/>
- Pollman, E., & Barry, J. M. (2016). Regulatory entrepreneurship. *Southern California Law Review* 90, 383.

- Prior, A. (2000). Problems in the theory and practice of planning enforcement. *Planning Theory & Practice*, 1(1), 53–69. doi:10.1080/14649350050135194
- Raco, M., Street, E., & Trigo, S. F. (2017). Regulatory capitalism, the changing nature of urban planning and the limits of neoliberalism: Lessons from London's South Bank. *Debating the Neoliberal City* (pp. 87–105). Abingdon: Routledge.
- Sager, T. (2011). Neo-liberal urban planning policies: A literature survey 1990–2010. *Progress in Planning*, 76, 147–199. doi:10.1016/j.progress.2011.09.001
- Sharp, D. (2018). Sharing cities for urban transformation: Narrative, policy and practice. *Urban Policy and Research*, 1–14.
- Wachsmuth, D., & Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A: Economy and Space*, 50(6), 1147–1170. doi:10.1177/0308518x18778038

Corporatised Enforcement: Challenges of Regulating AirBnB and Other Platform Economies

Mara Ferreri^a and Romola Sanyal^b

^aInstitute of Government and Public Policy, Universitat Autònoma de Barcelona, Barcelona, Spain; ^bDepartment of Geography and Environment, London School of Economics, London, UK

Platforms such as AirBnB, Uber, Taskrabbit etc are proliferating across the globe. Their success and popularity has been based on positioning themselves as companies that offer flexibility to freelance workers and asset owners and enable them to make 'a bit of money on the side'. For their consumers, it is about an enhanced and authentic customer experience of 'sharing' at a lower cost. While this rhetoric of 'sharing' is, at first glance flexible, inclusive and empowering, on closer examination it presents myriad contradictions and controversies as soon as the platforms begin interacting with existing practices and governance infrastructures. As Tom Slee (2016) amongst others have pointed out, digital platform companies such as AirBnB and Uber openly disrupt and often disregard local laws governing labor, housing, health, safety, accessibility and so forth in order to safeguard their for-profit operations. A key manifestation of this is their reluctance to share data on their platform-mediated economic activities or to cooperate with local authorities who need it in order to enforce local laws and policies, citing confidentiality and privacy amongst other reasons. In our study of short-term letting in London, for instance, we noted that local authorities struggled to gain access to corporate data to assess the extent of the phenomenon, the percentage of entire homes, as well as the overall length which was necessary to enforce the 90-day limit on short term lets (Ferreri and Sanyal, 2018; Holman et al., 2018). In addition, platforms have also been slow to respond to criticisms around discrimination (Edelman, Luca & Svirsky, 2017), sexual assault¹ and other preventable issues. In other words, they have for a long time reaped the benefits of connecting people to goods and services whilst absolving themselves of responsibility to manage problems when they arise, and preventing access to legislators.

One could argue that part of what drives the success of platform economies is their arrival in a time of austerity and economic recession in many parts of the world. In many countries in Europe, such as the United Kingdom, Greece and Spain, public spending has been slashed in the wake of



economic crises and local governments struggle to provide public services to their citizens. This includes access to affordable housing, affordable public transportation and other public services. The empowering rhetoric of platform economies of 'sharing' and earning 'a bit of money on the side' hides a more insidious practice of undermining labor protection including minimum wage, pensions, leave and so forth by recasting workers as independent contractors.² With AirBnB, the problems are manifold. In addition to violating local laws that disallow or limit short term lets (Ferrerri and Sanyal, 2018; Holman et al., 2018), hosts on AirBnB have been converting properties into short lets, putting pressure on already limited housing supply and increasing rental values. Whilst the platform claims that owners are 'sharing' their homes with guests, in reality, it has been shown that a considerable number of 'hosts' are letting out entire homes and even buying additional properties to put on AirBnB, and are thus not earning extra cash on the side, but rather, finding a convenient way to circumvent local regulations and costs around hotels and hospitality. This is because property owners and agencies have discovered that they can generate greater revenue by putting their properties up for short term lets rather than for long term leases. As a result, in many cases such as in London (and Barcelona), local authorities have found that at the neighbourhood level these platforms are directly linked to a diminishing supply of affordable housing for poorer families. Many of these issues have led to increasing gentrification in many cities such as Barcelona, and growing disenchantment and protests by local residents.

For planners, digital platforms offer a number of different challenges- from affecting the provision of public goods, to creating enforcement challenges for local authorities at a time when budgets are being slashed, to attempting to rewrite local regulations. How can local governments maintain planning powers over the provision of long-term adequate affordable housing with shrinking financial means, and shrinking availability of units as well? How can they meet their statutory obligations in the face of opposition, often from national governments who undermine their efforts in an attempt to woo these platforms (Ferrerri and Sanyal, 2018; Holman et al., 2018)? Perhaps an exploration of the politics of platform economies would expose rifts between different scales of governance and the rights and obligations embedded within them. There is also the question of enforcing local regulations; city governments are at the mercy of corporations to release their data and on devising creative ways to enforce regulations despite shrinking budgets. In London for example, local governments have to rely on complaints by local residents and triangulate these with Google earth images and information from the AirBnB website itself in order to track down particular properties to fine them. This is not feasible for local governments with limited finances and staff. And while some governments may embrace platform economies as convenient and cutting-edge and a sign of a techno-utopian future, to what extent are these platforms and their emancipatory rhetoric serving as a smokescreen to enable the state to withdraw further?

As digitally-mediated economies are on the rise in cities across the globe, the situation has enabled the growing influence of digital platform companies on practices of urban regulation design and enforcement. New forms of "hybrid or cooperative regulation whereby government and online firms negotiate around rules and their implementation" (Gurran 2018, p.301) are being proposed as a solution, introducing a significant shift for planning practice. While proposals for hybridity, cooperation and negotiation are appealing, there remain unanswered questions about the power relations at play and the implications for city governments that may not have the resources or political clout to respond to a corporation, feeding into unprecedented dependency on IT firms for dealing with urban issues (Kitchin, 2014). As planners, we

have to ask more difficult political questions about the technological, corporatized turn in planning that is being brought on by platform economies. The de-politicisation of digital platforms and their implication for urban planning and policy has been going hand in hand with declining public budgets. In this context, dependency on corporate digital providers for solutions is often driven by a “desire to make do with the meagre amount of resources available to most cities today” (Morozov & Bria, 2018, p.19). How could planners work towards a more inclusive model that includes those that are not benefitting from or are adversely affected by the sharing economy? Rather than retreating into technophobia, calls have been made for asserting ‘technological sovereignty’, which has been defined as “citizens’ capacity to have a say and participate in how the technological infrastructure around them operates and what ends it serves” (Morozov & Bria, 2018, p.22). Working towards technological sovereignty at the urban scale, for instance, would involve municipal governments demanding different ownership regimes of data generated by digital platforms, which would help in assessing the extent of platform-mediated uses and designing enforcement without the need for buying such data from corporate partners.

The possibility for non-extractive uses of digital platform technologies (see also Gurran, 2018) is not, however, just a matter of regaining sovereignty over data. ‘Data extractivism’ relies on the corporatisation of a wider digital infrastructure, including knowledge and know-how, which city governments are unlikely to have or to be able to build on their own. Even if cities were capable of obtaining the data collected by for profit digital platforms, they might find themselves “unable to act upon the data without advanced computing infrastructure or access to the original algorithms” (Morozov and Bria, 2018, p.23). Planning policy tackling the multiple issues raised by digital platform economies thus requires a much more holistic approach to rethinking and reclaiming the wider urban digital infrastructure. From some of the cities most affected by the rise of digital-mediated short term letting, such as Barcelona, calls have been made to think about a ‘right to the digital city’ as a fundamental component of a wider ‘right to the city’ for the 21st Century. Appeals to citizens, however, have already been rapidly incorporated into the marketing strategy of platform companies such as Airbnb, whose website ‘airbnbcitizen’ collects news items on positive community impact and public policy collaborations tailored to cities in 26 countries around the globe (see <https://www.airbnbcitizen.com/>). More work remains to be done to both decouple citizens from consumers, and city planning from corporate solutions – if we are to extricate urban policies from the demands of for-profit platform economy giants.

Notes

1. Press Association (13 August 2017). Uber failing to report sex attacks by drivers, says Met police. *The Guardian*. Retrieved from <https://www.theguardian.com>; O’Brien, S.A., Black, N. Devine, C. & Griffin, D. (30 April 2018). CNN investigation: 103 Uber drivers accused of sexual assault or abuse. *The CNN*. Retrieved from <https://money.cnn.com>.
2. See, for example, the ongoing legal dispute between the company Deliveroo and its workers.

Notes on Contributors

Mara Ferreri is Marie Curie Postdoctoral Research Fellow at the Universitat Autònoma de Barcelona. After her PhD in Geography at Queen Mary University of London (2013), she has

held research and teaching positions at the LSE and Durham. Her research interests include temporary urbanism, precarity and emerging housing practices. Email: Mara.Ferreri@uab.cat

Romola Sanyal is Assistant Professor in Urban Geography at the London School of Economics. Her research interests including humanitarian urbanism, refugee settlements, urbanization and housing issues. Email: r.sanyal@lse.ac.uk

ORCID

Mara Ferreri  <http://orcid.org/0000-0002-3163-4490>

References

- Edelman, B. G., Luca, M., & Svirsky, D. (2017). Racial discrimination in the sharing economy: Evidence from a field experiment. *American Economic Journal: Applied Economics*, 9(2), 1–22.
- Ferreri, M., & Sanyal, R. (2018). Platform economies and urban planning: Airbnb and regulated deregulation in London. *Urban Studies*, 55(15), 3353–3368.
- Gurran, N. (2018). Global home-sharing, local communities and the Airbnb debate: A planning research agenda. *Planning Theory & Practice*, 19(2), 298–304.
- Holman, N., Mossa, A., & Pani, E., (2018). Planning, value(s) and the market: An analytic for “what comes next?”. *Environment and Planning A*, 50(3), 608–626.
- Kitchin, R. (2014). The real-time city? Big data and smart urbanism. *GeoJournal*, 79(1), 1–14.
- Morozov, E., & Bria, F. (2018). *Rethinking the smart city. Democratizing Urban Technology* (City Series N.5). New York: Rosa Luxemburg Stiftung New York Office. Retrieved from <http://www.rosalux-nyc.org>
- Slee, T. (2016). *What's yours is mine: Against the sharing economy*. New York & London: Or Books.

Nurturing a Generative Sharing Economy for Local Public Goods and Service Provision

Marta Bastos^a & Klaas Kresse^b

^aDepartment of Urban Planning and Engineering, Hanyang University, Seoul, Republic of Korea; ^bDepartment of Architecture, Ewha Womans University, Seoul, Republic of Korea

Introduction

The Sharing City Seoul project, a public policy initiated by the Seoul Metropolitan Government under Mayor Park Won-Soon in 2012, nurtures private sharing platforms with a combined profit and welfare goal. The sharing policies in Seoul cover a wide range of goods and services, stretching from space to goods, experiences and information. The Seoul Metropolitan Government (SMG) nurtures these local sharing platforms which work as social enterprises that coexist with global sharing platforms such as Airbnb, Uber and others. What makes the case of Seoul stand out is that, in the publicly supported platforms, welfare and community goals are central motives. The policy intent is to generate local welfare rather than extracting

profits. Seoul's sharing initiative has not gone unnoticed. The SMG has received international recognition and was granted the Metropolis Award 2014, the Gothenburg Sustainability Award in 2016, and the Lee Kuan Yew World City Prize in 2018.

Here, we focus on the way in which the Seoul Metropolitan Government utilizes vacant spaces for welfare provision with a clever matchmaking policy (Johnson, 2013). The public is proactively constructing a framework of regulations and institutions for sharing platforms that incentivise desired market actors' behaviour. With this policy the city can avoid facing externalities (affordability problems, gentrification, illegal occupation, etc.) post factum, as experienced in other cities with global sharing platforms such as Airbnb and others.

Sharing City Seoul Project, an Overview

The public's interest in sharing platforms is born out of economic necessity at a time of fiscal scarcity, rather than ideology alone. When taking office in 2012, Mayor Park Won-soon had to cope with the effects of an economic slowdown that led to the double-faced challenge of a reduction of fiscal income and an increasing need for welfare. Additionally, the SMG embraced the sharing policy as a means to reinvigorate community spirit which had been lost during the paradigm shift that occurred during modernization (Kresse, 2019). In order to face these challenges, the SMG introduced the Sharing City Seoul policy, effective on 26 November 2012, after the Seoul Metropolitan Council passed the Sharing Promotion Ordinance.

Sharing Enterprises and Organizations

The Sharing City Seoul policy is directed at nurturing an ecosystem of sharing enterprises with the support of the SMG. These may be either existing initiatives or promising start-ups. In order to be in touch with communities' needs, the SMG handed over the governance of sharing platforms to the 25 district offices which handle the certification of sharing platforms. As an incentive, district offices are awarded extra budget for higher scores in evaluations. In 2013 the SMG invested 1.6 billion won (about 1.4 million \$US¹) into the program (Park, 2013).

By December 2017 the SMG had designated a total of 90 entities as sharing enterprises, although only a fraction of these dealt with the sharing of space. In the first place the policy focused on existing sharing organisations which had been operating for at least six months within the local community. These could be non-profit organizations, NGO's, businesses, social enterprises, and social cooperatives dedicated to sharing (CCKorea and Jung, 2015). If eligible, the City of Seoul provided administrative help, legal advice, communication consultancy, access to public spaces, member certification and financial support, which amounted to roughly 20 million won per initiative (Bernardi, 2018). Certified organizations may make use of the official Sharing City label and will be promoted by the SMG through various channels, including social media and the official website of the sharing policy. Inevitably, global sharing platforms, arguably with less of a concern for local welfare and community resilience, such as Uber and Airbnb, entered the market. In both cases it was not easy for the foreign brands to enter the Korean market. Due to disputes over grey zones in local regulations, Uber could not run at full capacity for the first few years and Airbnb had to close the part of its listings, which did not possess correct licenses for lodging activities under the Public Health Control Act. Thus, when global sharing platforms first entered the Korean market, there were disputes between the



public and these commercial sharing platforms. Today however, these platforms operate in Korea without any significant structures of legal restrictions. Airbnb is the biggest home-sharing platform in Korea and Uber is operating several services with proper licenses. However, the car-sharing market is dominated by KakaoTaxi, which is a local, extractive sharing platform.

Assessment Framework

We focus in this paper on describing the institutions created in the Sharing City Seoul policy and the way organizations perform within this framework of rules, regulations and incentives (North, 1992). The question we want to address here is how has the SMG managed to nurture 'generative' sharing platforms that benefit local communities? Specifically we look into the way sharing organizations increase welfare in the community relative to the externality problems caused by extractive sharing platforms as experienced by other cities.

Institutional Change Through Sharing City Seoul's Initiative

As the existing regulations were made for permanent use, at times the existing laws formed obstacles for the operation of sharing enterprises. The Tourism Promotion Act, for example, was geared towards local hosts that wanted to provide an authentic local experience for foreign tourists. However, this act prohibits local hosts from opening their doors to Korean customers, which obviously is counterproductive for the sharing economy. On top of that, obtaining a license entailed a lengthy and inconvenient process (Lee and Lee, 2017). Another example of inefficiencies created by unsupportive regulations is the land use taxation law, which does not foresee shared use for churches. Religious facilities lose their tax exemption when being used for non-religious purposes. Consequently, changes to some of the existing regulations were needed and the public put legislation under the scrutiny of the Advisory Committee on the Improvement of Sharing Institutions (2014). This committee seeks to improve regulations in order to remove legislative obstacles for sharing platforms. On top of that, the committee works on establishing regulations for new bills promoting the sharing economy, which should be enacted together with the central government.

In the space-sharing sector the most important revised regulations were: the Enforcement Decree of the Tourism Promotion Act which, after alteration, made it easier for private citizens to register a room rental business and eased the necessary qualifications for tourist tour guides, and the Restrictions on Special Local Taxation Act, which made it possible for churches to share spaces (CCKorea and Jung, 2015).

Cases of Space Sharing Platforms for Welfare Improvement

Space-sharing platforms supported by the city of Seoul seek to provide an additional level of welfare for citizens at a time when economic growth is slowing down and traditional family structures – and with it welfare networks – break apart. As the character of the space-sharing platforms is diverse, we provide an overview of certified platforms under the policy in [Table 1](#).

With some of the initiatives that are certified by the SMG the welfare contribution, other than in the form of extra income, is relatively small. This goes, for example, for home sharing platforms that predominantly generate income for local residents in exchange for temporary

Table 1. Selected sharing platforms under the Sharing City Seoul policy, 2018.

Objective	Platforms	Fair Space	IDLLLOT	Space Noah
Connecting idle spaces to demands	Local Stitch			
Description	Remodels small regional superannuated inns into tourist accommodations and co-working spaces for local communities.	Linking idle spaces to those that need space (Café during daytime, conference room during evenings, etc.)	Linking idle spaces to those that need space (Café during daytime, conference room during evenings, etc.)	Co-working and networking space
Office & Co-working space	Honghap Valley	Norrizang		
Description	Start-up incubator, providing workspace, business consulting, and match making	Sharing workspace or tools to allow people to make furniture, household items and other goods by recycling waste wood		
Room-sharing & Tourist Accomodation	BnB Hero	Homestay Korea	Kozaza	Labo
Description	Short-term room rental in private homes for tourist	Room-share for foreign tourists	Home-share – Experiencing traditional and contemporary Korean ways of living	Home-stay for foreign students with cultural program and language exchange between locals and guests
House-sharing & Living	Woozoo	Peterpanz		
Description	Remodelling abandoned houses into affordable student share housing, based on interests and hobbies	Intergenerational home sharing platform where students live at reduced rents in exchange for providing household help and company		
Parking-sharing	Modu-company	Sellpark		
Description	Matching available parking spaces with demand	Matching available parking spaces with demand		
Culture – & Leisure space share	Space Cloud			
Description	Sharing a variety of co-working, meeting, exhibition and party spaces			
Study room, Gardening, & Church space	Church Plus Wedding			
Description	Matching empty church space with wedding receptions, etc.			

Source: Authors interpretation, based on (SMG, 2014)



housing in an authentic local setting and interaction with the local landlord. This model is hardly any different from commercial, extractive sharing platforms like Airbnb, but interaction with locals is emphasized and platform contributions – the users pay the platform – are lower in Seoul's sharing platforms. This means a greater proportion of the profit remains with the local economy instead of being extracted by a global enterprise.

Other platforms, on the other hand, provide a deeper significance as generative, welfare promoting enterprises. We have chosen three cases which illustrate this:

The enterprise Local Stitch is a business that redevelops small, idle inns into affordable short-stay living and co-working spaces that are thoroughly attached to the local community. The aim of the platform is to provide hotel-like services and connect the guests with the local tourism resources and facilities. The redeveloped inns therefore provide a benefit that goes further than the repurposing of the buildings alone. The local economy is strengthened with this new impulse and the economic resilience of small, community businesses improves.

The social enterprise Norrizzang is a company that facilitates the sharing of tools and workshop space on the one hand, and promotes a circular economy by repurposing scrap wood and old furniture on the other hand. The workshop provides self-help facilities for the community in times of a slowing economy and promotes collaboration among users.

Finally, the 'Peterpanz' initiative matches spare rooms in senior citizens houses with the demand from students for affordable housing. The elderly on the other hand are in need of help with the household chores and often lack regular social interaction. In this model students help elderly landlords with the household routines and receive a fifty per cent rent reduction in return. Clever matchmaking results in a win-win situation for the parties involved.

Conclusions

The case of Seoul provides empirical evidence of the generative capacity of sharing platforms, which might help to balance the on-going discussion, which is currently dominated by studies on extractive, externality-creating platforms, such as Airbnb (Dredge, Gyimóthy, Birkbak, Elgaard Jensen, & Madsen, 2016). This study shows how assertive governance might put peer-to-peer sharing platforms to a public use.

The SMG has supported a network of a wide range of initiatives in different communities. It is wise to support social enterprises not only with funds, but also to provide consulting and training. The decentralization strategy in which the district offices implement the policy on the neighbourhood level matches the policies ambition of strengthening the local economy and encouraging welfare provision in neighbourhood communities. The question remains as to how much meaningful impact the ninety sharing platforms will have on the serious welfare shortcomings. Given the available data, it is hard to measure the economic impact of these sharing platforms on the community. Furthermore, there is no tangible evidence as to how significantly the economic activity in these enterprises impacts the economic resilience of communities in Seoul. We suspect that the policy at this moment has not turned the tide on neighbourhoods with weak local economies and serious welfare under-provision. We hope that a cultural shift towards an increasingly strong and resilient local economy is being made. The city of Seoul has created precedents in how the sharing economy can provide local welfare while still being incentivized by profit, which might provide interesting cases for other cities. The local sharing platform program, combined with the regulations for platform operations such as business licensing, nurtures sharing initiatives that show promise for

circumventing the externality problems experienced in other cities, like the evaporation of social housing, gentrification, and illegal occupation attributed to extractive sharing platforms such as Airbnb, which are not being experienced in Seoul today.

Note

1. Based on an exchange rate of 0.9 \$US per 1000 Korean won.

Notes on Contributors

Marta Bastos is an urban area developer and architect with international experience. Her research focuses on urban (re)-development, the image management & governance processes of urban area development, as well as urban design. Currently, she works as assistant professor at the Department of Urban Planning and Engineering at Hanyang University in Seoul, South Korea. Email: marta.r.bastos@gmail.com

Klaas Kresse is an architect and urbanist based in Seoul. His research focusses on urbanization, institutional design, the financing of infrastructure and public services, and spatial design. He currently holds the position of Assistant Professor at the Department of Architecture at Ewha Womans University in Seoul, South Korea. Email: kkresse@klakr.net

References

- Bernardi, M. (2018). Millennials, sharing economy and tourism: The case of Seoul. *Journal of Tourism Futures*, 4(1), 43–56.
- CCKorea, & Jung, B.-R. (2015). *Seoul draws a city through sharing*. Seoul: S. M. Government.
- Dredge, D., Gyimóthy, S., Birkbak, A., Elgaard Jensen, T., & Madsen, A. (2016). The impact of regulatory approaches targeting collaborative economy in the tourism accommodation sector. Barcelona, Berlin, Amsterdam and Paris.
- Johnson, C. (2013). Is Seoul the next great sharing city. *Blog entry*, 16.
- Kresse, K. (2019). Junzi (君子), the confucian concept of the 'gentleman', and its influence on South Korean land-use planning. In G. Bracken (Ed.), *Ancient and modern practices of citizenship in Asia and the West* (pp. 219–240). Amsterdam: Amsterdam University Press.
- Lee, S., & Lee, B. G. (2017). *Policy development of sharing economy in Korea: Case of home-sharing*. 2017 4th International Conference on Computer Applications and Information Processing Technology (CAIPT), Bali, Indonesia.
- North, D. C. (1992). *Transaction costs, institutions, and economic performance*. San Francisco, CA: ICS Press.
- Park, W.-s. (2013). City sharing: Wonsoon Park. Seoul: TEDx.
- SMG, S. M. G. (2014). *Current status of "Sharing City Seoul" projects*. Seoul: ShareHub.

Join in the debate on Twitter #PTPIInterface