

## Introduction

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# Introduction to the Special Issue: Public Policy and Governance in the Sharing Era

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The sharing economy has grown exponentially over the last decade, surpassing well-established firms. Airbnb and Uber are among the most familiar ones that have grown very fast and their market evaluations rival the hotel chains (Hilton or Marriott) and automobile firms (such as Chrysler, Ford, and General Motors) respectively. However, the sharing economy has expanded well beyond accommodation and car sharing. Pet care, home delivery, and personal services such as DogVacay, Instacart, Postmates, Taskrabbit and others have become popular. The sharing economy is also synonymous with gig platforms that connect employers and workers for various tasks (e.g. Amazon Mechanical Turk, Freelancer, Upwork, etc.). Indeed, the sharing economy has become prominent across several sectors, including learning, money, goods, healthcare, utilities, workspace, and other activities. The PricewaterhouseCoopers (2015) pegged the sharing economy to grow to \$335 billion dollars by 2025.

The rapid growth of sharing economy has both its champions and its detractors. The champions view sharing economy as an innovative phenomenon, which takes advantage of spare labor (gigs) and underutilized assets (Botsman & Rogers, 2010; Rifkin, 2014). They celebrate the consequent disruption of established business models and see potential for economic growth (Gansky, 2010; Stephany, 2015, Sundararajan, 2016). Environmentalists view the sharing economy as a collaborative mechanism that allows for preventing excessive consumption, which can be beneficial for reducing waste and carbon footprint (Botsman & Rogers, 2010; McLaren & Agyeman, 2015). Detractors highlight the downside of the disruptive effects of the sharing economy, wherein the traditional norms of labor are circumvented. The sharing economy challenges labor unions and more established businesses. For example, taxi unions across the world have been pitted against the transportation platforms such as Uber and Lyft; hotel chain representatives criticize Airbnb for unfairly cutting into their market. The gig platforms do not consider the workers as employees, so that the gig workers do not get benefits that accrue to full time workers (e.g. pension and healthcare benefits) (Standing, 2011). The jury is still out on whether the sharing economy will reduce carbon footprint (Frenken, 2017; Frenken & Schor, 2017).

As the sharing economy begins to mature, it has started to face growing pains from within. Lyft and Uber drivers organized demonstrations against the platforms in many global cities in May 2019 (Sainati & Paul, 2019). Delivery app workers (working for Deliveroo, UberEats, Postmates, DoorDash, and Instacart) have also organized protests against the platforms in Australia, Belgium, Canada, Ecuador, France, Germany, Mexico, the United Kingdom, and the United States. Gig workers have begun to form

unions to ensure basic worker protections. Gig Workers Rising, for example, is such a campaign for Lyft and Uber drivers to form driver unions to demand better wages, working conditions, and insurance. The Freelancer's union, which champions the needs of independent workers (including gig workers), has developed a portable benefits model for affordable health insurance. Food delivery couriers in Japan and Norway have formed the unions representing delivery app workers (Gurley, 2019).

Governments around the world have also increased their attention to the disruption caused by the sharing economy. They are clamping down on the freewheeling nature of the platforms, with an eye toward leveling the playing field (Brown, 2019). As regulators, government agencies have had mixed reactions to sharing platforms. Reactions to the sharing economy have ranged from welcoming acceptance to that of stringent bans. Yet, public agencies face a paradoxical dilemma in regulating the digital platforms. As the sharing economy directly affects the place's economy, governments have to both promote the sharing economy for its benefits and contend with its downsides. Airbnb, for example, expands consumer choice for short-term stays and has been helpful in providing accommodation during disasters. At the same time, it can put additional stress on the local housing market by taking out housing stock that would otherwise be used for rental market (Gurran & Phibbs, 2017). Similarly, gig platforms provide flexible work options, but can increase the proportion of workers who hold part-time gigs and have to live from one gig to another, without workplace security and benefits. The Janus face of sharing economy has become evident with the evolving coronavirus debacle worldwide: the gig platforms (e.g. GrubHub, DoorDash, Uber Eats) have facilitated people to order groceries and food while maintaining the social distance (Wall Street Journal Editorial, 2020), but the gig workers (e.g. Lyft, Uber drivers) have also lost employment and wages since they do not have customers in the face of the social distancing policies) (Conger et al., 2020).

How, then, should we govern the sharing economy? This is an important question for governments around the world as the sharing economy matures further over the next decade. From a normative perspective, government regulators should realize that the sharing economy is neither inherently good or inherently bad; it is both beneficial and detrimental to a place's economy. Policies need to maintain the innovative aspects of sharing economy while attending to its disruptive side; such policies require a nuanced approach. From a positive vantage point, public policy and administration students must pay attention to the specific policies adopted by government agencies. Systematic analysis of policies across different jurisdictions would yield insights into the policy process as well as the policy impacts (including documentation of unintended consequences). Unfortunately, very few e-government researchers and policymakers have focused on the sharing economy (Ganapati & Reddick, 2018). Major public administration, policy, and e-government journals have hardly paid any attention to the sharing economy's rapid rise or its consequences for governance.

This special issue is one step toward narrowing the wide gap on public governance and policy in the sharing era. The call for papers was issued in November 2018. We received about twenty abstracts in response. We selected five articles for publication after going through the editorial selection process. The articles encompass a wide range of topical issues and geographical coverage. These articles touch on several major strands of the sharing economy debates on the nexus between sharing economy and the public sector. Taken together, the articles reflect how the sharing economy platforms are not mere technological artifacts alone. Instead, they are powerful mechanisms for re-shaping a jurisdiction's economy, impacting both the daily lives and the nature of work of ordinary people. The sharing economy is symptomatic of a profound fundamental shift toward based peer to peer economy based on a technological platform. Governance processes must evolve quickly with the rapidly evolving platform economy.

The first article, "A Systematic Thematic Analysis of the Literature," is authored by Daniel Mallinson, Göktuğ Morçöl, Eunsil Yoo, Shahinshah Azim, Eli Levine, and Saahir Shafi. As the lead article, it

provides an excellent analysis of the current research on sharing economy, from 2006 to 2018. The systematic review identifies the major themes of present literature in terms of the publications' trends, disciplines, platforms, geographical distribution, and conceptual frameworks. As the authors explain, there is an exponential increase in the number of publications since 2014. The concept of sharing economy in its current form had itself mainly emerged in 2010. The infancy of the concept partly explains why governing it has been a challenge. The publications were mainly in business, economics, technology, and environmental sciences; very few were in political science, public administration, and policy domains. Uber and Airbnb were the most commonly studied platforms. The studies mostly focused on the United States, China, and United Kingdom. Moreover, a large majority of the literature was hardly informed by any theoretical framework. To the authors' credit, they have shared their empirical data through Harvard Dataverse so that the study's findings can be replicated. There are several significant points that Mallinson et al.'s article raise. Most glaringly, it points to the acute paucity of empirically driven research on sharing economy in public policy and administration. There is a wide literature gap on governing the sharing economy. We must endeavor to fill this gap as the domain cannot be just left to those dealing with sharing economy as a business or a technological artifact. Equally important is the a-theoretical nature of most studies. Empirical literature needs to be guided by sound theories to make sense of policies from both normative and positive perspectives. The authors have identified a range of theories applicable to the sharing economy.

The second article by Yousif Hasan, entitled "The Politics of Sharing: Sociotechnical Imaginaries of Digital Platforms" squarely fills a shortcoming in present literature identified by Mallinson et al. This paper examines differences in governing the sharing economy in Canada and the United States using the theoretical lens of *sociotechnical imaginaries*. From this theoretical perspective, the evaluation of the positive and negative aspects of technological change are influenced by tacit or explicit national political imaginations of how to power modern social life. Although the recent discourse on sharing economy portrays it negatively, early discourse during its emergence was more effusive, viewing the peer-to-peer digital platforms as new pathways toward grassroots, inclusive, fair and low-impact economies. Hasan argues that governance of the sharing economy is shaped by a diverse set of socio-technical imaginaries, including new economic freedom, sustainable consumption, decentralized society, demise of social hierarchies and regulatory freedom. Using a comparative approach of discourse analysis in Canada and the United States, he shows that the imaginaries of sharing economy have evolved in distinctive ways in the two countries (see Table 4 in the article), resulting in governance differences between them. As he concludes, governance of sharing economy in the United States is shaped by its imaginary of unrestrained competition, individual consumerism, and technological innovation. Governance in Canada is shaped by inclusive market development and labor security and welfare while still preserving innovation.

The next article by Nadine Schawe, entitled "It's All about Data – A Data Access Regime for the Sharing Economy?" brings up a seldom considered dimension of public access to the data generated through the sharing platforms. The article provides a nuanced analysis of how to govern the sharing economy data, using the European Union context. She argues that the user provides the data to facilitate transactions and therefore owns such data. By extension, the data should be accessible to the larger society for public benefit and further innovation. The platforms, however, act as gatekeepers and control access to the data, usually to benefit their own market competitive edge. Presently, a platform only has to grant access to its user data if the refusal to deal is considered as an abuse of market power under EU's competition law. The scope for such a claim is quite narrow under EU laws. Although EU's General Data Privacy Regulation (GDPR) provides guide for sharing personal data, it does not provide such a guidance for non-personal data which are collected by the sharing platforms. The privacy and sharing of data

raises broader questions about data governance in the digital era. Data do not only provide competitive edge, but also can be monetized for commercial gains. Access to data can spur further innovations using artificial intelligence techniques. She argues that there is a case for regulation for ensuring that sharing platforms allow access to the data: they collect the user data as a by-product without additional substantial investments. The user data do not solely belong to the sharing platforms. Rather, the user data resemble public domain data: the user data are generated by the users, just as the public domain data are paid through tax money. Schawe concludes that a carefully designed data access regime specific to the sharing economy could be an important element in advancing data-driven innovations in the EU.

The fourth article by David Swindell, entitled “Regulation and Governance of the Sharing Economy by U.S. Local Governments” is an empirical examination of local government regulations on the sharing economy in the American context. This article examines the determinants legislating regulations on sharing economy innovations and the characteristics of stakeholder groups who are perceived to be influential in shaping the regulatory environment. Theoretically, the paper draws on theories of policy innovation and diffusion models. Empirically, the study is based on the Innovations and Emerging Practices in Local Government survey conducted by the International City/County Management Association (ICMA) in partnership with Arizona State University’s Center for Urban Innovation. The survey was conducted with chief administrative officers of city and county governments nationally. The dependent variable is the legislative status, measured as a binary variable (0 = no legislation adopted, 1 = presence of legislation (or the pursuit of legislation)). The paper tests three groups of independent variables: motives to innovate, obstacles to innovation, and external stakeholder influences. Control variables include demographic and socio-economic characteristics and form of government. The probit results indicate that stakeholder groups actively engaged in legislative lobbying influence the sharing economy policies. Swindell argues that the civic engagement lends itself to collaborative governance. Instead of establishing mandatory environmental regulations and penalizing disobedient behavior, local governments could work with the sharing platforms and other stakeholders to expand services that offer public value.

The last article in the special issue is authored by Christopher G. Reddick, Yueping Zheng, and Te Liu. The article is entitled, “Roles of Government in Regulating the Sharing Economy: A Case Study of Bike Sharing in China.” The article presents a case study analysis of regulating bike-sharing (*ofo*) in Guangzhou, one of the largest cities in China. It examines the phases of regulation of the sharing economy from problem discovery, enacting regulation, and the aftermath of regulation. Public interest theory is used as a theoretical frame for analyzing the evolution of bike-sharing regulations. The case study shows that the government took on three roles – as protector, coordinator, and regulator. These roles evolved in an incremental fashion, in response to the various public interests. In this, the government took a “wait and see” approach by slowly responding to public pressure and implementing reforms in a measured way. Initially, the city government protected the reasonable interests and innovation of the startup enterprises, since they needed space and time to grow. As the enterprises grew and competition became intense, the government acted as a coordinator to manage bike-sharing issues. Finally, as the bike-sharing matured in the city, the government enacted regulations for the proper functioning of bike-sharing and to protect the varied public interests of users, enterprises, local government, and city residents. Reddick et al.’s case study shows how the governance of sharing economy can evolve over time.

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