



QUO VADIS

sharing economy?

People share dinners, houses, clothes, skills, talents and car lifts. Spurred by the Web, the sharing economy has become part of many aspects of our everyday life. Inspired by the desire to share and save resources, environmental ones included.

by **Silvia Zamboni**

Silvia Zamboni is a professional journalist and an expert in environmental and energy issues. She authored books on the green economy's good practices, mobility and sustainable development. She collaborates with Radio 3 Rai, magazines and dailies. She is a member of Ecoistituto's scientific committee in Bolzano.

Bologna-based 35-year-old Valentina, with a degree in viola at the conservatory, is often travelling both for work as a musician and for passion. "To save money, but mainly to feel at home" for many years she has been using airbnb, the international giant renting out temporary living spaces via public advertisements published on their portal: a rampant symbol of the sharing economy, the barter economy, of the loan of goods, services and talents through the use of digital platforms and apps that foster peer-to-peer intersection between supply and demand.

Last time Valentina used airbnb dates back to early January, in Istanbul, in a flat with all mod cons in the historical/monumental area which she shared with two girlfriends for as little as €12 per person per day. Gioia too, 28 years, from Naples, a political science graduate, is an airbnb veteran, "for the philosophy of life travellers and hosts share, the sense of community and the cultural dialogue that is created, unthinkable in an impersonal hotel room." So, back in December when the UN invited her for an internship contract at the Glass Palace, once again she resorted to airbnb for accommodation. And she found it: a comfortable

apartment in Manhattan for €2,000 a month which she shared with a friend, a real bargain considering the location. And a lot more than a sofa or yet another temporary accommodation with hosting families, as it may be the case with internet communities using couch-surfing. They favour the hospitality exchange aspect and ban from their philosophy the transfer of money between guests and hosts.

By contrast, airbnb – which charges a fee per reservation – built a vast empire on such "home away from home" effect, which started in 2008 in San Francisco from an idea conceived by three resourceful thirty-year-olds. Today they offer castles, villas, flats in over 34,000 cities scattered in 192 countries, employing 15,000 people, with a value of over \$10 billion. In Italy – third country for number of ads after the US and France – in December 2015, ads went up by 81% compared to 2014 and a steep rise of guests (+87%), with a total of 3 million travellers from 2008 to date. Advertisements, bookings and reviews on the platform are managed independently by the host and travellers' community; airbnb Italy provides its own photographers – whose snapshots are published on the portal with the reassuring



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capture “airbnb verified photo” – only to the interested owners. In the Milan headquarters, the nine employees of the Ltd, deal with marketing operations for advertisements and, through focus groups, meetings with the hosts, while the European customer service department is in Dublin.

The relentless rise of airbnb became a beacon for start-ups launching themselves into such economy inspired by a supportive vocation to share, to save resources, to protect also the environment and that boomed, at world level, thanks to the viral potential of modern digital technologies empowering it. Another case in point similar to airbnb is BlaBlaCar, the queen platform of ride sharing, acting as a meeting place for those offering and looking for car lifts on a medium and long range distance. It is different from city car sharing 2.0, which together with car2go and Enjoy is a big success in Milan and Rome, and from car pooling, often organized by companies to form teams of employees travelling common routes. In the 20 countries where it is present (Belgium, Brazil, Croatia, France, Germany, Great Britain, Luxembourg, Holland, Hungary, India, Italy, Mexico, Poland,

Portugal, Romania, Russia, Serbia, Spain, Turkey, Ukraine) the BlaBlaCar community exceeded 20 million people. 350 employees working in 13 offices scattered into the four corners of the Earth. “Love commuters” stand out as the most regular amongst Italy’s drivers. Simone C., for example, 42 years old, has been sharing the commuting between Modena, where he currently works and Gualdo Tadino, where his wife lives. Since he cannot do without a car due to the prohibitive charges of the railway, he is a staunch believer in car sharing which “compared to solo journeys is better not only from a social point of view but also for the environment, because by reducing the number of circulating cars, it also reduces pollution.” The amount of money paid – even online – by those benefitting from the lift covers both the operating costs (12% of the lift’s total costs) charged by BlaBlaCar, and the contribution asked by the driver, suggested by BlaBlaCar at 5.5 cents per kilometer, in order to avoid the fact that a service based on exchange and the desire to socialize becomes a profitable activity. Moreover, there is a risk of generating competition problems with taxi drivers and their costly licences, hindering the arrival in Italy of Uber, which in late January pushed the Paris ones onto the barricades. Marta Mainieri, founder of the Collaboriamo.org portal is very critical of Uber, because she does not regard it along the same lines as the sharing economy. “It does not take into great consideration users’ interests and aims mainly at expanding the platform business, holding the algorithm and power to manage these pseudo workers, not self-employed nor employees, but something in between, at the mercy of the platform’s algorithm and decisions.” Pushed by the digital technology potential, as well as accommodation and transport, collaborative platforms have now permeated various aspects of our everyday life: suffice it to think that, according to a 2014 Nesta report, in the United Kingdom, one fourth of the adult population exchange goods and services through platforms. And in England – according to a study by Justpark, the platform acting as a meeting point between parking areas “hunters” and people temporarily offering them – is Europe’s number one country for the sharing economy, since it hosts more than France, Spain and Germany together, the other three European most prolific hubs. The word record, though, belongs to the US, where 865 collaborative economy start-ups were created, with San Francisco in the lead (131), followed by New York (89) and London (72). As for Italy, as the 2015 map coordinated by Marta Mainieri helped by Phd Italia shows, there are nearly two hundred small and medium platforms divided between clothing, accommodation, food, culture, education, work, exchange of goods, services to companies, services to people, sports, transport and tourism. Over half of such platforms chose the Ltd as their legal form, which reveals that behind the collaborative vocation they are business oriented.



Used clothes and books are traded, theatre performances and film screenings are organized and Fubles platform, five-a-side football teams are formed: over 500 thousand fans met online, with a total of 160,000 matches played. While on Timerepublik, a time banking platform for the exchange of talents and skills, for instance private tuition for children can be exchanged for housework.

In the food sector, together with collaborative platforms fighting home waste of food such as S-Cambiacibo, Lastminutesottocasa and Ifoodshare, others promote the so-called social eating which combines the pleasure of meeting new people to that of the palate. Indeed, Gnammo advertises dinners and lunches organized by “gnammer chefs,” cashes the fees from “gnammer-guests” and passes them over to the cooks, deducting 12% to cover collection fees, payment and tax. With Gnammo everything is recorded, unlike local tourist tax evasion which traditional hotel managers impute to airbnb advertisers. Three years on from its inauguration at the hands of three forty-year-old men – Turin-born Gianluca Rallo, Cristiano Rigono, childhood friends and Walter Dabbicco from Bari – in December 2015 the Gnammo community boasted 160,000 members with 3,500 chefs who published at least an invitation on the portal, with a total of 8,400 events and a “turnover” of €7.2 million in 2014.

But how profitable is it? “The most active chefs organize one event a month, with an average cost of €20 a month: if chefs shop carefully they manage to make some profit. But this is not the reason why they invite people to their place: if the main priority is to socialize, just as for gnammer-guests the menu is of course important, but even more so is the environment and atmosphere created while eating together” as explains Gianluca Rallo, a marketing and communication expert, achieved during his working experience in China. Forty-year-old Benedetta from Turin is a teacher of English and is one of the most popular gnammer chefs.

She is also very creative. At her table, for only €28, it is possible to enjoy a chocolate-based dinner from starter to dessert or taking a “tour around the world in 8 dinners” with various specialities from different countries. Then there are the scrumptious Afternoon Teas for ladies with sandwiches, canapés, and desserts served with plenty of shades of teas. As much as just mentioning her fanciful menus make you drool, for Benedetta and her guests (mainly lawyers, officials, company managers, mostly women aged between 30 and 50) “the top target is conviviality, meeting new people, usually of some substance, which in some cases turned into friendships with whom to share our spare time.”

And as home-based gnammer catches on, the platform is launching more options, ranging from “dinners organized to test products from national industries such as Barilla and Monini, a sort of bottom-up advertising,” dynamic Rallo explains “to social eating in restaurants, which we offer to owners as a new tool to advertise their business. The basic ingredient is unchanged: tables of fifteen people that do not know each other, with an opportunity to meet the chef – perhaps with a few Michelin stars – as was the case with Marcello Trentini from Magorabin in Turin, at very reasonable prices: €30.”

As for the financial sector, crowdfunding – the grassroots project funding – is a well-established initiative amongst Italy’s platforms. At the end of 2015 the total value of collected financing in Italy by 858 thousand donors/funders amounted to €56.8 million (+85% compared to 2014), with 82 platforms (+68% compared to 2014), creating jobs for over 250 people.¹

The average value of the collected funds does not exceed €10,000 a project.

Prestiamoci is the top startup of social remunerated lending between private individuals. It acts as a meeting point for those in need of a loan with those with a capital to invest. Smartika does exactly the same, lenders and borrowers interact without any intermediary.

But if it is that pervasive, how much is the sharing economy worth? PwC, the British management consulting agency estimated its world annual turnover at around \$15 billion, which in 2025 could reach 335 billion.

And while some believe – prematurely – the bell of capitalism is about to toll, Credit Suisse (Global Investor, November 2015) tried to work out, on the basis of the Swiss scenario, the contribution to GDP by the sharing economy. Their calculations, underestimated according to Sole24Ore, fluctuate between 0.25% to 1%. In other words, considering Italy, between €4 and 16 billion. In absolute term it is no small figure, but, as a percentage, it is still a negligible number.

1. Crowdfunding in Italy. Report 2015, Sacro Cuore Catholic University in Milan with the contribution by Tim and Starteed; crowdfundingreport.telecomitalia.com/

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It Won't Be the End of Capitalism

Professor **Leonardo Becchetti**, full professor of Political Economy at the Tor Vergata University of Rome



"End of capitalism at the hands of the sharing economy? I don't think so, I'd rather talk about a process of hybridization between the profit and sharing economies, but a replacement of the latter at the expense of the former I think it is unrealistic," points out professor Leonardo Becchetti, a civil economy scholar. "The true new aspect behind the spread of the sharing economy is the use of the web: the online platforms make available information on goods and services offered, they create a meeting point between individual demand and supply where everyone can choose their role in the transaction. Doing away with various once unavoidable functions in the traditional companies, the digital economy has dramatically reduced operating costs, producing 'company pulverization.' Car sharing allows access to a service (mobility) irrespective of ownership of a good (car) and it increases the usage rate, with positive repercussions on the environment. Another distinctive feature is the collective reputation system being created over time through specific rating modalities (such as the comments expressed by drivers and passengers on BlaBlaCar, and those of hosts and travellers on airbn, editor's note).

Will the Sharing Economy be Able to Bring Down Capitalism?

"In the traditional economy too there were and there are still possibilities of donations,

sharing and informal exchanges; today, the novelty is the use of the web. Every platform is therefore different: there may be tools favouring exchanges, and so a better functioning market, or there may be profiles that go beyond mere economic transactions. Not to mention the tax-related risks and work protection. If we are talking about sharing and the free aspect, I deem assessing the web contribution to generating what I define as collaborative commons such as Wikipedia more significant. Such portal is created by people who make available, free of charge and anonymously, information and knowledge as opposed to those platforms that are regarded as part of the sharing economy but they actually only improve the market of business transactions."

And yet there are some who talk about overcoming capitalism at the hands of the sharing economy.

"If anything, what we will witness is a progressive process of hybridization between profit and non profit motivations: the profit companies need to gain respectability as socially responsible businesses, while the non profit organizations have to survive so they will have to cooperate with other commercial businesses. The sharing economy enlarges the option availability, it is not a replacement of current practices. It will grow alongside the traditional economy with a complementary role: one time people will want to go to a restaurant and the next they will be interested in taking part in a gnammo dinner, or booking a hotel room and the next looking for accommodation on airbnb."●

