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Will Sharing Pioneer the 'Asset-light Generation?'

Image



April Rinne highlights growth of collaborative consumption in cross-Canada tour

April Rinne wants us to start talking about the collaborative economy. Even if you're not sure what that means, chances are you've already participated in it.

The chief strategy officer of <u>Collaborative Lab</u>, recently spoke on a cross-Canada tour co-sponsored by <u>Social Innovation Generation</u> about how new economic models are breaking ground to improve the utilization and sharing of resources — things like idle cars, empty beds or tools that would otherwise be collecting dust. This is the sharing economy — a fancy way to describe the act of knocking on the neighbour's door to borrow a hammer. Except that now, digital technology enables this kind of sharing on a whole new scale.

The referenced media source is missing and needs to be reembedded. *April Rinne Photo credit: Daniel Rotman*

The Vancouver Tool Library (VTL) began as a way to facilitate connections for people to share gardening instruments or power tools more widely in East Vancouver since, in reality, many people do not know their neighbours. In 2011 VTL joined a growing number of sharing organizations in Vancouver, such as Modo The Car Co-op and the HiVE co-working space. Still, VTL founder Chris Diplock felt that despite the sector's growth, there was a knowledge gap about Vancouverites' definitions, reservations, attitudes and opportunities for sharing. So he kick-started a city-wide study called the Sharing Project, which found most respondents are interested in using an online service for peer-to-peer sharing but are not currently doing it.

According to April, the average Canadian family has \$4,000 worth of items that are sitting idle. These underutilized resources hold much of the potential needed to transition an "asset-heavy generation to an asset-light generation," she says, <u>noting</u> <u>Mary Meeker's Internet trends</u>.

April had no trouble getting the collaborative consumption conversation started in Montreal, Toronto, Calgary and Vancouver during her jam-packed, multi-session tour from Feb. 9-14. Collaborative consumption is another term commonly used to describe the sharing economy but it has slightly different meaning. Rather than new economic models, collaborative consumption refers to the reinvention of traditional marketplace transactions like renting, bartering, swapping and lending. <u>Airbnb</u>, a platform for peer-offered lodging in cities worldwide, is a popular example.

When April headed to Rwanda for personal travel after some work in Uganda, she planned to stay at an Airbnb property in Kigali. The listing she found was "pretty static," she says, but she thought she would give it a try anyway. When she arrived, she was pleased to find three "nothing fancy, but lovely" rooms in a house attached to a café. April got especially excited when she discovered what her money would be supporting through this transaction: The café was run by entrepreneurs establishing Rwanda's first culinary academy for girls. It's one of April's favourite anecdotes to share.

Throughout the tour, April was pleasantly surprised by the degree to which conversations about the collaborative economy — which spans consumption, production, finance and education — are already happening in the Canadian cities she visited.

"We planned this tour for nine months with high expectations," April says. "We knew there was a lot of interest, but on all accounts our expectations have been exceeded — high expectations, blown out of the water."

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April Rinne's final presentation for the Sharing Economy Canada Roadshow took place in Vancouver's Downtown Eastside on Feb. 14, 2014. Photo credit: Daniel Rotman

Registration for the Feb. 13 session at the HiVE co-working space, hosted by <u>One</u> <u>Earth</u> and other partners in Vancouver, filled up in about two days. In Calgary, the tour stop with the smallest sharing economy, April expected the concept to be somewhat new, but the conversation was just as rich as it was in the other cities. "People got it, from the mayor, to foundations, to entrepreneurs and students in university — it was just astounding and a huge surprise."

Beyond the simplicity of facilitating more opportunities for sharing, collaborative consumption also creates disruptions. Many of the new platforms emerging in the collaborative economy find themselves in regulatory grey areas. They are mostly governed by laws and policies that were not only established before the platforms existed but sometimes before the Internet existed. Take Lyft, for example. In about 20 American cities, personal vehicles identified by Lyft's official pink mustache are visibly transporting people to their desired destinations. The company recruits drivers, who are peer-reviewed, and passengers can use an online app to match their destination with a local driver.

Lyft is like a taxi service, but it isn't; it's a category that hasn't existed before and operates with regulations that weren't quite designed for it. A number of cities are <u>pushing to slow or halt service expansion</u> for Lyft and other ridesharing platforms unless insurance policies shift. Similar issues arise around taxation and the tension between personal and commercial use. "At what point does renting a room in your house a couple of times a month, let's say, to make ends meet, become a business?" April asks.

But as she points out, these issues are not unique to the collaborative economy. "This is a natural part of the process of innovation. We've been dealing with this throughout history and this is a completely surmountable problem," she says. "We have all the dots we need to see this space thrive. We just need to connect them differently."

Most of the innovation April currently sees in the sharing sector is through what she calls "enablers." These are initiatives that find new ways to make transactions in the collaborative economy more seamless. <u>Key café</u>, for instance, allows people to leave their keys at a local café, have them picked up using secret credentials and receive instant mobile updates as keys are accessed.

People might participate in the collaborative economy for a number of reasons —to save money, to make money, to support local economic development, to use resources more sustainably with a benefit for the environment, or simply to meet new people. Each reason is valid and they are all connected, April says.

The recent tour marked the beginnings of <u>Cities for People</u>, a Canada-wide experiment aiming to model and test innovations that can contribute to urban resilience. The vision is to find ways to support people and communities in their capacity to adapt to changing circumstances, external challenges and new knowledge. It will be a resource that April says "people are hungry for."

"This gives all cities in Canada a vehicle to take these ideas forward. It's being built so thoughtfully and will provide the ability to bring together different stakeholders to not just talk about what's possible, but if people want to follow through with these ideas, Cities for People has the capacity to do that. They are resourced to do that. And they have passionate people and experts for that journey."

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Vanessa Timmer, executive director and co-founder of One Earth, April Rinne, chief strategy officer of Collaborative Lab, and Tim Draimin, executive director of Social Innovation Generation, pictured on the final day of April's cross-Canada tour in Vancouver, B.C., Feb. 14, 2014. Photo credit: Daniel Rotman

In 15 American cities, <u>the Shareable Cities Resolution was adopted</u> last June. It means that participating mayors agree to make their cities more shareable, to foster understanding of the sharing economy, and to create local task forces to address regulations that may hamper participation in the sharing economy. April asked each city on the Canadian tour to sign the resolution, but has yet to receive any takers.

Still, April is confident that Canada will emerge strongly in this space, and frankly it already is, she says.

"My goal was to help (Canada) become a global leader in this space," April says. "It completely has the potential to jump to the forefront in the world — not just with what companies are doing, but with what local governments are doing these days."

Collaborative Consumption hosts an online portal of sharing economy resources at collaborativeconsumption.com.

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