

## Sharing is caring

‘As we become increasingly interdependent, the once-rigid boundaries between the public sector, private sector, and civil society are being challenged – each sector pursues innovation and convergence. The time has come for us to pinpoint the competences of each sector and strategically use them to improve the well being of all citizens. In short, we need super-sectorial social innovation.’

*WonSoon Park, activist, social entrepreneur, Mayor of Seoul*

From couch surfing to car pools and guerrilla gardening, a new economy is being born across the world, enabled by ICT tools and passionate people. But what will sharing mean for global development?

It is has been estimated that the owner of a drill makes use of it for between six and 20 minutes during the whole period of owning the tool. The rest of the time it is stored away. The story has been contested, as well as the fact that the drill is too cheap to make it worth sharing it, but the basic notion remains unchallenged; there is a huge potential for sharing.

A sharing economy, collaborative consumption, or peer-to-peer economics, are a combination of old and new. It is about a way of operating that goes back to values many feel have been forgotten, but at the same time it is a way to organise business and social ventures in a totally new way, creating horizontal relations where the needs of different stakeholders could be enabled. Sharing is also a way for people to recreate the social fabric and together build a more sustainable society.

What has made a sharing economy possible is the development of web 2.0 and portable handheld devices that have brought computer power into everyone’s hands and created the opportunity to develop many new kinds of person-to-person relations.

Rachel Botsman, writer of the book *What’s mine is yours: the rise of sharing economy* has called renting, and not owning, the gospel for the new economy. In this, she defines three types of collaborative consumption:

*Product service systems* (Spotify and Netflix, where you rent for short periods rather than owning), *redistribution markets* (like eBay, where you sell or give away unwanted stuff) and *collaborative lifestyles* (like Couch-surfing), where people swap skills, time and other assets.

Sharing, argues Rachel Botsman, helps us create a more sustainable lifestyle, getting away from GDP as the measure of progress. As she puts

it, ‘We need to measure the number of holes drilled not the number of drills sold.’ But in order for sharing to work, trust is needed; you don’t want to rent out your home to just anybody and you would not like to jump in and share a ride with a totally unknown person.

By far the biggest star in the sharing economy is AirBnb, the US company that enables you to rent out a room (or your whole apartment) when you’re not using it and thereby boost your income. After just a few years, AirBnb has become one of the 10 biggest providers of lodging in the world, far bigger than several major global hotel chains. AirBnb, Uber (car service) and car pools are commercial ventures, driven by profit just like most companies. Inevitably, they also come into conflict with established companies (AirBnb with the hotel industry; Uber with taxi businesses, etc.) as their market share increases.

Those who lash out against AirBnb and similar operations argue that the company actually makes it more difficult for ordinary people to find somewhere to live, and contributes to the gentrification of neighbourhoods. AirBnb, in turn, argues that they are helping the local economy grow, and at the same time distributing wealth, as the money is spent in local stores and non-touristic areas. And of course, they are ready to pay taxes: ‘Better tax us than stop the sharing economy,’ is the message from AirBnb.

The sharing economy has, with the above exceptions, not yet come to the attention of most tax authorities as it is still relatively small, but when it grows politicians will have to make their decisions. Jenelle Orsi, director of the Sustainable Economies Law Center in Oakland, California, has made a great little movie\* that highlights the difficulties in defining the sharing economy. Sharing, she says, exists in an ‘economy sandwich’, a grey area between less-regulated private ownership and highly regulated public commerce. If politicians try to kill the sharing model, the economy as a whole (as well as the environment and the social fabric) will be losing out. Instead, the solution could be a greater regulation on the part of cities – for example, as to how many nights per year a property can be rented out. However, this would require new control systems that, yes, will cost tax money. Another way around could be for cities to create their own hosting platforms. Such a development, on the other hand, would most likely have a negative effect on the sharing economy where new companies and business solutions are popping up all the time.

Another, equally important side of the development of the sharing economy, is how it changes the relation to labour. With the concept of full-time employment gradually disappearing, sharing means that people can support themselves through different means: low-income



\* [www.youtube.com/watch?v=LvuxiukfQ0s](http://www.youtube.com/watch?v=LvuxiukfQ0s)

household can live in cities by renting out rooms, car-owners can get extra income by driving others, neighbours can grow their vegetables together and spend less on shopping. But it could also lead to people being trapped in low-level semi-informal jobs without social protection (as they are not getting any formal income), where ‘sharing’ only means that big companies can share even more profit with their investors.

So, is sharing a new form of exploitation of the poor, and of the informal sector, or is it a way to develop a more just and equal society where resources are used in a more sustainable way? Most likely, it is both. In a situation where the number of full-time, long-term guaranteed jobs are declining, sharing might improve the situation for many people, while at the same time giving us more satisfaction, enabling us to spend more time doing things together than in a purely consumerist society. On the other hand, sharing could accelerate a process in which everyone involuntarily becomes a micro-business operator with little or no social security. The latter is of course nothing new to the majority of the world’s population. Some might also argue that paying taxes is the ultimate level of sharing (at least when money is used in a transparent way). On the other hand, sharing is fun. A study by Co-operatives in the UK, notes that seven out of 10 people in the report believe that sharing makes us feel better about ourselves, and eight out of 10 people say that sharing makes them happy.<sup>27</sup> So, while money doesn’t buy happiness, sharing just might.

## Getting more soul into Seoul

The new city hall of the megacity Seoul, capital of South Korea, hovers over the old administrative building like a flying object, not in an unfriendly or threatening way, but almost protectively. Unintentionally (as the building was commissioned several years ago) it also mirrors the current change in the city’s administration, from a monolith to a city that listens and enters into dialogue with its citizens. The building is eco-friendly as well: behind the glass façade the largest vertical garden in the world is to be found, taking you into a virtual jungle on the way up the escalator.

In 2012, Seoul was declared a Sharing City by the recently elected Mayor Won-Soon Park, a prominent human rights lawyer and civil society activist who has been engaged in promoting social change for several decades, and who entered the political race as an independent candidate.

Park’s ambition was to create a new kind of relationship between government and citizens: information and policies should be transparent, and the authorities should be in constant dialogue with society. In order



Photo | David Isaksson

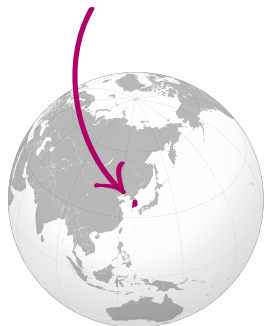
to achieve this, a number of on-line tools were developed and put to use. For example, citizens can record their own video messages that are then transmitted by the city’s TV network. There is also an advanced Social Media Centre and a platform named Ten Million Imaginations OASIS, where policy-making suggestions and ideas from any of Seoul’s 10.3 million citizens can be discussed and developed.

*The new city hall of Seoul hovers over the old administrative building like a flying object.*

But it was not enough just to listen and be transparent. During previous years, Park had established foundations and social enterprises such as the Beautiful Foundation and the Beautiful Store, which supported sharing and donation as tools to create social inclusion, social innovation and better use of resources in society. Now the city formally decided to support the sharing economy. Seoul was to become – as the first megacity in the world – an official Sharing City. At the end of 2012 this became a reality, when Act 5396 (promoting sharing) was approved.

Since then, Seoul’s Social Innovation Bureau has been working to create a living social innovative ecosystem by collecting examples of innovation from around the world and researching how they can be applied in Seoul. The division also gathers the creative ideas of Seoul’s citizens and then spreads and systematises those ideas. And people seem to like what’s happening: in 2014, Won-Soon Park was re-elected for a new term.

*SS In 2012, Seoul was declared a Sharing City.*



27 [http://www.uk.coop/sites/storage/public/downloads/sharing\\_o.pdf](http://www.uk.coop/sites/storage/public/downloads/sharing_o.pdf)



Photo | David Isaksson

Seoul's Social Innovation Bureau collects examples of innovation from and research how they can be applied in Seoul.

The Seoul City Administration is also undertaking numerous initiatives for cross-sector innovation. The Simincheong (in English, Seoul Citizens' Hall), physically located in Seoul City Hall, acts as a 'speaker's corner' for anyone who wants to send a video message to the city administration. It is modelled after the forum for free speech at London's Hyde Park Corner, but is digital. Recorded opinion pieces can be up to 10 minutes long and are broadcast on the Seoul TV network.

'Over the last decades we have seen a rapid development of the economy of Seoul,' says BaeHyung Woo, director of the Social Innovation Division, Seoul City. 'Today, we have a lot of single households as well as elderly people living without much contact with younger generations. People feel that they are lonely; there is also a waste of resources in the city as well as environmental degradation. There are also many young people who are unemployed. So all in all, we needed a new approach as to how Seoul should be developed.'

Sharing constitutes an import part of traditional Korean culture and traditions, but has been gradually lost over recent decades, with the focus on growth and consumerism. The financial crisis of 1997 meant that large numbers of people lost their jobs, which in turn led to the emergence of a self-support movement consisting of many small groups. Many not-for-profit groups and organisations also took on the provision of social services in deprived areas.

Now, thanks to new technology it has been possible for sharing to make a strong comeback. Seoul is one of the most connected cities in the world, with almost everyone using smartphones, tablets and computers.

With the passing of the Act for sharing, the city can support companies within the sharing economy, giving them the recognition and official approval that could help businesses to grow. Today, many sharing companies and projects are being supported and promoted by the city, which also functions as an incubator for start-ups. One example is the initiative to connect old-age households with university students looking for places to live. In Seoul, rents are high, at the same time many elderly people are sitting in apartments that they are not fully utilising. Through the city's 25 boroughs contacts are being made. At the initial stage there were some conflicts. What took time was establishing a mutual understanding of different needs. The students wanted, naturally, somewhere affordable to live, and for elderly people it was good to be able to get financial support to pay the rent. But the key issue for many was not the money, but building human relations: older people wanted someone to move in who had

time to talk with them and listen to them, as well as helping them with small things. For them, this was the essence of sharing.

In developing the sharing economy, Seoul is networking with cities like Amsterdam, Berlin and San Francisco. The difference is that sharing is much more commercially driven in the US while the focus in Seoul is on social inclusion and environment. So far, no other Asian capital has followed in the footsteps of Seoul, but there is a strong interest in other Korean cities.



Photo | David Isaksson

'So far most people have reacted positively,' BaeHyung Woo continues, 'even as we are at a very initial stage, still trying to spread the idea. But there is no doubt that some feel uncomfortable about sharing with others, the feeling that we should own everything ourselves is very strong in our minds. Within the business sector there are also companies who are afraid of losing business.'

For many the key issue was not the money, but building human relations.

Sharing is still in the initial stages and the key is to build confidence, as more conflicts can also be expected as sharing develops. The legislation also needs to be amended in order to accommodate the sharing economy and establish comprehensible regulations so that business operators pay taxes.

### Are there any limits to sharing?

It's getting close to lunchtime. Everyone leaves the desks and the light overhead is turned off. Saving energy and creating a more sustainable city is another imperative for the mayor of Seoul. An innovative way to do this was to make the dress code more relaxed during the hot sum-

mer months. No black suits and ties mean that the air condition could be lowered, something that in turn saves energy.

So, what are the limits to sharing? Not many, as seen from the Seoul horizon. You can share a Luis Vuitton handbag, comic books for kids, or maybe the parking lot for your car. And of course, you can share your knowledge, dinner experience, and your time and care.

‘In the long run, sharing will become very important for our city,’ says BaeHyung Woo. ‘It will change our concept about the usage of certain things, for example cars. And when sharing develops in scale and becomes part of the mainstream it will compete with traditional industry and then consumers will be able to judge for themselves how they could best use their money.’

### A new ‘share house’ culture in Seoul

Several models for house- and space-sharing are being developed in Seoul. Wozoo (which means universal) is a social economy company developing house-sharing. The company first rents out old and empty houses and renovates them; then, it subleases these houses at a low price to young people, who share kitchens and other facilities. Another example of a share house is the ‘borderless house’ where half the residents are foreigners who would like to learn about Korean culture and the other half are Koreans seeking cultural contact with foreigners.

Sharing in Seoul also includes office space and meeting rooms. Several start-up companies are developing office-sharing concepts. A large number of meeting rooms belonging to the city are also available for citizens to hire. There are currently 779 places in the city uploaded onto a platform where you can borrow or rent a room (including the one we are sitting in during the meeting in the city hall!).

### Wanted – more young entrepreneurs

D-camp is a joint initiative by several financial institutions, banks and large enterprises in Seoul with the aim of stimulating the development of new companies and business models. Among other things, D-Camp operates a hub and an incubator facility for newborn companies and provides direct investment, mentoring, education, matchmaking and entrepreneurship camps. But most of all, D-Camp is fighting against traditions and prejudices.

‘What we lack is entrepreneurs. Most graduates don’t want to start their own business, they want to be public servants or work in big companies. And if they start anything, they like to become owners of small cafés or restaurants. Korea is a country with strong social control, you are expected to do certain things, and if you fail you are seen as a loser, someone who brings shame on the family. So the result is that people don’t take risks, they prefer taking safe decisions rather than risking failure,’ says Seokwon Yang, senior manager at D-Camp.



Photo | David Isaksson

### Creating new opportunities

In his role, Seokwon Yang tries to make companies understand that sharing is not harmful to the private sector, but a reaction to a new kind of demand that actually creates new opportunities. Sharing means that the barrier of consumption is lowered, while at the same time giving companies incentives to produce more durable goods that they can sell at a higher price (but consumers still benefit because the stuff will last longer). When things are shared among a group of people, it means fewer products overall. Thus, sharing means connecting old values with new technology.

Sharing also means opening up access to public data. Koreans know how to use their machines and how to access data and information, but what is lacking, argues Seokwon Yang, is the dialogue between citizens and the government, as well as making authorities accountable. Sharing

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could also help Koreans break with the society's hierarchical system. One example is a start-up company that provides a rating of the quality of service at different hospitals in the city, in order for citizens to demand high-quality service and choose where it is best delivered.



Photo | David Isaksson

*Seokwon Yang, senior manager at D-Camp.*

Sharing also reflects another shift within the economy, from products to services and ultimately to experiences. To a certain extent, the home-sharing giant AirBnb is offering a product that is more affordable than a hotel (private accommodation), but at the same time it is offering an experience: that of living in someone's home and being part of the local environment and context (also helping increase the income of people from low- and middle- income groups and thus enabling them to continue to live in their homes). This also partly explains why home-sharing has become so popular: many people who can afford to stay in hotels nevertheless choose house-sharing because it gives them a new and deeper local experience.

'In the same way,' says Seokwon Yang, 'a company like Hyundai will in 10 years from now not be selling cars, but mobility, whatever is needed to move you from one place to another.'

**'People enjoy having foreigners in their homes'**

Following the success of K-pop (Korean popular music and culture), Seoul has been steadily experiencing a boom in its tourist industry, with a growth of 12 per cent per year. In a city of about 10 million inhabitants there is an acute shortage of hotel rooms – an estimated 30,000 rooms only, compared to approximately 125,000 rooms in Tokyo (with about 14 million inhabitants).

The growing interest in sharing also reflects the fact that South Korea is becoming more international. The number of foreign visitors, both long-term and short-term, has increased sharply, and people are generally happy to see foreigners in their neighbourhoods.

Kozaza (which means 'lullaby' in Korean) is a local version of AirBnb with the difference that the company almost exclusively rents out rooms in traditional Korean homes called Hanok houses. Sanku Jo is the founder of Kozaza and believes that there is a win-win relation between sharing actors like Kozaza and the traditional tourist industry.



'I don't see any conflict with the hotel industry. On the contrary, we are helping the tourism business as a whole to grow. And with the mayor staying in one of the Hanoks, it not only created good PR, it also put the spotlight on the need to preserve our culture and heritage,' he says.

The major obstacle to Kozaza's growth is lack of capital. Here, companies such as AirBnb have an advantage as they have strong venture capitalists from abroad as backers, while Korean venture firms have been more hesitant.

Over the last few years, he believes, Koreans have become more curious, open-minded and ready to accept different cultures, as young people especially are networking a lot with people in other countries.

'The financial difficulties have made people very practical, many like to move away from the consumption model with the burden of ownership. In 2011, many told me that the sharing model would not work, that we are not open-minded and that Koreans would not let 'unknown' people into their private houses, but I believe we are changing. Some Koreans really enjoy having foreigners in their home, while at the same time learning more English. I remember one of our hosts who once told me: 'It's like travelling the world while staying at home at the same time!'

*Koreans have become more curious, open-minded and ready to accept different cultures, as young people especially are networking a lot with people in other countries.*

**Keys to success**

- An established policy and strong political commitment
- An emphasis on the social component
- Incubate and nurture small, social companies, create framework that helps companies and social networks to grow.



Photo | David Isaksson

## Sharing the sharpest suit in Asia



Photo | David Isaksson

On the fourth floor of a 1970s building in a student district, the doors open into what looks like a tailor's shop, or a dry cleaning facility. On stalls, high-brand costumes and dresses are hanging, and everything smells newly washed.

In Korea, it is extremely important to be properly dressed for job interviews. As a result, young men (and, to a lesser extent, women) spend huge amounts of money buying they may never wear again once the interview is over. This is a waste of both money and natural resources. Could there be a smarter and more sustainable way to handle this? Could there be a way to share those clothes? Han Manil and a group of friends had been pondering the issue for some time when they came up with an idea: Open Closet.

In May 2013 Open Closet became operational after more than a year of working around the idea. At Open Closet young people can borrow good-quality suits and dresses for about US\$30. One of the 50 or so people who come to Open Closet today is Lee Gwang Hyung:

'I was called to an interview this afternoon and I do not have anything good to wear, but when I Googled around I found Open Closet,' he explains, before sitting down at a computer to register.

Open Closet is a not-for-profit company with a small permanent staff and some volunteers helping out. Of the founders, Han Manil is the only one who works full time. So far, his salary is much lower than what he earned in his previous work, but his aim is to reach 80 per cent of his previous salary within three years.

Dressed in a tailor-made suit Han Manil might look like an odd social entrepreneur but once you meet him, it's hard not to get caught by his passion and enthusiasm.

'In the beginning many said that our model would not be possible in this society, that we would not make a profit, but once we started, we found a high demand for the service.'

In order to make Open Closet more profitable, Han Manil is thinking of taking the concept online. One option could also be to take on venture capital for expansion, but so far Open Closet has opted to work on a small scale.

'It is difficult to explain, but we would not like to turn this into just another rental company. Investment would also surely take away the control of the company and give it another aim,' Han Manil says.

Initially, the donors were mostly individuals but recently Open Closet has been receiving more donations from companies that collect from their staff, as well as directly from fashion designers.

'Designers like our idea. For them, the young people who come here might be their future customers. If they could borrow a brand costume and feel comfortable and relaxed while using it, the chances are good that they will remember the brand, once they start buying expensive clothes by themselves.'

But there is one fundamental reason why Open Closet is something more than just another rental company. The suits and dresses the students can rent all come from donations, and many people who donate are doing so because they want to do something good, helping the students who they know are affected by a high unemployment rate, going through great hardship when looking for job. This dedication would never exist in a private, renting company.

And then, there is one more dimension that, from Han Manil's perspective, might be even more important: the stories behind the sharing. Normally, in other situations involving donations, the relationship between donor and user is disrupted, but in Open Closet a new form of relationship is being created. From the users of Open Closet Han Manil has collected more than 2000 testimonies of what happened with them and the suit. The donors are also eager to learn more about what happens with their donations. There could be more than 100 stories just related to one single suit! And yes, Manil plans to make a book out of it:

'Can you imagine the feeling of being able to follow your old suit, how it helps the next generation in getting jobs and starting their career, it's a fantastic thing!' he says.

So, the actual focus might not be the sharing itself, but what the sharing produces: the stronger social fabric, the storytelling. Or simply put: for Manil it is not first and foremost the business that motivates him, it is solving a problem and getting a good story out of it, something that could also be built into a smartphone application.

I would like to express my thanks to the sharing donor. I came from Jeju Island and I was staying in Seoul for a while. I had an interview with one company. I needed a suit, but it was too expensive for me to buy one so I visited Open Closet and made use of the service. I got the job, and I felt I was employed thanks to your service and energy!

An Open Closet user

unemployable  
employable



Meanwhile, Lee Gwang Hyung has tried on a suit and a matching tie. 'Yes, it looks good!' he says satisfied. Before leaving, he receives a micro bottle of perfume from the staff. 'It helps reduce the anxiety for the interview,' Han Manil says with a smile.

### The driving force behind Open Closet

- Social cause. Support to jobseeker.
- Sustainability. Better clothes, used more often. Financially and environmentally sustainable.
- Branding. Quality brands get exposure – a win-win situation is created.
- Strengthening the social fabric – storytelling and relationship-building in society between donors and users.

### How Bogotá became the world's third best cycling city

Around the world, people are turning away from cars and starting to ride bicycles. In cities where cycling was unthinkable just a few years ago, cycle lanes are now rolled out and traffic restricted. One city that is leading the way is Bogotá, the capital of Colombia.

The road from the airport towards the centre of Bogotá is lined with newly-built shopping arcades and malls, and passes through new residential areas, built for a growing middle class. Everything is neat, clean and efficient. At least until you get stuck in the traffic.

While economic growth is recognised as the key priority in many African cities the equally fast development occurring in many Latin American countries is not as often noted. This could partly be explained by the fact that development in Latin America is less dramatic and more focused on an improved quality of life. And yes, on cycling as well.

Moving around in the Bogotá traffic is a nightmare of the same dimension as in many other large Latin American cities. But now, things are starting to happen. More and more cycle lanes are being built, and on Sundays, more than 100 kilometres of streets are closed to traffic, leaving room for cyclists, joggers and skaters. Bogotá has a demographic

advantage that makes it a cycle-friendly city. Only 13 per cent of its residents own cars, which makes bicycles something of a necessity.

However, the biggest incentive for change might be the traffic jams. According to calculations, on an average people in Bogotá years lose 22 days a year, being stuck in the traffic. This is more time than the total number of holiday days for most per person.



Photo | Mariana Gil/EMBARQ Brasil

Cycling is empowerment, but also a way to break free from political polarisation. No matter your political orientation, you can ride a bike. Cycling doesn't just save time and emissions in Bogotá, it also connects people in a good way. 'If people are on bicycles they are equal, it's so different from when some rides cars that cost more than those on low wages could make in a lifetime,' says Diego Ospina, who runs the social company MeJOR en Bici, which means 'better on a bike'.

MeJOR en bici  
- better on  
a bike.

MeJOR en Bici has developed a bicycle sharing system, SIBUC (Sistema de Bicicletas de Uso Compartido), and works to encourage companies and citizens to use bikes for commuting and fun. So far, cycling in Bogotá has gone from something deemed low class (and unthinkable) to the ultimate middle class recreation, but could it be developed even further? Yes, says Bicycling magazine, which in 2013 named Bogotá the third best cycling city in the world, behind Amsterdam and Copenhagen, but far ahead of Stockholm!

