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The New Sharing Economy: creation of a new serfdom?

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Abstract

Hailed as the embodiment of a non-capitalist and more ethical economic system, the new sharing economy appears to be far from the ideal economic dispensation and revolution it is supposed to usher in. It rather seems to be the beginning of a ruthless capitalist system of global transfer of capital and power from workers to rich investors. Applying the most recent literature and original research, this paper delves into the underlying tenets of the sharing economy as a system, and highlights its shortcomings and ramifications that are leading to the creation of modern serfs and dangerous capitalist behemoths and ideologies.

Keywords

Sharing Economy – Renting Economy – Gig Economy – Collaborative Consumption – Collaborative Economy – Peer Economy - Capital transfer – The New Serfdom – *Uberization* – Disruptive economy

Biography

Peterson Nnajofofor is an associate professor of English Studies at the Department of Foreign Languages applied to Business (Département des langues étrangères appliquées) of the University of Lorraine in Metz, France and a research fellow at the IDEA Research Center. His research interests focus on the activities of transnational corporations, their evolution and influence on the society at different levels.

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Introduction

“Sharing is to ownership what the ipod is to the eight track, what the solar panel is to the coal mine. Sharing is clean, crisp, urbane, postmodern; owning is dull, selfish, timid, backward,” (Mark Levine in Botsman 2010)

The sharing economy, also called among others, the collaborative, gig, peer, or mesh economy, has been hailed by its proponents as the magic solution and much-needed response to the excesses of capitalism. It is considered by some observers as a game changer and silver bullet that would solve most of the problems of the 21st century, from social and economic alienation to global warming, environmental destruction and resource depletion (Botsman 2010). It represents a host of new economic practices supposedly based on the ethical idea of non-capitalist, non-profit or non-monetary motivated sharing, and use of products and services. These practices are increasingly establishing themselves and being adopted by a growing number of people. These new practices mainly depend on Internet platforms and

other new information communication technology systems for their activities. Examples of the most popular in the media and by rate of usage are Uber, Lyft, Zipcar, BlaBlaCar in transportation; Airbnb, Couchsurfing, 9Flats in accommodation; Taskrabbit, Airtasker, Zaaarly in service provision; and Zopa, Prosper, QiFang in lending and financial services. The rapid economic growth of some of these organizations has led to increasing focus on them and their activities by the media, governments, investors, academics and a host of other stakeholders. It is quite difficult to analyze and classify these new organizations and their activities mainly due to their novelty and the huge areas they cover. This paper endeavors to bring some clarifications on some aspects of this “new” economic system and tries to show that contrary to what is generally believed regarding this new system as a more ethical business practice, the for-profit tendency of this sharing economy appears to be the latest offshoot of capitalism that would lead to a new stage of advanced exploitation of the consumer, the worker, and the users in general. We will treat this aspect later in this paper. Suffice it here to state that the overriding idea of the sharing economy would ultimately lead to a highly unequal society in which the users of the platforms, the huge majority of the population will become dependent, like the serfs of yore, on the owners of platforms who may eventually become the owners and investors of the goods and services being rented by the users.

Definition of terms

Some of the terms used above, gig, peer, collaborative, mesh, etc. have been applied to the sharing economy. Terminologically circumscribing the vast areas in which the new economic phenomenon applies is quite difficult. For pragmatic reasons and the lack of a more encompassing term, most writers and observers have adopted the sharing or collaborative economy as the term of choice despite their weaknesses and shortcomings in capturing the essence of the different facets of the phenomenon. These terms have been considered by some scholars as misnomers (Eckhardt and Bardhi 2015) (Bauwens 2015), arguing that they are not sharing in the semantic sense of the word but rather giving access to a product or service. Eckhardt and Bardhi found that the users of the services were not really motivated by the social aspect of sharing a product, service or commodity with other users but rather by the price and convenience of the transaction.

These reasons make the terms and definitions being used currently to capture the meaning of these new economic activities quite ambiguous.

Actually, sharing and collaboration, as semantic terms, are quite simple to understand notions that are associated with the positive, mostly progressive side of socioeconomic life. Sharing is expected and understood to be helpful and non egotistic and almost the same could be said of collaboration. These understandings and expectations underlie the embrace of these new sharing economic activities by the majority of progressives and ethically minded users who tend to compare and assimilate them to cooperatives. The companies engaged in this new economic field have largely played on this misconception in the selling and branding of their image and products. They want to be perceived as revolutionary pioneers and knights in shining armor fighting for the interests of the ordinary consumer against the exploitative old capitalist system of traditional companies and governments.

However, a closer look at these new companies and their practices tend to show a completely different picture. The social, environmentally friendly, and humane values used as arguments by these companies and their proponents tend to be wanting. Most of the companies in the new “sharing economy” are actually not focusing on these elements but rather on the maximization of profits and rapid expansion of their businesses. In fact, those like Lyft that are perceived as overly stressing the sharing and social values aspect of their

business are blamed for it and accused of being less competitive market-wise due to their social oriented image (Eckhardt and Bardhi 2015).

The sharing and collaborative aspects are mainly marketing tools because these companies are not really encouraging the social and human connection aspects they preach in their business activities. They run online platforms that connect users to commodity or service providers in exchange for profits in the form of commissions ranging between 3 and 30 percent on each transaction. So the altruism that is inherent in the normal “sharing” as most people understand it is lacking here. Moreover, the majority of users and clients of these businesses are not really sharing and collaborating nor interested in it (Schor 2014). Their main motivation for using these platforms and their services tends to be money-oriented. So instead of sharing economy or collaborative economy, which both sound positive, ethical and altruistic, it should be called by a more appropriate term. Some scholars proposed access economy (Eckhardt and Bardhi 2015) arguing that users of these platforms pay for access instead of ownership. We prefer to call it the **renting economy** which incorporates the quid pro quo and monetary aspect directly in its meaning.

This term appears most appropriate because it best depicts the relationship between the different parties in this sort of transaction with the only new element being the platform that serves as an intermediary between the two original parties, the owner and the renter. In essence, the relationship between the parties is basically one in which a party has goods or services on offer for rent and the other party provides the money or counter-commodity or service in return, and the platform, serving as intermediary and facilitator, pockets a commission. This term also makes it easier to clear the ambiguity caused by the language being employed in public discourse concerning this new aspect of business, and makes it easier to see that it is purely a classic personal interest and profit-driven business transaction like any other capitalist transaction. It is necessary at this juncture to note that this paper focuses mainly on the for-profit sharing companies and not on the non-profit oriented organizations.

The language being employed in the sharing economy discourse matters a lot too. It is noteworthy to observe that despite the attempt to classify this renting economy as altruistic and social, the language, terms and ideology behind it have remained largely mercantile and capitalistic. The platforms are seen as investment startups that can yield huge profits in the short, medium and long terms. Most of the financially successful ones like Uber or Airbnb are held privately. Investors and observers see them purely as profit-oriented corporate organizations (Morgan and Severson, 2015). The structure of these businesses is modeled hierarchically on the neoliberal corporate structure driven by the maximization of profits paradigm with utter disregard for the human element and the social contract. This has led to their being described as disruptive.

The same goes with the ideology guiding these businesses. The so-called sharing economy is highly neoliberal in its ideological leaning.

Altruism and Capitalism

The pair of words above is a classic example of an oxymoron. Nothing can be more conflicting than altruism and capitalism. The two terms just cannot function together. Thus, calling the capitalist renting economy a sharing economy is an oxymoron because a sharing economy cannot function in a capitalist system due to their irreconcilable differences. While one is altruistic and centered on helping and collaborating, the other is focused on competition and self-interest.

This analysis could be seen in some of the findings on the factors driving the “sharing economy”.

Whereas proponents of the “sharing economy” have continued to insist that the practice is modern, clean, environmentally friendly and social, various observers on the drivers of this mode of transaction, notably Barnes and Mattson 2016, have shown that the most important factors pushing people to adopt the “sharing” mode had nothing to do with altruism. They identified the most important and least important drivers in order of priority as follows:

- Economic drivers
- Technological drivers
- Sociocultural drivers

And the least important drivers as:

- Environmental concerns
- Sustainable development

Let us take a brief look at these drivers and how they function in this new economy.

Economic drivers

As mentioned earlier, the majority of the people using the different forms of businesses classified as “sharing” do so mainly due to economic reasons. On the one hand, you have those that want to spend less on a commodity or service. This could be the case for the majority of riders using Uber or other ride share companies, who prefer paying less than they would for traditional taxicab rides that are generally more expensive. The same basically goes for Airbnb users who use the site mainly to avoid the higher prices of conventional hotels. The same economic reasons are cited on the part of the providers/owners of the commodities or services on offer. Uber drivers are largely using the platform as a source of income that they would not have had otherwise, under normal conditions. The most common reason given by Uber drivers (91 percent) for their employment was: “to earn more income to better support myself or my family.” 74 percent responded that the revenue they derive from Uber helps “to maintain a steady income because other sources of income are unstable/unpredictable”. (Hall and Krueger 2015). Many of them are unemployed (38 percent), underemployed (30 percent) or underpaid workers seeking an alternative revenue source (31 percent) (Hall and Krueger 2015). A considerable percentage (32 percent) of the unemployed drivers tend to resort to the car rental service primarily as a temporary source of income while waiting for a better job offer prior to their becoming full-time Uber drivers. The underemployed and underpaid workers use it to supplement their income.

A PWC study on the sharing economy found that 56 percent of consumers prefer automotive sharing models due to their better pricing, 32 percent for their provision of more choice in the market and 28 percent for more convenient access (PWC 2015).

Another study on the sharing economy found that Zipcar users prefer to experience the sharing activity:

in the anonymous way one experiences a hotel; they know others have used the cars, but have no desire to interact with them. They don’t view other Zipsters as co-sharers of the cars, but rather are mistrustful of them, and rely on the company to police the sharing system so it’s equitable for everyone. (Eckhardt and Bardhi 2015).

The platform operators generally tend to be profit-motivated. They see their activity as a new rapid and radical means of making money. They are in the business for its relative ease

of starting and its rapid growth prospects. Uber and Airbnb have shown that they are running capitalist economic companies in their unrelenting drive to acquire or squash competitors and in their “creative” employment and commission policies (Slee 2016).

Technological drivers

A lot of the users of the sharing platforms do so purely based on the draw and attraction of new technology especially the social media and networking applications and platforms, and the immense data mining prowess of these systems. Amazon, Ebay, Facebook, Craigslist, etc. through their actions of playing intermediaries between parties in the sharing of information, data, goods and services were all pioneers in this sector though they have morphed into traditional corporations and are no longer classified today as good examples of sharing businesses. They drew people to this new technology-driven market and laid the superstructure on which the newcomers like Uber, Airbnb, TaskRabbit and their likes are building upon. The novelty of these new technology systems and their relatively low cost and easy access tend to be among the driving forces that draw a number of users to the sharing platforms and contribute to the rapid growth and expansion of the sector.

Sociocultural drivers

For its proponents, “sharing” is considered as modern and culturally superior to ownership. It is also seen as more flexible and convenient, a system in which everybody is free and independent, a sort of more egalitarian system where everyone is his/her own boss. This is driving a sociocultural shift that is being witnessed in workplaces and schools notably among the so-called generation Y and the millennials. These young people are convinced that their parents were misled and unwise in keeping the same job for years and working hard to pay their mortgages and shoulder other financial responsibilities that helped them to secure a better life and future for themselves and their families. Like the young people before them, they believe that they know better than their parents and plan to avoid the mistakes of the latter. However, this generation appears to differ from the others before them in that they actually plan to put their beliefs into practice in their personal and professional lives. It is this new belief that is driving, to some extent the sharing economy.

Environmental concerns

Highly touted and used as one of the major advantages of the “sharing economy”, Environmental concerns appear to be one of the least important factors determining the choice of users for these platforms. It appears that the different parties involved in the sharing economy do not consider this factor as an important driving force in their decision making when engaging in the transactions. We have seen above that economic considerations come first for most users. But the same goes for the companies involved in this sector. Contrary to the espoused corporate message of most of the companies involved in the sharing economy, their actions and their business model actually tend to contribute to environmental problems. This is mainly due to the fact that the cheap prices they offer facilitates access to their services and commodities making more people use them, thus directly contributing to the environmental problems they claim to curb. It was observed “*that Airbnb users are taking more trips now and that the availability of cheap ride services is diverting some people from public transportation.*” This leads to the companies contributing to *higher carbon emissions* (Schor 2014). To fight against this phenomenon, some cities have tried to limit the number of car sharing vehicles on the roads and to regulate the sharing market in a way to curb these

inherent problems that would lead, if not checked, to a radical disruption of the economy and the social contract.

The growth of the new sharing economy: a disruptive system?

The new sharing economy represents a tiny percentage of all economic activity in the world today and thus leads one to believe that its influence should not be overblown or given more credit than is due to it. While it is a fact that the sharing economy’s share of the global market today is quite tiny, it would be ill-advised to overlook its potentials and its disruptive power. We are going to treat this disruptive power from two different perspectives. On the one hand, we will look at the purely economic aspect of this disruption and on the other hand, we will analyze the neoliberal ideological disruption, which we believe, is even more dangerous.

The table and graph below helps us to capture the radical disruptive nature of the new sharing economy especially when positioned in contrast to well-established traditional corporations.

Table 1
Comparative Market Capitalization of a selection of sharing economy businesses

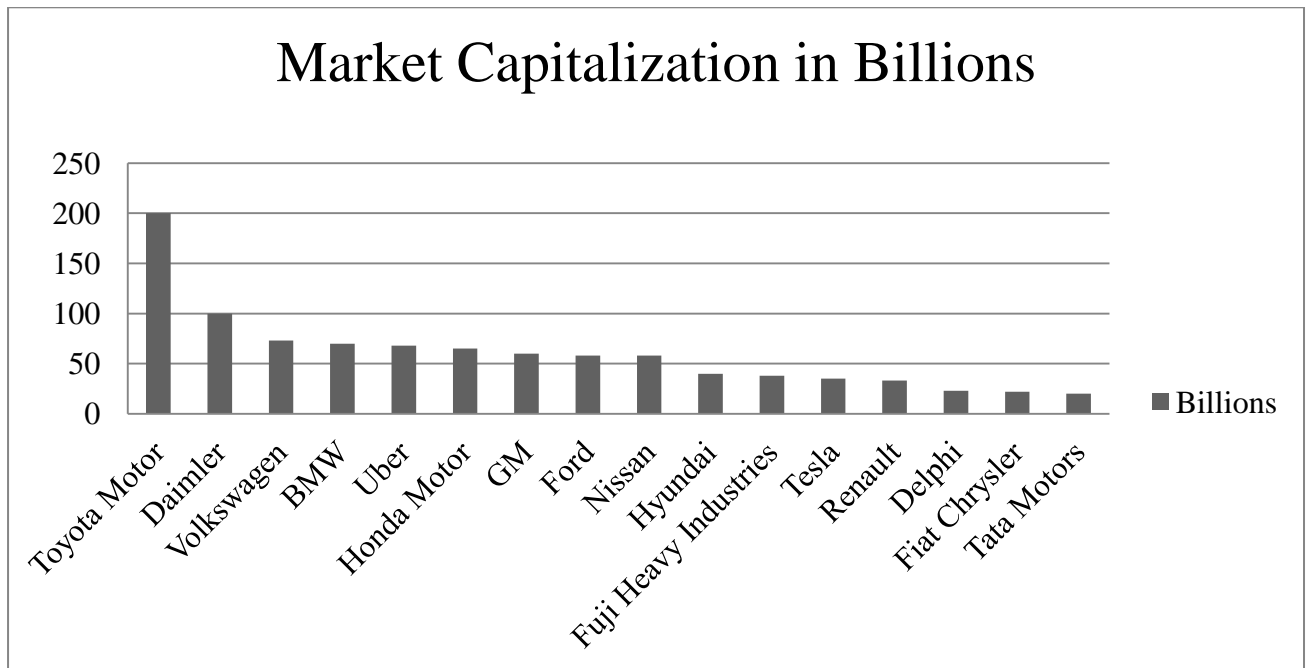
Companies	Market capitalization (US\$billion)	Equivalent to	But a lot less jobs
Uber (transportation)	41.2 (68 now)	Orange	1500 against 165 500
Netflix (media)	25.2	Saint-Gobain	2200 against 187 000
Airbnb (real estate renting)	13	Peugeot	600 against 190 000
Le Bon Coin (classified ads)	2	Vilmorin	300 against 6 500

Adapted from L’Express, Uber, Airbnb, BlablaCar... L’invasion des babares, F. Dedieu and B. Mathieu, June 1, 2015

In the table above, we see the incredible growth of the new companies in the “sharing economy” at least in market capitalization compared to well-established French companies. Uber at 41.2 billion dollars when the comparison was first made by F. Dedieu and B. Mathieu in June 2015 was already equivalent to the French telecommunications giant Orange. At the time of this writing, at 68 billion dollars, it has already grown bigger than Orange in market capitalization. It is noteworthy here to observe that Orange has been in business as France Télécom for decades before changing to its current name Orange. It employs over 165,000 workers in the world compared to Uber that started in 2009, and employs barely a 1,500 people as permanent workers. The story is similar with the other companies, Netflix has a market valuation of approximately 25.2 billion dollars while employing around 2,200 people whereas Saint Gobain, the French glass making company, which has around the same market capitalization figure employs around 187,000 workers. Airbnb, the next “sharing economy” company in the table boasts of around 13 billion dollars in market capitalization while having

a workforce of just 600 employees against the French automobile giant Peugeot with over 190,000 employees. Le Bon Coin, the French equivalent of Craigslist boasts of 2 billion dollars in market capitalization with around 300 employees compared to Vilmorin's 6,500. We observe a similar pattern in the graph below where Uber is compared to well-established corporations in the automobile sector.

Graph 1
Comparative Market Capitalization in the automobile industry



Adapted from Liyan Chen, Forbes :

<http://www.forbes.com/sites/liyanchen/2015/12/04/at-68-billion-valuation-uber-will-be-bigger-than-gm-ford-and-honda/#705327735858>

In the above graph, we find Uber occupying the fifth slot in market valuation when compared to other companies in the automobile industry. Only Toyota, Daimler, Volkswagen and BMW are ahead. Uber comes before Honda and is largely ahead of US automakers GM and century-old Ford. It is striking to note that Ford was established 113 years ago and has a workforce of around 199 000 employees. Nissan, Hyundai, Fuji Heavy Industries, Tesla, Renault, Delphi, Fiat Chrysler and Tata Motors are all lagging behind Uber despite their longer years in the business compared to the latter. Most important however, may be the fact that these other companies actually produce some tangible goods, employ thousands of real workers and contribute to the public purse by honoring their part of the socioeconomic contract through the payment of corporate taxes that help provide the services, infrastructure and amenities needed in a modern state. The exponential growth of these new sharing businesses is quite phenomenal and if this continues unchecked may lead to the creation of neoliberal behemoths wielding immense economic and political powers that may prove indomitable and highly difficult to control in the future. The discrepancy between the number of people employed by Uber, Airbnb, and other sharing economy companies in comparison to the traditional corporations gives a hint about the type of economic, social and even political disruption these sharing companies may cause in the future if appropriate measures are not put in place rapidly to regulate their activities and check their excesses.

Sharing as a new stage of Capitalist ideology

The most important point in this paper may be the ideological disruptive impact of the for-profit sharing sector. Proponents of the sharing economy would want everybody to participate in this new economic mode. They present it, as a new mode of living, that everybody should adopt in order to combat the excesses of the capitalist system and ultimately to save humans from impending doom due to global warming or resource depletion and scarcity. The younger generations are told that sharing is better than owning and many of them are gradually and increasingly assimilating this. As mentioned earlier, they do not want to make the same “mistakes” as their parents. They would like to have a more balanced life in which material badges of success are not preponderant. They want to have a better life than their parents without necessarily having to work as hard as the latter. They would prefer nonetheless to have access to most of the conveniences of the material badges of success without the obligations. Thus, they are ready to work just enough to earn the money to maintain a comfortable standard of living without committing themselves to a lifetime of “arduous and boring work” without enjoying their life. They tend to be very reluctant generally to engage in any long-term relationships in whatever form, from marriage to home buying to car ownership (Goldman Sachs, 2016).

The companies in the sharing economy see this generation specifically, and the rest of the population generally, as gold mines. Proponents of the sharing economy encourage and nurture these beliefs among the young people (see Botsman 2010). It is worthy of note at this juncture that the younger generation represents the major population segment using the sharing economy in the U.S. with the 18-24 age bracket representing 39 percent of sharing economy workers. This figure rises to 68 percent when merged with the 25-34 age bracket (Rossa and Riley, 2015).

This is where the ideological aspect comes in. The tenets of the “sharing economy” essentially lie on the preference of renting over ownership. It supports the notion that one does not need to possess material goods but rather rent or access them. This of course means that you have to rent it from someone who actually owns it. The renter would then have to pay the renting price to the owner and commission to the platform owners. This appears simple and cheap at first sight but the underlying principle is that a relationship of owner and renter is established. And given that the owners, contrary to the theoretical presentation, tend to be wealthier compared to the renters, this relationship ultimately establishes an unequal relationship between the parties. Studies on Airbnb owners have shown that they tended to be wealthier than their renters and most times are actually owners of various properties (Schor 2014) whereas the majority of the renters tend to be less affluent. This means that we have the traditional transfer of wealth from the poor to the rich.

However, unlike the current system of economic inequality, where those that work hard may be able to acquire their own properties, albeit after years of toiling and paying high interest rates, the new system is actually conditioning the population in a way to make them accept and believe that possessing your own property is immoral, unethical and backward. This would have been understandable if everybody were in the same situation or had something of relatively equal yield-value to rent out. But this is not the case meaning that there will be even more have-nots than haves in the new sharing economy.

Another important point in the ideological aspect of the sharing economy is that the population notably the younger generation mentioned earlier on is being led to believe that since you do not need to acquire properties, you do not need to have secure jobs with the basic protections fiercely and at times violently fought for by generations of workers in the past. Your employer does not have to provide the most basic of labor coverage because you are your own employer contracting out your property, skills and services to companies who

pay you by the hour for the 'gig' you perform for them. This puts the worker in a delicate situation that renders it practically impossible for him/her to earn enough to be able to afford the mortgage, the car or a family. This means that the worker will perpetually depend on the platforms and the owners of the commodities that he/she is bound to rent for life.

Therefore, like the serfs of yore, the worker in the new *uberized* and *airbnbied* economy will depend on the owners of both property and platform all through his/her life. Unlike the older generation who toiled for years but eventually gained ownership over their properties, the younger generation will toil for years without anything to show for it at the end. This new generation of *uberized*, underpaid, unprotected but seemingly free and independent contractors and self-employers is poised to discover too late that the for-profit sharing economy promise of everlasting gigs and zero hour contracts might not be liberating but rather enslaving. Ultimately and paradoxically, they may become the no future generation by willingly participating in making the neoliberal dream of total economic control and subjugation of the population come true. The ramifications of the negative effects of the for-profit sharing economy have already started but will only increase as the expansion of the neoliberal ideology guiding it expands and seeps into the corporate psyche worldwide.

This ideology would most likely change and is already changing the meaning of work and employment and the relationship between the different parties involved in a transaction. Companies will find it more profitable in most cases to hire the so-called contractor as opposed to employing new workers due to the obvious gains inherent in this new system notably when it concerns labor protections and taxation. Uber and Airbnb's refusal to pay taxes or to be held fiscally responsible for their drivers and hosts are just a tip of the sharing economy iceberg of transfer of social and economic burdens to others under the neoliberal corporate system of externalities.

Tax Impoverishment and Weakening of State Authority

The refusal of the sharing economy actors (companies and users) to pay taxes on their revenue is a threat to the authority of the state, which remains the sole protector of a civilized socioeconomic and political system. To provide the basic amenities and infrastructures needed in a modern state, and the social security system that reduces and mitigates, albeit to a small degree, the harshness of abject poverty, governments depend on the tax revenues from citizens and companies. Big traditional corporations have been evading taxes through advanced and often unethical and even criminal accounting strategies in the forms of shell companies in tax havens all over the world. The different leaks, Panama, Swiss, Luxembourg, etc. are few recent examples. However, these would be nothing compared to the new sharing economy companies.

This is mainly due to the fact that whereas traditional corporations accept the fact that they should pay taxes to the state on their revenue and find ways of dodging those taxes and paying as little as they possibly could, the new sharing economy companies and users are actually refusing the authority of the state to impose taxes on them. The companies do this by denying that they are real companies. They claim that they are just intermediaries and that their workers are really not their employees but independent contractors, and thus they the companies should not be held to pay corporate taxes. Their fiscal responsibility is a burden that they deny and refuse to honor. Different cities and states are gradually trying to find ways to make them pay.

The users and workers in the sharing economy, on their own part, consider themselves part-time or alternative workers who should not be taxed by the government. Most of them believe that they are not real workers and should not be taxed at all and they appear to find it natural to declare none of their revenues to the state.

The table and graph we saw earlier clearly show the little number of workers being really employed by these companies compared to the traditional corporations meaning that even if the sharing companies paid their taxes, the revenue loss for governments would still be hugely unbearable not to mention the fiscal and socio-economic effects of the economic difficulties that the accompanying mass unemployment would provoke.

Under the neoliberal economic ideology in which the state is seen as the archenemy that must be defeated especially through non-payment of taxes, the for-profit sharing economy is a new formidable and dangerous player. It essentially counts itself out of the social and economic system through its refusal to pay taxes on its activities. Its huge use of the “social-speak” in its communication and corporate image building could only be seen as purely green washing or as termed by Anthony Kalamar “sharewashing,” and social posturing. Its activities and business model are expansions of the neoliberal ideology in its most dangerous phase.

Online Credibility or passport

Another important and disturbing aspect of the for-profit sharing economy is the dependence on online credibility. This is a system in which the different parties in a transaction determine based on a number of factors and criteria, who should be considered trustworthy and who should not. This decision is mainly based on the attitude, behavior and past history of consumers and businesses. Some actors based on the elements mentioned above would be considered of good standing and allowed to transact whereas others would be considered of bad reputation and practically forbidden from participating in the market place. Companies in the for-profit sharing economy are already mobilizing and lobbying for a centralized system of online credibility database across platforms and networks. While this may be seen at face value as a good, practical, simple and logical means of vetting users and parties in the market as most users stated (Goldman Sachs, 2015), it actually raises a number of questions on the economic freedom and equality of the citizen in the market place. In essence, the decision on who can participate or not in the market is left in the hands of highly subjective corporate entities and their collaborators, and not the courts or state legislators. Years of fighting and volumes of legislation to protect the consumer by guaranteeing and maintaining a fair access for everybody to the market place is gradually being destroyed and being replaced by an unfair and subjective system whereby anybody can decide that certain members are not fit to participate in the economy. This could lead to an open door to the acceptance of unfettered discrimination and wanton inequality in the new economy; discrimination that is already present on these platforms (Schor 2014). It will create an even more divided society of those that belong and the others that do not, leading to more stratification contrary to the oft-espoused value of inclusion being touted by for-profit sharing companies and organizations. Individual personality would be replaced by online market statistics that would lead everybody to brand him/herself and manage the brand image just like corporations manage theirs today. This online credibility aspect will be an important part of the neoliberal disruptive ideology, which would either be a magic passport of the future citizen or an Orwellian nightmare where corporations expand their surveillance of the society and determine who is trustworthy and who is not. The only solution to avoid the dangers of the future-present of the for-profit sharing society in the making lies in rapid and intelligent legislation by the government and smart mobilization by civil society.

Conclusion

The expansion of the for-profit sharing economy in its present form and ideological leaning would definitely mean the end of the corporate social contract as we know it today.

The owners of the commodities and services being rented and the owners (investors) of the online platforms would become the “Lords” of the new economy whereas the renting users would become their “serfs” working from “gig” to “gig” without any social and economic protection in order to pay their rent and commissions all their life, with nothing to show for it at the end. The huge and unprecedented market capitalization of these new companies is evidence that investors have already understood the huge and radical change ahead. A lot of traditional corporations are rapidly adapting their businesses to fit the new for-profit sharing economy. Apple has invested a billion US dollars in Didi, the Chinese rival of Uber (Koskoff, 2016). Google has continued increasing its investments in this sector. BMW with DriveNow, Daimler with its Car2Gether app, Volkswagen with its Quicar, Peugeot with Mu mobility and a couple of other automobile manufacturers are investing heavily and are rapidly positioning themselves for the new market. Finance and Banking sector and a host of venture capitalists are all fighting to secure their place in the nascent neoliberal sharing Eldorado. Studies, information and advice services are being offered by these corporations to their clients on how to adjust their businesses to the sharing economy in order to exploit the market and reap the huge profits it offers.¹ Ultimately, the idea here for investors would be to provide increasingly sophisticated and highly expensive products for rent making it financially unwise and practically out of ownership reach to the average *uberized*, underpaid and unprotected user and obliging him/her to resort to renting thereby maintaining the economic leash from which there would be no escape. This, of course, would probably lead to the worst type of inequality that humans have ever experienced.

The only solution today, to regain control before its too late, would be primarily through regulation, legislation and putting in place measures that will return the renting economy to its ideal origin of altruistic sharing. This could be done by outlawing or restricting the neoliberal profit maximization aspect while strongly encouraging and supporting the non-profit oriented companies and groups.

Subjecting for-profit sharing economy businesses to the same corporate taxes and safety standards as traditional corporations and businesses would be another good measure in bringing order and fairness to the sector (Baker 2014). Some cities have already started experimenting in this field. The Amsterdam local council have passed an “Airbnb-friendly” legislation that makes it possible for property owners to rent out their houses for a maximum period of 60 days per fiscal year conditioned upon their paying the appropriate taxes.

Increased mobilization of governments, users and consumers against the excesses of the for-profit companies would be another solution. A number of initiatives have been taken in cities around the world to check the excesses of the for-profit sharing economy. In Austin, Texas, where this paper was first presented, the City Council legislated against Uber due to what was perceived as its disruptive tendencies and banned it from doing business in Austin. The Paris Municipal Authority have reinforced legislations against sharing economy businesses like Airbnb whose users do not pay corporate taxes despite the fact that they function like other property renting businesses like hotels. Stricter conditions for renting of private properties have been put in place with fines of up to €10,000 for people that break the law. The number of city inspectors is being increased to make sure that more offenders are caught and punished. Other cities such as Barcelona, Madrid, New York, are gradually

¹ See Forbes, Goldman Sachs, and PriceWaterCoopers’ documentations used in this paper for more exhaustive information on this subject.

putting in place or modifying their legislation to fight against the abuses of the for-profit sharing economy.

Advocacy organizations like Peers and sharable (USA), People Who Share (UK), Ouishare (France), Collaborative Consumption (Australia), to mention but a few, are already doing tremendous work mobilizing citizens at different levels to pressure governments and elected officials to create more regulations to help check and control the sharing economy. More public support for best practice associations, like Shareco in the UK, would go a long way in regulating the industry. These examples, combined with smart legislations and regulations as well as the education of the citizens on the risks of an unregulated for-profit sharing economy would most likely contribute in reversing the course of this very important sector in the future.

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