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"Collaborative consumption": the new economy

The networked world allows an unprecedented degree of collaboration within communities.

BY [TESS RILEY](#) | PUBLISHED 09 OCTOBER 2012 13:47



The rise of the sharing economy

- Don DeLillo, *White Noise*

White Noise revels in the excessive clutter pervading every inch of the novel. Underpinning such fascination, however, is intense anxiety about the way consumption has come to dominate and define the contemporary world, demanding high fossil fuel inputs in return for destabilising carbon emissions and excessive amounts of waste, not to mention the psychological impacts of so much "stuff".

In 2000, worldwide private consumption expenditures (the amount spent on goods and services at a household level) [topped \\$20trn, a four-fold increase over 1960](#). Short-term thinking argues that consumption is good for the global economy. However, the financial implications of ecological degradation are increasingly being recognised. A [new report](#) (pdf) written by more than 50 scientists, economists and policy experts, for example, has just announced that [climate change is reducing](#)

Do we really need all those hammers? Photograph: Getty Images



"I feel sad for people and the queer part we play in our own disasters." Economists and business leaders have long argued that the sharing economy and enables the sharing and exchange of all kinds of assets. From [Wikipedia](#) waves, harnessing the power of local communities to build a more financially and ecologically possible.

Marketplaces for unused goods are nothing new, as thriving car boot sales demonstrate enhancing the efficiency of those marketplaces and facilitating sharing across them connecting people in unprecedented ways, web platforms are establishing access to tap into niche audiences to distribute those goods amongst.

These peer-to-peer activities redefine traditional forms of ownership, lending and re goods and knowledge, including amongst strangers. Take car-sharing: cars are finally use. As dense urban streets clog up and parking spaces become more expensive, it makes sense to spread those costs amongst users. The best way to coordinate that? Technology-driven peer-communities to connect suitable sharers together.

Streetbank: a network of sharing communities

What makes such sharing possible is trust, in both the web-platform mediating the exchange and in the inevitable human interaction that such sharing entails. Far from replacing face-to-face interaction, digital technologies facilitate innovative and resource-conscious ways of bringing people together. Trust can then be built up through rating systems, instilling reputation as a key requisite to further sharing.

Streetbank is one such collaborative consumption initiative that works to establish a broad-based network of online sharing communities in order to develop stronger, locally-rooted communities across the UK and ultimately worldwide. At its simplest, Streetbank is a website that allows you to see all the things and skills that neighbours are giving away, lending or sharing – a shared attic, garden shed, toolkit, fancy dress chest, DVD collection and skills bank all rolled into one. Its ultimate vision is a hyper-local one in which members are connected to everyone in their street, dramatically reducing consumption through sharing as a result.

From an economic perspective, it could also be argued that organisations such as Streetbank are adding to the output of the UK, if in a small and

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it annually.

It springs an opportunity in the form of , a social and economic system made possible that moves away from the old industrial to [Whipcar](#), peer-to-peer activity is making ture in ways and on a scale never before

the way in which digital platforms are [can 2.3 billion people are now online](#) (pdf). By and underused goods and enabling people to

ing affinity to the idea of shared access to expensive, both in manufacture and day-to-day use. The best way to spread those costs amongst users. The best way to coordinate that? Technology-driven peer-communities to connect suitable sharers together.

unmeasured way. GDP measures items bought rather than the use of the items/activity purchased. Take a simple example: [the average drill is used for just 15 minutes in its lifetime](#). GDP measures the number of drills bought but in the case of a drill, this is a poor measure of a nation's output when its usage is so low. While Government and policy makers obsess over GDP data, any serious economist should agree that an efficient economy is one in which the resources are deployed well, and where output is useful. To put it in [Rachel Botsman's](#) terms – pioneer of the collaborative consumption movement – we need to be taking into account number of holes drilled rather than number of drills sold.

Streetbank founder Sam Stephens argues that:

We believe that we need to replace GDP with a new way of measuring the effectiveness and efficiency of the economy – measuring useful output and activity rather than simply what is bought.

Instilling a culture of sharing into communities can take time. Botsman regards this as a steady progression from initial trust between strangers to a more widespread belief in the commons to, ultimately, critical mass. Importantly, those communities that seem to benefit most from projects such as Streetbank already have strong pre-established trust networks which are then strengthened by members doing simple but effective things, such as putting a photo on their online profile.

The need for projects like this is huge if we are to establish the rapid reduction in consumption and re-skilling of our communities as we deal with financial and environmental instability. The question is how to reach neighbourhoods where trust is less apparent and how to scale-up community-minded collaborative consumption initiatives in the process. This is the challenge that organisations such as Streetbank and fellow "coll cons" initiatives are working to address, constantly testing their innovations as they go and supported by organisations such as [NESTA](#), not to mention one another, embedding peer-to-peer learning in their progress.

So what can peer-to-peer activity bring to the twenty-first century table where the feast is rapidly diminishing and what's left is meted out so unevenly? The answer is an economy based on collaboration rather than individual ownership, trust rather than status, adaptation rather than standardisation. The answer is a sharing economy.

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