

URBAN SHARING IN SHANGHAI

Country: China
Population (city): 24 281,400
Population (metro): 34 000,000

City area: 6 341 km²
Government: Shanghai provincial level, municipality



SHARING & THE CITY
Cities – Sharing – Sustainability



URBAN SHARING
Sustainability & Institutionalisation

Urban Sharing at a Glance

Shanghai is a benchmark for entrepreneurship and innovation. It is a financial capital of China, with a vibrant start-up scenery, and is a hub for AI development. Digitalisation of access to services is seen as progressive, and is supported by the government. Most sharing economy services are integrated into popular smartphone apps (e.g. WeChat), which are used for payments and for booking other services. Business-to-consumer (B2C) sharing models predominate in the city. Mobility sharing includes free-floating bike sharing (Meituan Bike), ride-hailing or “online taxi” (DiDi), and electric car sharing (EVCARD) platforms. Scooter sharing is prohibited for safety reasons. Accommodation sharing is dominated by two peer-to-peer (P2P) platforms: Tujia and Airbnb. In the physical goods sector, multiple B2C initiatives include sharing of power banks, umbrellas, and clothes, as well as other novel models, such as sharing artwork. On-demand services, second-hand markets, online payments, and crowdsourcing are part of the sharing economy in China.

National and Municipal Policies and Position on Sharing

The national government expects the sharing economy to contribute to national and regional economic development. Shanghai’s Master Plan for urban development 2017-2035, *Striving for the Excellent Global City*, aims to make the city innovative and sustainable, and highlights the importance of a low carbon development. National and municipal policies regulate sharing of bikes, food, physical goods, rides, finance, and webcasting services. Bike and electric car sharing are seen as more environmentally friendly mobility solutions. The central government supports electric cars, and the Ministry of Transportation (MoT) develops policies for shared electric vehicles, with goals for the total number of electric vehicles in every province by 2025. Bike sharing is seen as a way to a “first and last mile” solution complementing public transportation. The MoT has regulated dockless bike-sharing since 2017. It sets traffic and bike standards, applies sanctions for illegal behaviour, and demands that municipalities allocate bike parking spaces and ensure equal distribution of shared bikes in cities. Municipalities control and guide the design, production, operation, and maintenance of shared bikes. Bike sharing companies are subject to national legislation on personal data handling and consumer protection. Regulation of accommodation sharing includes registration of hosts and users with IDs, and strict standards for hosts offering their accommodation on platforms. Businesses sharing physical goods are subject to rules applied for off-line trading.

Drivers for Sharing

Drivers for the sharing economy in Shanghai include:

- Favourable climate for sharing economy start-ups due to governmental support of the private sector.
- Limited or underdeveloped regulations on short-term rentals (e.g. no caps on the length of rentals).
- Strong integration of sharing services into one or a few smartphone apps (e.g. WeChat) eases comparison and use of multiple sharing economy services.
- Contextual factors (e.g. congestion, pollution, insufficient public transportation, caps on new vehicle registration) fuel the demand for shared mobility solutions.
- Consumer convenience needs dictate the demand for sharing of specific products (e.g. clothes, power banks, or umbrellas).



Barriers to Sharing

Barriers to the sharing economy in Shanghai include:

- Low population affluence resulting in rather low supply of idling goods for sharing in P2P segment;
- Lack of infrastructure for electric vehicles and bikes;
- Lack of trust in strangers in the Chinese society limits the sharing of homes beyond family members;
- Many accommodation hosts do not provide receipts, which deters business customers to use shared accommodation for business travels.

Sustainability and Sharing

Environmental sustainability

Sharing bikes and electric cars aligns with the city's low carbon targets. However, in 2017-2018, the streets of Shanghai were flooded with bikes, generating chaos and discomfort. Some bike sharing companies did not efficiently manage end-of-life bicycles, which resulted in massive bike graveyards. Airbnb has a sustainability report advising their hosts on how to lower their environmental impact, but Tujia does not. Some hosts have decided to install smart metres in rented homes to save energy.

Social sustainability

Shared mobility offers new employment opportunities for unemployed people and city newcomers. Didi services are classified as an online taxi, so DiDi is offering employment to drivers. Mobike initiated public online debates about their services, thereby empowering its users by giving them a voice.

Economic sustainability

Promoting economic growth and business development is high on strategic agendas among Chinese policymakers at different levels, which may explain a more welcoming climate for B2C sharing models than P2P ones. Many mobility and accommodation sharing companies are backed by large investors. Electric car sharing is subsidised. People renting out their homes in Shanghai do not have to register as taxpayers, thereby increasing their revenues.

Shanghai Citizens and Sharing

Our interviewees generally associated the sharing economy with Internet trade. While 94% of the population is willing to accept sharing offers, public perception of the sharing economy is varied and fluid. Young, tech-savvy, and mobile people are more interested in sharing alternatives. Convenience and consumer needs are key reasons why people share in Shanghai. Bike and accommodation sharing are the most known forms of sharing, but the latter is less accepted. Accommodation is rented out mostly by young people, while older people are more reluctant due to cultural barriers about inviting strangers into homes. Social media is strong in shaping public opinion in Shanghai and China in general. For instance, in 2017-2018 it was instrumental in creating a negative sentiment around bike sharing and ride-hailing schemes due to street-clogging with shared bikes, and reported examples of minor crimes committed by DiDi drivers.

tujia
途家

