

URBAN SHARING IN SEOUL

Country: South Korea
Population: 9 988 000

City area: 605,2 km²
Government: 25 local districts



URBAN SHARING
Sustainability & Institutionalisation

Urban Sharing at a Glance

Seoul is an established leader in the global Sharing Cities movement and a unique example of how the sharing economy can address multiple challenges linked to welfare, the environment and jobs. Through its Sharing City Seoul (SCS) programme, the Seoul Metropolitan Government (SMG) has successfully implemented over 140 sharing projects and raised Seoulites' awareness about sharing. However, SCS represents only a portion of Seoul's sharing economy, most of which is driven by large companies and conglomerates.

Seoul is a host for many sharing platforms, including accommodations (Airbnb, Couchsurfing, BnB Hero, Homestay.com, WeHome, Wozoo, Homestayin), workspaces (SpaceCloud), event spaces (FASTFIVE, WeWork, SparkPlus, JustCo, DreamPlus, FlagOne, WorkFlex) and parking spaces, which the SMG organises through the Public Parking Lot Sharing Programme. Although peer-to-peer car sharing is prohibited in the city, many business-to-consumer and business-to-business mobility sharing organisations exist. These include carsharing (Nanum Car, SoCar, the Humax Car Sharing), e-scooters (Swing, Beam, Xing Xing, Kickgoing), bikes (Ttareungyi) as well as ride-hailing companies (KAKAO Taxi). Sharing household goods is more prominent in Seoul than in other cities worldwide. Both business-to-consumer companies and social projects in apartment buildings or local communities offer schemes for sharing household goods such as tools, books, clothing (OpenCloset) and toys (Green Toy Libraries).

Role of Authorities in Sharing

The SMG largely follows the Sharing Promotion Ordinance in regulating the sharing economy. National laws prohibit sharing private accommodation with domestic customers in cities, but short-term accommodation rentals to foreign visitors are permitted in cities, and rural areas have no restrictions whatsoever. The principal local regulations for car sharing in Seoul include mandatory reporting by car-sharing companies of their parking lots and the vehicles to be used, as well as a requirement for parking contracts to have a duration of at least one year. Multinational ride-hailing providers such as Uber were banned in 2019. In 2022, the SMG changed its 40-year-old taxi regulation to allow taxi companies provide ride-hailing services. Uber has also changed its business model worldwide toward collaboration with the taxi industry and has now returned to Seoul. For e-scooters, SMG sets the minimum rider age at 16 and requires users to wear helmets, hold a moped driver's license and use bike lanes. Seoul's advanced solid waste management laws – a deposit/refund system, extended producer responsibility for different product groups, and a system of volume-based waste disposal fees – indirectly support household goods sharing.



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Drivers for the Sharing Economy in Seoul

Its favourable climate for social entrepreneurship in general, along with support from the Seoul Metropolitan Government, help the development of the sharing economy in the city. In particular:

- Financial and administrative support from the SMG and high city density drive the *space-sharing* segment.
- The strongest driver of growth in *car sharing* is the increasing demand for mobility from those who need a personal vehicle but cannot afford or decide not to own a car.
- Municipal support, affordability, consumer convenience and the provision of lacking services facilitate the sharing of *household goods*.

Barriers to the Sharing Economy in Seoul

- Seoul's sharing economy struggles with outdated regulations that often limit opportunities for *space sharing*.
- For customers, one barrier to *car sharing* is the limited reach of sharing services, as they are available only in a few areas, which reduces their accessibility and customer convenience.
- Seoulites have relatively limited awareness of car-sharing services.
- Requirements to wear a helmet and have a driver's license limit the demand for *e-scooter sharing*.
- Limited public funding, private loans and investments reduce possibilities for upscaling small- and medium-sized sharing organisations.
- A general lack of public awareness about the *sharing of household goods* limits their uptake.

Seoul Citizens and Sharing

Local players in Seoul's sharing market still struggle to gain recognition among potential users. The SMG has actively sought to increase residents' awareness of the SCS. In 2015, the educational programme "Sharing Economy Start-up School" was introduced in schools across the city, in collaboration with district governments. The SMG conducts regular surveys to track public awareness, user experience and satisfaction with the sharing services that it backs. In 2020, over 70% Seoulites knew about SCS projects. Due to limitations on peer-to-peer sharing, Seoul residents are only users and not resource providers of shared services. The SMG's "Third Sharing City Seoul Master Plan" set new goals with the aim of achieving a "Citizens' Sharing City" rather than a "Sharing Market City", with emphasis on constructing reciprocal relations between people, co-production and cooperativism and common management of individually owned resources.



Photo: Urban Sharing team



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Sustainability and Sharing

Environmental implications

Sharing solutions deliver several environmental benefits to the city. The more optimised use of idling parking lots in the city through the Public Parking Lot Sharing Programme reduces the need to build new parking lots, saving resources, energy and land. Car-sharing schemes, particularly the Nanum Car project, suppressed car ownership in Seoul, as 2.4% of car owners sold their cars after they started using the programme. According to the SMG, Ttareungyi reduced urban CO2 emissions by 55 500 tons in 2021. Household goods sharing libraries and online sharing platforms extend product lives and increase product use intensity. Many household goods sharing organisations also offer repair services.

Social implications

Delivering social benefits is an important driver of SCS projects. The home-sharing platform WeHome helps preserve traditional Korean hanok houses and popularises them among tourists. The cross-generational programme Same Roof Generation Sympathy addresses the issue of loneliness among the elderly population. Car sharing can increase access to other mobility services for individuals who do not own a car, including low-income households, seniors, students and persons with disabilities. Better mobility, in turn, improves access to jobs, education, healthcare and other public services. The socio-economic impacts of clothes sharing are evident among lower-income residents with limited ability to buy new clothes, such as business attire for job interviews.

Economic implications

Long-term home sharing offered through the platforms such as Wozoo, Coliving and Same Roof Generation Sympathy provide more affordable housing to tenants. The Public Parking Lot Sharing Programme offers extra income to parking lot owners. Car sharing offers opportunities for private households to save money on personal mobility by reducing car ownership costs. Car sharing also reduces traffic congestion and benefits the city economically, as less transport infrastructure needs to be built, and urban land can be used for other purposes.