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Sharing Towns – Building success with the sharing economy outside big cities

Henric Barkman, Charlotte Wedberg and Kes McCormick

Background

The sharing economy is sometimes described as a big city phenomenon. Among the successful examples of sharing economy, cities such as New York, Amsterdam, Seoul, Bergen, Oslo, and Gothenburg are often highlighted. But the majority of the population of Sweden and many other countries do not live in big cities, but in small towns, medium-sized cities or in a rural area. With a smaller and less densely populated population base, these areas are less interesting for commercial sharing services, and it also considered to be more difficult to create a critical mass for sharing under such conditions.

Therefore, there is a risk that these smaller towns and rural municipalities are lagging behind in the sharing economy and are losing out on the opportunities it can offer. But at the same time, services such as Fritidsbanken ("The Leisure Bank" - a library of things) have shown that it is possible to build successful sharing services even in small towns. The Sharing Towns project in Karlstad is based on the opportunities of a smaller city and draws on lessons of how the sharing economy can develop effectively and sustainably outside big cities.

Solution

Karlstad, with its little more than 90,000 inhabitants, is a medium-sized municipality in Sweden and it has the role of being the "engine" in a region of smaller municipalities. In the

Sharing Towns project, the municipality is working with six partners to strengthen both the supply and demand of sharing solutions, and also to improve the overall conditions such as networks between different societal actors, decision-makers and citizens.

In order to understand how the sharing economy can develop even in smaller cities, attempts have been made to identify the relevant differences between smaller and larger cities, and what effects they have.

- *"In Karlstad, we do not see scooters lying around, using Airbnb is quite common, but the city has not been exposed to any aggressive marketing or rapid transformation of the housing sector due to the service. It creates room to actively participate in and shape the sharing economy in a way that is sustainable in the long term",* says Henric Barkman, one of the project managers in the Sharing Towns project.

Henric Barkman has worked with sustainable consumption in the academic, civil and private sectors, and now in the public sphere. He points out that while the larger commercial players show a lesser interest in smaller cities, there are many other types of services that thrive in Karlstad and other towns.

Fritidsbanken serves as a library for sports and outdoor equipment and it was established in the community of Deje with 2700 inhabitants, located three miles north of Karlstad. In a short time, the concept has spread to over 90 municipalities and together they have facilitated hundreds of thousands of loans. If you look at the map of all the banks, the pattern is clear: this is a movement that is associated with the Swedish countryside.

- *"This type of initiative can even work better in a smaller city than in larger ones. In small municipalities, it is simply easier to create a broader community support behind them",* Henric Barkman explains.

The experience from Fritidsbanken and the dialogue with other actors and municipalities show that there are two particular reasons for why the sharing economy can flourish in small towns. Above all, it is easier to create social capital in a smaller group. In a smaller municipality you know each other and trust each other, to put it simply. The distance between different community actors are also shorter. In addition, the complexity is less in the small town, and they may therefore have an easier time handling change processes, although both financial resources and human capital are lower.

However, having everything for niche businesses seems to be more difficult in a smaller municipality. Therefore, Karlstad has chosen to try to integrate the sharing economy with the nearby circular economy (such as second-hand and repairs), and it is also having dialogue with the traditional retail trade.

- *"At the beginning of the project, a couple of journalists and some politicians wondered what the trade sector would think when people began to share, borrow, rent, exchange and buying things second hand, instead of buying new products. But the response we have received so far indicates a great interest. The retail sector faces major challenges, including due to e-commerce, increased service consumption and demands for sustainability. Taking inspiration*

from the sharing economy is by more and more seen instead as an opportunity to reverse the trend of the death of stores”, says Henric Barkman.

When it comes to circular consumption, such as second-hand and repairs, Karlstad sees no why not to connect with the sharing economy. They are both still relatively alternative forms of consumption, and the Karlstad citizens themselves do not seem to make such a big difference between the concepts. As long as they contribute to a more sustainable consumption.

- *“We did a survey that showed that as many as 84% of the people in Karlstad are open to reducing their consumption, and a majority feel that they have too much stuff”, Henric Barkman says. “They have a very positive view of borrowing things, and also of repairing and buying second hand. Fewer people practice it, though. These results show that there is a potential in the sharing economy that we need to be help each other to seize”, Henric Barkman concludes.*

Lessons

1. Use what we already got

Use the resources you have in your society. Start by gathering them, and don't be afraid to copy others. Everyone cannot and should not create their own solutions.

2. When economic capital is scarce, build on social capital instead

The sharing economy can contribute to many different things, which means that people and actors can be involved for different reasons. In addition, a sharing economy based on social capital stands on a more solid and sustainable foundation.

3. Do not treat the sharing economy as a separate phenomenon

The sharing economy can potentially have unique features that go beyond the focus on resource efficiency in the circular economy, but they also have many similarities and can benefit from each other. Furthermore, the traditional retail sector is undergoing a massive change and it is now open to new concepts, creating a window of opportunity.

Resources

For more information on Sharing City Karlstad visit:

<https://www.sharingcities.se/investigating>

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