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Short Biography: Nancy's recent work examines how planners in London have tackled issues of enforcement with respect to the loosening of regulation of short-term letting in London arguing that this has limited planner's opportunities to develop a critical voice that allows them to advocate for policy interpretations that help to create better outcomes for local communities.

TITLE:
Regulating Platform Economies in Cities – Disrupting the Disruption?

Introduction

The private sector has increasingly become involved in the governance of cities including in planning. This can be seen in places like London where the 2015 Deregulation Act has loosened the powers planners have to control short-term letting and in cities like New York City where Uber and Lyft have been in a pitched battle with regulators. Much of this can be seen as a shift towards new modes of working due to the advancement of mobile technologies and digital networks that have begun to transform the way we live, work and entertain ourselves in cities. In many respects this has also challenged how we, as planners, regulate housing, transport and the urban economy in ways that help to create better outcomes for local communities.

In this interface, I will work through these issues referring to the example of short-term letting in London, which though not new, has recently become much more pronounced due to platforms like Airbnb, Booking.com and Onefinestay. Importantly, I will use the term 'platform economy' rather than 'sharing economy' as it allows us to focus on the key dynamic that has made formerly informal activities like ride sharing and couch surfing ramp up into a globally branded phenomena. This innovation is of course the App, which acts as an intermediary between service providers and service users. This means that companies like Airbnb can boast of having a platform containing close to 50.000 homes in London ("Inside Airbnb," n.d.) without ever having to invest in bricks and mortar or that companies like Uber can act as the clearing house for over 5billion rides globally (Sherman, 2018) without directly employing its drivers. Without intensive computing and advancements in digital technologies this would have been impossible only a few years ago.

What the platform economy means for cities, can be seen as both an advantage and as a disadvantage depending on how we choose to shape the opportunities that technological advancements bring. On a positive note offering flexible and accessible work or the ability to gain income from under-utilised assets like rooms in our homes may bring welcome relief to individuals struggling in the current economic climate. However, in an unregulated form they also can lead to gentrification and rising house prices (Ferreri & Sanyal, 2018; Wachsmuth & Weisler, 2018) and, in the case of platforms like Uber, Lyft and Deliveroo, the exploitation of labour (Martin, 2016). I will argue that in order to ensure that the benefits of platform economies extend beyond venture capitalists to city dwellers, that we need to imagine new ways to regulate and new ways to fund and model these innovations**.** We are at a relatively early stage in the development of this new method of service delivery. If we work to shape it rather than either attempting to crush it or ignore it, we have the opportunity to make it more beneficial to a wider section of the population. However, I am not sure that this can be done at a global level as we have too many competing values and ideas that are embedded locally in our societies. Instead, I believe that cities are best placed to consider how to work through issues of platform capitalism, as they are closest to the populations they serve.

The regulation conundrum

Regulating platform economies is a tricky business. For example, the relaxation of short-term letting (STL) regulation in London saw planners faced with massive informational asymmetries and a nearly unenforceable regulation (Holman, Mossa, & Pani, 2018a). The enforcement against STL infractions, already a time intensive and expensive business, grew ever harder as a near tidal wave of new properties came on-line. For example, the London Borough of Westminster saw listings on Airbnb of entire homes rise from just under 1500 in November 2013 to over 3500 in March of 2016. With no way of tracking which properties were listed and no way of knowing how long properties were listed for, planners found themselves becoming amateur detectives, trawling Airbnb's website trying to determine which properties were listed in the borough and increasing their door-to-door visits in areas where illegal activity had traditionally been highest. Worse still, when faced with complaints, they found themselves able to offer only minimal help to their residents. This dynamic opens the door to a loss of trust in the planning system and a potential lessening of job satisfaction amongst practitioners.

The question then is, how is it possible to offer some form of control of the worst excesses of the platform economy without loosing the benefits it can provide? In their incisive paper on regulation the 'sharing economy' (Finck & Ranchord, 2016) outline the multiple ways that cities have chosen to deal with it. They describe *tolerant or minimalist* cities that see benefits in promoting platforms and either do not enforce their own zoning regulations or impose minimal regulations in the form of tax collection, night limits and residency requirements. Whilst this is designed to restrict business interests from exploiting STL in the city, it is not always successful. London is a case in point, as the regulations proposed by central government did little to curb multi-listings, which are a common indicator of professional operators in the sector (Holman, Mossa, & Pani, 2018).

Another style of engagement discussed by Finck and Ranchordas (2017) is what they term the *restrictive approach* where cities seek to eliminate or strictly limit their illegal operation. For example, Barcelona has initiated legislation and created an agreement with Airbnb to share data. Properties that do not have a license can now be tracked and owners fined. This is one of the first instances where a city has been able to enter into a data sharing arrangement with the platform (O'Sullivan, 2018). Whilst this represents a significant improvement over the more intransigent position Airbnb took on data sharing, it goes only a small way to limiting the activities of other homesharing platforms. Cities are therefore left to continue battles and negotiations with a growing number of platforms on an individual basis.

How can cities benefit from sharing?

Permissive approaches run the risk of being overwhelmed by the sheer magnitude and proliferation of platforms and their ability to build markets quickly and exponentially disrupting local housing, transport and labour market practices. In addition, they represent costly time intensive options for implementing tax policy, night limits and other regulations as data asymmetries and local skills put planners continuously on the back foot. Finally they also run the risk of altering the relationship between planners and residents who face problems with STL, as the protection in terms of enforcement that planners can provide is minimal. More restrictive modes of regulation solve, at least to some extent, the issue of informational asymmetries by forcing platforms to reveal the location of each property being advertised. Whilst this may prove to be more successful than the permissive approach it still requires considerable and seemingly unending negotiation between an ever-increasing number of platforms.

A different way forward may be to disrupt the disruption of platforms by providing diverse, ethically led cooperative platforms that combine the best parts of collaborative consumption with an App based interface. The platform co-operative movement has been heavily supported by Trebor Scholz of the New School in New York and simply put allows for transactions to be mediated via the platform whilst profits and ownership is shared amongst its producers. This means that any profit made is shared amongst those who actually produce the labour rather than platform owners or venture capitalists whose interests are more often about maximising value rather than supporting fairer employment practices or supporting locally affordable housing. Jeremy Corbyn and the Labour Party in their 2016 Digital Democracy Manifesto also took up this idea and it has taken hold in a number of cities.

The way that cities can support the formulation of platform cooperatives is through proactive planning policy and investment funds, which encourage their development. Whilst this may seem overly ambitious or too difficult a number of cities around the world are making significant progress. Seoul South Korea was one of the first to declare itself a 'sharing city' in 2012 and since this time has made steady progress in providing a policy and investment climate that encourages private companies and civic organisations to create sharing platforms in the city aimed at supporting social values (Moon, 2017). Barcelona and Amsterdam have also embarked down this path pushing toward progressive values through the fiscal and regulatory fostering of socially based cooperative platforms.

Clearly it is early days and much remains to be seen as to how the platform economy develops and what other disruptions may come from new technologies. However, much like the destructive forces of early industrialisation, which had to be mitigated through planning and employment law, platform economies need to be shaped toward providing more sustainable and socially just outcomes for society. It is unlikely that governments will have the time, labour force or budget to strictly enforce significant regulation. Laissez-faire approaches are also problematic as there is little ability to prevent the worst excesses of platform capitalism with limited regulation. We are therefore left to imagine a different way forward. Properly fostered platform cooperatives may offer us just this.

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