What the rise of the sharing economy means for transport

Hall 3, Level +1

Friday, May 29, 2015, 09:00 - 10:30

This session addressed the challenges and opportunities that the sharing economy creates for society. Sharing transport is disrupting traditional business models – including transport. Its fast growth is rooted in three things: an ability to leverage spare capacity and expand systems without large investment requirements, the exponential effect of collaborative experimentation and learning, and the ubiquitous nature of distributed capacity. The coordination in real time of all these elements has been enabled by the rapid expansion of mobile internet technology.

The presence of spare capacity is a reality in the transport sector. A typical car lies unused for approximately 23 hours a day. This represents a tremendous investment in overcapacity – both for car owners and for the public authorities that provide and maintain public infrastructure. Over-capacity is not confined to cars – there are many other private goods that remain unused most of the time; second homes, office space, Wi-Fi bandwidth, etc. This unused potential is at the heart of the emerging ”sharing economy” which uses network technologies to enable individuals or companies to monetise the spare capacity inherent in many material goods.

The transport market has seen the emergence of new types of services that complement those of today and offer new ways to tackle the externalities of growing urban populations. All players in the system may need to adjust to provide citizens affordable mobility. With around 2 million users worldwide, car and ride-sharing are still marginal but the arrival of major car manufacturers in the market and the rapid growth of new service providers signals the growing importance of these services. The influx of new, well-capitalised entrants, may signal a fundamental change in the mobility ecosystem.

While sharing improves resource allocation and meets consumer demand, it also raises questions about service standards, risk allocation and the regulatory framework in general. Many institutions and incumbent urban transport providers stress that all players in the system should comply with existing regulation, intended to protect customers and society. Legislation may need to be improved to meet the new challenges and societal changes but incumbents maintain it should not be circumvented.

On the other hand, entrepreneurs in the sharing economy state that society evolves at a speed that regulation is not able to meet. This can be asignificant obstacle to innovation, to which existing legislation is oblivious. An intense dialog between stakeholders and regulators is going to be required to resolve all the issues raised in relation to the sustainability of the transport sector, efficiency, equity of access and ensuring the
protection of customer privacy and safety.

Quotes

"Uber and other services like Zipcar and Blablacar are part of a new mobility ecosystem"
David Plouffe

"Cars are today one of the least used assets in our society, being averagely used 50 minutes per day. A huge CO2 reduction might be obtained from a wiser and more efficient use of these resources" David Plouffe

"Everyone must follow the rules. We may need to discuss them, but we have to respect them first" de Pretto

"The shared economy is based on three miracles: the ability to leverage spare capacity, the exponential effect of shared learning and the omnipresence of resources" Robin Chase

"The Blablacar system has saved about 1 million tons of CO2 emissions in two years"
Frédéric Mazzella

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Speaker
Frédéric Mazzella
CEO
BlaBlaCar

Frédéric Mazzella is the Founder and CEO of BlaBlaCar, the leading European ridesharing community that connects drivers with empty seats and people traveling the same way, so they can share their cost. Frédéric originally imagined a new transport network, built on people, when he could not get home one Christmas, several years ago. He had no car. The trains were full. The roads, too, were full of people driving alone in their car. It occurred to him that he should try to find a driver going his way and offer to share fuel costs... BlaBlaCar was born. Today, with more than 20 million members worldwide and several millions people transported per month, BlaBlaCar is making road travel social, money-saving and more sustainable. Mazzella leads BlaBlaCar's vision, focusing on the excellence of the product, brand communication and interactions with the ridesharing community.
David Plouffe joined Uber as Senior Vice President of Policy and Strategy in September 2014. Prior to this he served as Senior Advisor to President Obama from 2011 to 2013 and is widely referred to as the “architect” of President Obama’s two presidential campaign victories. Plouffe has managed campaigns at all levels of politics and has served as a consultant to leading companies. Plouffe currently serves on the Board of the Barack Obama Foundation. He has won plaudits for the use of technology and pioneering new applications.

Mika Rytkönen has been Director of Industry and Government Relations, at HERE, Nokia since January 2015, working on relationship management for various associations and government entities in the EU. Prior to this, he was a Member of the Supervisory Board of ERTICO and Director of Business Development and Industry and Government Relations at HERE from 2010 to 2015.

Robin Chase is a transportation entrepreneur. She is founder and former CEO of Zipcar, the largest carsharing company in the world; and founder and Chairman of Veniam, a vehicle communications company building the networking fabric for the Internet of Moving Things. She is on the Boards of the Massachusetts Department of Transportation, the World Resources Institute. She also served on the National Advisory Council for Innovation & Entrepreneurship for the US Department of Commerce, the Intelligent Transportations Systems Program Advisory Committee for the US Department of Transportation, and the OECD’s International Transport Forum Advisory Board.
Umberto de Pretto took up office as Secretary General of the International Road Transport Union (IRU) in June 2013. He joined the IRU in 1995 as Head of Economic Affairs. He then became Policy Coordinator and Head of Strategy, and was appointed Deputy Secretary General in 2002. His vision looking forward to 2020 is that the IRU will lead the road transport industry in embracing innovation and making sure that the industry is ready for the challenges and opportunities ahead. De Pretto was previously Deputy Director of the International Chamber of Commerce (ICC), responsible for International Commercial Practices and Techniques in Paris, France. Prior to this he worked as a Legislative Assistant for Ministers and Members of the Canadian Parliament having graduated from Ottawa’s Carleton University in Political Science, Economics and International Relations.

Matt Frei leads ITN’s Channel 4 coverage of the Americas and is also part of the presenting team across Channel 4’s news and current affairs portfolio, including the award-winning Dispatches programme. Previously, Frei anchored the BBC World News America bulletin and was also Washington Correspondent. He presented a weekly radio show called Americana, and in 20 years at the corporation reported from Bonn, Rome, Bosnia, Kosovo, North Africa, Hong Kong and Singapore.