European Smart and Sharing Cities

International conference on cities influenced by digital technologies and online platforms in the region of the UN Economic Commission for Europe

**Ministry of Regional Development of the Czech Republic
Prague, 22-23 November, 2018**

Concept paper with discussion questions
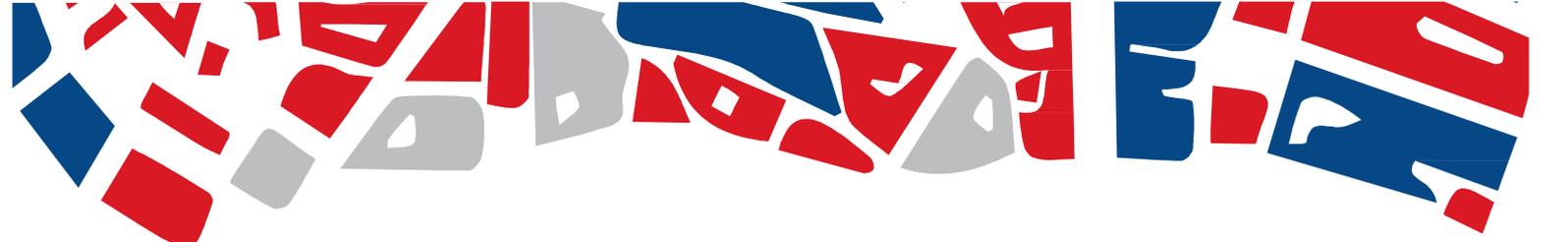
European Smart and Sharing Cities

Main goals of the conference

Representatives of countries, cities, institutions and organizations, as well as experts of the UNECE region will meet in Prague to discuss openly various aspects of the use and potentials of digital technologies and online platforms in the region. Digitalization and sharing economy significantly change not only consumption patterns, but also all other aspects of life in cities. New digital phenomena related to ICT development and sharing of assets have exploded in recent years and have thus enabled purchasers and sellers to connect easily, directly and quickly. These models promote use of goods and services without having ownership over them, while people participate in sharing activities by renting, lending, trading goods, services, space or even money only through clicking on their smartphones.

Participants of the conference are invited to share their experience, good as well as bad practice and visions; to present lessons learned, recommendations, warnings, and to present examples from cities of the region and to describe the steps done so far in the light of the implementation of the UN and EU documents on housing and urban development – SDGs in Agenda 2030, New Urban Agenda, Geneva UN Charter on Sustainable Housing, Urban Agenda for the EU.

Context

Ministers and the Heads of Delegations participating in the Ministerial Segment of the UNECE Committee on Housing and Land Management met in Geneva on 9th November, 2017 and agreed in the common ministerial declaration, among others, on these conclusions:

> *Across the region, the shift to a post-industrial, knowledge economy, and the increasingly important role of services, are changing the structure and character of the economy … and placing different spatial demands on cities. The knowledge economy and the digital revolution … are placing new demands on the physical structure of the cities, including challenges regarding access to affordable housing. ICTs play a growing role in the development of smart, sustainable cities, including initiatives aimed at sustaining and improving quality of life in urban areas, though this growth presents its own unique set of challenges, such as privacy, security, defence of public interests, etc.*

Ministers thus have invited national, regional and local governments and authorities and all other relevant stakeholders to work together to address the housing and urban challenges, in particular by:

- *Promoting smart and sustainable cities and an integrated and holistic approach to planning and managing cities.*
- *Promoting the use of ICTs in cities in a way that is mindful of both the opportunities, including increased efficiencies, as well as the challenges, such as privacy, security, defence of public interest, etc.*

In last years, thanks to digital technologies and online platforms, new trends in city development have emerged, and it is obvious that ICTs and online platforms influence quality of lives in cities more and more. Internet of things and, at the same time, sharing of services and properties - cars, bikes, scooters, umbrellas, apartments etc. - are new phenomena changing not only the way of thinking, but also the behaviour of citizens, entrepreneurs and politicians.

There are two most well-known faces of sharing economy in cities – taxi service and tourist accommodation; but there are many other activities being undertaken by for-profit or non-profit organizations as part of sharing economy. Lending tools, books, crowd funding or Wikipedia belong to the sharing concept as well. While these activities are not new, the new drive of sharing concept has been caused by digital technologies and online platforms easily available on personal smartphones – anytime, anywhere. What are the expectations for the future? What should governments and authorities focus on?
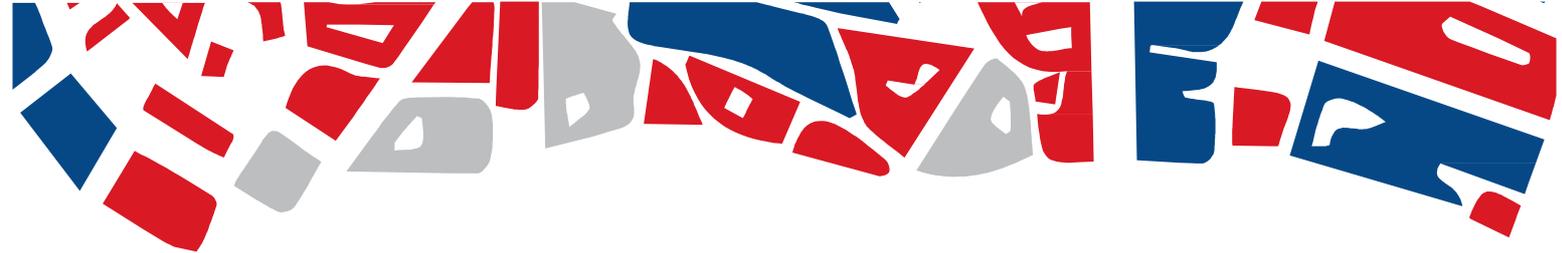
Session One

Potentials and challenges of smart and sharing cities in the UNECE region – impact of digital technologies and on-line platforms

Popularity and availability of smartphones, lower data costs and high population density in cities facilitate the use of sharing economy through online platforms. Smart cities and sharing economy can serve as instruments improving the way of life and challenging and stimulating by the users themselves. The role played by online platforms is at the core of sharing economy as well as of smart cities which are the natural environment for sharing economy services. According to Google Trends, the notion "sharing economy" has become a buzz word and has increased 16-fold since 2013; at the same time, there are also other phrases for this phenomenon, like "collaborative economy" (used by the European Commission), "on-demand economy", "peer economy", "platform economy", "crowd economy", or "gig economy". How can these trends be used in favour of smart city development?

Questions for panel discussion
- What is being shared in cities?
- Who are the main city actors of sharing economy? What/who are the drivers of sharing in cities?
- To what extent does smart city concept comprise sharing economy activities?
- What are the city issues and challenges in sharing economy?
- Is responsible sharing of things and services suitable for all citizens in cities?
- Who could be vulnerable and needs protection when using online platforms?
- Who could be a beneficiary? Is there anybody who could pay any unfair cost?
- What is the impact of sharing economy on prices and local economy?

Session Two

Housing – local citizens versus tourists? Markets and affordability

Cities all over the UNECE region are facing consequences of increased tourism. In some of them, anti-tourism marches are being organized by local citizens, which ask authorities to regulate the inflow and accommodation of tourists. Communities are affected; concerns are visibly expressed in many cities on issues such as safety, noise, dirt, significant turnover of visitors, and lower housing affordability for local permanent residents. Online platforms enabling short-term rentals are disruptive to traditional hotel industry, can trigger gentrification processes, and housing affordability as well as availability are jeopardized as apartments are turned into tourist rentals. What seems to be the biggest concern for cities is not the original idea and substance of home-sharing, but the development of business style of short-term accommodation. Consequently, entire apartments and even buildings are converted into vacation rentals for tourists.

Questions for panel discussion
- Sharing economy in housing – what kind of main threats and potentials are there?
- Is there space enough for both – citizens and tourists? Can cities absorb all?
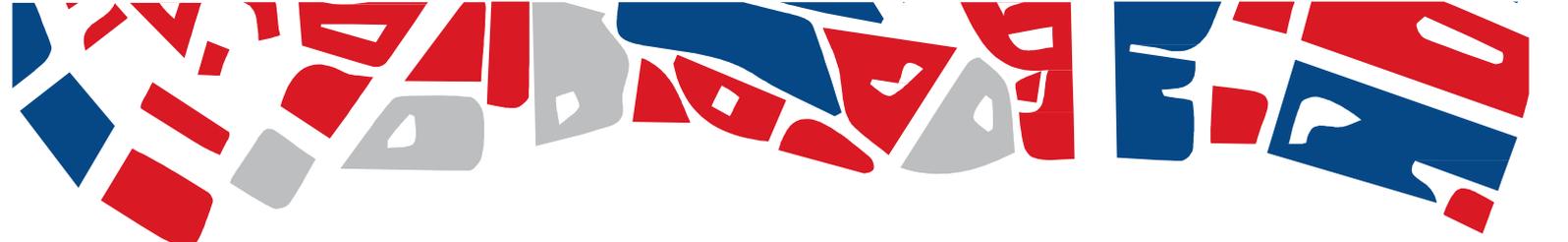
- How to balance economic development, digitalization, city liveability and housing affordability?
- Can markets themselves react adequately? Is there a necessity of public intervention in housing markets?
- Which tools should be used to balance the shortage of housing for local citizens?
- What is the potential of this platform economy to bring cultures together or perhaps antagonize people/cultures?

Session Three

Urban planning and governance of a smart city – balancing economic vibrancy and public interests

Cities have become key sites for the development of online mediated sharing economy. New online platforms are blurring the lines between public and private spheres; cities are suited to channel the power of new partnerships and opportunities creating a shared, dynamic, innovative environment for all. Smart cities concept is based on the use of digital technologies with the aim to improve public services and to bring them closer to citizens, and sharing economy concepts radically change consumer behaviour as well as entrepreneurs delivery, while this development process is dynamic. There are even plans to provide – based on an "on demand" online model – temporary staff, like e.g. security guards, cleaning persons, waiters, drivers, etc. for ad hoc events and temporary needs. Commercial online platforms, enabling peer-to-peer sharing, disrupt legacy of services, raise tensions between private and public sector interests and put pressure on housing rents. At the same time, sharing economy endorses job creation and intensifies labour practices. New and more inclusive forms of sharing can support urban commons through e.g. community gardens, tool libraries, repair cafés that are arising in many cities. Some studies conclude that peer-to-peer activities potentially benefit the bellow-median-income part of the population more than the above-median-income one.

Questions for panel discussion
- What does sharing economy mean for smart cities? How can platform economy influence city development?
- What else are we going to share? Is this trajectory of sharing concept endless? Is it sustainable?
- What benefits and risks do car sharing and bike sharing bring?
- Does inclusive sharing exist? Can smart and sharing city be used as means of income redistribution?
- What are the regulatory approaches? Should a city as such be accepted as a space for real sharing? What can governments and cities do?
- Can cities employ the possibilities of sharing economy and tackle urban challenges hand in hand with their residents?
- Can city planning be improved through data sharing?
- How to balance public interests of local people with dynamic growth of sharing economy aspects?

Session Four

Self-regulation and regulation and its enforcement - roles of municipal and national governments

It is obvious that there is no "one-size-fits-all" regulatory approach. Every city should develop its unique, place-based solution to new challenges. Cities cannot wait; they should act; to consider to address regulatory and taxation issues in particular. There are three main options of regulation - a full prohibition, the laissez-faire approach and the limitation with various types of restrictions, including obligatory online registration or licencing. At the same time, cities should work together with online platforms and cooperate in order all positive economic potentials can be exploited. The on-going dialog is an opportunity to address key issues that cities face and what cities can do to enable all to participate in the potential of smart solutions and sharing economy concept. Regulation is mostly directed to mitigate neighbourhood impacts; however, enforcement often remains difficult due to markets dynamism and online practice.

Questions for panel discussion
- Are there any capacities of markets to regulate themselves?
- How should sharing be regulated? Can regulation be smart?
- Can platforms mitigate and solve many of the issues that markets face, making the role of public interventions more and more marginal?
- What are citizens looking for in the era of sharing economy? How are the values as freedom, prosperity, and safety relevant for people?
- How (and if) to include the local citizens' experiences into the discussion about regulations?

<center>* * *</center>