Why do we need a sustainability label for the sharing economy in Brussels-Capital Region ?

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› Not all organisations that claim to be part of the "sharing economy" are truly sharing goods and services with tangible effects on environmental/social sustainability benefits

› There is a strong demand for a reliable and trustworthy information tool on the environmental and social sustainability of sharing economy organisations

› The main contribution lies in the decrease the natural resource input into the economy by sharing otherwise under-used assets

› The Brussels-Capital Region can create a "certificate" on the model of the "eco-dynamic enterprise" to define a uniform set of criteria for using a "sustainable resource sharing" label

› Such a labelling scheme should be implemented through strong participation and involvement of the organisations that will use the label

The innovative business models developed in the sharing economy show great potential in contributing to decrease in use of natural resources in the overall economy. The shared consumption practices cover a wide spectrum of sectors of activity, such as car sharing, co-housing or exchange of goods, and they can take different forms such as matching "haves and wants" of shareable goods through online digital platforms, organising the collaborative use of products as an alternative to buying. However, not all the enterprises that claim to be part of the "sharing economy" are truly sharing goods and services with tangible effects on sustainability benefits. At the present state of research, clear guidance and support mechanisms for reaching such improved sustainability are lacking in the field of the sharing economy.

Key messages

Introduction
Summary of the problem

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The City4coEN project focused on the specific contribution that the sharing economy can make to environmental and social sustainability, which is to decrease the natural resource input into the economy by sharing otherwise under-used assets – the so-called idling capacity of the goods.

The main environmental sustainability benefit that is the focus of this project is therefore the increase in material resource use efficiency, through the use of otherwise unused capacity in the fields of mobility, built infrastructure, food and use of objects. This environmental benefits is evaluated as positive only if the initiative respects the basic social standards of delivering quality jobs (inter alia in terms of social security and wage levels) and privacy and consumer protection rights. For instance, research shows that a shift from car ownership to round-trip car sharing (such as Cambio in Belgium) leads to a strong decrease in driving km's per month and an increasing multi-modal mobility behaviour (combining walking, cycling, car and public transport). In the field of food sharing, initiatives for recovering and sharing otherwise wasted food specifically benefit disadvantaged social groups. In contrast, the model of on demand taxi services such as Uber

lead to downward pressures on social protection of workers and have shown to increase car use in city centres.

To provide policy relevant knowledge for improving the expected sustainability benefits, the project addressed three research questions :

1. What are the criteria to define the specific sustainability benefit of the sharing economy ?

2. What business models/organisational forms contribute most to reaching these sustainability benefits ?

3. How to organize public support to make the sustainability benefits better known to the users and the general public ?

The answer to these questions was provided through 3 major surveys (cf. references below). The main lesson from this research is that contribution to environmental and social sustainability is highest when (1) organisations combine economic sustainability with a strong societal mission and (2) focus their activity on the "true sharing of goods" that are (2a) under-used and already owned for other reasons or (2b) made available by an owner for non-pecunary purposes. As shown in the

paper on "Unpacking the organisational diversity within the collaborative economy" (Lambert et al., 2019), the business model of these organisations with "strong societal missions" can be (1a) small-scale start-ups with a limit on profit distribution (for instance through rules of re-investment of profits in the further building of the societal mission or establishing of legal cooperatives), (1b) formal non-profit organisation or (1c) informal citizen initiatives. The innovative character of the research results is to have shown the vulnerability of these organisational forms – especially of 1a and 1c – in

presence of fierce market competition from organisations devilering similar services but without the societal mission component. This clearly indicates a need of new instruments in public policy : from supporting certain organisational forms, such as start-ups, to market signalling tools indicating the effective implementation of societal mission to the users of the provided services for all organisational forms. The proposed label described below shows how a societal mission of "true sharing of goods" can be evaluated through a list of three minimal criteria (section 2 hereunder).

Methods, approaches and results/body

The sharing economy is part of the new emerging business models that aim to contribute to more long-term sustainable economies that operate within the ecological limits of planet. However, seen the lack of consistent information on the environmental and social sustainability benefits of the sharing economy, both users/consumers and the sustainability oriented sharing economy organisations demand a more transparent and reliable information system. Based on the extensive field research in this project, conducted in close partnership with the sharing economy organisations, the design of a public labelling scheme for "sustainable resource sharing" seems the most appropriate way forward. Indeed, the Brussels-Capital Region already has extensive experience with such public labelling schemes and these schemes could be easily adapted to the reality of the sharing economy organisations. In particular, strong participation and involvement of the the organisations that will use the label will be key to a successful implementation of such a scheme.

Conclusion

1. Creation of a public label for "sustainable resource sharing"

The most urgent area of action is the creation of a reliable and trustworthy information tool on the environmental and social sustainability of sharing economy organisations. Such a tool can be used by the public authorities for instance in public procurement or in official statistics, and by users/consumers who aim to support sustainable enterprises and organisations.

The public label can build upon the successful experience in the Brussels Region with the "eco-dynamic enterprise" label. This public label was created through a decree by the Region that established a "certificate". To obtain the certificate a certain number of conditions need to be satisfied. Organisations who obtain the certificate can then advertise their sustainability contribution by using the label associated to the certificate.

2. Establish a clear list of criteria for evaluating resource sustainability

The label needs to be based on clear and uniform list of criteria, and be specifically focused on the contribution made by the "sharing of goods" to sustainable resource use. These criteria should clearly identify practices of true sharing of goods that are under-used (because they have idling capacity or because they are easy to be shared, but

not shared in practice). The list could for instance focus on the following three minimal conditions: enabling the sharing of tangible goods, restricted to temporary use of the shareable good and sharing of goods whose idling capacity (the under-used feature of the good) is initially owned for non-pecuniary purposes (cf. Fossati et al., 2019).

Not all criteria can be satisfied to the same degree by all organisations. A convenient way for implementing the scheme is therefore to use a "points" system, where enterprises can gain points on each of the 3 criteria, with a minimum threshold on each of the criteria. According to the overall points, an organisation could receive a "one star", "two stars" or "three stars" label. If the minimal threshold on each of the three criteria is reach, an organisation can gain additional points if empowers its sharing activities through online digital information and networking tools.

3. Establish strong participation of the sharing economy business and community organisations

Research clearly shows the importance of broad participation of the organisations that will use the label to the implementation of the scheme. Such participation can be fostered through the inclusion, in the scheme, of regular information sessions for a sub-set of enterprises. At these sessions, some

Policy recommendations

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coaching can be provided, but also feedback collected and new potential candidates for the label identified. Such regular information sessions have been organized with a high degree of success in the "eco-dynamic" enterprise label.

4. Rely on third party auditing for the sharing economy organisations that are already more formally organized

Although the certificate for "sustainable resource sharing" is awarded by the public authorities, these authorities can enforce the credibility of the scheme by asking third party auditors to assess the compliance with the criteria. This simplifies the administrative duties for the public authorities and enhances the trustworthiness of the scheme for individual users of the sharing economy. The surveys conducted in the project show however that not all the organisations are equally interested in such formal external auditing mechanism (cf. Brabant, 2020). The formal procedures fit well organisations that are already used to internal and external evaluation mechanisms.

5. Use the new tool of "internal control for group certification" for sharing economy organisations that are community based

Some organisations in the sharing economy, such as the repair cafés or sharing garage spaces for collective food buying groups, are more community

based and not used to formal evaluation procedures. However they might have a clear interest in the label, as they also are confronted to the pressures of large-scale for profit sharing economy organisations operating in the same markets and show to be interested in educational and awareness raising benefits of the label. A more appropriate control mechanism for these organisations is therefore to rely on established participatory guarantee systems for labelling schemes. Indeed, the community based organisations are more likely to have the resources in place to put in place such a participatory system, as community participation is already part of their way of functioning.

One recent participatory system is the "internal control system for group certification". This system has been put in place at the International Federation of Organic Movements (IFOAM) and is also recognized under EU legislation as a valid alternative. Under the internal control system the certification body (here the Brussels public authorities) delegate the periodic inspection to a collective body identified within the certified organisation, such as the general assembly or a multi-stakeholder governing board. So role for the public authorities in this scheme remains quite similar to the case of third party auditing: the authority inspects the well-functioning of the evaluation process and, instead of delegating part of the evaluation to a third party auditor, delegates this to a well-identified collective management body that represents the broad community of users.

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List of publications

The author & project

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