

The Sharing Economy

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The **sharing economy** is a **concept** that has **started** to **take hold** in **many different areas** over the **past several years**. This **type** of **economy** has **always** been **around**, but the **Internet** has **made** it **easier** for **people** to **find goods** and **services** that are **not part** of the **traditional, established system**. These **systems** **put people** in **touch** with **others** who **have** a **specific need**, **whether** it is to **find someone** to **watch** their **pet** or to **get** to the **grocery store**.

pet = an animal you keep in your home, like a dog or cat

The **people connect** through the **website** or **app**, and **payment** is **made**. The **company** then **gets part** of the **payment** and the **person** **providing** the **service** **receives** the **rest**. It's a **simple concept**, and it has been **growing** **by leaps and bounds** in the **United States** over the past **few years**.

by leaps and bounds = making very fast progress/growth

Let's look at **some** of the **most prominent sharing economy companies**.

- Airbnb – If you **love** to **travel**, but you **hate staying** in an **impersonal hotel**, this **service** can **put** you in **touch** with **people around** the **world** who can **offer** you a **temporary home** for a **lower cost**.

- **DogVacay** – When you are **going** on a **vacation** and you **can't take** your **pet**, you'd **normally** have to **put** it into a **kennel** if you **can't find** a **friend** to **look after** the **dog**. But **this service** **helps** you **find** a **host family** to **take care** of your **pet** while you're **away**.
- **Lyft** and **Uber** – **These** are **ride-sharing services** that **make** it **possible** to **get rides** from **people** who **have cars**. It **works similarly** to a **cab service**.

kennel = a shelter for dogs

cab service = taxi service

It is **highly likely** that **more** of these **companies** will be **created** as **people** **find other things** that they **want** to **buy, sell, and share**. **What** does this **mean** for **all** of the **companies** **providing these types** of **services** in a **traditional manner**?

The **established systems** that are **now** in **competition** with the **sharing economy** are **not happy**. **Rather than going** to a **travel agent**, **people** can **simply use** Airbnb to **find places** to **stay** on a **trip**. **Instead** of **calling** a **cab**, **people** are **using** **Uber**.

These peer-to-peer companies are **taking customers away** from more **traditional companies**. **People** have **flocked** to the **sharing economy**, **often** **because** they can get **service** that is **equal** to or even **better** than the **traditional companies**. In **some cases**, it is **also cheaper**.

flocked = come in large numbers

Some of the **things** that the **conventional companies** **have** on their **side** are **regulations** and an **established brand**, which **tend** to **make** them a **safer** and **more** **reliable option**. The **sharing economy** is **self-regulated**, **meaning** that the **quality** of their **services** is **only** **verifiable** through **online reviews**.

Policymakers are **finding** it **challenging** to **control** the **sharing economy**, since the **companies** have **found** **creative ways** to **get around** the **current system**. For **example**, the **ride-sharing service Lyft** would only take **donations** **instead** of **charging a fee**, since they are **not** an **actual cab company**. **This** is why they do **not have** to **abide** by the **regulations** for **taxi services**.

policymakers = people in government who make laws and regulations

The **sharing economy** is **thriving** right now. But with the **government** and the **established businesses** **looking** for **ways** to **regulate** these **companies**, their **success may** be **short-lived**.

thriving = growing and being successful

short-lived = only last for a short time

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