The Sharing Economy

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Over the past decade, a business model known as the sharing economy has transformed the way people access goods and services. Instead of buying a car, a power tool, or a spare bedroom outright, consumers can now temporarily rent these items from someone else who already owns them. This shift depends heavily on smartphone apps, which allow total strangers to connect, negotiate, and complete transactions within minutes.

Digital platforms such as Airbnb and Uber act as an **intermediary**, linking people who have something to offer with those who need it. These companies do not typically own the assets being shared; instead, they earn a commission for facilitating the connection. This model has managed to **disrupt** entire industries, forcing traditional hotels and taxi services to reconsider how they compete for customers.

Supporters argue that the sharing economy makes better use of **underutilized** resources. A car that sits parked for twenty-three hours a day, for example, could instead generate income for its owner while providing transportation for someone else. In theory, this efficiency helps redistribute wealth toward ordinary individuals rather than large corporations, while simultaneously reducing unnecessary consumption and environmental waste.

Critics, however, point to the darker side of this rapid **proliferation** of gig-based work. Many drivers and hosts lack the job security, healthcare, and benefits that traditional employees receive, leaving them in a financially **precarious** position. Governments have struggled to establish clear regulatory frameworks, and questions of accountability arise whenever accidents or disputes occur between anonymous users.

Looking ahead, policymakers face the challenge of balancing innovation with worker protection. Some cities have begun to incentivize companies to offer basic benefits, while others have imposed strict limits on short-term rentals. Whatever direction regulation takes, the sharing economy has already proven that ownership is no longer the only path to accessing what we need.

A. Vocabulary

1. collaborative ____	a. not securely held; risky or unstable
2. underutilized ____	b. responsibility for one's actions and their consequences
3. intermediary ____	c. rapid increase in the number or amount of something
4. redistribute ____	d. to change an established industry or system in a radical way
5. regulatory ____	e. relating to official rules that control an industry
6. incentivize ____	f. involving people working together toward a shared goal
7. proliferation ____	g. not used to its full potential or capacity
8. accountability ____	h. person or platform that connects two parties in a transaction
9. disrupt ____	i. to share out resources differently than before
10. precarious ____	j. to give someone a reason or motivation to act

B. True or False

__ 1. The sharing economy allows people to rent items instead of buying them.

__ 2. Airbnb and Uber usually own the assets that are shared on their platforms.

__ 3. Digital platforms typically earn a commission for connecting users.

__ 4. The sharing economy has had no effect on traditional hotel and taxi industries.

__ 5. Supporters believe the sharing economy makes better use of underutilized resources.

__ 6. A parked car generating no income is an example of an underutilized asset.

__ 7. Gig workers in the sharing economy always receive full healthcare benefits.

__ 8. Critics worry that gig work can leave workers in a precarious financial position.

__ 9. Governments have found it easy to create clear regulations for the sharing economy.

__ 10. Some cities have tried to incentivize companies to provide workers with basic benefits.

C. Fill in the Blanks

Word Bank: intermediary, underutilized, proliferation, precarious, regulatory, collaborative, accountability, incentivize

1. A ride-sharing app functions as an _______ between drivers and passengers.
2. Many economists argue that shared assets were previously _______ and are now generating extra income.
3. The rapid _______ of gig-based jobs has changed the modern labor market.
4. Without steady contracts, some gig workers find themselves in a _______ financial situation.
5. Local governments are still developing a clear _______ framework for short-term rentals.

D. Comprehension Questions

1. How do digital platforms like Airbnb and Uber function as intermediaries?
2. According to the passage, what is one benefit supporters see in the sharing economy?
3. What concern do critics raise about gig-based work in the sharing economy?

E. Discussion Questions

1. Do you think the sharing economy benefits workers more than it exploits them? Why or why not?
2. How might governments better regulate gig-based platforms without discouraging innovation?

Answer Key

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A. Vocabulary: 1-f, 2-g, 3-h, 4-i, 5-e, 6-j, 7-c, 8-b, 9-d, 10-a

B. True/False: 1-T, 2-F, 3-T, 4-F, 5-T, 6-T, 7-F, 8-T, 9-F, 10-T

C. Fill Blanks: 1-intermediary, 2-underutilized, 3-proliferation, 4-precarious, 5-regulatory

D. Comprehension:

1. They connect people who have goods or services to offer with those who need them, and take a commission for facilitating the transaction.
2. It makes better use of underutilized resources, such as a car sitting idle, allowing owners to earn extra income.
3. Critics note that gig workers often lack job security, healthcare, and benefits, leaving them financially precarious.