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Airbnb, the short term rental website, has said it will "waive all use of the prepaid card 'Payoneer' on the French market". (Photo: AFP/John MACDOUGALL)

SINGAPORE: We all are too familiar with the story of Robin Hood – he who is said to have robbed from the rich to give to the poor.

We forget that while the character is depicted in Hollywood movies as the champion of regular folks, at the end of the day Robin Hood remains a vigilante.

He takes matters onto his own hands, and subjectively decides what is fair and what is not.

Historically, policymakers have been the primary stakeholders who set laws and regulations of a country. Organisations that want to operate within the structure must abide by its laws.

Yet Silicon Valley-led innovation is about breaking rules. Students at universities and business schools learn about and have come to see “disruptive” or “paradigm-shifting” businesses such as Uber, AirBnB and others as models to emulate.

### **GET BIG QUICKLY**

In the name of growth and innovation, some companies aggressively move into new markets and break local laws.

The race to get as big as possible is on, by raising a lot of money and artificially propping up consumer demand through subsidies (because companies are willing to lose money just to gain market share).

Companies have no qualms paying fines as long as they can operate and expand their market share. This strategy works in some places, it backfires in others. It is no wonder Bloomberg News recently asked companies like Airbnb to “grow up”.

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Airbnb CEO and Co-founder Brian Chesky is pictured at Airbnb headquarters in San Francisco, California on Feb 22, 2018. (Photo: REUTERS/Aron Ranen)

Let's take legal trouble Airbnb ran into in Singapore. Two Singaporean Airbnb hosts who pleaded guilty were fined S\$60,000 each on Tuesday (Apr 3) for unauthorised short-term rentals posted on Airbnb. They were charged for renting out four units at a condominium for less than six months without permission from the Urban Redevelopment Authority.

Private homes in Singapore are subject to a minimum rental period of three consecutive months, while for public housing, home to about 80 per cent of Singapore's residents, rentals must be at least six-months long. These rules govern short-term leases, protecting residential areas from becoming commercialised.

## OBEY THE HOUSE RULES

There are valid arguments to support Airbnb. Home owners earn extra income from renting out their property.

Renters like to stay in Airbnb homes because some are located away from the main business and shopping districts, providing a home-away-from-home feel to their stay, and giving visitors a taste of local life.

Renters also like the option of having cheaper alternatives to expensive hotel rooms.

But here is a thought: When we rent a place on Airbnb, we must agree to the house rules. So shouldn't Airbnb similarly agree to the house rules of a country in which they operate in?

I am highly supportive of innovative start-ups that positively impact the lives of people. I have been championing positive social impact as the foundation of all enterprises (not just socially-minded ones).

However, we can't achieve this goal by curtailing the legal system in place. If companies are serious about changing lives, they should work with policymakers and craft products and services that are more equitable for consumers or work towards shifting laws that are outdated.

So Airbnb should work with our policymakers on policy shifts and legislative amendments that benefit the next generation of entrepreneurs and innovators.

## JOIN FORCES WITH NON-PROFITS AFTER

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Once companies get their business model localised, they can contribute further by helping the community address some of its social issues.

For instance, the partnership between Airbnb and TOUCH Community Services to offer qigong and chap chye cooking experiences with Singapore elderly is a good example of corporate social responsibility. We need more corporations to join forces with local non-profit organisations.



Mdm Catherine Loh (right) conducting a hands-on class on cooking chap chye, a traditional Hainanese vegetable dish. This is one of three different Social Impact Experiences offered by Airbnb and TOUCH Community Services.

But just like the Robin Hood story, you can't give with one hand and take from the other.

Enterprises serious about making a society better through its work must understand that longevity of their social impact initiative depends on the longevity of their business.

Perhaps the ruckus over Airbnb is a cautionary tale for start-up founders: Pursue your innovative ideas, but work with policy makers to ensure your business thrive within the confines of the country's laws. Consumers should be able to use your products and services without having to worry whether they'll run into legal trouble.

Being socially responsible ought to be the foundation of all enterprises.

Jonathan Chang is executive director of the Singapore Management University's Lien Centre for Social Innovation. The centre will be holding its biennial hallmark conference Social iCon on May 18, 2018 titled Women and Innovations.

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