

اية عمرو عبدالحليم - Aya Amr Abdel Halim

900141557

A Transforming Society

Submitted to The Zewail Prize Committee

The American University in Cairo

Spring 2018

May 16, 2018

"Forget safety. Live where you fear to live. Destroy your reputation. Be notorious."

— Rumi

We live in a world that is based on trust. It may not be noticeable, but it is evident in every little action that we do. Employees trust that their employers will compensate them with the salaries that were agreed upon. People can shop online using their credit cards as they trust the seller to deliver the purchased goods. Banks offer loans because they trust that their money will be repaid. The problem that people face is asymmetric information: one cannot ascertain the reliability of their partners, and thus seek signals and cues that may indicate their trustworthiness. For example, a business should be concerned about its brand loyalty, so it should aim at maintaining that loyalty through delivering a good experience to its customers. In other cases, the source of this trust may be based on laws and contracts that are set by central and official institutions to reduce the incentives for betrayal, but if those institutions were to fail to enforce those laws, distrust would grow between consumers and businesses, and the economy would be negatively affected. Could there be a more reliable and accurate institution to put a foundation for trust?

The 2008 financial crisis accelerated the growth of the sharing economy as resources became scarcer and people sought to utilize the available resources to the greatest extent. Multiple sharing platforms grew in popularity during the financial crisis such as Airbnb, which allows people to rent their own homes, and TaskRabbit, a platform where people offer their personal service (Selloni, 2017). Although more than a decade has passed since the crisis, the sharing economy is still growing. This is because it is driven by more factors than scarcity of resources; technology's rapid growth and widespread use, environmental concerns and sustainability, and a desire to reconnect with the community and "give back" to it are some of the additional drivers of the sharing economy's continuous growth (Latitude, 2010). More importantly, however, is the gamified design of those platforms through granting titles and badges to participants on those platforms that receive excellent ratings from their customers (Liang, Schuckert, Law, & Chen, 2017). This has enabled people to not only trust the seller not to betray them, but they can also ensure the quality of the good or service they are paying for based on the collective opinions of individuals who used the service.

Egypt's sharing economy has been growing as inflation rises due to the devaluation of its currency and the reduction in subsidies. Over the past few years, we have witnessed the growth of sharing platforms in Egypt in various fields, most prominently in the transportation industry, as well as in the fields of food, education, and services. In fact, the prices of

Egyptian Metro tickets recently increased such that, instead of the standard 2-pound ticket that allows passengers to pass by all stations, there are now three different tickets of different prices that depend on the number of stations the passenger needs to pass by before their destination. Shortly after those reforms, an application was released that serves as a platform that allows individuals to gain access to stations beyond the ones they originally paid for by buying the tickets of others who purchased tickets with access to a larger number of stations but did not use them all (Young People Devise Application to Face Rise of Metro Ticket Prices, 2018; MogiLogitech, 2018). Naturally, with the rise of the sharing economy, the reliance on reputation as a foundation for trust has grown, even extending to traditional Business-to-Consumer firms as people formed groups on the social media, such as “Don’t Shop Here” and “The Power of Social Media Group” on Facebook, to share their negative experiences with such firms when laws cannot intervene, such as in the cases of bad customer service or bad quality of the products. Additionally, there are start-ups in Egypt that started to emerge with the main purpose of providing consumers with the reputation of service providers. For example, Vezeeta is an application that serves as a platform to review and check the reputation of doctors before booking an appointment with them. Otlob and ElMenus are comparable to Vezeeta except that they show the reputation of food outlets. These online reviews are widely used to judge the good or service that the consumers will be paying for and are the most important factor in the decision-making process of any transaction (Aral, 2013). This is because those rating systems are “peer-to-peer, informal, decentralized, community-driven, and non-commercial” (Slee, 2018). However, is the opinion of the crowd a reliable enough source of information? People are not perfectly rational as they can easily be influenced by external factors and biases. For example, when a person rents a room from a highly rated account on Airbnb, they already expect that they will receive a great service. Accordingly, their review is more likely to be better compared to if they did not see any reviews prior to using the room, and vice versa (Askalidis, Kim & Malthouse, 2017; Aral, 2013). This effect is known as the “anchoring effect”. Additionally, on some online platforms where submitting a review is not obligatory, consumers are more likely to write a review when they have an extremely positive or negative experience, thus there is an under-reporting bias as those with relatively normal experiences are not calculated in the average rating (Li & Hitt, 2008). Additionally, people are susceptible to discriminating behaviours. Studies in the US show that platforms such as Uber and Airbnb display significant discriminatory patterns towards African Americans. Guests seeking rent on Airbnb and people seeking rides on Uber are more likely to be rejected if they have African

names (Edelman, Luca & Svirsky, 2017; Ge, Knittel, MacKenzie & Zoepf, 2016). So, it is clear that reviews, reputation, and trust in a sharing economy are not perfectly accurate and thus, cannot be perfectly reliable. However, given that the sharing economy is growing quite rapidly, and knowing that our society is becoming more connected and reliant on the internet as technology progresses, it is fair to say that our society has become more reliant on evaluation systems that are highly influenced by human errors.

Scholars argue that the world is heading towards a “reputation economy” as a massive number of reviews on people leading the sharing economy are collected over the years (Mikołajewska-Zajac, 2017). This reputation economy is built on the ability of people to create more wealth as their reputation enhances, thus creating, in some sense, an oligopoly within the sharing economy as new entrants to the platform are crowded out by the people with well-established reputations (Ma et al, 2017). If an Uber driver receives bad reviews, consumers will avoid them, and so they will not be able to easily enhance their online reputation as a driver. Thus, that driver may consider becoming a driver for Uber’s competitor Careem for a fresh start. Now, imagine if there were a platform that allowed consumers to view the combined reviews of every driver that uses both Uber and Careem, this driver would then be stuck with a bad reputation that is very hard to ameliorate. As society becomes more connected to and reliant on the internet, the “reputation capital” accumulated through the internet becomes public, more detailed, and irreversible. Recently, the US government proposed to collect information from the social media accounts of US visa applicants (US Department of State, 2018). Several restaurants in Egypt ask for the Facebook accounts of people who wish to reserve a table to check that their social class meets the restaurant’s standards. Alarming, to maximize their personal interest, people are interested in platforms that compile all available information and reviews about people and firms from multiple sources. Take Trivago as an example: it is a website that shows not only all reviews, but also all available prices, for each room in each hotel across all hotel booking platforms. If a similar platform was created for Uber and all its competitors, the previously mentioned driver would never be able to have a “fresh start” and build a better reputation as his older reputation in uber will be always traceable. The reputation economy is most prominent in China, where a social credit system was launched in 2014 and is scheduled to be fully implemented by 2020. It serves as a rating system for all individuals in four main areas: “sincerity in government affairs, commercial sincerity, social sincerity, and judicial credibility construction” (Chinese State Council, 2014). This is done by collecting data about each individual from their behaviour such as purchasing patterns, interactions with

government, and the quality of their social connections. This system was put to penalize low-scoring individuals in order to correct their behaviour. Thus, rights to traveling, enrolling children in private schools, holding managerial positions in the government, and internet speeds depend on the score of the person (Ma, 2018).

A system that is as detailed and detrimental to one's life as the one used in China is quite hard to implement because it would require the government's support. However, the reputations of people and businesses are becoming more sophisticated and detailed, and the fact that they are mostly internet-based makes them, in a sense, irreversible. These systems were first established and successfully able to strengthen trust between people who never met. However, given their crowd-based nature, they are susceptible to human error and thus directly affect the reputation of the person or business. Therefore, those human errors can result in inflated -or deflated- reputations that do not accurately represent their true nature, and, consequently, may result in the irreversible marginalization of people who were not successful in gaining reputation capital. We can see that this online reputation is a double-edged sword that has numerous benefits and drawbacks, but people should be wary of the extent to which online reputations can affect the lives of people.

References

- Aral, S. (2013). The Problem with Online Ratings. Retrieved from <https://sloanreview.mit.edu/article/the-problem-with-online-ratings-2/>
- Askalidis, G., Kim, S., & Malthouse, E. (2017). Understanding and overcoming biases in online review systems. *Decision Support Systems*, 97, 23-30. doi: 10.1016/j.dss.2017.03.002
- Chinese State Council. (2014). *Planning Outline for the Construction of a Social Credit System (2014-2020)*. Retrieved from https://www.google.com/url?q=https://chinacopyrightandmedia.wordpress.com/2014/06/14/planning-outline-for-the-construction-of-a-social-credit-system-2014-2020/&sa=D&ust=1526493304295000&usg=AFQjCNGhkBlBAI_4v9naI5nTq9B5qflbaW
- Edelman, B., Luca, M., & Svirsky, D. (2017). Racial Discrimination in the Sharing Economy: Evidence from a Field Experiment. *American Economic Journal: Applied Economics*, 9(2), 1-22. doi: 10.1257/app.20160213
- Ge, Y., Knittel, C., MacKenzie, D., & Zoepf, S. (2016). Racial and Gender Discrimination in Transportation Network Companies. doi: 10.3386/w22776
- Latitude (2010). Retrieved from <http://latdsurvey.net/pdf/Sharing.pdf>
- Li, X., & Hitt, L. (2008). Self-Selection and Information Role of Online Product Reviews. *Information Systems Research*, 19(4), 456-474. doi: 10.1287/isre.1070.0154
- Liang, S., Schuckert, M., Law, R., & Chen, C. (2017). Be a “Superhost”: The importance of badge systems for peer-to-peer rental accommodations. *Tourism Management*, 60, 454-465. doi: 10.1016/j.tourman.2017.01.007
- Ma, A. (2018). China has started ranking citizens with a creepy 'social credit' system — here's what you can do wrong, and the embarrassing, demeaning ways they can punish you. Retrieved from <http://www.businessinsider.com/china-social-credit-system-punishments-and-rewards-explained-2018-4>

- Ma, Q., Huang, J., Başar, T., Liu, J., & Chen, X. (2017). Pricing for Sharing Economy with Reputation. *ACM SIGMETRICS Performance Evaluation Review*, 44(3), 32-32. doi: 10.1145/3040230.3040240
- Mikołajewska-Zajac, K. (2017). The Moral Economy of Reputation in a Sharing Economy Platform. *SAGE Journals*, 21(2), 148-168. doi: 10.1177/1368431017716287
- MogiLogitech. (2018). بدل تذكرتك. Retrieved from <https://www.google.com/url?q=https://play.google.com/store/apps/details?id%3Dcom.mogilogi.ticketchanger&sa=D&ust=1526498223620000&usg=AFQjCNH1wRvFfiryCk4unapH6DkWEWBgvQ>
- Selloni, D. (2017). *CoDesign for Public-Interest Services* (pp. 15-25). Springer International Publishing.
- Slee, T. (2018). Some Obvious Things About Internet Reputation Systems. Retrieved from <http://tomslee.net/2013/09/some-obvious-things-about-internet-reputation-systems.html>
- US Department of State. (2018). *60-Day Notice of Proposed Information Collection: Application for nonimmigrant Visa*.
- Young people devise application to face rise of metro ticket prices. (2018). Retrieved from <http://menafn.com/1096851244/Egypt-Young-people-devise-application-to-face-rise-of-metro-ticket-prices>

Aya Amr Abdel Halim

+201019584668

ayahalim@aucegypt.edu

[eg.linkedin.com/in/ayaabdelhalim](https://www.linkedin.com/in/ayaabdelhalim)

EDUCATION **Bachelor of Arts, Economics**, The American University in Cairo (Expected Graduation: June 2018)

- Minor: Business Administration
- GPA: 3.7/4

American High School Diploma, Dr. Nermien Ismail American School (June 2014)

EXPERIENCE **Intern**, Egyptian Embassy – Economic and Commercial Office in Malaysia, July – August 2017

- Collected and analyzed Egyptian and Malaysian trade statistics
- Assisted in the preparation for the 18th Malaysian International Food & Beverage Trade Fair
- Represented the office by promoting Egyptian products and the office’s services
- Updated and upgraded the office’s website

Trainee, HSBC Egypt, July – August 2016

- Compiled and archived the business department’s documents.
- Reviewed, recalculated, and corrected data submitted by customers.
- Assisted employees through organizing and uploading documents to the online system

ACADEMIC PROJECTS **English Instructor**, LING 2210: Principles and Practice of Teaching English, February – May 2016

- Created a curriculum suitable for the students after assessing their level of proficiency.
- Designed and applied lesson plans that contain various learning systems that suit all students.
- Created engaging activities that assess students after each

EXTRACURRICULAR ACTIVITIES **Vice President for Substantive Affairs**, AUC Entrepreneurs’ Society, July 2017 – May 2018

- Recruited, lead, and supervised a team of 6 moderators to create and prepare the academic content and sessions for the Startup Battle (SB), Junior Startup Challenge (JSC) and Startup Challenge (SC)
- Designed the Academic Committee’s 2017-2018 plan with the Academic Committee Executive to meet the entity’s targets in a timely manner
- Researched and communicated with high schools to promote the JSC

Moderator, AUC Entrepreneurs’ Society, February 2017 – May 2017

- Designed, prepared, and delivered the Financial and Legal curricula and classes for the 2017 Business Plan Competition (BPC)
- Monitored and advised 3 BPC participants in order to develop their business plans as well as their pitches and presentations used during the screening processes.
- Helped one of the 3 participants acquire 3rd place among 20 participants

Representation member, AUC Economics Association(EA), February 2015 – December 2016

- Detected problems that AUC students face and identifying effective means to tackle them.
- Publicized all EA activities and announcements VIA Facebook and email.
- Created an online survey to simplify the registration process for AUC students that helped the economics department forecast the demand for economics courses.

Unite member, AUC Student Union, February – May 2015

- Suggested new fund-raising ideas and strategies for the AUC’s Employee Emergency Relief box.
- Collected money for the box through collecting donations and selling concert tickets.

Delegate of Comoros, Socioeconomic council, Genoa Model United Nations, Italy, April 2014

- Researched and studied thoroughly about lesser developed countries (LDCs), with special concentration on the working conditions and health services provided to their people as well as the foreign policies of the countries involved in the topic, especially Comoros.
- Discussed the topic and enhanced the proposed resolutions about both topics by detecting flaws in the resolutions and suggested several amendments throughout the conference.

ADDITIONAL SKILLS

- Excellent knowledge of Microsoft Word, PowerPoint, and Excel
- Fluent in written and spoken English and Arabic