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MAKING SENSE OF THE UK COLLABORATIVE ECONOMY

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As ever, all errors and omissions remain our own.

COLLABORATIVE LAB

About Collaborative Lab

Collaborative Lab is a globally-recognised subject matter expert on the collaborative economy and how it will transform the way we live, work, bank, and consume, advising senior leaders in business and government on the latest ideas, theories and research to understand the opportunities and implications the rapidly growing collaborative economy presents.

Our purpose is to help leaders unlock the environmental, social and economic wealth of assets in transformative ways that create greater efficiency, empowerment and access.

Nesta...

About Nesta

Nesta is an innovation charity with a mission to help people and organisations bring great ideas to life.

We are dedicated to supporting ideas that can help improve all our lives, with activities ranging from early-stage investment to in-depth research and practical programmes.

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MAKING SENSE OF THE UK COLLABORATIVE ECONOMY

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FOREWORD

The collaborative economy is becoming difficult to ignore; it is undeniably a global movement that dominates news with tales of startup glory and threats of government responses to industry disruption. Whether people associate their activities with this specific term or not, this report shows that a **quarter of the UK population have used digital technologies to access goods, services, money and knowledge from new people-powered networks and marketplaces.**

Helen Goulden,
Executive Director,
Nesta Innovation Lab

Rachel Botsman,
Founding Partner,
Collaborative Lab

As this space grows, so does the confusion around what to even call it, what it actually consists of, and most importantly, how organisations from the public and private sector can benefit from the collaborative economy. In this report – a collaboration between Nesta and Collaborative Lab – we have attempted to define the space and its key characteristics. It is clear that the collaborative economy is **not only an emerging sector. It's not just for startups. It's not just about sharing homes, taxis and power drills. It's not just about disruption.**

The collaborative economy is best thought of as a zoom lens, offering a transformative perspective on the social, environmental, and economic value that can be created from a number of assets in ways and on a scale that did not exist before. The core principles can be readily applied in almost any context, whether you're a multinational corporate or a community group in Cornwall. That makes the potential future impact of the collaborative economy as uncertain as it is exciting. There is a need and opportunity for governments – local and national – to understand, embrace and most importantly apply the principles of the collaborative economy to make **smarter use of the physical resources, skills, and knowledge that reside in every community, in every city across the UK.**

Whilst new forms of people-powered public services can help better meet the needs of our citizens, they also **pose new challenges about policy making and regulation.** This report is just the start for Nesta and Collaborative Lab. Along with partners, we are committed to creating the independent research and practical experimentation needed to figure out how a road ahead in the collaborative economy, although not necessarily straightforward, can work in powerful ways for 21st century business, governments and communities.

We look forward to hearing your thoughts and ideas.

Helen Goulden and **Rachel Botsman**

INTRODUCTION

A new force within the global economy

The ways in which we consume, contribute and participate are changing. Perhaps you already are part of this new economy.

- Have you used a city–wide bicycle scheme, got a lift from a stranger or borrowed a shared car?
- How about offering to teach someone a language in exchange for IT lessons?
- Do you spend your spare time contributing to Wikipedia, or work with others online to solve complex design briefs or scientific challenges?
- Have you rented out your car, your parking space, a spare room, or even your entire flat to a stranger for some extra cash?
- What about contributing to a crowdfunding campaign, or volunteering with a timebank?
- Do you use an app to find free fruit ready to be picked, or a spare hand drill you can borrow for some DIY?
- Do you live in co–housing, work in a co–working space, or use a local alternative currency?
- Have you contributed to an open–source design, or used them to build something in a makerspace?
- Do you ever resell, swap or give away your old stuff in an online marketplace?

These seemingly disparate activities share some common features: access instead of ownership; collective efforts instead of solitary endeavours. Many rely on vast, distributed networks of people and goods – and the technologies that can build and maintain such networks. They also depend on a public willingness to place trust in people they have never met.

Across the UK, a growing community of individuals and organisations is exploring and embracing these kinds of activities. Some have seen it as the beginning of a wider change in the economy. They have called it a range of things: the sharing economy, collaborative consumption, the mesh, and the access economy. At its heart is the idea of collaborating in new ways to consume, learn, finance and produce. For the purposes of this report, we are describing this phenomenon as the collaborative economy.

Leading examples of the collaborative economy

The collaborative economy is emerging and varied. But some of its manifestations are well established. Here are some examples that have already made a big impact:

Airbnb

Airbnb is an online marketplace that connects people looking to rent their rooms or homes with people seeking short-term accommodation. Hosts and guests have online profiles, can book directly through the website and provide reciprocal reviews and recommendations after their stay. Along with making use of the idling capacity of spare rooms and entire homes, this website offers travellers access to generally less expensive alternatives to traditional hospitality providers. Since launching in 2008, Airbnb has grown to have listings in over 34,000 cities across 190 countries, which have hosted more than 17 million guests to date.[1]

Website: **www.airbnb.com**

eBay

Launched in 1995, eBay is an online auction and shopping website where people can buy or sell almost anything – from new clothes to second hand cars. It allows sellers to earn money from unwanted goods, whilst offering a variety of new and used goods to buyers. eBay was also one of the first websites to use a rating system for its members – a technique to encourage greater trust in online transactions which has since been adopted by numerous online platforms. It has over 110 million active users and supported over (US) $212 billion (£125 billion) in commerce in 2013.[2]

Website: **www.ebay.com**

Freegle

Freegle is an umbrella organisation of local free reuse and recycling communities. It offers local Freegle groups an online platform where members can give away or request unwanted items. Freegle groups aim to encourage communities to tap into the idling capacity of unused goods and see reuse as an alternative to sending unneeded goods to landfill. It currently has over 1.7 million members in the UK across more than 400 local groups.[3]

Website: **www.ilovefreegle.org**

Zopa

Zopa is a peer-to-peer, or social, lending platform that enables people to lend money directly to those looking to borrow funds. Lenders benefit from higher rates of return than they would receive through a term deposit or other short-term investment, and borrowers pay less interest than if they obtained a regular bank loan. More importantly, Zopa's default rate has been a comparatively low 0.17 per cent for the last three years.[4] This is said to be the result of the personal accountability borrowers feel toward their lenders.

Website: **www.zopa.com**

Vélib'

Vélib' is a bicycle-sharing system in Paris, offering 14,000 bikes at 1,230 docking stations across the city – making it the largest of its kind in Europe. People can sign up for short or long-term subscriptions to Vélib' and are charged according to use. The scheme promotes a convenient and affordable model of transport for urban residents, where people can easily access a fleet of bikes for a small, on-demand cost. Launched in 2007, 173 million journeys were made on Vélib' bikes in the first six years of the scheme.[5]

Website: **en.velib.paris.fr**

The 'new' collaborative economy

The collaborative economy represents a new way of thinking about business, exchange, value and community. While its definitions are varied and parameters continue to evolve, activities and models within the collaborative economy enable access instead of ownership, encourage decentralised networks over centralised institutions, and unlock wealth (with and without money). They make use of idle assets and create new marketplaces. In doing so, many also challenge traditional ways of doing business, rules, and regulations.

The activities and ideas that make up the collaborative economy are not new. People throughout history have built successful businesses around renting, exchanging and leasing goods and services to people – from laundrettes to car rentals and estate agents. Informal and personal collaborative activities like 'couchsurfing', hitchhiking, swap shops and communal living have long thrived among niche communities, often outside of regulatory or organisational frameworks.

The 20th century saw a steady stream of innovations that allowed people to share more. Some of these innovations were social and took place outside of traditional market structures, like babysitting cooperatives or mutual aid societies; some were totally commercial and within the mainstream of the market economy, like Warren Buffett's private jet sharing business, NetJets. Depending on which examples you look at, the early history of the collaborative economy was both a reaction to capitalism and consumerism, and entirely consistent with it.

The step–change came from technology. The internet has made it radically easier for people to connect with one another, and to coordinate their activities.

Almost two decades ago, eBay first demonstrated the potential of connecting people online to trade and resell goods, paving the way for peer–to–peer online marketplaces. In 1999, a company named Zipcar brought the concept of hourly carsharing to cities across the United States, which eventually spread through equivalent organisations in Europe, Australia and Canada. By the late 2000s, tech startups like Airbnb (founded in 2008) started to shake up other sectors, such as hospitality.

In 2010, Rachel Botsman and Roo Rogers' book *What's Mine is Yours: How Collaborative Consumption is Changing the Way We Live* heralded the arrival of this new economic paradigm. Botsman and Rogers observed the proliferation of new kinds of marketplaces, businesses and communities emerging to help people to access the things they need in new and different ways, while also making the things they owned available to others. Initially, they found organisations in this space focused primarily on shifting consumer habits. Calling this phenomenon 'collaborative consumption', they defined it as *"the reinvention of traditional market behaviours, such as bartering, renting, trading and exchanging, through technology, enabling them to take place on a scale and in ways never possible before."*[6]

Collaborative models have since spread to others areas – as seen through the emergence of crowdsourced design platforms like Quirky, crowdfunding marketplaces like CrowdCube, and massive open online courses (MOOCs). The proliferation of collaborative models across the areas of consumption, creation, finance and learning has helped to further public interest in the potential of this area.

The rise of the collaborative economy has attracted the attention of the media, of businesses big and small and, increasingly, of government. Nowadays, you would be hard pressed to find a hotelier who wasn't aware of Airbnb, or a taxi commissioner who had not thought hard about Uber or Lyft.

But how people view the collaborative economy varies wildly. Some see it as a new, fairer, greener alternative to capitalism, replacing market transactions with sharing. Others see it as capitalism's highest form, sweeping away vested interests and complacent incumbents. Some see it as an opportunity for both consumers and producers. Others worry about whether it will lead to consumers being ripped off, or to a 'gig economy' where skilled jobs are replaced with low-paid casual work. And for every pundit who hails the collaborative economy as something radical and new, there's an expert who'll argue it's merely a continuation of age-old trends, from car-rental to swap-shops.

In order to gauge where the collaborative economy is headed, we need to start by getting a better grasp of its current state.

Making sense of the current landscape

Nesta has partnered with Collaborative Lab[7] to undertake a programme of research into the collaborative economy.

From local food sharing initiatives to multi-million pound car hiring businesses, the collaborative economy is a broad church. Without greater precision and clarity around how we define it, we run the risk of continued confusion about its value and potential. This report is the first in a series of publications, which will offer a more detailed view of the collaborative economy in the UK and, to a lesser extent, in Europe. This report answers four questions:

- What is the collaborative economy?
- Who is operating in it?
- Who is participating in it?
- How should we appropriately regulate and manage the collaborative economy?

Nesta has a long tradition of supporting collaborative activities to spur innovation. In recent years, our Innovation in Giving Fund[8] and the Centre for Social Action Innovation Fund (in partnership with the Cabinet Office)[9] have supported organisations that bring together groups in collaborative ways to address social challenges and help their communities flourish. We have also led research into several key aspects of the collaborative economy, most notably crowdfunding[10] and co-production.[11]

In the coming months, Nesta plans to publish additional research and explore opportunities for practical action surrounding the collaborative economy. Our work will not only uncover some of the key questions and challenges facing this space, but also identify opportunities and niches where the collaborative economy could be developed further. We are also keen to find ways of connecting our findings and methods with similar efforts internationally – ensuring individual research efforts into the collaborative economy can combine to be greater than the sum of their parts.

CHAPTER ONE

DEFINING THE COLLABORATIVE ECONOMY

A fairer, greener alternative to capitalism, or capitalism's newest, most efficient form? A new way of organising the economy, or a phenomenon as old as humanity itself? A technology that frees us from the power of monopolies and big corporations, or a destroyer of steady jobs and consumer rights?

The collaborative economy is big news, but no-one seems to agree on where it is headed, what it means for society, or even where to draw its boundaries. This confusion is not just a problem for pundits and philosophers. Puzzled governments waver between fostering, regulating and banning collaborative businesses. Big corporates are uncertain whether it is an opportunity or a threat. And citizens are left wondering: is this really for me?

This chapter sets out a more precise account of how the collaborative economy arose and what its characteristics are.

An economy with many names

In the old Jain parable, six blind men encountered an elephant, and tried to describe it: one felt its tail and declared it was a rope, another found its leg and decided it was a pillar, and so on. In recent years, experts have described the collaborative economy in a similar way, focusing on and naming different aspects of it.

The first term used to describe this fledging phenomenon was **collaborative consumption**. Originally coined by Joe Spaeth and Marcus Felson in 1978,[12] it was reclaimed and redefined by Rachel Botsman and Roo Rogers in 2010.[13] But of course, the collaborative economy is about more than just consumption: it's also about collaborating to produce and much more.

More recently, the **sharing economy**[14] has become a popular name for a broad range of activities and organisations based on the idea of building *"a socio-economic ecosystem…around the sharing of human and physical assets. It includes the shared creation, production, distribution, trade and consumption of goods and services by different people and organisations."*[15] But sharing can be a misleading term too, since much of the collaborative economy involves cash payment, rather than straightforward reciprocity.

The term **peer (P2P) economy** has been applied to organisations built around a peer-to-peer business model,[16] whereby people use platforms to rent, sell, lend or share things with others without the involvement of shops, banks or agencies. But again, this doesn't cover the whole collaborative economy, some of which involves more traditional aggregators and business-to-consumer, business-to-business, or even consumer-to-business models.

The **mesh**, a term coined by author and investor Lisa Gansky in 2010, alludes to the way in which digital technology is used to provide people with access to goods and services, as they want them, in new and interesting ways.[17] It brings out the undeniable interconnectedness of the collaborative economy, extending it to other phenomena like Facebook or Twitter.

The **gig economy** describes an important subset of the collaborative economy: the new platforms that provide flexible work such as errand marketplace TaskRabbit and on–demand ridesharing platform Lyft. Of course, there is more to the collaborative economy than just paid labour; consider for example websites that give people access to idle goods or reciprocal services without a financial incentive.

Finally, the **access economy**,[18] popularised by Jeremy Rifkin's book *The Age of Access*[19] and the work of Kevin Kelly,[20] focuses on one of the most prominent qualities of business models across the collaborative economy: access as being preferable to individual ownership. Consequently, it does not encompass other models found within this space – such as the redistribution of goods or collaborative production.

Describing the collaborative economy

The collaborative economy as we define it involves using internet technologies to connect distributed groups of people to make better use of goods, skills and other useful things.

The internet has been a powerful driver of collaboration for two reasons. Firstly, it allows people to communicate in a peer–to–peer way (indeed, this is a defining feature of the internet). A knitter can sell scarves on Etsy without going through a distributor and a shop; a saver can invest their money directly through Zopa rather than indirectly through a bank.

Secondly, it allows people to communicate while they transact. If a fan backs your movie on Kickstarter, you can easily send them progress updates or hear their suggestions. If your Airbnb tenant behaves badly, you can rate them accordingly.

These characteristics of the internet have allowed people to build businesses and projects that are more collaborative than many time–honoured institutions.

In many cases, these collaborative ventures involve connecting distributed people or assets without a big central organisation. Think of Uber with its dispersed network of drivers, eBay with its legions of independent sellers, or online lenders like Funding Circle.

In others, the internet allows people to make use of resources that would otherwise go idle. The Furniture Re–use Network is a physical example, but the same model applies to intangible resources too – consider Skilio, which allows people to teach and learn from others.

The power of the internet to share information makes it possible to generate trust through meaningful interactions. In its simplest form, this involves rating systems like Airbnb's, which allow hosts to vet their guests and guests vice versa, building a reputational economy. But it can be more sophisticated too: Quirky uses the internet's power to gets crowds collaborating over design and engineering issues.

Finally, the internet and its many subcultures often foster a spirit of openness that is the hallmark of many collaborative economy activities. Consider the open–source proposition behind Wikipedia, or the values that encourage users to contribute to Open Street Map.

This leaves us with a list of five collaborative economy traits:

1. **Enabled by internet technologies.**
2. **Connecting distributed networks of people and/or assets.**
3. **Making use of the idling capacity of tangible and intangible assets.**
4. **Encouraging meaningful interactions and trust.**
5. **Embracing openness, inclusivity and the commons.**

Some or all of these traits characterise the collaborative economy organisations we have studied. In addition, it is possible to categorise collaborative economy ventures into four pillars of activity, depending on their purpose. The first of these pillars draws on Botsman and Rogers' book *What's Mine is Yours: How Collaborative Consumption is Changing the Way We Live.* The pillars are:

Pillar 1 Collaborative consumption

Gaining access to goods or services through bartering, renting, lending, trading, leasing, exchanging, reselling and swapping.

Redistribution markets: Reselling or redistributing things from where they are not needed to where they are wanted, e.g., Furniture Re-use Network.

Product service systems: Paying to access goods, instead of owning them outright, e.g., Zipcar.

Collaborative lifestyles: People share and exchange intangible assets, such as time, skills, money and space, e.g., Grub Club.

Pillar 2 Collaborative production

Groups or networks of individuals collaborate to design, produce or distribute goods.

Collaborative design: People work together to design a product or service. This can be prompted by an open call, design brief, or challenge, e.g., Quirky.

Collaborative making: People connect outside of formal institutions or organising structures to collaborate on making projects and products, e.g., OpenStreetMap.

Collaborative distribution: People organise and fulfil the distribution of goods directly to peers, e.g., Nimber.

Pillar 3 Collaborative learning

Learning experiences that are open to anyone and where people share resources and knowledge to learn together.

Open courses and courseware: Courses, lectures and educational content freely and openly available to anyone, e.g., FutureLearn.

Skillsharing: People offer to teach or share a skill they have, e.g., Skilio.

Crowd-sourced knowledge: People publicly aggregate their knowledge or collectively problem-solve,[21] e.g., Wikipedia.

Pillar 4 Collaborative finance

Funding, lending and investment services offered outside of traditional financial institutions.

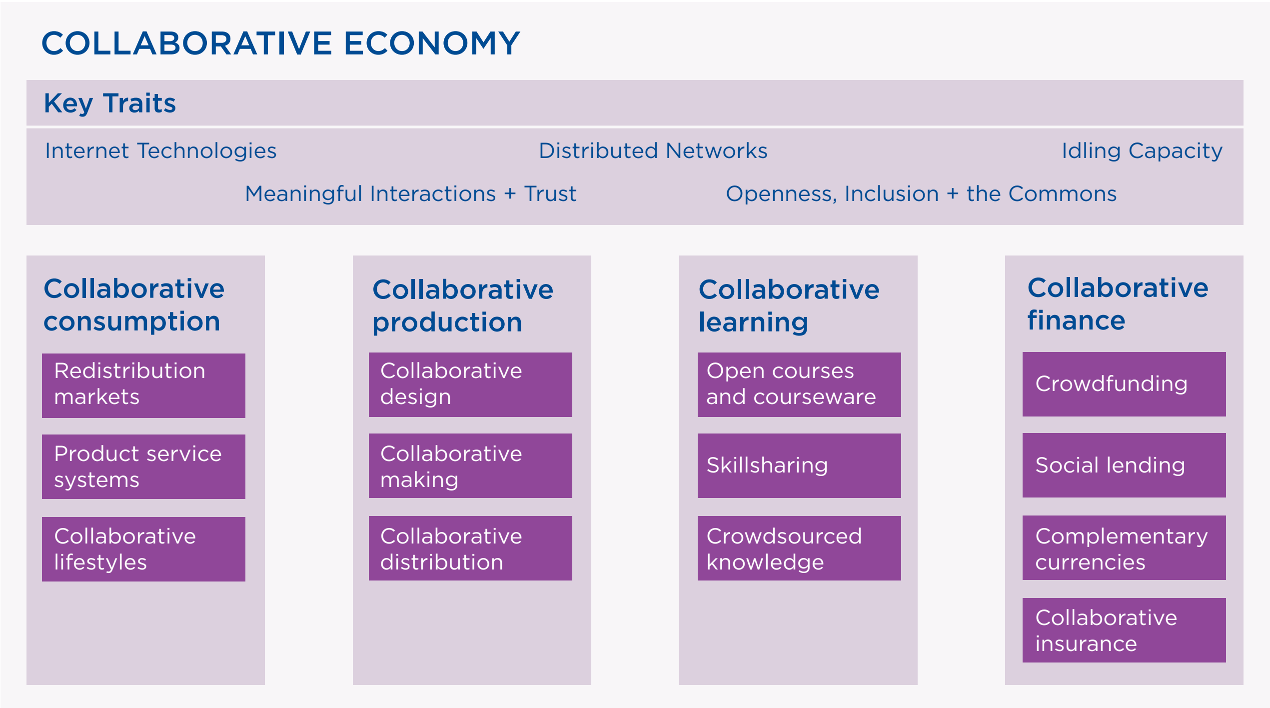
Crowdfunding: Groups of people contribute directly to a specific project's funding goal, e.g., Crowdfunder; Space Hive.

Peer-to-peer lending: People with money to invest are connected directly with people looking to borrow funds, e.g., Zopa.

Complementary currencies: Alternatives to state-managed legal tender that enable different ways for groups to measure and acknowledge value,[22] e.g., ECHO (Economy of Hours).

Collaborative insurance: People band together to form their own insurance pools, e.g., Bought By Many.

Figure 1: **Conceptualising the collaborative economy**



As more organisations take part in the collaborative economy, it is important to find robust ways of understanding and comparing them. While using traits can help us make general distinctions, it is also useful to map different activities and models across the wider structure of the collaborative economy. In Appendix One, we offer an illustrative example for every activity outlined across the four pillars.

Business models of the collaborative economy

Along with prevailing traits and pillars, delivery models are another way of conceptualising the collaborative economy. At present, four delivery models can be found across the collaborative economy:

Business-to-Consumer (B2C): The interaction between consumers and companies who own or directly manage their inventory.

Business-to-Business (B2B): The interaction between a business and other companies who own or directly manage their inventory.

Peer-to-Peer (P2P): The interaction between two or more people to trade or exchange a good or service facilitated and supported by a company, organisation or platform that is not directly involved in the transaction.

Consumer-to-Business (C2B): The interaction between consumers and a company where the company benefits from and pays for the knowledge or assets of the consumer.

Delivery models determine who can take part in specific activities. They also shape the way we participate. Some of the most exciting and original participants in the collaborative economy have gone beyond prominent delivery models (such as business-to-consumer) in favour of less conventional or more peer-driven approaches.

CHAPTER TWO

WHO IS OPERATING IN THE COLLABORATIVE ECONOMY?

It is not difficult to find a long tradition of activities we might now recognise as forerunners to the collaborative economy. From communal bathhouses and libraries to laundrettes and co-housing, the historical antecedents of the UK collaborative economy can be traced in various public, private and voluntary sector guises. Whilst some older forms of collaboration are adapting to the tech-driven collaborative economy, new organisations and initiatives are also emerging in response to the opportunities offered by internet technologies.

What we know already

To understand more fully the supply side of the UK collaborative economy, it is useful to examine what types of businesses and organisations are operating within it, what they are doing, how they are doing it and what values are underpinning their activities. Looking at the field, the increasing breadth and depth of organisations operating in the collaborative economy is apparent. Across the UK and internationally, new organisations and startups are being created with the explicit aim of harnessing collaborative models.

Crowdfunding and peer-to-peer, or social lending platforms have become viable alternatives to traditional banking institutions for gaining access to capital. Some £200 million was invested using **crowdfunding** in the UK in 2012,[23] supporting a wide range of activities – including the creative and cultural industries, the private sector, and public and social projects.

Higher education models are being complemented by **MOOCs** (massive open online courses), which provide free online courses to anyone with an internet connection. Online learning does not necessitate learning in isolation. **Futurelearn**, the UK's first MOOC platform aims to build a community around its courses, and group discussion is used as a tool to support participatory, collaborative learning.

Collaborative models are also active within the public sector. In the UK, **Spice** timebank has remodelled the person-to-person time bank to encourage volunteering in public services in exchange for time credits which can be redeemed from local partners who accept the 'Spice Network Credits' – such as a local theatre or babysitting service.

At the same time, established companies are beginning to identify the collaborative economy as a new type of business model that complements or extends their current activities – as seen through the examples below.

Corporations and collaboration

Not all organisations operating in the collaborative economy are new. Established corporations are also entering this space, often by aligning themselves with collaborative businesses or adapting their models to incorporate collaborative traits. Below we offer initial examples of this trend.

DriveNow joint venture between BMW and Sixt

DriveNow is a joint venture between car manufacturer BMW and car rental firm Sixt that offers a distributed carsharing service. Founded in Munich in April 2011,[24] the scheme currently operates 2,350 vehicles across five cities in Germany and one city in the US.[25] As with other carsharing schemes, members can rent locally stationed vehicles on an ad hoc basis. A website and dedicated app allow members to reserve and find cars in their area and drop them wherever they finish. Members pay an all-inclusive fee for the first half hour and a per-minute rate thereafter. DriveNow also offers electric vehicles in some cities, where members use the online platform to check a vehicle's battery charge level before choosing it.

Website: **de.drive-now.com**

Zipcar acquired by Avis

In 2013, Avis acquired Zipcar for around (US) $500 million (£295 million)[26] in a bid to enter the carsharing market. The acquisition has made use of idling capacity and addresses demand within both companies: according to the companies, Zipcar has a substantial membership base and experiences surges in demand at weekends while Avis has a considerable fleet and infrastructure which is most active during the week. Avis Chief Executive Ron Nelson told the *Wall Street Journal: "I've been somewhat dismissive of carsharing in the past, but what I've come to realise is that carsharing, particularly on the scale that Zipcar has achieved and will achieve, is complementary to our traditional business."*[27]

Website: **www.zipcar.co.uk**

B&Q/Kingfisher introduces neighbourhood platform Streetclub

DIY and home improvement retailer B&Q is tapping into the potential of the collaborative economy through their neighbourhood social network, Streetclub. Aimed at helping neighbours connect, collaborate and share, Streetclub helps B&Q customers build local networks to trade tools and share DIY skills. John Compton, who manages Streetclub, says, *"We see this as vital to be leading in this area – a business good as well as a social good. And that's the kind of innovation and new business approach that contributes to a greener economy and brings future-proofing for B&Q."*[28] Streetclub now has more than 1,000 clubs in neighbourhoods across the UK.

Website: **www.streetclub.co.uk**

Santander and Funding Circle partnership

In June 2014, Santander became the first bank to enter a partnership with a peer-to-peer lending platform. Funding Circle links small businesses seeking loans with private investors. Through their partnership, Santander will proactively refer small business customers looking for a loan to Funding Circle, whose business model is deemed better placed to help with such investments.[29] In return, Funding Circle will promote Santander's day-to-day banking, cash management and other services on their website. Since its inception in 2010, Funding Circle has helped more than 5,000 SMEs access more than £305 million, creating an estimated 15,000 jobs.[30]

Website: **www.fundingcircle.com**

Survey of the collaborative economy in Europe

Building on this general knowledge, Nesta set out to survey organisations and businesses with operations in Europe who identified as part of the collaborative economy. Our online survey (Appendix Two) was promoted through blogs, social media, and emails in May 2014, from which 120 completed responses from organisations based in Europe were utilised. Respondents came from the UK (43), Spain (14), and France (11) alongside other countries including the Netherlands, Italy, Belgium, Poland and Slovenia. Whilst in no way representative, the responses nevertheless offer an interesting opportunity to consider what types of organisations self-identify as being part of the collaborative economy.

To start, we wanted to know the geographic scale at which organisations focused their activities. Amongst respondents, 50 per cent indicated that their operations were international. For the remainder, the geographical focus of their operations was national (23 per cent), regional (10 per cent), and local (17 per cent). Whilst there are some well-known sub-national collaborative economic activities, such as the Brixton Pound, it is likely that there remain many other sub-national organisations whose activities are less well known.

Young and tech driven

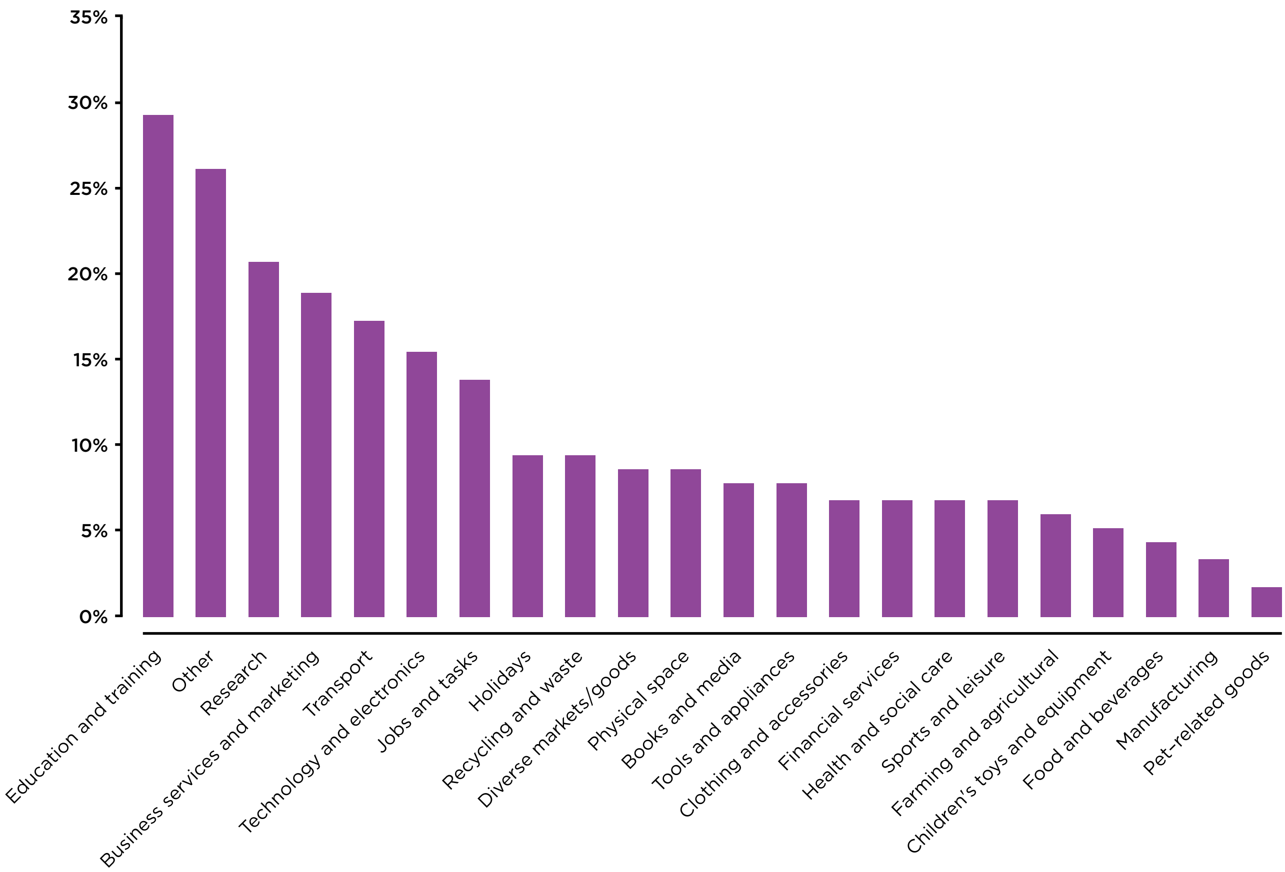
The activities that are associated with the collaborative economy are not in themselves new; throughout history, people have borrowed, lent, leased, rented and donated goods, services and time. Rather, it is the way that technology has helped reduce friction around such activities that has made internet technologies one of the key traits of the collaborative economy. The centrality of internet technologies was reflected through what respondents needed to operate: the majority required webpages (73 per cent) and email (64 per cent), while social media (45 per cent) and smart phone/tablet applications outstripped the need to use the phone (34 per cent).

Given the key role of internet technologies it is perhaps unsurprising to find that **89 per cent of organisations (total n.=118) were established in the period since 2000, and indeed some 64 per cent were founded since 2010**. This emphasises the young, tech-driven nature of the collaborative economy. Technology is meant to make collaboration 'frictionless', to make it easier for people to participate and interact. What is unclear is whether technology is helping people to increase their collaborative activities, or if it is helping more people to participate. This is considered further in Chapter Three.

What are organisations doing, and how?

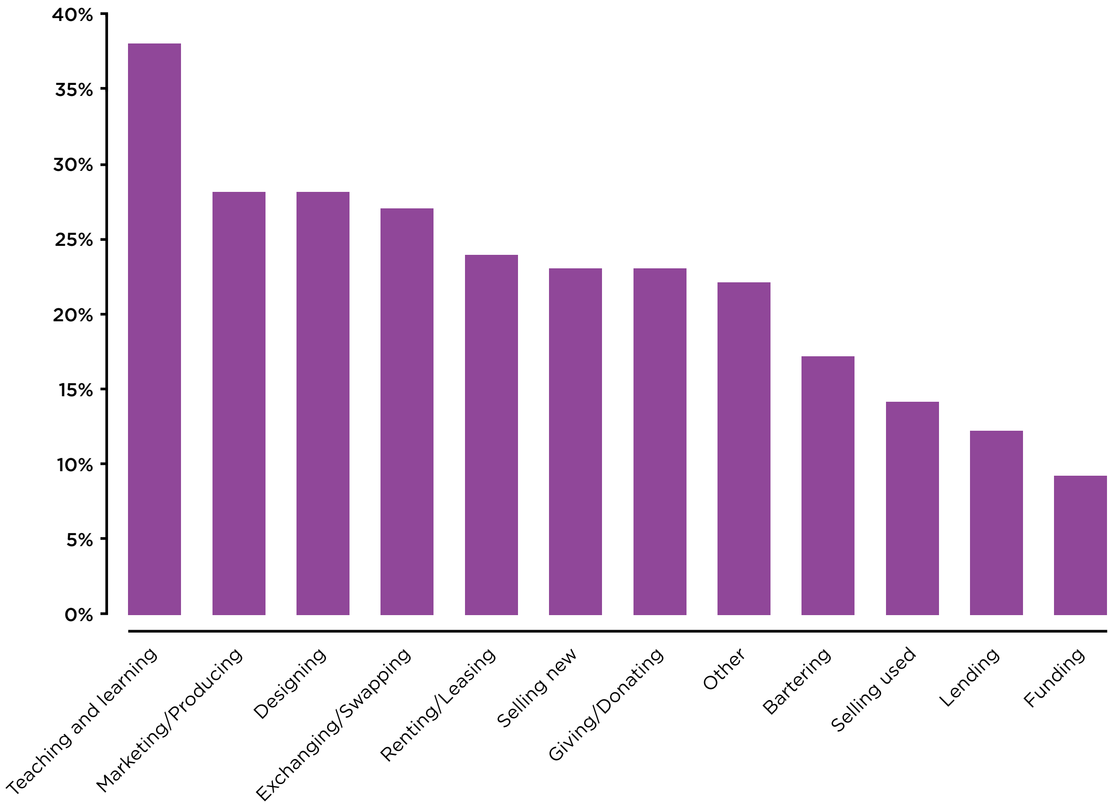
The sectors of operation of respondents are unsurprisingly diverse, with all of the four pillars of the collaborative economy – consumption, finance, learning and production – represented.

Figure 2: **Sectors of operation (multiple answers possible) n = 120**



However, the sectors tell us little about the activities they facilitate – and how these activities mesh to the traits of the collaborative economy. Accordingly, the types of transactions undertaken can be a useful way of identifying the way these traits are applied. For example, a number of transactions (selling used, giving or donating, renting/leasing, lending, exchanging/swapping and bartering) point towards three traits: creating value out of idling capacity, connecting networks of people and assets, and encouraging meaningful interactions and the development of trust between the people participating. For the more relational traits, the transactions cannot measure the intensity and meaningfulness of the relationships being generated through participation in the collaborative economy. Some types of activities have the potential to create more trust than others: for example, couchsurfing will foster closer interactions compared to renting a room or apartment where the resident is absent.

Figure 3: **Types of transactions being facilitated by organisations (multiple answers possible) n.= 120**

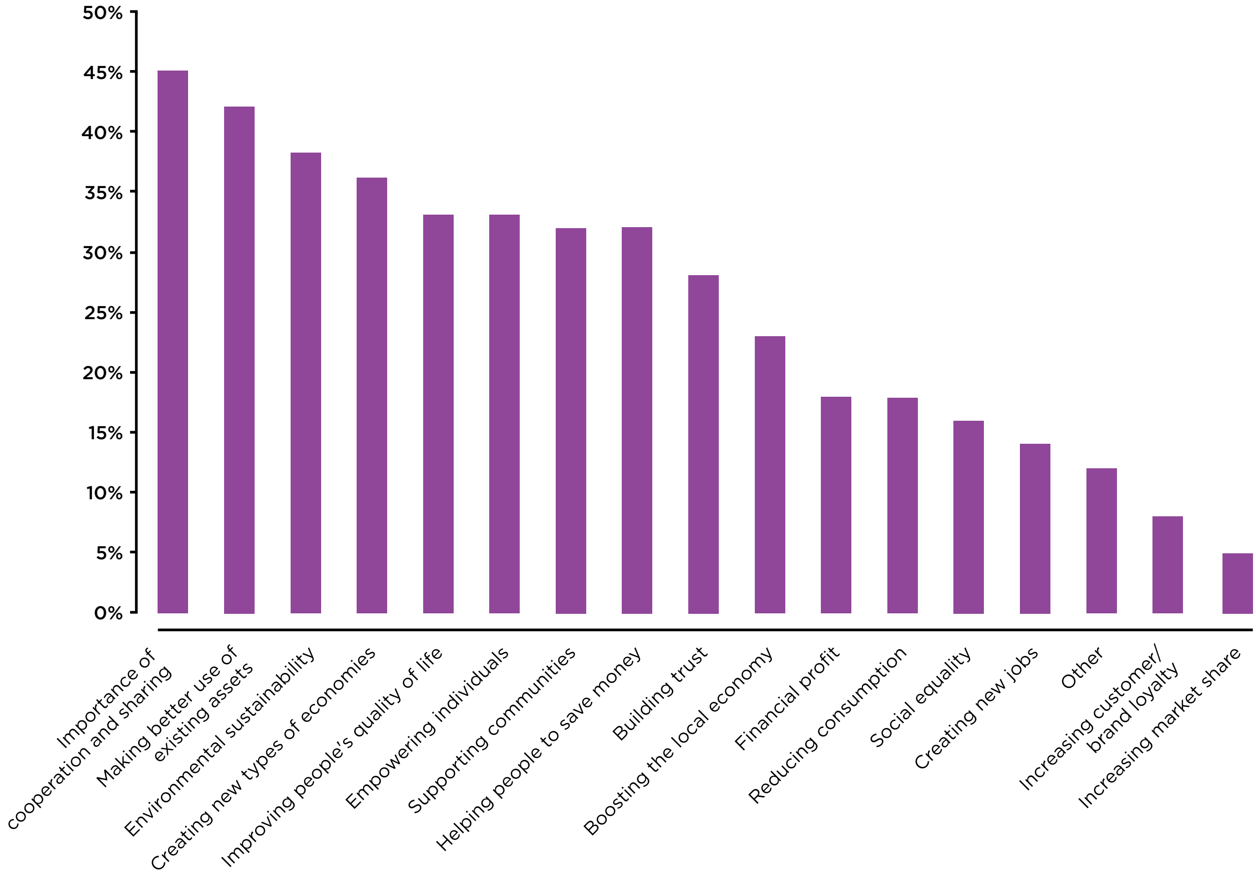


Above we have been able to relate the traits to the sectors and transactions, although not all of the traits are captured by them. We acknowledge that the final two traits – encouraging meaningful interactions and trust, and embracing openness, inclusivity and the commons – are sometimes more aspirational than evident. Examining the goals of the organisations can be helpful to further our understanding of the traits. Using the goals from Figure 4, a number of different drivers can be broadly identified, although they are not mutually exclusive. These drivers are:

- **Creating value out of idle assets:** seeing idle assets as an untapped resource is an important element in the growth and development of the collaborative economy. This can include individuals seeking to supplement their income, or startups as well as companies looking to make a profit; it can also include organisations wanting to unlock non-financial value, such as knowledge or skills for public benefit.
- **Rebuilding social capital:** another approach sees the collaborative economy as helping to rebuild social ties that have been weakened over time as a result of significant societal changes, such as increased geographic mobility and urbanisation. Recreating networks, enabling meaningful interactions between strangers and fostering trust can all be identified as elements of this approach – with all of the benefits that can flow to society as a result.
- **Creating new economic relationships:** The potential of the collaborative economy to support – or even transform – our economic relationships is another trend driving part of the collaborative economy. This ranges from new types of economies that challenge the current market-dominant approach through to wider economic well-being goals for individuals and communities, such as helping people to save money or boosting local economies.
- **Environmental sustainability:** within some parts of the collaborative economy, the potential to reduce consumption and support greater environmental sustainability has also been emphasised.

Looking at the graph below, the individual goals of our respondents highlight the complexity of approaches being adopted within the collaborative economy.

Figure 4: **Goals of organisations (multiple answers possible) n.=120**



The goals suggest that organisations in the collaborative economy are ambitious about what they want to achieve within, and for, society – whilst 18 per cent of the respondents still seek to make a profit. From empowering individuals to boosting local economies, the goals of respondents are wide-ranging. Identifying goals is an important first step. Finding ways to measure their impact, economically and socially, will need to be explored further in the future.

Meeting demand

From internationally focused, for–profit companies to local, community–based organisations, the collaborative economy is growing in size and diversity. Along with new startups and initiatives, traditional businesses and institutions are also increasingly interested in the market opportunities offered by the collaborative economy. Across these diverse organisations, we also find a complex and ambitious set of goals.

With a better understanding of who is operating in the collaborative economy, a wider set of questions and issues emerge. The role of digital technology in facilitating activities within the collaborative economy raises questions not only about who is (and is not) participating, but, more specifically, whether technology is either enabling more people to collaborate, or a smaller number of people to increase their collaborative activity. Similarly, we cannot ignore the move by traditional businesses into the collaborative economy, and the wider implications this may have for some of the key traits identified as underpinning the collaborative economy.

There has been a great deal of discussion around what the collaborative economy can do for people, for communities, and for the organisations that operate in it. Now we have a better view of the supply of new collaborative economy organisations, how does this match public demand? How, and to what extent, are people in the UK already participating in the collaborative economy?

CHAPTER THREE

WHO IS PARTICIPATING IN THE COLLABORATIVE ECONOMY?

Looking at the range of organisations found within the collaborative economy, it is easy to assume that this area is gaining prominence. However, collaborative businesses and organisations can only thrive if there is demand from the wider population. This chapter looks at how people are participating in the collaborative economy, and why.

Building on what we know

Relatively little is known about how (and whether) the UK population participates in the collaborative economy.

Individual companies in the collaborative economy have begun to measure their impact: for instance, Airbnb announced in March 2014 that it had over one million guests from both the UK and France (totalling over two million travellers).[31] Although considerable, these figures only tell us about participation in a single platform.

Some effort has been made to measure public participation across collaborative economic activities: the Neilsen Global Survey of Share Communities, an online poll of over 30,000 respondents in 60 countries, measured public willingness to participate in collaborative, or sharing economy, activities. They reported over one–third of Britons were willing to participate; however, the survey focused on existing internet users and did not measure what people were already doing.[32]

In 2013, Vision Critical and Crowd Companies surveyed over 90,000 customers and communities of client organisations across the UK, United States and Canada. While not representative, the results reported 23 million 'sharers' in the UK and outlined their participation (and intention to participate) in a selection of collaborative activities.[33] Other studies have estimated the total number of sharers in the UK at up to 64 per cent of the population, when taking into account activities such as sharing a ride to school or work, selling or buying or buying second hand clothes, or sharing food.[34]

These findings do signify a considerable enthusiasm and willingness to participate in the collaborative economy. However, we still have a limited understanding of what people are actually doing.

Who is participating in the UK collaborative economy?

To build on existing research, Nesta commissioned TNS Global to survey a nationally representative sample of 2,000 UK adults about their participation in collaborative activities across a selection of sectors. We also asked whether they had used internet technologies to take part in these activities. This helped us to compare between the (internet-enabled) collaborative economy and more longstanding forms of collaboration. The full list of sectors and transactions is below and our questionnaire can be found in Appendix Three.

Given the breadth of the collaborative economy, we focused on collaborative activities related to consumption, as they represent some of the best known activities within the collaborative economy.

In this section, we will explore who is currently participating in collaborative activities (with and without the use of internet technologies) in the UK, as well as which types of activities they are favouring. An infographic also highlights our findings below.

Table 1: **Sectors and transactions examined in the public survey**

Sectors	Transactions	
	Accessed	Offered
Transport, e.g. cars, bikes	Borrowed from – a person I know	Lent to – a person I know
Holidays, e.g. travel and accommodation	Borrowed from – a person I don't know	Lent to – a person I don't know
Odd jobs and tasks, e.g. odd jobs, pet walking, babysitting	Leased/rented from – company or organisation	Leased/rented to – a company or organisation
Technologies and electronics, e.g. computers, games consoles and televisions	Leased/rented from – a person I don't know	Leased/rented to – a person I don't know
Clothing and accessories	Bought used/2nd hand/preloved from a company or organisation	Sold used/2nd hand/preloved to someone I don't know
Media, e.g. books, music and DVDs	Bought used/2nd hand/preloved from a person I don't know	Gave for free/donated
Children's equipment and toys	Given for free/donated	Exchanged/swapped/bartered with a person I don't know
Households goods and appliances, e.g. pet-related goods, furniture and tools	Exchanged/swapped/bartered with a person I don't know	

UK participation in collaborative activities

Across the sectors and collaborative activities we reviewed, **64 per cent of UK adults had participated in collaborative activities (with and without internet technologies) in the last year.** The highest rate of participation was found in 'clothes and accessories' – with 43 per cent of respondents having collaboratively offered or accessed goods in the last 12 months. However, five of the eight sectors we explored had fewer than 20 per cent of people accessing or offering things collaboratively.

Although the majority of people in the UK participate in collaborative activities to access and offer goods and services, certain groups were likely to be collaborating. Overall, people in full and part–time employment, managerial, professional, and administrative workers, 25 to 54 year olds, as well as parents, were significantly more likely to take part in collaborative activities (internet–enabled or not) than others. Alternatively, people aged 65 and over, those from ethnic minority groups, as well as people in semi–skilled and unskilled employment, pensioners, and the unemployed claiming state benefits were significantly less likely than others to participate in collaborative activities.

Differences in participation may be related to life stage or circumstance. People who were married (or living as such) as well as people with children were significantly more likely to participate in collaborative activities relating to transport, household goods, and children's equipment and toys.

Certain age groups also appeared to be more partial to specific sectors and activity. For instance, young adults were the leading age group for lending and borrowing: while 16–34 year olds were the most likely to borrow things from and lend things to people they knew, 16–24 year olds in particular were more likely to lend media or time on tasks and odd jobs, as well as borrow and lend clothing.

Along with differences between demographic groups, other factors – such as gender and geographic location – had a more nuanced effect on participation. There was no considerable difference between men and women's overall participation; however, women were significantly more likely to offer things and give things for free, while men were significantly more likely to rent or lease things as well as participate in two sectors: transport, and technology and electronics.

Regional participation rates also varied considerably between the different sectors and activities. Overall, the North East, North West, East of England, West Midlands and London were less likely to participate in collaborative activities. Likewise, rural residents were more likely to buy and sell used goods than urbanites.

While the majority of people in the UK participated in the collaborative activities, certain groups within the UK population are underrepresented. To understand whether these trends also extend to the 'new' collaborative economy, we need to focus on internet–enabled collaborative activities.

Participation in the collaborative economy (or internet–enabled collaborative activities)

If we equate participation in internet-enabled collaborative activities as being part of the collaborative economy, we find **25 per cent of the UK population took part in the collaborative economy in the last year.**

Certain groups were more likely to take part in the collaborative economy, while others were less likely to participate. People in full or part–time employment, managerial, professional and administrative workers, and people with children were all significantly more likely to take part in the collaborative economy than others. Meanwhile, people aged 65 and over, ethnic minority groups, those without internet access, and people in semi-skilled or unskilled employment, pensioners, or unemployed with state benefits were significantly less likely to take part in the collaborative economy. These trends largely reflected UK participation in collaborative activities more generally.

More people appeared to use the collaborative economy to participate in financial transactions and to interact with people they don't know. For instance, 20 per cent of people in the UK bought or sold used goods in the last year, while only 8 per cent had borrowed or lent something for free. Equally, 16 per cent of people in the UK had participated in the collaborative economy to interact with people they didn't know. Participation also ranged considerably across different sectors – from 10 per cent of the population using internet technologies to access or offer media (such as books and DVDs), to 1 per cent for odd jobs and tasks.

It is promising that so many people are participating in different activities within the collaborative economy. But how do these activities relate to the key traits underpinning this phenomenon? While reselling and renting goods will create value from idling capacity, activities based on financial exchange can sometimes be difficult to reconcile with the fourth and fifth traits – building meaningful interactions and trust, and embracing openness, inclusivity and the commons. At the same time, we should also ask why those participating in more altruistic collaborative activities – such as borrowing and lending – are less likely to seek the help of internet technologies.

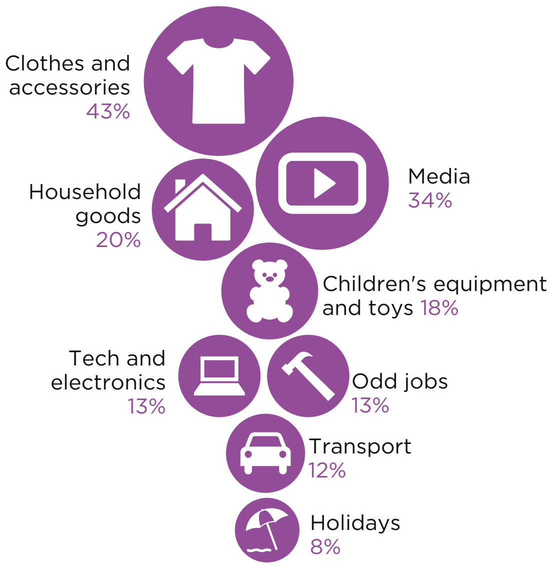
To make sense of these trends, it is useful to unpick people's perceptions of (and concerns surrounding) the collaborative economy.

Collaborative activities in the UK

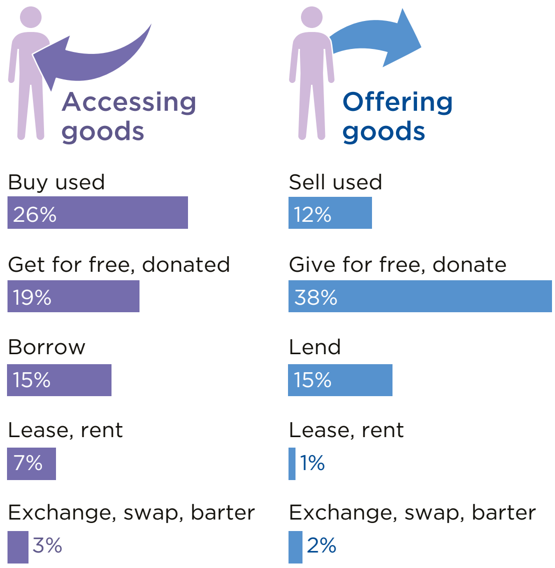
Across the UK, people are finding collaborative ways of accessing what they need and offering what they have. What kinds of collaborative activities are UK adults participating in and in which sectors?

In the last year 64% of the population have taken part in collaborative activities (internet enabled or not)

Percentage of population taking part in collaborative activities in any of the following **sectors**:

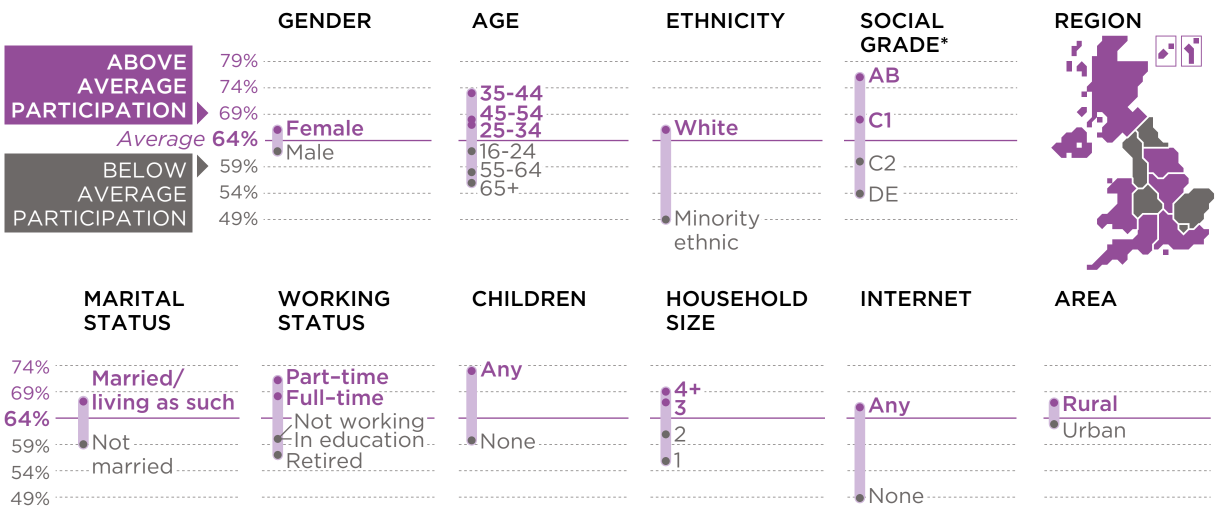


Percentage of population making any of the following collaborative **transactions**:



How levels of participation in collaborative activities vary across society

Percentage of people taking part in collaborative activities compared to the average figure of 64 per cent



* Social Grade is a classification system based on occupation created by the National Readership Survey. The classification are: A – Higher managerial, administrative and professional; B – Intermediate managerial, administrative and professional; C1 – Supervisory, clerical and junior managerial, administrative and professional; C2 – Skilled manual workers; D – Semi-skilled and unskilled manual workers; E – State pensioners, casual and lowest grade workers.

'Internet-enabled' Collaborative activities in the UK

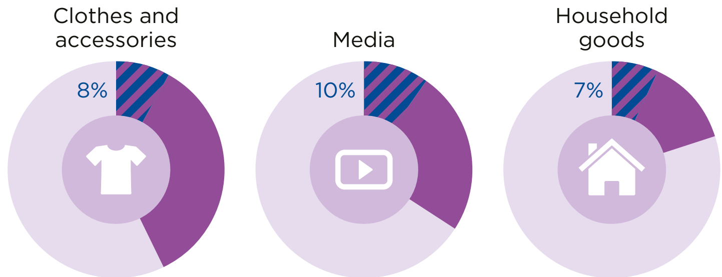
The internet is opening up new opportunities to connect and new ways to collaborate. Below we look at which UK adults are using websites and mobile apps to participate in collaborative activities – which we take to represent participation in the collaborative economy.

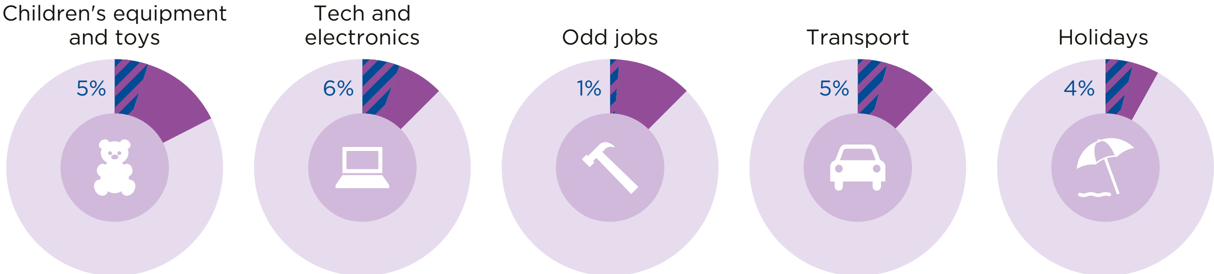
In the last year 25% of the people have used the internet to take part in collaborative activities

Sector breakdown

Percentage of population taking part in:

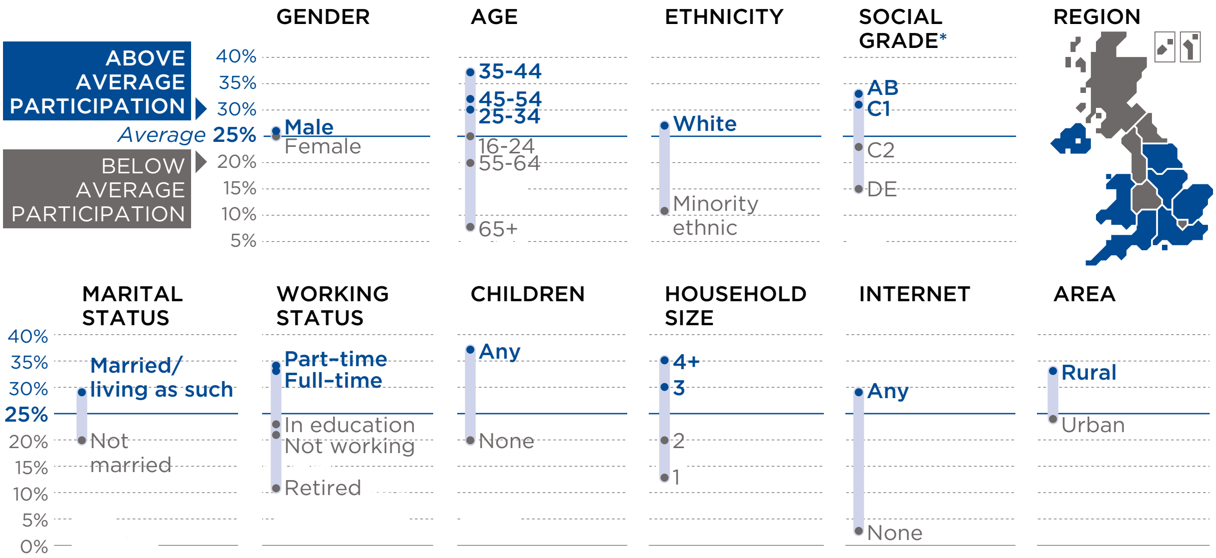
- Collaborative activities
- Collaborative activities enabled by the internet (Percentage figure shown)





How levels of participation in internet-enabled collaborative activities vary across society

Percentage of population using the internet to take part in collaborative activities compared to the average figure of 25 per cent



* Social Grade is a classification system based on occupation created by the National Readership Survey. The classification are: A – Higher managerial, administrative and professional; B – Intermediate managerial, administrative and professional; C1 – Supervisory, clerical and junior managerial, administrative and professional; C2 – Skilled manual workers; D – Semi-skilled and unskilled manual workers; E – State pensioners, casual and lowest grade workers.

Some barriers to the spread of the collaborative economy

Like any emerging trend, the collaborative economy faces barriers to adoption. Not everyone immediately wants to plunge into it, and many people have questions and concerns. These concerns were reflected in a small online focus group of ten people from across the UK, which was facilited by TNS Global. Participants were selected from a general sample of the population, most of whom had not participated in the collaborative economy as we define it.

So why do some people use platforms, collaborative or not? People want things that improve and simplify their lives. Most of the respondents were hesitant to try new collaborative models without clearly understanding their benefits beforehand. They were also concerned about potential safety and privacy risks, particularly regarding their own goods. In response to collaborative holiday platforms, like Airbnb, one woman (35–44) from Wales said, *"I'm too frightened of someone trashing my house."* Similarly, another woman (18–24) from Scotland said of carsharing platforms: *"I'm afraid my personal car I would not be willing to share. My company car, you can have it."* To instil more confidence in such activities, people suggested a combination of government regulation and organisational transparency would be needed.

These concerns highlighted a particular lack of trust in strangers. One man (25–34) from the East of England questioned whether British culture could be a wider barrier for the collaborative economy: *"As a culture I also don't think we are social enough to easily accept "strangers" in on things like lift sharing."* However, others pointed out that many collaborative activities – such as rideshares between colleagues or families – already happen without the use of technology because people know one another.

While trust may be holding people back from participating, we also know that many participants of the collaborative economy feel positively about how platforms are overcoming trust issues. Indeed, peer–review and self–regulation tools are helping address some of these concerns.[35]

Looking ahead, our focus group was cautiously positive about the future of the collaborative economy but questioned how relevant it was to their lives. Few thought they would participate in the collaborative economy, unless a rising cost of living drove them towards such models. In particular, some thought time commitments hinder them from learning about and trying such activities. Others suggested that collaborative economy models would not be feasible outside of urban centres. Still, many acknowledged its potential environmental benefits while others wondered if local governments should incorporate such activities into existing public services.

It takes time for people find and accept different ways of using technology, and the collaborative economy is still young. While only a few participants in our focus group had taken part in collaborative economy activities, such as Airbnb or carshare schemes, most had used Web 2.0 platforms such as social media websites (such as Facebook and Pinterest), online forums (including education and medical forums) and online marketplaces (such as eBay and Gumtree) – tools which have been around for over a decade.

Time will tell whether these new collaborative technologies and models gradually get taken up. In the meantime, addressing some of the public's chief concerns as well as focusing on (and demonstrating) user benefits will be important steps towards encouraging wider participation.

Encouraging broader participation

Understanding how people participate in the collaborative economy not only shows us which activities are gaining traction; it also builds a basis for examining how collaborative economic activities may affect people's lives in the future.

If we equate participation in internet–enabled collaborative activities as being part of the collaborative economy, we find **25 per cent of the UK population took part in the collaborative economy in the last year.** To achieve wider take up across the population, internet–enabled collaborative models will need to clearly demonstrate how they can benefit people's lives as well as address public concerns and uncertainty. Going forward, a number of barriers and concerns will also need to be addressed – not least advancing inclusivity, demonstrating impact, building trust, and improving personal safety and privacy.

CHAPTER FOUR

SUPPORTING, MANAGING AND REGULATING THE COLLABORATIVE ECONOMY

Many of the rules governing our economic activity reflect the trends of past decades – such as large corporate structures and the pre-eminence of individual ownership. As the collaborative economy grows worldwide, policy and regulatory regimes need to catch up.

The collaborative economy raises a number of issues for policymakers and regulators. The most obvious question for policymakers is how to manage any direct risks of the collaborative economy: is it safe? Will it harm people? Do we need to regulate it? But at the same time, more governments are asking themselves: if this is the future, how can we make it work for us and our citizens? The question of what the government can do to boost the collaborative economy or to harness it is rapidly becoming as important as the regulatory one.

For the time being, though, it is the regulatory challenges of the collaborative economy that makes the headlines. Fundamentally, all these issues – from the rows over Uber licensing to debates on who should be allowed to rent out their flat on Airbnb to discussions over how to regulate crowdfunding –boil down to a common set of issues.

The collaborative economy brings new providers, investors and customers into established markets. They are often smaller, newer or less professional than the incumbents. Compare an Airbnb landlord to an international hotel chain, or an entrepreneur seeking crowdfunding to a big company issuing shares. Because they are new, they are unlikely to comply with the rules and regulations that have grown up in the market they’re entering.

All other things being equal, the solution would be straightforward: the new entrants should follow the established rules. But the problem is that many players in the collaborative economy are not like the old incumbents. They may be amateurs, informal groups or small organisations. To expect them to comply with regulations designed for professional or large firms might not be appropriate, and might close them down entirely.

Most of the regulatory debates we see revolve around this question: how should regulations adapt to the new types of new entrants brought in by the collaborative economy?

Across the four pillars, collaborative models encounter a number of questions and challenges, for example:

- In **collaborative consumption**, the rising popularity of shared transportation models (such as rideshare platform Uber) has led to taxi driver protests in many cities across Europe and North America. Taxi drivers allege that a lack of regulation and certification (such as taxi licenses) gives collaborative platforms an unfair competitive advantage and that insurance requirements are insufficient, thereby putting passengers and the public at risk.
- In **collaborative finance**, there is a diversity of crowdfunding platforms, which range from giving people a product or benefit in exchange for contributing, through to equity investment and the issuing of bonds. Crowdfunding – including peer–to–peer and social lending – has already been the focus of regulation in the UK. If more crowdfunding platforms begin to offer financial returns, how can financial regulators learn from existing reform efforts to manage public risk?
- In **collaborative production**, people can make all sorts of goods by combining collaborative and open designs with online instructions and maker tools (such as 3D printers). This rekindled enthusiasm around making has highlighted questions around product integrity and purpose. How do we regulate these activities to ensure the quality and safety of products? Equally, how do we prevent the production of dangerous or illegal goods, such as 3D printed guns?
- In **collaborative learning**, most online courses and MOOCs are not accredited. As new institutions like the University of the People begin to offer different forms of accreditation, questions arise around the quality of expertise that results from online courses. These models also face issues around identity verification and fraud. As these models evolve, will different sectors be willing to recognise them as equivalents?

As time goes by, governments will have bigger questions to ponder, which will extend beyond regulation. Will the collaborative economy drive down wages in some sectors, and if so, is this a problem? What might its environmental impact be, and could it be a tool for reducing wasteful consumption?

Already, policy and regulatory questions involving the collaborative economy are becoming increasingly significant and harder to ignore. Providing effective oversight that encourages positive innovation, whilst managing public concerns and potential risks, can be remarkably difficult. In this chapter, we will explore which policy areas are likely to be affected by the collaborative economy and consider how policymakers and regulators can begin to work towards appropriate responses.

Policy and regulation in the collaborative economy

Across the four pillars of the collaborative economy, we consistently find policy and/or regulatory challenges surrounding **taxation, insurance, land use and planning, types of legal form, licensing and certification, and government operations.** These are outlined in Table 2 below. Each individual area is difficult to navigate, so when issues arise which involve more than one of these areas (a common occurrence) seeking a solution can be incredibly complex.

Table 2: **Key Cross-Sector Policy Issues and Questions**

Government operations	Government and regulators do more than set policy. They can also be active participants in the collaborative economy by supporting, encouraging or promoting collaborative economic activities that enable more efficient provision of public services. • How can governments at all levels get the most benefit from the collaborative economy? • Could government operations or public services be improved by partial or total delivery through different collaborative models and activities? • How should policymakers measure and balance the benefits and risks that arise from collaborative activities – such as potential cost savings and lower revenue requirements?
Legal forms and associated policies	The collaborative economy includes both for-profit and not-for-profit organisations. Typically, for-profit and not-for-profit or charitable entities are subject to different policy and tax regimes, in order to promote and balance their respective missions with public benefit. However, even in places where not-for-profit laws and regulations are well developed (such as in the UK), few policy provisions adequately address the variety of activities and legal forms of organisations within the collaborative economy. • How can policy distinguish between and encourage specific types of collaborative activities? Should clear and demonstrable benefit be a condition for such distinctions? • Should policy differ for organisations that facilitate direct income generation and financial profit versus those models that allow only for defrayal of asset costs? If so, how? • Should policy differ for organisations that support non-financial collaborative activities? If so, how?
Taxation	Taxation refers to a government's ability to raise revenues to pay for public services. Within the collaborative economy, key issues around taxation include: • Is an activity taxable? When, why and how? • When does an occasional, non-professional activity (such as hosting strangers in a primary residence) become a professional or commercial business subject to additional tax? • How should tax policy be structured when money is not involved – should such activity be taxed at all?
Licensing and certification	Many commercial activities, from driving a taxi to operating a small business, require special licenses and certifications. In the collaborative economy, the difference between personal and commercial activity is often blurred. • For individuals engaged in occasional activity, at what point is registration and/or licensing required? How is this threshold determined for business models that don't fit easily within current policy structures? • Should there be different registration and/or licensing requirements for collaborative businesses and activities which are for-profit and non-profit, or monetised and non-monetised?

Planning and land use	Historically, certain types of land are set aside for specific uses: for example, a building or an area may be designated for industrial or residential purposes. However, some types of land are used for multiple activities in the collaborative economy, which prompts reconsideration of planning regulations. • How might new planning permissions, designations and processes look in the collaborative economy? • How can the needs and concerns of different groups be balanced? • How can new business models be incorporated within current planning processes and regulations in ways that boost the local economy? • How can idle or underused land be put into productive use through the collaborative economy, such as urban agriculture and community gardens in vacant lots?
Insurance	Insurance – and more broadly, risk management – are key drivers behind any economic activity. People will only participate as long as they believe they are safe and sufficiently protected in the event that things don't go as planned. • How does insurance work in the collaborative economy? • This is new territory for many insurers, who are accustomed to ownership-based solutions. How can companies, governments and insurers work together to meet new demands? • What are the opportunities for new product and service offerings, such as peer-to-peer (P2P) providers? • What kinds of risk management solutions or new tools are possible for non-monetised exchanges (liability for 'free' goods or services)?

These challenges are the responsibility of specific levels of government. For example, local and national levels of governments set different types of taxation, whilst many kinds of insurance fall under EU jurisdiction.[36] Depending on the issue, policy and regulation discussions will have to occur at (and between) different levels of government to realise effective reforms. Unfortunately, multilateral and coordinated efforts can be incredibly difficult and slow.

Some advocates of the collaborative economy have questioned whether self-regulation could be a viable alternative to existing approaches to oversight and regulation. Indeed, many collaborative economy platforms use peer review tools, which help encourage trust and self-regulation within their communities.

While peer review and self-regulation tools contribute to the success of some collaborative platforms and activities, they do not and should not supersede the role of government. However, a combination of self-regulation – for activities where peer review is well suited – and government regulation could prove to be more powerful and efficient than today's regulatory norms. So how can policymakers and regulators begin to unpick these challenges and identify appropriate responses?

Realising reform – focusing on collaborative consumption

Understanding the collaborative economy's overarching challenges, and considering potential reforms, requires a clear focus. Regulatory efforts within the collaborative economy should at a minimum differentiate between the four pillars (outlined in Chapter One). For the limitations of this report, we have chosen to focus on collaborative consumption, as it is the most high profile pillar of the collaborative economy.

Collaborative consumption models encounter specific issues. These tend to be related to an organisation's business model and the type of asset – both helpful factors for identifying relevant existing policies and regulations for assessment.

Policy assessment can take many forms. However, maintaining some degree of consistency will leave us better placed to revisit, build on and compare our efforts as new issues arise and the wider space evolves. To begin, we have proposed a basic, yet uniform, set of core criteria and questions in Table 3 below. These are intended to act as a starting point for a more thorough assessment and to provide a common lens for discussions among different stakeholders of the collaborative economy – including policymakers, companies, communities and participants.

Table 3: **Provisional framework for assessing policy and regulatory issues surrounding collaborative consumption**

Asset	• What asset is the activity/business focused on?
Business model	• What business model drives the activity (e.g. P2P/consumer-to-business/business-to-consumer/business-to-business)?
Public benefits	• What benefits (macro, micro) do the activities/companies in question bring? NB: Distinguish between social, environment and economic benefits.
Public risks	• What risks are related to the activities/companies in question? NB: Distinguish between real and perceived risks. NB: There may be differences between monetised and non-monetised platforms.
Current policy	• Is there a policy in place that directly regulates the activities/companies in question? • When was the current policy drafted? • What risks was this policy intended to protect against? Who was it designed to protect? Why? NB: Distinguish between 'no policy in place', 'outdated policy' and 'archaic policy.'
What's out-dated?	• Are the original risks in question still present? • Is there collaborative economy activity that is illegal or banned outright under the policy? • What else has changed since the policy's inception?
What's missing?	• Have new public risks developed in recent years, which are not covered by any policy or regulation?

Once we know whether policies and regulations are insufficient, inappropriate, or simply lacking, it becomes much easier to identify an appropriate response. However, such responses are wide-ranging, including:

- New policy or regulation, drafted from the ground up.
- Parallel policy or regulation, building upon and expanding current law (co-existence).
- Exemptions.
- Self-regulatory mechanism(s).
- Some combination of the above.

Considering each of these possibilities will yield different – if not at times opposing – solutions. However, this process should also help to uncover which options are preferable and which are unlikely to take place. Undertaking a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of the available options will help to further test their feasibility and desirability.

Who is doing what today?

Despite the fact that specific, proactive policies for the collaborative economy remain relatively rare, we are starting to see early attempts by policymakers and regulators to better understand and address it. Many of these examples are promising and practical, but they are still the exception. Some specific elements of the collaborative economy – particularly collaborative finance – have yielded proactive responses and reforms from regulators. Beyond such exceptional examples, others remain ambivalent, hesitant or even hostile towards the collaborative economy. Below we highlight the leading examples of government policies and approaches taken to date aimed at supporting the collaborative economy.

1. Updating regulation: short–term rentals and accommodation

Short–term rental (STR) is one of the most hotly contested policy areas within the collaborative economy. This is spurred in part by the rapid growth of new platforms such as Airbnb, LoveHomeSwap and Knok, alongside older variants like VRBO and HomeAway.

The key STR policy questions typically involve taxation, neighbourhood planning, effects on tourism, and overall housing access. In some places renting a property for less than 30 days is not permitted, whilst in others (especially where tourism is robust) there are no such restrictions. In the **UK**, the Minister for Housing at the Department of Communities and Local Government has indicated that some portions of the law are *"outdated and unworkable"* and it is imperative to work towards a *"fairer, more flexible private rented sector"*,[37] prompting a review of the private rented sector to be launched in February 2014.

Local governments have taken a range of approaches to address these issues. In many cities, local authorities require a permit or certificate to be obtained by individuals who wish to offer STR accommodation, and may limit the number of days per year such activity is allowed. In **Amsterdam**, individuals who wish to let a property on a short–term basis must be the principal occupier of the home, or obtain permission from the owner or landlord, and pay required taxes. They are able to let a property for up to 60 days per year and a maximum of four guests at any time.[38] In **France**, the new ALUR (l'Accès au Logement et à un Urbanisme Rénové) law enables residents to rent out their primary residence without additional registration requirements, although it does allow cities to define additional criteria under certain circumstances. The French case also highlights the interplay between national (ALUR) and local (additional criteria) policies.

2. Contracting and partnering between governments and companies

Certain policymakers and governments are beginning to engage in partnerships with organisations and service providers in the collaborative economy. Typically, such partnerships do not require (or focus on) policy reform; however, they may lead to identification of policy improvements over time. Such collaborations also serve to identify public services which may be provided more efficiently and in new ways.

In the **UK**, Croydon Council has partnered with Zipcar with the aim of helping save costs and lower carbon emissions.[39] Moving away from a traditional car fleet model towards carsharing has resulted in significant reductions in business miles driven and in travel costs – in July 2013, Croydon Council's car travel costs had reduced by 42 per cent, from £1.3 million to £756,000.[40] The scheme also increased access to Zipcar vehicles for Croydon residents, thereby encouraging carsharing for the community. Across the UK, other local authorities are developing carsharing, ridesharing and green travel schemes in partnership with companies like Liftshare.

In the **US**, Airbnb recently launched its Shared City initiative with its first partner city in Portland, Oregon. Through Shared City, Airbnb and its partners are looking to proactively boost neighbourhood resilience and safety, address issues like taxation, promote tourism, and support local causes – all of which help the city achieve its broader goals and provide public services more efficiently. Depending on the success of the initiative, Airbnb may replicate Shared City in other US cities.[41]

City–company partnerships can also be instrumental in times of emergency, when resources are strained. In **San Francisco**, the government partnered with BayShare (a consortium of collaborative economy companies) as part of its resilience and emergency management strategy. BayShare member companies agree to provide services during an emergency and are reimbursed by the city for doing so. This may also apply to 'micro emergencies' (such as a house fire), where the people affected can be helped more effectively by tapping into local collaborative economy platforms.[42]

3. Encouraging the collaborative economy holistically

To date, a handful of cities around the world have committed to learning, engaging and integrating collaborative economic models into urban planning and policy. In many places this is called becoming a 'Shareable City' or a 'Sharing City.'

In the **US**, 15 cities – including **New York**, **Chicago**, **Los Angeles** and **Louisville** – signed the Shareable Cities Resolution in the summer of 2013.[43] However, their levels of commitment and results have been mixed. In Europe, **Amsterdam** has indicated its interest in making a similar declaration.

Elsewhere **Seoul, South Korea**, has been an active promoter of the collaborative economy among its residents.[44] Through its Sharing City initiative, led by the Seoul Innovation Bureau and based on legislation passed in 2012, 20 different projects and programmes have been launched across a range of sectors: from transport to city–owned space, children's items, tools, home sharing, tourism and a local information hub.[45] The government has also committed investment funds for these and additional opportunities.

Policy for the collaborative economy is at a critical juncture and will play an increasingly essential role in how new models evolve, communities connect, and cities grow. Policies and regulations are part of good, smart design: they can benefit individuals, companies, society and government alike.

CONCLUSION

In many ways, the holy grail of the collaborative economy is helping the economy and society simultaneously by unlocking the value of idle assets while also rebuilding social capital.

The collaborative economy is going through a period of growth and experiment, with new models being tried out and successful ones growing.

To help it flourish, Nesta plans to work with other organisations in the field to provide finance and support for promising experiments, research and market intelligence to help the field develop, and training and information to spread skills and good practice. This approach will balance enthusiasm and support with reflection and, where necessary, critique.

Ultimately, we hope these efforts will inform and contribute to the development of an equitable, sustainable and efficient collaborative economy in the UK.

APPENDIX ONE

EXAMPLES OF THE COLLABORATIVE ECONOMY

Collaborative consumption

1.1 Redistribution markets: Furniture Re-use Network

Furniture Re-use Network (FRN) supports over 300 charitable and social enterprise re-use organisations across the UK to promote *"the re-use of essential household furniture and electrical appliances to help people in need."*[46] Every year, the FRN's members help around 950,000 low-income households gain access to essential household furniture and electrical appliances. Their work saves users an estimated £340 million on essential items of electrical equipment and diverts 110,000 tonnes of waste from landfill and saves over 380,000 tonnes of CO_2.[47] Supply and demand both have the potential to increase in future: whilst around 2.7 million items are re-used each year, the FRN estimates that a further three million items with re-use value are discarded. On the other side, the FRN is facing rapidly growing demand in the context of cuts to local welfare funding. FRN takes advantage of the idling capacity of discarded but functional household good and appliances, whilst shifting their socio-economic value over to the low-income families who might need it most.

Website: **www.frn.org.uk**

1.2 Product service systems: Zipcar

Zipcar is a pay-as-you-drive carsharing company where users rent cars for short periods of time, often by the hour. Worldwide, it has 850,000 members who have access to 10,000 vehicles,[48] including 1,500 vehicles spread across four cities in the UK – making it one of the largest in the world.[49] Zipcar is different from the traditional vehicle hire models because cars are spread across a city. The service is primarily intended for people who occasionally require a vehicle, thus providing a more sustainable alternative to car ownership. With the help of internet technologies, members can quickly and easily book and access a vehicle at any time. In London, Zipcar claims that 4.6 million people are within a ten-minute walk of one of their vehicles, and that there are ten times as many locations as Starbucks.[50] Zipcar also spreads (and therefore minimises) the costs of using a car, such as insurance, road tax, maintenance and congestion charges. This saves the typical Zipcar member an estimated £3,162 per year.[51] Vehicles can be reserved, found and unlocked remotely through a central computer system and RFID transponders in Zipcar vehicles. The company also claims each Zipcar vehicle takes six privately-owned vehicles off the road: thereby reducing congestion and pollution, as well as making better use of the idling capacity of unused private vehicles.[52] Zipcar offers a more sustainable alternative for urban residents who mainly use public transport, but require occasional access to a car.

Website: **www.zipcar.co.uk**

1.3: Collaborative lifestyles: Grub Club

Grub Club is a London-based platform that matches chefs or supper club hosts up with people looking to find pop-up restaurants and supper clubs. It reduces some of the barriers to entry associated with standard restaurant models, by obviating rental leases and helping chefs or food entrepreneurs gain access to space, showcase their abilities, experiment with menus and get a foothold in the local market. This creates greater convenience and choice for those seeking to work around some of the caveats associated with traditional hospitality models. Grub Club's model supports meaningful interactions and trust between strangers, by helping like-minded people meet and eat specially cooked food. It also encourages customers to rate and share their experiences for future potential diners.

Supper clubs do, nonetheless, presently fall into a regulatory grey area: supper club hosts don't have to register as a food premises if they operate on five or fewer nights across five consecutive weeks. Some supper clubs have been threatened with legal action on environmental health grounds.[53]

Website: **www.grubclub.com**

Collaborative production

2.1 Collaborative design: Quirky

Quirky is an online US-based crowdsourcing platform that helps inventors turn their ideas into finished products. Quirky members can contribute a concept or product idea for a product, which the wider community can vote on for further development. Once ideas have been shortlisted by a weekly product evaluation panel made up of industry experts, retailers and community members, who assess the viability of submitted product ideas,[54] the wider online Quirky community is then invited to influence the design of shortlisted products: this can be in terms of aesthetic considerations (e.g. voting on what colour it should be), functionality or helping to solve more complex engineering issues.[55] A product can have a crowd of over a thousand 'influencers' guiding its development. After the design is complete, Quirky manages the manufacture and sale of the finished product. To date, 78 products have completed the process and are available through its online store.[56] Past successful products range from a smart window, an air-conditioner to touchscreen-friendly gloves.

By providing them with access to design, manufacturing and retail services, Quirky narrows the gap between supply and demand for inventors. On the demand side, Quirky offers consumers the chance to shape ideas into products they want or are interested in. Finally, by crowdsourcing the product development process, Quirky taps into the idling capacity of ideas that otherwise might not have come to fruition without the assistance of the community.

Website: **www.quirky.com**

2.1: Collaborative production: OpenStreetMap

'The Wikipedia of maps,' OpenStreetMap (OSM) provides a free editable map of the world, which bypasses reliance on proprietary cartographical data. OSM is made up of a community of contributors and maintains data about roads, trails, businesses, railway stations, etc., who use aerial imagery, GPS devices, and low-tech field maps to verify that OSM is accurate and up to date.[57] OSM is underpinned by a belief in the commons: thousands of individuals have contributed to OSM's development and it has over 1.6 million registered users.[58] Internet technologies are a fundamental feature of OSM, while collaboratively developed datasets are its output. Provided that users credit OSM and its contributors, anyone is free to distribute, adapt, copy and share their data – an example of the platform's openness and inclusivity that enables users to become contributors. The results have gone beyond everyday web browser usage: after the 2010 Haiti earthquake, OSM and Crisis Common volunteers supported organisations providing relief by using satellite imagery to create a comprehensive map of the situation on the ground.[59]

Website: **www.openstreetmap.org**

2.3 Collaborative distribution: Nimber

Norwegian peer-to-peer delivery platform Nimber connects people with something to send to people who are going in that direction and can offer to deliver on their behalf for a small fee. Nimber is tapping into the idling capacity of people travelling somewhere, over either short or long distances, leveraging internet technologies to connect them directly to people with something needing delivery. Every person offering their services is fully vetted and background-checked, which helps to build greater trust between strangers.

Website: **www.nimber.com**

Collaborative learning

3.1 Open courses and courseware: FutureLearn

Though massive open online course (MOOC) platforms first originated in the US, FutureLearn is the UK's first such platform. Over 20 universities and four cultural institutions have signed up to offer courses through the platform since it first started operating in December 2012. Like other MOOCs, FutureLearn offers access to free online courses to anyone with an internet connection. Courses start on a specific date and run for a set number of weeks; they use a mixture of online tools, including videos, audio, articles, discussions and tasks. FutureLearn is underpinned by belief in openness, inclusivity and the commons; participants that might otherwise encounter difficulties attending conventional higher education can access education. The range of courses, and the flexibility that they offer, gives participants greater convenience and choice over their learning. The online learning environment does not necessitate learning in isolation: FutureLearn aims to build a community around its courses, and group discussion is used as a tool to support collaborative learning. This exhibits the feature of encouraging meaningful interactions and trust.

Website: **www.futurelearn.com**

3.2 Skillsharing: Skilio

Skilio is a peer-to-peer skillsharing marketplace, where people can share their experience on any subject from 'academic' subjects through to the 'meaningless and shallow'[60] via a web conferencing environment; where invited participants can connect using webcam, chat and document share. Members create profiles that give biographical information, details of the skills they offer and what they would like to learn. Where demand meets supply, and once a fee is agreed, online skillsharing sessions take place. Prior to the advent of digital internet technologies such as VOIP and online social networks, a marketplace like Skilio would have been impossible. It deploys the idling capacity of in-demand, but often inaccessible, skills. The social network environment provides potential for encouraging meaningful interactions and trust, augmented by reputation aggregation services such as TrustCloud. Along with a wide range of skills on offer, from beer brewing to C++ programming, learners have the flexibility to arrange where and when sessions occur.

Website: **www.skilio.com**

3.3 Crowdsourced knowledge: Wikipedia

Wikipedia is an online encyclopaedia where contributors write, edit, maintain and sometimes fight over the content creation of this crowdsourced online platform. Over 4.5 million (English) pages have been shaped by over 21 million contributors, although only a small proportion of users contribute regularly.[61] Wikipedia is the world's sixth most popular website, and serves 454 million people with one billion page views every month.[62] While some articles have reported false information and been accused of being prone to bias, anyone is able to contribute on any topic, and all articles are collaboratively created and edited. It remains a significant achievement that at once captures many elements of the collaborative economy. As a public repository of knowledge built through internet technologies and collaborative participation, it demonstrates a commitment to encouraging openness, inclusivity and the commons.

Website: **www.wikipedia.org**

Collaborative finance

4.1 Crowdfunding: Spacehive

Spacehive describes itself as 'the world's first crowdfunding platform for civic projects.'[63] It follows a crowdsourcing model, whereby organisations propose projects and seek funding from a broad base of online supporters. Projects only receive funding if they reach their funding goals. Unlike other crowdsourcing platforms, Spacehive is aimed specifically at projects that improve local public spaces, or projects that are freely accessible to local communities.

To date, 51 projects have been successfully funded, including a community centre in a former mining town in Wales, and a project to transform a flyover into an urban park in Liverpool.[64] Collaborative finance platforms bring an openness and inclusivity to the ways organisations or local authorities raise funds,[65] since it enables them to appeal directly to their local communities to support civic projects. To ensure trust between strangers, all projects are independently verified by independent partner organisations to guarantee their viability. Moreover, it offers communities convenience and choice since, online, they can collectively vote with their wallets on how to transform local public or community spaces.

Website: **www.spacehive.com**

4.2 Social lending: Zopa

Zopa connects individuals who have money to lend with people who wish to borrow money, thus bypassing lending from high street banks. First launched in 2005, Zopa is the oldest peer-to-peer lending platform of its kind in the world. Zopa is also one of the largest peer-to-peer lending platforms; since launched, it has facilitated £565 million, £240 million of which has been lent in the past year. There are over 80,000 borrowers and around 52,000 active lenders,[66] who have seen an average return of 5 per cent.[67]

Zopa has lowered barriers to entry to lending markets – people who would have previously been unable to lend money are now able to do so. It can also help lenders make use of the idling capacity of liquid assets. Safeguarding options exist to establish lending security, and thus trust between strangers, and it has won multiple awards as the most trusted loan provider in the UK. Since 2010, it has experienced a historical bad debt rate of 0.18 per cent.[68] Furthermore, being able to borrow and lend money at rates that are superior those offered by traditional financial models brings greater openness and inclusivity to both supply and demand sides of the service.

Website: **www.zopa.com**

4.3 Complementary currencies: Bristol Pound

The Bristol Pound (£B) is a city-wide alternative local currency. It aims to encourage people to spend money in local Bristol businesses: £B can be spent as physical paper money at any business that accepts them – issued with its own designs – or via mobile or online platforms. Research suggests that for every £1 spent in a chain supermarket, only 10–12p stays in the local economy, whilst money spent with independent businesses circulates within the local economy up to three times longer than when it's spent with national chains.[69, 70] £B is a not-for-profit partnership between Bristol Pound Community Interest Company and Bristol Credit Union. At present, over 650 local independent businesses accept £B. Some local taxes can be paid in £B and the mayor of Bristol chooses to accept his salary in £B.

The £B is based on the belief that a vibrant ecosystem of local businesses will strengthen communities. As the currency was only established in late 2012, there is limited evidence of its impact to date. However, early research suggests that £B transactions reinforce people's sense of community, indicating a commitment to inclusivity and the commons as well as encouragement of trust between strangers. At the same time, the £B might be seen to empower local businesses who otherwise face stiff competition from high street giants. Where local businesses offer deals and discounts to those spending them, £B works to further incentivise consumers to use the currency. It is the first alternative currency to have electronic accounts managed by a regulated financial institution. Backing from the Bristol Credit Union £B supports trust in the currency – a pound sterling is deposited for every paper £B, and £B1 is equal in value to £1 sterling.[71]

Website: **www.bristolpound.org**

4.4 Collaborative insurance: Bought By Many

Bought By Many (BBM) is an online platform that leverages the collective buying power of people with similar insurance needs so that they can negotiate a discount on specific insurance premiums. BBM acts as an intermediary that negotiates with insurance companies and identifies groups with niche requirements by examining Google search data. It currently has over 23,000 members spread across 196 groups (examples include young drivers, Labrador owners and diabetic travellers) who have achieved an average discount of 18.6 per cent.[72]

Bought by Many is spurred by a belief that insurance can be injected with greater openness and inclusivity, by leveraging the collective bargaining power of those with specific, and often costly, insurance needs, given insurance buyers can collaboratively access premiums that would not be available to individual consumers. Internet technologies make the model possible by facilitating the connection of previously isolated consumers.

Website: **www.boughtbymany.com**

APPENDIX TWO

BUSINESSES AND ORGANISATIONS IN THE COLLABORATIVE ECONOMY SURVEY QUESTIONS

1. **What is the name of your business/entity?**

2. **What is your website address:**

3. **In which year were you established?**

4. **Where were you established – town/country?**

5. **Is your organisation still based there? Y/N (if no: where are you now?)**

6. **What is the geographical reach of your activities?**

   Local ☐ Regional ☐ National ☐ International ☐

7. **What type of financial support, if any, have you received? (tick all that apply)**

   Grant funding ☐ Seed funding ☐ Venture capital ☐ Angel investment ☐
   Crowdfunding ☐ Bank loans/Donations ☐ Own funds ☐
   Gifts from family/friends ☐ Loans from family/friends ☐
   No finance used – just in-kind ☐ Other, please specify:

8. **What is your organisational structure?**

   Sole trader ☐ Partnership ☐ Limited liability company ☐ Cooperative ☐
   Charity ☐ Community Interest Company (UK) ☐ Unincorporated association ☐
   Ad hoc community collaboration ☐ No finance used – just in-kind ☐
   Other, please specify:

9. What sector do you operate in (tick all that apply)?

Business services and marketing ☐ Physical space ☐ Recycling and waste ☐
Health and social care ☐ Food and beverage ☐ Financial services ☐ Education ☐
Transport ☐ Holidays (travel and accommodation) ☐ Sport and leisure ☐
Jobs and tasks ☐ Diverse marketplaces (e.g. eBay) ☐ Technology and electronics ☐
Tools and appliances ☐ Clothing and accessories ☐ Children's equipment and toys ☐
Pet-related goods ☐ Books and media ☐ Manufacturing ☐
Farming and agricultural activities ☐ Other, please specify:

10. How would you describe your organisation's delivery model (tick all that apply)?

Peer-to-peer ☐ Business-to-business ☐ Business-to-consumer ☐
Consumer-to-business ☐ Community/group collaboration ☐ Other, please specify:

11. What kind of transactions does your organisation facilitate (tick all that apply)?

Selling new ☐ Selling used ☐ Giving or donating (goods, services or time) ☐
Renting/leasing ☐ Lending ☐ Exchanging/swapping ☐ Funding/financing ☐
Teaching and learning ☐ Bartering ☐ Other, please specify:

12. Are transactions monetised?

Yes – with legal tender (if yes, go to q. 13)

Yes – with an alternative currency (if yes, go to q. 13)

No (if not, go to q. 14)

Some but not all (please provide an estimated % of monetised transactions): (if yes, go to q. 13)

13. Are you:

For-profit ☐ Not-for-profit ☐

14. Do you need the following to run your activities (tick all that apply)?

Web page ☐ Social media (e.g. Facebook, Twitter) ☐ Post ☐ Email ☐
Face-to-face interactions ☐ Smart phone/tablet apps. ☐

15. What are the key goals driving your organisation (tick up to 5)?

Social equality ☐ Increasing market share ☐ Supporting communities ☐

Environmental sustainability ☐ Profit ☐

Making better use of underused existing assets ☐ Reducing consumption ☐

Building trust ☐ Increasing customer/brand loyalty ☐

Improving people's quality of life ☐ Creating new types of economies ☐

Helping people to save money ☐ The importance of cooperation and sharing ☐

Create new jobs ☐ Boost the local economy ☐ Empower individuals ☐

Other (please specify):

16. We may want to contact you to discuss our work in the future. If you would be happy to speak to us please provide us with your:

Contact name

Email address:

APPENDIX THREE

PUBLIC SURVEY QUESTIONS

Introduction

We would now like to ask you some questions about different ways of getting goods and services apart from just buying them. The survey is about ways you can get goods and services such as sharing, swapping, trading, renting, second hand etc.

SHOW SCREEN AND ALLOW RESPONDENT ENOUGH TIME TO READ AND UNDERSTAND

From car rental to libraries to launderettes, alternatives to individual ownership are not new. However, digital technologies (like websites, mobile devices and apps) have helped us connect with more people and changed the types of things we use and how we interact. These activities have been described by some as the 'collaborative economy'. Popular examples of the collaborative economy include Freecycle, Zipcar, Airbnb, and TaskRabbit.

F1 = ALL ADULTS AGED 16+ IN THE UK

QUESTION 1: **I am going to show you a list of different types of goods and services and for each one I would like you to tell me the ways you have accessed each or offered them someone else in the past 12 months.**

So thinking about [INSERT EACH SECTOR BELOW]**, which have you done in the past 12 months?**

SECTOR:

- **Transport** – [e.g. cars, bikes]
- **Holidays** – [e.g. travel and accommodation]
- **Odd jobs and tasks** – [e.g. odd jobs, pet walking, babysitting]
- **Technology/electronics** – [e.g. computers, game consoles, televisions]
- **Clothing and accessories**
- **Media –** [e.g. books, music, DVDs]
- **Children's equipment and toys**
- **Household goods and appliances –** [e.g. pet-related goods, furniture, tools]

RESPONSES:

1. **Borrowed from** – a person I know
2. **Borrowed from** – a person I don't know
3. **Leased/rented from** – a company or organisation
4. **Leased/rented from** – a person I don't know
5. **Bought used/second hand/preloved from a company or organisation**
6. **Bought used/second hand/preloved from a person I don't know**
7. **Given for free/donated**
8. **Exchanged/swapped/bartered with a person I don't know**
9. **Lent to** – a person I know
10. **Lent to** – a person I don't know
11. **Leased/rented to** – a company or organisation
12. **Leased/rented to** – a person I don't know
13. **Sold used/second hand/preloved to a company or organisation**
14. **Sold used/second hand/preloved to someone I don't know**
15. **Gave for free/donated**
16. **Exchanged/swapped/bartered with a person I don't know**
17. **None**

F2 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – TRANSPORT – [E.G. CARS, BIKES] Q1/S1/1-16*

F3 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – HOLIDAYS – [E.G. TRAVEL AND ACCOMMODATION] Q1/S2/1-16*

F4 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – ODD JOBS AND TASKS – [E.G. ODD JOBS, PET WALKING, BABYSITTING] Q1/S3/1-16*

F5 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – TECHNOLOGY\ELECTRONICS – [E.G. COMPUTERS, GAME CONSOLES, TELEVISIONS] Q1/S4/1-16*

F6 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – CLOTHING AND ACCESSORIES Q1/S5/1-16*

F7 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – CHILDREN'S EQUIPMENT AND TOYS Q1/S6/1-16*

F8 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – MEDIA – [E.G. BOOKS, MUSIC, DVDS] Q1/S7/1-16*

F9 *= ALL ADULTS AGED 16+ IN THE UK WHO HAVE ACCESSED OR OFFERED – HOUSEHOLD GOODS AND APPLIANCES – [E.G. PET-RELATED GOODS, FURNITURE, TOOLS] Q1/S8/1-16*

QUESTION 2: **Did you use a website or mobile app for these transactions?**

[INSERT Q1 STATEMENT BEING ASKED ABOUT]

RESPONSES:

1. **Always**
2. **Sometimes**
3. **No**

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