Context

This paper seeks to place the sharing economy on the global agenda for companies, governments, communities and entrepreneurs alike. It is presented by the WEF YGL Sharing Economy Working Group which is part of the Circular Economy Innovation and New Business Models Initiative.

The goal of this paper is to explain what the sharing economy is and why it holds potential, focusing on key principles, drivers, trends and models. It maps out critical factors and conditions required for access-based business models to scale up, and identifies both opportunities and possible challenges to their success. It also embeds the sharing economy within a larger context and movement focused on resource efficiency, sustainability, changing demographics and user behaviors.

The sharing economy represents one of several substantive investigations by the WEF community into new disruptive business models that are impacting industries, value chains and systems around the world. It is intended to serve as an input to future WEF summits, sessions and engagements focused on the future of business, cities, technology, demographic shifts and a variety of sector-specific verticals.
How Did We Get Here, and Why Now?

The world is at an inflection point. Globally, economies are strained as companies and governments alike seek to “do more with less.” Many natural resources are no longer plentiful, and some are at risk of exhaustion. Population and urbanization continue to rise, more people are ageing while younger cohorts are also booming, and few cities are equipped to deal with what such changes will bring about in terms of public services and community-building.

Meanwhile, digital technologies are enabling people to connect directly with one another in all kinds of meaningful ways and with fewer intermediaries. We’re also discovering a large number of idle resources and underutilized assets which could be put to better use. The Millennial generation is making it clear which is depleted of value – and that, by and large, they want to own less, be more connected with others and part of something bigger than their individual selves. We’re moving from an asset-heavy generation to an “asset light” lifestyle. These trends are spurring massive innovation, creating new marketplaces and redefining the nature of business.

This inflection point is unique. The world is faced with a confluence of needs – frugal economics, environmental sustainability and loss of community – with a variety of enablers including technology, social networks, and shifting cultural factors. Thanks to advances in technology, this confluence is taking shape on a scale that’s unprecedented in history. Against this backdrop, the sharing economy (also called collaborative consumption and the collaborative economy) is gaining momentum in ways that potentially hold the keys for the future. At a basic level, sharing is one of the oldest behaviors known to humans. It is natural and intuitive; humanity has been doing it throughout history thanks to a variety of motivations.

When combined with the power of new technologies, particularly mobile platforms in today’s global village, collaborative models of consumption, production and marketplace creation – such as Airbnb, Etsy, TaskRabbit, RelayRides and many others – stand to reinvent and redefine these timeless behaviors on a scale and in ways never possible before.

The sharing economy is complementary to the circular economy. The circular economy refers to an industrial economy that is, by design or intention, restorative and which focuses on cradle-to-cradle principles and materials sustainability. Resources are used to enable high-quality design without contaminating the biosphere.

Both the sharing economy and the circular economy focus on efficient and sustainable resource use by individuals, companies, and governments. This paper focuses specifically on the sharing economy, while containing insights that are relevant for the circular economy and ecosystem as well.

What Is The Sharing Economy?

A Brief History

The sharing economy represents one node of a much broader series of shifts underway dating back to the Industrial Revolution and, much later, to the invention of the Internet. Just over 15 years ago, collaborative consumption pioneers such as eBay and Craigslist launched, capitalizing on our newly found ability to use the Internet to match millions of haves with millions of wants, instantly and efficiently. People of all ages became empowered not just to be buyers, but also sellers of things through the explosion of peer-to-peer (P2P) commerce. In so doing, they were able to unlock the idling capacity – the untapped social, economic and environmental value of underutilized assets – that can now be redistributed through technology platforms.

Moreover, as well as being able to trade and exchange with others online, people started to experience a different relationship to their material possessions, especially: things that were more affordable to access (rather than own outright); things that were expensive to maintain; things they didn’t really want or things that were used infrequently. This has resulted in a broader shift away from mass consumption and an individual one-person, one-unit, one-purchase, must-own mentality.

About a decade ago, companies such as Zipcar started to capitalize on the idling capacity of cars, which sit idle on average 23 hours per day, by developing new mobility platforms that charge for usage. Today there are literally hundreds of ways one can share different kinds of assets: space, skills, stuff and time. Companies now cater to everything from accommodation on Airbnb to office space on LiquidSpace, from cars on RelayRides and Getaround to pets on DogVacay, and from skills on SkillShare to travel experiences on Vayable. These companies are growing quickly: it is estimated that in 2013, more than $350 billion in revenues will be generated from transactions in the sharing economy.  

In addition to these relatively new companies, there are several older types of companies and organizations – such as libraries, cooperatives and neighborhood clubs – that have a heritage of facilitate collaborative consumption and production. Many of these organizations are experiencing increased membership and growth, and some of them are among the largest employers worldwide. Collaborative models of consumption, production, and marketplace creation exist across the value spectrum.

Enablers and Parameters
Rachel Botsman, co-author of What’s Mine Is Yours: The Rise of Collaborative Consumption and one of the principal thought leaders of collaborative consumption, outlines the sharing economy as driven by three primary benefits:

- **Economics**: more efficient and resilient use of financial resources;
- **Environment**: more efficient, sustainable and innovative use of natural resources; and
- **Community**: deeper social and personal connections among people

All of which are enabled and scaled by technology platforms. Technology provides the efficiency to match haves and wants seamlessly and economically, and the social glue to build trust between strangers (in both online and offline settings).

Collaborative consumption has been defined as “the reinvention of traditional market behaviors – renting, lending, swapping, bartering, gifting – through technology, taking place in ways and on a scale never before possible.” The parameters for its success are broad.

Successful models are both monetized (such as Airbnb, which has booked more than 10 million nights and received $112 million in venture capital funding in 2012 on a $1.2+ billion valuation; guests pay hosts a nightly fee) and non-monetized (such as CouchSurfing, which has 5+ million members around the world and is based on a culture of reciprocity; no money exchanges hands directly, and instead guests are expected to host fellow guests when possible). Both models tap into latent sources of value, create new value, build community and spur innovation. Both are highly scalable, even though money does not flow in the same ways (if at all). Both are redefining the nature of travel, tourism, community-building and business in a new economy.

Sharing Economy Systems, Models and Sectors

Within the sharing economy and collaborative consumption, there are three principal systems:

1. **Redistribution Markets** redistribute things from where they are not needed to someone or somewhere they're needed.

2. **Product Service Systems** allow members to pay for the benefit of using a product without needing to own it outright.

3. **Collaborative Lifestyles** platforms allow for the sharing and exchange of less tangible assets such as time, skills, money, experiences or space.

In addition to these three systems, there are a variety of related models of collaborative production, transaction, investment and marketplace creation. Well-known examples include Wikipedia (crowdsourced online encyclopedia), Kiva (crowdfunding for microenterprise), TechShop (hardware hacker space) and Kickstarter (crowdfunding), and lesser-known variations such as Rang De, Milaap, and LendFriend (financing for friends and family).

Trust and reputation in the sharing economy

Trust and reputation are essential for the sharing economy. Trust is the social glue that enables collaborative consumption marketplaces and the sharing economy to function without friction. Reputation comes from the trust of people and develops over time as people interact in a repeated and consistent manner with one another.

People develop a feeling of trust based on their personal assessments of many factors. Trust operates on many levels: inner-personal, relational, organizational, market, and societal.

Reputation derives from observations and experiences over time. We can work to manage reputation, but in the end our reputation comes from the judgments that other people make about us. Various web-reputation systems have been built and analyzed, although there remain significant opportunities for such platforms and networks to evolve within and for the sharing economy specifically.

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4 Kaliya Hamlin, The Trouble with Trust and the Case for Accountability Frameworks: http://www.identitywoman.net/the-trouble-with-trust-the-case-for-accountability-frameworks
The Sharing Economy Universe.

as featured in Forbes Magazine, 2013
Crowdfunding and the sharing economy

As the name implies, crowdfunding refers to a new and quickly growing form of financing in which individuals can fund projects, products and causes on a peer-to-peer basis facilitated by digital technology. A variety of types of crowdfunding sites are available; Kickstarter, Indiegogo, Crowdrise and RocketHub are some of the larger platforms, although new entrants are arriving in new geographies frequently. Each platform provides unique terms and/or focuses on a unique target market. Pending the JOBS Act implementation (see below), equity crowdfunding – for a financial return – will also be feasible.

Use of crowdfunding as a financing mechanism is growing dramatically. In 2011, a total of $1.1 million was raised on a handful of crowdfunding sites. By the end of 2012 this number had risen to $2.7 billion across nearly 600 platforms and more than a million campaigns across the globe. In 2013 the rate of increase is expected to be even higher.

In the United States, the Jumpstart Our Business Startups (JOBS) Act was passed by President Obama on 5 April 2012. It provides limited exemptions from securities laws which permit a small business to raise up to $1 million per year via crowdfunding. The JOBS Act has been heralded as a step in the right direction to new forms of P2P and democratized fundraising structures, though the Securities and Exchange Commission (SEC) has yet to pass the necessary rules for its implementation.

Depending on a company’s goals, they may wish to monetize their business model in a variety of ways including service fees, membership and/or subscription fees, and flat or tiered usage fees. Crowdfunding sites may provide a financial return, social return, or a product or service in exchange for investment. With or Without Money?

With or Without Money?

It is important to keep in mind that not all organizations that enable sharing may ask for participants to transact using money. In a non-monetized setting, value is often tracked and exchanged using systems of points or credits instead. Systems such as time banks or local exchange trading systems use such an approach. They may generate income through fees, advertising, or even brokering exchanges, but many rely on voluntary contributions of time and funds from those that support the practice of “moneyless” sharing. Key to their growth is the availability of free open source software so that the cost of establishing and running such systems is low. The potential of such systems is that participants’ ability to share is not restricted by how much money they have.

All of these systems – both monetizable and non-monetized – are enabled in turn by four key principles that enable their existence and growth:

- Trust between strangers;
- Belief in the commons, and effective management of common resources;
- Idling capacity; and
- Critical mass of users, customers, consumers, producers and/or members

Over time, there has been an evolution in the variety of sharing economy business models. There are two main models: business-to-consumer (B2C) and peer-to-peer (P2P). Zipcar is an example of a B2C company; the company owns the inventory and coordinates access to it through technology. RelayRides and Etsy are examples of P2P companies; the company never produces, owns or maintains the inventory that’s shared. They simply facilitate the transaction, which takes place directly between individuals.

With P2P sharing platforms, people who have an asset (car, home, skill, etc.) can put it into shared use and offer it to people who are looking for that asset. Exchanges increase the use of the asset, offset the cost of owning it, and do so while consuming fewer resources and promoting local entrepreneurship.

Although still fewer in number, business-to-business (B2B) models of collaborative consumption also offer growth opportunities. In a B2B setting, a company provides a service to another company (usually online) to enable them to share their inventory, are increasing. Companies like Getable and LiquidSpace provide examples of how businesses may rethink their approach to B2B transactions.

The sharing economy can be manifest in almost every sector of society and corner of the globe. Sectors which have experienced robust traction and interest include accommodation, transportation, tourism, office space, financial services and retail products. Areas where significant growth is expected include P2P car sharing, ridesharing, errand marketplaces, P2P and social lending, and product rental.

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6 http://www.slideshare.net/NESTA_UK/rachel-botsman-purpose-with-profits
TRADITIONAL SHARING, BARtering, LENDING, TRADING, RENTING, GIFTING, AND SWAPPING REDEFINED THROUGH TECHNOLOGY AND PEER COMMUNITIES—THAT IS TRANSFORMING BUSINESS, CONSUMERISM, AND THE WAY WE LIVE.

Generally speaking, collaborative consumption businesses work best when they meet certain criteria:

- It is important for the asset to become “liquid,” i.e. easy to share and/or distribute; this is typically the case for spaces and skills.
- It is also particularly good when the asset has high idling capacity, i.e. low frequency of use, such as cars or spare spaces (commercial and residential).
- Assets that are correlated with a high percentage of income outlay or are expensive to own outright, such as solar panels and luxury goods, due to potential cost savings and/or income limitations.
- Assets that quickly become obsolete, such as baby goods and maternity-related clothing and products.
- Assets that have no demand or supply limitations, or whose value increases because of the fact it is shared (such as travel experiences), are other hallmarks of this space.

**Longevity and Growth Potential: Is the Sharing Economy Here To Stay?**

The sharing economy continues to grow at almost breakneck speed, though its course is still early. Total venture investments in collaborative consumption startups topped $431 million in 2012, continuing an upward trend dating back to 2007.

Over ten million nights have been booked on Airbnb. The P2P financial lending market is estimated to reach $5 billion by the end of 2013, and car sharing revenues in North America alone will hit $3.3 billion by 2016. The global P2P rental market is valued at $85 billion, the vacation rental market is valued at $85 billion, and the ride sharing industry is valued at $117 billion. From an economic perspective, collaborative consumption looks promising.

In addition, big brands and established companies are beginning to understand the drivers and demographic shifts underway and entering the sharing economy. They are doing this in a variety of ways. In January 2013, Zipcar was acquired by Avis for $500 million. General Motors Ventures has invested in RelayRides. BMW has DriveNow and Daimler launched Car2Go; both are carsharing services facilitated through mobile technology (and in some cases focused on electronic vehicles). Amazon offers textbook rental services. Walmart recently announced its own white-label P2P delivery service. Large companies are looking at crowdfunding as a source of innovation capital, and some insurers are developing new forms of insurance to cover sharing-based transactions.

What is at play in the sharing economy, however, goes beyond basic economics. Aside from these benefits, the sharing economy is also part of a larger process around value creation in the new economy: value that is environmentally sustainable and connected to local economies. The sharing economy enables local entrepreneurship and local economic investment, because transactions accrue value at the point of use. As a result, sharing-based business models hold huge potential for public and private sectors alike.

**Public Innovation and “Shareable Cities”**

The sharing economy provides myriad avenues for public innovation and benefits for the public sector as a whole. Examples include Landshare, Good Gym, Southwark Circle, city-sponsored bike sharing programs and a variety of open government data initiatives. Cities are arguably the largest single beneficiary, as collaborative consumption and technology can help redefine public services, infrastructure and civic engagement.

Imagine a “shareable city.” It could be a city in which car sharing were the norm, thereby reducing traffic and pollution while freeing up space and disposable income for every member of the community. Or a city in which office spaces were more widely accessible, matching mobile workers with appropriate space and enabling people with space to boost their revenues simply by sharing this underutilized asset. Or a city in which residents can teach each other valuable skills, help with projects or even run errands – saving money, using resources responsibly and connecting with one another in the process. Cities that can take advantage of platforms available for collaborative consumption will tap into vast new opportunities to create jobs, attract talent, promote local investment and community-building, and offer a healthier place to live.

Local and national governments have unique roles to play to understand the opportunities available and promote models that use resources more efficiently. Many governments today are not even aware that the sharing economy exists, and even when they do, they are uncertain about how to navigate it best. It is critical to get public sector engagement to ensure an appropriate “enabling environment” for new businesses to thrive.

In addition to start-up companies in the sharing economy, established companies can be key promoters of business innovation. Although some traditional and large businesses may feel threatened by collaborative consumption drivers – including companies built on an “ownership economy” and those that depend on frequent, disposable purchases – they are nonetheless looking at a future of changing demographics and consumer preferences. For example, General Motors partnered with P2P car sharing service RelayRides and GM’s OnStar division to enable car renters to unlock GM cars (rented on RelayRides) with their mobile phones.
No amount of marketing will force a customer to buy something that can be shared. Rather, smart companies – and progressive governments – will embrace the sharing economy and integrate it into their business lines and commitment to local citizens.

In addition, companies and organizations in the sharing economy are experimenting with new metrics for enabling trust and exchange. These innovations raise new possibilities for how low income individuals or businesses with cash flow difficulties may find new means by which to exchange goods and services – effectively trading without money. Therefore the sharing economy provides new opportunities for enabling local economic development and even poverty reduction, underscoring its relevance and potential for communities and business in myriad markets around the world.

**Collaborative home**

Take a look around you. Do you have a spare room that sits empty for most of the year? Perhaps you are like the average car owner whose vehicle sits idle for 22 hours a day. We are surrounded by spaces, skills, time, gardens, and stuff that all have “idling capacity.” With more and more collaborative consumption marketplaces launching, we can now swap, barter, rent or share these assets.

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**The Collaborative Home**

- **Parking & transport**
- **Skills & chores**
- **A spare bed**
- **DVD’s, books & games**

**Collaborative consumption marketplace**

- Relayrides.com
- Parkatmyhouse.com
- Skillshare.com
- Taskrabbit.com
- Airbnb.com
- Crashpadder.com
- Murfie.com
- Swap.com

**Profit**

- **$8,931 USD per year**
  Average amount made by Relayride’s frequent renters
- **$15,000 USD per year**
  Average amount that a Taskrabbit errand “runner” makes in a year
- **$21,000 USD per year**
  Average amount that a New Yorker makes renting their space on Airbnb
- **$200 USD per month**
  Rentoid renting out video gaming systems

Source: Collaborative Lab.
The Seoul Metropolitan Government has declared the Sharing City as a new city paradigm. On 20 September 2012, the government disclosed its plan for promoting the “Sharing City Seoul” project, which includes 20 sharing programs and policies for generating or diffusing infrastructure to promote and enable sharing-based platforms.

The government believes that focusing on models to promote sharing provides a new alternative for reform that can “resolve many economic, social, and environmental issues of the city simultaneously by creating new business opportunities, recovering trust-based relationships, and minimizing wastage of resources.”

The Seoul Metropolitan Government has identified several roles it will play in the development of infrastructure for sharing companies, supporting companies and non-profit organizations, spreading participation by citizens, and prioritizing certain programs focused on transportation, welfare, culture and the environment.

Following through on its declarations, the Seoul Metropolitan Government passed Act No. 5396 (Act for Promoting Sharing) on 31 December 2012.

Implications, Challenges and Recommendations: The Path Forward

The sharing economy holds great promise. This implies a more sustainable future, efficient asset utilization, stronger social and community ties, new marketplace creation for products and services that never had a market before, and an expanded definition of work and entrepreneurship.

However, alongside these potential advantages come challenges, potential pitfalls, and calls to action. The sharing economy could unravel for a variety of reasons, all of which are surmountable.

The key areas that impact sharing economy prospects, and therefore where thoughtful and concerted action is most important, are:

- **Marketplace creation and critical mass**: for sharing economy companies to succeed, it is essential that they have enough people to participate and enough supply and demand to provide convenience and choice. This is typically easier to overcome in large cities, which have higher population densities and more assets to share. However, for collaborative consumption to go mainstream, platforms should be available in smaller cities as well.

- **Legal, regulatory and policy issues**: Many existing public policies and laws can help or hinder the sharing economy. Equally important, many policies drafted in the ownership era are silent about sharing – creating a “gray area” in which activities are neither legal nor illegal. Today the most contentious issues focus on taxation, insurance, zoning and licensing, and consumer protection (including personal data) issues. In order to realize the full potential of these new business models, it is recommended to develop a parallel and complementary set of rules for affected companies. In addition, many cities have implemented or are considering implementing Sharing Economy Working Groups to navigate this new territory. Enlightened city leaders can champion this charge.

- **Designing for sharing**: This has multiple implications for companies including product development and servicing, branding, marketing, customer loyalty, innovation strategy and technology investment. It also requires enabling inter-operability of platforms and portability of data, including relationships. One can easily imagine a car or appliance that has been specifically designed to be shared rather than owned outright; it does not require developing an entirely new product, but it does require thoughtful modifications and a focus on durability, sharing logistics, and Cradle-to-Cradle principles. For example, one could imagine a “digital birth certificate” for products in shared use.
• **Personal data and identity:** Companies must also address personal data identity concerns and acknowledge that, in many cases, it is no longer about selling the products (or "stuff") and shift their focus to providing ecosystem services to support the sharing, maintenance and functionality of these items.

• **Cultural barriers:** Sharing economy models will thrive where there is an attitude that deems sharing and collaboration to be acceptable – and even preferable to – ownership or outright competition. This requires a mindset that’s aware and open to this kind of innovation, prioritizes resource efficiency, and understands the limitations that the world faces today. There are potential cultural barriers, for example, in developing countries with a rising middle class whose goal is to own (a car, home, motorbike, etc.) outright. Particularly in megacities in the developing world, these aspirations must be balanced against the environmental and social pressures that stand to limit the well-being of the same communities.

• **Incumbent backlash:** Given collaborative consumption’s potential to disrupt existing industries and ways of doing business, it is important for established companies to understand what their options are and how best to react. There are two typical reactions.

In the first case, companies see the disruption and, rather than ignoring it or trying to shut it down, they embrace the potential for innovation and begin to engage: in other words, they show some willingness to disrupt themselves. A good example of this is the automotive industry. Traditional car manufacturers have partnered with car sharing companies (GM and RelayRides) and developed their own car sharing initiatives (BMW, Daimler), while ride sharing services can work with taxi cab companies to maximize utilization of unused cabs (Uber). They have begun to look at a future in which customers are more interested in having access to “mobility services” than owning a car, and developing offerings accordingly.

In the other case, established companies have been using collective efforts to outlaw sharing economy-focused and P2P models. The hotel industry falls into this category. They often focus on issues such as taxation of residents or instituting minimum stay requirements for people using P2P accommodation platforms (which would not apply in a hotel setting). These efforts tend to be highly reactive and focused on short-term unknowns, rather than looking at long-term cues and drivers of why people opt into P2P platforms such as proximity, accessibility, affordability, and uniqueness of the asset.

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**How to accelerate the sharing economy: open standards for personal data and opportunities to accelerate the sharing economy**

The computers in our pockets and data in the cloud are enabling the growth of the sharing economy. “Personal clouds” are emerging for people to store their personal data. This personal data has been identified by WEF as a new asset class. This asset – including social graphs the history of sharing transactions, and the data about what individuals have that they can share (e.g. things, time, skills) – is a key component of a new economy that harnesses new sources of value.

In this context, services which use open standards to access personal data clouds will have an advantage over services based on proprietary standards and “walled gardens.” Adopting open standards supports people to provide information in a common format. Practically speaking this is what SMTP does for e-mail and HTML does for web pages.

With open standards in the sharing economy, people can connect with multiple sharing networks without having to re-enter all of their data. This makes it easier to build online reputation and credibility, which helps to build and scale user bases, and it enhancing user choices rather than creating choice barriers.

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10 World Economic Forum Rethinking Personal Data Project http://www.weforum.org/issues/rethinking-personal-data)
Looking to the Future: Evolutionary Business Models and the Collaborative Revolution

The sharing economy seeks to tap into and unlock idle assets in order to create new wealth and use resources more sustainably. It is part of a broader series of trends related to collaborative consumption, production, supply chain management and more that stand to evolve and revolutionize the way business is conducted around the world.

The adoption of sharing economy principles, systems and drivers has the potential to reshape business models and create valuable opportunities for companies – large and small, start-up and established – who can understand and harness the advantages available. Moreover, they are better for an individual’s pocketbook, better for the environment, and better for local communities. Companies who do not recognize the magnitude and potential of these opportunities stand to miss one of the greatest inflection points of our time. Public and city leaders have a key role to play in the full realization of what the sharing economy could become for sustainable and “shareable cities” everywhere.

Recommendations for Business Leaders and Policy-Makers

There are many ways that business leaders and policy-makers can learn about and get meaningfully involved in the sharing economy. The first step is understanding the drivers and principles that enable new business models and ways to create value to evolve.

The recommendations below are intended to serve as guidelines for more robust discussions within both public and private sectors. The YGL Sharing Economy Working Group welcomes further input and seeks to identify opportunities for collaboration within the WEF community.

**Recommendations for Business and Private Sector Leaders**

- Better understand the potential effects of collaborative consumption models on our core sector/vertical and business lines(s)
  - How could access-based business models either threaten or enhance our core business?
  - How could sharing better engage employees, clients, and other partners in the communities and markets we serve?
  - Is it possible to use sharing business models to stimulate and shape new opportunities and demand for new services?
  - What are the opportunities for P2P, B2C and B2B?

- Understand lessons and insights that incumbents have already learned, such as focusing on underlying drivers affecting why people opt for collaborative consumption models:
  - Access (ease and facility)
  - Greater choice and flexibility (uniqueness of assets)
  - Affordability
  - Opportunities for human interaction and relationship building
  - Sustainability (environmental benefit)

- Better understand the attractiveness, rationale and diversity of collaborative consumption funding options for investors and entrepreneurs
  - Venture capital and private equity
  - Crowdfunding and other P2P financing platforms
  - Economic development agencies
  - Potential new opportunities for financial institutions

- Seek partnerships and joint ventures that enable leveraging of assets, inventory and expertise in ways that promote additional innovation

- Investigate non-monetary value creation, resilience strategy, and non-monetary and other qualitative performance metrics

**Recommendations for Policy-Makers and Public Sector Leaders**

- Identify opportunities to create and promote a “Shareable City”
  - Commission a study of idle assets within your city
  - Launch a sharing economy working group to identify opportunities for collaborative consumption models to redefine public services, innovation and civic engagement
  - Look at new ways to utilize government assets (e.g. space, land) for shared use
  - Establish shareable infrastructure
  - Promote mechanisms to bring members of the sharing economy together (residents, neighborhoods, company and community leaders, etc.)

- Work with policy-makers and municipal agencies to develop and implement appropriate legal and regulatory mechanisms for access-based and collaborative forms of business, consumption, production and exchange
  - Ownership-based rules are often outdated and/or awkward for access-based transactions
  - Focus on developing a robust “enabling environment” for the sharing economy to grow

- Collect data on consumption and waste patterns within the city or region, which gives a foundation for companies to build business models and attract funding
Key Questions for WEF Members and YGL Participants

• What impacts might the adoption of sharing economy principles, systems and models have on my business and industry? What about on the place (neighborhood, city, country) where I live?

• How might insights and trends from the sharing economy be incorporated into my organization? What capabilities do we need to better understand the opportunities (and potential challenges) we face?

• How could our business, or our local government:
  - Fold sharing-based business models into what we do?
  - Communicate this impact to key stakeholders, investors, and communities where we work?
  - Engage employees, clients, and other partners into the sharing economy?
  - Stimulate and shape new opportunities and demand for new services?
  - Shape or respond to a regulatory environment conducive to the sharing economy and collaborative consumption/production business models?

• What could I do to become involved in the World Economic Forum and YGL Sharing Economy Working Group in a practical way?
  - We would greatly appreciate any feedback, comments and contributions to this paper, as well as expressions of interest from those keen to play an active role in the development of a broader sharing economy agenda.
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Sharing Economy Working Group

The Sharing Economy Working Group was founded in 2012 by YGLs who see it as an important example of business and behaviour that promotes sustainability at scale, innovation and resilience across sectors and geographies. It is closely integrated with the Circular Economy Innovation and New Business Models Taskforce, and it is expected to lead to additional workflows and synergies over time. The leaders of these initiatives are committed to collaboration and progressive thinking together.

In addition, the Sharing Economy Working Group has partnered with Collaborative Lab to source the information and data provided in this paper. Collaborative Lab is a strategic advisory firm that works with companies, governments and entrepreneurs interested in understanding and harnessing the potential of the sharing economy.

As the Sharing Economy Working Group continues to team with the Circular Economy Task Force and Collaborative Lab to build on the work of the last year, we would greatly appreciate feedback, comments and contributions to this paper, as well as expressions of interest from those keen to play an active role in the development of a broader sharing economy agenda within the World Economic Forum.

Circular Economy Innovation and New Business Models Initiative

The vision of this YGL taskforce is to create a socially and environmentally prosperous world where profitable businesses provide smart goods and services within the resource limits of the planet.

Our mission is to inspire leaders to embrace the “Circular Economy” business philosophy for their organizations and provide tangible examples of successful business models and means of implementation.

By advancing this mission the taskforce helps create universal awareness amongst business leaders and other stakeholders of the inherent problem of unsustainable – linear – production methods; the case for and possibility of change; the business opportunities; and means of transitioning to a sustainable global economy.

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