

Article

The feasibility of measuring the UK sharing economy: September 2023 research update

Our revised working definition of the sharing economy. A summary of insights and progress since our October 2020 release.

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1 . Overview of changes

- Review of the 2017 Office for National Statistics (ONS) sharing-economy definition and decision tree.
- Using the International Organization for Standardization (ISO) definition of the sharing economy.
- Knowledge gaps and challenges.

2 . Review of the 2017 Office for National Statistics sharing-economy definition and decision tree

Our initial research into the sharing economy began in 2015. There was no standard definition of the sharing economy, so we at the Office for National Statistics (ONS) conducted research and a consultation and published a working definition of the sharing economy to be used alongside a decision tree for categorising businesses in 2017. However, as the sharing-economy model has changed over time, well-known sharing-economy businesses no longer fit our definition. Further information can be found in our [previous feasibility of measuring the UK sharing-economy articles](#).

We reviewed our user needs and conducted qualitative research with users to review the types of businesses that they would include in the sharing economy and concluded that we need to update our definition to include a wider range of businesses. For example, no longer restricting the definition to transactions that take place between individuals.

3 . Using the International Standardization Organization definition of the sharing economy

The International Standardization Organization definition of the sharing economy

In November 2021, the International Organization for Standardization (ISO), which is a worldwide federation of national standards bodies, published [ISO 42500:2021 Sharing economy – General principles](#). The publication includes a definition of the sharing economy:

Sharing Economy

“Economic model where platforms enable providers and users to exchange products and assets”.

The ISO definition is accompanied by notes and sub-definitions, which we will discuss in this article.

How the Office for National Statistics will apply the ISO definition

There are many different definitions of the sharing economy. We conducted a review of sharing-economy definitions and concluded that the ISO definition aligned closely to the user needs identified in our research. One of the requirements was for our definition to have the flexibility to include platforms that allow permanent transfer of ownership (for example the resale of second-hand goods). This is included in the ISO definition, but excluded by many definitions and many would argue that this is not “sharing”.

Our research showed that the definition that is needed will depend on the research purpose, therefore we propose a tiered definition; a main definition with additional categories that can be flexibly included or excluded. The ISO definition is accompanied by notes, and it is the accompanying notes that we will adapt to achieve this. The differences between the ISO definition and how the Office for National Statistics (ONS) will apply it are:

- the ISO definition of the term “platform” has an accompanying note that “platforms can take a digital form”; non-digital platforms are out of scope for the ONS research
- note 1a of the ISO sharing-economy definition states, “platforms are neither providers nor users”; this note will only apply to our main definition, while in our tiered definition platforms that are owners or providers are included, providing they also meet other criteria (explained further in Section 3 under the heading "Included in the ONS tiered definition").
- note 1e of the ISO definition states, “providers can provide assets or access to assets”; this only applies to our tiered definition, while in our main definition, providers provide access to assets only
- in our main definition, the exchange of products and assets is temporary, but in the tiered definition this exchange can be permanent

The full definition, notes and sub-definitions are in [Section 5: Glossary](#). We are adopting the ISO definition of the sharing economy, but we anticipate that we may amend the accompanying notes and subcategories as our understanding of the sharing economy develops, to account for changes in the sharing economy or to satisfy the specific needs of a research project.

Rationale for using a tiered definition

We conducted desk research including a literature review and consultation. This allowed us to create a reference list of potential sharing-economy businesses, which we could use to shape our definition. It was clear from this initial research that we were unlikely to obtain universal agreement on what should be included in the definition, so we held a focus group with users. This was to distinguish the business models that people agreed were part of the sharing economy from the business models that they disagreed upon.

We concluded that we should use a tiered definition. The main definition is the core of business models that our research shows are generally accepted to be part of the sharing economy. The tiered definition has additional categories that reflect the factors that cause disagreement, identified by the focus group and the desk research. These categories can be added or removed depending on the purpose of the research:

- platforms that own or provide the products or assets
- platforms that enable users to resell second-hand goods

This approach gives scope to add additional categories when new business models emerge. For example, there are a range of businesses that exist to support the sharing economy with bespoke technology, insurance, and other services. The definition does not include these, but we could consider adding them as a category in our tiered definition in the future.

Additionally, we grouped our reference list into types of businesses or “concepts”, to allow us to look at different sections of the sharing economy separately, for example “online person-to-person clothes lending or borrowing.” Further research is needed to refine these categories and identify how to map these to [the Statistical classification of products by activity, \(CPA\), as published on the Eurostat website](#).

Together, the additional categories of the tiered definition and the “concept groups” (categories of businesses) form a framework. This framework is a data table where:

- the rows of the table are the concept groups
- the columns of the table are the additional categories of the tiered definition

It is important to note that this framework identifies the principles only, further work is needed to develop appropriate data sources. Please see [Section 4: Knowledge gaps and challenges](#) for more information.

Included in the ONS main definition

The traditional sharing-economy model consists of sharing and exchanging excess goods and services facilitated by digital intermediary platforms. The sharing is mainly provided by individuals and the assets are owned by the provider. An individual or business could take part in the sharing economy as either a provider or a user. Providers list their items on the platform and receive requests from users through the platform. The provider has the option to accept or reject each request and is responsible for arranging delivery of the asset. There is often a peer review system and a service fee, which is paid to the platform operator by the provider and/or user. The provider owns the asset throughout, they are only providing the user with temporary access to it.

Examples of this are:

- accommodation
- clothing rental
- goods rental
- parking spaces

Included in the ONS tiered definition

The tiered definition of the sharing economy includes categories of businesses that do not fit the main sharing economy model but are often considered to be part of the sharing economy (by the media, the businesses themselves or by industry bodies).

This includes the transfer of ownership of unwanted second-hand goods on digital marketplaces such as eBay and Gumtree. Although some experts argue against this, as the ownership has been transferred from one individual to another and so it is no longer sharing, we recognise it as a part of the sharing economy for various reasons:

- unwanted items are reused, reducing waste, which has economic and environmental impacts
- unused or unwanted items can be monetised, which acts as a flexible income stream; this might not be captured in income statistics and could have an impact on tax policy, policies affecting consumer rights and benefits
- the digital matching of unrelated individuals on a platform, alongside a rating system is an important feature of the sharing economy, and many digital marketplaces, which we recognise as belonging to the sharing economy, use this system

The ISO definition excludes platforms that facilitate the sharing of goods where the products or assets are also owned or provided by the platform. The ISO definition excludes these from the sharing economy as it states there must be a platform between the provider and the user. Platforms that own or provide the products are difficult to distinguish from traditional rental businesses, as the arrangement is no longer two-sided (where the individual can be both the provider and user on the same platform). A platform where the providers own the assets requires greater set-up costs, risk, and time, which restricts the quantity of this type of platform. Additionally, there are fewer questions over tax status as businesses must be registered by relevant laws.

However, some people consider these to be part of the sharing economy because they use similar digital technology and multiple users can access these goods and services without acquiring ownership. This provides the wider environmental and community benefit, which the sharing-economy model serves. Therefore, we have included platforms that own or provide the products in our tiered definition, but these are limited to:

- community car clubs (unlike traditional car hire, cars are collected and returned to a street or parking space, arranged digitally)
- micromobility hire (for example, city centre bike, e-bike or e-scooter hiring in an app)

Platforms that enable providers to exchange their time and skills for money (also known as the gig economy) fit the ISO definition. However, this is an area of the sharing economy that many would argue is not sharing. This is an example of how we could apply our tiered definition to include or exclude specific “concepts” by adding or removing notes to the definition as required.

Excluded from the ONS definition

The ONS definition excludes non-digital transactions as this is outside the scope of our measurement.

Businesses that exist to provide goods, equipment or services to the sharing economy (for example, bespoke insurance, cargo bikes, software) are also excluded as they do not fit the sharing-economy definition, however this is an emerging sector that may be of interest in future.

Price comparison sites, which compare second-hand listings for sale on another digital intermediary platform, are excluded as this is not an exchange of products or assets.

4 . Knowledge gaps and challenges

Identifying sharing-economy businesses

The challenges of identifying sharing-economy businesses (which do not easily fit the [Standard Industrial Classification](#) (SIC) system) are described in our article, [The feasibility of measuring the UK sharing economy: October 2020 progress update](#). A reference list of sharing-economy businesses has been identified through manual research, the limitations of this are also described in the October 2020 progress update.

Our research to date has focused mainly on understanding how we collect data from businesses, which has some challenges. Businesses with a small employment size may not be registered with the [Inter-Departmental Business Register](#) (IDBR), which provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS). In addition, there is a rule that states that businesses with fewer than 10 people in employment are given a survey holiday for three years after completing an ONS survey.

Collecting data from individuals and households gives different challenges: a large portion of the peer-to-peer aspect of the sharing economy is supplied by individuals (for example, skills sharing and sale of second-hand goods). It is difficult to measure the exact economic value gained from taking part in the sharing economy from individuals, because:

- they may not be registered as a company
- they may be registered as a small enterprise or micro-business
- they may identify themselves as unemployed or self-employed
- they may see the sharing economy as a lifestyle choice rather than an income channel (for example, decluttering and recycling goods by selling them on)

Digital supply and use tables

Our [UK Digital Economic Research: 2020 article](#) notes that further research is required to investigate the feasibility of populating digital supply and use tables (DSUTs). The sharing-economy research could be relevant to help inform research on DSUTs.

Identifying suitable data sources

Our previous publications included some initial comparisons between sharing-economy and non-sharing-economy businesses using data from our [Annual Business Survey](#) (ABS). This is an important data source for sharing-economy research. We have investigated the use of other Office for National Statistics (ONS) business surveys, for example the ONS previously published sharing-economy analysis from the e-Commerce Survey, this has now been replaced by our [Digital Economy Survey](#). Our [Annual Survey of Goods and Services](#) (ASGS) measures turnover broken down into the different goods and services from which it is generated, both inside the UK and outside the UK. This might be a useful data source for sharing-economy research.

Our [Time Use in the UK Survey, as shown in our March 2023 bulletin](#), collects data on how UK adults use their time and might be another useful source for sharing-economy research. In recent years, the ONS has piloted questions to measure sharing-economy income and expenditure via our [Living Costs and Food Survey](#), the use of the platforms via our [Opinions and Lifestyle Survey](#) (OPN) and income generated via our [Labour Force Survey](#). However, the data quality was insufficient to continue these pilot studies. Feedback from interviewers and respondents has allowed us to learn lessons about the question design, such as the need to adopt a [user-centred design approach, as described on the Government Analysis Function website](#), and to explore the possibilities of using non-survey data.

As we assess the feasibility of applying this definition to ONS data to measure the sharing economy, we welcome views on the definition. If you have any feedback on the research described in this article, please contact sharing.economy@ons.gov.uk.

5 . Glossary

The items in the glossary have been adapted from the International Organization for Standardization (ISO) definition published in [ISO 42500:2021 Sharing economy – General principles](#).

Sharing economy

An economic model where platforms enable providers and users to exchange products and assets.

In our main definition:

- platforms are neither providers nor users of the products and assets exchanged between providers and users
- exchanges between providers and users can take place both online and offline
- exchanges can be and are often intended to be "peer to peer" (between individuals) of underutilised resources, for free or for a fee
- platforms facilitate transactions between providers and users, such as payment processing, insurance procurement, reputational rating or review systems and complaints handling
- providers can provide access to assets

In our tiered definition:

- platforms that provide the products or assets are included in limited circumstances – micromobility platforms or car clubs that meet the other conditions of the definition
- exchanges between providers and users can take place both online and offline
- exchanges can be and are often intended to be "peer to peer" (between individuals) of underutilised resources, for free or for a fee,
- platforms facilitate transactions between providers and users, such as payment processing, insurance procurement, reputational rating or review systems and complaints handling
- providers can provide assets or access to assets

Platforms

Mechanisms that enable exchanges of products and assets:

- a sharing-economy platform can take a digital or non-digital form, but non-digital platforms are out of scope for measurement
- platforms can be used for both sharing-economy and conventional business-to-consumer e-commerce transactions
- platforms facilitate transactions between providers and users, such as payment processing, insurance procurement, reputational rating and review systems and complaints handling

Platform operator

Individual or entity that administers a platform.

In the sharing economy, the platform operator:

- can administer an online or an offline platform, but non-digital platforms are out of scope for measurement
- can engage in interactions with providers and users to support the exchange of products and assets between providers and users

Provider

Individual or organisation that provides products and/or assets to users using a platform.

User

Individual or organisation that is a recipient of a provider's products and assets.

In the sharing economy:

- "recipient" includes a proxy of a recipient and a potential recipient (for example, individual or organisation who browses on a platform)
- a user could include a customer and a consumer

Products

Goods or services

Assets

In the sharing-economy definition, we use the word assets to mean “Item, thing or entity that has potential or actual value”.

Micromobility

Transportation using lightweight vehicles such as bicycles or scooters, including electric ones that may be borrowed as part of a self-service scheme in which people hire vehicles for short-term use within a town or city.

6 . Related links

[Feasibility of using administrative data sources for UK digital economy research: May 2022](#)

Article | Released 5 May 2022

Exploring the use of administrative data sources to help produce value estimates of the digital economy.

[UK Digital Economic Research: 2020](#)

Article | Released 24 May 2023

Updated estimates of the economic output of the UK's digital economy.

[ISO technical committee 324](#)

Webpage

The technical committee with the scope of standardisation in the field of sharing economy

7 . Cite this article

Office for National Statistics (ONS), released 19 September 2023, ONS website, article, [The feasibility of measuring the UK sharing economy: September 2023 research update](#)