

Regulating peer-to-peer sharing economy platforms in institutional voids

Case studies on how European capital cities interact with Airbnb to reduce institutional voids
M.B.C. Kramer

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by

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Summary

0.1. Background

Nowadays, the societies we live in are filled with online markets, services and platforms on which a large part of our lives is lived. The rapid growth of the internet has resulted in increased interconnectedness between all kinds of communities around the world. Platforms such as Airbnb have been raising rapidly in the past century, as a result of an increased online demand for peer-to-peer market places, on which all kinds of private goods can be shared with peers. Markets on which society can collaboratively provide and demand under-utilized goods such as cars, rooms, dogs and drills to each other in return for a small fee. This is also referred to as the sharing or collaborative economy. The rapid development of platforms such as Airbnb and for instance Uber, and the fact that they are operating in an online environment results in challenges for local governments in how to respond and when. The major effects on communities, security, tourism and the economy especially in capital cities are forcing local politicians to formulate policy plans on how these platform markets will be dealt with, whether societies want to embrace the opportunities that these new initiatives bring, or battle the externalities. But, based on what institutions? Regulatory frameworks are often not complete, showing gaps or even non-existing. The complexity of these markets, whether they can be compared to something existing (or not), challenges the process of institutionalisation.

As a result, the environment where these peer-to-peer platforms emerge in, can be referred to as containing an 'institutional void'. Here, the 'rules of the game' are lacking, which leads to actors showing certain behaviour in response in how to deal with this situation. The high uncertainty in institutional voids and multi-actor interdependence lead to dynamics and behaviour of individual actors involved and between them. Thus, the interaction processes between involved actors shape the institutional void and are shaped by institutional voids. This leads to an unstructured problem to be solved.

0.2. Objective

The interaction process between peer-to-peer platforms and governments is believed to be highly complex. The aim of this research is to gain understanding on how this interaction is taking place in search for reduction of institutional voids, and to gain insights in the complexity of this interaction. This study focuses on the role of the interaction process between platform provider Airbnb and governments in determining how an institutional void on home sharing via the platform could be filled. As a result of the process taking place in an unstructured policy problem environment, making rational decisions in a linear order is very unlikely.

Therefore the objective of this study is to detect patterns occurring in the interaction process between platform provider Airbnb and governments. This research therefore has a formulated research question:

How do regulations on peer-to-peer sharing economy platforms in an institutional void come about in capital cities?

Institutionalisation being a lengthy process that can take years to be formally and informally embedded, shows that the time element in understanding institutional voids is key. Therefore, this study focuses explicitly on the process. The found patterns must give better understanding to policy makers of the complexity of the interaction process in an institutional void, to recognize and be able to act upon in similar situations.

0.3. Method

In order to answer this question, the interaction process between the peer-to-peer platform Airbnb and governments in two cities (Amsterdam and London) has been reconstructed. Firstly, an extensive literary study has been executed to gain more insights on what it is that is happening within an institutional void, and to build a theoretical framework to analyse the processes. This was followed by a usage of the qualitative multi-case study approach to analyse the different regulation formulation processes of London and Amsterdam towards a well-known peer-to-peer platform, Airbnb. This is done to reconstruct the interaction process. By doing so, different types of data sources have been used in five steps: public documents, news articles and a

few supporting interviews. Primarily, multiple representatives of the two focal actors are interviewed to outline the general course of events. Secondly, news articles and documents published by the actors themselves are open coded by using ATLAS.ti. Open coding in essence helps to go through the large pile of available data and mark and structure it in an efficient way. The open coding round results have been stored into an excel table that from date to date shows what has happened. Next, a second coding round has been executed to gain a detailed conceptualisation of all elements at stake during the process. The sensitizing concepts that have been formulated as part of the theoretical framework have been detected in this phase. These were *actions*, *external events*, *values* and *frames*. Sensitizing concepts are formulated by the researcher herself and function as a red line in executing a research, that has no clear structure on how to be analysed yet. Incrementally, all information has been connected to establish a clear understanding of what events are followed by what. During the analyses of the different sources from the two cases, the process tracing method has been used. By doing so, eventually in step five, patterns have been detected based on a numerous observations gained by analysing empirical data.

0.4. Results

The founded data as a result of the process tracing acquisition was structured into four stages of institutionalisation: the 'steady stage', 'minor adjustments stage', 'crisis stage' and the 'framework formulation stage'. All process tracing results are collected in table 1.

Table 1: Total acquisition table of this research

	Concept	Case: Amsterdam	Case: London	Patterns
Stage 0 – starting condition	-	Progressive, pioneering city in seek of revolutionary collaboration	Combating to be a world economic power	Accepting towards platforms and innovation
Stage 1 – steady stage	Values	1. Level playing field 2. Image 3. Safety	1. Trust 2. Customer's choice 3. Tourism	- Airbnb has an open field to increase its recognition - There is no value clearly at stake yet from a governmental perspective
	Actions	- New short-stay regulations in place	- Opening office - Airbnb buys Crashpadder	
	Frames	1. Rental of apartments to tourists 2. Private rental 3. Social traveling	- "Local travel experience" - "Rent out to strangers while on holiday" - "Spare room"	
	External Events	- Fire in 'illegal hotel'	- Olympic games	
Stage 2 – Minor adaptation	Values	1. Safety 2. Peaceful 3. Affordable housing	1. Trust 2. Customer's choice 3. Safety	- Governments try with an optimistic approach to make the most out of the new phenomena - External events impact what is added to the debate: Unpredictable agenda-setting occurs.
	Actions	- Consultation rounds as part of social traveling investigation	- Meetings with George Osborne - British Government sets up round table on sharing economy	
	Frames	1. Illegal hotel 2. Commercial rental 3. Social traveling	- "Short-term rental" - "Peer-to-peer rental" - "Match home owners and travellers"	
	External Events	- KHN demands measures	-	
Stage 3 - Crisis	Values	1. Cooperation 2. Innovation 3. Image	1. Safety 2. Modernization 3. Housing	- Battle on conceptualisation of the new market the platform proposes: New wine is put into old bottles. - Governments want to dissent themselves more from the platform - Governments are one step behind and experiment with instrumentation
	Actions	- Conversations about 'social traveling' between Airbnb and Amsterdam - Intensive search for 'illegal hotels'	- Kris Hopkins announces update on housing law - Founder Nathan Blecharczyk visits London - Airbnb hands out smoke detectors	
	Frames	1. Illegal hotel 2. Commercial rental 3. Rental of apartments to tourists	- "Home owners rent out their spare room" - "commercially letting"	
	External Events	- Presented article about 'ban'	- Traditional hospitality market calls for creation of level playing field - B&Bs call for Airbnb hosts to be subject to existing regulations - PWC report on impact of sharing economy - Debbie Woskow asked for independent review on sharing economy	
Stage 4 - Building	Values	1. Level playing field 2. Innovation 3. Safety and Peaceful	1. Housing 2. Residential amenity 3. Image	- After the establishment of regulations, the interaction continues as a result of dependence - Interaction and increased involvement is needed to reduce the institutional gap
	Actions	- Memo 'Ruimte voor Gasten' (Room for guests) - Public participation in city hall - Negotiations about collaboration - Signing MoU	- Meetings between Tom Copley and Airbnb - SEUK is established - George Osborne announces two tax breaks - Deregulation Act 2015 - Airbnb establishes London Borough working group - Khan calls for Airbnb involvement - Voluntary night cap on 90 days	
	Frames	1. Rental of apartments to tourists 2. Illegal hotels 3. Private rental	- "Temporary sleeping accommodation" - "Short-term letting"	
	External Events	- Political change - Airbnb is called 'commercial exploitation'	- ITV report on safety issues - Brexit - RLA report on short-term letting - IPPR report on the effect on the housing market	

Table 1 main detected patterns as a result of the process tracing acquisition were:

1. Actions and external events are clear causes as part of agenda setting
2. The platform provider develops an adaptive strategy over time
3. Governments struggle with public versus private contradiction, leading to them experimenting with a mix of alternative instruments over time
4. The definition of the concept is an ongoing process in which a new phenomenon is parading as something existing. "New wine in old bottles"

These will be elaborated on piece by piece below.

Actions and external events are clear causes as part of agenda setting This research has shown that the occurrence of external events has led to increased actions taken by the two focal actors. Due to the uncertainty that both parties and the public in general know in reducing an institutional void, there is a high sensitivity on things that are beyond their ability to control. Certain actions and events can suddenly have a large impact on the debate and therewith steer the agenda setting, as small as the seasonality that occurs due to holiday seasons. Since both parties feel like they are operating on 'quicksand', convincing external events (mostly publications) can give footing in this uncertain environment.

The platform provider develops an adaptive strategy over time The essence of a platform being an online phenomenon, on which people get connected, is that little physical assets are needed on the location to have an active business alive. For a platform to function, its real asset lays in the size of the user base they serve. As long as the user base is in tact and growing, a platform can thus visibly follow an adaptive strategy, in which it responds only when it has to. Airbnb's dynamic operation nature versus the more static government results in the platform having room to adapt more easily and use this approach effectively.

Governments struggle with public versus private contradiction, leading to them experimenting with a mix of alternative instruments over time The introduction of platforms leads governments with trade offs to be made, without having full information on how they will develop over time. In shaping policies, the government, as believed to be the guarantee of public values at stake, has contradicting conceptions with commercial companies from the private domain on sharing personal data, liability and impact. The struggle that governments are facing, in which their dependence on the platform becomes clear, leaves them with a handful of alternative instruments that they implement either in parallel or in sequence to touch upon complex problems such as enforcement and legal duties.

The definition of the concept is an ongoing process in which a new phenomenon is parading as something existing. "New wine in old bottles" The search for a definition of the concept that has led to an institutional void is an ongoing process that takes up a serious amount of time. The importance of the search for a clear definition should not be underestimated. For formulating a suitable institutional framework, multiple parties should be accepting towards the definition, which also leads to interest of both sides. Actors take upon a variety of definitions to essentially share their main concerns or main focus point through that definition. The peer-to-peer platform as a new phenomenon gets moulded into what is already known, because it is believed to ease and speed up the process of getting to an institutional framework that fills the occurring gap.

These patterns give an idea of different elements that increase the complexity of interaction processes occurring in institutional voids. For further research, four suggestions are made. 1) In addition to two cities, exploring the presence of the detected patterns in more than two cities at one time can increase the credibility of the outcomes but can be time consuming. 2) The same multiple-case set up can also be used to compare two different platforms simultaneously. 3) Instead of the four-stage model of institutionalisation, a different model more focused on the interaction structure (policy network) to divide the patterns in can also be implemented and tested. 4) This time span of the research can also be extended to gather additional insights at a time the platform is more mature and embedded into society.

Next to the four suggestions of adjusting the existing research, the following hypothesis have been formulated based on the found patterns that can be tested in future work:

1. There is no continuous dominant actor in the interaction process between peer-to-peer platforms and local governments
2. Agenda setting to reduce an institutional gap related to peer-to-peer platforms is highly influenced by the external environment.
3. Uncertainty about conceptualisation leaves room for the most vocal actor to dominate the on peer-to-peer platform phenomena in terms of terminology and important values at stake.
4. New occurring peer-to-peer platforms that state to be a different market will have similarities with existing markets and be framed that way.

5. Governments will try different types of instruments to first reduce the institutional void by themselves.

Eventually, future work could be on using these processes in a behavioral model to be able to better predict the outcomes of an interaction process in an institutional void. This implies the scientific relevance that this research has among other things. Approaching the handling of peer-to-peer platform Airbnb over time hasn't been done before in such detail and therefore can contribute to the understanding of interaction process in an attempt to reduce institutional voids. With this research, the link between institutional void and peer-to-peer collaborative economy platforms is also made more explicit, in which the interaction is especially approached from an institutional void environment. Looking at the interaction process over time rather than focusing on the outcome only, will add upon the institutionalisation literature. In depth empirical data was lacking and therefore contributes to existing literature.

Beside a detailed description of the interaction process in London and Amsterdam, which can already support policymakers in understanding and recognizing what course of events have passed, this research also has a societal contribution in that it touches upon a relevant topic. New peer-to-peer platforms are still emerging in different cities over the world. Having more understanding of these socio-technical systems with a multi-actor contribution will assist the overall understanding of these platforms and processes. It will support policymakers in making deliberate considerations between beneficial and negative effects on society.

Keywords: Peer-to-peer sharing economy platforms; Airbnb; process tracing; case-study; Institutional void

Preface

Working on one project solely for the past six months has been a challenging experience. Nevertheless, it allowed me as a researcher to determine my own steps in this process, make my own decisions and choices and more important; progress. I have come to interesting realisations and insights along the way. Not only on my work, but also on things in daily life. Although due to my internship I already knew a lot about peer-to-peer platforms, it remained interesting to see how little is actually known and thus how fruitful even any empirical study can be. I haven't completely executed this research independently, but with the help of many others along the way.

First of all, I would like to thank my TU Delft supervisors of this project. Professor ten Heuvelhof, thank you for reading through my pieces and provide me with useful and tactful feedback along the way. Jolien, I am grateful for the sessions we did and how you were always very supportive in making sure I was able to structure my thoughts and ideas. Special thanks to you Haiko. I have enjoyed our chats about hiking in France, sports, the StudyTour, but also interesting literature and theories. Our frequent meetings and brainstorm sessions as well as our email conversations have been of incredible support to shape and mould all the far-researching ideas into what this research has become. Your positivity and always critical yet supportive comments were of great value to my work.

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*M.B.C. Kramer
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Introduction and research approach

Peer-to-peer platforms such as Airbnb have emerged and rapidly developed in the past few years, challenging policy makers to come up with quick responses. This chapter gives an introduction to this wave of peer-to-peer platforms and sheds light on its characteristics (1.1.1 and 1.1.2) and complex environment these platforms are operating in to illustrate the difficulty of regulating these type of businesses (1.1.3, 1.1.5 and 1.2). After a short introduction of the platform Airbnb in section 1.3, this chapter will identify the research problem for which a research design is explained in 1.4. After elaborating on the societal and scientific relevance in section 1.6, this chapter will end with describing the structure of the report in section 1.7.

1.1. Problem illustration

1.1.1. The rise of peer-to-peer collaborative economy platforms

The principle of 'sharing or collaborative economy' which according to some lays the foundation in the philosophies of companies such as Uber, Airbnb, Booking.com and Lime is said to be a new definition for a different type of market (Frenken & Schor, 2017). A market in which society can collaboratively provide and demand under-utilized goods such as cars, rooms, dogs and drills to each other in return for a small fee. 'Collaborative consumption' or 'sharing economy' is formulated as "the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online service" (Hamari et al., 2016) (p.2047). Because of the rapid growth of platforms within this new market, the term 'sharing economy' has caught much of attention lately. The positive symbolic meaning that 'sharing' sets to economic activities and its rapid growth has led to many companies wanting to be part of this innovative stream (Codagnone et al., 2018; Schor et al., 2016). This in line with the digitally based platform economy that is emerging as a result of increased use of the internet, big data, algorithms and social media, has led to a group of companies been defined as peer-to-peer sharing or collaborative economy platforms (Kenney & Zysman, 2016; Zekanovic-Korona & Grzunov, 2014). The fact that a definition of peer-to-peer (P2P) collaborative economy platforms is hard to formulate, shows that in reality, many differences between Peer-to-peer platforms exist (Frenken & Schor, 2017; Gruszka, 2017; Schor et al., 2016). Although, what all these new type of businesses have in common is that they are believed to lower entry costs for sellers and transaction costs, allow more suppliers to do business and better allocate resources, use innovative buyers and sellers matching technologies, and maintain quality mostly through reputation and feedback mechanisms online (Edelman & Geradin, 2015; Einav et al., 2016; Hamari et al., 2016). Although the newness of the 'sharing' economy is often misunderstood (the fundamental definition of sharing refers back to activities throughout history), the rise of the web that facilitates these transactions has made it widely and easily accessible (Kenney & Zysman, 2016; Oskam & Boswijk, 2016). Sharing, swapping and lending are in fact old market habits, but re-invented with the help of nowadays technologies (Botsman & Rogers, 2011). Recognizing the development and knowing how to deal with the rise of these type of platforms is essential for the economy and well-being of cities they emerge in.

1.1.2. Drivers of the sharing economy peer-to-peer platform development

According to Sundararajan (2014a), a number of factors that explain the rapid development of peer-to-peer businesses in the collaborative or sharing economy can be detected.

1), *consumerization of digital technologies*, implies that the use of the internet and technologies such as platforms has become socially embedded and also 'consumerized'. By saying so, the consumer has become the driver of technical innovation such as social media and mobile technologies, instead of businesses of the government. In addition, the expression 'stranger sharing' describes best the new element that the most known platforms possess in comparison to traditional sharing: peers are less preserved in sharing their per-

sonal goods with strangers; it has become a habit (Schor et al., 2016).

2), the *emergence of digital infrastructure*, illustrates that an increased percentage of exchange between people is now taking place on the internet, as a result of digital technologies. Platforms function as the facilitator of economic exchange between people and therewith replace traditional economic institutions and market structures. For example, one of the key technologies that has enabled peer-to-peer platforms to increase rapidly the past few years is that they are strongly built on trust, with built-in reviewing and online reputation mechanisms to encourage users to provide detailed information and qualitative service in order to distinguish themselves relative to their competition (Einav et al., 2016; Ert et al., 2016; Kenney & Zysman, 2016). People no longer have to rely on traditional business infrastructure but can trade online, which results in increased and facilitated access to peers and marketplaces.

3), *urbanization and globalization* is a trend that leads to more connectedness between people and cities worldwide. The increased interest and population in cities has led to a natural favourability towards sharing assets and space informally. As a result of social media, sharing and renting has become more accessible and cheaper and therefore its scale was able to increase.

4), *ecological and resource considerations* have increasingly played a bigger role in people's choices. The increased preference to have access to existing resources instead of new products out of environmental and social considerations are rooted in more consciousness towards the possible effect on ecological footprints and cost-efficiency (Mair & Reischauer, 2017).

1.1.3. Motives for regulation

The rapid growth of these platforms and the market they facilitate steered by these type of drivers, does not go unnoticed by local politicians and governments. The disruptive effect on communities, security, tourism and economy in cities these platforms operate in and are forcing local politicians to come up with rapid governance solutions. Although governments were happy to welcome the new boost to local economies since it allows individuals to gain additional income, now the negative externalities sometimes seem to outweigh the positive effects, increasing the political and media attention (Kenney & Zysman, 2015; Sundararajan, 2016). This mainly has to do with the fact that dynamics of collaborative economy include market change, market emergence and intended and unintended consequences of organisation's behaviour (Mair & Reischauer, 2017). Therefore, platforms can have a large influence on society and put pressure on existing business models and institutional arrangements (Uzunca, 2018). Generally speaking, governments may chose to impose regulations to correct market failure when these occur, in order to implement social and economic policy objectives as part of the wider public interest¹ (Carrigan & Coglianese, 2015; Cohen & Sundararajan, 2015; Hantke-Domas, 2003). Cohen & Sundararajan (2015) have outlined 1) information asymmetry between peers² 2) externalities and 3) blurring of boundaries between personal and the professional as three occurring market failures in the peer-to-peer platform economy. Market failure as a result of information asymmetry has been partly taken away by third-party intermediaries like Airbnb, Uber and Lyft by facilitating trust-based reviewing systems as elaborated on in section 1.1.2. On the other hand, externalities and blurring boundaries are not necessarily always addressed. With externalities is meant that people, by choosing for a transaction made between peers, not always take into account the externalities that are imposed on others such as extra traffic due to additional taxi cabs or nuisance in residential buildings due to short term letting (Edelman & Geradin, 2015; Nieuwland & van Melik, 2018; Quattrone et al., 2016). Blurred boundaries occur in the sense that with peer-to-peer transactions through platforms, consumers and producers can easily take on both roles in different transactions (Mair & Reischauer, 2017). In addition, existing boundaries between private and public are also challenged, since individuals use and lend products to and from strangers, in a rather private setting (Sundararajan, 2016). Most importantly, obscured distinctions between professional and personal activity in how they provide the service they 'share' cause complications regarding entry barriers and safeguards.

1.1.4. Regulatory issues related to peer-to-peer sharing economy platforms

It is the government's task to outweigh positive and negative effects on its society as a whole and regulate accordingly (Stigler, 1971). Issues with the emergence of peer-to-peer collaborative economy platforms have five characteristics which have implications for formulating regulations on these issues.

First, peer-to-peer sharing economy platforms are a wave of disruptive innovations enabling online platform-

¹Later on, this research will elaborate more on the suggested 'public interest theory' on regulation

²Information asymmetry is believed to lead to fewer transactions than optimal (Cohen & Sundararajan, 2015)

based business models to connect consumers while offering something previously non-existing (Christensen Clayton & Raynor, 2003). This makes these type of platforms good examples of the “disruptive innovation theory” which holds for products that offer alternative benefits to existing traditional products and therewith transform and take over markets and consumers (Guttentag, 2015).

Secondly, the existing peer-to-peer platforms do not call themselves companies within the market they are operating in, but rather refer to the type of facility provider as explained before, in order to have the ability to move freely on the axis of responsibility versus scalability (Arets, 2018). Symbolically, this describes the fact that platforms can expand uninterruptedly without the increased responsibility that comes with it as they become a bigger market player. In addition, identifying itself as something not yet existing, allows peer-to-peer platforms to challenge existing regulations for existing markets. For example, not calling itself a hospitality company, lets Airbnb operate in a legal void, in which regulations are unclear, undefined or contradicting (Isaac & Davis, 2014; Van Bueren & Klievink, 2017). By doing so, peer-to-peer platforms are of challenging nature, always one step ahead and changing the current existing markets and regulations.

Thirdly, platform and government actions are not aligned due to different occurring dynamics. There platform development is of dynamic and flexible nature, governance and government responses are more static and timely. This difference in speed leads to the legal void disruptive peer-to-peer platforms are operating in (Gemeente Amsterdam, 2019). Most governments are unprepared to deal with the rise of peer-to-peer sharing economy platforms, whether they want to embrace the economic benefits (Camps, 2015; Coyle, 2016) or battle the negative externalities (Malhotra & Van Alstyne, 2014). In addition, the dynamic nature of peer-to-peer platforms and the unknown elaboration in the future, call for long term policy agendas to be made in a short time-frame without having full information on what their effects will be in the future (Guttentag, 2015; Nieuwland & van Melik, 2018). Due to this unclarity and uncertainty on the effects and emergence, rational policy formulation, according to an agreed upon policy agenda is complex. Moreover, while governments try to formulate regulations, the platform providers themselves are trying to actively support their self-created new form of economics ‘sharing economy’. Development of regulations goes hand in hand with technology development. While policy makers try to lay out the path and strategies to handle upcoming platform economies, platforms themselves implement new rules and challenges driving sharing economy platform providers to change their own policies and strategies (Frenken et al., 2017).

Fourthly, crucial trade-offs have to be made between different values in society to decide what regulatory actions should be taken or not (Bruijn & Dicke, 2006). As economic benefits might look promising (Sundararajan, 2016), the uncertain possible externalities that are imposed on society in a later stage increase the complexity of formulating regulations that protect one public value, but neglect the other.

Lastly, the fact that sharing economy platforms are subject to regulations that long existed before their introduction causes main regulatory challenges (Finck & Ranchordas, 2016). These new innovative services typically can no longer be regulated with the existing institutional arrangements. peer-to-peer sharing economy platforms challenge existing boundaries describing economic activities. Herewith, an institutional void is created in which existing institutional arrangements in place are no longer sufficient (Hajer, 2003).

1.1.5. Complications with regulation: the institutional void

What numerous of these issues on formulating regulations brought to light is the fact that these platforms operate (or claim to operate) in new markets, for which no clear regulations are in place yet. Current institutions are not sufficiently applicable on these disruptive innovations which results in an institutional gap. The phenomenon institutional void is often used to specify the actions and dynamics in upcoming markets which differ from the existing market (Khanna & Palepu, 1997). Typically, five aspects that challenge existing institutions can be detected according to Hajer (2003). 1), the policy making structure is dispersed resulting in legitimacy and effectiveness being hard to predict. 2), the space in which decision making takes place is dynamic, causing the necessity to be able to switch quickly between multiple layers and dimensions of decision making. 3), the current opinion on democratic decision making and participation is out dated. 4), the authority of knowledge is underestimated and 5), the rise of wicked problems and the search for frameworks in which these can be dealt with is widening the context of policy in general. These aspects are in line with what discussed in section 1.1.4. What these five challenges make clear is that in the situation of an institutional void, the process of policy making is hard to define, and has no clear logic of simply leading to regulations being formulated where none are existing. Especially the first challenge regarding the legitimacy and effectiveness of policy, is due to the fact that the process is unlikely to ever reach an end stage (Van Bueren & Klievink, 2017).

1.2. Unstructured problem in nature

Formulating and setting rules is seen as one of the primary tasks of governments when protecting public values. Public policy is in a sense what governments decide to do or not to do, which implies the definition of rules, regulations and institutions to govern (Birkland, 2015). Furthermore, public values tend to compete between or within them, requiring a trade-off being made (Bruijn & Dicke, 2006). These trade-offs therefore are often subjective, since different actors may choose differently in what they consider most important. The constant consideration of actors involved to adjust the public values to protect results is a dynamic ongoing game. Multiple actors involved share different interests, goals and perceptions and therefore do not agree on relevant norms and values, resulting in increasing complexity of finding a solution to a certain problem (Enserink et al., 2010; Rittel & Webber, 1973). This social complexity as a result of the involvement of multiple actors that are socially and politically complex (Peters, 2017), is recognized in the situation in which tech companies like peer-to-peer collaborative economy platforms and governments inevitably get to interact. The large effect that these fundamental values have on public policy and regulations indicate that both cannot be seen as a static system; public policy creation is a dynamic process (Gerston, 2014; Hong & Lee, 2018). The uncertain nature of both the newness of the market these platforms operate in and future impact and development strike upon a second indicator of complexity recognized by Hoppe & Hisschemoller (2018): the certainty about knowledge. The established framework distinguishing four types of problems by Hoppe & Hisschemoller (2018) elaborates on the effect of two dimensions on the type of a problem: the consensus on relevant norms and values and the certainty about relevant knowledge. The figure below illustrates the two dimensions mentioned and the categorization of policy problems as a result.

		Consensus on relevant norms and values	
		<i>No</i>	<i>Yes</i>
Certainty about relevant knowledge	<i>No</i>	UNSTRUCTURED PROBLEM A	MODERATELY STRUCTURED PROBLEM (ENDS) B
	<i>Yes</i>	MODERATELY STRUCTURED PROBLEM (MEANS) C	STRUCTURED PROBLEM D

Figure 1.1: Four Types of Policy Problems (Hoppe & Hisschemoller, 2018)

Since structured problems are characterized by a high level of consent and certainty about knowledge, in a situation of an unstructured problem, both the knowledge based and the support from an ethical perspective are intensively and ongoing contested (Hoppe & Hisschemoller, 2018). The unstructured nature of the issue on how to regulate peer-to-peer platforms leads to complicated policy making processes in which it is impossible to detect an end definition on which all actors agree. Besides, the large uncertainty about methods how to solve the problem and what and who to mobilize, continues in the effectiveness of policy measures due to the inevitable interaction effects, lengthiness of effects to become noticeable and influences from other policy domains (Hoppe, 2002). This dynamic nature and the increasing inter-dependencies within the network society of nowadays has led to public administration scholars to agree on the fact that decision-making has become more complex (Scholten & van Nispen, 2018; Teisman & Van Buuren, 2013). Therefore, when trying to understand eventual policy outcomes, it is essential to look at the 'how' aspect in political studies (Lasswell, 1936). Moreover, for academic study, the process of policy making is most unmistakably a part of political studies (Hill & Varone, 2014). Bearing this in mind, focusing on the process itself is of most relevance

with this type of problem as illustrated above.

1.3. From start-up to multibillionaire company: Airbnb

One of the world's most famous peer-to-peer platforms nowadays is Airbnb. After internet made its entry and caused a rapid digitalisation of the world's economy, start-up companies such as Airbnb, launched and transformed into some of the largest companies within a decade (Gallagher, 2017). Airbnb, founded in 2008 in San Francisco, provides a platform on what users can 'list' their private accommodation to be rented by people looking for a place to stay (Gallagher, 2017). The peer-to-peer home sharing transaction entered the standard hospitality industry by offering people a special and cheaper alternative stay to more traditional accommodation types such as hotels and established bed and breakfasts, with the aim to create an overall truly local experience (Oskam & Boswijk, 2016). Airbnb has grown to being one of the largest accommodation providers in the world with over six million listings and 500 million guest arrivals since its founding in 2008 (Airbnb, 2019a). Airbnb being Silicon Valley based went international in 2012 and announced its introduction into Europe with actual offices on the ground.

Although some scholars are in favour of Airbnb calling itself part of the sharing economy or collaborative economy where the sharing aspect indicates the contact and transactions between consumers (Botsman & Rogers, 2010; 2011), it is also argued that Airbnb is just providing a two-sided market in which the platform is the facilitator of transactions to add value to both sides in order to increase user interest (Edelman & Geradin, 2015; Oskam & Boswijk, 2016). In this sense, it is believed that Airbnb is not necessarily about empowering regular people, efficiency and sharing, but more about economic self-interest and being exploitative (Schor et al., 2016). What this definition nevertheless describes the essence of an online platform serving as a matching place for buyers and sellers of privately owned goods. In fact, sharing economy emphasizes on redistribution of existing resources (Botsman & Rogers, 2010). With their definition, Ballon & Walravens (2009) put additional emphasis on the fact that platforms are non-owners, but just marketplace providers in the sharing economy. As the platform provider, or 'third-party', the main purpose of Airbnb is to gain financially by providing a platform on which the chance that supply and demand meet is maximized as a result of optimized search algorithms and machine learning based on preferences and expectations of users (Reinhold & Dolnicar, 2018). In return for custom support, quality controls and marketing responsibility, the platform provider receives a fee of Airbnb guests of up to 20% and 3% of the host (Airbnb, 2019d)³

Looking at Airbnb from a tourism perspective, business mainly takes place in locations where tourists are most likely to go. From a business perspective, Airbnb's most profitable markets are therewith capital cities. From a regulatory perspective, this is where most issues are encountered and thus capital cities serve as the role model when it comes to Airbnb regulations. In addition, cities are believed to be the key sites for development of sharing and short-term rental (Ferreri & Sanyal, 2018). The figure 1.2 below shows the rapid expansion of the number of Airbnb 'listings' in the largest Airbnb markets in Europe.

With the expansion of Airbnb mainly in cities, the negative externalities are more and more felt by citizens of European cities in which Airbnb is growing. Concerns go from nuisance caused by visitors to gentrification and loss of local cohesion in neighborhoods (Gurran & Phibbs, 2017; Nieuwland & van Melik, 2018). Being a rapidly growing and hot topic in both policy and research, Airbnb as a peer-to-peer platform is often covered in literature. Research topics go from the impacts on societies, economies and the hotel industry (Fang et al., 2016; Holm, 2016; Horton, 2015; Quattrone et al., 2016; Westerbeek, 2016; Zervas et al., 2017), spatial analysis and urban planning (Dudás et al., 2017a;b; Gurran & Phibbs, 2017; Gutiérrez et al., 2017), to how peer-to-peer platforms should be regulated (Edelman & Geradin, 2015; Einav et al., 2016; Finck & Ranchordas, 2016; Gurran & Phibbs, 2017; Nieuwland & van Melik, 2018). Many governments have cracked their heads on how to approach the activity on Airbnb with different outcomes (Coyle, 2016; Crommelin et al., 2018). Although the platform and the service it is providing is in essence the same, the responses have been diverging from total prohibition, to laissez-faire and some in-between solutions with numerous restrictions (Nieuwland & van Melik, 2018).

³For bookings on regular listings, the service costs are divided over guests and hosts. Hosts service costs are 3%, but can be higher for listings with ultimately strict cancellation requirements. These costs are calculated based on the subtotal which is: price per night, cleaning fee (and if applicable additional guest costs), but excluding Airbnb-costs and taxes. It is automatically deducted from the host payment. Guest service costs are up to 20% of the subtotal of the reservation which is the night price, cleaning fee and if applicable, other guest fees, but excluding Airbnb costs and taxes. The guest service costs are calculated based on different factors such as the subtotal of the reservation, the duration of stay and listing characteristics. An increased reservation total usually results in decreasing guest service costs.

Figure 1: Total No. of Listings

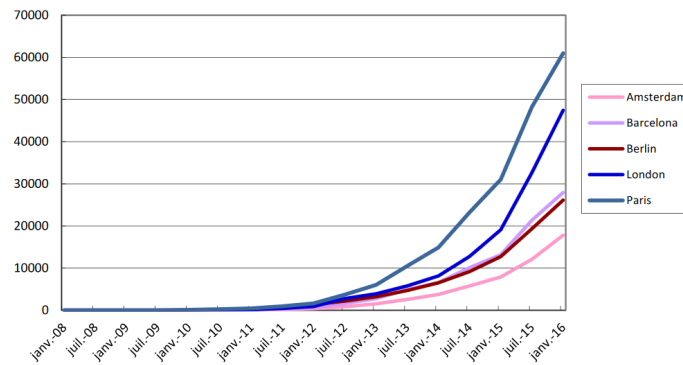


Figure 1.2: Growth of listings in EU capital cities (Coyle & Yeung, 2016)

1.4. Research objective and problem statement

The objective of this study is to make a first attempt in formulating an exploratory overview of what this interaction process looks like between peer-to-peer collaborative economy platforms and local governments, and what potential explanatory hypothesis on causal relations can be detected related to the different process outcomes in cities. The objective of this study exists thus out of two parts:

- To gain understanding of the interaction process that contributes to the reduction of the institutional void related to peer-to-peer sharing economy platforms
- To contribute to the institutional void literature from a process perspective

The research objective leads to a formulation of a problem statement which is: *How do regulations on peer-to-peer sharing economy platforms in an institutional void come about in capital cities?*

To answer this question, multiple sub-questions are formulated of descriptive and explanatory nature which will be elaborated on in further chapters of this research. The sub-questions in order of answering are listed below.

1. What are the characteristics and dynamics of institutional voids and policy formulation processes in institutional voids?
2. How are peer-to-peer collaborative economy platform operation environments brought into relation with institutional voids?
3. How did the interaction process between Airbnb and governments develop in an institutional void?
4. What patterns can(not) be seen within the interaction process between Airbnb and governments?

Question 1 and 2 will be elaborated on in chapter 2 as the outcome of an excessive literature study on available theoretical concepts. Question 3 will be answered in the second empirical research part of this research followed by the answers to question 4 in the third part. This is further explained in section 1.7.

1.5. Research characteristics

The specific characteristics of this research are elaborated on in this section, to give a clear understanding of what this research implies. In this research the following is at stake:

- (i) multiple case studies
- (ii) empirical research instead of normative
- (iii) A focus point on the process

1), this research consists out of two case studies of the city of London and Amsterdam that are compared after individual analyses to observe any differences to gain additional insights from. In essence, the comparison itself leading to potential differences will not be the outcome. The fact that this research is a two-part case study is seen as a way to enrich the eventual outcomes. The focus within these case studies is on the interaction process between Airbnb as a platform and local governments to come to a certain agreement on how the institutional void can be reduced. The case studies zoom in on the earlier years of Airbnb's development in London and Amsterdam and tries to detect indications of change as a result of interaction and non-interaction.

2), the angle of this study is that it will be of empirical nature rather than normative. Taking into account that the aim of this study is not to ask questions which start with 'what' but rather with 'how'. This has been done because the amount of empirical research on peer-to-peer platforms in institutional voids is limited in contrast to more normative literature. Therewith, an interaction process involves multiple actors who have a different understanding of eventual outcomes and the path to that outcome. The intention of this research is not to formulate direct objectives, since the nature of the research problem doesn't lean itself to be approached completely rationally, but knows a certain level of subjectivity due to politics, values, norms and interests at stake⁴.

3), a third element that is centralized in this research is that it is process focused. Since the institutional void is recognized to occur in a dynamic environment and with a consistently changing definition of democratic decision-making, it is of most relevance to this research to focus on the policy making process, as being the most essential part in explaining how rules emerge in institutional voids.

1.6. Relevance

Given the complex environment in which peer-to-peer platforms are arising and the theoretical interpretation of the behavior that is occurring, this study aims at gaining more insights into the interaction process of political decision making over time in an institutional void regards peer-to-peer sharing economy platforms. With an exploratory design making approach, this research examines the object of study, which is the policy formulating process, when trying to regulate peer-to-peer sharing economy platforms. By doing so, this study will have both a scientific and societal relevance.

1.6.1. Theoretical relevance

This specific research is part of a large group of papers that have been published to try to get a hand on the rapidly emerging peer-to-peer collaborative economy platforms which had tried to touch upon different aspects of these platforms to get a better understanding of its emergence, being, business and effects⁵. The growing number of peer-to-peer platforms and the strong position they are taking in society has increased the interest in and relevance of the topic.

Although there have been attempts to generalize strategies and responses to the peer-to-peer collaborative platforms (Doh et al., 2017; Edelman & Geradin, 2015; Nieuwland & van Melik, 2018; Oskam, 2017), these attempts all have a general focus on outcomes solely as a result of singular approaches. The relevance of this research lays in the fact that it focuses on the process and hence the change of strategies and decisions in time. It approaches the handling of peer-to-peer collaborative platforms as a dynamic rather than static phenomenon and touches upon the impact of this handling in reducing institutional gaps. Although it has been acknowledged that peer-to-peer platforms occur in situations in which the existing institutions are not exactly suitable, the link between the institutional void literature and peer-to-peer collaborative economy platforms has not yet focused on the process of how this gap is reduced. By describing and comparing two examples of Amsterdam and London where the result of interaction between actors had led to attempts to filling of a void, this research gives additional understanding of the essence of elements in processes and how their development in time can be characterized.

An exploratory study on the course of these processes can provide insights and understandings on how these parties try to cope with the institutional void. Except from some previous work trying to sketch platform strategies in institutional voids (Doh et al., 2017), no exploratory study is conducted on the interaction process specifically between peer-to-peer platforms and local governments and the effects of these interactions on the process of policy making.

⁴In this research the researcher is aware of the fact that a choice for an empirical rather than a normative research is already a subjective decision, and that all researches eventually contain a certain level of subjectivity

⁵In section 1.3 a short overview is given what topics have been touched upon related to Airbnb only as an example

1.6.2. Societal relevance

Since these peer-to-peer sharing economy platforms operate in the so-called institutional void, the main research question tries to contribute to the theory of policy making in this institutional void regarding peer-to-peer platforms. Herewith, its societal relevance is stressed, since as previously addressed, peer-to-peer platforms are still growing and emerging in different countries and cities over Europe. The rise of these companies has a big effect on society and its institutional environment respectively. Additional research therefore, could result in effective theories and understandings on how to deal with these type of platforms in institutional voids. In short, it is of societal relevance to encourage local governments and peer-to-peer platforms to gain insights in the process of policy making in an institutional void, to enable beneficial effects of these platforms while warranting societies and minimize external effects.

This exploratory overview should aid policymakers in recognizing dynamics of the interaction process with peer-to-peer platforms, in order to adjust strategies in place. The rationale behind these processes is that they should take place in a specific order, but seemingly, in an institutional void, the influences that different parties can have shapes the outcomes and therewith the process itself. Thus, the assessment of the interaction process in two different cities is very important to notice possible differences and interesting correlations in different environments.

The outcomes of this research will support European policy makers in acknowledging the importance of understanding the process in an institutional void and what this means and implies for further decision making. It will also contribute scientifically to the institutional void literature by adding an inductive study of how the void is reduced over time.

1.7. Thesis outline

To contribute to the readability of this research, the figure 1.3 displays the outline of this thesis schematically.

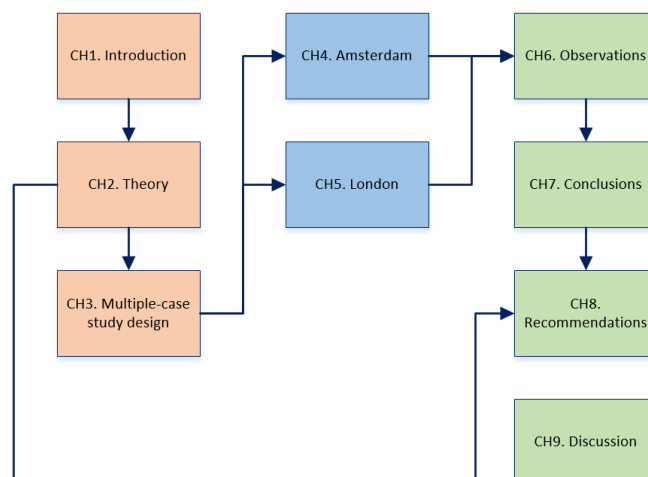


Figure 1.3: Thesis outline

This research is divided into three parts as can be seen by the different colours. Part one (orange) contains the introduction of the field to be studied and elaborates on the discussions that exist surround the topic. It concludes with the objective and problem statement of the research, after which the theory on institutional voids, peer-to-peer platforms and policy formulations lead to sensitizing concepts for the analysis of the interaction process of reduction of an institutional void related to peer-to-peer platform Airbnb. The last part of the initial part elaborates on the first half of the problem statement for which research questions 1 and 2 are formulated.

The second part, displayed in blue contains the case studies of the interaction process between governments and Airbnb in Amsterdam and London separately. Chapter 4 and 5 contain a description of the interaction process from the introduction of Airbnb in these cities to a established collaboration between the two. In this part, subsection 3 will be answered.

The last part of the research presented in green covers the conclusions and recommendations of the research. In this part the formulated research question 4 is answered and recommendations are made on how

theory could be formulated and generalized on how institutional gaps are dealt with when occurring in relation to peer-to-peer platforms. This research ends with a discussion on the work presented and recommendations for further research.

This study is conducted in multiple steps, using multiple methods to answer formulated research questions as explained in this chapter. This research applies a two-stage research, in which chapter 2 will answer the theoretical research questions. As a theoretical framework is formulated, chapter 3 will use this theory to formulate research questions and construct a suitable research design to answer these questions with in chapter 4, 5, and 6. The table presented below gives an overview of all methods used in the different steps, which will be elaborated on in more detail in chapter 3.

Table 1.1: Research outline

	Chapter	Method	Research questions	Deliverable
Phase 1	1	Desk research: • P2P collaborative economy platforms description • Unstructured problem theory	-	- Research problem - Research design
	2	Desk research: • Structure of the interaction • Institutional void theory	1 and 2	- Understanding of the structure between P2P platforms and governments - Understanding of dynamics in an institutional void
Phase 2	4,5	Within case study Process tracing	3	General overview
		Method:		Understanding of concepts
		1) Interviews		Visual time line
		2) Open coding		Observations
	3) Excel story line building			
	4) Second coding round	4		
Phase 3	6, 7	5) Process tracing	Main research question	Dimensions of complexity of processes in institutional voids

Regulation formulation on P2P collaborative economy platforms in institutional voids

Peer-to-peer collaborative economy platforms are considered to operate as a different type of market due to their characteristics and nature. To get a better understanding of the occurring dynamics when trying to regulate these, a theoretical perspective needs to be created at first to identify the scope of this research. The theoretical framework found in this chapter will be used to touch upon the problem statement as formulated in chapter 1 by answering the first two research questions. This chapter outlines an extensive literature review of multiple disciplines to come to these understandings. First, policy formulation in unstructured policy problems is elaborated on in 2.1, which also dives deeper into the structure between peer-to-peer platforms and governments. It focuses on strategies and perceptions of both peer-to-peer platforms and the interaction process as a result of the structure of the relation between them. Thereafter, section 2.2 elaborates on institutional voids and how the results of section 2.1 are impacted by institutional void for the analysis and explanation of interaction and change in an institutional void. In this section the characteristics of interaction in institutional voids are addressed after which the characteristics of peer-to-peer platforms in institutional voids are discussed. In section 2.3 a conceptual framework is presented for the analysis and explanation of the interaction process between peer-to-peer collaborative economy platforms in institutional voids. This framework draws upon the theoretical concepts of interaction between peer-to-peer platforms and governments of section 2.1 and the characteristics of institutional voids from section 2.2. More importantly, it exists out of the sensitizing concepts that will be used during the analyses of this research.

2.1. Understanding policy formulation in unstructured policy problems

In this section a literature study is executed to get an understanding of interaction processes in unstructured policy problems. The characteristics of unstructured problems as the problem related to regulating Airbnb is defined as, are that there is existing uncertainty with regards to knowledge available and there is a large disagreement on values, norms and goals (Hoppe & Hisschemoller, 2018). This stresses on the implied multi-actor dimension in unstructured problems: the fact that multiple actors at stake are seeking for researching their objectives leads to certain behaviour eventually leading to interaction. In understanding what is happening in such an interaction process, concepts of policy formulation and decision-making in unstructured policy problems are outlined in section 2.1.

2.1.1. Focal actors: Peer-to-peer platforms and local governments

To understand what the structure between peer-to-peer platforms and governments implies, first the structure of these actors itself will be elaborated on, resulting in an understanding of its motivations and positioning within the interaction process.

Peer-to-peer sharing economy platforms

Peer-to-peer sharing economy platforms occur on the intersection of digital platform theory and sharing economy theory (Westerbeek, 2016). As elaborated on in section 1.3, platforms serve as the facilitator and manager of the interactions between users of the platform. This is also referred to as a two-sided marketplace at which two groups of users can connect (Airbnb, 2015a). In essence, what peer-to-peer platforms try to establish is assuring transaction to take place between buyers (the consumers) and sellers (small entrepreneurs)

(Sundararajan, 2014a). For a platform to remain up and running, the importance of having a large user base at both sides of the platform is really significant. As an Airbnb representative has put it:

"We need both sides of the market to be happy, fulfilled and content to make our business successful" (House of Lords, 2015) (p.43).

In return for enabling people to have market access, peer-to-peer platforms charge a fee to both the demand and supply side of the platform. The success of peer-to-peer platforms is dependent on its peer production, since more peers means more transactions resulting in a larger revenue from applied fees. Three market design elements challenge platforms to effectively create trade between peers and keep them aboard (Einav et al., 2016):

- enabling efficient search mechanisms to match sellers and buyers
- assuring competitive prices
- enabling safe and reliable transactions

Matching buyers and sellers Due to the internet technologies, the age-old challenge of reaching potential buyers or consumers has been mitigated somewhat. Nevertheless, the added value of a platform provider is that it establishes a market place in what buyers and sellers of a specific product can find each other. A key element in a successful peer-to-peer platform business model is the enablement of efficient and easily usable search mechanisms that assure good matches between peers to be made. What the challenging element is in this matching process, is that the dispersion and diversity of information of sellers and buyers makes it difficult to know who should be matched and at what price (Einav et al., 2016). Giving sellers enough features and opportunity to advertise their product with is key for attracting sellers, but transaction costs should be as low as possible, such as searching time. The key challenge is thus to keep transaction costs low and efficiently using the information provided by sellers.

Assuring competitive prices In order to keep advertisers and consumers satisfied, assuring competition on the platforms is an other essential element. As the success of a platform depends largely on the size of its user base, peer-to-peer platform pricing strategies should aim to lure in users on both sides of the platform. The main element on which sellers can compete against comparable sellers is pricing. Platform providers should enable easy adjustments of prices by sellers to ensure a competitive market mechanism (Oskam & Boswijk, 2016). Additionally, competitive prices attract consumers seeking for 'the best deal'. Attracting various and multiple sellers (supply) will create a wide range of demand. In its own pricing strategies, platforms should consider low prices to attract the supply side of the market¹ (Cabral, 2011).

Enabling safe and reliable transactions According to (Oskam & Boswijk, 2016), three key issues have to be addressed for peer-to-peer platforms to maintain a successful business model: getting and keeping both sellers and buyers on board, protecting the facilitating role and establish trust² for a transaction to take place (Oskam & Boswijk, 2016). The fact that sharing entails strangers enlarges the importance of trustworthiness of transactions taking place (Guttentag, 2015). In other words, the platform provider should absorb the risk of consumers, and can therewith create its value (Kohda & Masuda, 2013).

In essence, peer-to-peer platform providers, in order to maintain their business, are mostly trying to maintain, enlarge and protect their existing user base. In doing so, customer service and customer protection are at the core of its business behaviour and strategies.

Peer-to-peer sharing economy platforms are considered to be part of the sharing and collaborative online consumption stream, that has made its way into society since the rapid growth of digital technology and ICT services (Botsman & Rogers, 2010). But, it has heavily been discussed in literature whether integrating the concept of sharing into capitalistic economy should be seen as something positive or negative. Its possible lower costs (Schor et al., 2016), increased participation (Parigi et al., 2013), societal advantages (Botsman & Rogers, 2010), and lower carbon dioxide emissions (Cannon & Summers, 2014) have often been questioned (Cockayne, 2016; Frenken & Schor, 2017; Scholz, 2012). These ongoing debates have led to legitimacy issues, in what legitimacy is seen as the "...generalized perception or assumption that the actions of an entity

¹This pricing strategy can be referred to as the investment effect

²Botsman (2017) acknowledged the importance of trust in technology services taking place online and designed a framework for the behavioral pattern related to trust: 'climbing the trust stack'. First the idea has to be trusted, then the company and lastly the other person. Once all three stages have been reached, people feel comfortable to undergo this trust leap again and use the service provided by the peer-to-peer platform.

are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (p.574) (Suchman, 1995). Legitimacy is a crucial element especially for new organizations to be successful in a society. According to Zimmerman & Zeitz (2002), the process of seeking for legitimacy by new companies is paradoxical. In order to develop their organisation further, organisations make use of existing resources, laws, norms and values to obey to. Simultaneously, often the product or service they offer is unique of its kind, previously non existing, and therefore may be challenging expectations, norms and values already in place (Zimmerman & Zeitz, 2002). In addition, these platforms, operating in a digital atmosphere, often operate on an international basis, which increases the risk of sharing economy platform's legitimacy being challenged in one country and preserved in another (Sundaram & Black, 1992).

Local governments: rational or political approach?

In policy analysis, local governments are presented as having responsibilities that are embedded in law and therefore they have the power to make and enforce policies (Birkland, 2015). As noted in chapter 1, governments may choose to intervene in order to implement social and economic policy objectives to safeguard the wider public interest. Based on micro-economic literature, two different theories of regulation can be detected: the *public interest theory* which assumes that regulation seeks to protect and benefit the larger public. On the other hand, *the Chicago theory*, suggests that regulation does only protect the interest of specific groups and not the larger public (Posner, 1974). The *public interest theory* holds two concepts, of which the first is thus regulate to protect and benefit the larger public (Stigler, 1971). The second concept is that it is a system of ideas, that should apply regulation when market failure occurs, to maximise social welfare (Hantke-Domas, 2003; Sundararajan, 2016).

To understand politics, one should thus understand how decisions by authorities are made and policy issues dealt with (Easton et al., 1965). Being of a social-economic nature, phenomena such as peer-to-peer sharing economy platforms are expected to be dealt with as any other public policy issue which occurs to the agenda. How decision-making in the policy domain usually seems to be done, considering the public impact of public policy, is by using the rational-comprehensive to formulate and implement policies (Lindblom, 1959). This model exists out of four phases: problem identification, identification of policy options, selection and implementation and evaluation, in what the decision maker is argued to follow a method for eventually making efficient, rational and logical decisions, resulting mostly in a set of rules (Howlett et al., 2015). The rational paradigm in decision making that this approach is referring to is widely covered in literature, especially in earlier years (Bell, 1988; Leoveanu et al., 2013). Nevertheless, this rational approach of policy making and setting the agenda is more and more contradicted in literature with the political approach of policy making (Hill, 1997; Zittoun, 2014). Policy makers were often found to be not necessarily neutral and to base decisions more on strategic behaviour which does not necessarily foster the better public good (Simon, 1955). In addition, the rationality paradigm is argued to mainly rest on unrealistic assumptions that decision makers are not influenced by the power they have and externalities (Eisenhardt & Zbaracki, 1992). What this also suggests is that with the political approach, in what strategic behaviour of involved actors influences the eventual decisions, the process of decision making is hard to describe and to put into a framework. Often, choices made by policymakers are based on occurring phenomena that rise to the top of the political agenda, and are hard to control (Cairney, 2011).

Koppenjan et al. (2004) analyse behaviour in networks from the uncertainty perspective. Unstructured problems being characterized by containing substantive, strategic and institutional uncertainty unease the way in which actors can act with regard to these complex problems. Nevertheless, the urgency of the problem as the possible effect on society become known and pressure from the political environment increases, leads to actors inevitably having to do something. In that regard, two responses in addition to avoidance or delay (do nothing) can be detected: *information collection* and *simplification of the social context in which the problem is handled* (Koppenjan et al., 2004). Seen as the most standard response is information collection by for example initiating research or enabling experts. Lack of information being a major cause of uncertainty, actors tend to look for reducing the amount of uncertainty by gaining better understanding of perceptions and effects of solutions and phenomena. Secondly, implementing top-down measures are a type of response to tackle strategic and institutional uncertainty. By removing or diminishing strategic space for involved actors, this uncertainty is partly taken away. This top down steering is believed to be mostly implemented when only a limited number of problems is at stake, resulting in solutions only to these limited number of problems.

2.1.2. Relationship between peer-to-peer platforms and governments: Policy networks

Although governments still play a key role in developing policies, policy processes are no longer dominated by the state only and increasingly adopt interactive forms of governance, in which other actors are interactively involved in public policy making (Koppenjan et al., 2004; Rhodes, 1997; Sørensen & Torfing, 2005). Nowadays society is shaped by a high density and variety of networks. Around the world, people on all different levels in society are experimenting with new ways to make policy as an alternative to top-down decision-making. These new ways would lead to more inclusiveness of interests, more opportunities and more public satisfaction (Hajer et al., 2003). In governance literature, policy outcomes are nowadays often explained by analysing the structures of networks that have the aim to enable negotiation between different stakeholders over policy design and details (Peterson, 2003). Governance is a broad used concept in public administration and public policy literature. According to Rhodes (1997), it refers to "governing with and through networks" (p.4). In essence, governance can be seen as a set of interaction processes between multiple actors than the government alone (Bressers, 2009). The type of policy networks are a result of increasing criticism on policy and market failure. Peterson & Bomberg (1999) describe a policy network as "a cluster of actors, each of which has an interest, or "stake" in a given... policy sector and the capacity to help determine policy success or failure" (p.8). Policies are believed to then emerge as a result of negotiation with network members (Rhodes, 1997). By its informal, decentralized relations, policy processes as occurring in policy networks are not completely and exclusively structured by formal institutional arrangements. In addition, actors in a policy network are believed to be interdependent, but autonomous. Albeit not completely a network without hierarchy, the focus lays on horizontal linking between actors instead of vertical (Koppenjan et al., 2004; Marin & Mayntz, 1991). What lays at core of the network structure, is that society is no longer only controlled by policies made by a centralized body, but rather as a result of a decentralized concept of social organization and governance (Kenis & Schneider, 1991).

A policy network as the structure between governments and Airbnb as the platform provider has been chosen as the perspective of interaction for this research, since it can serve as an analytic model in analyzing the interaction process between the two focal actors. By focusing on the multi-actor nature of problem situations and the recognition of conflicting or different perceptions and objectives, this perspective distinguishes itself from more rational approaches when analysing the interaction process (Koppenjan et al., 2004). In the interaction process, governments and Airbnb are positioned as the basic units. Although multiple actors are at stake, the main focus of this research lays on the direct interaction between the two parties. This has been chosen for to demarcate objectives and strategies occurring as a result of the process. This will be addressed further in the reflection section 7.3.

Dynamics of decision-making: Rounds model Taking the multi-actor involvement into account, decision-making on peer-to-peer platforms is not believed to be done by the rational perspective. Decision-making regarding these type of unstructured problems, adding the fact that peer-to-peer sharing economy platforms are still emerging and evolving as they are being dealt with, is unlikely to take place in a linear order. What seems more suitable, is that policies are the result of this strategic interaction process between multiple independent stakeholders, rather than that of centralized process (Teisman, 1992). To this extent, interaction is believed not to take place according to predefined stages, but rather by playing multiple 'games' involving multiple actors. In these rounds of the so-called rounds model, the interaction between different stakeholders results in definitions of problems and solutions as a starting point for the next round (Araral et al., 2012; Enserink et al., 2010).

The essence of the rounds model by Teisman (2000) is that policy outcomes are a result of interaction between multiple decisions made in the process. In different arenas, different stakeholders negotiate, create and decide about problems and solutions. This process of arenas and rounds is recognized as being iterative, simultaneously and rather not in clear phases (Van Bueren et al., 2003). What it illustrates well is how decisions relate to each other in three possible ways. Actors can either take into account, anticipate on or jointly participate with decisions of others (Meijerink, 2012). For this research, the concept of the rounds model is taken as an example to highlight the importance of dividing the process into different 'rounds' while analysing it to capture the interactions between local governments and the platform. The aim is not to validate certain theoretical approaches regarding the rounds model.

Multi-actor interdependence

In the rounds model, the focus lies on the interaction between actors, where they are not seen as single-owners to problems and solutions (Teisman, 2000). Koppenjan et al. (2004) stated that the development and

implementation of policy programs is much influenced by power and relationships in a complex and uncertain negotiation environment what mutually dependent actors try to control. This is in line with the two most important concepts of policy networks; *multi-actor* involvement and *interdependence*. As Koppenjan et al. (2004) describes it: "Policy and policy processes occur in the tension between dependency and variety of objectives and interests" (Koppenjan et al., 2004) (p.15). Actors in interaction processes in policy networks can range from organisations, states, individuals to interest groups. Interdependence emphasizes the fact that actors involved depend on each other in achieving their objectives (Teisman, 1992). Stake holders make use of different types of resources in order to protect their own view and interests (Scholten & van Nispen, 2018). As de Bruijn & ten Heuvelhof (1991) describe it, in order to reach a specific desired outcome related to a complicated problem, the usage of resources as policy instruments will change positions and relations between stakeholders over time. To add to that, the distribution of resources and therewith power can also differ over time and influence the process. The interdependence occurs as a result of this distribution of resources among actors, which is the main reason for actors to start interacting (Adam & Kriesi, 2007; Meijerink, 2012). One actor possessing all resources is generally impossible purely to the fact that there wouldn't be a multi-actor issue at stake if all resources were to be solely belonging to one actor.

2.1.3. Analysing processes in policy networks: using system thinking

Having determined the relation between governments and peer-to-peer platforms in unstructured problems as being a policy network, that leads to interactions occurring in multiple rounds, further literature on policy networks is analysed in this section. With the aim to support the eventual analysis of empirical data to detect patterns, this acquisition aims at collecting multiple approaches for understanding empirical phenomena occurring. In this study, the aim is to use an inductive approach to identify patterns that occur as a result of the interaction of policy networks in institutional voids. This section elaborates on literature to define concepts of the policy network structure between platforms and governments that can be used in further analysis of the empirical data.

How to deal with complex systems: System approach

Problem analysis scholars have intensively built upon frameworks to ease the art of problem solving and make it a more pragmatic matter. Since policy making typically involves policy makers that perceive constraints to issues of power, the complex nature of the policy making system asks for an analysis of the system as a whole, rather than focusing on individual parts (Cairney, 2011). In that sense, the system would be described by Cairney (2011) as "a network of elements that interact and combine to produce systemic behaviour that cannot be broken down into the actions of its constituent parts" (p. 113). Rather than assuming to be dealing with a well defined problem, acknowledging the existence more of problem area or situation, it becomes clear that often there is a "nexus of problems" at stake (Checkland, 1985) (p.152). by taking a system approach, the focus of the analysis moves away from seeing individual policymakers as the most influencing and important element, and better captures the difficulty of policymaking beyond these individuals. This systems theory, first introduced by Easton et al. (1965), in short describes a simple model in which various factors lead to demand that serves as input to a political system. What this approach mostly addresses, is that political institutions are believed to not independently affect policy outputs (Dye, 1966), but that these differences can be traced back to the original factors and context which can be seen as the input to the system. Systems theories also emphasize the process as being cyclical rather than linear. Input variables influence the outcomes, but the eventual decisions made, feed back to the initial environment.

According to the complex systems theory, policymakers are not solely influencing the system by themselves, moreover, they are part of a larger process that they have limited control over, which is in line with the detected policy network structure in which governments are no longer the main central figure in policy formulation. Five common assumptions on the behaviour of complex systems are detected by Cairney (2011) (p.124-125):

- *The whole is greater than the sum of its parts*
- *The behaviour of complex systems is difficult to predict*
- *Complex systems are particularly sensitive to initial conditions*
- *Complex systems exhibit 'emergence'*
- *Complex systems may contain 'strange attractors'*

This indicates that a complex system consists out of a large number of elements that interact with each other and therewith produce behaviour for the entire system.

A tool to apply the system approach is to work with a system diagram, in which for focal actors the system is modelled and conceptualised based on criteria (factors that indicate to what extent a problem has been solved), external factors (what the focal actor cannot influence but have an influence), means (steering factors or actions that influence the system and thus criteria), and internal factors (all other factors that play a role in the underlying causal mechanisms) (Enserink et al., 2010). This is illustrated in 2.1 by a basic system diagram.

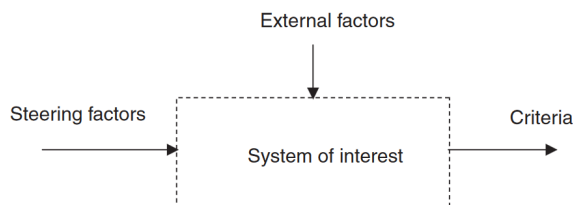


Figure 2.1: System diagram (Van der Lei et al., 2011) (p.1392)

The different elements of the system diagram are taken from the actor approach, in what the focal actor plays a key role in solving the policy issue. It gives a clear understanding of what a specific actor can do to influence the system, where it wants the system to eventually lead to, and what is out of the actor's hands but will influence the system. To look at this research by taking the system diagram in mind, allows us to see the institutional void to be reduced in as a complex system, and to approach this as a problem solving issue in which actors constantly deliberate and define their actions to come to the next step in the policy formulation. Using systems analysis in this sense as a research strategy, aids the researcher in approaching the complex process as a full problem with steering factors, external factors and criteria. bearing in mind that the amount of literature available on policy networks is large, applying a system approach not only demarcates this research, it also aids in selecting and using literature that is believed to be of higher relevance to this research.

Steering factors: Resulted behavior of policy network structures

The multi-actor arena being described as a structure with linkages and interactions among its units, suggests that there is a certain relationship according to what actors take actions and show behaviour as a result of their own objectives (Hanf & Scharpf, 1978). Actions taken by actors in an interaction have the aim to bring that actor closer to its eventual goal, thus actions are believed to be executed rationally with specific intentions. Unlike the rational perspective of actions in decision making, strategic behaviour can also occur, being it not by definition planned behaviour. In fact, it has been pointed out before that strategic behaviour is often detected to play a key role in the policy-making process and also in business positioning into the sharing economy (Codagnone et al., 2018). Strategies know many descriptions such as "the creating of a unique and valuable position, involving a different set of activities" (Porter, 1996) (p. 61). And, "patterns of behaviour targeted on realising individual or common objectives" (Godfroij, 1992). Strategy described by the Five Ps concept of Mintzberg (1987) sheds light on the two sides of strategies, as the five Ps being plan, ploy, pattern, position and perspective. (Mintzberg, 1987) elaborates on the interrelation of the Ps. In fact, perspective and position form the policy core that are the cause of plans, patterns and ploys that can be detected. Actors involved in wicked, unstructured problems act from a specific perception which might not be shared by other actors involved, leading to a large variety of strategic behaviour as a result. In addition, actors respond to each other's actions, making it difficult to predict what strategies actors will use and how this interaction of strategies will affect the problem solving process (Koppenjan et al., 2004). Unexpected strategic actions are an essential characteristic of interaction processes in unstructured problems. Additionally, the unstructured nature of policy making processes in policy networks ultimately suitable for the emergence of strategic behaviour (ten Heuvelhof, 2016). If these strategies were to be structured, (Meijerink, 2012) suggests the following categories of strategies that can be used when actors take the interaction position.

Figure 2.2 shows that at core of these strategies is the strive towards maintenance of autonomy, which implies decreased dependency on resources of other actors involved. Strategies can generally be of offensive or reactive kind, in which either the actor himself is initiator or responds to initiatives of others. Should actors feel a high level of dependence, the interactive approach is likely to be taken with actors that possess

	<i>Interactive</i>	<i>Maintenance of autonomy</i>
<i>Offensive</i>	Actor takes initiative to start interactions with actors possessing indispensable resources	Actor tries to acquire new resources, or to find substitutes
<i>Reactive</i>	Actor reacts on proposals made by other actors, and tries to solve his problems or to achieve his objectives in strategic interactions with the other actors	Actor does not want to start interactions with other actors, because he does not expect that these interactions will contribute to the solution of his problems or the achievement of his objectives

Figure 2.2: Categories of strategies that can be used when actors take the interaction position (Meijerink, 2012)

needed resources (Klijn & Teisman, 1992). Actors can additionally lower their level of ambition to reduce their dependency. Maintenance of autonomy strategies are usually applied when actors do not perceive a dependence on the other actors involved or when costs of joint action are not believed to outweigh the costs and effectively increase the likelihood of achieving their goals.

Criteria: Motivation and perception in decision-making

As covered before in section 1.2, it is argued that the reason why certain actors make decisions is a set of values (Westerbeek, 2016). This of course also holds for governments, which brings us back to the complexity governments are facing when setting the rules for peer-to-peer platforms. What values in society are of most importance? Who should be protected for what reason and against what? This set of values is not often pre-defined, but should function as the basis on what to base trade-off decisions on (Camps, 2015). In addition, as a result of the government's organisation being the institution of the variety of societal interests, national government always consists of different ministries of which these values and interests conflict, within and between ministries (De Bruijn & Ten Heuvelhof, 2018). Taking the changing environment into account, values are likely to change over time, due to the evolution of platforms and its visible effects. Public values that cities base their rationale to regulate on vary from protecting affordable housing, addressing nuisance issues and safety to enforcement and preserving quality of life (Nieuwland & van Melik, 2018). Seeing values as the input variables to the political system, defining them objectively is hard and therefore values at stake are subject to subjective interpretation in communication and publications (Cairney, 2011).

Communicating in policy networks The interdependence element of actors operating in networks ask for cooperation and communication between the parties to organise mutual support or understanding. Made explicit by Majone (1989), "public policy is made of language" or as de Bruijn (2019) formulates it: "Language shapes our perception of the world" (p.9). The extensive communication patterns as a result of interconnected network structures between actors involved in the policy process, is publicly done in written evidence in which 'language' is carefully chosen. The inability of language to capture 'the whole truth' will result in language automatically always being of a selective nature (ten Heuvelhof, 2016). Descriptions in language will always result in one aspect being accentuated more than the other. This can either occur as an intended strategy, or simply as a result of ignorance. Intentionally using language as a strategy is referred to as 'framing'. Language is used as a method to describe an actor's observations, and this can be done in various ways (ten Heuvelhof, 2016). The information people gain based on other's observations are subsequently tested in accordance with existing frames and knowledge (Gagestein, 2012). In formulating policies, framing can have a significant impact on how is dealt with certain problems to be solved. Embedded in frames, certain policy options or favoured solutions can be brought to the attention (Gamson & Modigliani, 1994). Additionally, frames can create new concepts and overall accepted 'rules of the game', and therewith an actual reality (ten Heuvelhof, 2016). A reason for a certain frame to have a significant effect and stick to the minds of the public can be since it aligns with active topical issues which aid in making progress related to these issues. As a result, opponents have little escaping ground and are forced to participate in the discussion under that specific frame. In politics, issues always being open to multiple interpretations leads to the inevitable fact that issues can be discussed in multiple ways (de Bruijn, 2019). As earlier mentioned, public policy differs significantly from science as most of the work is done in written or oral language. Scientific evidence can be useful in policy processes, but not always a must. occasionally, the narrative surround a certain policy issue can matter more than the actual facts behind it (Birkland, 2015). Taking in mind the network structure in

which differentiating perceptions resulting in strategic actions can be explained by the use of frames. More over, framing itself is a common strategy used in unclear and unstructured situations lacking information and thus consensus on the effects of policy issues at stake.

External factors: Importance of context

The position that actors are believed to take as part of their strategy in the interaction process is not solely influenced by the other actors involved. Although remaining inside the interactive process between platforms and the local governments as actors would set clearer boundaries to this research, Hay (2002) emphasizes the fact that also events that are seemed as non-political or extra-political, have the potential to influence the process. Moreover, he argues that extra-political variables should be included in political analysis in order to also take into account for example the cultural and economic processes that take place. The wider context including cultural, economical and technological aspects shape the setting in which the interaction takes place (Bressers, 2009). Acknowledging the fact that events are occurring is often referred to as an explanation to agenda setting in the policy making process (Gerston, 2014; Kingdon & Ferland, 1995). An event can be described as suddenly occurring, relatively uncommon and with the potential to harm certain areas or interest group. Another essential element of events is that they are simultaneously known to the public and policy makers, which also indicates the external nature of these events (Kingdon & Ferland, 1995). These sudden, rare, and harmful events can be important influences on the policy process and result in change and therefore will be seen as a key element in describing the process in an institutional void over time (Birkland, 2015). In this research, the definition of external event is given to other factors having a significant effect on the interaction process, to show that the researcher is well aware of the fact that there is more than the interaction process itself. External events will therefore also be one of the main focus points of this research, since they assist in looking at the policy process from a broader, more realistic perspective. In this study, external influences will not necessarily be the main focus point, but they will serve as a guidance to give meaning to everything of significant occurring outside the interaction process itself. Since this is a study of empirical kind, data collected that is not directly belonging to the interaction process, but has a notable impact on this process, is defined as external influence or external event.

2.1.4. Characteristics of interaction in policy making processes in policy networks

Based on the literature in section 2.1, the following characteristics of the interaction process between governments and peer-to-peer platforms are noted:

- The relation is a network structure, horizontally leveled
- Interaction takes place in rounds rather than in linear order
- In these rounds, both parties 'play the game'
- Strategic behaviour may occur because of interdependence
- Uncertainty and resource allocation lead to this interdependence
- The larger context is a factor of uncertainty
- Both parties have different perceptions and objectives
- As a result, communicating in the process is also strategically done

These characteristics gain understanding in what a general relation between peer-to-peer platforms and governments implies.

2.2. Understanding network interaction in an institutional void

Section 2.1 has used literature to define the structure between peer-to-peer platforms and governments. Taking the findings of section 2.1 into account, this section first elaborates on institutional voids to answer sub-question 2. In short, institutional voids are explained and characterised, and the characteristics explained in section 2.1.4 are used to further define how and why these interaction processes are believed to take place in an institutional void. It elaborates on what the complex network system structure with high uncertainty means to existing institutions or the establishment of new institutions. It therefore further explores what institutionalisation implies as a result of network interaction.

2.2.1. The importance and characteristics of institutions

Institutions are in literature described as “the humanly devised constraints that structure human interaction”, both including informal constraints as formal rules (North, 1990). Since institutions have an effect on the transaction costs of economic activities, they serve as ‘rules of the game’. Williamson (1979) divided North’s formal and informal aspects of institutions into the four layers model: cultures and norms, institutional environment, governance and individual analysis (see 2.3). The structure of the institutional framework of Williamson also indicates the amount of time it takes before layers change³ The arrows going in both directions illustrate that there is an ongoing process in what interactions in one layer influence those of another layer, and the other way around.

The distinction between the four layers based on the lengthiness of change, suggests that gaps are likely to occur when one layer changes and another does not. In such a situation, the ‘rules of the game’ shift and crack. To stress, Williamson is referring to rules especially, where the grand definition of institutions as formulated by North is that institutions represent rules that define behaviour (North, 1990). Not necessarily does it mean that rules and behaviour always perfectly complement each other; behaviour can exist without rules and if there are rules in place, behaviour can sometimes mismatch. Both rules and behaviour can change over time, asking the other to respond. This highlights that, not only cracks and crevices between rules may occur, but also gaps in the fundamental definition of institutions on its own. These two dynamics of potential mismatches describe the occurrence of institutional voids (North, 1990).

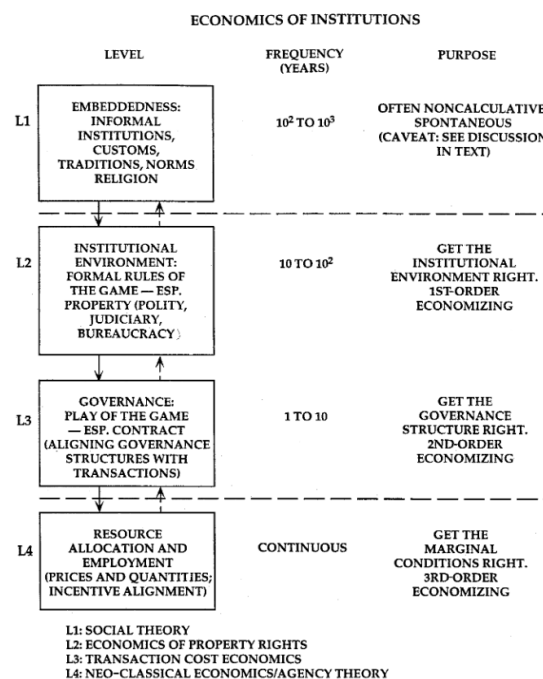


Figure 2.3: Williamson's four-layer model (Williamson, 1998)

In general, the institutional void is seen as an emptiness which results from an inadequate institutional framework and needs to be filled. That empty space, emerges at the edges of existing frameworks where rules are lacking or can't keep up with the speed of innovations. The situation of an institutional void can be temporary, or of a permanent nature. In case of a permanent institutional void, a distinction can be made between highly dynamic and low dynamic (Van Bueren & Klievink, 2017). In a highly dynamic situation, continuous change and rapid evolving innovations lead to a permanent stage of alteration. A low dynamic situation describes a situation where a gap is more or less stable, nonetheless involved actors fail to fill the space.

³Cultures and norms (the first layer) are seen as grand institutions almost anchored in society, and therefore they take hundreds of years to change. The second layer, the institutional environment includes rules as a result of long negotiations and therefore change will only occur over decades. The third level represents rules and arrangements that govern the interactions between individuals such as contracts. Here decisions are made over a year to a decade. The last layer, changes on a continuous basis, as it illustrates the individual analysis people make to make decisions (Williamson, 1979).

2.2.2. Institutional change

What the mismatch of existing institutions also describes, is that policy making taking place in an institutional void not necessarily means that all of a sudden no institutions are at stake at all. More importantly, the existence of institutional voids implies that policy issues often are dealt with by political actions that are taking place next to or across existing institutions and therewith challenge rules and norms of actors involved (Hajer, 2003). Institutional change is believed to be an "integral part of the process of market reform as an economy adapts from an institutional framework developed under centrally planning to one that is more appropriate to facilitating market development" (Welter & Smallbone, 2011) (p. 112). As a result of a mismatch between institutions in place, seek for change in institutions may occur. By removing or lowering barriers, entrepreneurship can be positively influenced as a result of institutional change in this sense. On the contrary, certain legislative changes can also lead to enterprises all of a sudden becoming illegal (Zhuk & Cherevach, 2000).

Processes and results of institutional change

When looking at institutional change more focused on the actual process of change, Streeck & Thelen (2009) suggest that processes of change can either be incremental or abrupt. What has been suggested before is that institutional change is more likely to take place incrementally, as a result of interaction. As figure 2.4 below suggests, the results of institutional change by a incremental process, is either continuity or discontinuity. To put it into perspective, process of change is believed to either reproduce institutions by adaptation, but remain a certain level of continuity, or transform institutions into new establishments over time.

		Result of change	
		Continuity	Discontinuity
Process of change	Incremental	Reproduction by adaptation	Gradual transformation
	Abrupt	Survival and return	Breakdown and replacement

Figure 2.4: Types of institutional change: processes and results (Streeck & Thelen, 2009)

Institutional layering

The gap between the intentions of institutions and its outcomes is conceptualized by defining it as 'institutional layering'. The concept of layering states that the existing institutions are not replaced entirely but that gradually step by step change will occur (Mahoney & Thelen, 2010). Seeing institutional change not emerging solely from exogenous shocks, but more as an incremental process over time, has led to theories to explain gradual institutional change (Mahoney & Thelen, 2010; Streeck & Thelen, 2009; Thelen, 1999; Van der Heijden, 2011). A process in which existing institutions are enriched with new elements and therefore gradually change in status and structure is by scholars referred to as institutional layering (Van der Heijden, 2011). Institutional layering in essence means that existing mechanisms remain in place, but are supplemented with additional 'layers' of institutional arrangements, which either can have a positive complementary effect (Helderman, 2007), or create tension and difficulties regarding negative influencing between these mechanisms in place (Van De Bovenkamp et al., 2014). Taking the essence of layering into account, it can serve as an explanation to what happens if a gap occurs between the intention of an institution and its outcomes. These occurring gaps can result in some trying to fill it, and some to benefit from it as it in fact contributes to obtaining their objectives (Van der Heijden, 2011). The introduction of 'institutional layering' added an element to studying institutional change from a perspective where its focus was on change as a result of a radical exogenous change (Pierson, 2011), towards that with time and gradual change being centralized (Thelen, 1999). Institutionalisation in this sense can be referred to as "transformation without disruption" (Streeck & Thelen, 2009). What scholars on institutional layering later added to the theory was increased importance of the political context of the institutes, as well as the actors that want to change or preserve the institution. As a result, both external as internal forces can be seen as factors to enable institutional layering. In doing so, (Mahoney & Thelen, 2010) distinguish four types of institutional change: *displacement*, *layering*, *drift* and *conversion*. *Displacement* refers to the removal of existing rules and the introduction of new ones, where *layering* does not remove any existing rules but only adds new rules on top or alongside them. *Drift* centralizes the changed impact of existing rules as a result of shifts in the environment (Hacker, 2005) and *conversion* occurs when rules remain the same but are interpreted differently (Thelen, 2003). The last two show the increased importance of the external context in which institutional change takes place.

Processes of framing in interaction for institutional change

(Hargrave & Van de Ven, 2006) have established four dimensions of institutional change: the question, the focal institutional actors, generative mechanism, process and the outcome. In their proposed institutional change model "Collective Action", which centralizes around technological innovations (question) and networks (focal institutional actors), the recognized process or event sequence is believed to be accompanied by a process of framing and mobilizing structures and opportunities for institutional reform (Van de Ven & Hargrave, 2004) (p.293). In line with a collaborative approach of institutional design, Healey (1997) sees institutional design as the result of efforts of stakeholders that interact. Within this interaction, framing is seen as a key element, because "the ideas and understandings generated in the collaborative planning process help to frame the way people think about their subsequent actions... Framing ideas replace the blueprints of the 'command and control' models of planning systems, and the linear ends-means policy sequences of the rational process model, as the driving force of a broadly-based coordinated transformation of knowledge and values in actions" (Healey, 1997) (p.284-285). As stretched upon in previous section, framing can contain a level of strategy in processes where new phenomena are needed to get shaped. At a macro level, the concept of framing has been discussed in the creation and institutionalization of new markets. In institutionalization theory, there is an ongoing process of giving meaning to new markets, shaped by the underlying motivations, cognitions and perceptions of involved actors (Cornelissen & Werner, 2014). Common cultural frames of reference can in this sense be used to label certain activities in specific contexts, and therewith give meaning to these activities and events, giving "a schema of interpretation" or "culturally motivated templates". Looking at framing from an institutional change perspective, is believed to commence in interaction between actors in an institutional field (Lounsbury et al., 2003). Additional interaction may lead to confirmation on frames that eventually becomes part of mutual knowledge between actors, as a result of their ongoing sense-making and interaction (Loewenstein et al., 2012). Thus, embedded in the process of institutionalization is believed to lay the process of creating a shared vocabulary to transmit to the wider public once agreed upon. This process of creating 'common ground' is believed to be a result of communication processes in which actors interact having existing frames in mind (Cornelissen & Werner, 2014).

Phases of institutional change

In literature on institutional change, the concept of institutions and institutionalisation is mainly used in organisational practises and therefore refers to changes within organisations (Berger & Luckmann, 1991; Suddaby et al., 2002; Tolbert & Zucker, 1999; Verzelloni, 2016). When trying to look more at phases of development and embeddedness of formal institutions and regulations, as explained by (Williamson, 1979), in literature often the standard rational policy making model is applied. Since in section 2.1 it has been determined that the type of policy making related to peer-to-peer platforms is not taking place according to this rational approach, most process frameworks of institutionalisation are not suitable for this research. Nevertheless, Treuren (2002) have introduced four ideal-typical stages that institutions of economic and social management are believed to go through. The first stage is a steady stage with 'institutional momentum', after which the second stage, this 'steady state' begins to show signals of decreased effectiveness of regulatory arrangements in place. The third stage is characterized by crisis. Institutions are no longer able to deal with emerging pressures on the regulatory system with regulatory failure as a result. After the 'crisis stage', the fourth phase contains the process of establishing a new or improved framework, leading to a satisfactory institutionally stable situation. In short, this framework goes through cycles of stability, collapse, renovation to go back to stability (Treuren, 2002). These stages of institutional development are shown visually in figure 2.5.

2.2.3. Behaviour in institutional voids

In the light of institutional change and how either it can influence entrepreneurs and be influenced by entrepreneurs, Oliver (1991) has suggested five types of behavioral response to international frameworks in place: *conformity*, *compromise*, *avoidance*, *deviance*, and *manipulation*. *Conformity* and *compromise* presume recognition of change of the institutional framework and adaptive behaviour by entrepreneurs accordingly. *Conformity* specifically does have the possibility of triggering institutional change through disruptive actions such as the introduction of new technologies (Kalantaridis et al., 2007). *Avoidance*, *deviance* and *manipulation* are all forms of behaviour of enterprises not conforming to institutions in place. *Avoidance* in particular can be brought into relation with peer-to-peer sharing economy platforms, since it assumes organisations to "buffer themselves from institutional pressure or escaping from institutional rules and expectations" by diversification of existing businesses (Oliver, 1991) (p.154). Where this is a rather passive response, *defiance* and *manipulation* strategies meet more active responses. A defying organisation is openly challeng-

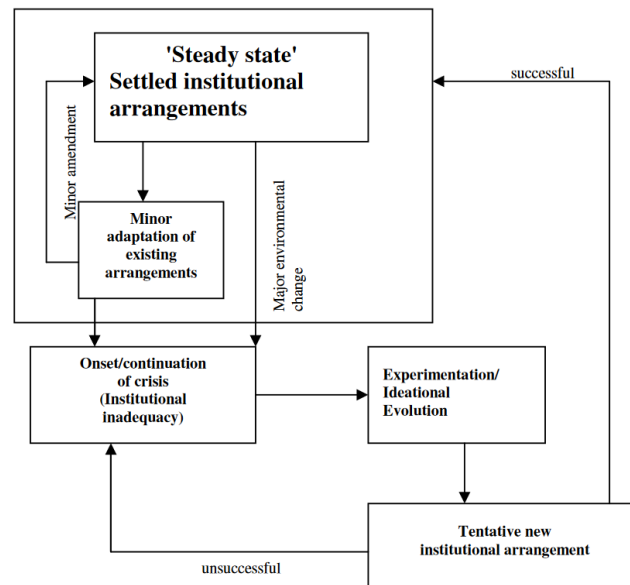


Figure 2.5: "Four Phases of Institutional Evolution" (Treuren, 2002)(p.3).

ing institutions in place, especially when there is "low potential for external enforcement as is commonly the case under transition conditions" (Welter & Smallbone, 2011) (p.114). *Manipulation*, the final response, describes entrepreneurial behaviour towards active attempts to change the institutional environment. Since this implies a certain level of legitimacy and power, this response is often only detected with more mature and dominant entrepreneurs in the scene (Henrekson & Sanandaji, 2011).

International business responses to institutional voids

In literature, in general there is no clear concept of what an institutional void precisely is (Agostini et al., 2016). The institutional void is here often approached from a more macro perspective, comparing the (mis)match between organisations and formal institutional arrangements (Van Bueren & Klievink, 2017). Nevertheless, from a more simple perspective, the institutional void is better described as a missing set of unambiguous rules (Greenwood et al., 2011). What is more common, especially in international business literature, is to use the institutional void to typify and search for other subjects in emerging markets and how doing business in these markets is positively and negatively affected (Khanna & Palepu, 2010; McCarthy & Puffer, 2016; Schrammel, 2013). In International business literature, it is usually referred to as lacking institutional arrangements that unease the interaction of buyers and sellers and effectively support market activity (Khanna & Palepu, 1997). From this perspective, there has been increased interest with academics in understanding the influences of formal and informal institutions on economic activities (Doh et al., 2017). Looking at institutions through the institutional void lens in fact allows us to see step aside of analysing markets by the concept that institutions are 'given', but rather take a more dynamic approach and see how institutions can play a significant role in choices made by businesses (Doh et al., 2017; Meyer & Rowan, 1977; Regnér & Edman, 2014). The need to respond to institutional voids can also play a significant role in understanding why companies adjust their strategies across different nations (Djankov et al., 2002). In that sense, taking the institutional void lens offers a chance to compare the institutional differences and how they affect economic activity (Doh et al., 2017). (Doh et al., 2017) give a clear idea of business responses to institutional voids and how companies may adjust strategies according to local institutional arrangements, which is shown in 2.6.

Top left the *internalization strategy* shows how businesses tend to internalise their activities to reduce transaction costs (Kim & Song, 2017). The *institutional borrowing strategy* simply indicates institutions being borrowed from other nations, and the *signalling strategy* where information is conveyed to others through non-market activities to increase credibility and reduce transaction costs. The *substitution strategy* describes the development of specific capabilities within firms so that lacking institutional information is substituted with their own unique knowledge. What is lacking international business literature is that institutional voids are seen as limitations rather than opportunities. The researches have in dept focus on responds to institutional voids by businesses, indicating a passive approach (Kingsley & Graham, 2017). Nevertheless, a more

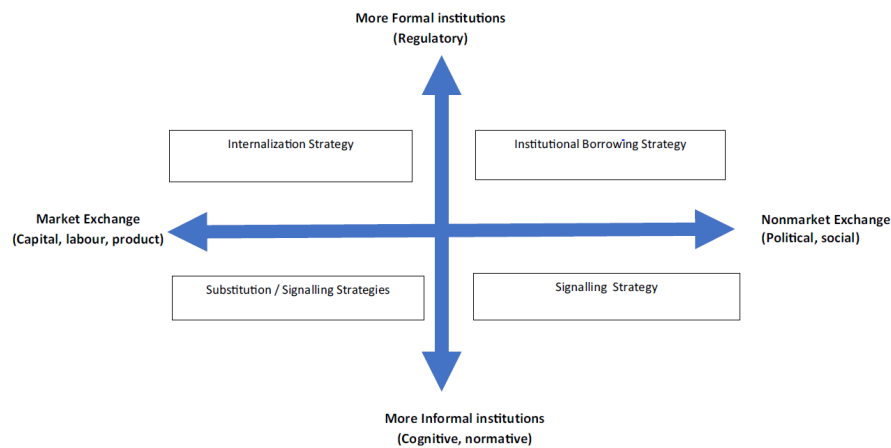


Figure 2.6: Responses to Institutional Voids (Doh et al., 2017)

proactive approach, in which businesses attempt to change the institutional environment could result in eventual benefits. As explained before, the likelihood of gaps to emerge between the different layers of institutions according to the institutional theory of Williamson (1979), can also be referred to as 'opportunity spaces' for businesses to gain specific advantages (Mair & Marti, 2009). In line with this, the current business literature assumes that actor behaviour and strategy determining is mainly influenced by formal regulations. However, strategies focused on the informal context might explain better the success or failure of strategies (Van Bueren & Klievink, 2017). Describing institutional voids as something recognizable, each void can be seen as an actionable construct, that businesses can react to, create and shape. In that sense, voids are a direct result of companies enacting them.

2.2.4. Public administration literature and the institutional void

In public administration literature the concept of institutional void is mostly seen as a to be filled political space (Hajer, 2003). Policy issues crossing existing institutional frameworks and being no longer committed to time and place, power being dispersed and uncertainty taking the overhand instead of knowledge, results in 'wicked' problems that existing institutions no longer can solve (Van Bueren & Klievink, 2017). And these classical institutions no longer being the solution increases the incredibility of effectiveness and legitimacy among stakeholders. Therefore, these new political spaces ask for a different approach, in what multiple actors of different disciplines are included to create volatile collaborations in a more collaborative governance setting (Ansell & Gash, 2008; Van Bueren & Klievink, 2017). As business administration and organisation literature mainly focus on the consequences of institutional gaps for organisations and the strategies that can be used to fill in these gaps, public administration literature focuses primarily on shaping the 'space' itself and the change of institutions in place. In chapter 1, five challenges related to institutional voids have been detected that shape the political space (Hajer, 2003)⁴. Taking these five challenges into account, Van Bueren & Klievink (2017) have signaled different ways in which the new political space is believed to be filled which are explained below in this section.

Legitimacy and effectiveness of policies A contradicting ongoing battle in what neoliberalism faces the welfare state hasn't resulted in clear, shaped institutions yet. The neoliberalism wave that is introduced by globalisation and the rise of the internet, has not successfully wiped out the social democratic norms and values at the core of existing institutions. Neoliberalism underscores free market, decentralisation and deregulation leading to increased commercial liberty as a result of the belief that the state should merely safeguard this individual liberty (Thorsen & Lie, 2006). Free market and free trade is believed to ultimately encourage all to be entrepreneurs and increase the effectiveness of resource allocation (Hayek, 1973). This logic of rea-

⁴These five challenges in brief are: 1), the policy making structure is dispersed resulting in legitimacy and effectiveness being hard to predict. 2), the space in which decision making takes place is dynamic, causing the necessity to be able to switch quickly between multiple layers and dimensions of decision making. 3), the current opinion on democratic decision making and participation is outdated. 4), the authority of knowledge is underestimated and 5), the rise of wicked problems and the search for frameworks in which these can be dealt with is widening the context of policy in general (Hajer, 2003).

soning is at core of the sharing economy (Martin, 2016). The two waves having different opinions on what the level of government involvement related to markets should be, cause a continuous friction of two value systems and its related institutional system (Van Bueren & Klievink, 2017). Sharing economy and its activity being at front of neoliberalism causes an instant discussion going back to the roots of legitimacy and effectiveness of market intervention through regulation.

The institutional dynamism The second challenge, the institutional dynamism, is believed to lead to a way of 'transition thinking', in which new institutions could only be established should existing institutions be demolished (Loorbach, 2007). The eventual construction of new institutions being a long lasting process calls for a set of complicated collaboration arrangements in awaiting of the new equilibrium. Institutional void in this sense can lead to over crowdedness of the space to be filled, with overlapping arrangements with a short time span which is in line with institutional layering (Van Bueren & Klievink, 2017). Some organisations not being used to private-public collaborations, lack experiences and capacity which results in a inconsistent involvement of organisations in filling the void.

Participation and democracy As a result of social media, people are easily mobilized and connected, with increased civic initiatives and participation in policy making (Hoppe, 2011). These do not necessarily aim at filling in voids and shaping institutions, but more focus on realizing specific objectives which can serve both private as public interests. Albeit not always their main goal, the effect these mobilizations have on attention to certain values on a local level is partially pushing the discussion in certain directions. The media plays an important role in bringing issues to the attention.

Authority of knowledge The institutional void results in unclarity related to what domain of knowledge should be applied to what issue. In the case of new innovations and technologies, in general there is a lack of sufficient knowledge to lead to institutional embeddedness, while in contrast these developments contain a lot of knowledge and potential far-going impacts on society. The lack of institutional regulations and arrangements on these innovations makes it impossible to build upon instruments and experiences from different known dilemmas. Enlarged by fear of obstructing technological progress, there is a strong dependency on external actors and their knowledge on technologies and their impact. The search for knowledge to build regulations upon is positioned as being 'regulatory science' by Jasanoff (1995), to illustrate that scientific evidence for policy use will always lack outcomes on the effect in 'real life' and therefore remain unpredictable.

Widening context of policy Policy discussions about new technologies are believed to have the habit to not only go about finding an applicable policy framework, but also simultaneously bring these existing frameworks to the debate and negotiate new institutional rules (Hajer, 2003). As a result of technologies explicitly presenting itself as a new phenomenon, existing institutions have little grip on the activity taking place. Albeit these existing institutions to represent certain values, new technologies sometimes seem to escape and outcast public values at stake.

In short, this has led to the following processes being at stake in institutional voids:

- ongoing debate between neoliberalism and welfare state
- search for in between arrangements
- increased participation and democratisation
- dependency on external actors on knowledge sharing
- search for applicable frameworks leads to discussion on these frameworks

The itemization above indicates what processes can occur in institutional voids as a result of institutional change. Among other things, they indicate that a growing involvement of the private sector into the debate, complicates the policy space to be filled. Furthermore, it follows that in order to detect the processes occurring in institutional voids and thus change within these processes over time, in trying to detect these patterns, the focus has to be on:

- Detecting change of important objectives

- Looking for the seek for arrangements and thus interaction
- Keeping track of vocal, impactful external actions
- Looking for external actors and data sharing
- Looking for shift in values at stake

2.3. A conceptual framework for the analysis and explanation of interaction processes between peer-to-peer platforms and governments in an institutional void

As followed by chapter 1 in what the object of study was made clear, the literature acquisition of the sections of this chapter are executed to formulate a theoretical framework with what to answer the main research question. From this acquisition, it follows 1) what interaction processes there are, 2) what the interaction between peer-to-peer collaborative economy platforms implies and 3) what the effect of an institutional void is on the interaction process between these two actors. This section summarizes this chapter and introduces four sensitizing concepts which will be further used in this research as a theoretical framework for this study.

2.3.1. Conclusion

In short, this chapter has elaborated on the policy network structure in which there is a horizontal rather than vertical relationship (section **Relationship between peer-to-peer platforms and governments: Policy networks**). Both actors have and share different perspectives and objectives which may change over time (section **Criteria: Motivation and perception in decision-making**). In search of reaching their individual objectives, actors take actions and respond to each other (section **Steering factors: Resulted behavior of policy network structures**). The complexity of the issue leads to interaction taking place in multiple rounds, also referred to as 'arenas' in which 'games are played' (section **Dynamics of decision-making: Rounds model**) which are under influence of frames used to define the topics and rules of these arenas (section **Communicating in policy networks**). Because of a distribution of resources under all players of this game, actors are dependent on one another (section **Multi-actor interdependence**). Knowing that there is more than just the actors specifically, a certain understanding of the external influences needs to be added to the analysis (section **External factors: Importance of context**).

Institutions are seen as 'the rule of the game' and due to complex and 'wicked' problems, institutions are shaped and impacted from multiple perspectives (section 2.2.1). Institutional voids may occur as a result of shifting institutions due to a mismatch of the desired outcome of institutions and the actual outcome. As a result, institutions will change which is believed to happen incrementally in network structures due to the multi-actor aspect and involvement (section 2.2.2). Policy networks, in which the structure is less hierarchical and governmental dependence on stakeholders outside the political sphere occurs, typically have various players that aim to shape the rules of the game to their hand. Institutional voids know dynamics in which the ongoing search for what is and what isn't 'suitable' affects the behavior of actors operating in a void, in such a way that either the void is used as a strategy or causes change in an actor's strategy (section 2.2.3). In institutional voids, there is an ongoing debate and interaction between public and private parties in search for frameworks, arrangements, involvement and knowledge to deal with the mismatch between existing institutions and the new phenomena occurring (section 2.2.4).

2.3.2. Sensitizing concepts

Based on the insights gained in section 2.1 and 2.2, and to be able to get a clear understanding of the course of processes in institutional voids surround peer-to-peer platforms in specific cases, a set of sensitizing concepts is formulated. These sensitizing concepts function as the starting points for qualitative studies, are formulated as the initial ideas for the possible theory and to lay the foundation for the analysis of research data (Bowen, 2006). Sensitizing concepts are used to draw attention to important features of social interaction within an institutional void. Making use of sensitizing concepts in research based on collected empirical data, aid researchers in how to approach the collected data (Eisenhart, 1991). When no clear path of research is outlined due to its inductive nature, these sensitizing concepts can be used to guide qualitative researchers in their analysis. In that light, they serve as a red thread (Van den Hoonaard, 1997).

Stating that governance is especially a set of interaction processes, where simultaneous games between actors are being played, (Bressers, 2009) constructed a process analysis model according to the Contextual Interaction Theory on which to base interaction process studies. According to the Contextual Interaction Theory, policy processes are dynamic actor interaction processes in what key actor-characteristics drive the interaction and in turn are reshaped by the interaction process. As Bressers (2009) states it:

"There are zillions of factors conceivable that might influence the course and outputs of an interaction process. But since interaction processes are human activities, all influences flow via the key characteristics of the actors involved" (Bressers, 2009) (p. 8).

Bressers (2009) thus puts emphasis on actor specific characteristics which are in his framework *motivations, cognitions (information to be held true)* and *capacity and power* (Bressers, 2004). The process of policy making is in this theory not seen as a production process, but more as one in which the actors are the central focus point. In addition to the influence that these three characteristics have solely and on each other that leads to change, the process is nevertheless also believed to be influenced by the course of the process itself and by the external context (Bressers, 2009). Taking the actor importance of the Contextual Interaction Theory framework into account, this research tries to put more emphasis on what happens in the processes themselves instead of referring back to drivers of the process itself. Bressers (2009) model is useful in detecting which key elements play an important role in interaction processes, and show similarities with the factors mentioned in the system approach. This research will take actor specific characteristics into account, but will also focus more on the actual interaction and individual actions that have led to change of the process. Monitoring the activity in the interaction process more specifically, is believed to result in a clearer understanding of what has taking place in specific cases. Since the aim of this research is to detect patterns as part of an inductive, empirical study on what is going on in an institutional void, the conceptual model of Bressers (2009) is adjusted to fit this specific research.

Referring back to the systems approach used to detect sensitizing concepts in literature (section 2.1.3), the sections above have been used to gain insights in *steering factors, external effects* and *criteria* as being assumed to have an impact on the process of formulating policy in an institutional void over time. The short summary of the findings as given in section 2.3, briefly elaborates on the most important findings. This has been translated into four sensitizing concepts that have been chosen to detect patterns of interaction in institutional voids with and therewith formulate a conceptual framework for the analysis. These sensitizing concepts are *values, frames, external events* and *actions* and will be further described in the following four paragraphs.

Values To start with, what stands as the reason for behaviour and interaction is what motivates them to take action. to detect change in motivation over time and especially what motivation is seen as more important over others, *values* are used as a concept to understand motivations of both parties to interact in the process. Although the task of governments is believed to safeguard and outweigh the public good, platforms also hold certain values which they consider to stream through their actions as they operate. In section 2.1 it became clear that both focal actors (peer-to-peer platforms and governments) have different values at stake and section 2.2 has further illustrated that differences in values can result in complicated discussions on how the institutional voids should be reduced effectively. This research uses the following definition of *values*: "Principles or standards of behaviour; one's judgment of what is important in life" (Oxford Dictionaries, 2015). In this study, values serve as the concepts that are of importance to the focal actors involved to base their behaviour on in institutional voids.

Frames Secondly, *frames* indicate the importance of recognition by actors of the cognition of the other actor to be true. With other words, if one is to strategically position itself in the interaction process, without recognition, actors are less likely to succeed in obtaining their goals. Frames are described as 'a substantive message that is used in the debate and leads to a specific interpretation of reality'⁵. Frames will be used to detect the shift of recognition and more importantly the uncertainty and external impact on the language used to denote what is right and wrong. As elaborated on in section 2.1.3 and 2.2.2, in institutional voids the fact that it is not yet clear what the rules of the game are and how concepts should be defined, shifts in frames are an interesting concept of change of the interaction process. Additionally, from the institutional

⁵Own translation and definition after de Bruijn (2019) (p.17)

work perspective⁶, framing is seen as an activity which actors outtake in an attempt to change institutions while still being embedded within institutions (Boon et al., 2019). Frames are in this research used out of two purposes: 1) to detect and mark values at stake in publications, 2) to define how Airbnb is referred to and what this implies for reduction of the institutional void.

External events As becomes clear in section 2.1.3, the wider context in which the interaction process is taking place should not be ignored. As a third sensitizing concept, *external events* will be analysed in this research to take external relevant dynamics into account. As a result of ongoing dynamics or behaviour outside of the direct interaction process between peer-to-peer platforms and governments, external events can be pushed to the agenda or influence the interaction processes that take place. For this research, external events are thus defined as ‘events that take place outside of the two focal actors that have an effect on the interaction process taking place to reduce the institutional void’.

Actions As a fourth sensitizing concept, *actions* by the focal actors have been taken. An *action* for this research is defined as ‘something that actors do on a particular occasion’⁷. As elaborated on before, by analysing the actual activity that is taking place in an institutional void, this research is believed to best use the empirical evidence to come with actual patterns and descriptions of what is happening in a void. Section 2.2.4 elaborates on how institutional voids are believed to be filled from a political space perspective. In addition, section 2.2.3 explains potential business responses. This can serve as a base to describe where actions are coming from in further determining peer-to-peer platform and government interaction patterns in an institutional void. The instruments that are used to execute the actions with are simultaneously taken into account, as they are seen as the essential element by which actions can in fact take place.

Taking these sensitizing concepts into account, the figure below shows the constructed conceptual framework for analysing the processes between governments and peer-to-peer platforms in institutional voids. It is based on the model by Bressers (2009), and shows the distinction between the internal actor specific concepts (*values, frames and actions*), and the outer external influence, indicated by a dotted line.

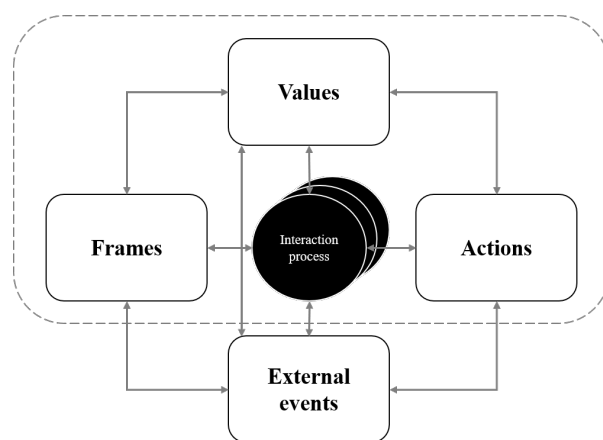


Figure 2.7: Analytical framework for the interaction process (Modified after(Bressers, 2009)

In order to analyse the sensitizing concepts as described above over time to detect patterns as a result of shifts in sensitizing concepts, the four-stage model will be used by Treuren (2002). As has been determined in section 2.1, policy making in a network structure is not taking place according to linear stages. Thus, this model will not be used to divide the interaction process into different stages, but solely aids to divide the actions, values, frames and external events over time in segments of time, which are logical outlined in terms of institutional development.

⁶Institutional work is defined as ‘the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions’(Lawrence & Suddaby, 2006) (p.214).

⁷This own definition was based on Collin’s dictionary version of the noun ‘action’ as can be found on <https://www.collinsdictionary.com/dictionary/english/action>.

Research design

In chapter 2 a theoretical framework has been developed to answer the research question with. In this chapter, it is elaborated on this theoretical framework can be applied in practise to execute an empirical study with. This chapter thus outlines the research design to formulate and answer sub-questions of this research with based on empirical data. It outlines the steps that will be executed and the methods used for the comparative case studies conducted in chapter 4 and 5. To start with, in section 3.1, the difficulties of formulating a predictive model of the institutional void are explained and discussed. In the following section 3.2 the logic of choosing a case study approach as the research approach is explained. Section 3.3 and 3.3.2 uses the theory of chapter 2 to formulate research questions to meet the problem statement of chapter 1. Section 3.4 discusses the methods and sources that are used to gather data, after which section 3.7 elaborates on some difficulties related to this method that may occur.

3.1. Difficulties of formulating a predictive model of institutional voids

Social phenomena such as interaction processes are almost impossible to predict due to the fact that it involves human behaviour and choice and therefore raise concerns in social science. Can solid theories be built on unpredictable theories? Within prediction theories albeit within or outside social science, two main streams can be detected: deterministic and probabilistic theories. The difference between these two is that in deterministic theories, outcomes are predicted based on full data known beforehand. Probabilistic theories on the other hand involve an element of chance (Camilleri, 2017; Erola, 2010). Determinism being almost impossible to apply within social sciences, these type of researches mostly focus on developing probabilistic theories.

In general, scientists can develop predictive theories either deductive or inductive. With the deductive approach, hypotheses are formulated based on available theories and thereafter tested. In the inductive approach, the researcher starts with empirical observations and eventual hypothesis can be formulated based on observed patterns (Rothchild, 2006). This research has an inductive rather than deductive approach, there it exists out of an in depth case study of an interaction process, and aims to formulate hypotheses on the course of these processes in institutional voids. Using a more inductive approach gives the possibility to keep specific circumstances within the scope of the research and therewith lowers the chance to exclude explanatory variables that might be of relevance at the start. Although the hypotheses formulated are largely case specific, the found patterns might apply to other cases as well and therewith contribute to the further development on theories on the interaction process of peer-to-peer platforms and governments when trying to reduce the institutional void.

The importance of adding empirical data to build a theory upon is that it is believed that, to let theory 'say something' about reality, it either has to be interpreted or supported by empirical data (Camilleri, 2017). Specifically when the predictive value of elements such as behaviour are low, empirical data has a powerful contribution to eventual theory building, since it is inducted from reality and therefore a valuable and safe way of getting to solid hypothesis (Reichertz, 2013). This research focuses on the first step of a possible theory building cycle. By collecting sufficient and relevant empirical data the researcher tries to understand a certain phenomenon to its interest (institutional voids surround peer-to-peer platforms) by observing variables and their interacting relationships (Dooley, 2002).

Since the questions as mentioned in chapter 1 are of descriptive nature and rather explorative, this research will be executed mainly using qualitative research methods (Doorewaard & Verschuren, 2010). Qualitative research works best in investigating more unstructured phenomena and it gives us the opportunity to describe these phenomena and evaluate them (Veal, 2017). The main shortcoming of qualitative research is that it is generalised over just a view examples and therefore might lack credibility of its outcome. Nevertheless, it makes it easier to conceptualise the current state of the art of complex problems and presents valuable

data based on reality out of the field (Silverman, 2013).

3.2. Case studies of interaction process between Airbnb and governments

3.2.1. A case study strategy

To be able to answer the research questions of section 1.4, case studies of the development of regulations on Airbnb in two European cities, Amsterdam and London will be used to describe the different regulatory outcomes and the process leading to these. Yin et al. (1984) defines the case study research method "as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used" (p.23). The phenomenon that is investigated in this research is the interaction processes between peer-2-peer platforms and local governments in institutional voids. The specific context of this phenomenon is shaped by the specific country and even city it is happening in and cultural and institutional characteristics of these places. The context therewith influence the perceptions of the two focal actors involved and their behaviour as a result. Simultaneously, characteristics of the structure and culture of these places also change as a result of interactions between platforms and governments. The boundary between the interaction process itself and the context this is happening in is therefore blurry. Using case studies as a research method is mostly recommended when complex issues need to be studied in their context. Since case studies consider the real-world context itself, they contribute in answering the 'why and how' question in depth, and serve as a sort of hypotheses generator for further study (Eisenhardt & Zbaracki, 1992; Yin, 1994; Zainal, 2007). Especially when no clarity on what hypotheses could be tested in a specific research field is given, using case studies can serve as a significant first attempt in finding them. Using case study as a method to answer the problem statement therefore seems like an adequate research method. The downside of using case studies is that they contain a bias towards verification and that it is often difficult to summarize multiple case studies into one outcome (Flyvbjerg, 2006).

3.2.2. Multiple-case design of European cities

To partly take away the chance of verification biases, this research has adopted a multiple-case design. These case studies of the interaction process between Airbnb and governments in London and Amsterdam cover the time span of the introduction of Airbnb in that specific city till the establishment of a solid regulatory framework as a result of the interaction process. Keeping in mind that the process of institutionalising is ongoing and believed to be never ending, the defined end phase in this research is a point of discussion but has been chosen carefully as explained in chapter 4 and 5.

Using a single-case design carries an inability of generalising eventual conclusions drawn. By adopting a multiple-case design, this inability can be overcome. In doing so, the level of confidence in the robustness of the method can be increased (Zainal, 2007). Argued by Yin (2017), making use of a multiple-case design should only be done when the researcher predicts that replication will take place, in order to strengthen the overall results. Since one of the two parties examined in this study remains the same for both cases, facilitating the exact same service within the two contexts, the chance of replication is present in this study, examining Airbnb as the platform. The additional value of using a multiple-case design is that the performance of the same phenomenon can be examined in different contexts (Stake, 2013). Although the goal is to find replications, predicting contrasting results based on theory can also be built upon as a result of comparisons between the cases (Baxter & Jack, 2008).

3.3. Research questions

After sub-question 1 and 2 have been answered in chapter 2, this section repeats the research questions of section 1.4 that will be answered by the empirical case study and elaborates on the steps used to answer this question. This is split up in descriptive research questions and explanatory research questions. Both the descriptive as explanatory questions will be answered for Amsterdam and London, since this is a multiple-case research set up.

3.3.1. Descriptive research questions

3. How did the interaction process between Airbnb and governments develop in an institutional void?

In chapter 2, four sensitizing concepts were given to reconstruct the interaction process in an institutional

void. These were: *values*, *frames*, *external events* and *actions*. Bearing these concepts in mind the following questions were formulated which will be answered in the empirical research part of this research:

- (a) what are the main regulatory changes in the first years on Airbnb in Amsterdam and London?
- (b) what actions were taken by the actors involved in the interaction process between Airbnb and Amsterdam and London?
- (c) what external events happened during the first years that appeared to have an impact on the interaction process?
- (d) what values are wished to be assured by both parties during the interaction process?
- (e) what frames were used over time to describe short-term letting via Airbnb?

Research questions a,b,c will be answered by a reconstruction of the interaction process in an institutional void. The more specific questions d and e are answered in a more specific matter which will be outlined in section 3.5.

3.3.2. Explanatory research questions

The explanatory research question 4 draws upon the four sensitizing concepts (frames, values, external events and actions) for the analysis and the observations that are made based on these concepts.

4. *What patterns can(not) be seen within the interaction process between Airbnb and governments?*

- (a) What observations can be made based on a drawn time line of all actions and events that took place during the interaction process between Airbnb and London and Amsterdam?
- (b) What observations can be made based on outlining frames and values used to describe Airbnb activity over time?
- (c) What observations can be made based on the written case descriptions of the interaction processes between Airbnb and Amsterdam and Airbnb and London?

The answer to these research questions will be based on the empirical data that is collected and will lead to the conclusions further elaborated on in chapter 7. How the suitable data is collected and what method is used to answer these questions is the following section.

3.4. Data collection

The desired outcomes as explained in 1.4 will be searched for by conducting an exploratory comparative case study research over a period of time. Since Airbnb is running a business from a tourist perspective, focusing on capital cities, where tourism is likely to boost most, is the main focus of this research (Ferreri & Sanyal, 2018). Additionally, the focus on capital cities underlines the demonstrated increased desire and need to share resources in cities, as a result of increased urbanism and communications technologies (Finck & Ranchordas, 2016). Out of practical matters related to document accessibility and availability, these cities will be Amsterdam and London. In order to collect the empirical data and patterns to answer the main research, various methods are used. A solid case study is not just based on assumptions about the objectives and preferences of stakeholders, but includes a rich empirical investigation by using different types of data-gathering methods (Vennesson, 2008). This section will elaborate on the data-gathering methods used in this research.

3.4.1. Within-case analysis: process tracing method

This research focuses specifically on the process in which regulations on P2P platforms rise and evolve over time. Since the angle of research is exploratory and qualitative, Process tracing (PT) can function as an ideal qualitative research method to investigate in a deductive or inductive way causal mechanisms occurring in a social process (Collier, 2011). PT is a way of doing within-case analysis, in what the researcher is looking for the processes which explain the causal relation between specific variables (Bennett, 2010). What is believed

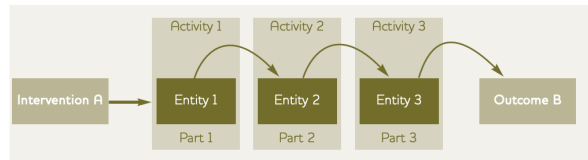


Figure 3.1: A causal mechanism in process tracing (Beach & Pedersen, 2019)

in analysing causal mechanisms, is that it consists out of multiple parts, composed out of entities that engage in activities as shown in 3.1 (Beach & Pedersen, 2019).

In essence, this research, by reconstructing the interaction process, tries to illustrate what these numerous activities have been over time.

Types of Process Tracing

In literature, three types of PT can be distinguished; theory testing PT, theory building PT and explaining outcome PT (Beach & Pedersen, 2011). The latter is predominantly case oriented and has the aim to formulate a minimalistic and specific explanation to that specific case. The other two types are more theory oriented, with the aim to also create theoretical insights which relevance goes beyond the analysed cases. As theory testing takes hypotheses as a starting point (Vennesson, 2008), in this research there are no such hypotheses shaped based on literature. By utilizing the theory building approach, this research aims to formulate hypotheses based on detected patterns in observations made, by gathering and analysing empirical data. Theory-building PT is used when the assumption is that a theoretical explanation can be built upon empirical evidence found of a specific case, which then later can be translated into a more general causal mechanism derived from ‘facts’ of the specific case (Beach & Pedersen, 2011). In this research, the aim is to find patterns that explain the complexity of processes in institutional voids. These patterns can be seen as the general causal mechanisms, which will be derived from the multiple-case study design. An illustration of the Theory-building process tracing method is shown below.

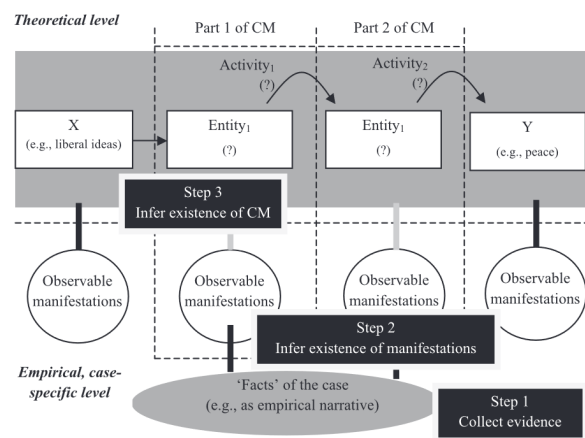


Figure 3.2: Theory-building process tracing (Beach & Pedersen, 2019)

What is centralised within the theory-building PT method is that it is in theory an inductive method. In trying to analyse processes of policy formulation, the researcher in fact takes a so-called abduction approach, which is an alternative to the deductive or inductive approach (Loyens, 2014). The abduction approach will typically start with some hypotheses to work with which are based on literature or experiences, and during the research these hypotheses will be shaped or complemented based on ‘evidence’ found along the way (Bennett, 2010). This form of analysis is therewith an iterative process of formulating, test and reformulating hypothesis (Smaling, 2003). In this research, the abductive, iterative approach is used in a sense that various data collection methods are used in parallel, leading to assumptions which are then further verified with other data collection methods.

With process tracing, both agents and structures that matter are explained and understood through both positivist and post-positivist epistemological-methodological lenses (Checkel, 2006). Methodologically, process tracing allows the researcher to trace the process in a specific, theoretically informed way. Additionally,

by searching for a series of theoretically predicted intermediate steps, process tracing methodology provides us with the basic explanatory elements for occurrences of social change mechanisms (Checkel, 2006).

3.5. Research execution: different steps

Process tracing being used to analyse a specific case should include the following elements:

- The effect under investigation
- The hypothesised cause (an intervention or part of an intervention)
- The process or events that link the hypothesised cause and the effect

The process tracing method in this research serves as a guideline to reconstruct the interaction process. To put it brief, the effect under investigation is the eventual legislation or collaboration in place on short-term letting. The cause is the introduction of Airbnb as a platform, and the process or events that link these two are the object of study and suggestively the lead to the eventual establishment of a legislation in place. The different steps of the process tracing method executed are explained below.

1: General background formulation: interviews Coming from the assumption that the interaction process between Airbnb and London took place in a complex environment, the first step in gathering the initial background framework to start the reconstruction of the process with, various interviews have been done with both representatives of Airbnb as Amsterdam and London (Airbnb, 2019b;c; Gemeente Amsterdam, 2019). The overview they sketched in brief of important activities, elements, institutions and historically embedded structures gave the first pinpoints to start the further investigation from. Since the essence of this research is to objectively look at both the business and the government side of the policy making process, using experts from both sides and independent experts will assure objectiveness. Although interviewing involves people, increasing the risk of including subjectivity on its own, using a variety of experts analysing the issue presented from different angles can give a thoroughly, real-world based analysis covering multiple aspects which are hard to conduct just from sec literature (Van Audenhove, 2007).

2: Open coding: news articles and actor specific documents Bearing the sensitizing concepts of chapter 2 in mind, open coding is applied. Open coding is an excellent way of analysing data in an explorative way, since it is used to break the data available apart and delineate concepts in building blocks. Open coding is the first step in qualifying raw data into concepts (Friese, 2014). This is seen as the first iteration round to search and mark events and actions, frames and values at stake in news articles and published documents by the two actors that are potentially of explanatory value or part of processes occurring. During this acquisition, re-occurring types of information can be stored as well as interesting additional information, new hooks and quotes. Additional information found in the first articles and documents used has also led to including additional sources to the analysis which will be elaborated on later in section 3.6. New data is added until 'theoretical saturation' is reached, which refers to the fact that additional data has no contribution to new insights (Payne, 2007). This first round aimed at creating a rich picture of relevant concepts (Strauss & Corbin, 1997), and leaves the level of detail to the interpretation of the researcher himself.

For this phase, the software package ATLAS.ti is used. When executing qualitative research, the software package ATLAS.ti can be of great value. Just like many other computer aided qualitative data analysis software, ATLAS.ti does not analyse data, but it serves as a supportive tool to structure the process of qualitative data analysis. It is an effective tool in retrieving, searching, structuring and integrating large amount of qualitative data in one place (Friese, 2014). In addition, using a data analysis software can increase the validity of research results (Fielding et al., 1998). In this research ATLAS.ti will be used to structure all the published documents retrieved.

3: Creating an Excel table story line In fact in parallel with the steps above, an excel table is created. All found actions and events are stored in order in this excel file to assure that all information on the cause of the process are chronologically saved. For each activity or events, the specific starting date and finishing date (if available), category, explanation and source are saved. The excel table created, shows the activities that have led to a joint regulation in place for short term letting from its introduction. This excel file is later used to create a visual time line of the interaction process, and serves as the base source for the full case descriptions in chapter 4 and 5.

4: Second coding round The acquisition of step 2 has led to a detailed conceptualisation of all elements at stake during the process. This first round is still very explorative in nature and does not have a structure in place that is easy to work with. This second coding round aims to create a higher level understanding of the concepts found in the first round. This second coding round is executed having a better understanding of the concepts in mind. Since during the open coding phase the focus was on the reconstruction of the process, this second coding round has the aim to establish insights in frames used and values at stake over time. Codes are combined, renamed, deleted and structured in ATLAS.ti in this step, leading to a handful of values and frames. By using the ATLAS.ti function Codes-primary document table, the number of times a specific code is used can be counted. For each quarter, the occurrence rate of frames and values is shown over time that will be further analysed.

These four first steps lead to the answers of all sub-question of research question 3, as described in section 3.3. This will be done as explained by constructing a chronological excel file with a visual time line as a result, a detailed case description and two graphs for values and frames occurrence.

5: Process tracing: Observing patterns To find patterns that lead to understanding the complexity of the interaction processes in an institutional void, all deliverables after executing step 1 to 4 will be analysed in order. First the visual time line based on the excel file will be analysed on occurring patterns, then the outcome of coding documents will be elaborated on, followed by an in depth analyses of the overall case description. These results can be found in chapter 6.

The multiple steps and methods that are used to answer the formulated research questions are outlined in table 1.1 in section 1.7, to give a visual overview of what this study implies.

3.6. Data sources

To study what regulations were put in place, for what reasons and how these regulations evolved over time, three types of data were used of two European capital cities, London and Amsterdam. This section illustrates what these data types are and how this data is gathered. The data resources exist out of:

- a) Interviews
- b) News articles
- c) Press releases and policy documents by the two actors involved

Interviews Based on previous experiences, a set of representatives of both Airbnb and the municipalities of London and Amsterdam are interviewed to assure the overall picture of the process was correct as illustrated before. Although in depth interviews on strategies and perceptions were well preferred, due to confidentiality, these interviews were mainly useful to stress upon the largest events and create a great first understanding.

News articles In search for openly accessible publications, a minimum of 50 articles a calendar year was taken to justify enough coverage in the news. For this, the top 5 newspapers in combination with a few additional local newspapers were taken. This was done in order to prevent replication of news in smaller newspapers. In searching for what articles to use, the terminology Airbnb has been used in combination with Amsterdam. Since this research covers a past period of time, some newspapers didn't have publications of the wished period of time available. To complete the search for these papers, the online newspaper database LexisNexis was used, which contains a rich archive in multiple languages¹. In terms of framing; this research is aware of the fact that different type of reporters use more or less frame creation. This has been taken into account and adjusted for, there frames only replicated less than 3 times are not taken into account.

For Amsterdam, the following newspapers have been included: NRC, Telegraaf, Trouw, Volkskrant, Nu.nl and local Amsterdam newspapers Parool and AT5. Some additional articles have been added that occurred high on searching machines and contained additional, not yet covered information. For example, articles from the accommodation sector have been added to get a clear image of how Airbnb is framed and referred to here. From the indicated 405 articles on Airbnb between 2011 and the end of 2014 on LexisNexis in Dutch, 124² have been taken into account for this research, which indicates a sample of 28% of the total.

¹This database is accessible via: <https://www.lexisnexis.nl/>

²These 124 articles have been selected after filtering for duplicates and taking out articles that only mentioned Airbnb without any further elaboration on the platform

For London, articles from the Financial Times, Independent, Telegraph, Times, Guardian, Standard and BBC have been used. Filtering for news articles in the large newspapers on being published in the United Kingdom in English, 1,043 articles were available. Filtering additionally on news on Airbnb only in London, a total of 970 articles was available for analysis. Of these articles, a total of 183 items have been taken into account, resulting to a sample of 19% which is notably lower than that of Amsterdam. This sample has been taken after filtering out duplicates and including only the original articles and by selecting on relevance³. This has been done due to the fact that a lot of news in the UK gets published twice; once on a national level and once on a local level in London. Newspapers such as The Guardian and The times have specific London additions only accessible in LexisNexis.

Table 3.1: Number of articles coded per city

City	Newspapers	Total of articles
Amsterdam	NRC, Telegraaf, Trouw, Volkskrant, Nu.nl, Parool, AT5	124
London	Financial Times, Independent, Telegraph, Times, Guardian, Standard, BBC	183

Press releases and policy documents of involved stakeholders This last data source, documents of both actors involved, is an essential one in terms of values and frames. These documents are added to the dataset as part of the iterative process of step 1, in which mentioning of certain activities and documents in newspapers have led to searching for the official published documents. On websites such as <https://www.london.gov.uk/> and <https://amsterdam.raadsinformatie.nl/>, multiple press releases, minutes and statements of governments can be found, as well as official policy documents and legislative pieces. The website <https://www.airbnbcitizen.com/> is used to find press releases, blog-posts and policy documents of Airbnb.

3.7. Encountered challenges in using a case study approach

Using case studies as a research method leaves some challenges, particularly when used in combination with process tracing. First of all, case study research and process tracing urges the existence of theories which serve as a guideline for researchers in his empirical work. Often, these theories are lacking or not well elaborated on, resulting in the researcher contributing to theory development simultaneously with his research (Mahoney & Goertz, 2006). This emphasizes the significantly relevant contribution to case study and process tracing, but indicates the difficulty and chance on being a time consuming effort.

The second issue is the believe that cases can be analysed separately and are autonomous occurrences of a certain phenomenon. Nevertheless, cases are often believed to be interconnected. In this research, close attention should be paid to the possible interconnectedness between European cities, possibly resulting in copying behaviour.

Thirdly, the accuracy and reliability of specific processes and events depends on the accessibility and existence of empirical data used for process tracing. Topics that are characterized by a high level of confidentiality are believed to lack empirical sources (Checkel, 2006). Therefore, in order to succeed with process tracing as a method, for this research, only public resources will be taken into consideration for this research.

The last challenge is related to the researcher, referring to cognitive biases she might have, skewing the results (Tetlock, 2017). This is an often occurring phenomenon in any type of social science research, resulting in different roles a researcher could play (Stake, 1995). Nevertheless it should not be taken for granted. Specifically related to process tracing and the case study methodology, biases could occur when searching for information. The researcher could have a unconscious focus to pick up evidence close to its own beliefs and more ignoring information that contradicts them (George & Bennett, 2005). Considering the close relation the research might have, this challenge should specifically be focused on to assure objectivity.

³With relevance it is meant that articles are only selected once Airbnb is the actual topic, and is not just mentioned without any further elaboration on the phenomenon

Case 1: Interaction between Airbnb and Amsterdam, the Netherlands

This chapter outlines in detail the interaction process between Airbnb and the city of Amsterdam on regulating home sharing. This explanation is supported by empirical data as well as media publications coded through Atlas.ti. In written language, it answers the descriptive research question 3 (How did the interaction process between Airbnb and governments develop in an institutional void?) for Amsterdam as a city, by chronologically detecting the sensitizing concepts as elaborated on in chapter 2. The chronological story is divided into stages as explained in section 2.2.2. Stage one indicates the 'steady stage', after which in stage two the first signals of a shift in efficiency of existing regulations are shown. In stage three, the 'crisis stage', the regulatory framework is no longer sufficient and regulatory failure occurs. The fourth stage indicates a stage in which a new or improved framework is searched for. This description starts with the beginning of the introduction of Airbnb in Amsterdam, which was around summer 2011. After this, the sections 4.1 to 4.4.2 tell the story of the interaction between Amsterdam and Airbnb. Sub-questions a to c as formulated in section 3.3 are answered based on this description, which itself is based on the excel file to be found in appendix A. All answers to the sub-question of research question 3, are elaborated on in section 4.5 which gives an overview of how research question 3 could be answered for the case study Amsterdam.

4.1. Stage 1: Dealing with Short Stay, prior 2012

Amsterdam has always been a historical city, worth a visit. Long before Airbnb's introduction in Europe, Amsterdam had a couple of regulations in place for people who wanted to rent out their house on a short basis: Short Stay. Originally they were made to allow longer business trips with a minimum of 7 days, but websites like Booking.nl and CityMundo were then already providing listings for daily rentals in Amsterdam. After years of neglecting the regulations on Short Stay, in 2012 these regulations were revised, to get a clear understanding of what was and what wasn't allowed when regular 'Amsterdammers' wished to rent out their homes for a week to 6 months to for example expats. A permit was needed, and the renter had to pay tourist tax (Parool, 2009). The issue with these historical, barely enforced home-sharing activities was that it gave illegal hotels the opportunity to slowly find its way through society. The increased number of illegal hotels had gotten to the attention of city council, and therefore they intensified enforcement and monitored this enforcement between October and December 2012 (Kok, 2012). Triggered by a fire in a historic building in the centre of Amsterdam, which was believed to be an illegal hotel, the issue was really put into the spotlights.

The clarity on and additional attention to these Short Stay regulations gave reason to question a new upcoming phenomenon: Airbnb. Although previous websites were already providing it, with the introduction of Airbnb the number of supply of this type of accommodation (home-sharing) increased and became noticeable. The city of Amsterdam was receiving numerous complaints (van Pinxteren, 2013)¹. A research on short stay showed that an increased number of short stay permit holders was renting out to tourists instead leading to nuisance complaints (Bonita, 2013). Not only from residents about tourists being in residential buildings, but also from hotels and other accommodation types that advocated for a level-playing field and everyone sticking to the same rules. From Airbnb's point of view, the tipping point was reached: From a small alternative, the hotel business now saw them as a serious threat (Airbnb, 2019b). Airbnb could no longer unnoticeable do its business in Amsterdam.

¹Meldpunt Zoeklicht noted an increased number of notifications on nuisance caused by tourist rentals from 1166 in 2012 to 3245 in 2017

4.2. Stage 2: First contact, 2012

At the end of 2012, Airbnb and the city of Amsterdam had their first conversations. At that time, Airbnb didn't have any local representative at the ground in the Netherlands and therefore sent two European colleagues to attend. The conversations were initiated by the consultation round that deputy mayor Ossel was doing to get a hand on the size of an upcoming phenomenon, then still referred to as 'social traveling', in Amsterdam and to figure out what to do with it. Deputy mayor Ossel at that time, after revising short stay policies, had received a question from Mulder, member of the labour party, if holiday rental ("vakantieverhuur") was eliminated by the new short stay regulations (Eefting & Grummel, 2013). After that, Deputy mayor Ossel started an investigation existing out of multiple components² to get a better sense of how to deal with this upcoming phenomenon (Eefting, 2013). They also reached out to Airbnb, asking for representatives to attend.

In these sessions, Airbnb was not very welcomed by the city's leading hoteliers. The hoteliers had an aggressive position towards Airbnb as a foreign company coming to the city, not obeying to the same rules and not paying the same taxes. By being U.S. based, Airbnb was accused of bypassing all local taxes. The hoteliers would like to see Airbnb to be banned from the city. Airbnb on the other hand tried to explain to the sector that this was a new type of activity of which its growth could no longer be ignored, and that they'd rather discuss with stakeholders how this could be done safely and environment friendly, than to deny its existence (Weiss et al., 2016). Airbnb wasn't going to stop. It became clear, acknowledged by both Airbnb and the city of Amsterdam, that the first visible complaints came from the hotel industry, fearing competition. They were the first to notice any negative effects that Airbnb and similar activity brought along.

4.3. Stage 3: Waking up San Francisco: Individual conversations, 2013

Although these first meetings weren't so successful from an Airbnb perspective, it did lay the foundation for individual conversations between the company and the city. In parallel with a general consultation round with parties such as Koninklijke Horeca Nederland (KHN), Kamer van Koophandel (KvK), B&B, tax authorities and the fire department (unknown, 2013), Ossel started to have separate conversations with Airbnb. At the beginning of 2013, Molly Turner, who was director of public policy globally at that time flew in all the way from San Francisco to show Amsterdam how willing Airbnb was to collaborate and come up with regulations that supported the Airbnb community in their activities (Gemeentebld Amsterdam, 2013). With hiring its first Public Policy Director Molly Turner, Airbnb actively showed its willingness to cooperate with cities and local authorities to establish healthy and sustainable relationships. Before joining Airbnb, she was an urban planner, with a background in sustainable tourism development (Turner, 2012). Something that is believed to form a solid basis of credibility towards cities. With Molly, Airbnb had a head of civic partnerships in place even before a chief of HR or a CFO, showing Airbnb's commitment to being a good partner with cities all over the world.

In these conversations, it was clear that both parties had a trump card to play. Airbnb had data that Amsterdam really wanted to get a sense of the current activities. In addition, it was also believed that personal data was needed to be able to enforce and to tackle the illegal hotels and other illegal activities. Airbnb had found a sophisticated way of hiding behind privacy laws and it being a US based company in sharing information. What they did do, is sharing some basic facts and figures of the Airbnb community in Amsterdam, which wasn't necessarily a big deal from an Airbnb perspective (they share that type of data on an annual basis), but did give the impression that Airbnb was really here for a solution too. Nevertheless, Amsterdam was one of the only significant cities that had something Airbnb really wanted: a Municipal Executive willing to regulate instead of cracking it down with enforcement and handing out large fines (Airbnb, 2019b). This also became clear in a summary of a meeting between the two parties in April 2013, in which Airbnb was encouraging city hall to formulate a third category named 'particulier vakantieverhuur' (private holiday rental) (unknown, 2013). Molly Turner and her team therefore went well prepared to these meetings, with hard factual data to clear out the presence of Airbnb in the city, and to fully understand where the cautious approach to Airbnb was coming from. It was clear that there was also a lot to gain from an Airbnb perspective. Amsterdam was known as a liberal city. Coffee shops being widely allowed but Airbnb not was not the type of message Airbnb wanted to share with the rest of the world. For Airbnb, Amsterdam's market wasn't necessarily big. Collabo-

²The total investigation existed out of a consultation round within the hospitality sector and tax bodies, polling with Amsterdam citizens by the City of Amsterdam's section Onderzoek, Informatie en Statistiek (OIS; Research, Information and Statistics), a legal advise by NautaDutahl, municipality lawyer, and an investigation by Albert-Jan Shi, hospitality industry advisor. All elements can be found at <https://amsterdam.raadsinformatie.nl/dashboard>, BWK on 19-06-2013.

rating with Amsterdam was more of symbolic value to the U.S. based company (Airbnb, 2019b). During their preparations they found that Amsterdam's hotel room demand had the highest growth rates in 2014 due to increased tourism and interest in the cultural and historical heritage. And not only was the city popular with tourists (Fedorova, 2013). Being it a popular city to live in, Amsterdam's ever innovative solutions on how to deal with the issues of space kept on being challenged (Weiss et al., 2016).

Another remarkable character of Amsterdam, embedded in its history of being open and tolerant, was something called 'gedogen'. It indicated the matter of something being technically illegal, but officially tolerated, as the coffee shops and prostitution were (Uitermark, 2004). And looking back into the situation before the revised Short Stay regulations, this might have been the case with the original home-sharing activities back in the days. A strong argument for Airbnb in this sense in the direction of formulating regulations, is that it needed clarity on what was legal and what wasn't in order to be able to tell its community what to do (unkown, 2013). During these first meetings at the beginning of 2013, Airbnb has multiple times referred to the fact that regulations had to be made crystal clear for its community, and actually used this as a counterargument towards Amsterdam's wish to have Airbnb's cooperation in sharing data for enforcement matters (Boer, 2014b). A court ruling as well has endorsed that regulations were unclear which made it difficult for a accused host to know what was allowed and what wasn't (Rechtbank Amsterdam, 2015). Ossel did see the urge of the unclear regulations and thus had called for a thorough investigation (Kok, 2012). A team of 2 to 3 civil servants, from both housing affairs and economic affairs, were responsible for finding the answer to what was legal and what wasn't.

Despite some skepticism, Amsterdam still had an accepting approach. In all published documents by the municipality on the early investigations, the overall attitude is not hostile, but extremely positive and open towards activities that Airbnb was hosting on their platform (Eefting & Grummel, 2013). When the investigation results of Ossel were published and discussed at the commission BWK (Building and Living) on June 13th 2013, Molly Turner took the opportunity to publicly show her commitment and willingness to collaborate with the city to the rest of city hall by using the right of public participation (Gemeentebled Amsterdam, 2013). In addition to publicly announcing its support to what the city of Amsterdam was trying to establish, Airbnb published a first report on economic impact in the city of Amsterdam, which Turner referred to in her speech. Airbnb wanted to show that they *could* share information and that their impact was rather positive (Airbnb, 2013). This tactic of making information public at crucial points within the policy formulating process is something that is of returning nature. In her speech she clearly applauded Amsterdam for their first steps towards clear definitions. The returning question from committee members on what it is that Airbnb would do on illegal activity, Turner politely bounced of by stating she wasn't a lawyer herself and Airbnb's obligation to commit to EU and US privacy laws. Although the committee members agreed to switch to English, the fact that miss Turner was speaking a foreign language embarrassed certain members in their questions and caused a certain distance (Gemeentebled Amsterdam, 2013).

Another group of stakeholders was not so happy with the city of Amsterdam on this announcement. The establishment in April 2013 of the Amsterdam Bed & Breakfast Association (ABBA) had a main goal: raising voices to call for level playing field. Professional Bed Breakfasts, enrolled in the chamber of commerce were done with battling illegal hotels not sticking to regulations and not paying any taxes whatsoever (Leonards, 2013). A number of 150 in total B&B-owners had combined forces³ as a response to the city of Amsterdam allowing home sharing as part of the sharing economy and social travelling (Vromans, 2013).

4.4. Stage 4: Towards a definition of 'private renting'

When the first memo on holiday rental was published in 2013, Amsterdam still had an accepting approach. The Municipal Executives were open for allowing this type of home sharing and saw the benefits of allowing it into the city. And not the Municipal Executives alone were in favour: as a result of an conducted polling by O&S (onderzoek & statistiek), it was believed that the people of Amsterdam also acknowledged the fact that holiday rental should be allowed in Amsterdam, on condition that it was well shaped into the existing society (OnderzoekStatistiek, 2013). Amsterdam saw it as a must to follow the global trend of 'living like a local' (Trivett & Staff, 2013). In addition, it clearly stated that the growth of recent years had not yet disrupted the housing market and existing accommodation supply for tourists. Despite its open approach, the Municipal Executives did acknowledge in their announcement the possibility of negative effects on society, such as

³ABBA no longer exists, and has most likely blended into the still existing organisation Amsterdam Gastvrij, but this remains unclear

nuisance, safety and level playing field issues. They also recognized the growing illegal supply in the city. Amsterdam clearly saw that the phenomenon did have benefits, but that the cluttered and unclear market called for opportunities to excessive illegal supply, which they were already cautious of. Amsterdam also considered it to be a cross-functional and cross-ministerial issue as can be seen in figure 4.1 below⁴ (Eefting, 2013).

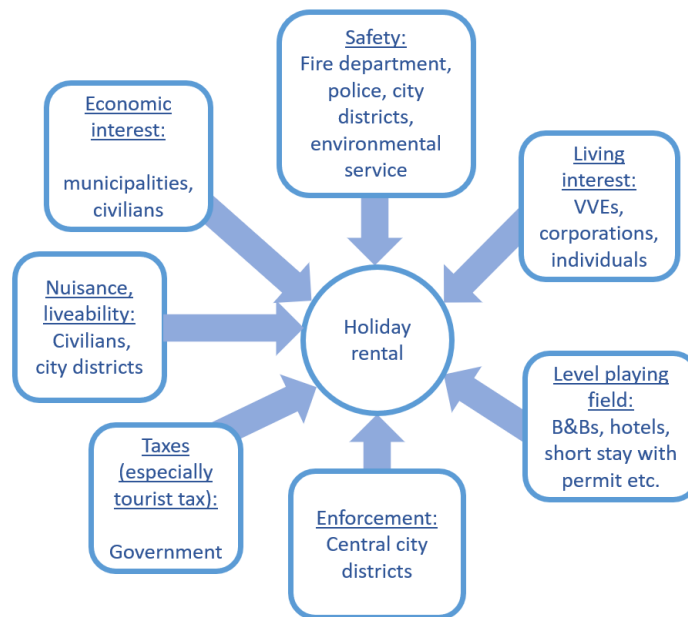


Figure 4.1: Playing field of 'vakantieverhuur' according to municipality of Amsterdam (Eefting, 2013). Own figure and translation.

The key slogan for this round of investigation on private rental or 'particulier vakantieverhuur' was: 'Yes, unless..' (Ja, tenzij) (Eefting & Grummel, 2013). With stating so, the municipality has made it clear that it is willing to allow this type of activity, under the condition of certain public values at stake such as level playing field, safety and livability⁵. After many dialogues, the city of Amsterdam in February 2014 formulated a new category to be able to better distinguish professional from hobby practices. "Particuliere Vakantieverhuur" (private rental) defined the type of home sharing that was allowed if the home owner wasn't at home as a result of a planned holiday, in their memo 'Ruimte voor gasten' (Ossel, 2014). Private rental should get its spot in Amsterdam's society, as long as it was part of the sharing economy, and not used as some sort of revenue model. Not only was this announcement widely addressed in regular press, the Airbnb press room also publicly announced the 'pioneer approach' of the city of Amsterdam in recognizing the Airbnb community in Amsterdam and embracing sharing economy in their city (Airbnbciizen, 2014). As what Amsterdam civil servants on the dossier already thought, the easiest way to deal with the rapidly changing internet platforms was to build upon the existing policy framework and instead of formulating new policies that would have taken years, adding a new category defining regulations for holiday renting (Weiss et al., 2016). This was presented to city hall as can be seen in figure 4.1.

In this memo 'Ruimte voor gasten', the city of Amsterdam dedicated a section to the role of companies/websites, in what they showed appreciation towards Airbnb's willingness to reduce the illegality and openness to collaboration (Ossel, 2014). They acknowledge that these type of collaborations are new ("a world first"), and thus take time to develop. Amsterdam is willing to take that time, provided that the results are visibly effective, and on multiple aspects, such as tourist tax and education, Amsterdam is inviting platforms to actively participate and think along on solutions. With Airbnb, conversations about tourist tax were already ongoing. It is clear that Amsterdam puts high emphasis on participation and responsibility, to ensure a positive outcome for all parties. On the other hand, Amsterdam has a critical tone on the fact that Airbnb

⁴The 7 elements indicated are: Safety (veiligheid), housing (woonbelang), level playing field, enforcement (handhaving), taxes (belastingen), nuisance/livability (overlast/leefbaarheid) and economic interest (economisch belang).

⁵The exemptions under which this activity was not allowed were if it; caused nuisance, implied withdrawal from the housing stock, caused unsafe (fire) hazardous situations, regards letting to more than 4 people at a time, takes place commercially, takes place in social housing (Eefting & Grummel, 2013)

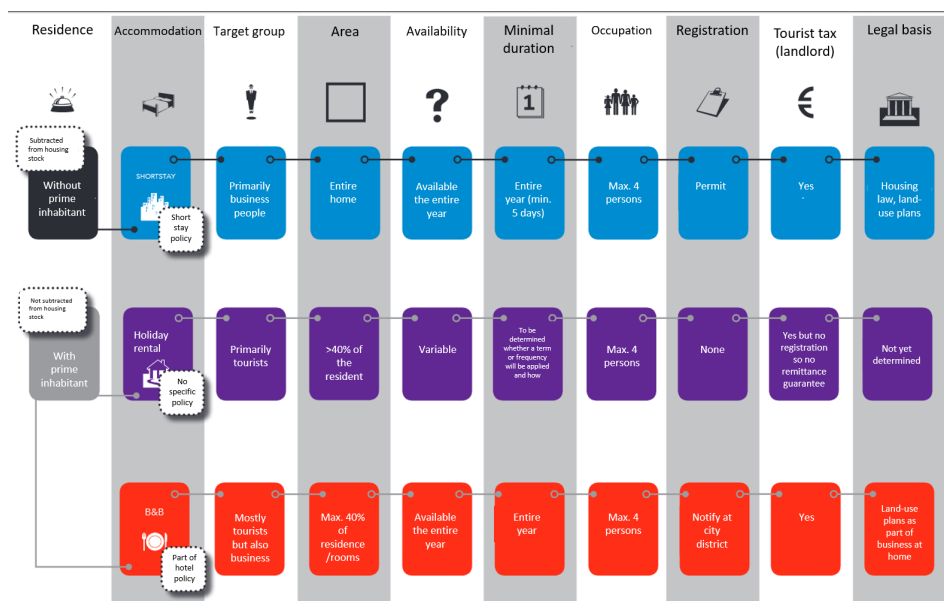


Figure 4.2: Distinction between the three types of short term accommodation according to municipality of Amsterdam (2013). Own translation.

and other platforms frame themselves to be platforms, reducing their responsibility to the city. In addition, Airbnb won't take its responsibility by handing over address data to the city a couple of times a year to battle illegal activities. Only through legal procedures Airbnb says to be able to share this type of data, which is a time consuming process (Ossel, 2014).

When the city of Amsterdam started to get a better understanding of the urge to respond to the rapidly growing phenomenon Airbnb, the portfolio was thereafter quickly dropped at the commission 'Wonen & Bouwen' (Living and Building) only, and not necessarily dealt with from a economic perspective (Economic Affairs). Amsterdam's long existing housing scarcity (Groot et al., 2018) was the main reason for doing so, albeit a tourism matter as well, as acknowledged by the city of Amsterdam. According to Amsterdam's civil servant, tourism can't be regulated completely by regulating Airbnb (Gemeente Amsterdam, 2019). Tourism will keep occurring and is a worldwide phenomenon. Approaching Airbnb from a housing perspective is therefore more logical to city of Amsterdam. "Homes are to live in", is what Amsterdam in principle states. Regulations are put in place to avoid regular homes to be transformed into something else like an illegal hotel.

In the discussions in city hall, there wasn't a clear boundary of a number of days indicating whether it was a commercial activity or still part of the sharing economy. On purpose, with formulating the policy, it was chosen to use an indicative boundary to determine the difference between commercial and hobby activity. Nevertheless, committee members immediately rose questions regarding the 'indicative nature', asking for a specific evaluation of this matter in the planned evaluations of the policy after one year (Gemeentebld Amsterdam, 2014; GemeentebldAmsterdam, 2014). Their second hurdle was that they wanted to get clarity on Airbnb not participating in the execution of enforcement. Was Amsterdam putting enough effort to stand strong towards the 'multinational cowboys' hiding behind U.S. and European privacy laws (GemeentebldAmsterdam, 2014)? In addition, an email from KHN stating that Amsterdam is missing out on approximately €800,000 a year, put pressure on Alderman Ossel to dive deeper in Airbnb and home sharing regulations. Despite these concerns, all parties voted in favour except from SP (Socialist Party)⁶.

As believed by Airbnb representatives, the role of Deputy Mayor Ossel in establishing this third category was very important (Weiss et al., 2016), it wasn't so much of a personal matter, but rather a matter of the issue getting to the attention, asking for fierce solutions on a short notice.

⁶Gemeentebld Amsterdam (2014) page 30 shows the final voting of the notion

4.4.1. Political change, 2014

After the new category was officially voted for by city hall in February, Deputy Mayor Ossel's job was soon to be over. In March 2014, municipal elections were held in the Netherlands, resulting in a new coalition and opposition. During the voting for the new regulations in 2014, the only party against was SP (Socialist Party), which was at that time part of the opposition. The piece, written by coalition parties PvdA (Labour Party), VVD (Liberals) and Groenlinks (Green left), was to be executed, shortly after its introduction, by the new coalition which complicated things (Gemeente Amsterdam, 2019). This 2014-2018 coalition existed out of D66 (Democrats), VVD (Liberals), and SP (Social Party) (Paternotte et al., 2014). Therewith, Laurens Ivens (SP) was also the new Deputy Mayor for housing affairs, and therefore the first to execute and evaluate the new regulations being it his party to vote against (Gemeentebled Amsterdam, 2014). This political change, despite Amsterdam's long existing principle of 'continuity of policy', has had a significant impact on the approach towards private renting and the enforcement of it. Airbnb had to deal with once again another set of actors (Airbnb, 2019b). Nevertheless, Amsterdam civil servants consider the 'continuity of policy' to be equally relevant (Gemeente Amsterdam, 2019). After all, it is the civil servants that have (in)formal contact in between meetings by email, and carry out the policy process behind the scenes. Airbnb acknowledges the pragmatic approach of Amsterdam's civil servant in comparison to the political battle that is partly executed in the media (Airbnb, 2019b). Civil servants saw the urge of having a policy in place that worked and was effective (Weiss et al., 2016).

4.4.2. Signing a revolutionary MoU, 2014

Although it wasn't necessarily clear yet how, the earlier meetings and invitations from Amsterdam's side towards Airbnb to collaborate, urged for a certain further interaction process on how to make the rules work. On the initiative of an Airbnb legal council, that had experienced similar situations at her time at eBay, Amsterdam and Airbnb slowly started to get used to the idea of formulating an MoU (Memorandum of Understanding) (Airbnb, 2019b; Weiss et al., 2016). Airbnb liked the idea of an MoU since with it they could show their willingness to collaborate without having to take on the enforcement role, as it should still lay with the authorities. They recognized that the earlier regulations were something completely new to this city, and the increased pressure of getting a success story out of Amsterdam resulted in Airbnb's wish to create something high level, but still more formal, that would show their support to Amsterdam in how to enforce the new set framework. An MoU was more of a gentleman's agreement, nothing binding (Airbnb, 2019b). Although, with creating it, Airbnb would have to give in on certain aspects and obligations, but the win in general made that to be a given fact. Airbnb's legal council being Flemish, and thus for once speaking the language as an Airbnb representative, helped pushing things into the direction of collaboration (Airbnb, 2019b).

Amsterdam on the other hand, had thoroughly looked into its legal possibilities towards Airbnb (Minderhoud & Grundmeijer, 2012). Legal advisers said that there were options of taking legal actions towards Airbnb, but that this would be a complicated matter be it a matter of not only Dutch law, but also U.S. law. Winning such a case taken to court would take forever and wasn't even guaranteed. And would Amsterdam loose, than the entire world would know what had happened and make things even worse. Realising that implementing a new law would take some additional years, a temporary solution to deal with the issue was not a bad idea (Gemeente Amsterdam, 2019). For Amsterdam therefore, putting some regulations on paper instead of over and over negotiating things seemed like the best way to make things fairly concrete.

Although on paper for both parties it seemed like an workable solution to collaborate on a short term basis without any binding platform liability legally yet in place, the media hadn't taken the new regulations very lightly. Over the summer of 2014, in parallel with on going MoU meetings, local and national newspapers such as Parool and Trouw had published some researches on people flouting the rules. In addition, partly due to the reintroduction of the hotline for nuisance, Meldpunt Zoeklicht, Amsterdam has received a lot of complaints over the summer (van Dijk, 2015). Taking into account that summer means high season for tourists, the number of listings had significantly grown and so did the number of tourists that had entered the city centre. The city of Amsterdam had closed 30 illegal hotels that summer and fined owners €216,000. This put pressure on both the new Deputy mayors Ivens (housing affairs) and Kock (economic affairs) and Airbnb representatives for finishing off the deal before the end of the year. Although the parties could agree on things such as education⁷, the one crucial point of disagreement remained the enforcement. Amsterdam was dis-

⁷with education it is meant that Airbnb would actively inform hosts about the rules and support them to comply as well as sending

appointed in Airbnb's restricted positioning in conversations they had in the second half of 2014. Airbnb had the data Amsterdam needed for enforcement, but wasn't willing to make any concrete agreements on that, referring to the enforcement being government's task (Kruyswijk, 2014). This didn't make the negotiations very friendly. Amsterdam wanted to battle illegal listings and having data from Airbnb would make this a lot easier. Now they have to find out themselves where it is happening. Amsterdam wasn't taking Airbnb's proposal of soft solutions very lightly. Airbnb on the other hand didn't want to bring itself in danger regarding sharing personal data. Although they weren't necessarily not willing to block people renting out over more than 60 days, the issue was a little more complicated than it seemed. With all the exemptions in place such as B&Bs and short stay licenses still being in circulation, the bucket that actually rented out more than 60 days on a legal basis was far bigger than Amsterdam realised. Airbnb also claimed that the unclear existing regulations didn't really help in this, which is also what their community had indicated (Boer, 2014b). And by blocking, Airbnb had already been sued before. Airbnb, being a community based platform, relying on trust and reputation, would rather educate and empower hosts to stick to rules, than doing the opposite and punishing those who weren't sticking to the rules (Gallagher, 2017). Then there was also the matter of the 'platform' status. According to the U.S. law, the Communications Decency Act, platforms claimed legal immunity on content that users posted on their platforms Weiss et al. (2016).

The negotiations were heating up, so Amsterdam representative and the Flemish legal council of Airbnb took it to a more informal setting and explained to each other where lines had to be drawn (Airbnb, 2019b). They wrote a first couple of things down and got to what was the first version of the MoU. Although Airbnb was a little worried how far they could go, knowing this would agreement would set the tone for other cities, reaching an agreement with Amsterdam was very important. If they couldn't manage to make a deal in such an open minded, liberal city, then were could they?

Eventually the negotiations for the agreement were about three major points: "Eerlijk, Veilig en Rustig" (Fair, Safe and Peaceful), terminology especially deputy mayor Ossol often referred to (Gemeentebled Amsterdam, 2014). From the beginning, the level playing field for hotels has influenced the home-sharing debate and due to its power had remained. To meet Amsterdam in this matter, Airbnb tried to figure a way out to collect tourist tax automatically from hosts and hand it over to the city. By doing so, they wanted to tackle the argument that Airbnb hosts weren't paying their fair share of taxes, which was often how it was framed by biggest opponents from the hotel industry KHN. To make it work, the tax department was involved in these conversations as well (Airbnb, 2019b). Together with engineers in San Francisco they made it work, and this was all put into a separate agreement which wasn't published due to European laws on tax data sharing. Nevertheless, for Deputy Mayor Ivens, money was not the main point of the negotiations.

Safety and peacefulness more was. Especially the urge to stick to fire requirements to avoid any other accidents to happen was of high importance. To prevent any accident to happen due to overcrowded listings, a maximum of four people was agreed upon to rent your house to. To address the 'peaceful' element, a maximum of 60 days throughout the year was introduced and decisions on educating hosts were made between both parties. On the education element, Airbnb could and did take its responsibility and promised to actively make its users aware of regulations in place, by establishing a 'responsible hosting page'⁸ for the Netherlands and sending regular emails (Airbnb, 2019b). In Airbnb's press release on the signed MoU, quotes from Deputy Mayor Ivens and Kock precisely sketch what comes most to their interest:

"The tax agreement assures that regulations are equally applied for everyone - Udo Kock (Financial affairs).

"This agreement makes sure that people get clear information. In that way, they can let their houses in a safe, responsible way AND according to local laws and regulations - Laurens Ivens (housing Affairs) (Airbnb Amsterdam, 2014)

Amsterdam did take its loss on the enforcement side⁹ and the new executive municipal board in November announced an extra 9-10 FTEs in comparison to a retrenchment with the last executives (Boer, 2014a). The number of complaints over the past 10 months of 2014 had already been double the numbers of 2013 as a whole.

emails on new regulations

⁸The responsible hosting page still exists and is regularly updated by Airbnb. It can be found on <https://www.airbnb.nl/help/article/1384/verantwoord-verhuren-in-nederland>

⁹By 'taking its loss' the explicit request to Airbnb to share booking for enforcement purposes is meant (Gemeentebled Amsterdam, 2014)

Overall, the in December 2014 signed MoU, albeit not public at first, received a lot of attention, even in international press. Both parties saw it as a positive end of year (Airbnb, 2019b; Weiss et al., 2016), it was referred to as something outstanding, revolutionary and pioneering. For Airbnb, Amsterdam as a positive example of good collaboration was established. For Amsterdam, they were the first in establishing such a deal. The term of a year gave both parties the time to see how this would evaluate. this didn't mean that the press hadn't noticed the sudden positive mention of the new category, while the tone towards Airbnb and home sharing previously had been critical (Eva, 2013). As the headline of RTL stated: "Amsterdam previously was against Airbnb, but now is a huge fan" (RTLNieuws, 2014).

4.5. Sensitizing concepts in the Amsterdam case

This chapter has answered the descriptive questions how the interaction process between Airbnb and Amsterdam developed in an institutional void. The following section answers research question 3 by elaborating on the sub-questions as formulated in section 1.4.

(a) What are the main regulatory changes in the first years on Airbnb in Amsterdam?

The case description above has described the course of events of the first years of Airbnb's emergence in Amsterdam. To gather the main regulatory changes over time, interviews have been used to identify crucial time periods after which documents have been analysed to detect major events. Based on investigating a case like if it were a crime investigation¹⁰, a clue given in one document has led to further research and analysis of other documents to define the actual changes and what these changes implied. In stage 1 the short-stay regulations of Amsterdam had just been revised. Further on, in stage 4, additional regulations have been formulated to distinguish this type of accommodation provision of that of existing ones. By doing so, Amsterdam as a city has added an additional layer to institutions in place, which can be explained with institutional layering according to Mahoney & Thelen (2010).

(b) What actions were taken by the actors involved in the interaction process between Airbnb and Amsterdam?

Although the main events have been described in detail in the case description above, all activities that took place are laid down in an overviewing excel file which can be found in appendix A. Based on this overview, a time line has been created. The time-line outlined below in figure 4.3 visualises the interaction process between Amsterdam and Airbnb from early stages till the starting date of the MoU, as a result of process tracing by analysing public documents.

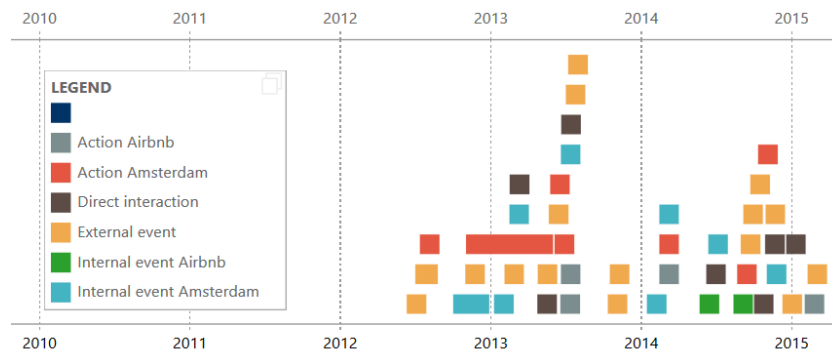


Figure 4.3: time-line policy making process in Amsterdam

4.3 is created by labeling elements with a category and the specific date according to publicly published data. Categorization of all events is done based on the definitions as to be found in table 4.1 below. After the first coding round, it became clear that an additional distinction had to be made between external and internal events to allow this research to identify correlations that run through events happening within the organisations itself, but be it not directly connected to the ongoing negotiations, and external events that take place outside the city of Amsterdam or Airbnb.

What this time-line shows is that most activities were taking place in 2014, alongside the debate on the new legislation on private holiday rental, which has been indicated as stage four. The most significant direct

¹⁰Process tracing method is often compared to the work of a detective in which a range of clues and evidence has to lead to understanding of the cause of events (Bennett, 2010; Loyens, 2014).

Table 4.1: Definition of categories on the Amsterdam time-line in 4.3

Category	Definition
Action Airbnb	Activity executed by Airbnb with the intention to have an impact on the ongoing debate on how to deal with Airbnb activity
Action Amsterdam	Activity executed by the city of Amsterdam with the intention to have an impact on the ongoing debate on how to deal with Airbnb activity
Direct interaction	Official face to face interaction moment, with representatives of both the city of Amsterdam as Airbnb presented
External event	Activity that is not executed by Airbnb or the city of Amsterdam, and has an impact on the ongoing debate on how to deal with Airbnb activity
Internal event Airbnb	An activity within Airbnb that occurs, which does not have an intention to impact the ongoing debate in Amsterdam on how to deal with Airbnb activity
Internal event Amsterdam	An activity within the city of Amsterdam, which does not have an intention to impact the ongoing debate in Amsterdam on how to deal with Airbnb activity

actions that took place by both platforms and governments in Amsterdam can be found in appendix A but are shortly listed in table 4.2.

Table 4.2: Actions in Amsterdam

Stage	Action	Actor
1	Revision of short-stay regulations	Amsterdam
2	Ossel announces investigation into 'social traveling'	Amsterdam
	Participation in consultation rounds	Airbnb
3	Airbnb wants individual conversations	Airbnb
	Conversations about 'social traveling'	Both
	Centre of Amsterdam starts intensive search for illegal hotels in cooperation with other instances	Amsterdam
	People getting warned for high fines for amateur hotels	Amsterdam
4	First independent conversations	Both
	Memo 'Ruimte voor gasten' gets published	Amsterdam
	Private holiday rental regulations gets voted for	Amsterdam
	Using public participation right at commission BWK meeting	Airbnb
	Meeting about how Airbnb can help the city to understand what is going on	Both
	Negotiations about collaboration in an agreement	Both
	Sharing Economic Impact study	Airbnb
	Agreeing upon innig tourist tax	Airbnb
	Signing MoU	Both

Stage four is indicated as being the longest, which automatically suggests that most actions take place in this stage. Also, Airbnb only started to take action from stage two onward.

(c) what external events happened during the first years that appeared to have an impact on the interaction process?

As discussed in chapter 2, the effect of the external environment on the interaction process are also taken into account in the form of *external events*. The most important external events that have been noticeably mentioned in and meetings can be found in the over-viewing excel in appendix A, but are shortly listed in table ??.

(d) What values are wished to be assured by both parties during the interaction process? and (e) What frames were used over time to describe short-term letting via Airbnb? and

In the above case description, various frames and values have been mentioned. This section specifically zooms in on these two sensitizing concepts together, since they are harder to capture as part of the written case description. The assumption is that, frames in essence are used to describe a certain value to be safeguarded and add a specific emotion to it. By doing so, the nature of the public policy debate is mainly determined by the choice of the type of frame (Korn et al., 2003). An overview of most occurring frames and

Table 4.3: External events in Amsterdam

Stage	External event
1	Fire in a home (which gets put down as an illegal hotel)
	Social traveling announced as being THE travel trend of summer 2012
2	Koninklijke Horeca Nederland (Dutch hospitality industry) demands measures on renting private houses to tourists
3	Article that Airbnb could be banned in Amsterdam published
	ABBA (Amsterdam Bed & Breakfast Association) established
4	Growth of 'social traveling' acknowledge by CVO (Continuous Holiday Research) report
	ShareNL founded in Amsterdam
	ABBA requests deputy mayor Ossel to demand more openness of Airbnb about addresses in Amsterdam
	Amsterdam court of Justice calls Airbnb activity 'commercial exploitation'
	Political change
	Volkskrant publishes research on 5706 hosts in Amsterdam, of which lots are still neglecting regulations.
	Insurance companies are formulating special Airbnb packages
Houses of parliaments wants regulations to be adjusted when they occur to be impeding the sharing economy	

Table 4.4: Frames used and underlying values

Frames and underlying values			
Actor	Frame	Value	
Amsterdam	- Open approach - "Ruimte voor gasten" (Room for guests) - "Ja, tenzij" (Yes, unless) - Welcoming city: Welcome to Amsterdam - Social traveling - "Amsterdam legalises home sharing" - "Hospitable nature of Amsterdam" (past bij het gastvrij karakter) - "Demand drives Supply" (vraag schept aanbod) - Sharing economy - "People look with suspicion to what we do here" (Met argusogen) - "Amsterdam legalizes rental via Airbnb"	Room for innovation	
	- "Illegal hotels" - Unfair competition - Third category: Private rental (Particulier vakantieverhuur) - Equality - Addition to accommodation supply for tourists	Level playing field (<i>Eerlijk</i>)	
	- Illegal hotels - Fire requirements	Safety (<i>Veilig</i>)	
	- Drinking and blowing tourists in residential buildings - Disruption of neighborhoods - Increasing number of complaints	Peaceful (<i>Rustig</i>)	
	- "Homes are to live in" - "No incidental renting, but business models" - Scarcity of space in the city - "Airbnb effect"	Affordable housing	
	- "U.S. company obeying to different rules" - "Moneymakers only interested in profit" - "Airbnb doesn't take responsibility" - "Largest international supplier" - "Multinational cowboys"	Independency	
	- "Disneyfication" - Gentrification - the real "Amsterdammer"	Authenticity	
	Airbnb	- "Wants to work together with..." - "We praise Amsterdam for policies" - Head of civic partnership - "Airbnb can share data" - "We want to inform our hosts" - Good partner	Cooperation
		- Privacy of users - Open platform - Host protection - <u>Binded to U.S. and European laws</u>	No platform liability
		- Use assets when on holiday - Less hotels needed	Sustainability
- Live like a local - Unique visit to the city - "Growing demand: people want this type of accommodation" - Spread tourism - Contribution to local economy - "Majority rent out the home they live in on an occasional basis"		Recognition, image	

probable value behind it to safeguard is given below in 4.4. Bearing in mind that in documents, values are hard to detect due to their formulation in frames.

Table 4.4 also shows the values that are mostly at stake for the city of Amsterdam and Airbnb as a company operating in that city. These values are based on interviews and the available written documents and articles in press. The focus has especially been on quotations and what representatives say to detect the public domains of most value, such as in the documents published about the ‘yes, unless’ notion (Eefting & Grummel, 2013), and later on the ‘ruimte voor gasten’ memo (Ossel, 2014). Here it is made clear that home sharing should be allowed, provided a few conditions which are indicated below with the linked value.

Table 4.5: ‘Yes unless’ elaboration with suggested values safeguarded (Minderhoud & Grundmeijer, 2012). This takes the additional formulation of the ‘Yes unless’ memo into account, which hasn’t been discussed in city council yet.

Condition	Value
No nuisance caused	Peaceful
No housing withdrawal from the housing market	Affordable housing
No unsafe (fire related) situations caused	Safety
Not rented out to more than four persons at a time	Safety
Not exploited commercially	Level playing field
Not in social housing	Affordable housing

These two tables are both listed here, to illustrate the shift between 2013 and the beginning of 2014 and on what the emphasis lied in both periods.

Table 4.6: ‘Yes unless’ elaboration with suggested values safeguarded (Ossel, 2014). This is based on the eventual publication, published in 2014.

Condition	Value
No nuisance caused and neighbors are informed	Peaceful
The renter reports to the tax services of Amsterdam (DBGa) and pays tourist tax	level playing field
Only incidental	Affordable housing
The residence fulfills fire safety demands	Safety
Not rented out to more than four persons at a time	Safety
The principal inhabitant is renting out and is registered with GBA	Affordable housing

After hand coding the articles found on these values and the additional ones as mentioned in figure 4.4, figure 4.4 indicates the occurrence of the specific values detected.

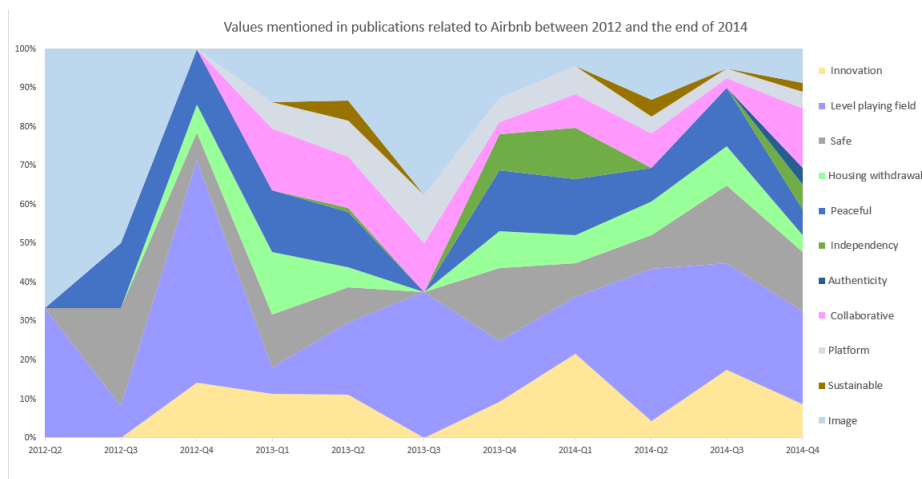


Figure 4.4: Value occurrence in Dutch publications. This image shows percentages relatively in total of all values mentioned, to illustrate the importance of each value in a specific period in time. It has to be taken into account that not all periods are represented by the same amount of news articles and therefore can create dominance of specific values in certain time frames compared to others

Figure 4.4 shows that between 2013-Q1 and 2013-Q2, and between 2014-03 and 2014-Q4 the most values

are occurring. It can be noticed that in 2012 a minimal amount of values is at stake, in addition to the minimum that can be counted in 2013-Q3. *Level playing field* shows a continuous significance compared to other values. This is better illustrated in figure 4.5, in which the absolute occurrence of values in public documents is shown. Taking into account that stage four is believed to have the largest time frame, it can show from the graph that in this stage, sometimes values are even mentioned triple as often than in other stages. Also, this graph shows that different values are most spoken about at different stages.

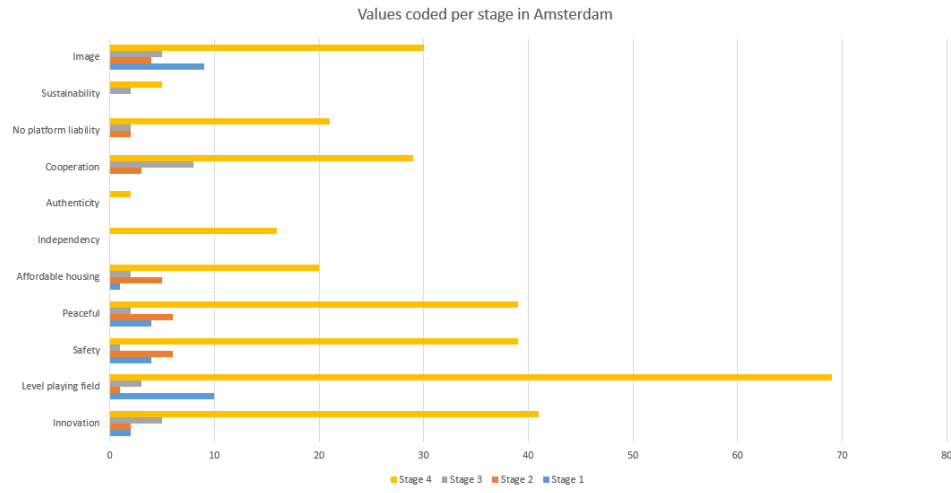


Figure 4.5: Value occurrence per stage in Amsterdam

For used frames over time, a similar image is created. The image 4.6 shows what frames are being used to describe the activity that Airbnb as a platform is facilitating. It serves as an understanding of which frame was more at stake during what time. What can be noted is that in stage *touristic rental* decreasingly occurs in stage four, similarly to *Commercial rental*. The *illegal hotel* frame has its highest frequency in stage two after the article was published that Airbnb could be banned, based on the report on illegal hotels in Amsterdam. What can also be detected, is that social traveling experiences a phase out from stage four on. *Private rental* has its largest recognition in stage one and four.

4.6. Conclusion and discussion

Thus, Amsterdam being a city with little space was brave enough to try to collaborate with Airbnb in such a way that an extra institutional layer was placed on top of short-term letting regulations, applying institutional layering (Mahoney & Thelen, 2010). Nevertheless, the additional category within short-term letting did not necessarily clear things up for all users. The additional layer also called for extra complications, albeit long elaborated on. Being very clear from the beginning on what values were at stake that Amsterdam wanted to preserve, Airbnb was given time to construct soft measures that would partly deal with Amsterdam's concerns. Nevertheless, enforcement remained a main stumbling block, since notifying Airbnb activity and subsequently proving that people are not obeying to the rules is very difficult and on the edge with privacy and other regulations. The regulations in place where thus immediately being questioned on effectiveness, as Van Bueren & Klievink (2017) have identified as being an ongoing debate in institutional voids. Airbnb has been intensively involved and relied upon to participate in increasing the effectiveness of policies.

In Amsterdam the clear conceptual struggle detected leads to the assumption that it causes the frames to shift heavily over the stages and even within stages, as figure 4.6 shows. In line with this, it is also not clear what the public finds important. This explains the shifts in values as illustrated in figure 4.4.

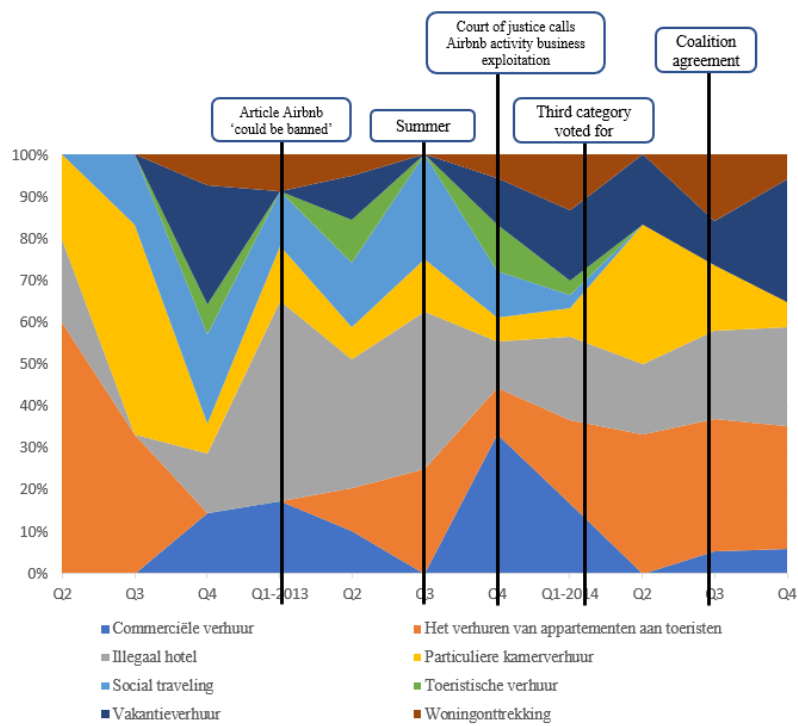


Figure 4.6: Frames for what Airbnb activity is based on Dutch news articles and publications.

Case 2: Interaction between Airbnb and London, United Kingdom

The second case study London, is outlined in this chapter. Again, a description and overview of the interaction process based on chronological detection of the four sensitizing concepts is given in detail in section 5.1 to 5.4.4, obtained by the applied process tracing method. This is done to answer research question 3 (How did the interaction process between Airbnb and governments develop in an institutional void?) for London as a case. Section 5.1 to 5.4.4 are obtained by detailed analyses of the course of events to reconstruct the interaction process between London and Airbnb. This is done by following the stages of institutionalisation. Stage one indicates the 'steady stage', after which in stage two the first signals of a shift in efficiency of existing regulations are shown. In stage three, the 'crisis stage', the regulatory framework is no longer sufficient and regulatory failure occurs. The fourth stage indicates a stage in which a new or improved framework is searched for. It starts with the introduction of Airbnb in London around 2011, and ends with the primary establishment between the two parties at the end of 2016. This chapter will end with a conclusion in section 5.6 to answer sub-question 3 for London with. In this section, the sensitizing concepts that have been drawn from the detailed description are outlined.

5.1. Stage 1: Growing internationally, 2011-2012

London as the capital city of the United Kingdom (UK) is nowadays one of the biggest Airbnb markets outside of Airbnb's home country the U.S. and even was the city with the most active listings¹ online in 2018 (IpropertyManagement, 2019). But, Airbnb started in a different continent, in its home-town San Francisco in 2008. What the idea behind the foundation of Airbnb describes pretty accurately is that people tend to look into alternative accommodations during excessively visited events (Gallagher, 2017). As a result, Airbnb was mentioned for the first time in London in the course of the Royal Wedding in 2011 (The Times, 2011a). In various articles, multiple additional ways of finding accommodation during the wedding were promoted and suggested, as well as the profit side from it: citizens started to notice that renting out your wanted London apartment is an easy way of earning a little extra (The Times, 2012). All kinds of articles start to pop up, in which travelers and residents get tips how to turn their homes into an 'unhotel': an accommodation type that was exactly everything but a hotel (Maslen, 2012). What Head of Public Policy EMEA Patrick Robinson explains a few years later during the 2014 European E-Commerce Conference, is that Airbnb's service is great at "...unlocking the hidden infrastructure of a city" (Adigital, 2015, Jan 2).

Only in October 2011, Airbnb establishes a second international office in London², and really gets into the picture of the greater British public (Quinn, 2011). Airbnb saw its needs for closer, more local contact on the ground and started with 25-50 officials. In line with that, Airbnb organised a big launch party in London for all who wanted to attend (Airbnb, 2012a). The opening of the London office was not much of a coincidence, and neither was the party. Airbnb was heavily expanding internationally with announcing local offices all over Europe and Brazil, to meet the demand for local support by hosts and guest communities (Airbnb, 2012b). Opening the London office specifically had to do with the fact that there were upcoming Olympics, and Airbnb really saw the chance to increase its business here during these three weeks. The timing for this specific office was therefore key. But, therefore it needed more supply and thus more hosts. So far, only 712 listings were bookable on Airbnb; a number that Airbnb preferably saw growing fastly (The Times, 2011b).

¹The terminology 'active listing' used by Airbnb, indicates advertisements that are placed online and have been booked at least once in the twelve months before the date of measuring.

²Airbnb headquarters are located in San Francisco, United States. The first office outside of the United States was opened in Hamburg, Germany, after the acquisition of Accoleo, an Airbnb equivalent, in June 2011.

What Airbnb did in addition to opening the local office, was buying its largest U.K. based competitor Crashpadder in March 2012. Although Airbnb was rapidly growing, they hadn't succeed in overruling Crashpadder, who at that time had nearly 6,000 accommodations in London alone, which were to be added to the listing stock in London for Airbnb (Ngak, 2012). The acquisition was very quickly and easily done, making Airbnb immediately the dominant market leader for peer-to-peer accommodations (Heim, 2012). With buying this 2-man business, Airbnb all of a sudden could guarantee a large amount of guests to have a stay in London during the Olympics, and undergo a truly local experience (Kerr, 2012). With this expansion, Airbnb expected a three times increase in bookings with higher average prices by 25% during the Olympic games (Souppouris, 2012). Airbnb UK was really becoming big.

5.2. Stage 2: Removing 'red tape' to embrace the sharing economy, 2013

Airbnb's growth in London has been remarkable ever since its entrance. Not only Airbnb's growth had gotten to the attention of local and UK government and gotten into people's consciousness, so had the 'sharing economy' as a whole. That resonance on the potentials of the sharing economy stuck with the UK. Especially the narrative of economic opportunity had been put forward as an argument to foster growth of the sector and show support (Martin, 2016). Attempts to regulate the sharing economy were widely believed to only put unnecessary 'red tape'³ on innovation (EveningStandard, 2014; Ferreri & Sanyal, 2018; Holehouse, 2014).

There certainly was some 'red tape' on the sharing economy from a short-term letting perspective, very specifically for London. In the United Kingdom, policies are being set on a national level⁴. London's mayor has no right to pass legislation whatsoever (Airbnb, 2019c). Nevertheless, cities have the opportunity to shape legislation to their local environment (Ferreri & Sanyal, 2018). On a more local level, local councils are responsible to look after social interests such as housing, social services, licenses and commercial growth. As the capital city of the United Kingdom, since history, London has faced issues regarding affordable housing. Both on a national and a local level, housing is seen as the biggest political issue at all times (Airbnb, 2019c). Back in 1973 already, in order to both address the demand for tourism and the housing shortage, on a national level a law was implemented that indicated different rules for London compared to the rest of the country. This Greater London Council Act of 1973 made short-term rental⁵ prohibited for residences in the city of London (House of Commons, 1973). People who wished to rent out their property for a short period of time had to demand a change of use via a planning permission. Although the main purpose of the act was to protect the housing supply for families from being turned into short-term lets (House of Commons, 1973), a transformation of a space from a long-term to a short-term holiday rental was also believed to lead to growth in traffic noise and nuisance with an effect on safety and health of residents and the overall character of the neighborhood (Ferreri & Sanyal, 2018). With short-term letting thus being prohibited in London without planning permission, a growing interest in the 'sharing economy' trend, and an increased demand for accommodation during the 2012 Olympics had triggered the UK government to take action.

UK government at that time was a coalition government of the conservative party and the social democrats, which generally led to the fact that more attention was paid to technology and how it could be a vehicle for good and how it could economically empower people (Airbnb, 2019c). In line with that, in 2013, on a national level, a round table was set up on the Sharing Economy, whereby all major sharing economy platforms were represented, to have an open discussion about the sector (Stephany, 2015). Patrick Robinson, head of Public Policy EMEA attended the round table as well to discuss reform with the government (EveningStandard, 2014). For Airbnb, it was important to actively support and acknowledge the importance of the sharing economy to a city like London. To emphasize this, in January 2014, Airbnb shared its Economic Impact report UK, based on a research conducted in cooperation with University College London (Airbnb, 2014b). The

³Red tape was the metaphor to define bureaucratic burdens and prohibiting regulations that were into force in the UK. The initiated 'red tape challenge' dates back to 2011 already, and announced a program in which regulations in general were being revised based. More on: <https://www.gov.uk/government/news/red-tape-challenge>

⁴The United Kingdom being run by the British Government with the Prime Minister as its lead, is a parliamentary democracy, in which UK residents elect 650 Members of Parliament (MPs) to the House of Commons located in London. The party with the largest number of MPs in the House of Commons forms the government of the United Kingdom. From 1945 onward, government has been ruled by either labour or conservatives. New laws are considered and proposed by the MPs. In addition, ministers can be questioned by MPs in the Commons Chamber or in Committees about issues at stake (Parliament, 2019). On a city level, London government is run by City Hall. City Hall is made up of three parts: an elected Mayor (every four years), 25 members of the London Assembly and supporting staff. Together they represent the Londoners. The Mayor of London, being the voice of the city, creates plans and policies investigated by the London Assembly, with the aim to improve life in the capital. The London Assembly is also known as the Greater London Authority (GLA) (Greater London Authority, 2019).

⁵Short-term rental was then already defined as less than 90 days a year

main results were that Airbnb generated £502 million in economic activity in the UK, that 80 percent of hosts rent out only their primary residence and use the earned money to pay their bills or pursue their dreams, and that Airbnb attracts new travellers who seek to 'live like a local' and stay longer, spend more money and explore different neighbourhoods. The UK on the other hand, had a specific reason to invite CEO's of major companies to the MP's residence in London. George Osborne, at that time Chancellor of the Exchequer had exclaimed at that round table in 2013: "Tell us what we can do to help you break down barriers. ... Good ideas brought forward at this seminar will turn into Government Laws" (Stephany, 2015). This was the man Airbnb needed. After the round table, Airbnb executives had a few meetings on a national level with mister Osborne and other staff at Downing Street. They also met with staff at the mayor of London's office, to discuss the impact of the Greater London Act 1973 as Airbnb's presence in London was growing larger (Ahmed, 2014). According to Airbnb, the London short-term rental regulations were confusing and unclear, dating back to a 1970s law (Ball et al., 2014).

5.3. Stage 3: Call for relaxation on regulations, 2014

Airbnb's attempts to legalize home sharing in London seemed to have an effect. In 2014, it was housing minister Kris Hopkins who called for relaxation of the short-term letting regulations (Hopkins, 2014). According to him, the law was outdated and in addition, the growing demand for short-term lets in London as a result of the 2012 Olympics and tourism in general called for revision. The fact that there were already over 7,500 listings in London alone, showed him that the law was "outdated and unworkable": people were increasingly going beyond the law, probably without knowing. The relaxation was good news for Airbnb, and thus showed Hopkins their appreciation in a post on their earlier established policy website, referring back to the economic impact the Airbnb community generates in the UK (Airbnb, 2014a;b). London Councils weren't so happy about the announced relaxation and expressed their opposition. Their concerns about the loss of permanent accommodation and damage to amenity led them to undertake lobbying actions to encourage the short-term let clause to be deleted from the Deregulation bill (Keal, 2014).

In January 2014, the Deregulation Bill made its first run through House of Commons⁶ in which a change was made to deregulate short-term rental in London specifically (House of Parliament, 2015). Deregulation in this sense meant that limits for specific cities were no longer in place and in addition, new regulations in support of online-mediated use of private residents for 'hospitality' were added (House of Parliament, UK, 2015). The government believed that the Greater London Act 1973 was restricting housing supply in London on a short-term basis for example for emergency accommodation or tourist accommodation. It was also recognised that with the development of the internet, and specifically that of "holiday home-swap sites", the Greater London Council Act 1973 wasn't meeting people's wish on how to use their homes (House of Parliament, 2015). People, even in London, were found to have the opportunity to rent out their place up to 90 days without applying for planning permission⁷. The Deregulation Bill was in fact part of the ambition of the 2010 to 2015 Parliament to relax, remove and reform certain regulations to meet businesses and the public. Comforting the Sharing Economy was a perfect example of this Conservative Government's "Red Tape Challenge" as it is often referred to, in which all legislative boundaries are indicated with 'Red Tape' (Cabinet Office, 2011).

5.3.1. Recognition: 'we support you to regulate'

Now it was time for Airbnb to shine. Believed to be quite similar to its 'sharing economy brother' Uber, both platforms have been compared in terms of 'culture' and approach towards governments in which they do differ (Condo, n.d.; Scott, 2015; Sundararajan, 2014b). Uber more or less wanted and wants to just continue what it is doing and has no intention to present itself as an approachable company. The community-based business model of Airbnb on the other hand, in which it seeks for collaboration and community creation, shows from its active attempts to talk to government bodies and cities and requests for clear regulation. Not only had Airbnb established an official office in London, from December 2012 on, a special additional website was live via which the community was kept informed about important debates and policy initiatives (Airbnb, 2012c). Although Airbnb representatives had had various meetings in the aftermath of the round table, it was only in March 2014, after the announcement of the revision of the Greater London Act that Nathan Blechar-

⁶A draft Deregulation Bill was published 1 July 2013, and reviewed by a Joint Committee, after which it was re-introduced in January 2014. After its First Reading in the House of Commons on 23 January 2014, it was introduced in the House of Lords on 24 June 2014.

⁷As everywhere there is referred to the '90 days rule', within the company, Airbnb calls it the '90 days cap', which suggests that it restricted the law - but in fact the 90 night rules relaxed the existing law

czyk himself, Co-founder of Airbnb, travelled to London to lobby for modernization of the regulations and therewith support London to "become a global example of the sharing economy" (EveningStandard, 2014).

Later in 2014, Patrick Robinson, director of Public Policy in EMEA, attended the 6th Annual European E-commerce Conference in Bilbao, Spain, where he held a speech in front of a full audience on what it is exactly that Airbnb is doing. His main emphasis is clearly on the fact that Airbnb is more than just a tech company but rather 'World's largest community driven hospitality company'. The aim to let 'anyone belong anywhere', emphasizes the importance of community and connectedness within the company (Sundararajan, 2014b). He ends his speech by explaining what Airbnb as a platform, as being part of the sharing economy, means to cities across the world, and states that Airbnb is aware of the differences in all cities and therefore consistently is in conversations with cities to make things simpler. He even adds to that that Airbnb is ..."always a first to applaud new regulations when they are smartly developed and fairly enforced" (Adigital, 2015, Jan 2). This approach of Airbnb with regulators, is "about finding partners within governments that understand the sharing economy", as Patrick Robinson, Airbnb head of public policy in Europe explains it (Scott, 2015). Airbnb has the strong urge to explain what is going on within their community, to make sure that regulators are well informed when they ultimately want to regulate home-sharing.

5.3.2. When growth gets noticed

Although it seemed very appealing to rent homes on Airbnb and other platforms, the first signals could already be detected that not everyone was just welcoming this new type of accommodation and the announced Deregulation Bill⁸. Owners of long existing bed and breakfasts or guesthouses, having heavily invested to meet required safety and hygiene standards, felt betrayed. Owners, just short term letting their spare room, were often accused of not even knowing what risk assessments needed to be done before providing overnight accommodation. Already back then, individuals could face fines and jail terms as a consequence of failing to meet strict standards or informing insurers (de Bruxelles, 2012). In February, Britain's Bed & Breakfast Association (BBA) felt like they had to take action again⁹ on behalf of bed and breakfast and hotel operators, by asking authorities to create a level playing field on safety regulations. They claimed that Airbnb hosts can earn a lot of money, but aren't imposed to fire safety checks according to safety regulations (Walsh & Fildes, 2014). BBA's chairman Walsh went on calling Airbnb a "ticking time bomb" and a website that was "putting its valuation ahead of its values and cash ahead of care" (Weston, 2014). Despite the hotel lobby to convince local governments, Airbnb was pretty confident of its response. Airbnb hosts weren't businesses, but only 'occasionally' renting out their homes. Airbnb also announced to be giving away free smoke detectors and carbon monoxide monitors to British hosts in the coming months. In addition, they tactically revealed the fact that many bed & breakfast owners are also advertising on Airbnb.

But, BBA was not the only organisation complaining. The British Hospitality Association (BHA), InterContinental Hotels Group and Staycity were also calling for a level playing field on safety and tax regulations which traditional hotel companies currently had to meet (Walsh & Fildes, 2014). These issues exposed by the hospitality industry have been used to raise awareness with politicians to regulate the existence and expansion of that type of accommodation (Edelman & Geradin, 2015; Ferreri & Sanyal, 2018). According to these businesses, something had to be done. Richard Solomons, boss of InterContinental¹⁰ UK stated:

"What about fire and life safety, what about food safety, what about security issues, what about cleanliness - all those things we hoteliers are required to keep to a standard?" (Arlidge, 2014)

5.3.3. What the hotel industry thinks

The fact that the hotel industry saw Airbnb as serious competition didn't come out of the blue. Airbnb's growth was exceptional. The beginning of 2011, Airbnb announced its milestone of reaching 1 million bookings in total. In January 2012, this was already 5 million, after which in June 2012, this number has already doubled. This growth in London has been noticed by hotels through a decrease in hotel revenue. As in Amsterdam the growth of tourism in general did not visibly affect prices and occupation rates of hotels, in London these results are more visible, as can be seen in 5.1 below.

London numbers of 2015 do show a decrease in hotel numbers and an increase in Airbnb numbers (Os-kam, 2017). A report of Morgan & Stanley also supports this assumption, since it states a growing percentage

⁸The Deregulation Bill 2015 had its first introduction into the House of Commons on 5 June 2014

⁹The British Bed and Breakfast Association first warned regulators already in 2012, that fire safety dangers are being left unchecked in the fast growing tourist accommodation sector facilitated by platforms such as Airbnb and Wimdu. (Bed and Breakfast Association, 2014)

¹⁰At the time of the publication of the article, InterContinental was the largest hotel group by number of beds

Table 5.1: Facts from 2015 illustrate a decline in hotel activity vs. Airbnb in London (Oskam, 2017)

	Airbnb			Hotels		
	jan. 2015	jan. 2016	growth	jan. 2015	jan. 2016	growth
Demand (sold nights)	74.9000	229.100	+206%	2.640.900	2.590.400	-2%
Revenue	10,1M	28,6 M	+182%	487,8M	445,6 M	-9%
Occupancy	9%	21%	+126%	70%	67%	-5%

of users that is more likely to choose Airbnb over a hotel (from 41% in 2015 to 49% in 2016) (Nowak et al., 2017). The clear dissatisfaction with Airbnb by the hotel industry in London also came from the fact that specifically in London, business property taxes and value added taxes on hotels are quite high, especially when compared to generous tax exemptions for smaller businesses and private owners renting out their homes on Airbnb¹¹. In total, for a typical London hotel room, the taxes can go up to 17% of the price, whereas for an Airbnb stay, the VAT can be as low as 0.6%, due to the fact that the government only applies taxes when a minimum threshold is reached of £83,000 per year in income (Houlder, 2017). Nevertheless, Airbnb always responds to these type of tax differences, acknowledging unfair competition, that a home owner, occasionally sharing a spare room is not comparable to a hotel room, occupied almost a year around. Osborne stated:

"The internet is changing the way we work and live, and the law needs to catch up. ... It's time to change the outdated, impractical and restrictive laws from the 1970s, open up London's homes to visitors and allow Londoners to make some extra cash". (Ministry of Housing, Communities & Local Government, 2014)

5.3.4. Additional support; right on time

Just when opponents increasingly seemed to be heard, there was an additional boost to the sharing economy as a whole that gave members of parliament an extra reminder during the long lasting process of elaboration on the Deregulation Bill 2015. Price Waterhouse Cooper (PWC) in August 2014 posted a report, enthusiastically stating that the sharing economy could have an impressive positive effect on UK's economy of £9 billion by 2025 (Carsson, 2014).

What's more, the PWC report got to the attention of the Department for Business, Innovation and Skills (BIS). This department had to take a shot at exploring whether the calculated impact could be realised in the UK. Minister Matthew Hancock of Business and Enterprise saw the huge economic potential for the sharing economy and wanted to assure that UK was able to compete with San Francisco to become the home of sharing economy start-ups (Department for Business, Innovation & Skills, 2014). Therefore, Debbie Wosskow, CEO of the platform Love Home Swap¹², which is comparable to Airbnb but existed far before Airbnb's entrance, was asked to review the sharing economy and make recommendations to the central government on 'how the UK can become the global centre for the sharing economy' (Wosskow, 2014). Just a day later, there was Airbnb to support Minister Hancock's decision with headlines: "UK ready to embrace the Airbnb economy" (Airbnb, 2014). Whether or not surprising, one of the main recommendations was to soundly deal with people extensively violating the regulations in place. A couple of months later, the Department for Business, Innovation & Skills had responded with indicating that enforcement actions could in that case be considered by local planning authorities (BIS, 2015). What can be noted is that in essence, the Department wishes to leave a certain form of room for negotiations about when enforcement is 'appropriate' and therewith wants to meet the sharing economy companies' demand for loosening regulations. The question only remained whether local planning authorities had sufficient information and resources to execute that enforcement, and prove that people go beyond the law... (Holman & Mossa, 2016).

5.4. Stage 4: Deregulation accepted, 2015

After a period of more than a year, the initiated Deregulation Bill resulted in the national government changing the law in 2015 to allow short-term letting of residences on Airbnb in Greater London up to 90 days a year. Beyond 90 days, householders would have to apply for a planning permission and if not done so, they

¹¹These tax reliefs are elaborated on in section 5.4.1

¹²As this review was believed to be 'independent', the fact that it was executed by Wosskow, who was in fact participating in the sharing economy herself, left room to assume the opposite.

could face a fine of up to £20,000 (Ministry of Housing, Communities & Local Government and Lewis, Brandon, 2015). The title of the policy document that came with the announcement of housing minister Brandon Lewis, 'Promoting the sharing economy in London', illustrates the aim of the government to 'boost the sharing economy', and to 'enable London residents to participate in the sharing economy [...] without the disproportionate burden of requiring planning permission' (Ministry of Housing, Communities & Local Government and Lewis, Brandon, 2015). Other arguments were that short-term letting would have a positive effect on the competition in affordable accommodation for tourists with a growing economy as a result of increased tourism. Thus-far, short-term letting had already 'supported major events' in London¹³. Notwithstanding, the number of under-used properties would also go down in London. Meanwhile, Airbnb was celebrating the news with a floating house on the Thames in London...

Enforcement of the new regulation was left with local authorities in boroughs, of which there are 33 in London alone (Airbnb, 2019c). That was exactly the reason why the majority of London boroughs were not necessarily in favour of the revision of the Greater London Powers Act 1973 (Department for Communities and Local Governments, 2015)¹⁴. As the government didn't want to weaken the duty of local authorities to investigate or take action (Copley & Khan, 2016), local authorities on the other hand didn't and don't have the resources and information needed to enforce the regulation in place (Ferreri & Sanyal, 2018). Information that London boroughs would need to know whether a residence is being used for short-term letting is not directly accessible by them (Copley, 2018). A lack of some sort of notification duty makes it thus almost impossible for London boroughs to detect when a house is available, booked and occupied at a specific moment to catch illegal activity in the act of looting (House of Commons Hansard, 2015a). Plus, London authorities were fearing loss of amenity and housing supply across London (Department for Communities and Local Governments, 2015)¹⁵. But the most important point of concern was that of residences permanently being used for short-term letting and therefore taken from the long-term letting market. The presence of a strong economic incentive to turn over properties to commercial use was at the core of the housing withdrawal concern (House of Commons Hansard, 2015b). The traditional accommodation sector also added the need for additional regulations on health and safety. Discussions in parliament on the Deregulation Bill had shown concerns of Members of Parliament¹⁶ about the fact that with deregulation, there were no guarantees that people weren't encouraged to permanently or commercially letting their homes (House of Lords Hansard, 2014). Was the national government hearing what the London Members of Parliament were having concerns about (House of Commons Hansard, 2015a)? To meet all the issues raised in the executed consultation rounds prior to the announcement of the bill, the following conditions were formulated:

- the number of nights as temporary sleeping accommodation should not exceed ninety days a calendar year
- the provider of the accommodation was liable to pay council tax (so it should be residential not business premises)
- the new flexibility can be withdrawn by local authorities where there is a strong amenity case to do so or successful enforcement action against a statutory nuisance (House of Parliament, UK, 2015)

The second and third point were believed to be set into place to protect local amenity. Especially Central London councils Camden and Westminster were notably having concerns about short term lets (Copley & Khan, 2016). Westminster has been taking a hard line ever since the Olympics on people short-term letting their residences. Westminster Council was vocally unhappy with the announcement by Lewis, and called for the limit of 90 days to be shortened, a notification duty and the obligation that the home can be the permanent residence only (Bridge, 2015; House of Commons Hansard, 2015a). According to Westminster

¹³The Royal Wedding, Wimbledon and the Olympics were all given as examples during which short-term letting through websites as Airbnb has effectively increased the accommodation supply on a short term basis

¹⁴A survey undertaken by London Councils showed that local authorities were not in favour of the Deregulation bill on London short-term letting. 93% of the boroughs were opposed the proposals of government to remove planning permission requirements (House of Commons Hansard, 2015a).

¹⁵Highest concerns of local authorities in London boroughs are shown by a London Councils survey of local authorities. It stated that 92% of boroughs responded indicated problems with noise and nuisance due to short-term letting; 92% said that short-term letting was leading to a loss of permanent accommodation; 75% said to recognize loss of community identity; 58% said to have detected increased fear of crime due to short-term letting; and 25% said that short-term letting led to increased crime and fire safety risks (House of Commons Hansard, 2015b)

¹⁶Not only the opposition was having concerns about the revision of the Greater London Act; some members of government were believed to have doubts about the urge to revise the regulations on London as well (House of Commons Hansard, 2015a)

council, the government was missing the concerns of local businesses and residents, who were witness of housing fraud, vomiting tourists and fires. And although Westminster council understood the government's wish to deregulate in order to allow residents for themselves to decide what to do with their homes without bureaucratic burdens, they couldn't address enough that the government was missing out the effect on local communities (House of Commons Hansard, 2015b). Business minister Hancock had already called out Westminster to be a conservative council, blocking the government's ambition to embrace the sharing economy, by 'over-zealously' tracking down users of short-let websites (Department for Business, Innovation & Skills, 2014; Ghosh, 2014). It was clear that national government didn't want London boroughs to throw a spanner in the works on accepting the sharing economy. Hancock previously stated:

"By backing the sharing economy we're backing the innovators, the competitors and the agitators. We're making sure that Britain is at the forefront of progress and by future proofing our economy we're helping to protect the next generation".(Ghosh, 2014)

5.4.1. What one man can do: Tom Copley

Within all the support that home sharing and the sharing economy was getting, the person that continued to ask critical questions in this situation from a government perspective was Tom Copley, member of the labour party and spokesperson of the Deputy Mayor of Housing Affairs London. He had its doubts about deregulating being a wise decision, especially because of difficulties surround enforcement and saw the merit of letting the largest player in the field contribute to the debate: Airbnb. After a meeting, by the end of 2014 with head of Airbnb Public Policy EMEA Patrick Robinson, mister Copley publicly sent a letter to Robinson, asking, based on concerns from some London boroughs, what Airbnb had in place or would do to assure that properties are not being rented out more than 90 days annually (Copley, 2015). Robinson replied saying that although he wished to give a concrete answer, an implementation plan of the new regulations with an enforcement plan of each borough not yet being in place, makes it difficult to indicate what Airbnb could do in this process (Robinson, 2015). Airbnb was well aware of the gap between national and local authorities on this matter and responded accordingly.

Meanwhile, suggested by the independent review of the Sharing Economy, commissioned by Business minister Hancock, a new trade body was launched. Sharing Economy UK (SEUK), of which Airbnb was one of the 20 founding members, stuck to a code of conduct for responsible sharing platforms and gave the sharing economy businesses a voice (Curtis, 2015). They even established a TrustSeal, which was created to give consumers confidence that a platform with such a trademark was to be trusted. This again was a good example of UK's truly dedicated mission to embrace the sharing economy and take all possible obstacles out of the way of becoming the 'global home of the sharing economy' (Airbnb, 2019c). Business Enterprise and Energy Minister Matthew Hancock announced SEUK by calling it "the strong voice for sharing economy businesses, big and small, giving consumers more choice and advancing this new frontier of online businesses" (Curtis, 2015).

The traditional hospitality industry was nevertheless still trying to show the government that it was impossible to compete with home sharers who didn't have to stick to the same rules as the rest of the industry had. The B&B association (BBA) kept on pushing evidence that safety rules were often (unintendedly) neglected by Airbnb hosts, causing risky situations, to convince ministers but also local fire regulators to "close the enforcement gap" before devastating accidents would happen (BandB Association, 2015).

The attempts were in vain: Airbnb was yet to receive another welcoming message. George Osborne, Chancellor of the Exchequer, in his annual national Summer Budget 2015 increased the rent-a-room relief which had been frozen for 18 years, from £4,250 to £7,500 per year (Osborne, 2015). It was believed to reduce and simplify tax and administrative burdens for people renting out a room for more than £4,250 a year (HM Revenue & Customs, 2015). The same day, Airbnb gratefully posted on its blog the continuous support from the UK government for the sharing economy and therewith its commitment to become the world leader in the sharing economy (Airbnb, 2015c). And not only that. Osborne also announced in his budget speech that he was encouraging civil servants to use 'sharing economy solutions when travelling for business, when these showed to be cheaper and more convenient (Trotman, 2015). He even gave Zipcar and Airbnb as examples of these type of businesses.

But there was Tom Copley again with his critical questions. Copley was the one that stood up to question the commercial abuse of the new regulations by landlords turning their properties into hotels but more importantly, he was convinced that Airbnb should be included in the debate (Booth & Newling, 2016). Mister Copley wanted to know whether the Mayor had discussions with Airbnb yet on the enforcement of the 90

days limit¹⁷. Mayor Boris Johnson, whose officers had had two meetings with Airbnb representatives in the past months didn't want to give too much away on these conversations. Additionally, Copley asked another question about what the follow up was related to these questions about enforcement¹⁸. The mayor himself again stated that enforcement's responsibility lay with boroughs and therewith it was their responsibility to organise follow up actions on this matter. The power of the mayor of London compared to other UK cities is in essence minimal. His inability of passing legislation leaves the mayor with policies to outline and implement and the allocation of budgets (London Elects, n.d.). But this wasn't enough for Copley. A couple of months later he again asked for a meeting with Airbnb to discuss how they could help to enforce the 90 days rule. The mayor of London again stated that it was the boroughs to assume responsibility but also agreed to make sure someone was meeting with Airbnb to discuss the matter as well. The fact that the mayor of London was not controlling regulation of short term lets put him in a difficult position (Airbnb, 2019b). Airbnb was meanwhile internationally strengthening its largest power force: the community. With the announced Community Compact, an excessive plan on how to mobilize and foster a community of Airbnb loving people was established (Airbnb, 2015b). It was a smart move. All around the world Airbnb was facing lawsuits and critical policies from local and national governments. Facilitating hosts to meet up and share their stories was a massive fightback by Airbnb, while getting millions of hosts to rise up on its behalf (Hickey & Cookney, 2016; Sundararajan, 2016).

George Osborne's intentions to really encourage the sharing economy from an economic perspective got enlarged in March 2016 when the digital tax break or 'Airbnb tax break' or 'Airbnb allowance' of £1,000 tax-free allowance was announced for 'micro-entrepreneurs who sell services online or rent out their homes through the internet' (Osborne, 2016). The chancellor of Exchequer called it a 'tax break for the digital age', of which the next generation would benefit. No tax to pay, and no complications with filling in forms: Londoners were completely met to rent their property online to earn a little extra. For Airbnb this was again good news. The number of hosts in the UK was growing, and the digital tax break met Airbnb's efforts to be seen as a way of just regular people renting out their primary residence and use the money they earn by doing so to pay their bills (Airbnb, 2014b). In essence, the reference to Airbnb as a way to earn a little extra to pay rents especially worked well in a city always under fire because of its high price per square meter. In fact, Airbnb has stated that 45% of all hosts in the UK has used Airbnb in 2014 to "make ends meet" (Airbnb, 2015d). With the 'Airbnb allowance', the UK was the first to introduce an allowance on the sharing economy worldwide. The tax break thus showed that UK was taking the lead on embracing and embedding the sharing economy, were it not that this was exactly what the UK aspired (Hern, 2016). The 'independent reviewer' Debbie Wosskow even called it 'a colossal win' for the UK (Davidson, 2016).

5.4.2. "Current law unenforceable", 2016

Despite the introduced limit of 90 days in London, the share of Airbnb of the total overnight stays was almost three times higher in 2017 compared to 2016, going from 2.8% to 7.6% according to scraping data (Manthorpe, 2018; Oskam et al., 2016). It was believed that the law, that was introduced by London to separate illegal short term residential properties from legal ones, didn't provide the resources and data that were needed to enforce the 90 day limit on short term lettings (Wright, 2016). The true dichotomy between the national government determining the planning regime and the local authorities being left with enforcement was causing a widespread non-compliance with the 90 days rule (Airbnb, 2019c). Enforcement became the matter that led to London Assembly Member Tom Copley asking the Mayor of London to actively involve Airbnb's help (Copley & Khan, 2016). This was also the moment for other stakeholders to step in. After the safety argument had not made that much of an impact, an organisation named Residential Landlord Association (RLA) dared to state that it had gathered the right evidence to say that Airbnb was potentially removing housing from the market through facilitating subletting of residences (Simkock & Smith, 2016). Shortage in housing, a well known phenomenon in capital cities all around Europe, also at stake in London, was a more urgent topic on the national and local agenda.

What also happened fall 2016, is that Brexit was voted for. The UK, fearing a face out of tourists and visitors started a media campaign to show that the UK was still welcoming visitors, supported by certain politicians such as Teresa May and Mayor of London Sadiq Khan. Airbnb smartly tackled into this campaign and actively showed its support to attract tourists to the city by telling host stories with the same hashtag 'LondonisOpen' (Airbnb, 2016). Mayor Khan was even to be seen in one of the campaign videos of Airbnb (Citizen, 2016, Sep 20). With this campaign, Khan wanted to show that London is united and open for business. He shared: "Lon-

¹⁷This correspondence during Mayor Question Time can be found on: <https://www.london.gov.uk/questions/2016/1458>

¹⁸This can be found on: <https://www.london.gov.uk/questions/2015/3339>

don is Open and no matter where you're from, you will always belong here". Wasn't that touch of hospitality the same as Airbnb was constantly referring to by allowing people to 'Belong Anywhere'?

5.4.3. Time for action

After all Copley's attempts, he finally got backed from a national level in September 2016, when Iain Wright, Chair of the Business, Innovation & Skills Committee, addressed his concerns on Airbnb driving up property prices due to homeowners unlocking economic value by letting out spare rooms (Wright, 2016). In October 2016, the Mayor of London Sadiq Khan in addition received a lot of questions from other London Assembly members regarding recent articles published such as the report by the Residential Landlord Association (RLA) stating that landlords were using Airbnb more and more for commercially providing properties¹⁹ (Simkock & Smith, 2016) and Airbnb's strategy being to lobby with hosts to convince local politicians (Ellson & Newling, 2016)²⁰. The RLA report seemed to have an effect. Taking these critical questions into account, the Mayor of London consistently answered these questions by stating that he "supported the right of Londoners to be able to benefit from renting out their homes for short periods, to meet new people, to earn a little extra money and to add to the residential offer for visitors" (Copley & Khan, 2016; Dismore, 2016a;b). The Mayor of London, Sadiq Khan, was very much in favour of the sharing economy, and with promising to be the most "pro-business Mayor yet" (Dalton, 2016), he welcomed people to visit London and use websites such as Airbnb to make it cheaper and easier to do so (Copley & Khan, 2016). But, he also called for balance and as a left wing labour party member found the affordable housing issue really important (Airbnb, 2019c). He also was very much aware of his situation as Mayor, not wanting to get into the way of the London borough's own responsibilities in enforcement. What he replied to Iain Wright was:

"If boroughs are finding that the legislation needs to be revisited to make sure that we find a better way of balancing the benefits of the sharing economy with the protection of local residents and the retention of housing for long-term use, then I will be happy to work with them and discuss with Government whether any changes may be needed". (Khan, 2016)

As Khan was forced to go and discuss the matter more actively with London boroughs, Airbnb once again pushed its frequently detected message in response to Wright's letter that an average host of the Airbnb community in London is just renting out its own residence to "boost their income" and "afford living costs", and therefore cannot be put down as a "professional" (Johansson, 2016). And not only that. Airbnb took action itself, there it saw the importance of get in touch with London boroughs and hear what kinds of challenges they were facing, where opportunities lay and what the Deregulation Bill would mean for them (Snelling et al., 2016). The established London borough working group served as a forum at which all London boroughs had convened. In addition, Airbnb actively had lots of conversations with local stakeholder and local councils to see how they could give clarity and understanding of the platform. From that point on, representatives of Airbnb and mister Copley himself have established a direct relationship (Airbnb, 2019c).

After being backed by the national government for quite some time under the umbrella called the 'sharing economy', the time of deregulation in favour of Airbnb was now coming to its end. Airbnb saw that Iain Wright was asking for more regulation and revision, and recognized that it was time to do something in order to stay in favour with politicians. Besides, the housing affordability was a concern that had previously been raised elsewhere in the world as well, but now Airbnb had been officially blamed to have a serious impact on the housing market in press (Simkock & Smith, 2016). Mayor Khan on the other hand was bound to what the boroughs wanted and didn't want to get into their way, but saw that he had to actively come with a solution on enforcement to support these same boroughs. People from government wanted him to go and talk with the biggest player on the market, Airbnb. Tom Copley expressed that he wasn't expecting cooperation of Airbnb to be difficult:

"The company has adapted its platform in other cities to comply with local laws so there is no reason it can't do that in London... The meeting will be constructive but if Airbnb doesn't co-operate, legislation is the next obvious step". (Ellson, 2016)

¹⁹To indicate whether Airbnb was more used on a regular, commercial basis than on an occasional one, the number of listings that a host was advertising online was mostly used. As an example, a research by the Times in september 2016 presented that of 6,225 listings available in August that year, 45% was offered by a host who was offering more listings on Airbnb simultaneously (Rogan, 2016).

²⁰The Times article on Airbnb's lobbying tactics shared quotes such as "it was targeting Sadiq Khan, the London mayor", and "Sadiq loves us right now" and that it had also "identified councillors who it feared may be likely to push for restrictions and that it was encouraging hosts to write to them" (Ellson & Newling, 2016)

5.4.4. Airbnb gives in: A 'voluntary' cap

Airbnb felt the pressure and knew something had to be done in order to show that they were willing to take action. Just within two months of time Airbnb had given in. A restriction on the number of days to rent out listings seemed like a proper way of showing commitment to outlaw commercial use (Airbnb, 2019b). In December 2016, Airbnb announced a voluntary cap of 90 days in London and that of 60 days in Amsterdam (Airbnb citizen, 2016). The cap meant that calendars of hosts would be blocked after they had reached a maximum of 90 days for that specific year. In its press statement, Airbnb was making clear that it had done so in best interest of the city of London as a whole. In addition, after the growing critics on Airbnb and its impact on housing affordability, it had collaborated with think tank Institute of Public Policy Research (IPPR) to look into the impact of home sharing on London using Airbnb data, and a report was published the exact same day as the announcement of the voluntary cap (Snelling et al., 2016). Not very surprisingly, the report pushed back that the impact of Airbnb on the housing market was neglectable, but to make sure that Airbnb's business wouldn't have an impact in the long run, as they were still growing, it was recommended to look at how Airbnb might be able to support the regulatory framework in some way (Airbnb, 2019c). This in essence became the information that led to the product change Airbnb made by the end of 2016. The voluntary cap on 90 days was perfectly in line with its IPPR research and satisfied mayor Khan and Tom Copley. It was the first step towards making a division between commercial use of the platform, and people incidentally renting out their place. Copley as the Labour's housing spokesman on the London Assembly called the move of Airbnb to announce a voluntary cap on 90 days a huge step into the right direction and called the engagement of Airbnb after him raising questions with the mayor, constructively (Booth & Newling, 2016). Airbnb was facing regulatory pressure for a while in different cities, and also got blamed for fuelling a London housing crisis (Churchill, 2016). In newspapers it was stated that Airbnb with the voluntary cap wanted to "dampen fears" on such a housing crisis, that had become public by the letters between Iain Wright and London Mayor Radiq Khan. With the voluntary 90-day cap, Airbnb wanted to show that they wanted to be responsible and more importantly help to inform the host community about the obligations and rules they were going to be under as part of the Deregulation Bill (Airbnb, 2019c). For Airbnb, dealing with local governments is almost like 'a game of chess', in which expectation management is combined with proactive mitigation actions (Gallagher, 2017). What happens in one city is closely monitored and either serves as a model or lesson for another. In their announcement letter to their hosts Airbnb stated:

"We want to help ensure that home-sharing grows responsibly and sustainably, and makes London's communities stronger. That is why we are introducing a change to our platform that will create new and automated limits to help ensure that entire home listings in London are not shared for more than 90 days a year, unless hosts confirm that they have permission to share their space more frequently" (Booth & Newling, 2016)

The world wasn't necessarily surprised by the voluntary cap that Airbnb eventually put in place in London (90 days a year) and Amsterdam (60 days a year) since Airbnb was struggling with policies across the world, but even more skeptical and careful (Woolf, 2016). It was believed that most of all, the move by Airbnb was made to preserve its \$30 billion valuation with a possible Initial Public Offering on its way (Hook, 2016; Newcomer & Huet, 2016). In addition, some people barely believed that such a key player in its sector would make such a concession to commit to law and enforcement matters on behalf of the cities their activity takes place in. Although Airbnb has visibly profited from the uncertainty around what is legal and what isn't as a result of institutional voids, its growth and market leading presence has made the company decide that an overall strategy in what collaboration with local authorities to generate clear regulations and structure is more fruitful and necessary to keep the business in favour of politicians (Airbnb, 2015b).

5.5. Sensitizing concepts in the London case

This chapter has answered the descriptive questions how the interaction process between Airbnb and London developed in an institutional void. The following section answers research question 3 by elaborating on the sub-questions as formulated in section 1.4.

a) What are the main regulatory changes in the first years of Airbnb in London?

The case description above has described the course of events of the first years of Airbnb's emergence in London. To gather the main regulatory changes over time, interviews have been used to identify crucial time periods after which documents have been analysed to detect major events. Stage one is defined by the Greater

London Act 1973 still being in place, and thus indicates the steady situation. From the larger recognition of Airbnb in London on, during the Olympics in 2012, stage two starts, in which the actors 'begin to move'. When the rapid growth of Airbnb is getting to the attention of the greater public and other stakeholders, stage three starts. Further on, in stage four, the Greater London Act and taxation regulations are shaped in favour of short-term rental. In this stage, the regulations on short-term rental are part of the larger Deregulation Act 2015²¹. In this sense, in London regulated deregulation came into force (Ferreri & Sanyal, 2018).

b) What actions were taken by the actors involved in the interaction process between Airbnb and London?

Although the main events have been described in detail in the case description above, all activities that took place are laid out in an overviewing excel file which can be found in appendix B. Based on this overview, a time line has been created. The time-line outlined below in figure 5.1 visualises the interaction process between London and Airbnb from early stages till the voluntary cap of 90 days, established by Airbnb to meet the enforcement gap that was felt by boroughs. This time-line is in essence different than that of Amsterdam, there it specifies actions taken on a national level versus on a local level. This is done since on a local level, there is no power to pass regulations, as there is compared to Amsterdam. To take official implemented regulations into account, this distinction is believed to be relevant.

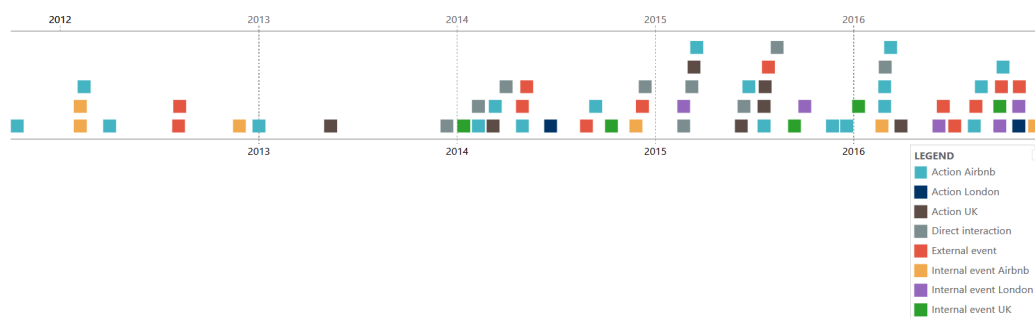


Figure 5.1: time-line policy making process in London

The definition of all categories is given in table 5.2 below.

This time-line shows that from 2014 on, both parties got activated. It also shows a pique just after the introduction of the Deregulation bill in 2015. 2016 by far shows the most activity and interaction. This is indicated by stage four, in which it became clear that the 'enforcement gap' had to be solved by interacting with the biggest party in the industry; Airbnb. The most significant direct actions that took place by both platforms and governments in London can be found in appendix B but are shortly listed below in table 5.3. In stage four, most activity is taking place, as it indicates the search for a new suitable framework, which is believed to last the longest. What can also be seen is that Airbnb was the active party from stage one on. It also becomes clear that there is both involvement on a national level as on a local level.

(c) what external events happened during the first years that appeared to have an impact on the interaction process?

For London as well as Amsterdam, the effect of the external environment on the interaction process are also taken into account in the form of *external events*. The most important external events that have been noticeably mentioned in public documents and meetings can be found in the overviewing excel, but are shortly listed in table 5.4. The frequent mentions of these events in debates and news articles has led to the expectation that they are believed to have a significant impact on the debate surround Airbnb activity in London. What also becomes clear is that in stage two, no significant external activity took place.

(d) What values are wished to be assured by both parties during the interaction process? And (e) What frames were used over time to describe short-term letting via Airbnb?

As similar to the Amsterdam case, this section elaborates specifically on the frames that have been detected and the value that is been safeguarded by framing it in a certain way. The assumption is that frames in essence are used to describe a certain value and add a specific emotion to it. By doing so, the nature of the public

²¹Section 44 and 45 indicate the changes on short-term letting in London

Table 5.2: Definition of categories on the London time-line in 5.1

Category	Definition
Action Airbnb	Activity executed by Airbnb with the intention to have an impact on the ongoing debate on how to deal with Airbnb activity
Action London	Activity executed by the city of London with the intention to have an impact on the ongoing debate on how to deal with Airbnb activity
Action UK	Activity executed on a national level with the intention to have an impact on the ongoing debate in London on how to deal with Airbnb activity
Direct interaction	Official face to face interaction moment, with representatives of both the city of London or UK as Airbnb presented
External event	Activity that is not executed by Airbnb or the city of London, and has an impact on the ongoing debate on how to deal with Airbnb activity
Internal event Airbnb	An activity within Airbnb that occurs, which does not have an intention to impact the ongoing debate in London on how to deal with Airbnb activity
Internal event London	An activity within the city of London, which does not have an intention to impact the ongoing debate in London on how to deal with Airbnb activity
Internal event UK	An activity on a national level, which does not have an intention to impact the ongoing debate in London on how to deal with Airbnb activity

Table 5.3: Most accurate actions taken in London during the four stages

Stage	Action	Actor
1	Airbnb opens an international office in London	Airbnb
	Airbnb buys Crashpadder and becomes biggest player	Airbnb
2	British Government sets up round table on sharing economy	UK
	Meetings between Airbnb and Business minister George Osborne	Both
3	Economic Impact report UK published in collaboration with University College London	Airbnb
	Housing minister Kris Hopkins announces update on Housing Law in London	London
	Nathan Blecharczyk visits London to talk to authorities	Airbnb
	Airbnb hands out smoke detectors and carbon monoxide monitors	Airbnb
4	Airbnb and Tom Copley meet	Both
	SEUK is established of which Airbnb is one of the core founders	Airbnb
	George Osborne announces two tax reliefs on home-sharing	UK
	Deregulation Bill 2015 with relaxation on short-term rental in London is passed through	UK
	Airbnb and London meet to discuss new 90 days regulations	Both
	Airbnb establishes homesharing clubs in the UK as part of its Community Compact	Airbnb
	London borough working group established	Airbnb
	Ian Wright sends concerning letter to Mayor Khan	UK
	Khan calls for Airbnb executives to meet with local government officials	London
	Questions asked during Mayor Question Time about Airbnb	London
	Airbnb requests IPPR to execute a research on the effect of Airbnb on the London housing market	Airbnb
Voluntary 90 days cap put into force	Airbnb	

Table 5.4: Most accurate actions taken in London during the four stages

Stage	External event
1	Olympic games 2012 in London
	B&B Association raises fire safety issues regarding P2P premises in London with Chief Fire Officers Association
2	-
3	Britain's B&Bs and hotel operators are calling for the authorities to create a level playing field on safety regulations
	PWC report on the possible economic effects of the sharing economy
4	ITV report by B&B Association on safety issues and the enforcement gap on Airbnb listings
	RLA report on the increased number of landlords short-term letting their homes on the open market Inside Airbnb owner denies Airbnb's driving force on renting prices

policy debate is mainly determined by the choice of the type of frame (Korn et al., 2003). These frames and values have been detected by open coding followed by generalisation in coding²² as explained in section 3.5.

The figure ?? shows the results of the coding rounds based on the material analysed. What can be seen is that an increased number of values is at stake from 2014 on, which is indicated as the entering of the third stage: crisis stage. In parallel with Airbnb's growth, the crisis stage can typify the fact that the number of listings on Airbnb is starting to suggestively have an effect on society. Thus, different elements and values that Airbnb activity is brought into connection with, show to be pushed to the debate in the news and in government.

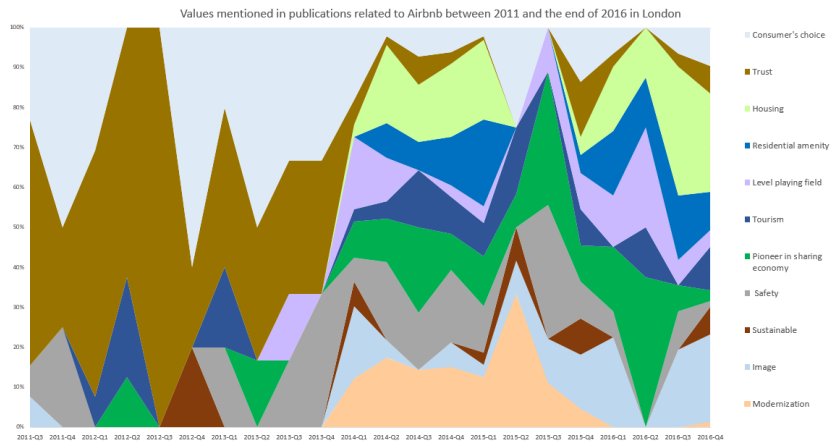


Figure 5.2: Value occurrence in London (own figure based on coding rounds). This image shows percentages relatively in total of all values mentioned rather than absolute numbers, to illustrate the importance of each value in a specific period in time. It has to be taken into account that not all periods are represented by the same amount of news articles and therefore can create dominance of specific values in certain time frames compared to others

Figure 5.3 on the other hand, shows the absolute numbers of all values that have been detected and are hand coded in all documents analysed. What it shows is that in stage one specifically, *trust* is seen as an important value to safeguard from an Airbnb perspective. In this stage, the company is relatively unknown, and still has to work on its reputation. Stage four shows an increased frequency of all values. Assumingly, the ongoing discussion on regulating short-term letting and Airbnb's growth leads to an increased interest in the topic, from a media and a political perspective.

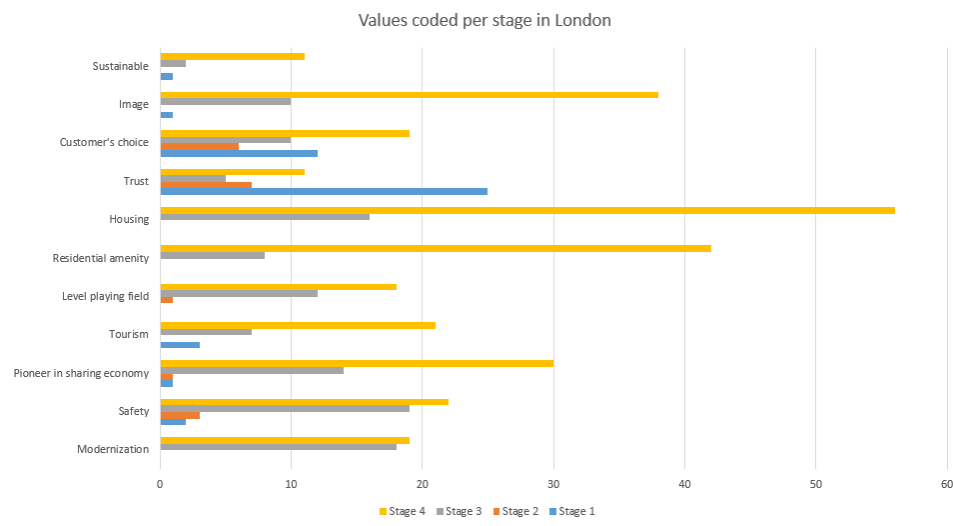


Figure 5.3: Value occurrence per stage in London

On a national level, there is the strong wish to remove regulations on London short-term letting. Various

²²The effectiveness of this method is further elaborated on in section 7.3

members such as minister Hopkins, minister Hancock, and George Osborne have done exclamations about short-term letting in London and how this activity was restricted due to the Greater London Act 1973 being in place (Airbnb, 2015c; Department for Business, Innovation & Skills, 2014; Hopkins, 2014). To sum up, the following reasons to remove the regulations in London have been mentioned:

- Let people decide what they want to do with their home
- Meet the internet age and the booming websites and way of travel
- Give tourists alternative accommodation and therewith boost local economies
- More income through taxation for the Exchequer
- Make sure the same rules hold for London as for the rest of the country (omit confusion)
- Let people make usage of their assets and earn a little extra if they are away (House of Commons Hansard, 2015a)

This all is in line with the wish of government to modernize local regulations, be open to tourists and new platform companies that boost the economy. On the other hand, a main concern addressed is the loss of amenity in neighborhoods in London and an impact on the housing market due to residences being transformed from long-term rentals to short-term rentals (House of Commons Hansard, 2015b). An overview of most occurring frames and probable value behind it to safeguard is given below in 5.5. Bearing in mind that in documents, values are hard to detect due to their formulation in frames.

In trying to detect what is being framed with certain choices of language, it becomes clear that Airbnb tries to detect values at stake and formulate counter frames to soften critical statements made. To some extent, they manage to let the government representatives to copy frames formulated by Airbnb. For example, the founding story of Airbnb already shares the monetary incentive behind using Airbnb (Gallagher, 2017). Having a spare room in an expensive city, is thus framed as being an excellent way to earn some extra money to use to pay for increasing life expenses (Airbnb, 2014b; Ball et al., 2014). In its official press statements, the UK and London representatives have often referred to the fact that Londoners should be allowed to share their spare room and earn some extra cash (Ministry of Housing, Communities & Local Government, 2014). As an example:

"It's time to change the outdated laws from the 1970s, open up London's homes to visitors and allow Londoners to make some extra cash" (Ministry of Housing, Communities & Local Government, 2014)

By saying so, the authorities officially recognize the monetary incentive, and how it can actually help housing to be more affordable in an expensive city such as London. On the contrary, housing affordability is also believed to go down as a result of the recognition that a lot more can be earned by commercially letting an apartment instead of bringing it onto the long-term housing market (House of Commons Hansard, 2015b).

What is Airbnb - Framing In all documents published, there is a large variety to describe Airbnb activity with. The open coding round already gave 70+ different frames used to describe Airbnb. Behind the large number of ways to describe Airbnb activity is the cross-usage of assets and concepts that are believed to indicate what Airbnb is about. Below, the most frequent distinguished components have been listed:

- Length: Short-term / temporary / occasionally / while on holiday / commercially
- Relation: match / connect / helping to find
- Partner: strangers / peers / tourists / travellers / home owners
- Item: unique space / spare room / home / apartment / local travel experience / property / accommodation / residence
- Action: letting / renting / sharing / inviting / advertising / listing / booking

In published documents, as well as news articles as documents by the two focal actors, a wide range of combinations has been used. For example:

Table 5.5: Frames used and underlying value for both London and Airbnb

<i>Frames and underlying public values</i>		
Actor	Frame	Public Value
London	- removing 'red tape' - Modernise this out-dated legislation - "Catch up with the 21 st Century way of living" - the 'new flexibility' - 'poorly and confusingly enforced regulations' - 'Outrageous and archaic laws' - Freedom and flexibility as the rest of the country - "These laws need to be updated for the internet age" - "Bureaucratic headache"	Modernization
	- Protect holidaymakers - "ticking time bomb" - Safety and hygiene regulations - fear of crime	Safety
	- Enable London residents to participate in the sharing economy - "Share our great city" - Allow Londoners to make some extra cash - Embracing these new opportunities" - Give people the freedom to make the most of their assets - Make the UK the sharing economy's natural home - World leader of the Sharing Economy	Pioneer in sharing economy
	- Increase the amount of competitively priced, alternative accommodation - Support the wider tourism industry - Open London's homes to visitors	Fruitful tourism
	- 'Pseudo hotels' - Commercialisation - "residential properties used as letting businesses" - "Operating outside of the standard tax structure" - "Freelance hoteliers" - Unfair competition	Level playing field
	- "Hollowed out Communities" - Gentrification - London streets becoming a 'chain of default hotels' - The Airbnb effect - loss of neighbourhood character - Transient community - Anti-social behaviour - Vomit on doorstep and fires in the corridors	Residential amenity
	- "Further eroding the housing stock" - turning properties into hotels - Loss of permanent accommodation - Exacerbating a shortage of housing supply - Permanently in short-term use - "Housing benefit fraud" - "Regularly sharing the home they live in"	Housing affordability
	- "People to people platform" - peer-to-peer marketplaces - Intimate transaction - "living together" - Airbnb speaks the language of community - power of the web to bring people together in the real world	Community based
	- Airbnb-ing - Unique and local experience - 72% of properties "outside the main hotel areas" - "Belong anywhere" - "unhotel" - "Fulfilling social or ethical objectives that traditional hotels cannot" - "Matches young tourists with homeowners" - meet the demands of people - "We believe it is time for our invention: join the Airbnb revolution" - Cheaper compared to hotels	Consumer choice
	- "World's largest community driven hospitality company" - Leading Community marketplace - Interesting and inspiring places accessible to our users - Responsibility of hosts to check and ensure that they are abiding by any rules - We've worked hard to create trust in our community - "We welcome the government's plans" - "Constructive engagement"	Image
- "collaborative consumption" - Breakthrough in battle against under-utilised assets (such as hotels) - Letting people share excess resources	Sustainable	

"Letting out residential property to travellers"

Or:

"Inviting strangers into their homes while being on holiday"

Some descriptions use all combinations and are rather long such as: "connect private home owners offering spare rooms or short-term vacancies with holiday-makers and travellers". Others on the other hand were brief, like: "list their homes", "home-sharing", "letting a spare room" and "short-term letting".

Despite the large number of different descriptions making it difficult to distinguish a certain shift in frames used over time, what can be noticed is what the most used frames are by the two focal actors. When merely inspecting the publications that have been published by the government²³, it becomes clear that the government most frequently uses *short-term letting*, which most likely dates back from the original regulations on short-term rental in place, before the additional components that Airbnb is referring to were added to the activity²⁴ (House of Commons, 1973). The second most recognizable variant to *short-term letting*, is the additional *short-term letting their homes*. In later discussions in House of Commons further into stage four, the frame "*temporary sleeping accommodation*" can be detected to be used an increased number of times to describe the type of short-term letting. Both frames show the urge of the government to lay the focus on the fact that activity peer-to-peer accommodation platforms such as Airbnb may only be used on a short notice, to leave out the possibility of people expecting to be allowed to exploit their primary homes unlimited.

Airbnb in its announcements most frequently pushes home-sharing (AirbnbCitizen, 2016). That can be seen by the fact that news articles citing announcements and quotes by Airbnb representatives, also tend to use home-sharing, while news articles without, have fewer occurrences of Airbnb's frame "home-sharing".

5.6. Conclusion

Chapter 5 elaborated on the descriptive questions regarding the second case study: the interaction process between Airbnb and London in an institutional void. This has indicated what the course of circumstances was and what both Airbnb and the government did to have an impact on the interaction process with the aim to fill the institutional void. Based on the empirical evidence in this chapter, overall, it can be noted that the favourability of the UK government towards the sharing economy eased the way for Airbnb as a platform to evolve, while ignoring the issues raised by London representatives for a long time. Although the housing stock issue being taken serious, the focus in essence does not lay on solving social issues for society, but more on economic issues. In that vain, the housing issue is being dealt with to 'allow people to earn a little income to afford the house they live in', which is a completely different way of framing the impact of Airbnb on affordable housing than how this has been done in other cities.

What this chapter also stresses upon is the dichotomy between the national conservative more right wing government and the labour party, left wing mayor who didn't have any power to pass legislation. This actually led to a rather 'quiet' situation and a relatively large time frame in which not much major was happening. The essential acknowledgement of the potential impact on housing supply led by the RLA report led to Airbnb putting in place a voluntary cap. In fact, that has been a relatively large give in considering its long time of receiving no backlash before that.

In general, both parties in this sense filled in the institutional void by 'creating a spot on the team'. Instead of adding regulations, old fashioned regulations were taken away and replaced by allowing instead of restrictive regulations, as can be explained by *displacement*, according to (Mahoney & Thelen, 2010).

²³This selection thus contains press releases as well as official statements and regulatory pieces

²⁴With extra components are concepts meant such as the cheaper alternative compared to hotels, the local experience that can be created, the fact that people have a spare room to commercialise, social connections that can be made etc.

Empirical process tracing results

In this chapter the empirical results of process tracing can be found. First every case will be analysed individually to detect patterns (Amsterdam in section 6.1 and London in section 6.2), after which an additional analysis elaborates on differences and similarities between the cases in section 6.3. The individual analyses of each city are done based on the four-stage model as described in section 2.2.2. For the analyses, three ways of data processing is used (time line, case description and public document analysis). Although all three elements are in practise based on the same sources combined, executing analyses from three different angles suggestively leads to the most productive end conclusions of the material available. At the end of this chapter, a conclusion elaborates on the patterns detected in section 6.4.

6.1. Empirical findings Amsterdam

Reducing the institutional void seemingly is an ongoing process that has no clear 'end-point'. Nevertheless, this research takes a certain 'stop' into account for both cases. In the case of Amsterdam, the creation of the third category 'particuliere vakantieverhuur' (translated to private holiday rental) and the signing of an MoU is in this research put down as a clear mid station there it allowed all stakeholders involved to feel as if the first part of the gap was filled. Since Amsterdam has clearly indicated that, knowing that putting an official law in place with platform liability wouldn't be generated as quickly as the platform was evolving, signing an MoU seemed to be the fastest, most efficient and tactic outcome for the short run (Gemeente Amsterdam, 2019).

6.1.1. Stage 1: Stable stage

1. Multiple values are defined by the frame illegal hotel In definition, illegal hotel is described as a home without license that is used to accommodate tourists for a fee (van Pinxteren, 2013). This would suggest that the emphasis lies on the fact that regular homes are used as accommodation for tourists, while there should in fact be someone living in it regularly. Nevertheless, it is also described as, (often put forward by the hotel industry) as business exploitation suggesting that the main purpose of calling it illegal hotels is to assure that these are businesses that are not sticking to the same rules and not paying the same taxes, therefore having financial advantages (Eefting & Grummel, 2013). Illegal hotels is the easiest frame to pick up, but it seems to be used for double purposes. After some further research it became clear that later on in 2015, an additional frame is formulated; housing withdrawal. Due to a couple of court decisions (Rechtbank Amsterdam, 2015) and an ING publication (Steffens, 2016), people renting out their home is often brought into relation with housing withdrawal. Especially for Amsterdam, dealing with a historical lack of space and thus housing crisis, framing Airbnb as doing damage to the housing market effectively puts Airbnb into bad light after signing the first MoU by the end of 2014. With this, the clear distinction is made for the first time, focusing more on the fact that Airbnb is supposed to have an impact on the available housing stock.

2. There are relatively consistently multiple values equally at stake What can be seen is that especially Safe and peaceful have a very similar occurrence path over the time period. The fact that these public values have been specifically mentioned combined in the memos by city hall but also in the earlier frame 'Eerlijk, Veilig en Rustig' can be seen from the patterns as indicated in figure 4.4. The fact that the media copies these frames rather easily could explain the similar occurrence.

3. Airbnb needed a certain level of existence and recognition to get noticed by local authorities Airbnb exists since 2008. No matter the fact that the official Dutch page was only launched in [cite this and right year], people were already using the platform where it was available. People were also able to make listings in Amsterdam, and so they did. The curve of the number of listings and when Amsterdam as a city first

started to notice Airbnb indicates that there is a certain level, a tipping point, that puts you into the picture as a company. Although this type of accommodation was already being provided by websites like CityMundo and Booking.com, the introduction of Airbnb only causes an increased interest and recognition. What can be seen in figure 4.6 is that little understanding of the platform in the beginning also led to little fuzz and confusion regarding what to call it.

4. Level playing field and safety are often mentioned in ‘one breath’ As earlier elaborated on, it clearly follows from various activities in the early stages of Airbnb’s development in Amsterdam that the traditional hospitality industry has its first concerns with accommodations offered through the website. What is visible is that safety and level playing field are co-occurring frequently in pieces published. Especially in the hotel industry news fragments it becomes clear that lack of fire constrictions and not paying tourist tax are the two things most complained about. Both issues would lead to unfair competition and hotels unintended and unbearably competing with an increased supply. Following strict safety regulations and paying taxes according to regulations are combined arguments that the hotel industry uses to strengthen their concerns about Airbnb activity. The fact that these two are seen as combined, seemingly fuelled by the hotel industry, changes as of the introduction of the voluntary tourist tax collection by Airbnb as part of the deal by the end of 2014. As an effect, the impact that Airbnb has on housing scarcity gets far more attention in the aftermath of the MoU.

5. Platforms more consistently use the same frame for Airbnb and how it should be dealt with The analysed period indicates the start of Airbnb in Amsterdam, but not necessarily the start of Airbnb itself, which was in 2008, albeit in San Francisco, United States (Gallagher, 2017). Airbnb in this context already had formulated a business story on how to sell and offer their product to society. This story had to stick and be in a way that it made the company stand out and unique. Glossary such as ‘live like a local’, ‘a local experience’, ‘belong anywhere’, ‘earn a little extra’ and ‘sustainable travel’ have been used by Airbnb frequently to put their service in a frame (Airbnb, 2013). In comparison, the city of Amsterdam as a body has multiple issues and cases simultaneously. For such a stake holder, formulating a frame that describes perfectly well in all the existing frameworks what it means can be time consuming and challenging¹. Overall, public decision-making, with its wide scope is far more complicated, resulting in more uniform frames for Airbnb in comparison to Amsterdam. Automatically, Amsterdam is behind as a result, which puts them in the reactive position. Likewise, it becomes clear that Airbnb only uses positivity in describing what they have to offer. Amsterdam on the other hand, does not have to keep one position, and shifts from positivity to more negativity over time, consequently changing frames as well. Moreover, the city of Amsterdam tends to use a more positive tone in the earlier years when announcing the new category, although in city hall meetings afterwards, the debate is immediately moving further on and raising new concerns which causes a more critical tone.

6.1.2. Stage 2: minor attention

1. Events are translated into values to put more emphasis on the topic The fire in the Amsterdam residence summer 2013 which was believed to be an illegal hotel had an interesting resonance in public documents. For the city of Amsterdam human lives were suddenly at stake, thus their urge to warrant safety of its citizens led to increased FTEs to battle unsafe illegal hotels. The hotel industry saw their service ‘hotel’ being put into bad light by the mentioning of a fire in an ‘illegal hotel’. What the fire in the residential building in Amsterdam also shows is that the frame ‘illegal hotel’ is a methodology of raising awareness for a topic which is not necessarily immediately related. Frames are in this sense used to make the event more heavy and blame someone other than the fact that this could also just have been a small accident. What if it was just a Polish family living in that house? Then no-one would have connected it to the illegality of having tourists stay in residences.

2. Social traveling has an increased occurrence during early summers When looking at figure 4.6, there is an more frequent use of ‘social traveling’ in particular during summer. Pushing this frame in summer to promote new trends and holiday ideas labels social traveling as a positive frame for accommodations that can be found on websites such as Airbnb.

¹The fact that multiple departments within city hall have to agree operating from their own different perspective complicates this even more. This can be drawn back from the fact that the economic department of Amsterdam and the housing department are both put on the same dossier to find mutual agreement terrain.

3. Defining the activity enlarged by Airbnb was how Amsterdam hoped to take back previous control As indicated before, strategic behaviour is largely determining for policy outcomes, when different parties are trying to influence the political debate. When paying attention to the earlier stages of the interaction between Airbnb and Amsterdam to reduce the gap, it was clear that the main issue was that both parties were searching for a definition to the occurring activity. Amsterdam needed this definition to be able to control what people were doing. Airbnb on the other hand wanted Amsterdam to come with a clear definition which it could share with its community to therewith show that they were willing to take responsibility and cooperate (unkown, 2013). In the search for a definition, framing plays an important role and it is interesting to see how this frame bit by bit gets shaped and refined to answer two crucial questions: What is the activity on Airbnb exactly, and how should it be dealt with? As long as Amsterdam wasn't going to set clear rules, people could continue using Airbnb without technically being able to obey or dismiss the law.

4. Individual conversations in 2012 had better outcomes than group sessions Although Deputy Mayor Ossel just tried to get the biggest players around the table at once to get a clear understanding of the market he was dealing with, in combined sessions, it was clear that the disruptive outstander Airbnb was automatically put forward as the enemy by the hotel industry. The fact that the city of Amsterdam later moved on to singular conversations indicates that Airbnb was acknowledged as being something different than the existing accommodation supply companies and that it had to be dealt with separately in order to be successful².

5. In summer the discussion always gets reopened and more visible Albeit people traveling and making trips all year round, the number of listings on Airbnb significantly grows over summer. This goes hand in hand with growing tourism in the city of Amsterdam. It remains unclear whether the growth in nuisance can be specifically linked to an increase in Airbnb activity. Nonetheless, the increase in publications and enforcement on illegal hotels suggest that summer and therewith holiday are linked to extra tourist accommodations and thus Airbnb. Related to the fact that excessive growth of Airbnb calls for action (Gemeente Amsterdam, 2019), in summer representatives seem to be more likely to address the topic.

6. In seek of a clear understanding and definition, research reports are used frequently to clarify activity, but simultaneously raise uncertainty Monitoring published articles in newspapers, it became clear that a lot of emphasis lies on published documents such as research reports, polling and other supporting documents. Not only is it often referred to by the media, politicians also tend to use publications to raise awareness for certain topics. In that sense, publications can also be seen as a frame to dampen discussions. What is written in publications, is in then qualified as 'the truth' and therefore without any doubt indicating the route to follow for governments.

7. The hotel industry started to notice Airbnb first and started to have issues first Both the city of Amsterdam as Airbnb have acknowledged the hotel industry to be the first ones starting to publicly complain about Airbnb's presence in the city. What this implies is that since they saw their pool of customers to fish out shrink, the urgency to raise awareness grew. Although this was seen as a new type of market, the hotel industry saw it as direct competition, since the 'social travel'-hype was part of the growing internet and social media wave embedded in society. Amsterdam relying for 1.3% of its income on tourist tax³, had to hear the industry that was contributing significantly to the treasury. The term 'illegal hotels' was one of the first to be noticed in news articles and in fact relates what is known (hotels) to what is unknown (some other accommodation provision not according to the rules because these are unclear). Long before Airbnb was really known, Amsterdam was already having issues with illegal hotel supply, so in that sense it wasn't anything new. Later on, different issues and external effects start to be noticed, but at first the main focus lies on the fact that these accommodation types don't pay the same tourist tax and follow the same safety rules as registered hotels do (Bronzwaer, 2014). The foundation of ABBA already in April 2013, is a clear example of the responsive accommodation industry trying to protect level playing field. Additionally, the email to city hall in January 2014 also indicates the hotel industry calling for recognition and support. The suggestion that Airbnb, since it offers a different experience, is substituting traditional types of overnight stays has already been successfully studied in literature (Zervas et al., 2017).

²Interestingly, nowadays, Airbnb is positioning itself within the tourist industry as being part of a far larger conversation related to over-tourism, whereas back in the days, it clearly wanted to radiate a 'new type of traveling' and 'a different experience'.

³These are the numbers based on budget plans of 2014 (Gemeente Amsterdam, 2014)

8. Airbnb has in an early stage recognized potential outcomes and benefits from a deal with Amsterdam and acted accordingly The sudden public appearance in combination with the effort to come over from San Francisco to negotiate with Amsterdam city hall shows that it had an excellent eye for where there was something to get. With its globalisation, the distribution of resources of Airbnb was and still is a serious matter of maximum output creation. By looking at the offices Airbnb had at that time, it becomes clear that although being community based, the company itself settles and invests the most in where the market are the largest. A quote from one of the founders, Joe Gebbia, supports this: "For an international business, such as ours, you can't localise without a local. That was a hard lesson for us. We had to be closer, physically present, which is when we put teams on the ground" (Dredge, 2013). This quote dates back to June 2013, in which Airbnb's international expansion with offices in Paris, London, Barcelona and Copenhagen was long going (Airbnb, 2012b). Should expansion in Amsterdam be important from a business perspective, a local office would be logically to have been established here as well. At a later stage, Airbnb somewhat adjusted its tactics to additionally focus on markets where disputes were likely to erupt and where Airbnb as a company was under fire (Airbnb, 2015b). Flying in Molly multiple times show that there was definitely something to 'get' in Amsterdam from an Airbnb perspective at that point. A complimentary observation that more gets done and the process is more effective when Airbnb representatives are in Amsterdam shows that Airbnb's focus point strategy was effective accordingly. Should there have been a more an ongoing discussion, it would have been expected to position a full time employee in Amsterdam focusing on policy. This was only done later in 2016. This illustrates the multi-level dimensions within Airbnb as a company and how top level prioritization can be detected.

6.1.3. Stage 3: Crisis

1. When a certain phenomenon is still undefined, more frames circulate A couple of frames have been frequently used over the entire period between 2012 and 2014, emphasizing their importance and relevance in relation to the activity that can be found on Airbnb. On the contrary, before the establishment of the third category, there was a more diffused usage of frames with some additional frames even only used in the short period between actual recognition and the third category 'vakantieverhuur'. Frames such as 'amateur hotel' and 'hobby hotel', 'sleeping with a stranger' and 'luxurious couch-surfing' know a short lifespan⁴. The figure 4.6 illustrates what frames are used over a period of time if they have been used at least 10 times in total. Taking into account that more articles have been published from 2013 onward, it becomes clear that as of Q2 2014, certain frames aren't used anymore further on the time-line. Most obvious is the phase out of the frame 'social traveling' as of 2014.

2. Airbnb activity is referred to with already existing terminology Long before Airbnb was really known, Amsterdam was already having issues with housing fraud and illegal hotel supply. What can be noted is that at first, listings on Airbnb that are intensively booked over the year are also seen as illegal hotels, purely since there isn't a clear understanding of what else it could be, and to regret of the existing hotel industry feeling their image to be damaged (Lindner, 2012). This shows by numbers of the complaint hotline Zoeklicht, which received little ten times more complaints on illegal hotels versus holiday rental (van Dijk, 2015). A definition of illegal hotels by Amsterdam during its investigation in 2012 caused some hick ups and confusion with local people; was holiday rental all of a sudden not possible anymore? Amsterdam had to set this clear, and partly therefore continued its investigation into home sharing, at that time seen as part of the social traveling wave that got really popular over the summer of 2012 (Veldhuizen van Zanten, 2013). Moreover, analysing all publications, it becomes clear that fire safety is used in relation to illegal hotels. Interestingly, illegal hotels are described as residences which are permanently used to offer overnight stays to tourists and are not inhabited anymore (van Pinxteren, 2013). In this description, safety issues are not necessarily mentioned. Nevertheless, that is what the hotel industry has raised as one of the most important issues related to illegal activity via platforms such as Airbnb. Judging based on previously known references is also known as the 'anchoring effect'. Albeit the information not necessary to determine a certain outcome, the fact that it is known influences the outcome and causes cognitive bias (Strack & Mussweiler, 1997). In general, all people understand what an illegal hotel could be. In line with this, in documents published by city hall, some of the frames that Airbnb has introduced are copied. 'live like a local' is often referred to and therewith accepted as something that should be possible and beneficial to everyone. In this case, Airbnb is a 'feeder' of frames to describe

⁴These frames have been translated directly in English since their specific meaning in Dutch is not further taken into account for this research. They only occurred once or twice in the first few months of 2012 or even before.

social traveling and Amsterdam city hall is likely to adopt this related to the fact that it has little other reference frameworks to use. In that matter, Airbnb has successfully pushed its frames from the beginning on and therewith adequately safeguarded its image and created recognition that it needs as a business to survive.

3. Amsterdam frames itself as being welcoming in public documents about home sharing "Ruimte voor gasten" (room for guests), "Ja tenzij" (Yes, unless), and "addition to the vision of Amsterdam to be an open and connected city" lead to Amsterdam being accepting towards Airbnb (Eefting & Grummel, 2013). All parties in city hall agree that Amsterdam as a city should acknowledge the new way of traveling of nowadays and therefore meet the expectations and wish of people to have a more local experience and stay somewhere else than in the centuries-old hotels. Nevertheless, it gets also picked up by the media, that the city previously was publicly battling illegal activity and sending out warnings. In addition, there is a clear pique of positive frames visible around announcing the 'legalisation of home sharing' as the deal with Airbnb often gets referred with.

4. As long as Amsterdam has no solution to take legal actions towards Airbnb, they seem very confident with their "US based platform" -frame With the US-based platform frame is meant that the company is bound by U.S.A. laws, as well as the fact that it operates as an open platform; a facilitator, and can therefore not be held accountable for its content. With referring to their rights, Airbnb basically sets aside issues related to data sharing and platform liability, and labels it as solved on a short basis. Prosecution is known for taking long. In addition, the material Amsterdam would have to sue Airbnb on, would be fairly new. No judge in the Dutch content would easily know how to deal with this type of lawsuit. Airbnb as a rapid company has for the time being set Amsterdam in check, knowing it cannot play a check-mate, but taking the win on the short term, since finding the way out would give them some serious amount of time to come up with another strategy.

5. Multiple external events in a short period of time accelerate actions of both parties The yellow boxes indicating external events are consistently occurring on the time-line, but an extra peek in overall 'blocks' goes hand in hand with multiple external events. Parties responding to external events that suddenly unexpectedly have an effect on a certain situation is in essence to be expected; responsiveness to certain situations shows the ongoing process of 'fire-fighting', especially in a situation where outcomes and success is still fragile, such as the establishment of an eventual policy. What it additionally implies is that in reality it is hard to follow a certain vision resolutely over time: parties have to give in to a certain degree of uncertainty along the way, which emphasizes the fact that policy cannot be objective in the first place.

6. Both parties are leaning on court rulings to give body to the debate and secure their positions The court ruling by the Court of Justice, stating that letting residences to tourists is a type of business exploitation in October 2013, give the impression in press to clearly give a warning sign to hosts. This is seen as the first signal that the activity isn't just done without any consequences. Although the first actual lawsuit against the city of Amsterdam and its regulations takes place in 2015, it becomes clear that due to ambiguous rules and especially wording, people feel more comfortable to use legal action to back the city in a corner. Vice versa, although city hall would wish to raise the fine amount, or put a strict boundary of 60 days on home sharing, consulting lawyers as part of the entire consultation round on private rental shows insecurity from city hall on what is possible and what isn't. The legal activities show the simultaneous process of trying to make regulations put in place more robust over time. What it also speculates, is that for city hall to gain legal recognition, makes them a more feasible opponent. As city hall members put it into words during their discussion; there is way more money to earn a week with a well executed illegal home sharing than one fine (Gemeentebld Amsterdam, 2014). €12,000,- fines are relatively small compared to a possible €14,000,- which is believed to be easily earned. In addition, it becomes clear that the amount of man power available is not sufficient to 'scare' people of getting caught (Veldhuizen van Zanten, 2013). The clear boundary of a number of days that immediately becomes an issue after the new legislation is voted for, is specifically not filled in legally and of 'indicative nature', which shows again the uncertainty regarding legal actions that can be taken (Gemeentebld Amsterdam, 2014).

7. Amsterdam is not given the information that they say they need Growth was according to Amsterdam officials the largest incentive to take further actions on Airbnb and therefore Airbnb was under close watch (Gemeente Amsterdam, 2019). Although there was consistent growth, the documents published in 2013 after

thorough investigation said that the size of the market wasn't big enough to worry about (Ossel, 2014). Airbnb sporadically publishes numbers on its growth, but it becomes clear that these numbers are not sufficient for Amsterdam city hall to sketch the size and behaviour of the market. Ivens made clear that the use of scraping data of the web is more intensified over the years for enforcement reasons, creating the impression that it needs market data in order to have control over what is happening in Amsterdam. The fact that the data issue for enforcement reasons was THE stumbling block in the negotiations towards the MoU indicates the importance, but also the dependency on Airbnb as a market figure. In this sense, Amsterdam seeks understanding but therewith also turns in a bit of its independence.

8. Airbnb rarely puts information out in the media, and mostly if they do so, it is via their own channels

Looking at various documents published throughout 2012-2014, Airbnb seems very reluctant in openly giving their opinion, despite being increasingly criticized. This displays the difference in level of transparency that both parties have. Amsterdam as a public body has to be open as part of the democracy, where Airbnb does not have such obligations towards society. The website on which Airbnb posts its reports, press releases and other publications is <https://www.airbnbcitizen.com/nl/>. In addition to their updates here, occasionally a quote gets pushed out. In comparison to city hall, who is actively collaborating with local papers to push out media pieces, Airbnb is rather absent.

6.1.4. Stage 4: Building a new framework

1. "Holiday rental" (*vakantieverhuur*) is becoming a more common definition for Airbnb after the new legislation comes officially into force Roughly, the online newspaper database LexisNexis, counts around 600 articles in Dutch in the period 2012 to 2014. After filtering on Airbnb news in Dutch between 2010 and 2015, an extra filter on 'vakantieverhuur' indicates an increased number of articles that is published with the word 'vakantieverhuur' from half 2014 onwards, which indicates the fourth stage, in which both parties are in seek for a fitting legislative framework.

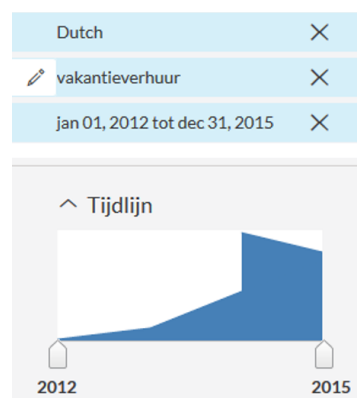


Figure 6.1: The use of 'vakantieverhuur' in newspapers in Dutch on <https://www.lexisnexis.nl/>

This implies that from the official voting of the new category on, the media was increasingly referring to Airbnb in relation with 'vakantieverhuur', which is shown roughly in figure 6.1. Another earlier used frame, social traveling, also often referred to in relation to the new upcoming phenomenon, clearly undergoes a sharp occurrence curve. After the definition, over the entire year of 2015, 'social travel' usage went down with 95% and was only mentioned twice in Dutch articles as can be seen in figure 6.2.

2. The introduction of 'particuliere vakantieverhuur' did not lead to people fully accepting this frame

What becomes clear as of figure 4.6, is that after the introduction of the third category, the media has not necessarily picked up this frame as the only definition for Airbnb activity. More importantly, the more descriptive term displayed in orange, indicates: 'the letting of houses and apartments to tourists'. Seemingly, the frame 'particuliere vakantieverhuur' on itself does not make it clear enough that this type of holiday letting is done in private residences of regular people. This might have to do with the fact that the word 'particulier' (private) is often left out, leaving 'vakantieverhuur', which translates to holiday rental directly.

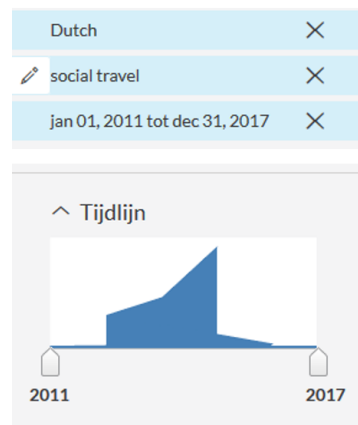


Figure 6.2: The use of 'Social travelling' in newspapers in Dutch on <https://www.lexisnexis.nl/>

3. In the second half of 2014, 'vakantieverhuur' is often referred to as 'unsafe' and causing nuisance What can be seen based on this analysis is that in the second half of 2014, nuisance for Amsterdam citizens gets more recognition and pushed to the front in the debate. It is also interesting to see that private rental is often referred to as people not sticking to the rules, while they have just been put into place. This in fact shows that the newly formulated regulations were already behind on the embedded Airbnb activity in society.

4. 'Eerlijk, Veilig en Rustig' (Fair, safe and peaceful) in these exact same words is only referred to by Deputy Mayor Ossel himself Ossel was the one putting his signature below the letter that went to city hall, and he was the only one that framed all the issues surround private rental in Amsterdam with these three words during city hall meetings. All other members did not take over these exact three frames, and more or less took it to their own interpretation and only mentioned what they found most relative.

5. Airbnb very vocally tried to spread the word that Amsterdam city hall had shown a progressive approach by formulating a third category and accept home sharing In press, except from Airbnb's own press, the announcement on the third category was frequently even referred to as 'legalizing' home sharing. This accurately shows that the additional categorization was picked up as being a big deal. Legality seems to have a high convincing power (Fisher, 1983) and words such as 'revolutionary' and 'pioneering' made it seem exceptional. Almost every publication of Amsterdam, Airbnb has actively responded to with applauding words. This leads to the assumption that gaining legitimacy of home sharing was a big deal at that time for Airbnb. In addition, it leads to the assumption that the suggested *Avoidance* response of businesses in institutional voids can be brought into relation with peer-to-peer sharing economy platforms⁵ (Oliver, 1991). Explicitly, Airbnb wants to show that they are something non-existing, which urges governments to establish new regulations. This builds in some time for Airbnb to grow their business in the unregulated environment.

6. The political change led to prioritization of the topic on the political agenda The coalition agreement was signed June 2014. Looking at the time-line, a second peak can be detected that occurs in the aftermath of mid 2014. Plausibly, the political change brought the topic back to the agenda, since there was room for prioritization in this coalition. Notwithstanding, this peak probably also has to do with the fact that ongoing negotiations were taking place on a possible MoU.

7. Commercial versus private rental is a main point of discussion early on Minutes of city hall and committee meetings point out the concern of city hall on the fact that there should be a clear distinction between incidental rental of regular citizens, and commercial exploitation of people using the platform to run a business (Gemeentebld Amsterdam, 2014; GemeentebldAmsterdam, 2014). The reason for increased skepticism was the unclear boundary between the two. The frames as shown in figure 4.6 shows that also in newspaper there is ambiguity and often even both get mentioned in parallel. Interestingly, framing Airbnb as 'commercial activity' has a more sporadic occurrence in comparison to private rental ('particulier verhuur').

⁵The different responses are explained in section 2.2.3.

Amsterdam has used the word ‘particulier’ in its own eventual definition, which can be seen as a cause of the more consistent use of private rental.

8. In press, obligation to pay tourist tax and ask permission of VVe is often added to the conditions under which holiday rental should be allowed In the description of the ‘yes unless’ memo, there was no clear section on tourist tax in the conditions. Nevertheless, the amount of tourist tax that hotels pay is significantly high, a 5% of the total price, and therefore logic reasoning of the hotel industry is that by not paying any, private home sharers have a huge price advantage and therefore competition position on the market. But not only the hotel industry has an interest in tourist tax being paid. Tourist tax is a vast income for the city of Amsterdam, especially with a growing tourism sector. Their statement to expect an increase of 3 million each year displays their expectations related to tourist tax income (Gemeente Amsterdam, 2014). In the further elaboration of the ‘yes unless’ memo, the conditions have a slight modification, in which the obligation to pay tourist tax is added as well (Ossel, 2014).

9. After a few meetings, Airbnb added a native speaker to the debate as additional representative The addition of the Flemish legal council assumes that there was a need of local language understanding and maybe also cultural understanding. It wasn’t asked for by Amsterdam, but Airbnb seemingly understood that that would speed up the outcome. And it did, because soon after, the first MoU was not only initiated, but also formulated. Since Amsterdam was working on a clear definition of not only the activity, but also the boundary between commercial and amateur letting activity, language may have played an important role in easing things and getting to a better, mutually understanding. If you have a closer look at what English frames Amsterdam has copied, there are only a few to be found in its published documents which are: “social traveling” (not even created by Airbnb), and “live like a local”. “Home sharing”, how private rental is referred to in Airbnb’s home country the USA, has never been used by the city of Amsterdam whatsoever. Nor did its direct translation in Dutch.

10. A deal was more important for city hall than the data needed for enforcement Amsterdam as a city wanted insights. It was actively working on understanding and monitoring the number of people that were making use of Airbnb in Amsterdam, and soon figured that the lack of transparency on the number of nights and listings from Airbnb made it difficult to get the full picture. Nevertheless, when signing the eventual MoU, the lack of data sharing of Airbnb for enforcement reasons wasn’t weighted as heavily as in previous debates. There was an agreement that both parties wouldn’t shame on each other publicly, which put deputy mayor Ivens in the difficult position of defending something they weren’t absolutely happy with. The fact that the MoU wasn’t public at first may have caused increased dissatisfaction with city council members on the position of Ivens in the negotiations with the giant tech company, funnily enough referred to as a ‘multinational cowboy’. There must have been something at stake that made the deal most important by the end of 2014, despite active complaint and critics from colleagues in city hall. Suggestively, the mutual recognition of the importance of a deal made it eventually come to an MoU, as a successful process arrangement. As De Bruijn et al. (2010) indicate, without a double sense of urgency, which exists out of a substantive and a process-oriented component, actors would not be likely to agree on the process. To that end, there should be mutual conviction that 1) there is an issue that needs a solution (substantive component) and 2) that this issue is to be solved through collaboration during a process. The determination of both parties to get the deal done despite negative press and critique illustrate the presence of a solid sense of urgency.

11. When formulating the 2013 memo on ‘vakantieverhuur’, there wasn’t any value to protect at stake (yet) that would have an impact on regular Amsterdam citizens. It was mostly having an impact on the hoteliers At first, both the deputy mayor of economic affairs as that of housing affairs are involved in formulating holiday rental. The active involvement of the alderman of economic affairs suggests that there was also a lot at stake in terms of markets and tourism, which comes also to his responsibility. It can be argued that every element of a society that city hall protects is a public value, and thus also level playing field and fair competition, but when it comes down to the actual voters in Amsterdam, the hotel industry is far outnumbered. This seems to address the fact that the phenomenon was still welcomed by city hall. Although concepts such as housing supply withdrawal and nuisance were mentioned, they weren’t indicated as major issues at the time of writing the memo. The city of Amsterdam has indicated the excessive growth of Airbnb to be a reason for additional regulation and attention (Gemeente Amsterdam, 2019). As they describe it: logically when a phenomenon gets larger and larger, it becomes more noticeable and issues start to raise. The question remains

whether a correlation can be detected between what value is most important and who is most affected by it, and growth of certain phenomena.

12. The political change in 2014 gave room to formulate a strong program on certain topics more than others in order to win voters Taking into account that the majority of housing in Amsterdam is not privately owned but rented ⁶, the majority wouldn't be allowed to rent out their apartment or home anyways, as clearly indicated in the new regulations ⁷. Bearing this in mind, the participation rate in Amsterdam wasn't going to be that high, and mostly shared by a certain group of more wealthy people who could afford a home. The sudden switch to a more communist coalition with SP in it, gave the floor to put more emphasis to anti-capitalistic topics. The issue had been from the beginning that the commercial activity was hard to separate from occasional activity. "A home is to live in", and therefore shouldn't be exploited as some business in itself. The political change was the ideal moment to formulate a strong opinion and direction on Airbnb activity and actively campaign for strict regulations. SP was well represented, and probably also the type of voters that would only experience the negative effects of home sharing and not the positive.

13. Back in 2014, an automatic cap on 60 days by Airbnb on its platform was already discussed, but Airbnb didn't dare to commit yet Knowing that since 2017 there is a voluntary cap on 60 days in place on the Airbnb platform, it becomes clear that back in 2014, Airbnb still had its concerns regarding placing an automatic stop on its website. Looking at the increasing growth of the Amsterdam market from an Airbnb perspective, this might have had something to do with the fact that back in 2014, Airbnb was still trying to protect its supply. As explained, a cap would affect multiple listings currently under exemption, and Amsterdam supply wasn't strong enough back in the day to guarantee a solid supply meeting its demand.

14. When the debate was heating up, things were taken to a more informal, local level to get sorted out Emphasis has to be put on the fact that this change in the interaction process has had a breakthrough effect on the outcomes. Most likely it has something to do with the fact that negotiating was fully done in Dutch now and additionally two people from a more pragmatic perspective took it to the side. Herewith the perception of a more pragmatic standpoint of civil servants in comparison to main political figures is used as foundation (Airbnb, 2019b; Gemeente Amsterdam, 2019).

15. Only the 'eerlijk' (fair) part was approached with a harsh measure of which the outcome was easily to be measured With the tax collection, the argument of Airbnb hosts not paying any tourist taxes was completely off the map. A reasonably simple technical adjustment by the platform, a small investment, would result in a accommodation industry being less effective in their attempts to take Airbnb down. For Airbnb, this wasn't money that was ever to be theirs anyways, and therefore a straightforward consideration. With a closer look to the rest of the MoU, the other two elements, as demarcated by Ossel and his staff, didn't get such a tangible solution in this MoU.

16. Airbnb provides aggregated data whenever the discussion is starting to heat up Airbnb preferably shares data connected to an event happening, to get more credibility and create transparency. It can be detected that Airbnb very precisely times its publications and public performances. Amsterdam is bounded to more classical instruments as a local authority, and from the discussions within city hall it becomes clear that the process of checks and balances slows the responsiveness and threat towards a fast moving platform such as Airbnb.

17. Direct interaction takes place in a sequence of meetings When focusing on the brown blocks, the timeline gives the impression that direct interaction intensively takes place multiple times, after which a pause is to be detected. As indicated before, the effort of Airbnb of only respond to a certain level of priority can be seen as a cause for gathered meetings for a shorter period of time.

⁶in 2014 a total of 386,213 residences were lived in in Amsterdam, of which 70.6% is not privately owned (CBS, 2014)

⁷people have to ask permission to their owner or VVE

18. Airbnb only takes individual action shortly after or before direct interaction Despite the fact that Amsterdam is often referred to as a major destination for Airbnb users, it shows from the time-line in figure 4.3 that Airbnb as a platform is only mobilized as a reaction to either external events or actions by the city of Amsterdam. This seemingly follows from the fact that Airbnb is an American based company, with no office in the Netherlands. At this stage, Airbnb typically shows its interest where most outcome is there to get. If not, they move on to the next city to work with. What is to be expected, is that platforms are aware of the administrative-heavy bodies within local authorities and as a result adjust their strategy. Quick, impulsive action still generates enough result for a longer unknown term.

19. The establishment of the third accommodation category ‘vakantieverhuur’ shows an accumulation of events The time-line above shows among other things when most activity was taking place. Not only does the establishment of the third category cause a lot to happen within the two parties, it also wakens other external parties: it puts the topic back into the spotlight. More direct interaction took place leading to the MoU as well ⁸.

⁸Besides direct interaction, some additional ongoing low key, informal interaction has been confirmed to take place via email (Airbnb, 2019b; Gemeente Amsterdam, 2019)

6.2. Empirical findings London

This section describes the analyses done on the empirical data that is collected as part of the city of London as a case. The observations are based on public documents, the full outlined case description in chapter 4 and the answers to sub-question 3. For London, this 'end point' is indicated by the voluntary cap of Airbnb in London by the end of 2016, as a result of further going negotiations between London and Airbnb, about the enforcement gap to be filled in.

6.2.1. Stage 1: Stable stage

1. Airbnb legislation is more approached from a national level In London the institutional gap was approached very differently, by concluding that regulations in place were having a restrictive impact on a market that was trying to grow. What becomes clear after analysing public documents at most is that the influence on a national level is determining and sensible. The strong will of England to become an economic leader is the red line that runs through its economic decisions, such as on Airbnb activity. In this sense, the national level constantly tries to position and frame its decisions in such a way that no one would want to disagree. Concerns are briefly addressed, but the overall image has been constantly positive. Interestingly, in public documents, both the platform itself get described as what it is essentially that people are doing by using the platform. The UK political system is very centralized in the UK compared to other places. It takes long for legislation to be introduced. The process is a lot slower and because of Brexit, all focus goes to that and the process is even slower. If you think about trying to get anything through Parliament at this time, it is really difficult because there is obviously so much legislation that we are going to have to look at or amend as a result of Brexit.

2. London Olympics was one of the main reasons to think that regulations were outdated As it is stated in the announcement in February 2015: "The current legislation is poorly enforced leading to confusion and uncertainty for householders as to whether their local authority will take planning enforcement action against them for unauthorised short-term letting. This was evident during the London Olympics where there was some controversy over the inconsistent application of the legislation across the Boroughs" (Ministry of Housing, Communities & Local Government and Lewis, Brandon, 2015). Especially in governmental documents, the London Olympics is very often referred to, constantly using it as the main cause that indicated that something had to be changed in order to prevent people from (unintendedly) letting out their homes against the law. In his sense, the Olympic games of 2012 can almost be seen as a metaphor to indicate the utility of allowing short-term rental in London. The Olympics have become a symbolic event of indicating that London was in demand with tourists and that there was increased demand in short-term letting. When looking more into the report posted prior to the announcement of the revision of these short-term letting regulations in London, is that it also sheds light on the Olympics. The fact that these specifically were taking place mostly in London made its increased demand for accommodation a perfect foundation for revising short-term letting regulations. Additionally, it also shows the controversy on a very early stage between the national and the local level. Boroughs are being slammed for being inconsistent in enforcement and over-zealously responding to short-term letting, while the national level doesn't necessarily takes in depth efforts to investigate the issues that are felt on a borough level.

3. In the earlier years, the trustworthiness of Airbnb seems to be questioned often The early articles on Airbnb show very enthusiastic stories about people discovering the merits of this new alternative type of accommodation and traveling. The one consideration that holds people back mostly is whether listing and booking through Airbnb is to be trusted. People are worried that you can list and have people trashing your house or scamming you. Later on, with the implementation of some technological features such as showing real people with feedback and reviews that are given by previous users of the platform, and insuring people up to \$1,000,000. Trust being mentioned in publications first as an indication of doubt, is later on used as an indication of approval. Airbnb itself states to be trustworthy by saying "Airbnb is a trusted community marketplace for people to list, discover, and book unique accommodations around the world."

4. The national government shows a fear of being 'outdated' and 'not meeting the internet age' In the revision proposal, it is stated that as a result of the internet and 'holiday home-swap sites' the GLA wasn't meeting people's desire to use their houses as they wanted. With stating so, it is likely that Airbnb has really gotten to the attention of the UK government and that the urge to meet Airbnb in relaxing regulations was

needed. Suggestedly, UK didn't want to be blamed for being 'outdated' and taking away people's rights in what to do with their homes. In addition, many times the reference has been made to outdated and unclear regulations that were not fitting the nowadays way of traveling. The fact that regulations that were so far outdated really needed to be revised is referred to so often, that it almost seems like one of the biggest fears of the national government to be stigmatised as being conservative and outdated.

5. Airbnb became noticed in London due to increased demand for accommodation during large events

Various articles show increased attention surround large events. Airbnb wasn't really known yet in 2011 and 2012, but since all of a sudden there was a large demand for accommodation by tourists and other visitors, Airbnb was brought to the attention. It was then mainly framed as a way to earn loads on your 'assets' (own home) since people were willing to pay more.

6. Airbnb timed its opening of the London office

The fact that the London office was opened just before the Olympics might seem logical, but it implies a growing awareness from Airbnb that establishing local support would benefit the organisation in generating more attention and thus supply in London and Britain. Airbnb admits that the London office opening was part of a larger expansion strategy, and was explicitly timed to support hosts during the Olympics. In this sense, Airbnb was taking a proactive approach in response to forecasted large demand. The idea of Airbnb rested in fact on the same idea that people tend to look for alternative accommodation types when large events occur in a city. This wasn't thus not necessarily new information to the platform, but they were handling based upon previous experiences.

7. London housing was seen as fundamental issue since it was even guarded on a national level by The Greater London Act 1973

The fact that the Greater London Act 1973 was enabled to protect London housing law, shows that the London housing affordability issue was to such an extent important to the UK as a whole and affecting so many people. In total, 15.7% of people in England were living in Greater London in 2015 (Greater London Authority, 2015). This is a significant number. The focus being so much on London was also as a result of having the national government located here as well. Not only London regulators were located in the city, national politics were also in the heat of the issue and therefore questions and interests could easily be brought to the national agenda.

8. Sharing economy as a phenomenon potentially benefiting economy was picked up early by the UK government

First interest of the UK government into sharing economy was shown already in 2013. [In contrast with nations such as this and this]. By organising the round table, the British governments was showing interest in its potentials. It also shows that the UK was keen to learn from the businesses itself and was seeking for more information and explanation of what it implied and what it could mean to a nation such as the UK. By inviting the industry to the round table, they basically took an approach in which they acknowledged their dependency on external actors that were executing 'sharing economy' practices. By the quote of Osborne stating that the government wanted to support the sharing economy industry in becoming big, the keenness of the UK to get actual grip of the sharing economy becomes clear. By showing support, the government was in fact taking risk and choosing side of the sharing economists without having full information. The UK government pushing for this new economy in its society can be explained by a possible higher aim on an international level, in which the UK tried to increase its economic advantages in contrast to other nations around the world. The fact that Osborne, Chancellor of the Exchequer was leading the round table shows that the main focus point and logic of reasoning behind inviting the parties to Downing Street was on the economy as a hole and potential economic benefits.

6.2.2. Stage 2: Minor attention

1. There was a strong will to give smaller enterprises a chance to do business and make money as part of the sharing economy

The way the deregulation bill and all other measures taken to support the sharing economy were pushed in press, shows that it was part of a larger idea of boosting England's economy in general. People were encouraged to use 'their property' as they wanted and make money out of it is they could. The aim of the government with the entire 'red tape challenge' shows that it wanted to liberalise its system and make it easier for smaller entrepreneurs toe make a little money. Encouragement and economic activity is at core of what the UK tried to establish.

2. Traditional, existing accommodation providers found hygiene and safety regulations as pain points to attack the growing short-term letting industry with The hotel industry was feeling competition and as a result use the argument that advertisements through Airbnb do not have to stick to the same safety and hygiene regulations. Not always do they simultaneously ask for a level playing field on this. To raise attention to the issue, more emphasis lays on the fact that ‘something horrible could happen’ and that tourist staying in short-term let accommodations instead of traditional, licensed accommodations are opposed to a significant higher risk. The level playing field argument also adds tax compliance to the discussion. Nevertheless, it is never referred to as unfair competition.

3. Airbnb responded to the UK government searching for understanding of the potential impact of the sharing economy The UK was openly searching for information on the sharing economy and the effect it could have on society. Airbnb took the effort to collaborate with University College in London to assure that an Economic Impact report would be formulated that would not only catch the attention of the government, but also be well backed up from a scientific point of view. It can be noted that Airbnb recognized the urge for information and responded accordingly. Not only to inform the government, but to also show its importance and share its narrative. They in fact [tagged in] on the affordable housing issue by pushing their activity to support London residents to pay their housing bills in an expensive city.

4. The by the government organised round table led to individual meetings between only Airbnb and governmental representatives Meetings only between Airbnb and governmental representatives were noted to take place after the round table had been organised. It remains unclear whether it was on initiative of the UK or Airbnb, but it shows that the importance of Airbnb as a singular organisation was recognized. Not only on a national level, but also on a local level, the round table had resulted in meetings at the mayor of London’s office. The Greater London Act still being in place in 2014, these meetings likely have been on how Airbnb’s business could be maintained in London, knowing that there was a legislation in place restricting short-term letting.

5. The revision of short-term letting regulations in London was in line with a greater National plan called the ‘Red Tape Challenge’ The London short-term letting regulations were believed to pose a significant amount of blockades and burdens on the economy to flourish. Revising these regulations therefore [fall well in line] with the ambition of the UK to remove as much ‘red tape’ as possible. After getting increasingly attention, short-term letting regulations have become noticed as being unnecessarily blocking people from being entrepreneurial and earn a little extra. The initial intention of the Greater London Act herewith is being pushed to the background. The interest more at stake is to encourage citizens economically, and use any possible way to do so.

6.2.3. Stage 3: Crisis

1. The PWC report resonated the positive impact and potentials of the sharing economy The PWC report on the potentials of the sharing economy is being referenced severely throughout late 2014 and 2015, eventually leading to the Deregulation Act and tax breaks further on. This report is so heavily used, since it apparently gave confidence to whomever, that the sharing economy did have a lot of potential and would have an incredible positive impact in the future. The report not only focused on Airbnb, but the sharing economy in general, therewith linking Airbnb to sharing. The frequent use of this report as a reference leads to the expectation that this report either represented an ideology or was just an easy anchor to hold on to. Essentially, the PWC report filled in a large bit of the uncertainty: It gave enough confidence to assume that the sharing economy was going to be a success. It therefore had significant filling power in relation to the gap in regulation.

2. After the PWC report on the possible impact of the sharing economy on the UK was published, another report was to be commissioned within the department for Business, Innovation and Skills itself When the results of the PWC report showed that there was a lot of potential to get out of the sharing economy, this didn’t go unnoticed by the government. In several statements by the government later on (and in press as well), to support its decisions, the PWC report gets referred to. Assumingly, it played a significant role in convincing members of parliament that the sharing should be looked into. It also is the only source used based

on research, to support the public statements of government with. No other reports showing similar or different methodologies, outcomes and focus points have been taken into consideration. This might suggest that there was already a certain level of enthusiasm to explore the possibilities of the UK economy to expand and to secure its international competition position with, that this report fit perfectly in line with. The department for BIS investigation that followed as a result of the PWC report underlines the effect of additional insights to the speed of policy development.

3. Both Airbnb and local and national government share the belief that it is a positive thing that people should be allowed to rent out their homes on a short-term basis to earn a little extra to pay the bills Where it is especially a positive benefit often mentioned by Airbnb, that allowing people to let out their homes or spare room through Airbnb enables to earn a little extra, it is also picked up by local and national authorities. It assumingly reflects the wish to assure that homes are affordable and that there are multiple ways of doing so. The fact that both Airbnb and the government support this 'earn a little extra' idea makes it a lot easier to communicate publicly about the economic impact that Airbnb is having in London, although in fact, renting out is not allowed in London according to the Greater London Act 1973.

4. The importance of safety is mentioned by the hotel industry but not by the government Although it is not necessarily said that safety wasn't of importance to the government, the amount of time it actually gets mentioned as a key issue is little. On the contrary, it is the hotel industry that pushes for let out residences not complying to safety and health regulations, but the underlying reason for pushing this is assumingly the call for a 'level playing field' in which the same regulations hold for the entire industry and not just for existing hotels.

5. Airbnb is growing as a company and is receiving more issues along the way The growth that Airbnb is going through is remarkable in Europe. Due to numerous factors, its popularity has an immense impact on the number of listings but also the number of people that is using Airbnb when traveling. It becomes clear over time that due to its growth and increased presence, the issues start to increase as well. This growth goes hand in hand with recognition on a policy level and impact albeit positive or negative. Imagining the size of Airbnb now in London a couple of years ago, would likely have given policy makers other insights.

6.2.4. Stage 4: Building a framework

1. Activity of both parties seems to accumulate from Q3 2016 on What the density in 5.1 by the end of 2016 indicates is an active interest and involvement of Airbnb in London. Having an official office here and using the original language of the company, the involvement of Airbnb is easily generated. However, Airbnb's actions can still be referred to as being responsive and more important, 'online'. Airbnb uses a strategy of publishing several reports and publications to not only give wanted data, but to also show support and understanding for the city of London. Taking into account that the Brexit was a fact from June 2016 onward, Airbnb had to raise its voice in order to stay on the political agenda. But what's more; September 2016 indicates the growing concerns on a national level, pushing pressure on Airbnb friendly Mayor Khan.

2. External events in 2015 especially lead to direct interaction When looking at the time-line drawn, it can be seen that especially in 2015, a lot of direct interaction took place. Bearing in mind that the Deregulation Bill went live in February 2015, the direct interaction can be seen as a follow up to establish further understanding of what these shifts in regulations would mean both for a platform such as Airbnb as for London as a city. Knowing that Airbnb had established the London borough working group, part of the direct interaction also involves local meetings with boroughs and authorities.

3. Airbnb shows a responsive approach to various actions by the city of London until 2016 When zooming in on the light blue boxes (actions of Airbnb) it becomes clear that, at peaks, the light blue boxes are always positioned a fraction later than either an external event, direct interaction or an action by the UK. This suggests that Airbnb is responding to a certain extend, to what governments are trying to put in place.

4. Action on a UK level especially takes place in 2015. London is doing little Keeping in mind that the categorization of actions and events might be influenced due to subjectivity, the time line shows an increased number of actions from a national perspective in 2015. It looks like 2015 was the year that on a national level,

the debate on Airbnb and home sharing was on top of the political agenda, possibly as part of the sharing economy measures and Deregulation bill. Individual actions by London are hardly occurring, which could be explained by the fact that London has little power in comparison to the national level.

5. After RLA published the report on the impact of Airbnb on London housing, the possible effect of leading to housing shortage got to the attention of the political debate Although Tom Copley had addressed the possible effect on the housing market in London several times, the impact of the report by the Residential Landlords Association (RLA) was more significant, since members of London Assembly started to ask questions and show concerns. It assumes that either the issue wasn't taken seriously previously and members of London Assembly were awaiting significant evidence, or the fact that concerns came from a different angle touched upon an overlooked part of the issue which was now brought to the attention. Anyhow, the impact of the report was noticeable and increased concerns and political attention to the possible down effects of short-term letting in London through websites such as Airbnb.

6. Airbnb tries to meet all opponents by addressing their main concerns in counteractions Airbnb has used numerous instruments over time to limit the critique it was getting from various directions. Tourist tax doesn't seem to be the largest deal regarding traditional hospitality in London, but safety and health regulations were. Airbnb advertised with handing out free smoke detectors and carbon monoxide monitors to British hosts. Boroughs were complaining that citizens were exposed to amenity loss. Airbnb set up the host clubs, gave instruction sessions and established the good guest guide. Copley was having issues with the 90 days limit being exceeded. Airbnb applied a technical solution by implementing a calendar stop, also referred to as the voluntary cap. Boroughs needed to work out enforcement plans. Airbnb organised the London borough working group.

7. Mayor Sadiq Khan was facing a complicated trade-off to make without even having the power to do so By the second half of 2016, the mayor of London was put in a difficult trade-off position while having to comfort governments on both the national and the city level. From his background as being a labour party member, he felt the urge to protect the London affordable housing supply. From his personal perspective, he wanted to make a difference and be a pro-business mayor. That was more in line with the national level which was demanding him to give the sharing economy a chance and show support, while on a city level, Assembly members and boroughs were sharing concerns and calling for help. That help, he couldn't give, given the fact that it wasn't in his power to pass new legislations. The trade-off that was embedded in a debate in which national level was facing city level, in essence wasn't a trade-off he could make, leaving the mayor with nothing else than to hope for the sector to take its own responsibility. The increased pressure from multiple sides had become more intense over time, as a result of Airbnb becoming more popular and encouraged in London.

8. The deregulation Act on short-term letting in London from a national level seems clear, but the unclarity is moved to a local level with boroughs on enforcement On a national level, ministers and members of parliament are working hard on promoting, supporting and enabling sharing economy practises of which renting out via Airbnb is seen to be one. Nevertheless, the negative externalities are just partly taken into account. The guardrails such as 90 days and liability of paying taxes do not stress upon concerns shared by boroughs such as Westminster and Camden. These more have to do with the fact that the right to enforce and withdraw the flexibility being left with councils is impossible to execute. One of the conditions as formulated in section 44/45 of the Deregulation Bill 2015 is that when there is a strong amenity case, people can be taken away the right to rent out their property for less than 90 days. However, how to build such a case and where to get the information from is not thought of. In addition, the fact that Westminster tried to enforce but was slammed on a national level, shows that the priority of the UK on a national level does not lie with what happens on a local level. The UK is thinking ahead of the 'next generation', while London boroughs more locally are more focusing on the current generation or citizens. Especially the fact that short term renting activity, as it takes place on an internet platform, is very difficult to trace: One is unable to figure out what apartment is being rented out.

9. Tom Copley was asking questions from a housing perspective: no excessive rental, but only when on holiday, to protect housing supply Tom Copley, being spokesperson of the Deputy Mayor of Housing Affairs

in London, has the duty to focus on housing specifically. It is therefore not necessarily unexpected that he is asking questions from a housing perspective related to Airbnb activity. What is remarkable though, is that by doing so, this is the only perspective from which concerns are brought to the discussion on a national level. Copley not referring to for example amenity loss, safety and security puts focus on the 90 days limit being abused and having a negative result on housing supply, as the main issue to the table. Why excessive rental over the limit to be the critical issue is also suggested is because this is the thing on which Airbnb publicly gave in a couple of months later.

10. The 90 days limit wasn't part of the discussion, although it is copied from the old Greater London Act

The UK government was very much in favour of updating the 'outdated regulations in place', referring to the Greater London Act of 1973, which restricts London residents to let out their residence for less than 90 days (Hopkins, 2014). 90 days means a period of three months, which is far longer than the average amount of days that London citizens are expected to go on holiday annually⁹. The 90 days was a limit that was already in place in times of the Greater London Act, and served the purpose mainly to avoid family homes to be permanently turned into short term lets. Letting shorter than 90 days was therefore prohibited. The 90 days limit in that sense was indicating that from more than 3 months on, someone could be considered a long term resident and no longer a short term letter. From this perspective, a three months limit serves as a minimum and serves as an attribute to the person who stays in the apartment: its stay should be longer than 90 days. How the 90 days limit is used in the Deregulation Bill is visa verse. It serves as an attribute to the home owner who rents out the place: If it is less than 90 days a year, the micro-entrepreneur is using his property according to the regulations, to earn a little extra, when he is away for less days than the limit. By sticking to the limit, he is not turning his place into a hotel and is not believed to run an actual business. From 1 day up to 90 days all falls under the same umbrella of short-term letting, although the actual impact can differ much. Although the limit serves completely different purposes, it is still set on the same amount and not 'touched' when regulations on short-term letting in London were revised.

11. UK showed through various measures that it wanted to be the leader in the sharing economy

It was not only with the Deregulation Bill that England wanted to show that it had the ambition to take the lead in the sharing economy, but it undertook several [oopenvolgende] measures in line with this ambition. These measures all have a relatively monetized incentive from a national level: 1) the deregulation bill itself to allow people to decide for themselves what to do with their homes and earn a little extra. 2) the tax free earnings increase from 4250 pounds to 7500 pounds annually. 3) the 1000 pounds tax free allowance for the 'digital age'. This all being in line with the 'red tape challenge', to remove as much hustles to British entrepreneurs as possible, all has a fairly monetary incentive of being adopted. The UK was to be the first country to experiment and implement tax reliefs for sharing economy practises, and thus widely acknowledging the new economy and its significance.

12. Airbnb used a think tank IPPR to support its choice for a voluntary cap

The think tank IPPR wasn't necessarily a very random choice to back up Airbnb's push for its negligible impact on the housing stock in London. In a previous article, IPPR had already stated this outcome (Snelling et al., 2016). Therefore, it served as an ideal partner to push the message that Airbnb wasn't putting the cap into force to acknowledge the possible "Airbnbeffect" on the housing market (because it was negligible), but for different reasons. It wanted to show that it was a good partner to cities and willing to think along in the process of how to regulate home sharing. Although there were still some suspicions that Airbnb felt cornered and forced to take action, the IPPR report supported Airbnb's message and underlined the essence of doing something to prevent the effect of Airbnb on housing from becoming real. Backed up by the IPPR report, Airbnb dared to take action to propagate its narrative of being a good partner and an actively supporting one.

13. Airbnb and authorities look at other cities and what happened there to see how that can help them further

The fact that Airbnb is a worldwide company gives it the chance to test case certain mechanisms in one place, to apply it in another. All governments over the entire world being fairly different, it doesn't necessarily mean that two cities are possibly the same, but nevertheless, Airbnb is making use of active learning. From the government perspective, the relations between similar authorities in different cities are not as strong as those of Airbnb representatives taking care of policy. That doesn't mean that city governments are

⁹The typical UK worker gets off 28 days a year

not in touch and not looking closely at each other. This can be noticed from the fact that other cities often get referred to, to either bring new issues to the political discussion table or to take the outcomes as an example.

6.3. Differences and similarities between the London and Amsterdam case

Although both cases knowingly differ in terms of context, in essence they share the same set up: a platform provider in this case Airbnb is introduced in the market which unlocks an interaction between the two parties to find a way on how to deal with the phenomenon emerging. The purpose of analysing two interaction processes was to be able to generalise findings such as detected patterns, and to move away from it being only case specific. This serves the purpose of this research to detect patterns and formulate hypotheses on how an institutional void is filled as a result of an interaction process between a peer-to-peer platform and a government. This section briefly stresses on detected differences and similarities that have been found during the process tracing analysis.

Similarities:

- In both cases Airbnb mostly has an adaptive approach.
- Direct conversations started as a result of group conversations.
- Both governments seek help from people in the industry by having round tables and consultation rounds, indicating the newness of the topic and the resulted knowledge gap.
- In both cases it was the traditional hotel industry which started complaining first and raised safety and level playing field issues.
- Both countries try to be revolutionary in its own way (Amsterdam on a collaboration, London on the sharing economy), showing a clear motive based on self image.

Differences:

- The legislative power that the city of Amsterdam has in comparison to the city of London is notably higher in terms of formal institutional arrangements.
- In Amsterdam new regulations are added, while in London old regulations are revised.
- Where in the Netherlands Airbnb is framed more singularly, in the UK, things are pushed as being a matching platform, a community, a network.
- It seemingly took way longer in UK to establish something as a result of interaction, because local authorities concerned with the issues are further removed from the national government in the sense that in Amsterdam, both enforcement and regulation is done by the same body, whereas in London it isn't. That's why before raising concerns on a local level actually got to the agenda and got to the point that they could think of something to do, more time had passed.
- In London enforcement lies not with decision-makers such as in Amsterdam, but with boroughs, leading to issues in execution.
- In London Airbnb is seen as part of the wider sharing economy, whereas in the Netherlands it is dealt with solely.
- London has far more optimistic, high over public values it tries to safeguard than Amsterdam, which clearly focuses more on a local level impact.

6.4. Conclusions

The detailed observations given in this chapter give an overview of everything that is happening between Airbnb as the platform and governments when interacting in an institutional void. This chapter answers the explanatory research question 4: *what patterns can(not) be seen within the interaction process between Airbnb and governments?* From this acquisition it followed that 1) both parties hesitate to take the lead and rather have an adaptive approach, 2) external events determine agenda setting, 3) the largest conflict is on enforcement, 4) public and private interests can conflict and are either merged towards each other or drawn apart to emphasize the differences or similarities in point of view, and 5) concept defining is an ongoing process. Table 6.1 shows these patterns in line with the sensitizing concepts found in chapter 4 and 5.

Table 6.1: Total acquisition table of this research

	Concept	Case: Amsterdam	Case: London	Patterns	
Stage 0 – starting condition	-	Progressive, pioneering city in seek of revolutionary collaboration	Combating to be a world economic power	Accepting towards platforms and innovation	- Both parties' adaptive approach determines next steps in the interaction process - There is an ongoing battle of having power to convince the public of importance of values to be dealt with
Stage 1 – steady stage	Values	1. Level playing field 2. Image 3. Safety	1. Trust 2. Customer's choice 3. Tourism	- Airbnb has an open field to increase its recognition - There is no value clearly at stake yet from a governmental perspective	
	Actions	- New short-stay regulations in place	- Opening office - Airbnb buys Crashpadder		
	Frames	1. Rental of apartments to tourists 2. Private rental 3. Social traveling	- "Local travel experience" - "Rent out to strangers while on holiday" - "Spare room"		
	External Events	- Fire in 'illegal hotel'	- Olympic games		
Stage 2 – Minor adaptation	Values	1. Safety 2. Peaceful 3. Affordable housing	1. Trust 2. Customer's choice 3. Safety	- Governments try with an optimistic approach to make the most out of the new phenomena - External events impact what is added to the debate: Unpredictable agenda-setting occurs.	
	Actions	- Consultation rounds as part of social traveling investigation	- Meetings with George Osborne - British Government sets up round table on sharing economy		
	Frames	1. Illegal hotel 2. Commercial rental 3. Social traveling	- "Short-term rental" - "Peer-to-peer rental" - "Match home owners and travellers"		
	External Events	- KHN demands measures	-		
Stage 3 - Crisis	Values	1. Cooperation 2. Innovation 3. Image	1. Safety 2. Modernization 3. Housing	- Battle on conceptualisation of the new market the platform proposes: New wine is put into old bottles. - Governments want to dissent themselves more from the platform - Governments are one step behind and experiment with instrumentation	
	Actions	- Conversations about 'social traveling' between Airbnb and Amsterdam - Intensive search for 'illegal hotels'	- Kris Hopkins announces update on housing law - Founder Nathan Blecharczyk visits London - Airbnb hands out smoke detectors		
	Frames	1. Illegal hotel 2. Commercial rental 3. Rental of apartments to tourists	- "Home owners rent out their spare room" - "commercially letting"		
	External Events	- Presented article about 'ban'	- Traditional hospitality market calls for creation of level playing field - B&Bs call for Airbnb hosts to be subject to existing regulations - PWC report on impact of sharing economy - Debbie Woskow asked for independent review on sharing economy		
Stage 4 - Building	Values	1. Level playing field 2. Innovation 3. Safety and Peaceful	1. Housing 2. Residential amenity 3. Image	- After the establishment of regulations, the interaction continues as a result of dependence - Interaction and increased involvement is needed to reduce the institutional gap	
	Actions	- Memo 'Ruimte voor Gasten' (Room for guests) - Public participation in city hall - Negotiations about collaboration - Signing MoU	- Meetings between Tom Copley and Airbnb - SEUK is established - George Osborne announces two tax breaks - Deregulation Act 2015 - Airbnb establishes London Borough working group - Khan calls for Airbnb involvement - Voluntary night cap on 90 days		
	Frames	1. Rental of apartments to tourists 2. Illegal hotels 3. Private rental	- "Temporary sleeping accommodation" - "Short-term letting"		
	External Events	- Political change - Airbnb is called 'commercial exploitation'	- ITV report on safety issues - Brexit - RLA report on short-term letting - IPPR report on the effect on the housing market		

As table 6.1 suggests, one of the patterns that can be detected in stage one is that of a recognition seeking platform versus a slowly activated government.

Stage two, is recognized by external events and actions that begin to determine the agenda setting on the phenomenon.

In stage three there is an ongoing debate about the conceptualisation of the activity on the platform, which is often affiliated with existing markets and phenomena. Additionally, governments become aware of the fact that they are one step behind and experiment with all kinds of instruments.

In stage four, it becomes clear that the search for a new institutional framework is a time consuming activity, which requires intensive interaction of both parties as a result of interdependence.

6.4.1. Stages of institutionalisation

When dividing the interaction process between the peer-to-peer platform Airbnb and governments into stages over time, this research does the presumption that there has to be a prior stage, a stage 0, that enables the interaction process to take place in the first place. In collaborative governance literature, this stage is also described to contain the 'starting conditions' (Ansell & Gash, 2008). Ansell & Gash (2008) highlight that conditions present at the outset of collaboration either encourage or discourage actors to take part in the collaborative process. Assuming that actors base their incentives to participate on the expected meaningfulness of the results to be gained by collaborating, the prior environment has to lend itself to project effectual possi-

ble policy outcomes to emerge in the future. Starting conditions therefore play a crucial role in the expected participation of actors involved.

Conclusions

This final chapter discusses the conclusions of this research carried out. All sub-questions that were formulated in section 1.4 have been answered in the previous chapters, to lead to the final answer of the main research question. The main research question as formulated was: How do regulations on peer-to-peer sharing economy platforms in an institutional void come about in capital cities? This chapter quickly refreshes the answers to all sub-questions (section 7.1) and gives the final conclusion in section 7.2. This chapter also reflects on the relevance of this study (section 7.3), touches upon limitations (section 7.4), and concludes with suggestions for further research in section 7.5.

7.1. Recap sub-research questions and answers

This research existed out of three parts. In the first part, a literature research study was executed to get a clear indication of the definitions, dynamics and boundaries of this research. By doing so, this research led to insights on what institutional voids are about. In the second part, with an empirical, iterative study, in depth empirical data was collected in a multiple-case study design using various data collection and data processing methods. The final part, part 3 sketches the observations made and what general patterns can be derived from this acquisition that give understanding of the interaction processes within an institutional void. The main research question was divided into sub-questions of descriptive or explanatory nature. The found answers to these questions are discussed in this section 7.1.

1. What are the characteristics and dynamics of institutional voids and policy formulation processes in institutional voids?

It became clear that institutional voids know all kinds of peculiarities, that accommodate multiple complexities of actors involved. Institutional layering in which incremental change of layers in a different tempo, results in institutional gaps to occur. Gaps can be temporary or long lasting. As a result of institutional voids, actors operating in the void can show certain behaviour in an attempt to reduce the institutional gap.

The following processes can occur in institutional voids as elaborated on in section 2.2.4:

- ongoing debate between neoliberalism and welfare state
- search for in between arrangements
- increased participation and democratisation
- dependency on external actors on knowledge sharing
- search for applicable frameworks leads to discussion about these frameworks

2. How are peer-to-peer collaborative economy platform operation environments brought into relation with institutional voids?

Based on the literature in section 2.1, the following characteristics of the interaction process between governments and peer-to-peer platforms are noted:

- The relation is a network structure, horizontally leveled
- Interaction takes place in rounds rather than in linear order
- In these rounds, both parties 'play the game'
- Strategic behaviour may occur because of interdependence

- Uncertainty and resource allocation lead to this interdependence
- The larger context is a factor of uncertainty
- Both parties have different perceptions and objectives
- As a result, communicating in the process is also strategically done

The level of platform liability of the platform's content and thus responsibility to take action determines the process. The institutional void has no clarity on who should take upon what role in what step within regulation. Having high insecurity on the outcome and impact over time, this leads governments to experiment with a mix of alternative instruments. What also can be noticed, is that the strictness of these instruments increases in parallel with the growth of the platform. At first, little pressure is put upon the platform, and open invitations to collaborate on brainstorm sessions are used as an instrument to get insights and thus lower its dependency¹. When the activity on the platform grows, so does its impact and unforeseen externalities. Therewith, the pressure that governments try to put on platforms increases as well. This is done with the aim to essentially accelerate the process towards mutual understanding and reduction of the uncertainty in a void.

3. How did the interaction process between Airbnb and governments develop in an institutional void?

This question was answered in chapter 3 and 4. The analysis of written documents, and the information collected by interviews enabled the researcher to make a chronological story line of all actions and events that took place in the interaction process between Airbnb and governments. Some of these actions and events appeared to have had more influence on the process than others, and to have significantly contributed to reduce the institutional gap. The interaction process development was described on the basis of sensitizing concepts *values, frames, actions* and *external events*. This research suggests that interaction processes between platforms and governments in an institutional void happens along the four stages of institutionalisation as suggested by (Treuren, 2002). It became clear that specifically the last stage of institutionalisation, stage four, was lasting the longest. Here, most shifts and occurrence of different frames and values occurs. In stage 3 external events seem to have the most significant impact. Stage 1 has the least involvement of the government.

4. What patterns can(not) be seen within the interaction process between Airbnb and governments?

In answering this question it became clear that a lot of potential indications of causal interference are embedded in the empirical data of the case description. All observations were made based on three methods of data handling, which enabled the researcher to look at the same data from different perspectives. This was believed to be a fruitful acquisition, as it allowed to address things as the time element and impact of communication. In order to structure the large list of observations made, the stages of institutionalisation are used. by doing so, this research adds to the institutional void literature in recognizing the importance of behavioural change over time.

The following patterns have been detected within the interaction process between Airbnb and governments that indicate how these parties deal with the institutional void situation:

Governments struggle with public versus private contradiction, leading to them experimenting with a mix of alternative instruments over time

In shaping policies, the government as believed to be the guarantee of public values at stake has contradicting conceptions with commercial companies from the private domain on sharing personal data, liability and impact. Platforms operating solely online are on the other hand guarantees of rich private data. Data of citizens being partly known by governments as part of the system, isn't specifically giving any additional insights on activities they undertake, people they meet with and ways they like to use their house. This highly personal data on the web is a widely discussed topic which in essence gives platforms a huge advantage in contrast to local authorities. Where it is the mask for platforms to safeguard this data, for governments it is the sole element that they consider necessary to get grip on the evolving phenomena such as Airbnb. As a result, governments are left with a handful of alternative instruments that they implement either in parallel or in sequence to touch upon complex problems such as enforcement and legal duties.

¹see section 2.1.2

The definition of the concept is an ongoing process in which a new phenomenon is parading as something existing. "New wine in old bottles"

The original saying *old wine in new bottles* is used to illustrate when "An existing concept or institution is offered as though it were a new one" (Wiktionary, 2018). In an institutional void, the contrary is at stake. Lacking a clear definition, the peer-to-peer platform as a new phenomenon gets moulded into what is already known and therewith an entire different perception is created. The search for a definition of the concept is an ongoing process that takes up a serious amount of time of which the importance should not be underestimated. Actors take upon a variety of definitions to essentially share their main concerns or main focus point through that definition. As an example, the essence for a specific actor can lay on different dimensions resulting in different terminology such as *Match home owners and travellers in need for temporary sleeping accommodation*, *Letting your spare room short-term* or *Sharing your home with strangers*.

This research suggests that specifically in institutional voids that occur due to a new phenomenon making its entrance into an existing, non-suitable institutional framework, the conceptualisation process knows an intensive interaction. Especially in stage three, which is indicated as the crisis stage, the recognition that the institutional framework in place isn't fitting any longer, both parties try to push their own interpretation of the concept. While Airbnb constantly tries to through new terminology out, to define themselves as a new concept, governments do not easily pick up this jargon. Governments, being left with only existing institutions for existing phenomena, have a larger urge to conceptualise Airbnb with what is known, in order to speed up the process. For governments being believed to move slower, since they have to deal with multiple strict legislations and courses of bureaucracy, attaching and framing phenomena to existing ones could come as a convenience. As suggested in section 2.2.4, parties operating in an institutional void are searching for in between arrangements, which proves the slow courses of legislation in general terms.

Other patterns that can be detected over both cases is:

Actions and external events are clear causes as part of agenda setting
and that

The platform provider develops an adaptive strategy over time

As elaborated on before, there has been an ongoing debate on whether policy-making should be addressed rationally or politically. Especially in a context where no clear legal boundaries are known and where uncertainty and unclarity have the upper hand, the dependency on random events and actions happening in agenda setting increases. Where no-one is to be blamed for this course of policy-making, it clearly outlines the additional embeddedness of externalities in processes in institutional void. This again increases the uncertainty of the context the process is occurring in, making outcomes less predictable and hard to follow from logic reasoning. Where in the case of Amsterdam the political change in 2014 had a significant impact, in London this was for example the Olympics leading to recognition of the controversy on short-term letting in London. What both cases do show, is that there is an excessive demand for additional information to support decisions made with. In London, the PWC report on the potential impact of the sharing economy, the RLA report on the possible effect on housing prices and the IPPR² report on that similar effect on houses were all reports that decisions were heavily resting upon. As elaborated on in chapter 2, information collection is a logic response to touch upon the uncertainty. In chapter 2 it was assumed that this was mainly a response to be expected to follow from governments, it seems that platforms are also in seek for additional information, but then to adapt their strategy to. In short, the convincing power of the action or external event determines the influence it has. Backing up statements and activities by external scientific reports seems to have the largest effect. This will be referred to as 'unpredictable agenda-setting'.

When someone pictures the actual 'introduction' of Airbnb into a city, this is not at all done with all kinds of bells and whistles. It is not even officially initiated by the platform itself but by users' decision to make use of the facilitation. The essence of a platform being an online facilitating phenomenon, on which people get connected, little physical assets are needed on location to have an active business alive. As categorized by Ballon & Walravens (2009), Airbnb is a type of platform with no control over assets and thus has no ownership, but connects providers that own and control the assets with customers (Ballon & Walravens, 2009). Be it the lack of immediate knowledge on the culture and structure of a city or the lack of resources from take off,

²Institution for Public Policy Research. See section 5.4.4.

Airbnb develops an adaptive strategy as the activity of the platform in a specific city evolves. In 2014, a Harvard Business Review piece, approaching the big sharing economy players, had introduced a number of lobby strategies in order to frame regulations as being restrictive to economic innovation and benefits to especially lower income classes (Cannon & Summers, 2014). Airbnb is visibly following some of the proposed methods such as releasing benefits reports, participating in public hearings, seeking for external credible validation, sharing data and being offensive rather than defensive (Airbnb, 2014b; Codagnone et al., 2018; Gemeentebled Amsterdam, 2013). The importance of having a strong narrative which is continuously pushed, lays in the fact that most platforms have to battle their existing markets. Acknowledgement and understanding requires pushing for additional impact that goes beyond just being substitution for hotels and traditional accommodation suppliers. As Codagnone et al. (2018) indicates, platforms lobby for two narratives simultaneously: that of an innovation of disruptive nature in line with the neo-liberalism ideology, and the community based peer-to-peer stream that presumes trust en social capital from a bottom-up perspective.

In contrast, governments, as being it their function to formulate policies and regulations and in their power to do so, would suggestively have the upper hand in filling a regulatory framework. Notwithstanding, the large complexity and uncertainty within institutional voids, lacking full information leaves governments to also take a semi adaptive approach. Both parties operate in an unstable situation, and specifically choose to drop the issue at time until action is necessary to be taken. As the results of the time-lines at the end of chapter 4 and 5 showed, direct interaction incite actions by both actors. Thus, actors adapt to their environment, which knows high uncertainty, and therefore their adaptive strategy knows cycles of 'collective adaptivity' in which parties interaction helps them to determine the next step in their individual adaptation process.

7.2. How do regulations on peer-to-peer sharing economy platforms in an institutional void come about in capital cities?

What the results of this research outline is that the interaction process in an institutional void is rather filled with complexity. A couple of main patterns can be detected that occur as both actors are trying to deal with an institutional void occurring. Regulations on peer-to-peer sharing economy platforms in an institutional void come about according to the following patterns:

- Collective adaptiveness
- Unpredictable agenda-setting
- New wine in old bottles
- Experimental instrumentation

Table 7.1 shows an overview of the acquisition done throughout this research with the above patterns as a result.

7.3. Reflection

This section evaluates the research process and the methodological and theoretical choices that are made in this research.

7.3.1. Evaluation of methodological choices

From a methodological perspective, this concerns the choice for:

- a multiple case study design
- empirical research with an inductive approach
- a focus point on the interaction process with process tracing

Since the aim is to detect patterns within the interaction process taking place in an institutional void, the complexity of the environment of the study makes the case study method a logical choice. The lack of missing clarity on the 'why' and 'how' these processes are taking place makes it inevitable to first use the case study method to explore possible hypotheses in an understudied field which can function as a starting point for future research.

Table 7.1: Total acquisition table of this research

	Concept	Case: Amsterdam	Case: London	Patterns
Stage 0 – starting condition	-	Progressive, pioneering city in seek of revolutionary collaboration	Combating to be a world economic power	Accepting towards platforms and innovation
Stage 1 – steady stage	Values	1. Level playing field 2. Image 3. Safety	1. Trust 2. Customer's choice 3. Tourism	- Airbnb has an open field to increase its recognition - There is no value clearly at stake yet from a governmental perspective
	Actions	- New short-stay regulations in place	- Opening office - Airbnb buys Crashpadder	
	Frames	1. Rental of apartments to tourists 2. Private rental 3. Social traveling	- "Local travel experience" - "Rent out to strangers while on holiday" - "Spare room"	
	External Events	- Fire in 'illegal hotel'	- Olympic games	
Stage 2 – Minor adaptation	Values	1. Safety 2. Peaceful 3. Affordable housing	1. Trust 2. Customer's choice 3. Safety	- Governments try with an optimistic approach to make the most out of the new phenomena - External events impact what is added to the debate: Unpredictable agenda-setting occurs.
	Actions	- Consultation rounds as part of social traveling investigation	- Meetings with George Osborne - British Government sets up round table on sharing economy	
	Frames	1. Illegal hotel 2. Commercial rental 3. Social traveling	- "Short-term rental" - "Peer-to-peer rental" - "Match home owners and travellers"	
	External Events	- KHN demands measures	-	
Stage 3 – Crisis	Values	1. Cooperation 2. Innovation 3. Image	1. Safety 2. Modernization 3. Housing	- Battle on conceptualisation of the new market the platform proposes: New wine is put into old bottles. - Governments want to disorient themselves more from the platform - Governments are one step behind and experiment with instrumentation
	Actions	- Conversations about 'social traveling' between Airbnb and Amsterdam - Intensive search for 'illegal hotels'	- Kris Hopkins announces update on housing law - Founder Nathan Blecharczyk visits London - Airbnb hands out smoke detectors	
	Frames	1. Illegal hotel 2. Commercial rental 3. Rental of apartments to tourists	- "Home owners rent out their spare room" - "commercially letting"	
	External Events	- Presented article about 'ban'	- Traditional hospitality market calls for creation of level playing field - B&Bs call for Airbnb hosts to be subject to existing regulations - PWC report on impact of sharing economy - Debbie Woskow asked for independent review on sharing economy	
Stage 4 – Building	Values	1. Level playing field 2. Innovation 3. Safety and Peaceful	1. Housing 2. Residential amenity 3. Image	- After the establishment of regulations, the interaction continues as a result of dependence - Interaction and increased involvement is needed to reduce the institutional gap
	Actions	- Memo 'Ruimte voor Gasten' (Room for guests) - Public participation in city hall - Negotiations about collaboration - Signing MoU	- Meetings between Tom Copley and Airbnb - SEUK is established - George Osborne announces two tax breaks - Deregulation Act 2015 - Airbnb establishes London Borough working group - Khan calls for Airbnb involvement - Voluntary night cap on 90 days	
	Frames	1. Rental of apartments to tourists 2. Illegal hotels 3. Private rental	- "Temporary sleeping accommodation" - "Short-term letting"	
	External Events	- Political change - Airbnb is called 'commercial exploitation'	- ITV report on safety issues - Brexit - RLA report on short-term letting - IPPR report on the effect on the housing market	

Although in a singular case study design the researcher can carry out a more detailed study, the multiple case study design instead of a singular one gave the researcher the ability to compare patterns detected over time and evaluate on similarities and differences. This enabled the researcher to verify the first attempt towards generating generally applicable hypotheses. Moreover, it also allowed the researcher to detect whether the fact that the same platform was being analysed in different national contexts nevertheless allowed to make general statements by means of similar pathways. Since London and Amsterdam were both cities in which Airbnb launched around the same time, these two cities lend itself to be quite similar in starting conditions. What can be argued is that the addition of a third or even a fourth and fifth European (or other capital) city would have supported the outcomes of this research significantly. Albeit initially the aim to add a third test case, this research has also found out that analysing multiple cases is a time consuming activity.

Secondly, by the choice to use an inductive approach, the interaction process between Airbnb and governments was reconstructed. Platform specific patterns could be detected concerning the interaction processes, based on actions, values, frames and external events. Although the researcher was having difficulties to accept the qualitative and exploratory nature of this research in early stages, she has come to realisation that the real problem related to research of real time problems and social phenomena such as interaction in institutional voids, is that prior clear understanding of the phenomena is often lacking. As core scientific phenomena can be researched and analysed by using mathematical formula and applications, social phenomena ask for a different approach in which analyses of the actual real life data are often most useful in gaining accurate understanding.

The last most important choice to use the process as the main focus point which put emphasis on the time element within this study. Although it allowed this research to get a very clear understanding of the course of events in an interaction process in an institutional void, it complicates the requires a very detailed research, in which leaving out or missing elements can have an effect on the explanatory power. Although the selection of important decisions and interesting course of events may be a point of discussion, dividing the process into stages of institutional development has been helpful in dividing the lengthy process into understandable parts that eased patterns to be detected that were less exposed to the coincidence of sequence of selected events. On the other hand, due to the lengthiness and call for precision of this research as a result of

centralizing the time element, research over time hasn't been done very often yet. Therewith the researcher has acknowledged the relevance and scientific contribution to literature.

7.3.2. Evaluation of theoretical choices

This research has first explored literature to detect an explanation for the relation between peer-to-peer platforms and governments. Thereafter, a systems approach has been used to detect important concepts of interaction in a policy network. Although it is discussed whether the theory of policy networks is a real theory, since it lacks explanatory power, using policy networks to define the relationship between peer-to-peer platforms and governments has been a deliberate choice. First, the policy network theory has a focus on communication and negotiation in a more vertical set up. Centralizing the fact that peer-to-peer platforms are opening a new type of market for which clear regulations aren't in place, the focus on interaction and building towards consensus explain well the interdependence and multi-actor involvement in an institutional void. Secondly, the recognition of the policy making process not being rational but rather taking place as a result of consultation and involvement of the private sector not only fits the personal preferences of the researcher, but also touches more upon the rising influence of the internet and increased interest in the non-linear course of policy making. What can be disputed, is the fact that although the policy network approach has been chosen to explain the relationship between peer-to-peer platforms and governments, in its research, this 'network' is only analysed by focusing on two focal actors. The general policy network theory presumes multi-actor inclusiveness with an influence on the course of events over time. To delineate this research to the interaction process of the two most important actors has been a deliberate choice. It was believed by the researcher that focusing on the two actors only, would be of greater contribution to understanding how to deal with peer-to-peer platforms in the future. The aim was to conduct the first steps in developing a general theory of understanding the interaction processes in institutional voids to draw recommendations to policy makers upon. The policy network theory has therefore only been used to describe the relationship between actors with. Nevertheless, the importance of influence of other actors that may be involved in the network, *external events* have been taken into account.

When referring to chapter 1, this acquisition has also led to the recognition that additional concepts are at stake when distinguishing a problem to be unstructured in nature. As suggested by Hoppe & Hisschemoller (2018), types of policy problems are distinguished by certainty about the relevance of knowledge, and the consensus on relevant norms and values. This research specifically on institutional voids suggests that problems in voids, which are found to be wicked in nature, do not only involve information and values, but also know complexity in division of roles and definition of concepts. What the process tracing results have shown is that a lack of a clear role division between Airbnb and governments³ complicates the process of establishing a suitable institutional framework. For example, in stage two, when Airbnb as a platform starts to grow and first impacts are noticeable, governments see Airbnb as the experts within their market and want to involve them in the discussion to gain insights. Soon enough, in stage three, it becomes clear that Airbnb's growth is not something easily neglectable, and action has to be taken. Both in Amsterdam as in London, Airbnb is called back to the negotiation table in stage four, when the size of the company and its market significantly is having an impact on the market as a whole. This suggests that both parties remain hesitant in to what level involvement of both parties is needed and efficient. Additionally, the wicked problem as defined in this research, has been recognized to know another complexity; unclarity on concepts. Assuming that problem formulation is most essential when trying to find solutions to problems, to be able to do so, it should be clear what the factor of dynamics causing the problem are. What the process tracing results have shown is that unclarity on what Airbnb exactly is and what it is comparable to (or not), slows the process of establishing a new institutional framework⁴. Secondly, it seemingly results in the public opinion to be easily influenced either negatively or positively based on the definition of the concept at that time. In stage one, the concept is defined as something new and refreshing, with little harm to impose, whereas due to external events and influences from the hotelier industry, the concept definition influences opinions in later stages. This adds complexity to the unstructured problem. Therefore, it is suggested that 'unstructured problems' know more dimensions to be defined except from information and values.

Secondly, institutional void literature has been examined to set out processes that are likely to occur and were taken into account when detecting patterns. Specifically, the focus was led on institutional change and what actors interaction would mean to institutional change. For this, the four stage model of institutional-

³With governments this implies solely Amsterdam in the first case, but implies both the National government and London government.

⁴The delayed process due to issues in understanding the concept is especially noticeable in the longer time-frame that stage four takes upon.

sation has been used by Treuren (2002) is used. This model has been of significant support in dividing larger time-frames into smaller ones. The stages were effectively applicable and assured more detailed observations to be made. Literature available on institutional change has a strong focus on behaviour, but does not necessarily elaborate on any changes of this behaviour in time. This research has indicated patterns that can be detected over time, as table 7.1 shows.

A reflection of the four stages model of institutionalisation suggested by Treuren (2002) leads to the conclusion that stage four automatically covers a larger time-frame than the other stages, since it includes the phase in what a new or adjusted framework has to be agreed upon. Subsequently, this stage involves the most interaction and involvement: parties have to intensively communicate and will apply their strategies in order to establish a framework what's to both parties' interest. Based on this research, it is suggested that in analysing peer-to-peer platform and governmental interaction, stage four should be split up into two separate stages. Stage 4.1 will then include a phase in which the government starts to shape a new framework and interacts with the platform in search for advice. It will end with the establishment of a new framework, which is lacking clarity on execution: the eventual enforcement of Airbnb activity wasn't clear, leading to the 'enforcement gap' not being filled. Stage 4.2 subsequently indicates the stage in which active interaction between the platform and the government takes place. In stage 4.2, the government's dependence on the platform becomes more clear. The rapid growth of the platform calls for inclusion into the debate but more importantly, into the execution itself. All discussions later in stage four between the two parties, are more towards Airbnb taking its responsibility. They have power when it comes to information and impact⁵, and are experts in the phenomenon itself. For further research, is it thus suggested that the institutionalisation of gaps on peer-to-peer platforms is divided into 5 stages: steady stage, minor adjustment stage, crisis stage, new framework stage, additional gap filling stage.

This research has made an attempt in tracing why the two focal actors take action in an institutional void situation. This is defined by the sensitizing concept *values*. The shift in importance of values over time in published documents shows that both parties are experiencing trouble in assuring that the values that are most at stake on their behalf, are picked up by the public. Overall, the shift in importance of values that are discussed in both documents published by the two parties as in the media, suggest an continuous battle of power to influence the debate on the activity on Airbnb. Tracing values and the recognition of these values in published documents over time, does give an understanding of what is seen as most important in what stage of institutionalisation. Suggested is that it supports the stages of institutionalisation in the following way: In stage one, the stable stage, both in London and in Amsterdam, it becomes clear that Airbnb as the platform has a free pass to grow its market and create clearer understanding of its business. Values such as *image*, *trust*, and *customer's choice* scoring high indicate this open approach and little attention to possible need of regulatory changes. In stage two, the first issues start to get recognized. This stage both in London and in Amsterdam shows a high score on safety, which, also indicates successful framing of the hotel industry as Airbnb being unsafe with regards to fire issues⁶. Movement within both parties starts to occur in this stage and in Amsterdam, the possible impact on affordable housing gets pushed higher onto the agenda. In stage three, the crisis stage, a little difference in approach can be noticed by looking at the most important values. For Amsterdam, it becomes clear that the local government tries to push for collaboration and an innovative image, while Airbnb is working on its own image with regards to issues being raised. In London on the other hand, the stage 3's important values indicate the dilemma of the national government's wish to modernize, in contrast with local issues such as safety (which is again mostly pushed by the hotel industry that feels threatened) and housing. In stage four the values at stake show quite clear the main points that have been ingested in the frameworks that have been established at the end of this stage. In Amsterdam this was fairness, which is related to a level playing field at one, innovation on two and safety and peaceful share the third place. In London, it concerns housing, residential amenity and the image of Airbnb.

Another framework that has been used for this research is that of Bressers (2009). The model presumes a more in depth focus on the specific characteristics of actors in an interaction process, which led to a better understanding of actual activity in a situation in which interaction does not takes place according to a rational scheme. The adjustments that have been made to the model suggested by Bressers (2009), were done in order to make the interaction process analysis framework suitable for interaction in an institutional void. Although in greater lines the sensitizing concepts did fit the general idea of Bressers (2004) as he described interaction analysis in Bressers (2009), a view of Bressers concepts have been more generalised. Since this included a study in which the entire course of events was reconstructed, a slight generalisation of concepts

⁵Their community is large and therewith the awareness they can raise for new regulatory changes.

⁶See section 5.3.2 and section 4.2 for the actual arguments of the traditional hotel industry.

allowed the researcher to take multiple effects into account without neglecting any crucial elements. Additionally, the adjustments were made to assure that the concepts were detectable in public documents and did not ask for in depth actor analysis. Since both parties know a certain level of confidentiality and strategic behaviour, gaining specific information on why certain actions have been taken, is unlikely to be easily done. The detailed level of description of the characteristics of actors involved in the interaction is believed to be effective in future studies, but will be a time consuming process when applied over a larger time-frame such as used in this study. Nevertheless, to get a clear understanding of interaction, it has become clear that the framework by Bressers (2009) is of relevance, but not necessarily suitable in a situation in which there is no clear role division yet.

7.3.3. Evaluation of research results

This section elaborates on the relevance of the research from both a theoretical and a societal point of view. As stated in chapter 1, the theoretical relevance of this study is that it focuses on the process rather than solely analysing outcome results in order to formulate strategies how to deal with peer-to-peer platforms. This research is a first attempt in formulating hypotheses that describe patterns occurring when peer-to-peer platforms and governments are interacting in an environment lacking a clear institutional framework. Approaching the handling of peer-to-peer platform Airbnb over time hasn't been done before in such detail and therefore can contribute to the understanding of interaction process in an attempt to reduce institutional voids. With this research, the link between institutional void and peer-to-peer collaborative economy platforms is also made more explicit, in which the interaction is especially approached from an institutional void environment.

Beside a detailed description of the interaction process in London and Amsterdam, which can already support policymakers in understanding and recognizing what course of events have passed, this research also has a societal contribution in that it touches upon a relevant topic. The increased peer-to-peer transactions that take place on the internet is transforming markets and societies. Additionally, new peer-to-peer platforms are still emerging in different cities over the world. Having more understanding of these socio-technical systems with a multi-actor contribution will assist the overall understanding of these platforms and processes. It will support policymakers in making deliberate considerations between beneficial and negative effects on society.

7.4. Limitations

Despite the deliberate choices made to execute this research, it inevitably comes with some limitations that have to be considered while interpreting the results of this research. In general, the fact that this research is of qualitative nature results in leaving large space for subjective interpretation of the researcher which hampers standardization of procedures used (Baxter & Eyles, 1997). This limitation especially occurs as result of the coding methodology used to detect and mark important elements in the qualitative data available. This research made use of hand coding in software Atlas.ti. Although hand coding is the best way to capture actual meaning when analysing text resources mainly, it also leaves room for certain bias. Coding can be in fact rather subjective. The research himself determines what is relevant to the research, what should be neglected and how the data found should be interpreted. The same coding acquisition being done by a different person would result in completely different outcomes (Friese, 2014). Additionally, the values assumed to be communicated through frames have been detected based on own interpretation. Although most values have also been directed mentioned in public documents and thus can be observed empirically, the linkage that has been made between values and its frames is done subjectively which has to be taking into account when interpreting the results and conclusions. Nevertheless, this type of research in which more creativity and flexibility is left to the researcher is inevitable and can be of great value in obtaining in depth understanding of understudied topics in literature. The additional interviews that have been added to this research serve as recognition of some activities, patterns and concepts defined and therefore try to take away the possible bias occurring.

Other limitations have occurred due to the unequally distribution of data. Being left to public articles available, the distribution of articles over the time line is not equal, which might result in frames and values being emphasized on that only have a low occurrence in that specific time segment. This is partly dealt with, by looking at percentages of the total, instead of absolute values. What should also be taken into account is the fact that in some quarters in history, data in general is outnumbered compared to others, to what extent the general patterns deducted from these quarters can be validated is questionable. The articles published in

time can be highly influenced by policy makers and therefore not occur independently of the political debate. Some frames and values only get mentioned when news articles are available in parallel with government publications. Should there be no government publications in place, some frames are unlikely to occur, which automatically leaves to generated peeks in times of governmental publications. Additionally, when analysing data on content, it is possible that the important message can be missed when categorizing the data (Berg & Lune, 2012). It being of static and non-reactive nature, can result in complications related to unraveling the deeper meanings of text. In this research, in an attempt to reduce this possible limitation, throughout the research, the researcher has increased awareness and is detecting certain frames being at stake covering the values as being the 'deeper meaning'. Additionally, the second coding round has brought structure to the analysis of the documents available to minimize the effect of missing important messages. What should also be taken into account is that this research's goal to detect patterns that can further be explored in future studies, is partly limited by the general assumption that qualitative research cannot be generalized to different situations due to its specific context and application (Bryman, 2012; Reichertz, 2013). Despite the study being based on two capital cities located in Europe with a similar accepting starting stage and open interaction with Airbnb, these different countries differ in policy making processes and therefore findings of the multiple case study might not be directly applicable to other cities. Nevertheless, the general patterns that have been detected are believed to give relevant insights for any city in which Airbnb or any other type of peer-to-peer platform is occurring. The aim of this study was to provide starting points for further researchers in what the exact validity of recognition of these patterns in other cities can be tested.

7.5. Suggestions for further research

Expectedly, conducting research results in more questions to be answered than it already tries to do. Thus, based on the conclusions deducted in section 7.2 and the overall insights gathered during this research, this section focuses on suggestions made for further research. This research was executed in an attempt to gather sufficient empirical data to analyse and conclude upon patterns which can be reformulated into hypothesis. The aim of formulating these hypothesis based on this research is that they can be tested in additional research, with the aim to eventually formulate a generally applicable theory on interaction processes between peer-to-peer platforms and governments in an institutional void. Therefore, recommendations for further research can be divided into two types of future research: The same research can be deducted with some adjustments or the hypothesis formulated based on the outcomes can be tested and verified. These two suggestions is elaborated on in the two sections below.

7.5.1. Research with adjustments

As explained previously, for further research, it is believed that exploring the presence of the detected patterns in more than two cases simultaneously will have an effect on the credibility of the outcomes. A third case for example, can then function as a test case in which the detected patterns are set out against a different, third context. Nevertheless, including additional cases can be time consuming and increase complexity.

Another suggestion is to still apply the multiple-case set up, but use two different peer-to-peer platforms instead of different locations. For example, the large peer-to-peer platform Uber has already used in comparison with Airbnb (Condo, n.d.; Edelman & Geradin, 2015; Rauch & Schleicher, 2015; Thelen, 2003). This can be interesting, since the external context will then remain similar, while the type of service that the platform is providing differs, having different effects on society and thus policy making.

Thirdly, this research has used a four-stage model to divide the interaction process in over time. This model came closest to the interest of this research, but it would be interesting to see if dividing the cases into stages over time based on a different type of model will generate similar results. For example, this model has been used based upon institutionalisation theory. For other researches, a model based upon the interaction structure (policy network) could be used.

Fourthly, for this research, a clear distinction has been made albeit on personal interpretation of the beginning and the ending of the interaction process, for delimitation. Nevertheless, institutional voids are believed to never be completely filled⁷. For that reason, this research can also be deducted over a longer time span, which might change the relevance of the division into stages, but can gather additional insights at a time the platform is more mature and embedded into society. When considering this research, the extra effort and time that will take should not be forgotten.

⁷This is also the reason why for this research, the word 'reducing' has been found more applicable than the word 'filling'.

7.5.2. Research into formulated hypothesis

The patterns that this research contains have led to the following five hypotheses that are left for future research. These hypotheses are based on the patterns detected and are recommended to be tested and verified with additional research.

1. There is no continuous dominant actor in the interaction process between peer-to-peer platforms and local governments
2. Agenda setting to reduce an institutional gap related to peer-to-peer platforms is highly influenced by the external environment.
3. Uncertainty about conceptualisation leaves room for the most vocal actor to dominate the on peer-to-peer platform phenomena in terms of terminology and important values at stake.
4. New occurring peer-to-peer platforms that state to be a different market will have similarities with existing markets and be framed that way.
5. Governments will try different types of instruments to first reduce the institutional void by themselves.

7.6. Additional remarks

In analyzing the interaction process, as a researcher, a few remarks had to be made.

"Think big"

The stumbling block of all governments in how to deal with all the effects of Airbnb is not something that struck their minds right at the introduction of the platform to the market. Although its effectiveness hasn't been tested, this acquisition has led to the assumption that in order to better know how to deal with emerging platforms, governments should try to 'think big'. When the initial platform does its entry, governments show take the effort to find the existing market closest to that of the platform. It will help them to get a grip of the topics on what it could possibly have an impact. For home sharing such as Airbnb, this would be tourism, accommodation and space in the city. Subsequently, the peer-to-peer element and the fact that it is taking place on the internet should be added to this wide investigation. It is recommended that a government, subsequently imagines this now defined market to be 10 times the size, or even 20 times. To the researchers impression, that is when all possible problems become clear and a government can find out what to stress upon.

"Discern commercial activity and incidental activity as soon as possible"

Assuming that the platform is evolving rapidly over time which is not in line with the incremental, slow process of legitimization, it is suggested that the regulator at first tries to make a clear distinction between real money makers and innocent incidental users of the sharing economy. This is the fundamental item, with which the charming image of peer-to-peer sharing economy practises can be ensured.



Amsterdam overview Excel

By using the process tracing method, this appendix shows all events and actions that have taken place over the to be analysed period of time: the introduction of Airbnb into Amsterdam until the establishment of the MoU. Tracing the interaction process by using interviews, published documents and news articles as sources, this excel file has served as the storage of all the information gathered along the way. It indicates a table in which the date of the event is mentioned, what exactly happened (content text), what category it belongs to and why the event happened. The last column, serves more as support to the researcher to keep track of all information that has been found.

start_date	content_text	category	Why
2009-02-11	Short stay regulations in place	Internal event Amsterdam	First not allowed but was happening anyways.
2012-06-10	Fire in a home at the Nieuwezijds Voorburgwal. Assumingly an illegal hotel	External event	
2012-07-12	New Short stay regulations in place. To make it clearer	Action Amsterdam	Because things were unclear. Vaststellen of beleidsnotitie was on 5 June 2012
2012-07	Social Travel THE travel trend of summer 2012	External event	Increase of social media and people wanting to stay with a local.
2012-11-01	Ossel announces in letter to city council that he will start information process on vakantieverbuur, and social traveling	Action Amsterdam	Because he assumes that more and more hosts make use of this phenomenon and illegally rent out their homes as an hotel. "Mede reden voor het onderzoek naar vakantieverbuur was de vraag van raadslid Mulder (pvda) of het shortstaybeleid
2012-10-30	KHN demands measures on renting private houses to tourists	External event	They say it is not fair that these homes don't have to stick to the same rules
2012-10	Stadsdeel centrum starts intensive search for illegal hotels in cooperation with VVV, Dienst Wonen, firedepartment, police.	Internal event Amsterdam	Because the number has to go down according to Ossel.
2013-01-08	Publication of the intensive research for illegal hotels	Internal event Amsterdam	
2013-02-02	Article that Airbnb could be banned in Amsterdam	External event	Based on the publication of the investigation into illegal hotels. Their headline got totally
2013-02-15	Conversation between Ossel and Airbnb about possible collaboration on (among other things) illegal hotels	Direct interaction	Because of the letter he sent earlier. https://www.parool.nl/nieuws/airbnb-wil-samen-met-amsterdam-illegale-hotels-
2013-02-14	Onderzoek verhuur van woningen aan toeristen in Amsterdam published	Internal event Amsterdam	In order of Economic Affairs Amsterdam, Freek Ossel, as a result of the letter
2013-04-23	Conversations between Turner, Ossel. Sequel on the conversation of 15th feb 2013.	Direct interaction	Capel (D66) says on 19 June 2013, that he knows that there are a few things that can't be done by
2013-04-24	ABBA is established.	External event	Because they wanted to raise their voice for level
2013-05-21	Social Traveling gets prohibited in New York	External event	
2013-05-24	Amsterdam is warning people for high fines for amateur hotels	Action Amsterdam	
2013-06-04	Resolution B&W, memo 'toeristische verhuur van woningen (vakantieverhuur)'	Action Amsterdam	Ja, tenzij . Allowing incidental renting. Taxes also have to be paid --> Something to get out of it for
2013-06-19	All information gets published that was collected by Albert Eefting to get a better understanding of what they needed to do in Amsterdam to regulate vakantieverbuur	Internal event Amsterdam	Based on the request that Ossel had filed. "Ja, tenzij". All parties (GL, PvdA, D66) agree that it should be allowed, but the boundary between commercial and not, is not clear now. This is when
2013-06-19	Molly Turner speaks in name of Airbnb at commission B&W	Action Airbnb	To respond to notitie: Toeristische verhuur van woningen (vakantieverhuur). People are not able to speak English and respond properly to her. She applauds the city council for coming up with
2013-06-20	New conversations between Molly Turner and Ossel about how Airbnb can help the city to understand what is going on and to make sure the community is aware of what is	Direct interaction	They shared a mock up of a page on which all regulations can be found for home sharing in Amsterdam, to make sure that the Alderman is ok with it and it is accurate.
2013-06-18	Airbnb shares its economic impact study	Action Airbnb	In combination with her speech
2013-07-07	Social traveling upcoming with tourists	External event	Based on the ContinuVakantieOnderzoek (CVO) waarin allerlei nieuwe trends nader zijn onderzocht.
2013-07	ShareNL founded in Amsterdam.	External event	Inspired by Seoul and by their own research which demonstrated an enormous willingness amongst 'Amsterdammers' to share: more than 84%, they started composing their vision for their city as Volgens de vereniging dringt transparantie het grootschalige illegale aanbod terug.
2013-10-11	Amsterdam B&B Association (ABBA) heeft wethouder Ossel opgeroepen om van Airbnb te eisen dat ze meer openbaarheid geven over de adressen van alle verhuurders in	External event	
2013-10-16	Hof of Amsterdam calls Airbnb activity 'Bedrijfsmatige exploitatie'	External event	Because there was a case by an apartment owner in Amsterdam, who sublet his apartment. His VVE said as a result of the voordracht notion vakantieverbuur
2014-01-14	Letter Eefting about 'Ruimte voor Gasten'.	Internal event Amsterdam	
2014-02-13	Particulier vakantieverbuur notion got approved: new category. By B&W	Action Amsterdam	Because it became clear during the commission about the notitie toeristische verhuur, that this was a new category. ABBA was against the 'verruiming

2014-02-13	Airbnb praised Amsterdam in announcement	Action	Airbnb	
2014-02-13	Motion Capel, shouldn't there be a harsh boundary?	Internal event	Amsterdam	Because there is no clarity on the difference between holiday rental and the commercial end of it
2014-05-22	Airbnb will share host data in New York after negotiations	Internal event	Airbnb	An agreement between the city New York and Airbnb
2014-06-07	Airbnb is likely to help Amsterdam. Likely to collaborate end of this year	Direct interaction		
2014-06-12	Coalition agreement signed	Internal event	Amsterdam	Ollegren new deputy mayor of EZ, Ivens of Housing affairs
2014-08-12	Airbnb changes its feedback system	Internal event	Airbnb	To make sure they are only available when both parties have given their opinion
2014-08-30	Volkskrant has done research on 5706 hosts in Amsterdam.	External event		Because Ivens has detected the issues now that the regulations have just been put into place.
2014-09-05	Insurance companies are looking into special Airbnb polis	External event		Despite the 700,000 on Airbnb's website, it seems that you're not insured.
2014-08-21	Ivens announces that 30 illegal hotels have been closed and fines have been collected	Action	Amsterdam	Because woningonttrekking, unsafe situations and nuisance
2014-09-22	Tweede Kamer wants to give sharing economy a chance	External event		They want the government to adjust existing regulations in case it turns out that current
2014-10-29	RoomMate introduces BeMate	External event		travelers can use this site to book apartments managed by the hotel in select cities.
2014-10-01	Ivens and Airbnb have on going negotiations	Direct interaction		Because van der Ree asked what the situation was
2014-10-11	Van Dantzig van D66 proposed the Meldingsplicht during raadsvergadering	Action	Amsterdam	Because it would become easier to evaluate and see what is going on. He also asked for a strict 60 days.
2014-10-28	Coster and Franck together formulate the first version of the MoU	Direct interaction		Because it needed to go to a lower level than they had talked on before.
2014-11	Intensification of the enforcement segment. Instead of 18fte's (1,4 milion savings on enforcement of the last executives, this college is giving them 9-10 extra, and	Internal event	Amsterdam	Because the number of complaints in the first 10 months of 2014 have been 1900, whereas this were only 800-1000 in 2013 as a whole. They currently have 22FTE's
2014-12-09	Publication with quote from molly saying that the existing regulations are complicated	External event		To protect the community of getting fined unreasonably
2014-12-18	Signed agreement Amsterdam and Airbnb	Direct		As a result of ongoing negotiations

B

London overview Excel

in appendix B, the overviewing excel file can be found. This file has been created as a result of tracing the interaction process between Airbnb and governments in London. It covers the introduction of Airbnb into London, until the establishment of the voluntary cap on 90 days, implemented by Airbnb on its website. The excel file consists out of the columns: start-date, content-text, category and why. The last column serves as a note column for the researcher, in which connections between the actions are made more clear. The other column's function speaks for itself and are used to fabricate the time-line that can be found in chapter 5.

start_date	content_text	category	Why
2011-10-02	Airbnb opens an office in London	Action Airbnb	Because it needed people on the ground in Europe. 25-50 people.
2012-01-26	Airbnb announces that it has booked 5M travel reservations and its expansion with offices	Internal event Airbnb	
2012-01-26	Airbnb announces to open more offices to meet its growing power and demand on a local level	Internal event Airbnb	Because there has been demand on a local level by international communities. "The tremendous demand from our community made launching local offices in Europe and Brazil clear choices - being closer to our hosts and guests was a natural response."
2012-02-02	Airbnb throws a launch party	Action Airbnb	To celebrate its London office opening
2012-03-20	Airbnb buys Crashpadder, its targets U.K. competitor	Action Airbnb	one of the reasons: "To corner the market and increase usership during this summer's Olympic games in London." --> See quote further in Article. -----> "We knew that London was going to be a major focus for us in 2012 with the Olympics on the horizon. Now, with the addition of the Crashpadder community we are making huge strides to ensure that thousands of Olympic visitors will have a unique and local experience as Londoners open their door to the world during the games and beyond". - Brian Chesky.
2012-07-27	Olympics in London, which give Airbnb a boost	External event	
2012-07-25	Report by Bloomberg, about Olympics	External event	Because Airbnb has 4,500 booked listings in London during the Olympics, which is 3x the average for the city
2012-11-14	Airbnb announces its neighborhoods	Internal event	
2012-12-20	Airbnb introduces Airbnb Public Policy Blog	Action Airbnb	The responsibility to keep the entire community informed about what Airbnb is doing in cities and neighborhoods around the world.
2013-05	British Government set up a Round Table on the Sharing Economy	Action UK	
2013-12	Airbnb visits 10 Downing Street twice in the past two months (on Jan 2014)	Direct interaction	We're seeking a way to help hosts streamline the tax complexities. They came to discuss policy
2014-01	The Deregulation Bill had its first reading in the House of Commons	Internal event UK	
2014-01-28	Executives have had meetings with George Osborne, staff at Downing Street and the Mayor of London's office in the past few months,	Direct interaction	in an effort to tackle similar regulatory issues as the company's presence grows larger in the UK.
2014-01-28	Airbnb shares Economic Impact report UK	Action Airbnb	To show the positive impact they have in London
2014-02-24	Housing minister Kris Hopkins wants to update "outdated" short-term rental laws	Action UK	To ensure as flexible a market as possible for tenants and tourists alike
2014-02-28	Press statement by Airbnb, on the review	Action Airbnb	
2014-03-20	Nathan Blecharczyk visited Downing Street	Direct interaction	To lobby to modernize legislation, saying that London could become a global example of the so-called 'sharing economy' if the Government takes action to cut red tape
2014-04-19	Britain's bed and breakfast and hotel operators are calling for the authorities to create a level playing field on safety regulations	External event	Read it!!!
2014-04-19	Airbnb is handing out free smoke	Action Airbnb	Comes from the article above
2014-04-27	Demands by hotel and B&B operators that the tens of thousands of people offering flats, rooms and even couches be made subject to all existing regulations.	External event	Competition? And level playing field?

2014-06-10	Reforms for home sharing in London announced	Action London	Early 2014 the gov published a discussion paper on property conditions in the private sector with a proposal to remove the planning restrictions on short-term lets in London
2014-08-15	PWC report on possible effects of sharing economy	External event	
2014-09-30	BIS announces an independent review of the sharing economy	Internal event UK	Because of the PWC report? Interestingly, the review is supposed to be independent, but it led by owner of Love Home Swap, which is a similar home sharing startup
2014-09	Article published that UK is embracing the sharing economy and Airbnb	Action Airbnb	
2014-11-26	Love Home Swap was asked to review the sharing economy in the UK. It got published now.	External event	To make recommendations to central government on 'how the UK can become the global centre for sharing economy'
2014-11-14	Robinson spoke at the EEC14 conference	Internal event Airbnb	To describe that Airbnb is more than just a tech company
2014-12	Tom Copley and Patrick Robinson met	Direct	
2015-09-02	Deregulation bill announced in press	Internal event	
2015-02-10	Tom Copley sends a letter to Airbnb	Direct	
2015-02-10	Borough slams government 'Airbnb' rental reforms	Internal event London	Westminster city council called for the maximum rent period to be shortened while raising fears of London streets becoming 'a chain of default hotels with rooms rented out at exorbitant prices'
2015-02-25	Patrick Robinson sends letter to Tom Copley, member of London Essembly	Direct interaction	
2015-03	Department for Business, Innovation and Skills responses to the Independent review of sharing economy	Action UK	
2015-03-06	SEUK is brought into life	Action Airbnb	Because the Sharing economy needed support. A new trade body with a kitemark for responsible sharing platforms. As a result of the independent review.
2015-07-16	ITV report on safety issues.	External event	They are concerned that hosts are not sticking to the rules. No platform liability, and hosts probably won't even know they have fire restrictions to follow
2015-07-08	George Osborne announces massive tax break to hosts	Action UK	
2015-05-27	Deregulation Act 2015	Action UK	Because they wanted to meet sharing economy
2015-06-10	Host club meeting to discuss new	Action Airbnb	
2015-06	Meeting with Airbnb	Direct	
2015-07-08	Airbnb reports on Tax relief	Action Airbnb	We are grateful for the continued support for the sharing economy from the UK government. Their commitment to innovation and progressive business models that empower regular people and transform individuals' lives are an example to the world. They continue to implement measures that set new standards for innovative cities across the world
2015-08	Meeting with Airbnb	Direct	
2015-07-10	UK gov announces an action group on sharing economy	Action UK	To tweak regulation that obstructs disruptive business models like the sharing economy. He was previously criticised by figures in the tech sector for a lack of focus on the industry
2015-09-21	Question of Tom Copley, on how many meetings there had been with Airbnb	Internal event London	Because he wanted the issue to be dealt with
2015-11-11	Airbnb announces plans for 2016 to create homesharing clubs in 100 cities around the world, as part of its	Action Airbnb	Airbnb wants to avoid lawsuits, and therefore believes that the best way to do this is to get its millions of hosts to rise up on its behalf.
2015-12-07	Airbnb and Uber jointly go to a public hearing with the house of lords	Action Airbnb	Part of a larger consultation round

2015-12-29	the Minister of State for Culture and the Digital Economy, Ed Vaizey MP, announced a consultation on the Government's Digital Strategy.	Internal event UK	The announcement stated that, in early 2016, the Government would be publishing its Digital Strategy, which would be an overview of the Government's digital objectives for the next five years: "Working with colleagues across government it will set the agenda for the rest of the Parliament on digital, so that the UK continues to lead the way".
2016-02-10	Airbnb, Uber and 45 other commercial 'sharing' platforms sent an open letter to the Netherlands Presidency of the Council of the EU	Internal event Airbnb	To demand to be protected from regulatory intervention taken at national and local levels in view of their great contributions to sustainable economic growth in Europe.
2016-02-15	Airbnb has host club meeting to discuss new 90 days rules	Action Airbnb	
2016-02-15	Airbnb publishes a report: the impact of sharing an Authentic London	Action Airbnb	Impact report
2016-02-16	Airbnb at London City hall	Direct interaction	Co-hosted an event to discuss the growing influence of Airbnb on culture and tourism across the city
2016-02-26	Airbnb establishes the London Borough Working Group	Action Airbnb	To promote rules, responsible home-sharing and support regular people who share their homes to pay the bills
2016-03-16	Goerge Osborne announces 'digital tax break', or the "Airbnb and eBay tax break"	Action UK	According to the budget, the rent-a-room tax-free allowance had been frozen since 1997 and is now being increased due to the change in rent prices in the last 18 years. https://www.buzzfeed.com/sirajdato/rent-a-room-on-airbnb-for-longer-tax-free
2016-05-25	Another question from Copley, asking if someone will meet with Airbnb	Internal event London	
2016-06-02	EC says that the sharing economy needs to have a chance	External event	
2016-06-23	Brexit referendum	External event	
2016-07-29	Airbnb supports London of Mayor with his LondonIsOpen in a statement on its	Action Airbnb	
2016-08	RLA report on landlords opening their flats to the open market	External event	
2016-08-11	Airbnb statement of an 24% increase in London visits since the Brexit referendum	Action Airbnb	To show that GB is actually still a popular location. Also to support the LondonIsOpen campaign?
2016-09-14	Ian Wright writes a letter to Khan about the impact of temporary property lets on London	Internal event UK	Because he wants to know whether Sadiq Khan thinks that greater restrictions should be placed on Airbnb hosts.
2016-09-14	Tom Copley asked a question at Mayor's question time about working together with boroughs on Airbnb	Internal event London	Because he wanted to know whether the Mayor would work with the boroughs to ensure that Airbnb sites would proactively work on not violating the 90-days law
2016-09-17	Article in the Times that Airbnb's lobbying tactics were exposed	External event	Because the letter of MPs on Airbnb's activities after growing concerns that the website was increasingly used by professional landlords.
2016-09-20	Airbnb hosts support Mayor of London's open Campaign	Action Airbnb	Because they want to attract visitors even after Brexit. Chris Lehane: Airbnb's head of global policy and communications, said the clubs act as "a voice against the powerful".
2016-10-19	Bunch of questions asked about Airbnb and how the Mayor is going to deal with	Internal event London	Based on an article in press. --> Times, RLA,
2016-10-19	Mayor of London (Khan) responds to the letter of Ian Wright	Action London	Because he received a lot of critics.
2016-10-20	Inside Airbnb owner says that Airbnb is not necessarily driving up rents directly	External event	Because he has the data and thinks it has more to do with gentrification in general
2016-11-17	Airbnb launches trips --> experiences	Internal event	
2016-12-01	Airbnb publishes an independent report into its activities by IPPR	Action Airbnb	Because they got complaints about the effect on the housing market

2016-12-01

Airbnb announces its voluntary cap for entire homes

Action Airbnb

It was already against the law for property owners to let out htier homes on the short term, hotel-style lets without planning permission, if the total letting period was over 90 days per year. But Copley said, town halls didn't have the resources or data to enforce it.

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