Abstract
This proceedings summaries the workshop chaired by MEP Nicola DANTI on collaborative economy. The workshop is a part of the overall work done within the European Parliament in order to deal with this new form of economy in the context of the Single Market.

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1. INTRODUCTION

Ms Vicky Ford MEP, as the Chair of the IMCO Committee, opened the workshop session, pointing at the need to be supportive of this new form of economy that has been widely welcomed by the consumers. Ms Ford stated that following a single approach around the EU would be beneficial for innovation, creating a level-playing field for both the old and the new economy.

Mr Nicola Danti, MEP and IMCO rapporteur on Collaborative Economy, introduced the workshop as part the overall work done within the European Parliament in order to deal with this new form of economy in the context of the Single Market. According to Mr Danti, the Collaborative Economy creates a lot of expectations within its diversities, since there can be observed both global large scale operators and local ones. Until now many advantages can be identified, like the creation of more job opportunities, better access to more transparent services, augmented participation of society and new social links created. The sharing economy is part of the changes going on in Europe that calls for a closer look at our social, industrial and economic models. What is more, the imbalances identified so far need to be corrected in a straight way that creates a common European approach. To that end, some issues need to be resolved, e.g. what is professional and what is not, what this new model entails for consumers and how to properly pinpoint obligations. Mr Danti finally introduced the panel members of the Workshop.
2. KEY CONCEPTS OF COLLABORATIVE ECONOMY

2.1 The end of employment and the rise of crowd-based capitalism

Prof. Arun Sundararajan from New York University offered his insight on the challenges of collaborative economy and its transformative effects on economy and labour, as described in his recent publication entitled “The sharing economy: the end of employment and the rise of crowd-based capitalism”. Prof Sundararajan started his presentation by explaining the change from managerial capitalism, a 20th century model of organizing economic activity in which large organizations that employ people full-time and accumulate resources were at the centre of the economy, towards the new way of crowd-based capitalism.

The sharing economy platforms, according to Prof. Sundararajan, are just an early example of the crowd-based capitalism where a lot of the activities are shifted from within the organisation to a distributed crowd of individuals that combines with the centralised hierarchy in order to provide the service or goods. This leads to a distribution of capital associated with the economy out of the centralised organisation and into the crowd of individuals. Finally, this new economic system is blurring the lines between notions that used to be more straightforward in the past, as for example between markets and hierarchies, since platforms like Airbnb and Uber are a mix of both. Furthermore, the lines between what is personal and what is professional are also blurred, as well as boundaries between occasional/incidental work as compared to traditional full-time work.

In order to illustrate the idea of crowd-based capitalism Prof. Sundararajan gave a few examples showing a shift from the 20th century’s model. The first example concerned the shift from an institution based philanthropic centre to a crowd based one, where the various projects are listed on a platform, like KickStarter, but the funding comes from a distributed group of individuals and not the platform itself. In the context of venture capital there is a shift from traditional players to crowd-based platforms, with a similar trend observed in the banking and finance sector as well, where businesses seeking a loan no longer go to banks but to platforms. Even though the same documentation is needed for a loan through such platforms as through a bank, the funding in this case may come from as many as 200 lenders that may lend (and not donate, since we talk about commercial loans) as little as £20. Additional examples related to car rental industry and short-term accommodation industry. In the first case, every car owner can now become a tiny car rental company functioning through a platform, whereas in the past such companies used to own a large fleet of cars in order to operate. Similarly, short-term accommodation companies used to build or franchise their assets, while nowadays platforms aggregate demand but supply comes from users themselves, offering a variety of property owners that provide the assets. An interesting trivia shared by Prof. Sundararajan illustrating the scale of this industry’s erruption was that Marriott hotel’s listings number 1,100,000 at the same time when Airbnb offers up to 3,000,000, anticipating Airbnb to lead in every metric by next year as compared to traditional players. The last newly arising platform examples were on the food industry, where we can see a platform connecting food growers directly to consumers, and the energy industry, where every owner of solar power panels can be part of the distribution supply network of his neighbourhood, shifting from an institutional centralised model of supply to decentralised individuals.

As highlighted by Prof Sundararajan, a major characteristics of the sharing economy, as a “digital” economy, is that it took digital transformation out of digital industries and into real world ones. Therefore, it has a really broad scope covering a variety of industries, formerly
regulated to a local or state level, where we see new forms of provision of otherwise familiar goods and services.

**Prof. Sundararajan** discussed further the issue of digital trust required by a change of infrastructure. As opposed to e.g. transportation, where traditionally trust was built on a product e.g. railway network, Bla Bla car and similar platforms build their trust on different criteria. As observed in the U.S., Bla Bla car was firstly greeted by consumers with scepticism as it was considered to be strange or even dangerous to get into a stranger's car and trust him to drive you anywhere. Nevertheless, a new basis for individual trust was created, based on a variety of mechanisms like verified identities, feedback reputation systems, transparent profiles of car owners etc. that reversed consumers approach. In a historical overview, **Prof. Sundararajan** pointed out that every time there was a new trust building mechanism, be that trust of the community or family at first, then trust through state intervention with legislation and court decisions, an important transformative impact was observed towards expanding the economy. This is why he strongly believes that we are witnessing an evolution of commercial trust that can similarly reshape the economy.

According to the **Prof. Sundararajan's** research, among implications of the transition from managerial to crowd-based capitalism are: an increase of efficiency in which we use capital, increase in variety which creates consumption hence economic growth and since productivity and variety increases, both growth and economy increase.

Some factors that could lead to reduced inequality and redistribution of capital are: the fact that there is an inherent economic benefit to decentralised capital when for example a simple owner repurposes his own home as accommodation or repurposes his roof as part of the power grid with solar panels. Less inequality could be achieved if the individual owns the reputation he has built and he can set the prices, the next level being the owner actually owning equity on the platform itself.

In identifying some new directions for policy makers **Prof Sundararajan** supports a partnership between government and platforms, acknowledging the strategic position of platforms that sit in between the service and the consumer receiving that service, as critical in better enforcing regulation. Therefore, he suggests a delegation of regulatory responsibilities to platforms in setting, for example, safety measures or providing equal access etc. In addition, it would be more efficient to request platforms to provide a way of auditing themselves in examining compliance with regulations rather than providing the data to the government, creating eventually a decentralised model of execution of regulation.

The last issues analysed concerned the future of work in this new form of economy. **Prof Sundararajan** indicated that recognising the fundamentally different relationship of employer-employee is critical in order to identify the different levels of engagement between platform and individual. This is especially important when thinking how to reshape the way institutions work in order to deal with these relationships, without of course leaving platforms without any responsibility. As illustrated by the McKinsey research presented by the professor, there is an augmenting trend of switch from full time to independent work as a primary source of income, signalling a high need of carefully putting together a safety net to safeguard and protect this new workforce. To that end, according to **Prof Sundararajan**, a new social contract is needed, adjusted to the fact that there will no longer be a single entity traditionally consider as the employer that will cover worker's benefits, instead a company as centralised institution will be replaced by various platforms. However, the goal is not to make these new workers full-time employees but to detach the benefits previously exclusively associated with full-time employment (e.g. pension rights, unemployment benefits, health insurance etc.) and apply them to new forms of independent work.
Concluding, **Prof Sundararajan** expressed the belief that empowering the sharing platform economy with good policy may transform the individual from provider of labour to potential owner of capital, a business of one that owns the capital, but offers the service through the platform.

### 2.2 European economist view on collaborative economy

**Dr Georgios Petropoulos’** presentation focused on the regulatory issues regarding the distinction between professional and non-professional provision of services as well as issues of new employment relationships observed in the Collaborative Economy.

**Dr Petropoulos** firstly underlined the beneficial aspects of the Collaborative Economy, most of them based on the use of technology that removes information asymmetries between sellers and consumers, lowers entry barriers for potential suppliers but also lowers search and transaction costs for consumers. The aforementioned benefits derive from trust created by reputational mechanisms used by platforms. In comparing past to modern business models, **Dr Petropoulos**, identified the element of trust as crucial. More specifically, within past business models where trust and the use of technology was absent, there was a high need to impose certain regulatory measures in order minimize the risk of bad transactions. However, taking into account that the use of technology nowadays can facilitate the creation of trust and safety by removing information asymmetries, puts those rules to the test. Professor mentioned as an example of possibly unnecessary rule the one on fixed taxi prices, which was initially introduced in order to protect passengers from being overcharged by providing transparency with regards to the fare. Nevertheless, this transparency can now be easily achieved through the use of applications that show the exact fare to be paid giving at the same time the possibility to the customer to just accept or deny the service. Those issues should be taken into account when creating new rules to be applied, in order to remove asymmetric barriers, avoid severe market failures and help raise the overall economic gain from this new economy, as suggested by recent studies.

**Dr Petropoulos** moved on to identify some regulatory concerns starting from the impact assessment of the operation of platforms against tradition players in the market. Even though he finds that the previously mentioned idea that sets platforms in the role of regulators is interesting to explore, he pointed out as necessary first step towards that direction the sharing of platforms’ data with authorities in order to better understand their impact on the markets. For example, the reasoning behind the dynamic Uber pricing model can reveal the degree of substitutability between taxis and Uber drivers and provide clarity on the impact of such a platform in real market. Therefore, access to data will bring more trust and transparency whilst it will make it easier for authorities to communicate with platforms and delegate some form of regulation. **Dr Petropoulos** listed a few more issues that need to be addressed from a regulatory point of view, starting with the need to identify which professional services require licencing agreements and examine the necessity of such licencing when dealing for example with safety issues. Another important classification that needs to be made regarding employment is whether platforms are employers or matchmakers.
From a regulatory point of view, according to the expert, a protectionist approach that would protect traditional players at any cost, to the detriment possibly of new business models, should be avoided. Furthermore, he called for a more customer-centric approach, as opposed to a strictly competition-centric one, based on the principles of transparency and clarity, adding that a dynamic assessment is important so that neither traditional players will be forced out of the market nor platforms will become the monopolists of tomorrow. On the contrary, he strongly believes that we need to motivate traditional players to innovate and adopt new business models themselves acknowledging this as an opportunity to provide the appropriate framework aiming at not only regulating platforms but restructuring traditional industries so that they can follow up on the technological evolution.

Touching upon the issues of distinguishing between professional and non-professional provision of services in the Collaborative Economy, a case by case approach was preferable to Dr Petropoulos. To that end, certain criteria may be useful to analyse the different scenarios, among others, the frequency of service, the level of generated income and the profit-seeking nature or not of the service, with an illustrative example given by the speaker in which BlaBla Car seems to be closer to a cost compensation model whereas Uber is closer to a profit-seeking operation.

As recent studies show a substantive percentage of people that use collaborative economy as a primary source of income, the issue of different levels of engagement between platforms and users becomes crucial in defining employment relationships. Once again, a case by case analysis approach is supported by Dr Petropoulos in order to identify whether platforms are employers or just matchmakers, where one needs to examine whether the platform only makes the match while the transaction is completed by the two parties, namely the supplier and the consumer, or participates actively in controlling the transaction beyond a safety motive, with fixing the price, determining duration and setting the terms of transaction being the defining criteria. This element of flexibility introduced in these new forms of employment relationship raises confusion and makes it difficult to distinguish if the platform belongs to the employer or the independent contractor sphere. Therefore, a modern definition of employment is necessary, one that includes the notion of flexibility. Nevertheless, it is important to realise in advance that new rules with new definitions will disrupt the existing business models which will need to adjust to the new reality.

The presentation was concluded with a study on mapping the various digital platforms worldwide. Interesting evidence shared by Dr Petropoulos revealed that Europe is far behind in platforms headquartered within Europe in terms of numbers, employment and market capitalisation, due to the fact that their operation is affected differently on Member States level. Therefore, a European wide approach is necessary, achieved through close collaboration with authorities across member states, keeping in mind that these platforms need clarity should they want to develop and expand their operations in other countries as well.

2.3 The case for regulating the sharing economy

Prof. Dr Guido Smorto in his presentation covered the issue of regulating the Collaborative Economy based on the existing legal framework, examining at the same time to what extent it may need to be clarified or ameliorated. In order to do that it is crucial to understand what the Collaborative Economy really is, or is not, and which are the principle actors involved in it.

The basis for discussion, according to Prof. Smorto, begins with the basic assumption of what Collaborative Economy is being deciphered and put into a European perspective. Starting from the status of employment one can see that peers linked with platforms are not considered to be full-time employees but something different, “prosumers” being one of the
usual terms used. An immediate result of that “assumption” is that professional standards are not applicable to these small scale providers. In a similar manner, platforms are not considered to be service providers but digital marketplaces, hence rules on service providers are not applicable either. In an example given, Uber relied on that “assumption” to avoid prohibition of discrimination in the service provision in arguing that the platform is not responsible to accommodate people with disabilities.

The following part of the presentation switched the focus from the usual basic assumption to the European dimension, where three pieces of regulation are identified as the ones applicable, one for each one of the three actors of the Collaborative Economy, namely the peer providing the service, the platform and the consumer.

The legal provisions applicable to peers stem from the fundamental freedoms of establishment and provision of services and the service directive, where it is stated that restrictions to market access must be non-discriminatory, proportionate and justified. This means that the service directive prescribes rules to be proportionate to the scale of operation, which according to Prof. Smorto, implies the existence of a spectrum between who is a peer and who is a professional, even though, as observed by the speaker, a clear cut rule is necessary as to what the exact threshold is. In that sense, the service directive imposes a rule of making a distinction and actually applying a lighter regime for those peers below the threshold providing services on an occasional basis. In any case, Prof. Smorto stressed the need to simplify procedures and reduce formalities for professionals as well.

The second piece of relevant legislation, the one that applies to platforms, is the E-commerce Directive. Prof. Smorto summed up the basic idea of the Directive in the provisions related to the minimum regulatory requirements for information society services and the liability exemption regime for hosting services absent any active role. As also stated by previous speakers, a case by case approach is to be followed in order to assess whether a platform is just an information service provider or more than that. To that end, the Commission’s recent communication on Collaborative Economy set some criteria e.g. ownership, contract, price etc., which are highly questionable as to their applicability within this context according to the professor, since for instance, ownership usually belongs to peers and not platforms themselves. What is more, an even more important conflict may arise between the liability exemption and the fact that the Commission encourages platforms to act in a more responsible way, since the latter would possibly mean that platforms are not as passive as they should be in order to take advantage of the liability exemption regime. Lastly, the professor criticised the definition of platforms as marketplaces provided by the Commission as inaccurate, since many times platforms may be firms, following a different employment model than the one we are used to, or somewhere in between.

Moving on to the final actor of the Collaborative Economy, the consumer, Prof. Smorto pointed out a paradox of Collaborative Economy, where everybody believes that the consumer is the big winner, even though it is not clear how can the consumer be adequately protected. This problem stems from the fact that consumer protection laws apply only between a trader and a consumer but, as stressed above, neither the provider nor the platform is considered to be a trader. As a consequence, the sharing economy does not seem to fall under the scope of application of consumer protection laws, laws that were developed
in an era of traditional full-time employment. Therefore, a major challenge for the EU, as identified by **professor Smorto**, is to provide clear criteria in distinguishing the role of platforms and the professional - nonprofessional status of users, with a goal to protect consumers in the age of peers.

**Prof. Smorto** admitted that there are certain indications towards the belief that protecting consumers in peer to peer economy may not be a real problem. In support of that belief stands the argument that consumers, knowing that they act in a peer to peer economy, seem to be willing to accept imperfect provision of services. Moreover, since both the provider and the consumer are peers in many occasions, then there is not really a weaker party in that specific relationship. Finally, platforms themselves, as marketplaces, not only have an interest in regulating themselves but they also have the necessary information to do that in addition to showing the will to do so through trust building mechanisms in reputation based systems that lift information asymmetries. **Prof. Smorto** tends to agree with some of these points, he does believe however that these wide spread “assumptions” as described above need to be answered for a better understanding of the Collaborative Economy.

In an effort to respond to those arguments, **Prof. Smorto** added a few more normative questions in order to illustrate that other issues of great concern need to be resolved as well. Firstly, as far as imperfections in the provision of services are concerned, he argued that not only the quality of the service matters, but also issues of safety and health that need to be taken into account and may signal the need for regulation. What is more, even though it has been argued that platforms could mitigate and correct market failures, this may not be the case in practice, therefore, we run the risk of new kinds of market failures and creation of new monopolistic players in the market, along with a possibly disruptive impact.

As a closing remark, **Prof. Smorto** expressed the belief the European Union has all the European laws and CJEU jurisprudence to accommodate the differences of the sharing economy. Nevertheless, guidelines are of high importance in aiding the different Member States or local authorities find specific solutions to their position but at the same time consistent with EU law. Concluding, **Prof. Smorto** suggested that a regulation combining strict rules but also principles is needed, in order to distinguish between professional and non-professional but also accommodate safety concerns respectively. Such a regulation should only come as a last resort after examining alternatives keeping in mind that state action may be needed in order to correct market failures that platforms show no interest in mitigating themselves.

### 2.4 Q&A

**Prof. Dr Helberger** asked **Dr Petropoulos** if he could verify how many peers fall under the professional provision of services and how many do this on an occasional basis, since the eurobarometer gives a figure of 5%.

Dr Petropoulos replied that, even though he does hold any classification figures, the statistics show platforms grow rather fast and seem to attract more and more professional providers.

**One of the participants of the workshop** asked **Prof. Sundararajan** how easy does he think would be to detach social benefits from full-time employment and apply them to independent workers.

**Prof. Sundararajan** supported that the outcome would vary depending on the country that applies this new model as compared to its older social benefits structure. Countries where traditionally the employer would fund the benefits, like the US or UK, could more easily create a partnership with individuals, the government and platforms in proportionately contributing to a dedicated savings fund for an individual according to the time dedicated by the user to each platform.
The European Commission representative from DG Justice and Consumers made the remark that the EC communication included some revised guidelines on the Unfair Practices Directive, according to which, after a case by case analysis there is a way to distinguish whether a platform is a trader or not, hence making it possible to apply consumer protection legislation.

Prof. Smorto, in a short replied, emphasized once more the risk that since platforms may be considered information service providers and peers as not professional, consumer protection laws may not apply. It is important to review the balance of the service provision and the liability exemption regime.
3. NEW WAYS OF PROVIDING SERVICES IN THE DIGITAL ERA AND THE NEED TO EFFECTIVELY PROTECT CONSUMERS

Ms Corazza Bildt MEP, introduced the second panel, urging everybody to think out of the box in accommodating the needs of this booming model of economy, in dealing with fragmentation in the EU and tackling the regulatory challenges so that eventually certainty and flexibility will facilitate the Collaborative Economy.

3.1 Collaborative economy - new ways of providing services and new safeguards

Prof. Dr Natali Helberger, from the University of Amsterdam, offered her view as a specialist in matters concerning digital consumer protection. She started by supporting that traditional values still hold in the collaborative economy since consumers still need to get the right information, still need protection from unfair deals but also some kind of redress is important. She expressed the belief that existing consumer laws are only partly suited to deal with these concerns because some of the mechanisms and the allocation of responsibilities simply does not fit to the characteristics of the sharing economy.

Prof. Helberger pointed out that in order to find out what kind of consumer protection issues are raised and which safeguards are necessary for that matter, it is important to examine what characterises this economy. Acknowledging the diversity of the Collaborative Economy platforms, a few common characteristics were identified, like the decentralisation of providers and institutions, the globalisation of their actions and finally, the new division of tasks and responsibilities between platforms and their users. What is more, since the strong impact of technology is obvious as well as the immense number of data collected, it is easy to understand that such a data-centric industry creates issues of privacy and data protection for consumers. On the other hand, it is in fact technology that makes it all happen and much of it would not be possible without the role of platforms in implementing that very technology. Nevertheless, in order to put the need and justification for an adequate level of consumer protection also in the sharing economy into perspective, professor Helberger raised awareness to the fact that, in the context of the sharing economy we are often also dealing with big multinational companies, profit-driven and large-scale, and that it are these platforms that should be the primary focus of the consumer protection debate.

Before talking about the detriment to consumers, Prof. Helberger felt necessary to point out the advantages that collaborative economy brings to consumers. Such advantages are not limited to reduced prices for goods and services but also mean better services or better access to service while at the same time accommodating concerns related to, for instance, the protection of environment. In contrast to that, as illustrated by the eurobarometer’s empirical evidence, some of the key problematic issues that consumers experience are not
so much related to the quality of the service, but mostly on the difficulty of having actual knowledge of whom you are contracting with and general lack of trust for the Internet.

Two reasons were identified as to why consumer law only goes someway in order to address these issues. Firstly, because it does not apply in many of the cases, as illustrated by previous speakers. The second reason has to do with the way consumer law tends to allocate responsibility for solving these issues with a central actor, the supplier. In the collaborative economy, however, the supply of services is the result of a division of tasks between platform and peers, meaning that it becomes for more difficult to assign responsibilities with one central actor. In addition, consumer law may fail to address some of the important consumer protection concerns in the collaborative economy, such as the importance of establishing trust. In a given example of loaning something through a sharing platform: this is a transaction that is likely to be covered by national rules on loaning, which provide for at least some protection standard, even in a peer to peer relationship. In the sharing economy however, an added difficulty that is not addressed by these national provisions of loaning is how to establish trust with a person that I have never encountered in real life, and that may not even be covered by my national rules on loaning. These are issues of trust of an organisational nature. Establishing trust with a total stranger in a virtual world is totally different from doing so in the real world. It is also an example where peers may rely on the cooperation from the platform.

Two more issues were considered of equal importance, firstly, conflict management across borders but also secure payment, in the sense that people should be secured in their financial transactions. Again, this is something that cannot be guaranteed by consumers themselves simply because they are not the ones installing the secure payment system but the platform is. According to Prof. Helberger, it is obvious that many consumer protection issues need to be resolved in a collaborative manner between platforms and consumer. The same observation derives from the data protection scheme where peers acting in the collaborative economy can only fulfil their obligations to some extent, while they need the aid of the platform in order to comply with the rest of it, by providing the necessary means to keep data and communications secure, and providing e.g. information with which third parties outside the platform the data is being shared.

It is evident thereof that many key challenges remain unaddressed due to this new division of tasks in combination with a global scale of operations. The way forward will be paved in new safeguards in the form of both organisational and technical solutions that help towards a fair allocation of responsibilities between platforms and peers. In examining who should be the one to provide these solutions, Prof. Helberger agreed that platforms have indeed a significant role to play. Platforms have the power to determine the terms of use, the community guidelines that micromanage what is happening on them. In addition, as opposed to consumers, platforms are the ones that can actually install the necessary technical and organisational measures. At least profit oriented platforms can benefit financially from this
process of decentralisation and scaling up, which is another argument in favour of additional, organisational duties of care for these platforms.

The central role of platforms has been hinted in the Commission’s communication where they are expected to enable providers comply with consumer law by designing web structures accordingly. This is considered to be an important point even if set on a voluntary basis at the moment. However, the professor remains sceptical as to how much of responsibility should eventually be delegated to platforms on a purely voluntary basis, especially when it comes to addressing issues of high societal importance. Rather, she argued in favour of formulating extended duties of care, quoting at that point the EESC opinion that platforms should have a duty to make users aware of the risks involved and provide the necessary information to enable them to deal with those risks.

All the above, according to Prof. Helberger, signify a larger trend of thinking in support of added responsibilities for platforms along with a duty to care. She did admit though that, as professor Smorto has already mentioned, there may be a conflict between a more active role of platforms and the E-commerce Directive's liability exemption regime, but she argued that that conflict is less pronounced in the situation of many profit seeking collaborative economy platforms that are too much involved to still easily qualify as mere hosts. In fact, as highlighted next by the professor, platforms already play an active role in providing safeguards that go beyond reputation mechanisms since through their terms of use they micro-regulate what is happening within. In addition, they educate users aiming at providing better services, offer guaranties and insurance which serve as incentives that motivate providers towards the same goal and put into place dispute resolution mechanisms. Finally, technical solutions e.g. reputation ratings and secure payment methods are also present.

A lot of diverse organisational and technical solutions can be already found in the context of Collaborative Economy, a diversity that, according to the professor, may also be a potential challenge for consumer protection. At the moment though, this lack of standards is positive in the sense that allows us to follow the various emerging solutions in real time and identify which ones fit best the needs of this new economy. This does not go however without new challenges being created, as safeguards presented are important but may not be the perfect solution in certain cases. Some examples of problematic safeguards were mentioned, including a case of terms of use in the US where users agree through those terms that negative reviews will not be published. Moreover, in certain occasions more than 70 pages long guidelines were given to users in order to help them act responsibly, which was thought to be totally unfeasible. The indicative list of new concerns for consumer protection provided by Prof. Helberger ended with issues of biases, structural discrimination and fake reviews and last but not least, concerns of private surveillance.

On a positive remark, Prof. Helberger welcomed the current developing work on standards for more transparency on reputation and rating mechanisms, incorporated in various initiatives around the EU, suggesting an expansion of that work on the terms of use and community guidelines.

Concluding, a few recommendations were shared with the audience starting from the importance of realising the role of platforms in setting effective organisational and technical measures and examining the possibility of platforms to be considered partners in regulation, but not on a voluntary basis, rather on a duty of care basis. In addition, Prof. Helberger urged for a high level of consumer protection to be followed, with regard to the collaborative economy, but also for the organisational and technical safeguards that platform establish to comply with the demands of a high level of protection. Finally, she acknowledged the importance of guidance and monitoring, but also a detailed analysis of existing technical and organisational safeguards in order to learn from them, and to signal, where necessary, room for improvement.
3.2 New ways of providing services in the digital era and the need to effectively protect consumers

Ms Sobrino Ruiz from the National Markets and Competition Commission of Spain, started by declaring her optimism about the functioning of the markets. She introduced a study conducted by the Spanish Competition Authority on collaborative economy and two public consultations that have been published until now by her organisation, talking about the impact of this new form of economy on the market and the challenges for consumer protection, acknowledging as important to examine what kind of regulation should be implemented if any is needed.

Ms Sobrino Ruiz highlighted that when we talk about Collaborative Economy we actually talk about economic transactions, through the use of underused goods through multisided platforms and technology, especially the Internet. Technology has allowed lower costs (transaction and search costs) and the development of algorithm by platforms that have result in a more efficient matching of supply and demand. Another characteristic of the sharing economy is that since platforms are data-driven, they have developed reputation mechanisms that help solve the problem of asymmetric information as discussed by previous speakers e.g. Taxis and regulation of hotels. In the past, due to asymmetric information, it was very difficult or costly to obtain information by consumers about a distant hotel, that is why a star ranking system was implemented in order to give information about the service to consumers. However, according to Ms Sobrino Ruiz, nowadays it is possible to get information, even about very specific services provided, through reputation mechanisms. Therefore, we should rethink the use of old regulation, otherwise regulatory costs would be imposing to consumers.

The above mentioned conclusion is also supported by the fact that reputation mechanisms seem to work quite well. In an effort to raise trust by guaranteeing a high level of reviews, platforms have incorporated ways to identify fake identities, but also deal with the “empathy” developed between human beings. The latter, in the context of a review system, may result in biased reviews, for example, users rating high another user in response to a previous rating they received, resulting in reviews that do not reflect an actual judgement on the quality of the service provided. In order to be objective, various platforms have introduced a period in which the rating is revealed so that the users do not immediately know, or never get to know, how they have been rated in order not to affect their own review.

As illustrated above, the importance of trust in this form of technology is a common belief. What is identified as crucial for users by Ms Sobrino Ruiz, is the portability of their reputation. Reputation is hard built through consistency in providing services of high quality, therefore, it should be possible for the user to take advantage of that in other platforms as well. The Study of the CNMC makes a recommendation to allow users’ portability and an interesting provision has been introduced by the French “digital” law towards that end.

Ms Sobrino Ruiz presented next a list of the effects of Collaborative Economy on the markets, the most important being: pro-competitive effects, efficient prices, wider variety and better quality, a boost of innovation and differentiation, but also lower costs, be that transaction or search costs which in turn result in lower prices. In addition, consumers are empowered in terms of variety of goods or services they have access at, but also in terms of information on the quality of the service provided, something helpful in making better
informed choices. Moreover, the Collaborative Economy seems to improve the efficiency and competitiveness in the market as well as traceability and transparency of economic transactions. The latter, according to Ms Sobrino Ruiz, is an answer to critics of sharing economy that tend to use the argument of tax evasion. Since in Europe all payments related to platforms are made online, unlike other countries where cash payments are also possible, all the transactions are traceable and the platforms have all this information. It is not rare, that we see examples of countries that collaborate with platforms to use this information for fiscal purposes like Estonia, while Cities, like Paris or Amsterdam have signed agreements with platforms to collect tourist taxes on their behalf.

In discussing how public administration should behave, Ms Sobrino Ruiz suggested that according to principles of efficient economic regulation, regulation is not always needed. Nevertheless, it is crucial to distinguish when it actually is. The way to do that is look into market failures, like the ones created by asymmetric information that could harm consumers. What is more, in Europe there are some very old laws that may not be fit for purpose, and they need at least to be reconsidered in terms of necessity and proportionality. Ms Sobrino Ruiz strongly believes that we should only resort to regulation when there is no other alternative that would have a less disruptive impact on the market while making the case that these principles should apply to both sector specific and horizontal regulation.

Collaborative Economy has faced a lot of criticism concerning issues of fraud, safety and unfair competition. According to MS Sobrino Ruiz, that cannot hold as a strong argument since all of these things already happen in the different markets of the economy, even without the impact of the sharing economy. On the contrary, collaborative platforms give an opportunity to better tackle these issues through better information, if authorities and platforms collaborate towards that goal.

Ms Sobrino Ruiz concluded that it is important not to deter innovation and newcomers from entering the market and therefore, public authorities should reconsider existing regulation and analyse if it imposes barriers to entry and operate in the market. In addition, sometimes regulation is not needed and the economic agents in the market (the platforms) develop self-regulatory mechanisms, like dispute resolution e.g. BlaBla Car’s inspection on drivers that have low rankings that may be expelled from the platform in order to keep a high standard of quality for the consumers.

3.3 Obligation d’information incombant aux plateformes numeriques

Mr Philippe Guillermin, from the French Ministry of Economy and Finance, shared his experiences on the issues discussed from a French regulatory standing point. His presentation focused on the challenges that arise from the tripartite relationship of peers, consumers and platforms, in an effort to look into which rules apply to each of those levels of engagement.

Mr Guillermin’s firstly distinguished between cases of B2C or C2C relationship since that distinction will determine what the rules applicable are. Traditional consumer laws, as pointed out, do not seem to apply in most cases within the context of the Collaborative Economy since there is no professional party per se involved. In addition to this, according to Mr Guillermin, it will be hard to try to fit peers/suppliers into the scope of application of consumer law, as they will not probably want to be treated as professionals. Eventually, we are left with a C2C relationship which is regulated under general civil law.
As far as the platform-user relationship is concerned, the platform acts in a professional capacity in relation to the intermediary service provided, which is covered by the unfair commercial practices provisions, abusive clauses and those provisions pertaining to consumer rights. The European Commission in its guidelines referring to the Unfair Practices Directive, as reminded by the speaker, provides some help as to the right application of the legal provisions between platforms and users but it is also necessary to keep in mind whether you are looking at pre-contractual information or commercial practices, since there is a bit of ambiguity in how to deal with it properly. Mr Guillermin believes that, taking in mind the increasingly active role of platforms and the change in the way users engage with them, the current legal framework does not guarantee the right level of protection for consumers adding that it is necessary that the issue is dealt with in a European level.

To that end, according to Mr Guillermin, the French government wholeheartedly supports and encourages any relevant European Commission initiatives. One of the directions such an initiative should have would be one that facilitates in giving a certain status to platforms, without however being narrow-minded but open to new developments that may signal a possible change.

In the following part of his speech, Mr Guillermin, presented the recent developments in French e-commerce law with the adoption of the Digital Republic Act that introduced specific obligations for online platform providers. These obligations comprise of improved information requirements for platforms towards consumers on what is on offer and what is not but also on what the rights and obligations of both consumers and platforms are. What is more, this “digital” law sets a rather broad definition of platforms that goes beyond mere collaborative platforms. The target is to cover collaborative economy platforms but not to question the rules of the E-commerce Directive on that. On the contrary, the aim is to strengthen the existing provisions by providing a clearer and transparent principle, linking into the general role of intermediaries but also the platforms role as related to the service provider. In terms of transparency, the law requires information to be given on the contractual relationship and the remuneration of the platform as well as the quality of service and any tax obligations that may apply, distinguishing between cases where consumer is linked with a professional or a non-professional.

This regulation that has been drawn up comes from a consumer’s rights perspective and wants to meliorate the content of the information that was being given to consumers who is linked in by means of the platform. The provisions described above highlight the importance of the quality of the service provided and the state of the platforms in the context of the sharing economy illustrating that the consumer currently knows neither the status of his counterparty nor which rules apply. Interesting to note that this information aims to guarantee a principle of fairness by means of the platforms role and aims at making the transactions safer. Rules have not changed in terms of responsibilities of platforms but based on the existing provisions, strengthened the information requirements. Lastly, Mr Guillermin expressed his hope that the recent legal developments in France will serve as a guidelines for the European Union.
3.4 Collaborative economy - The consumer perspective

Mr Guillermo Beltrà from BEUC, started by indicating that collaborative economy was right from the beginning acknowledged as top priority for BEUC due to its game changing nature. Great that EP is looking it into detail. Try to give thoughts.

Intrinsic added value of EC not only found in companies that we mostly listen about, like UBER or Airbnb but also in hundreds of other innovative platforms scattered around different industries. Important not to lose sight of those changes. Fortunately, the discussion can be done in another level as compared to the past due to the fair amount of statistics and relevant researches, both from European bodies and consumer protection organisations. Such knowledge reveals the augmenting popularity of this phenomenon.

Mr Beltrà shared with the participants of the workshop what is a common belief among consumer protection organisations around Europe, namely the importance of the Collaborative Economy for consumers, but most importantly for “prosumers” being active in this new form of economy. To that end, consumer organisations aim at being a trusty partner of consumers and prosumers in order to help them navigate through the complexities encountered and to raise awareness through events and portals informing consumers.

After briefly listing the benefits of the Collaborative Economy, Mr Beltrà emphasized on the disruptive effect it has on traditional industries, making them “tighten their belts” and provoking the adoption of more innovative ideas, which in the long run is to the benefit of the consumer. Nevertheless, this kind of change comes with a lot of risk, the most important one being identified as the lack of a clear legal regime, something that needs to be resolved as a top priority. A few other examples of risks, according to Mr Beltra, are the danger of the collaborative economy as it is leading to new monopolies and lock-ins and the portability of reputation.

The next part of Mr Beltra’s presentation focused on the analysis of the new forms of relationships created between the parties in the context of the sharing economy and the new challenges that entails. Several services take part in a typical collaborative economy scheme but at least two are highlighted to begin with. On the one hand, there is the online service or information society service, the provider of which is assumed to be a trader as related to that specific service. In that sense, no real doubt exists as to what legal provisions apply in relation to that relationship. On the other hand, there is the second service typically happening offline that causes a lot of controversy. Possible applicable laws differ depending on the occasion, since sector specific laws like transportation law or accommodation law may apply, but depending on the nature of the service provider, EU consumer legislation may apply as well.

The previously made remark is of high importance for consumer protection organisations, since it is necessary for the better protection of consumers that they know what their rights are, as well as what the obligations of their counterparties are, concerning any transaction they are involved at. In addition to this, of equal importance, according to Mr Beltrà, is to
identify what the responsibilities of the platform are concerning the offline service, what the connection with the liability exemption regime is provided by the E-commerce directive and how does that get affected by the active role of platforms.

**Mr Beltrà** suggested a few directions for policy makers to take, beginning with a forward-looking approach in order not to impede the development of this promising phenomenon. Nevertheless, legal certainty is needed for consumers, specifically in knowing what the relationships are, whether B2C or C2C and what that entails in terms of rights and responsibilities. On top of that, he urged for guaranteed high standards of consumer protection regardless of the nature of the relationship, B2C or C2C. In the latter scenario, platforms should have the responsibility to offer a safe environment for consumers so that one always knows that at least a level of protection will be offered when entering a specific marketplace.

Platforms are presented as the key enablers of this new market “revolution”, baring a lot of responsibilities in future-shaping the development of those marketplaces. Consequently, a lot is expected from them in terms of providing transparency regarding the way they function, the way reputation mechanisms work, in providing consumers with the necessary information as identified above, in complying with data protection rules and allowing an easy way of data portability between platforms.

Finally, **Mr Beltrà** welcomed the European Commission’s recent communication on Collaborative Economy as a good analytical start that identifies the key problematic areas and offers some criteria to be used towards solving them. However, substantive legal questions are not answered, hence uncertainty remains, signalling eventually for a need to follow a coherent approach around the EU. The evaluation of consumer law may resolve some of the issues, in any case we need to find solutions fast.

### 3.5 Supplementary remarks by panel members

In his supplementary remarks, **Prof. Sundararajan** said that in the context of consumer protection, we got used to a particular model where the institution offering the service takes on certain responsibilities, building the expectation of a certain protection or certain quality into the consumer’s mind. Nowadays it is more useful to swift to a model where responsibility is split between platform and service provider, being however a challenge to educate people towards such a model.

**Dr Petropoulos** added that it is important to realise that if additional responsibilities were to be defined, it will come with additional cost as well, running the risk of passing such cost on to the consumer, highlighting once more the need for a general regulatory framework.

**Mr Tamburrano**, MEP and ITRE Committee rapporteur, made a few suggestions after welcoming the initiative for holding this workshop that may prove really helpful in mapping out future steps and better shape laws if necessary. **Mr Tamburrano** stressed the need to open the discussion to issues other than transportation and accommodation, which seem to monopolise the debate, like agriculture and intellectual property.
issues that seem to created substantial challenges, in an effort to anticipate what may happen in 2-3 years’ time.

Ms Fokkema, European Commission DG Justice, supported the Commissions recent communication as an effort to provide solid evidence on the issues at hand in contrast to past efforts based on personal and anecdotal impressions of the collaborative economy, hoping at the same time to provide input to the European Parliament.
4. ROUND TABLE - BUSINESS MODELS AND PRACTICES ACROSS EUROPE WITHIN THE COLLABORATIVE ECONOMY

MenuNextDoor

Mr Gillet briefly presented his platform and the major challenges that he has been called to deal with thus far. MenuNextDoor is a platform offering users the chance to locally produced meals by directly connecting to their neighbours. The platform’s ambition is to use technology in order to take people back to the traditional way of socialising and connecting with their community over food. The platform was established in Brussels but quickly expanded to Paris and London, numbering 2000 chefs, of whom less than 15% are professionals, and offering 100,000 meals per year. The major challenge that MenuNextDoor has to face is the various hygiene regulations one needs to comply with, different for every part of the city where a local chef may be located. The platform itself tried to adjust existing regulations to the needs of the platform so that a high level of hygiene is respected. However, as Mr Gillet pointed out, harmonised hygiene rules are necessary for platforms like that to operate. In addition, he called for a cautious approach that will not put barriers of entry for users but will help empower them and bring communities together at the same time.

GoWorkaBit

Mr Vanaselja firstly welcomed the European Commission’s initiative in trying to find a solution. He then presented his platform, which is a platform that connects people who seek flexible and short-term employment with people that need extra staff, acting more or less as a staffing agency online. Most of the people that participate through GoWorkaBit seek a new experience, a way to remain active or just a side job. According to Mr Vanaselja, due to regulation and the need to increase trust, they decided to treat all users as employees. However, he expressed his frustration in being treated as a staffing agency because it restricts people from working in certain sectors, or working in big companies getting a better experience but also restricts the platform from scaling and operating abroad as well. He finally expressed the belief that it is crucial to enable a change in the way people work and not put barriers to those that want to work flexibly.
Heetch

Mr Pellerin presented Heetch, a platform that helps young people move around at night during weekends, using a ridesharing app. The platform does not give access to professional drivers and the remuneration only includes the sharing of car costs, in addition to the fact that the platform does not device on the price to paid at all. Heetch is expecting a court decision from Paris courts that will rule on whether the platform is offering a taxi service or not, affecting to a large extent the future of its operation. Mr Pellerin thinks that on a regulatory level it is crucial to make the distinction between what is professional or non-professional. Moreover, he was positive in sharing data with authorities in order to facilitate tax collection where applicable, but urged for a simple solution that does not put unnecessary barriers.

TimeRepublik

Mr Varini participated in the workshop as the co-founder and CEO of TimeRepublik, a time bank where users can earn time by sharing their passion with other members of the community. A time wallet is created where people doing a favour for someone else, can store the time they allocated in order to use to get a favour themselves, as put by Mr Varini. At the end of every activity there is an assessment through a quality feedback. TimeRepublik aims at motivating people to transform transactions into relationships, something that money cannot measure. To that end he believes that a good way to stimulate people into sharing their passion is treat it as such and not as a professional activity.

Meploy

Mr Bugaj is the CEO and founder of Meploy, a platform that aims at building a flexible job market in order to accommodate people that wish to switch to a freelance way of working, or people that have been out of the system so long that they need an alternative way of being active. Meploy follows a fair and responsible way of sharing economy in the sense that it tries to empower users as much as possible and fairly allocate the benefits of the platform to all participants. Having observed a high trend of people working independently and hence having less rights than full-time employees, Mr Bugaj wanted to create a platform that would accommodate the needs of this new type of workers. To that end, the platform allows listings of jobs from 1 to 7 hours, establishes fixed prices of 18€/hour, only 5% of which goes to the platform, and monitors the nature of the workers, only allowing unqualified people. In addition to that, Meploy tries to mimic the way real markets operate and provides training for users in order to improve their skills and helps them work up to better reviews. In order to be fully compliant with existing regulation, Meploy was developed with the help of lawyers covering every aspect of its functions.
**ListMinut**

Mr Schockaert presented ListMinut as a marketplace for small tasks where individuals from a specific neighbourhood can post tasks so that the rest of the neighbours will be alerted and may respond. Trust was identified as critical to the sharing economy. All the participants to the platform have been met and informed on any legal obligations by Mr Schockaert and his colleagues in an effort to raise trust to the platform, which also offers a secure payment system and an insurance scheme. What ListMinut sees as a great challenge is the compliance with rules, since there are 3 different sets of rules in Belgium alone that potentially cover their function. In the past the platform faced serious charges of non-compliance that could have let them seize their operations. Mr Schockaert urged the authorities to make a distinction of the professional and non-professional nature of peers, but not only focusing on the taxation issue, but also the general societal benefits that the Collaborative Economy brings, letting people try it at first without barriers and then decide if they wish to do it professionally or not. To that end, he welcomed the newly introduced Belgian law that provides a threshold of 5,000€ of income from such activities.

**FairMondo**

FairMondo, presented by Mr Felix, defines itself as a social business, based on different business model than the other platforms introduced thus far. It is a marketplace for selling and buying things, or borrowing and lending, where one can also give donations in support of specific projects posted on the platform. The characteristic that differentiates FairMondo from other platforms is the fact that it is based on a cooperative model where all users can become owners of the platform with a low threshold of entry. The idea behind the creation of the platform was to react to the big platforms exercising monopolistic power, causing network effects, undermining regulation and putting a lot of pressure to peers as weaker parties of the relationship. FairMondo, on the other hand, promotes fair trade and sustainably produced goods, supports SMEs and wants to establish a responsible consumption mentality. All the above is combined with advanced democratic control of the platform where users participate both in the decision-making and the value created within the platform. Finally, Mr Felix highlighted the need to consider the social innovation brought by these new business models as important as the technological innovation.
5. CLOSING REMARKS

In his closing remarks, Mr Danti, MEP after thanking all the speakers for providing interesting and useful input in this debate, identified two essential elements that derive from the discussion, namely the distinction between professional and non-professional provision of services and the role of platforms and consumers. In addition, an important conclusion was reached in the need for a common European approach, a belief that was common throughout the workshop. Mr Danti expressed his satisfaction with the help provided by the shared experiences from the market that reveals the changes going through in various sectors. Finally, he suggested that we summarize most important choices and come up with a common plan of values based on a general overview rather that a sector by sector approach, so that we can incentivise platforms in Europe scale up and expand across borders like the respective ones in the US do.
ANNEX 1: DRAFT AGENDA

Workshop on

Collaborative Economy

8 November 2016, 9:00 - 12:30
European Parliament, Brussels
Room: Attilio Spinelli 1G-3

DRAFT PROGRAMME

9.00 Opening remarks by Ms Vicky FORD, MEP. Chair of the IMCO Committee
   Introduction by Mr Nicola DANTI, MEP, IMCO rapporteur on Collaborative Economy

9.10 - 10.00
Panel Session 1: Key concepts of collaborative economy. Professional provision of services vs occasional/non-professional provision of services, prosumers.

   Speakers:  
   - Prof Dr Arun Sundararajan, New York University, Stern School of Business;  
   - Dr Georgios Petropoulos, Bruegel;  
   - Prof Dr Guido Smorte, University of Palermo.
   
   Q&A session

10.00-11.00
Panel Session 2: New ways of providing services in the digital era and the need to effectively protect consumers:

   Speakers:  
   - Prof Dr Natali Heiberger, University of Amsterdam, OECD Consultant;  
   - Ms Maria Sobrino Ruiz, National Markets and Competition Commission (CNMC);  
   - Mr Philippe Guillermin, General Directorate for Competition Policy, Consumer Affairs and Fraud Control, French Ministry for the Economy and Finance;  
   - Mr Guillermo Beltra, BEUC.

   Q&A session

11.00-12.20 Roundtable - business models and best practices across Europe within the collaborative economy

Platforms: Menu Next Door; GoWorkaBit; Heetch; TimeRepublic; Meploy; ListMinut; Fairmondo

   General discussion

12.20-12.30 Closing remarks by MEP Nicola DANTI, IMCO rapporteur on Collaborative Economy

This workshop is organised by the Policy Department A: Economic and Scientific Policy
for the Committee on Internal Market and Consumer Protection (IMCO) of the EP
ANNEX 2: SHORT BIOGRAPHIES OF SPEAKERS

Arun Sundararajan

Professor and the Robert L. and Dale Atkins Rosen Faculty Fellow at New York University’s (NYU) Stern School of Business, and an affiliated faculty member at NYU’s Center for Data Science and Center for Urban Science and Progress. His new book, “The Sharing Economy,” was published by the MIT Press in June 2016. He has published over 50 scientific papers in peer-reviewed academic journals and conferences, and over 30 op-eds in leading outlets globally. His scholarship has been recognized by six Best Paper awards and two Google Faculty awards. He is a member of the World Economic Forum’s Global Agenda Council on Technology, Values and Policy, and advisor to numerous other policy bodies, venture capital firms and cities. He has provided expert input about the digital economy as part of Congressional testimony, and to a range of government agencies. He is a widely sought-after commentator by top media platforms.

Georgios Petropoulos

Research fellow at Bruegel. His research focuses on digital economy, competition policy and regulation. He has been a research visitor at the European Central Bank, the Banque de France and the research department of Hewlett-Packard. He has been awarded with the best teaching assistant award for the academic year 2014-2015 at Toulouse School of Economics in which he did his PhD studies. He has participated in many academic and policy international peer-reviewed conferences and workshops and he has some economic consulting experience from spending a summer at Compass Lexecon in Madrid.

Guido Smorto

Guido Smorto teaches Comparative law and Economic analysis of law at University of Palermo (Italy) and is currently Investigador visitante at IN3 “Internet interdisciplinary studies” at UOC Barcelona (Spain). As International Visiting Professor he taught in U.S.A. (Fordham School of Law) and Japan (Nagoya University Graduate School of Law) and was "Professore Visitante" in Brazil (Universidade Oeste de Santa Catarina). His latest scholarly works focus on sharing and collaborative economy.

Natali Helberger

Professor in Information Law at the Institute for Information Law. Prof. Helberger specializes in the regulation of converging information and communications markets. Focus points of her research are the interface between technology and information law, user rights and the changing role of the user in information law and policy. She has conducted studies for the European Commission, the European Parliament, the Council of Europe, the OECD, national governments and regulators. Among those studies were an interdisciplinary study about user created content for the European Commission, a study about users as creators in the news media for the Dutch Stimuleringsfonds voor de Pers and a background study for the OECD about consumer law aspects in the sharing economy. For further information please visit www.ivir.nl/staffpage/helberger/

María Sobrino

Head of Market Studies Unit, Advocacy Department at the Spanish Competition and Markets Authority (CNMC), State Economist (2009), Degree in Economics and Degree in Law, Universidad Autónoma de Madrid (2005) She has developed her professional career in the
Spanish Competition Authority and the Ministry of Industry, Tourism and Trade. She started working at the UE Trade Policy Unit at the Ministry of Industry, Tourism and Trade. Between 2011-2013 she worked at the Studies Unit of the Spanish Competition Authority (CNC). With the creation of the new Spanish Competition and Markets Authority (CNMC) she joined the Directorate of Transports and Postal Services as Deputy Director of rail sector. Since 2015 she is Deputy Director of Market Studies Unit of the Advocacy Department of the CNMC.

**Philippe Guillérmin**


**Guillermo Beltrà**

Head of BEUC’s Legal and Economic Department. BEUC represents 41 independent national consumer associations from 31 European countries. The primary task of BEUC is to act as a strong consumer voice in Brussels and to try to ensure that consumer interests are given their proper weight in the development of all EU policies. Since 2011, Guillermo has been specifically in charge of BEUC’s work related to telecommunications markets and Internet policy issues, including on issues such as net neutrality, roaming, and the Sharing Economy. Guillermo also provides strategic advice to our Communications Department on new technologies and social media. Before joining BEU Guillermo was a Public Affairs and Public Relations consultant advising international clients on numerous technology and telecom issues. Guillermo holds a Law degree and a Master’s degree in International Relations, and has also been an independent web developer and online services’ advisor.

**Mathieu Gillet**

Working on his third venture, Mathieu is an entrepreneur to the bone and has gained experience in various fields, from sales and marketing to finance. Now he is co-founder and CFO, in charge of legal and public affairs at Menu Next Door, where his challenge is to successfully introduce a disruptive startup to the strictly regulated food retail sector.

**Kristjan Vanaselja**

I am passionate about people and the way they work and balance their lives. Ideas and solutions, that make balancing life and work easier and change the ways of working get me fired up. I just love creating new ideas and innovate to change the world. Before founding GoWorkaBit I worked at Manpower, learning about HR and the challenges both individuals
and organisations have. Finding faster, easier and more flexible ways of working is what we do at GoWorkaBit.

**Teddy Pellerin**

After graduating from Supélec, Teddy started his career by working for several startups from the solar energy sector. In 2011, he joined a friend from Supélec in Morocco who has launched a local Groupon. For 2 years, they develop the company together, and early 2013, Teddy come back to Paris and starts working on Heetch with one of his friends. Heetch is a mobile application that allows young people to move around at night. As a sharing economy platform, Heetch connects individuals: passengers and drivers who wish to pay back their annual car costs. Heetch creates mobility at night (75% of rides take place on Thursday, Friday and Saturday nights), for young people (80% of passengers are under 25), and in the suburbs (70% of rides come or end in the suburbs) and appears as the solution for young people to enjoy their nights out.

**Karim Varini**

Entrepreneur in Switzerland, 20 years in the Investment industry. Swiss and Italian citizen, was born on June 28, 1972 in Lugano, Switzerland. He graduated with the highest honours in Business Administration and Corporate Finance from Bocconi University (Milan) and he has been a CFA® charterholder since 2003. Karim participated in the Guidance Group of the Department of Finance and Economy of the Republic and Canton Ticino (Switzerland) for the Ticino financial sector. Karim is the co-founder and CEO of TimeRepublik, the leading peer-to-peer web platform where people from more than 110 countries use their time (not money), to get the services they need. Members earn time by sharing their expertise, skills, talent with other members. Hours earned by members go directly into their TimeWallet. With the hours in this TimeWallet members can “purchase” skills, talents, and services from other members. All services are measured by the time it takes to perform them. Visibility and Recognition of members can be boosted by positive user ratings and awards obtained once predetermined activity goals are achieved. In 2006 Karim co-founded Hedge Invest Suisse SA (Hedge Invest Group, the leading alternative independent asset management in Italy) and he served as CEO of the company until September 2016. From 2000 to the end of 2006, Karim worked as a quantitative analyst and fund management assistant for the Antares European Fund, one of the most successful European Hedge Fund in the Long/Short Equity universe. Previously he worked as risk manager for one of the main banks of private banking in Switzerland. Since 2001 Karim has written articles on the Hedge Fund industry and has participated as a speaker in alternative investment seminars.

**Michael Bugaj**

Michael Bugaj is a Swedish entrepreneur based in Copenhagen, aiming to build a flexible job market with the same work and social rights for the participants as the traditional job market. Adding flexibility to both employers and employees, meploy is able to create new jobs and new ways of working for people that are outside the system or choose to work as freelancers.

**Jonathan Schockaert**

Jonathan Schockaert, 27 years old. I was born and raised in Belgium by a family of entrepreneurs and always wanted to build my own company. I studied Business Engineering, with a Master Degree in Entrepreneurship. I started really young, taking part in different entrepreneurial initiatives during my teenage years and I’m now the co-founder and CEO of ListMinut.
ANNEX 3: PRESENTATIONS
Presentation by Prof. Dr Sundararajan
a new way of organizing economic activity

managerial capitalism  crowd-based capitalism

sharing economy and crowd-based capitalism

An economic system with the following characteristics

• Crowd-based networks + centralized hierarchies
• High-impact distributed capital
• Blurring of lines
  • markets and hierarchies
  • personal and professional
  • casual work and full-time work

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Institution-based vs. Crowd-based:

- Institution-based:
  - KIVA
  - LoanBook

- Crowd-based:
  - Funding Circle
  - Lufax
  - Lending Club
  - PROSPER

Institution-based vs. Crowd-based:

- Institution-based:
  - Rent a Car

- Crowd-based:
  - drivy
  - Rent the cars next door
institution-based  crowd-based

LA RUCHE QUI DIT OUI!
Manger mieux, manger juste

HERE’S HOW IT WORKS:

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institution-based  crowd-based

airbnb
tujia
8onefinestay
couchsurfing

© Arun Sundararajan, 2016
institution-based

crowd-based

the ‘sharing economy’

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<td>Heal</td>
<td>Core.com</td>
<td>Cohealo</td>
<td>Thumbtack</td>
<td>Upwork</td>
<td>Thumbtack</td>
<td>Upwork</td>
<td>Hourly Nerd</td>
<td>Snaptrip</td>
<td>Kickstarter</td>
</tr>
<tr>
<td>BlaBlaCar</td>
<td>Trade School</td>
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© Arun Sundararajan, 2016
institution-based | crowd-based

digital trust powers the sharing economy

(DIGITAL) COMMUNITY ─── BRAND ─── INSTITUTIONS

COMMUNITY ─── GOVERNMENT
economic and strategic impacts
new directions for policy
the future of work

fundamental economic impacts are positive

increased capital “impact”
more variety, more consumption
“buy up to rent out”
inclusive growth
what factors could lead to reduced inequality?

Is there inherent economic benefit to decentralized capital?

Does the individual own intangible assets (portable reputation)?

Do providers own platform equity?

The pace of AI/robotics automation

economic and strategic impacts
new directions for policy
the future of work
Platforms as partners
data-driven delegation
APIs replace audits
economic and strategic impacts
new directions for policy
the future of work

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company

platform
a new individual-institution relationship

Independent workers generally fit into four segments.

<table>
<thead>
<tr>
<th>Preferred choice</th>
<th>Primary income</th>
<th>Supplemental income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free agents</td>
<td>30%</td>
<td>49 million</td>
</tr>
<tr>
<td>Reluctants</td>
<td>14%</td>
<td>23 million</td>
</tr>
</tbody>
</table>

Source: 2016 McKinsey Global Institute survey of ~8,000 US and European respondents
creating and funding a new social contract

making the safety net portable
automation and provider collectives

(new) shared ownership structures?
career paths and community

THE SHARING ECONOMY
THE END OF EMPLOYMENT AND THE RISE OF CROWD-BASED CAPITALISM
ARUN SUNDARARAJAN

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Collaborative economy: Main Sectors

- Accommodation: Platforms which allow people to rent out properties or parts of properties: AirBnB, HomeAway, HouseTrip, 9Flats, Wimdu, Onefinestay, Roomerama, Sleepout, Love Home Swap and Holiday lettings

- Transportation:
  - hiring of the assets themselves: ZipCar, Car2Go and Autolib', Velib'
  - hiring of an asset mixed with labour and human capital: Uber, Lyft

- Share of labour and human capital: TaskRabbit, Skillshare, 99Designs, Kaggle, Share Your Meal

- Finance: Kickstarter, Lending Club, RateSetter
Benefits from Collaborative Economy

- Technology reduces consumers' transactions/search costs
- Lower barriers to entry for potential suppliers (sellers)
- Reputation and other sharing information mechanisms reduce asymmetric information and facilitate efficient trade
- Better resource allocation and utilization that improve productivity and efficiency in the economy and flexibility
- Indicative studies
  - PwC (2015): Europe’s sharing economy has generated revenues of nearly €4bn and facilitating around €28bn of transactions in 2015
  - Goudin (2016): Potential economic gain of €572bn in EU if there are not regulatory obstacles

Regulatory Concerns

- Collaborative platforms affect traditional incumbents through the increase in market competition
- How can we assess their impact? Access to data
- Technology helps the platforms to match demand and supply in a more efficient way
- Asymmetric rules
  - Peer-to-peer services Vs. Professional services: Licensing requirements
  - Employment: Employees Vs. Independent Contractors
- Ending “protectionist” regulation (Edelman and Geradin, 2016)
- Assessment of the dynamic impact on market competition: Network effects Vs. Switching costs
- How can we induce more innovation by the traditional players?
Services: Professional or not?

- Big diversity of business models: Case-by-case analysis
- Frequency of provision of service
- Motive: Cost compensation or making profit?
- Level of generated income

![Survey in US. Responses from those earning more than 40% of their monthly income in the collaborative economy.](source: Burston-Marsteller, the Aspen Institute and TIME (2015))

Platforms: Employers or (only) Matchmakers?

- Does the platform has the right to control how the service is provided?
- Who sets the price? Terms of provision of the service?
- Is the provider paid and how?
- Is there a written (contract) agreement and what is its duration?
- Who decides about the time of the provision?
- Is there a firing policy?
- Exclusivity?
- Market characteristics: Variability in demand? (Einav et. al., 2016)
- Provision of training?
**Employment controversy**

- ECJ (see European Commission, 2010): *the essential feature of an employment relationship is that:*
  - For a certain period of time a person performs services for an under the direction of another person
  - In return of this service, he receives remuneration
- What about flexibility?
- We need a new employment relationship which
  - Facilitates collective bargaining (using information technologies)
  - Provides flexibility to service providers
  - Applies only to relevant platforms in a clear way
- Who will pay for the additional operational costs?
- How this relationship will disrupt business models?

---

**Regulatory Certainty: First Priority**

Platform Companies by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Platforms</th>
<th>Company Market Cap</th>
<th>Employees, FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. America</td>
<td>64</td>
<td>$3,123B</td>
<td>820M</td>
</tr>
<tr>
<td>Asia</td>
<td>82</td>
<td>$930B</td>
<td>352M</td>
</tr>
<tr>
<td>Europe</td>
<td>27</td>
<td>$181B</td>
<td>109M</td>
</tr>
<tr>
<td>Africa &amp; L. America</td>
<td>3</td>
<td>$69B</td>
<td>27M</td>
</tr>
<tr>
<td>Grand Total</td>
<td>176</td>
<td>$4,303B</td>
<td>1.3M</td>
</tr>
</tbody>
</table>

Source: Evans and Gawer (2016)
Some References

- PwC (2015): Assessing the size and the presence of the collaborative economy in Europe
- Goudin (2016): The cost of non-Europe in the sharing economy
- European Commission (2010): Reaffirming the free movement of workers: rights and major developments
- European Commission (2016): European agenda for the collaborative economy
- Evans and Gaver (2016): The rise of the platform enterprise-A global survey
- Loisi (2016): Commoditized CrowdWorkers
- Edelman and Geradin (2016): Efficiencies and regulatory shortcuts: How should we regulate companies like AirBnB and Uber?
- Kennedy (2016): Three paths to update labor law for the gig economy
- Petropoulos (2016): Uber and the economic impact of sharing economy platforms
- Einav, Farronato and Levin (2016): Peer-to-peer markets
Presentation by Prof Smorto

THE CASE FOR REGULATING THE SHARING ECONOMY

GUIDO SMORTO
Università degli Studi di Palermo

Workshop on Collaborative Economy
8 November 2016
European Parliament, Brussels

WHAT THE COLLABORATIVE ECONOMY IS (NOT)

- peers are not full-time, large scale professionals, but “prosumers”
- professional standards are not applicable to small scale, non professional providers (peers)
- collaborative platforms are not service providers, but “digital marketplaces”
- rules for service providers are not applicable to platforms (e.g. ADA, discrimination)
A EUROPEAN VIEW OF THE CATHEDRAL

The collaborative economy between fundamental freedoms and consumer protection

PEERS: FUNDAMENTAL FREEDOMS AND SERVICE DIRECTIVE

- restrictions to market access must be: non-discriminatory (residence?), necessary, proportionate and justified;
- rules proportionate to the scale of operation
- peers or professionals? spectrum, but need of a clear-cut rule
- under the threshold: lighter regime for peers providing services on occasional basis
- over the threshold: simplify procedures and formalities for professionals
PLAT FORMS: ECOMMERCE DIRECTIVE

- minimal regulatory requirements for information society services
- liability exemption for “hosting data”, not for “active role”
- case-by-case assessment of control and influence
- right proxies for collaborative platforms? ownership, contract, price
- potential tension between liability exemption and encouraging responsible behaviour
- collaborative platforms as “marketplaces” (see definition) or firms with new employment models? or hybrids?

USERS: CONSUMER AND MARKETING LAW

- applicable only between “trader” and “consumer”
- trader: person “acting for purposes relating to his trade, business, craft or profession”
- consumer: person “acting outside his trade, business, craft or profession”
- are peers and/or platforms “traders”? what if none of them is “trader”?
EU LAW. AN OVERALL ASSESSMENT

- review legislation developed in an era of full-time professional service providers
- provide clear criteria to assess whether: a) platforms are “service provider” or “intermediary service”; b) providers are professionals
- risk: no consumer law/sector-specific legislation applicable to both peers and platforms
- challenge: protecting consumers in the age of peers

IS PROTECTING CONSUMERS A REAL PROBLEM IN P2P ECONOMY?

- accept some kind of imperfections in p2p provision of services
- who’s the weaker party between peers?
- platforms can/have an interest to regulate themselves
- trust mechanism and information/reputation-based systems for data based solutions
- the end of asymmetric information?
TRUE, BUT ... ALL MARKET FAILURES? OTHER NORMATIVE QUESTIONS?

- it's not just about imperfection: safety, health concerns, etc.
- platforms may mitigate most, but not all, market failures
- platforms may have no interest to correct all market failures
- monopoly (two-sided network effect, demand-side economies of scale, winners take most/all, big data)
- potential new market failures
- distributive impact (underserved communities, discrimination)
- values (big data, surge pricing mechanism, commodification)
FINAL RECOMMENDATIONS

- regulation with a combination of strict rules vs principles
  - a) strict rules for the scope of application (professionals vs peers);
  - b) principle for safety concern and consumer protection: proportionate to
    the scale of operation, what precautions are reasonably practicable
- regulation as a last resort and non-regulatory alternatives
- platforms as rulers and enforcers: leveraging platforms’ self-governing
  and enforcement capacity (at trivial costs)
- public regulators for aspects that platforms cannot/have no interest to
  address
- market failures and beyond
Presentation by Prof Helberger

Collaborative economy - new ways of providing services and new safeguards
European Parliament Workshop Collaborative Economy
Prof. Dr. Natali Helberger

What is new?

- From consumer to sharer and seller
- From owning to providing access
- Decentralisation and de-professionalization of traditional production chains and business models on a large scale
- Driven by data-centric technologies
- Mediated by platforms, often with considerable negotiation power
Consumer detriment in the CE

Q4: Compared to the traditional consumer of goods and services, what do you think are the main problems for the people using the services offered on these platforms? (RANK 2 ANSWERS)

- Not knowing who is responsible in case a problem arises
- Not trusting the internet transactions in general
- Not trusting the provider or seller
- Being disappointed because the services and goods do not meet expectations
- Not having enough information on the service provided
- Other (spontaneous)
- None (spontaneous)
- Don’t know

Base: respondents who have heard of or have visited collaborative platforms (n=7409)

Source: Eurobarometer 2016

Consumer law protects users and providers when using some platform-owned services

E.g. brokering services, marketing, hosting

Collaborative platforms

E.g. payment services, insurance services

Service providers (not traders)

Users
Consumer law protects users partially in their relationship with providers

**But:** national rules may define additional obligations

**Challenge:** unharmonised

---

Leaving other concerns unaddressed

- Identifying responsible person
- Lack of trust internet transactions
- Lack of trust service providers
- Data management & security
- Conflict management

---
Key CE-specific challenges remain unaddressed

■ Reasons:
  □ Scale and scope of CE activities
  □ De-centralisation
  □ Providers and users depend upon collaboration platform & availability of organisational/technical solutions

■ New safeguards are needed in the form of organisational/technical solutions that
  □ Result in fair allocation responsibility between platform/providers/users
  □ Address problems of overall trust, security & privacy
  □ Allow providers to act responsibly

Towards additional organisational responsibilities of platforms

■ A role for platforms to guarantee high level of overall protection through additional organisational & technical measures

■ First steps in EC Communication: “Collaborative platforms should also enable underlying service providers that qualify as traders to comply with EU consumer and marketing law, for example by designing their web structures to make it possible for third party traders to identify themselves.”
Platforms already active in providing new safeguards

- Regulation
  - Terms of service & community rules
  - Education

- Organisation
  - Guarantees and insurances
  - Incentive systems
  - Dispute resolution

- Technology
  - Rating & reputation systems
  - Verified identities
  - Secure payment

New safeguards – new challenges for consumer protection

<table>
<thead>
<tr>
<th>New, platform-centric safeguards</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Micro-)regulation</td>
<td>• Terms of use and community guidelines can be arbitrary, unfair and incomprehensible</td>
</tr>
<tr>
<td></td>
<td>• Shifting unfair burdens on users</td>
</tr>
<tr>
<td>Organisation</td>
<td>• Dispute resolution can be ineffective and transparent</td>
</tr>
<tr>
<td>Technology</td>
<td>• Rating &amp; reputation systems can be biased and discriminatory</td>
</tr>
<tr>
<td></td>
<td>• Inaccurate or fake reviews</td>
</tr>
<tr>
<td></td>
<td>• Social capital as new barrier to entry</td>
</tr>
<tr>
<td></td>
<td>• Social switching costs</td>
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<td></td>
<td>• Private surveillance and privacy concerns</td>
</tr>
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30 November 2019
**Recommendations for future policy directions**

- Develop explicit duty of care for platforms to put effective organisational and technical measures in place to increase trust and protection.
- Measures should conform to high level of consumer & data protection in Europe.
- Guidance & oversight needed when technical and organisational measures indeed conform to high standard consumer protection (first step: Guidance UCPD).
- More attention for potential detrimental effects of new safeguards.
Presentation by Ms Ruiz

New ways of providing services in the digital era and the need to effectively protect consumers

Maria Sobrino Ruiz
Head of Market Studies Unit
CNMC

CHARACTERIZATION OF SHARING ECONOMY

• Multi-sided platforms.
• Underused goods.
• Internet as a mean of interaction between demand and supply.
• Reputation systems: solve problems of asymmetric information.
• Trust.
EFFECTS OF SHARING ECONOMY ON THE MARKETS

- Pro competitive effects: efficient prices, wider variety, quality, innovation, differentiation.
- Lower costs (transaction costs, search costs).
- More information at a lower cost.
- Consumer empowerment.
- Improve efficiency and the competitiveness of the economy.
- Increase traceability and transparency of economic transactions.
- New demand.

EFFICIENT ECONOMIC REGULATION PRINCIPLES

**Sector Specific Regulation**
- Urban Transport
- Rental Housing
- Crowdfunding
- Etc.

**Horizontal Regulation**
- Fraud
- Safety Problems
- Unfair Competition
- Self-regulatory mechanisms

Regulation in accordance with the principles of efficient economic regulation
- Necessity
- Proportionality
- Non Discrimination
<table>
<thead>
<tr>
<th>ADVOCACY INSTRUMENTS</th>
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<tbody>
<tr>
<td><strong>REGULATORY SCRUTINY</strong></td>
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<td><strong>MARKET STUDIES</strong></td>
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<td><strong>CHALLENGE BEFORE COURT</strong></td>
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**COMISIÓN NACIONAL DE LOS MERCADOS Y LA COMPETENCIA**

@SEI_CNMC

*Gracias por su asistencia*
Obligations d’information incombant aux plateformes numériques

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philippe.guillermin@dgcrf.finances.gouv.fr
Bureau 3A

de
g

Obligations d’information incombant aux plateformes numériques

Le rôle de plus en plus actif des plates-formes numériques dans le développement de l’économie collaborative conduit nécessairement à s’interroger sur l’encadrement de leur activité.

En France, jusqu’alors, seules les plateformes œuvrant dans le cadre du financement participatif disposaient d’un corpus juridique spécifique.

Afin de garantir la loyauté des échanges réalisés à partir des plateformes numériques, le Gouvernement français et le législateur national ont souhaité améliorer l’information des utilisateurs des plateformes sur les conditions de fonctionnement de ces dernières mais aussi sur leurs droits et obligations.
Obligations d’information incombant aux plateformes numériques

L’article 49 de la loi n° 2016-1321 du 7 octobre 2016 pour une République numérique prévoit un certain nombre d’obligations d’information mises à la charge des opérateurs de plateforme en ligne, ainsi définis:

« Toute personne physique ou morale proposant, à titre professionnel, de manière rémunérée ou non, un service de communication au public en ligne reposant sur :
« 1° Le classement ou le référencement, au moyen d’algorithmes informatiques, de contenus, de biens ou de services proposés ou mis en ligne par des tiers ;
« 2° Ou la mise en relation de plusieurs parties en vue de la vente d’un bien, de la fourniture d’un service ou de l’échange ou du partage d’un contenu, d’un bien ou d’un service »

Obligations d’information incombant aux plateformes numériques

Sont visés:
- les moteurs de recherche;
- les réseaux sociaux;
- les « marketplaces »;
- les plateformes d’économie collaborative;
- les sites comparateurs en ligne.
Obligations d’information incombant aux plateformes numériques

Il ne s’agit pas de remettre en cause les règles encadrant l’activité des hébergeurs, auxquels sont assimilés les plateformes numériques, découlant de la directive 2000/31/CE du 8 juin 2000 sur le commerce électronique, aux termes desquelles :
- ils ne sont pas responsables des contenus stockés;
- ils n’ont pas une obligation générale de surveillance ou de contrôle des informations qu’ils stockent ou transmettent.

dgcercf

Obligations d’information incombant aux plateformes numériques

Mais de poser le principe d’une information loyale, claire et transparente portant sur :
- Les conditions générales d’utilisation du service d’intermédiation proposé par l’opérateur de plateforme en ligne et sur les modalités de référencement, de classement et de déréférencement des contenus, des biens ou des services auxquels ce service permet d’accéder;
- L’existence d’une relation contractuelle, d’un lien capitalistique ou d’une rémunération à son profit, dès lors qu’ils influencent le classement ou le référencement des contenus, des biens ou des services proposés ou mis en ligne;
- La qualité de l’annonceur et les droits et obligations des parties en matière civile et fiscale, lorsque des consommateurs sont mis en relation avec des professionnels ou des non-professionnels.

dgcercf
Obligations d’information incombant aux plateformes numériques

A ce titre, un projet de décret, en cours d’élaboration prévoit que l’opérateur de plateforme en ligne ayant une activité d’intermédiation commune aux consommateurs, les informations sur les caractéristiques du service qu’il propose, portant sur:
- La qualité des offres autorisés à déposer une annonce et notamment leur statut de professionnel ou de particulier;
- Le descriptif du service d’intermédiation, ainsi que la nature et l’objet des contrats;
- Les restrictions légales ou réglementaires d’utilisation applicables au secteur d’activité de l’opérateur de plateforme, lorsque celui-ci exerce son activité dans un domaine spécifique ;
- Le cas échéant, le prix ou le mode de calcul du prix du service d’intermédiation et le prix de tout service additionnel payant ;
- Les personnes tenues de s’acquitter du prix du service d’intermédiation ;
- Les modalités de paiement et, le cas échéant, le rôle de tiers de confiance de la plateforme pour le paiement ;
- Les assurances et garanties proposées par la plateforme ;

- Le cas échéant, en tant que vendeur ou prestataire de services à distance, sa responsabilité de plein droit pour la bonne exécution du contrat conclu ;
- Les conditions de référencement et de déréférencement des annonces et, le cas échéant, les restrictions à l’accès au site ;
- Le critère de classement par défaut des offres de biens et services ;
- L’existence d’une relation contractuelle ou de liens capitalistiques entre l’opérateur de plateforme et les offreurs référencés lorsqu’ils influencent le classement ou le référencement ;
- Les modalités de règlement des litiges et, le cas échéant, le rôle de la plateforme dans ce règlement, ainsi que la possibilité de recourir à un médiateur ;
- La juridiction compétente en cas de litige portant sur l’exécution du service d’intermédiation proposé.

Ces informations sont reprises dans une rubrique distincte des CGU directement accessible sur toutes les pages du site. Ces informations sont accessibles sans que l’utilisateur ne soit tenu de communiquer ses données personnelles.
Obligations d’information incombant aux plateformes numériques

Par ailleurs, tout opérateur de plateforme en ligne, qui met en relation des consommateurs ou des non-professionnels entre eux, à titre principal ou accessoire, précise, de manière lisible, compréhensible et directement accessible :

1°) Si le service d’intermédiation qu’il propose est également ouvert auxannonceurs professionnels. Pour ce faire, il distingue, clairement et par tout moyen, les offres proposées par des professionnels de celles proposées par des consommateurs ou des non professionnels, selon le statut déclaré par ceux-ci ;

2°) Préalablement au dépôt de l’offre, les sanctions encourues par un vendeur ou un prestataire de services agissant à titre professionnel, qui se présente comme un consommateur ou un non-professionnel;

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Obligations d’information incombant aux plateformes numériques

3°) Pour chaque annonce, le prix total des biens ou des services proposés, y compris les frais d’intermédiation et tous les frais supplémentaires exigibles ;

4°) Préalablement au paiement, l’essentiel des droits et des obligations des parties et à ce titre:
- la non-application du code de la consommation aux contrats conclus entre consommateurs (absence de droit de rétractation);
- le renvoi aux dispositions du code civil relatives au droit des obligations et de la responsabilité civile applicables à la relation contractuelle, par la fourniture, à cet effet, d’un lien hypertexte ;
- Les informations relatives aux régimes fiscaux et à la réglementation sociale applicables aux sommes perçues, aux obligations déclaratives et de paiement qui en résultent aux sommes perçues, aux obligations déclaratives et de paiement qui en résultent auprès de l’administration fiscale et des organismes de recouvrement des cotisations sociales, ainsi qu’aux sanctions encourues en cas de manquement à ces obligations, au moyen de liens hypertextes.
Presentation by Mr Beltrà

Collaborative Economy
The consumer perspective

Guillermo Beltrà
Head of Legal and Economic Dept
@gbeltra

IMCO Workshop 8
November 2016

A vast, rich ecosystem

Much more than just AirBnb & Uber!
A popular phenomenon so far

70% of consumers have participated at least once¹
42% of consumers find it more convenient²
33% of consumers like it is cheaper or even free²
32% of respondents have participated as prosumer²

What is a prosumer? Individuals who offer goods and services on but who do not meet the legal requirements to be considered as traders within the activity undertaken through the collaborative economy platform.

¹ Survey done by BEUC members in Italy, Spain, Belgium and Portugal, July 2015
² Flash Eurobarometer 436, the use of collaborative platforms, June 2016, European Commission
Many promised benefits for consumers...

- More efficient markets $\rightarrow$ lower transaction costs
- Cheaper prices
- Lower entry barriers for prosumers
- Shake up of traditional industries
- Transactions based on trust and reputation from peers
- More sustainable society

...but also many potential risks

- Unclear legal regime $\rightarrow$ new abuses + risks
- Higher prices in adjacent markets
- Lack of trust if unreliable reputation systems
- More personal data exposed
- New monopolies, new lock-ins
- Misleading claims $\rightarrow$ ‘sharewashing’
- Less sustainable society
What rules apply?

- Collaborative Economy Platform
  - Online Service (B2C)
  - Second Service (B2C or C2C)
  - E-Commerce Directive
    - Precontractual information
    - Rules for contract conclusion
  - Consumer Acquis
    - Consumer Rights Directive
    - Unfair Contract Terms
    - Unfair Commercial Practices
  - Sectorial Legislation
    - Transport accommodations, etc.
  - If B2C: consumer Acquis
    - Consumer Rights Directive
    - Unfair Contract Terms
    - Unfair Commercial Practices
  - If C2C: Civil Law

What should policy-makers do?

- Forward-looking policy-making
- Legal certainty: when is it B2C and when C2C?
- Clear applicable + enforceable regulatory framework
- Guaranteed high consumer protection standards
- Easy rules for prosumers to comply with
- Platforms comply with their responsibilities
- Measure and mitigate undesirable rebound effects
- Ensure high quality, affordable broadband access
What should platforms do?

- Platforms responsible for creating a safe environment
- Transparency, transparency, transparency.
- Providers well informed about their legal obligations
- Inform about criteria to distinguish B2C and C2C
- Guarantee compliance with data protection rules
- Allow easy switch in and out of platform
- Offer multiple means of payment, not limited to credit cards

The European Commission’s Communication

- Identify the key problematic questions for consumers: legal certainty regarding nature of service provider and liability regime applicable.
  - Offer helpful indicative criteria that could be used to solve the above problematic areas.

- Resolve substantive legal uncertainty questions.
  - Ensure consumers will get the information and redress options they need.
  - Guarantee coherent approach is followed across EU.

So what’s next?
Thank you for your attention

www.beuc.eu
@beuc
Presentation by Mr Pellerin

November 2018
A ride-sharing service open only at night (20h - 6h)

A Sharing Economy platform

DRIVERS CAN ONLY SHARE THEIR CAR COST

- A driver can only pay back his annual car costs
- Drivers are limited to the average annual car cost: 6,000€ in France
- Average in 2015: 1,850€ per driver (<5% reach the annual limit)

A FREE DONATION AT THE END OF THE RIDE

- Hatch doesn’t fix a price
- The passenger can give a free donation at the end of the ride in order to participate to the driver annual car costs

1 This number is calculated by the Agence de l’Environnement et de la Maîtrise de l’Energie (ADEME). "Véhicules particuliers vendus en France" - Guide officiel edition 2011 p.38
80% of the passengers are under 25 years old

“Force young people to order a professional driver when they go out is like forcing young people to book a hotel room when they are on holidays: it doesn’t make any sense and they don’t do it.”
Teddy Pailheyn - co-founder of heetch

European leader of next generation night-time mobility

France
Paris: September 2013
Lyon and Lille: November 2014

Poland
Warsaw: January 2016

Sweden
Stockholm: June 2016

Italy
Milano: September 2016

Belgium
Brussels: November 2016
The **Sharing Economy** evolution

<table>
<thead>
<tr>
<th>1 Free exchange</th>
<th>2 Sharing cost</th>
<th>3 Professionalization</th>
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<tr>
<td>Hosting</td>
<td>Share the cost of an event</td>
<td>Pay back its costs</td>
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<td>Car</td>
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<td>Transport</td>
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<td>Biens</td>
<td></td>
<td>TaskRabbit</td>
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</tbody>
</table>

**Thoughts about Sharing Economy**

**FUNDAMENTAL PRINCIPLES**

- Easy: one creates an account, offer a good or service immediately
- Social sharing: an experience between amateurs
- Different offers: goods or services we couldn’t have access before

**GUIDELINES**

- We have to be able to distinguish “amateur” and “professional” individuals
- Professional must respect the professional framework
- We have to create a new framework for sharing economy
- It has to remain simple for non-professional individuals or we’ll lose them.
One framework for Collaborative Economy

**HEETCH PROPOSAL**
- Distinction between "professionals" and "amateurs" thanks to an annual limit
- Authorisation for every individual to pay back its annual car cost until 5 000€ a year
- Taxation on these revenues collected directly by the platform

**SOME EXAMPLES ABROAD**
- Italy is studying a law in order to authorise any individual to make 10 000€/a year on all Collaborative Economy platforms with a 10% flat tax collected by the platform
- Belgium has adopted the same law with a 5 000€/a year on all platforms except hosting (AirBnB) which is already regulated
Presentation by Mr Bugaj
People outside the “traditional” job market have little to no rights
EU
Fragmented legislation between member states
Legal status for “micro-entrepreneurs”
EUpreneur - facilitate to start your own business

Member states
Secure social protection for “digital freelancers”
Update tax return system
Set a higher non-taxable income for everyone

Challenges ahead
Thank you

Find any type of job you want, whenever you want, and wherever you are.

Michael Bugaj
michael@meploy.me
Presentation by Mr Varini

"Time is the most valuable thing a man can spend"

Theophrastus
297 B.C.
Workshop on Collaborative Economy

Social + Do = Engage

TimeBanking and related TimeRepublic tools provide a unique and innovative system for building social collaboration based on the intrinsic motivations of participants.

The visibility and global recognition of members can be boosted by positive user ratings, qualitative feedback and awards obtained once predetermined activity goals are achieved.
Awards and Press

STARTUP TICINO Dec-2015
Habit

WIRED AIRC INNOVATION AWARDS Dec-2014
Finalist

FEASTON GOOD 2014
Fellowship

GRAND PRIX FOROS SUISSE XVI Edition 2014
Finalist

BIG DATA COMPEITION Jan-2014
Selected

FOCUS March 2014
Winner Best Everyday Life Innovation 2014

STARTUP ITALIA COMPETITION Oct-2013
Jury’s Special Quality Price

TECHCRUNCH ROME Oct-2013
Semifinalist Italy Startup Competition

48 RAILS HACKATON Oct-2013
Winner Propaganda Trophy

LEXIB LONDON Jan-2013
Finalist London/J3 Startup Competition

48 RAILS HACKATON Oct-2013
Winner Team Balance Trophy

TIME
One thing about the rise of the “sharing economy,” however, is that there isn’t really that much sharing going on at all... [Thenrepublic] really is for sharing.

FAST COMPANY
A different kind of bank. A Time Bank. A non sharing economy app actually involves sharing.

THE HUFFINGTON POST
This is how you create a successful, scalable economy.

WIRED IT
The Sharing Economy evolves. Thenrepublic, here’s the Digital Time Bank.
Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Economic and Monetary Affairs
- Employment and Social Affairs
- Environment, Public Health and Food Safety
- Industry, Research and Energy
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