



Collaborative economy - new ways of providing services and new safeguards

European Parliament Workshop Collaborative Economy

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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



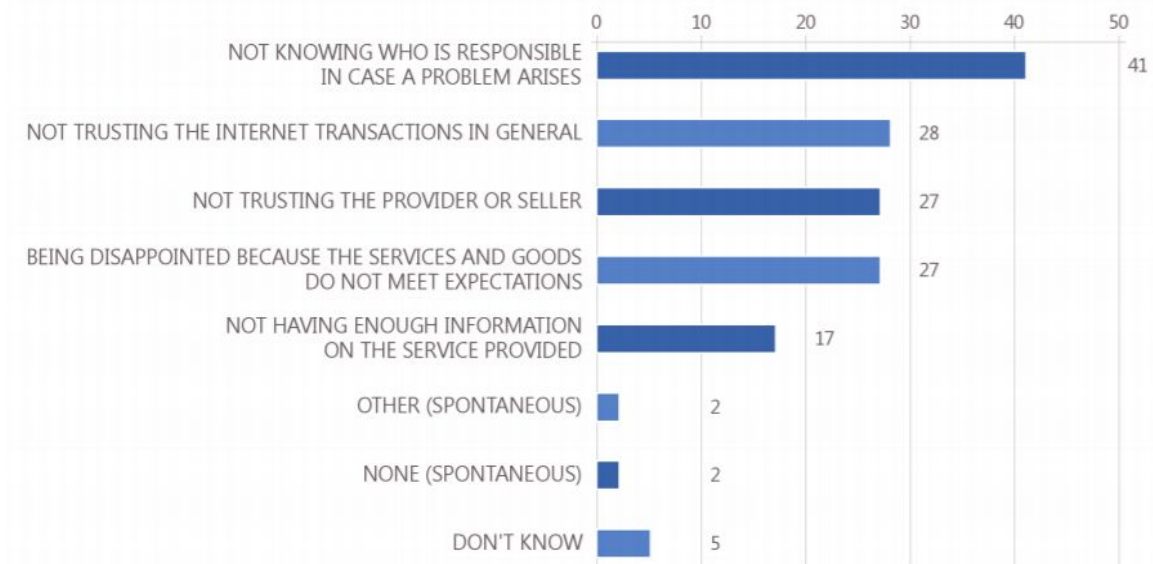


UBER



Consumer detriment in the CE

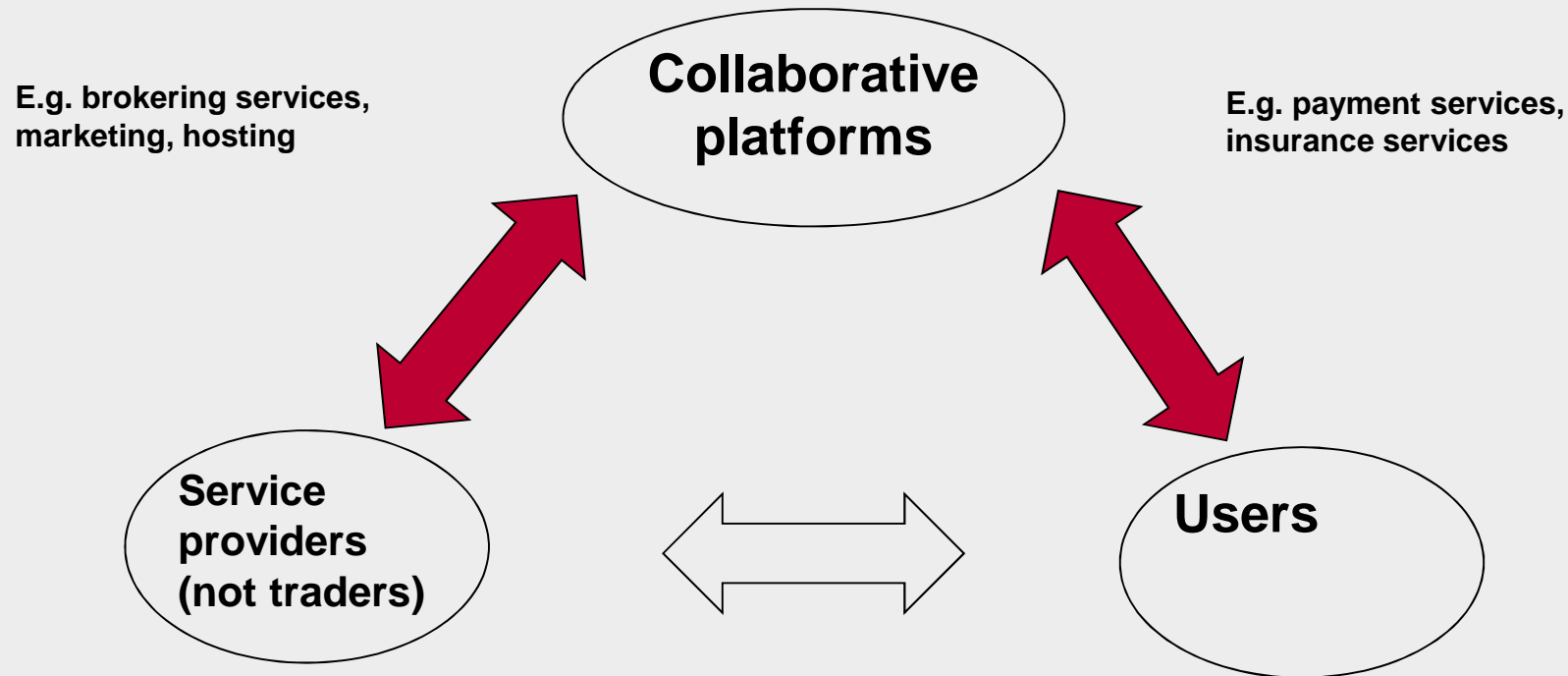
Q4 Compared to the traditional commerce of goods and services, what do you think are the main problems for the people using the services offered on these platforms? (MAX. 2 ANSWERS)
(% - EU)



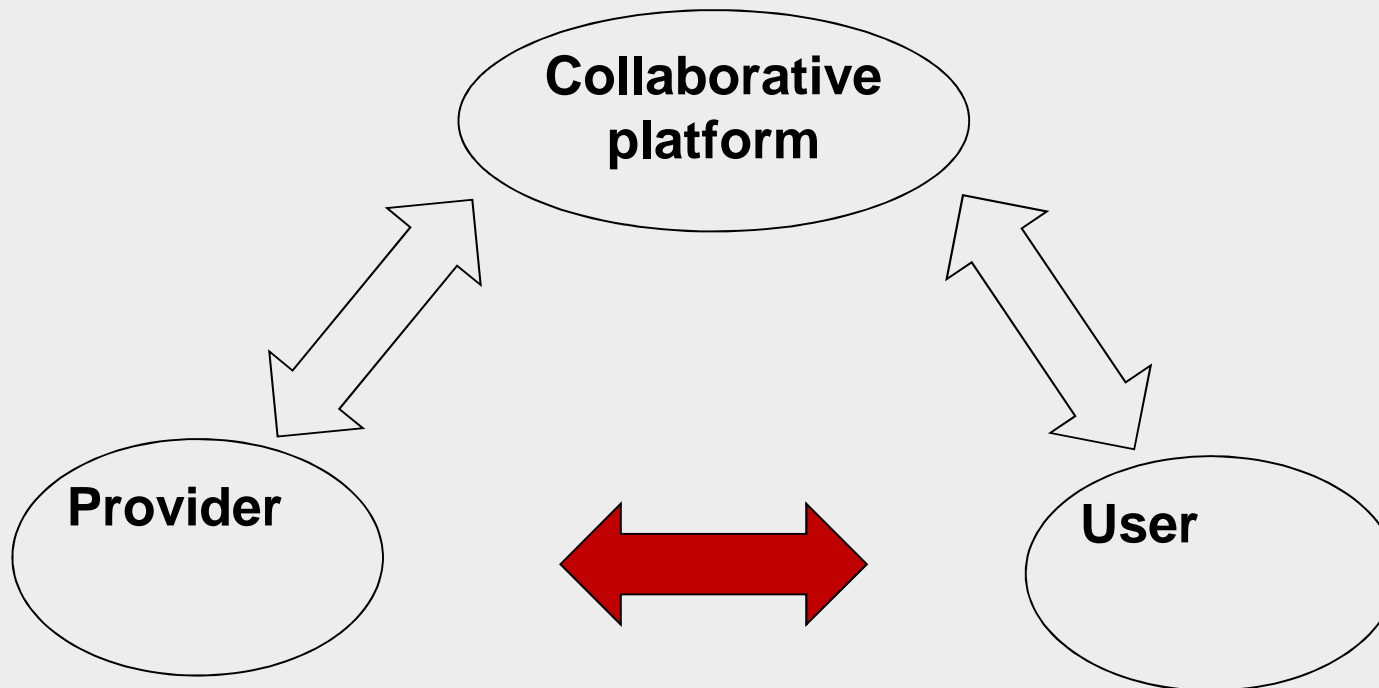
Base: respondents who have heard of or have visited collaborative platforms (N=7,409)

Source: Eurobarometer 2016

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

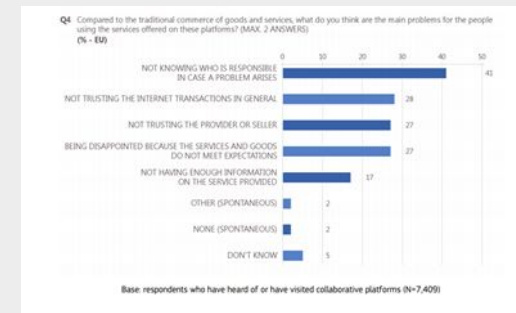
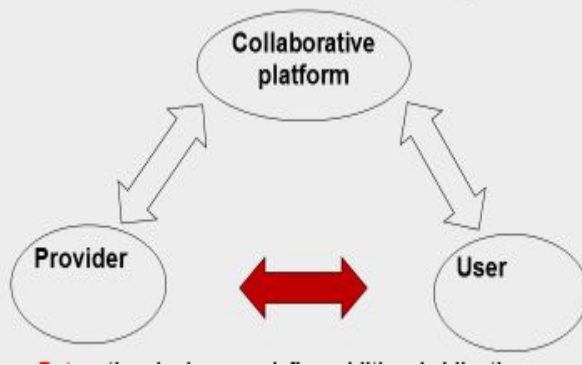


Consumer law protects users partially in their relationship with providers



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

| New, platform-centric safeguards | Challenges |
|----------------------------------|---|
| (Micro-)regulation | <ul style="list-style-type: none">• Terms of use and community guidelines can be arbitrary, unfair and incomprehensible• Shifting unfair burdens on users |
| Organisation | <ul style="list-style-type: none">• Dispute resolution can be ineffective and in-transparent |
| Technology | <ul style="list-style-type: none">• Rating & reputation systems can be biased and discriminatory• Inaccurate or fake reviews• Social capital as new barrier to entry• Social switching costs• Private surveillance and privacy concerns |

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