**The Collaborative Economy: What’s at stake?**

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Citizens have contacted the European Parliament wanting to know how the EU is regulating the new fast moving ‘collaborative or sharing economy’. This rapidly evolving sector touches on a number of aspects of the economy including in the areas of accommodation (short-term letting); passenger transport; household services; professional and technical services, and collaborative finance.

**Commission communication**

The European Commission has put forward guidelines in the form of a communication that highlights some of the key issues as stake to foster the Collaborative economy whilst ensuring adequate protections for consumers and workers.

The communication, entitled [**‘A European agenda for collaborative economy’**](http://ec.europa.eu/DocsRoom/documents/16881/attachments/2/translations) on 2 June 2016 which aims to provide clarity on applicable EU rules and policy recommendations to help citizens, businesses and EU countries fully benefit from the new business models and promote the balanced development of the collaborative economy.

The communication defines the collaborative economy as ‘business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals […] Collaborative economy transactions generally do not involve a change of ownership and can be carried out for profit or not-for-profit.’

According to the Commission communication: ‘Gross revenue in the EU from collaborative platforms and providers was estimated to be EUR 28 billion in 2015. Revenues in the EU in five key sectors almost doubled compared with the previous year and are set to continue expanding robustly.’

**The European Parliament in action**

In an own-initiative report that is debated and voted on in the May 2017 plenary session, the need to address regulatory grey areas that cause significant differences among Member States due to national and local regulations and case law is stressed.  Some key recommendations of the report include:

* **consumer rights**: information to consumers about the rules applicable to each transaction and their rights; collaborative platforms should put in place effective systems for complaints and for settling disputes,
* **workers’ rights**: fair working conditions and adequate protection should be guaranteed for all workers in the collaborative economy; workers should also be able to transfer and accumulate users’ electronic ratings and reviews, which constitute their ‘digital market value’, and
* **taxation**: similar tax obligations should be applied to businesses providing comparable services, whether in the traditional economy or in the collaborative economy; MEPs advocate innovative solutions for improving tax compliance and call on platforms to collaborate to this end.

More information is available in the [**European Parliament press release of 3 May 2017**](http://www.europarl.europa.eu/news/en/news-room/20170503IPR73223/internal-market-committee-calls-for-eu-strategy-on-the-collaborative-economy) and in  **[procedure file 2017/2003(INI) in the Parliament’s Legislative Observatory](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2017/2003(INI)&l=en)**.

Several [**European Parliament questions on the collaborative economy**](http://www.europarl.europa.eu/RegistreWeb/search/simple.htm?leg=&year=&lg=&eurovoc=&currentPage=1&sortAndOrderBy=date_docu_desc&fulltext=%22collaborative+economy%22&reference=&relValue=&codeTypeDocu=QECR&datepickerStart=&datepickerEnd=&auteur=&code_auteur=&autInstDesc=&autInst=) have been put to the Commission by MEPs including on [**the impact on the tourism sector**](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fTEXT%2bWQ%2bE-2017-001647%2b0%2bDOC%2bXML%2bV0%2f%2fEN&language=EN). The [**Commission replies**](http://www.europarl.europa.eu/RegData/questions/reponses_qe/2017/001647/P8_RE%282017%29001647_EN.pdf) on 4 May 2017 on tourism: ‘…Private individuals offering services via collaborative platforms on a peer-to-peer and occasional basis should not be automatically treated as professional service providers. Notably, not everything that can be considered justified and proportionate to professional services providers is automatically also justified and proportionate to those offering services on an occasional basis.’

Moreover, the European Parliament adopted a resolution on 29 October 2015 on [**‘New challenges and concepts for the promotion of tourism in Europe**](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fTEXT%2bTA%2bP8-TA-2015-0391%2b0%2bDOC%2bXML%2bV0%2f%2fEN&language=EN)’ where inter alia, MEPs ‘emphasise that the current legislation is not suited to the sharing economy, and that for this reason local and national governments have started to analyse such online platforms and are trying to regulate their effects, often applying disproportionate measures which are somewhat disparate within the Union.’

Furthermore, in November 2016, the European Parliament organised a [**workshop on collaborative economy**](http://www.europarl.europa.eu/committees/en/imco/events-workshops.html?id=20161019WKS00001) with different stakeholders presenting a variety of business models and best practices across Europe within collaborative economy.

**Further information**

The European Parliament has prepared several studies and briefings into the sector: For example, the briefing on [**A European agenda for the collaborative economy**](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2016)593510) – November 2016 which sets out different stakeholders’ positions and the briefing on [**Tourism and the sharing economy**](http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/595897/EPRS_BRI%282017%29595897_EN.pdf) – January 2017 (both prepared by the European Parliamentary Research Service).

A study on the [**Collaborative Economy**](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/595338/IPOL_STU%282017%29595338_EN.pdf) – January 2017.  In-depth analyses on: [**The Collaborative Economy: and on Socioeconomic, Regulatory and Policy Issues**](http://www.europarl.europa.eu/RegData/etudes/IDAN/2017/595360/IPOL_IDA%282017%29595360_EN.pdf) – February 2017, [**Critical assessment of European Agenda for the collaborative economy**](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/595361/IPOL_IDA%282016%29595361_EN.pdf), – February 2017, [**An economic review on the Collaborative Economy**](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/595358/IPOL_IDA%282016%29595358_EN.pdf) – December 2016  (all for Internal Market and Consumer Protection Committee). An in-depth analysis for the Employment and Social Affairs Committee on the [**Situation of Workers in the Collaborative Economy**](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/587316/IPOL_IDA%282016%29587316_EN.pdf) – October 2016. An [**infographic and article on the collaborative economy**](http://www.europarl.europa.eu/news/en/news-room/20170428STO72971/infographic-the-increasing-popularity-of-the-collaborative-economy) – May 2017.

The European Commission webpage on the [**collaborative economy**](http://ec.europa.eu/growth/single-market/services/collaborative-economy_en) contains official documents, analytical papers and upcoming events on this rapidly evolving sector.