European agenda for the collaborative economy

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Nicola DANTI (S&D, IT) on a European Agenda for the collaborative economy.

The Committee on Employment and Social Affairs and the Committee on Industry, Research and Energy, exercising their prerogatives as associated committees under Rule 54 of the Rules of Procedure, also gave their opinions on the report.

Members noted that the collaborative economy has experienced rapid growth in recent years, in terms of users, transactions and revenues, reshaping how products and services are provided and challenging well-established business models in many areas. In this regard, the communication on a European agenda for the collaborative economy should represent a good starting point for promoting and regulating this sector.

Accordingly, Members welcomed the communication as a first step towards a well-balanced EU strategy in this area. If developed in a responsible manner, the collaborative economy creates significant opportunities for citizens and consumers.

Members encouraged Member States to provide **legal clarity** and not to view the collaborative economy as a threat to the traditional economy. They believed that the collaborative economy empowers consumers, and offers new job opportunities, but stressed nevertheless the importance of ensuring a high level of consumer protection, of fully upholding workers' rights and of ensuring **tax compliance in this sector**.

Need for greater legal certainty: Members stressed the need to strengthen legal certainty, particularly in view of the risk of **fragmentation of the single market**. They were aware that, if not properly governed, the changes could result in legal uncertainty about applicable rules and constraints in **exercising individual rights and protecting consumers**. Regulation needs to be fit for purpose for the digital age, especially European start-ups and non-profit organisations involved in the collaborative economy.

Collaborative economy in the EU: Members emphasised the need to consider the collaborative economy not only as a collection of new business models offering goods and services but also as a **new form of integration between the economy and society** where the services offered are based on a wide variety of relations embedding economic relations within social ones and creating new forms of community and new business models. In Europe has some specific traits reflecting European business structure, which consists mainly of SMEs and micro-enterprises.

EU regulatory framework: Members recognised that while certain parts of the collaborative economy are covered by regulation, including at local and national level, other parts may fall into regulatory grey areas. They welcomed the Commission's intention to tackle the current fragmentation, but regretted that its communication did not bring sufficient clarity about the applicability of existing EU legislation to different collaborative economy models. They emphasised the need for the Member States to **step up enforcement of existing legislation**, and called on the Commission to aim for an enforcement framework supporting the Member States in their efforts, most importantly regarding the Services Directive and the consumer acquis. They called on the Commission to make full use of all tools available in this context, including infringement procedures, whenever incorrect or insufficient implementation of the legislation is identified.

Members also urged the Commission to work together with Member States to provide further guidelines on laying down effective criteria for distinguishing between peers and professionals, which is crucial for the fair development of the collaborative economy. These guidelines should take into account of the differing legislation in Member States and their economic realities, such as income level, the characteristics of the sectors, the situation of micro and small businesses. Members were of the opinion that **a set of general principles and criteria at EU level and a set of thresholds at national level** could be a way forward.

They also noted the need to further clarify the **liability regimes of collaborative platforms** as quickly as possible, in order to promote responsible behaviour, transparency, legal certainty and thereby **increase user confidence**. Members believed that any new regulatory framework should leverage platforms' self-governing capacities and peer-review mechanisms, since both have proved to work effectively and take into account consumer satisfaction with collaborative services. They were convinced that collaborative platforms themselves can take an active role in creating such a new regulatory environment by correcting asymmetric information, especially by means of **digital reputation mechanisms** to increase user trust.

Competition and tax compliance: whilst welcoming the fact that the rise of the collaborative economy has brought greater competition and has challenged existing operators to focus on consumers' real demands, they stressed that the **collaborative economy should never be used as a way of avoiding tax obligations**. They stressed, further, the urgent need for collaboration between the competent authorities and collaborative platforms on tax compliance and collection. They called on the Commission to facilitate exchange of best practices among Member States to develop **effective and innovative solutions enhancing tax compliance and enforcement,** in order to eliminate the risk of cross-border tax fraud. Members invited the collaborative platforms to play an active role in this regard.

Impact on labour market and workers' rights: Members noted that the collaborative economy is opening new opportunities and new, flexible routes into work, especially for the self-employed, for those who are unemployed, and marginalised groups. They recalled that all workers in the collaborative economy are either employed or self-employed based on the primacy of facts and must be classified accordingly. They called on the Member States and the Commission, in their respective areas of competence, to ensure **fair working conditions and adequate legal and social protection** for all workers in the collaborative economy, regardless of their status. Members called on the Commission to examine how far the Directive on Temporary Agency Work (2008/104/EC) is applicable to specific online platforms.

Promotion of the collaborative economy: recalling the local dimension of the collaborative economy, Members also recalled its evolving nature with regards to regulation. They pointed out the importance of adequate competencies skills and training with a view to enabling as many individuals as possible to play an active role in the collaborative economy. In this respect, they pointed to how the introduction of 5G will fundamentally transform economies, making services more diverse and accessible.

Collaborative platforms in the tourism sector: Members recalled that, according to Commission estimates, peer-to-peer accommodation is the largest collaborative economy sector on the basis of generated commerce, while peer-to-peer transportation is the largest measured by platform revenue. They highlighted the fact that in the tourism sector home sharing represents an excellent use of resources and under-used space, especially in areas that do not traditionally benefit from tourism. They **condemned, in this regard, the regulations being imposed by some public authorities**, which seek to restrict the supply of tourist accommodation via the collaborative economy;.

Lastly, Members called on the Commission to facilitate and promote access to appropriate funding lines for European entrepreneurs who operate in the collaborative economy sector, in the framework of Horizon 2020.