European agenda for the collaborative economy

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The European Parliament adopted by 510 votes to 60, with 48 abstentions, a resolution on a European Agenda for the collaborative economy.

It should be noted that an alternative motion for a resolution, tabled by the ENF group, was rejected in plenary by 61 votes to 553 against with one abstention.

Parliament 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, Parliament 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.

It encouraged Member States to provide **legal clarity** and not to view the collaborative economy as a threat to the traditional economy. It 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: Parliament stressed the need to strengthen legal certainty, particularly in view of the risk of **fragmentation of the single market**. It is 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: Parliament 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. Europe has some specific traits reflecting European business structure, which consists mainly of SMEs and micro-enterprises.

EU regulatory framework: Parliament 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. It 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. It 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. It 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.

Parliament 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. It considered that **a set of general principles and criteria at EU level and a set of thresholds at national level** could be a way forward.

Parliament 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**. It 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.

According to Parliament, 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, Parliament stressed that the **collaborative economy should never be used as a way of avoiding tax obligations**. It stressed the urgent need for collaboration between the competent authorities and collaborative platforms on tax compliance and collection. It 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: Parliaments 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.

It called on the Commission to examine how far existing Union rules are **applicable to the digital labour market** and ensure adequate implementation and enforcement.

Member States are called upon to assess, in a proactive way and based on the logic of anticipation, the need to modernise existing legislation, including social security systems. The Commission and the Member States are called on to coordinate social security systems with a view to ensuring the exportability of benefits and aggregation of periods in accordance with Union and national legislation.

Parliament encouraged social partners to update collective agreements where necessary so that existing protection standards can also be maintained in the digital work world.

Moreover, it called on the Commission to publish guidelines on how Union law applies to the **various types of platform business models** in order, where necessary, to fill regulatory gaps in the area of employment and social security.

Plenary stated that the high transparency potential of the platform economy permits good traceability, in line with the aim of enforcing existing legislation. Sufficient labour inspections should be carried out. The Commission and the Member States should pay special attention to **undeclared work and bogus self-employment** in this sector, and to put the platform economy on the agenda of the European Platform Tackling Undeclared Work.

Parliament 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. It 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, Parliament also recalled its evolving nature with regards to regulation. It stressed 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, it pointed to how the introduction of 5G will fundamentally transform economies, making services more diverse and accessible.

Parliament stressed the importance of **coherent policies and the deployment of broadband and ultra-broadband** as a precondition to develop the full potential of the collaborative economy and to reap the benefits offered by the collaborative model. It recalled, therefore, the need to enable an adequate network access for all citizens in the EU, especially in less populated, remote or rural areas, where sufficient connectivity is not yet available.

Collaborative platforms in the tourism sector: Parliament 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. It 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. It 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, Parliament 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.