

Overview on the European Parliament study “The cost of Non-Europe in the Sharing Economy”

[The study](#) was published in January 2016. The Executive Summary provides for a good overview on the main content of the study (page 5), and provides the main findings:

1. The nature of the sharing economy is likely to change and consumers are likely to benefit from lower prices and better quality. Providers enjoy new economic opportunities, however may not benefit from advantages associated with traditional employment.
2. The potential economic gain linked with a better use of capacities is estimated at 572 billion EUR, however barriers currently prevent the realisation of full benefits.
3. The current regulatory framework would in principle allow the sharing economy to grow, however maximising the benefits would require new initiatives at EU level.

Recommendations (page 28) suggest additional steps in order to achieve full potential of the sharing economy.

In more details, the study addresses the issue of the sharing economy by:

- Attempting to evaluate the economic and social potential of the sharing economy
- Seeking to identify whether there are obstacles or barriers preventing the sharing economy from reaching its full potential
- Analysing the effectiveness of existing EU regulatory framework.

In Chapter 1, it gives a definition of the sharing economy (top of page 11).

The study describes the drivers of the sharing economy (page 11-17) including economic and social aspects linked to the crisis of the last years as well as the aspects linked to social protection, which the sharing economy disrupts.

In chapter 2 it describes the economic and social potential of the sharing economy, the obstacles and barriers (including labour market obstacles, tax and other policy choices, trust, regulation) and their economic value. It also describes the existing legislative framework, e.g. the E-Commerce Directive, the Digital Single Market Strategy, Services Directive, Directive on Consumer Rights, Working Time Directive, etc. and their potential impacts. These are also described more detailed in Annex II of Annex II (page 197).

In chapter 3 there are some recommendations, including the need for a definition of digital platforms, improving regulations applied to the sharing economy platforms, dealing with potential market power of sharing economy platforms as well as dealing with labour market regulations, the best option considered to be to include sharing economy service providers under the scope of self-employment.

Annex I is a research paper by Europe Economics gives more details on the economic and social potential of the sharing economy. It deals with the different impacts sharing economy would have, like on prices (being lower), quality (to be higher, e.g. because of rating systems and increased competition), providers and competitors, including those in the existing providers. It analysis the economic aspects also e.g. from the perspective of under-utilisation of different items (e.g. in the case of accommodation, under-utilisation is 3%, while for cars it is usually above 80%).

It also deals in Chapter 4 in detail with different barriers identified, like physical barriers, consumer preferences (e.g. ownership vs. sharing), labour market obstacles, tax and other barriers, etc. The value of those obstacles is calculated at 572 billion EUR, in terms of potential economic gain to better use the capacities.

Finally in Chapter 7 it looks at the additional steps to be taken at EU level to realise the sharing economy's economic potential. On improving regulations applied to the sharing economy platforms, it takes the example of Amsterdam and its agreement with AirBnB, mentioning the registration of market participants, providing suitable insurance, confirming tax receipts and collecting taxes. The study considers crucial that *"the level playing field should not be to subject sharing economy providers to the same set of regulations as existing providers, but instead to ensure that the sharing economy meets the same underlying regulatory objectives"* (page 112).

Annex II of the study is a Briefing paper by European Institute of Public Administration. In this paper they analyse closer the legal aspects and concerns, e.g. in relation to consumer protection, data protection, labour law, taxation, safety and security, liability, insurance and others. It works with several case studies, which provide a good description of recent measures taken in some countries / cities.

In the case of the Accommodation sector, they analyse the examples of Belgium, Germany, France, The Netherlands, Spain and the UK (see pages 150-158).

The paper also analyses the current EU legal framework the above mentioned legislation (eCommerce Directive, Consumer legislation, etc., page 167 onwards).

The paper also makes a differentiation between platforms in 3 levels, in terms of 1) how much they just provide information, 2) how much they facilitate exchange of currency (AirBnB) and 3) how much they control the performance of the service (Uber). The paper says that this classification could help determining how much a platform is a service provider or not. (p 175-176)

When analysing the legal obstacles preventing the sharing economy to reach its full potential, in the case of Accommodation the example of Amsterdam is considered to be of low risk, while the example of Germany as a high risk (p 178-179).

The conclusions of this Annex recommend some actions ensuring compliance, e.g. to distinguish between occasional and professional use of a sharing economy platform, to revise the absence of obligation to monitor illegal content (e.g. in Catalunya on accommodation), etc.

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