



# European Collaborative Economy Forum

*Shared thinking for a collaborative Europe*

European Collaborative Economy Forum:  
Industry Views Survey 2016

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## Survey Overview

Following the European Commission's publication of 'A European agenda for the collaborative economy' in June 2016, the European Collaborative Economy Forum (EUCoLab) conducted an industry survey to understand the key issues which the collaborative economy in Europe faces. In addition to the survey, EUCoLab conducted a series interviews and informal conversations with experts, founders and CEOs in the collaborative economy.

This report draws together the views expressed and identifies the key barriers and challenges facing the sector. It sets out a clear set of priorities for policymakers and industry to work together on, for the benefit of consumers, service providers and platforms.



## Executive Summary - Industry Asks

### Barriers to growth of platforms:

Respondents call on policymakers to **directly challenge disproportionate and anti-competitive laws** passed by Member States, and ensure national authorities review existing national legislation to ensure that **market access requirements are justified, necessary and proportionate**. **Absolute bans of an activity should only be a measure of last resort.** Respondents also ask a focus on measures which **ease administrative requirements, targeted fiscal support and strong liabilities protections for intermediaries** to help businesses like ours grow.

### Barriers to offering goods and services on platforms:

Respondents ask policymakers to ensure **market access requirements are truly non-discriminatory** and remain necessary only to attain clearly identified public interest objectives. Respondents also call for the creation of **clear legal statuses** for participants in the collaborative economy and **proportionate regulation and taxation requirements** for people sharing their goods and offering their services. Respondents also identified the need to **support the development of insurance solutions** for collaborative economy activities.

### Barriers to consumer engagement:

Respondents ask policymakers to **allow Europeans access to the full range of our services** regardless of where they reside. In ensuring consumer protection, respondents ask policymakers to **focus on enforcement of existing EU laws, namely the Services Directive, E-Commerce Directive, Freedom to provide Services and Freedom of Establishment**. We also urge policymakers to take into consideration **TrustTech tools currently used to address public policy concerns**, such as verification through reviews and reputational systems.

## About EUCoLab

EUCoLab was founded by a collection of like minded companies who believe that co-operation and exchange of ideas are paramount to accelerating the development of the collaborative economy in Europe. The Forum brings together leading collaborative economy companies and European policymakers to discuss the current and future regulatory landscape of the collaborative economy. Through a continuous programme of exclusive roundtables, special projects, research and campaigns, EUCoLab creates a space for open dialogue to foster greater understanding of our platforms and their role in Europe's digital transformation. Our members and platforms contributing to this report include:





*Responses were received  
from 20 platforms*

.....

*Approximately **two thirds** of  
respondents operate across  
multiple Member States.*

.....

*Combined, these platforms offer  
goods and services to over a million  
users every day and have over*



*service providers operating  
on their platforms in Europe.*

## Survey Respondents

- This survey was conducted between June and August 2016 using internet-based polling.
- Respondents are active across the following verticals of the collaborative economy:
  - Accommodation and space sharing
  - Skill sharing and employment
  - Transport sharing
  - Finance and peer lending
  - Equipment and goods sharing
  - Entertainment
  - Support services: insurance, accounting and verification services.
- Respondents include Founders, CEOs and Senior Directors of collaborative economy platforms.
- Responses were received from 20 platforms.
- Approximately two thirds of respondents operate across multiple Member States.
- Combined, these platforms offer goods and services to over a million users every day and have over 500,000 service providers operating on their platforms in Europe.

## What is the collaborative economy? The Opportunity for Europe

### A definition

The collaborative economy can be defined as a social and economic system, which allows people to share access to their assets, resources, time and skills through network technologies and peer communities.

The collaborative economy is growing rapidly. Platforms can make an important contribution to jobs and growth in Europe, if encouraged and developed in a responsible manner:

- In the EU, collaborative economy platforms and providers had an estimated gross revenue of €28 billion in 2015<sup>1</sup>, with experts predicting the collaborative economy could add €160-572 billion to the EU economy.
- Growth in recent years has been significant with revenues almost doubling from 2014 to 2015<sup>2</sup>.

*The collaborative economy  
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.....

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## The Opportunity for Europe

### The rise of collaborative economy platforms:

- In 2016, a Eurobarometer poll showed that more than half of all EU citizens (52%) know about the collaborative economy, with just under one person in six already a user (17%)<sup>3</sup>.
- Almost one third of people who have been on collaborative platforms have already provided a service at least once. That's more than 5% of the EU population already providing products and services through such platforms and considerable growth is expected in the next year<sup>4</sup>.
- Participation in the collaborative economy is predicted to rise by a third in the next 12 months in Europe - more than 150 million Europeans are expected to engage in sharing over the next year<sup>5</sup>.
- Certain European countries are leading the way in the collaborative economy, with participation highest in Spain (6%) and the UK (5%), but this suggests that there is considerable scope for growth across the continent as familiarity spreads and more people turn their knowledge into action<sup>6</sup>.



*% of Europeans  
know about the  
collaborative economy*



*% of Europeans  
already a user*

## Supporting Growth of Collaborative Economy Platforms

The following factors were identified by respondents as barriers to participation:

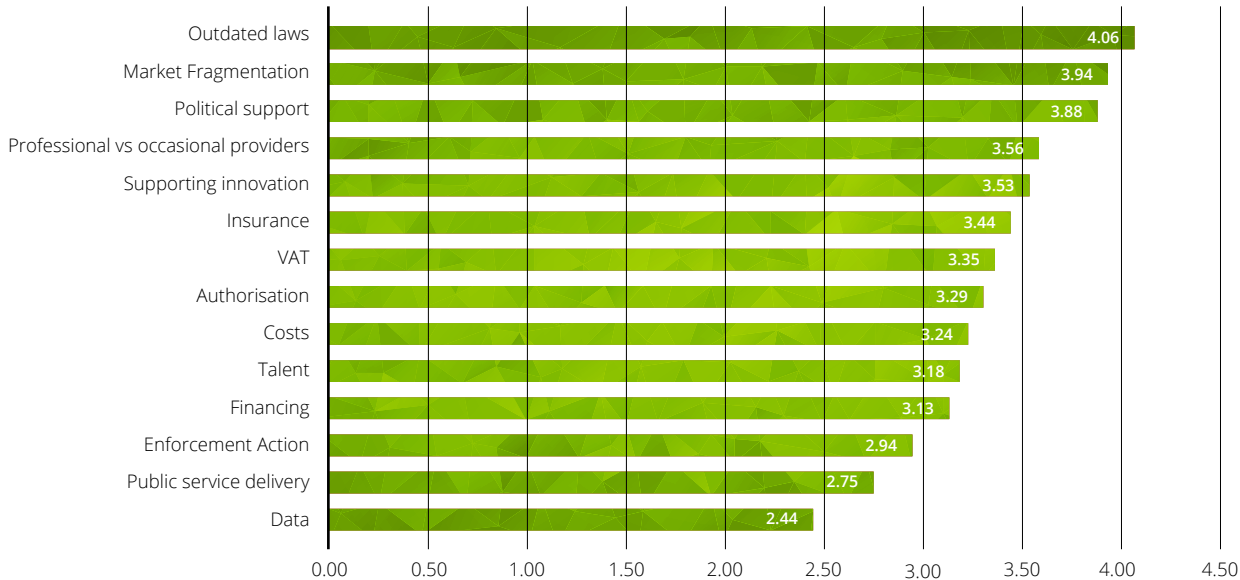
- **Outdated laws** - Requirements to adhere to outdated laws conceived for similar services
- **Market Fragmentation** - Fragmented regulatory and compliance requirements across Member States - complex and heavy administrative burdens
- **Political support** - Lack of public political support for the collaborative economy
- **Professional vs occasional providers** - No differentiation between individual citizens providing products and services on an occasional basis and providers acting in a professional capacity
- **Supporting innovation** - A policy environment which embraces permissionless innovation
- **Insurance** - Lack of insurance options
- **VAT** - VAT complexity and fragmented tax requirements across Member States
- **Authorisation** - Restrictive authorisation schemes and/or licenses regimes
- **Costs** - Costs setting up businesses across Member States
- **Talent** - Lack of access to talent to develop platform infrastructure
- **Financing** - Lack of access to finance to develop platform infrastructure and role out across Member States
- **Enforcement Action** - Lack of enforcement of existing national and EU laws which protects incumbents/traditional industry
- **Public service delivery** - Lack of opportunity to work with regional and national governments to deliver public services using the collaborative economy platforms
- **Data** - A policy environment which opens up government data to unlock innovation

## Supporting Growth of Collaborative Economy Platforms

### What respondents say

Respondents were asked to rank (from 0 - 5; 0 = no impact, 5 = significant impact) the barriers to growth for collaborative economy platforms in Europe. Results are summarised as follows:

#### Average score: Barriers to growth of European collaborative economy platforms



## Supporting Growth of Collaborative Economy Platforms

### What respondents say

On average, the top three factors which respondents identified as impacting on the growth of platforms were:

1. **Requirements to adhere to outdated laws** conceived for traditional (pre digital) services: 4.06/5.00
2. **Fragmented regulatory and compliance requirements** across Member States - bringing complex and heavy administrative burdens: 3.94/5.00
3. **Lack of political support** for the collaborative economy: 3.88/5.00

On average, the least significant barrier was: A policy environment which opens up government data to unlock innovation: 2.44/5.00

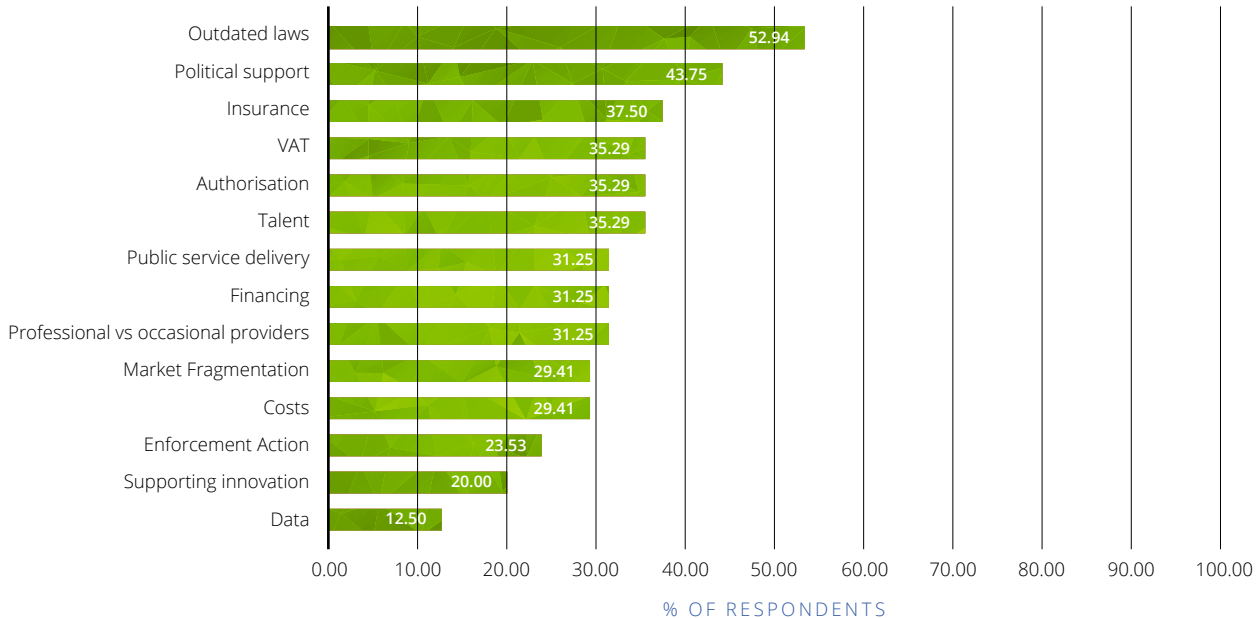


## Supporting Growth of Collaborative Economy Platforms

### What respondents say

The percentage of respondents rating the barriers as most significant (5) to growth of platforms, were as follows:

#### Barriers to growth of European collaborative economy platforms - % of votes - Most significant (5)



## Supporting Growth of Collaborative Economy Platforms

### What respondents say

Percentage of respondents ranking barrier as most significant (5) to growth of European collaborative economy platforms:

1. **Requirements to adhere to outdated laws** conceived for similar services (52.94%)
2. **Lack of public political support** for the collaborative economy (43.75%)
3. **Lack of insurance options** (37.50%)

### Additional issues which respondents thought had an impact:

- **Entrenched interests of traditional business** and extensive lobbies which protect the status quo of incumbents.
- **Lack of targeted support and incentives** for platforms which deliver social and environmental benefit - specifically through fiscal measures (taxation or targeted funding) to encourage platforms which deliver enhanced sustainability, reuse of materials or public benefit.

## A view from industry

What we would like policymakers to do to support growth of platforms:

1. We call on the Commission to directly **challenge disproportionate and anti-competitive laws** passed by Member States. **Absolute bans of an activity should only be a measure of last resort.** The Commission must do all it can to ensure the law in Member States is justified and proportionate, and not favouring one business model over the other. We therefore ask the Commission to **launch and follow-up on infringement procedures against Member States violating EU laws.**
2. We call on the Commission to **ensure a level playing field and ensure national authorities review existing national legislation to ensure that market access requirements continue to be justified, necessary and proportionate.** Existing national laws and regulations continue to create high market entry barriers and protect incumbents. In ensuring a level playing field, we believe that **no additional European regulation is necessary; but rather, just the proper enforcement of existing EU law.**
3. We strongly encourage **targeted fiscal support for small platforms looking to scale** - tax incentives and/or allocation of tax breaks, to allow us to stay in Europe and grow.
4. We ask the Commission to **focus on measures which ease administrative requirements to help small businesses like ours grow.** This includes removing the initial barriers of setting up businesses across different Members States ie. the ability for European SME's to complete set up entirely online, unify and reduce costs related to set up requirements and establishing bank accounts. We also ask for a **reduction in red tape, particularly arising from issues such as data protection.**
5. We also ask for strong **liability protections for intermediaries** and for policymakers to **refrain from imposing new consumer protection obligations on intermediaries**, which we consider vital to the development of the platforms.
6. We look to governments - local and federal - to actively support the collaborative economy. This involves, not merely take a passive role, but **working with industry to actively promote our sector in Europe as an alternative to traditional services.**

## Supporting Participation in the Collaborative Economy

The following factors were identified by respondents as barriers to participation:

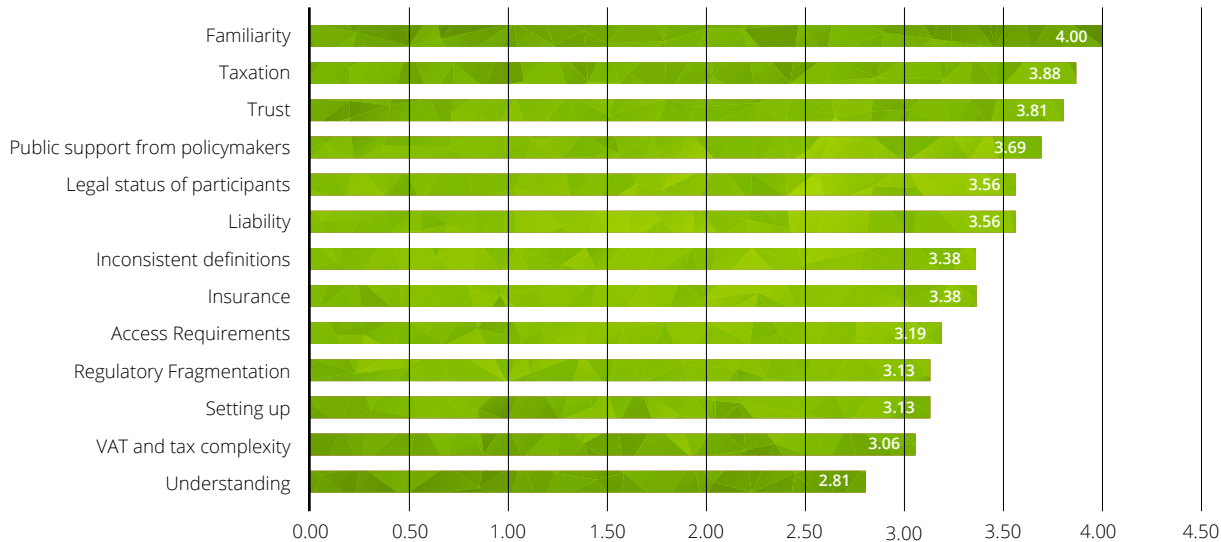
- **Familiarity** - Lack of familiarity and understanding of the collaborative economy
- **Taxation** - Complicated tax schemes for participants who offer products and services occasionally (as part-time, non-professionals)
- **Trust** - Lack of trust in the platforms or actors on the platform
- **Public support from policymakers** - Lack of public support from policymakers for the collaborative economy
- **Legal status of participants** - Lack of a legal status for participants - no differentiation between individual citizens providing products and services occasionally and professional providers
- **Liability** - Lack of clarity over liability issues
- **Inconsistent definitions** - Fragmented approach to classification of key terms such as traders vs consumers and professional vs non-professional service providers.
- **Insurance** - Lack of insurance options and concern over disputes with regards to damage
- **Access Requirements** - Market access requirements – eg quality standards, business authorisations and licensing requirements for provision of services
- **Regulatory Fragmentation** - Regulatory fragmentation across Member States – eg variation in compliance requirements on consumer protection, company law and data protection.
- **Setting up** - Administrative burdens of setting up as a sole trader
- **VAT and tax complexity** - VAT complexity and fragmented tax requirements across Member States
- **Understanding** - Lack of understanding of requirements for the provision of goods and services across different Member States and regions

## Supporting Participation in the Collaborative Economy

### What respondents say

Respondents were asked to rank (from 0 - 5; 0 = no impact, 5 = significant impact) the barriers to participation on collaborative economy platforms in Europe. Results are summarised as follows:

#### Average score: Barriers preventing participation on collaborative economy platforms



## Supporting Participation in the Collaborative Economy

### What respondents say

On average, the top three factors which respondents identified as barriers to participation on platforms were:

1. **Lack of familiarity and understanding** of the collaborative economy: 4.00/5.00
2. **Complicated tax schemes** for participants who offer products and services on an occasional, flexible basis: 3.88/5.00
3. **Lack of trust** in the platform or actors on the platform: 3.81/5.00

On average, the least significant barrier to participation was: Lack of understanding of requirements for the provision of goods and services across different member states and regions: 2.81/5.00

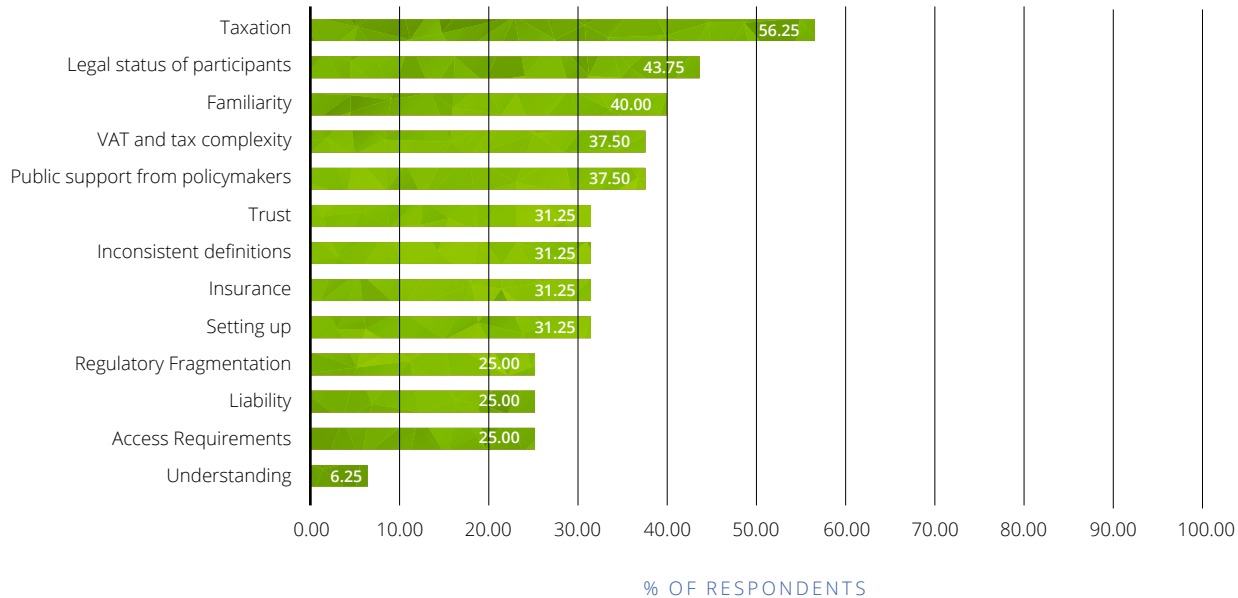


## Supporting Participation in the Collaborative Economy

### What respondents say

The percentage of respondents rating the barriers as most significant (5) to participation on platforms, were as follows:

#### Barriers to participation on European collaborative economy platforms - % of votes - Very significant (5)



## Supporting Participation in the Collaborative Economy

### What respondents say

Percentage of respondents ranking barrier as most significant (5) to participation on European collaborative economy platforms:

1. **Complicated tax schemes** for participants who offer products and services on an occasional, flexible basis: 56.35%
2. **Lack of legal status for participants** - no differentiation between providing goods and services occasionally vs professionally: 43.75%
3. **Lack of familiarity and understanding** of the collaborative economy: 40%

## A view from industry

What we would like policymakers to do to support participation:

1. We ask policymakers to review market access requirements (e.g such as licensing regimes) at national level, to ensure they are truly **non-discriminatory and remain necessary only to attain clearly identified public interest objectives**. As part of this, we call on policymakers and legislators in Member States to **review whether the objectives pursued in current legislation remains valid (both for our platforms and traditional service providers)**.
2. **We encourage Member States to review, simplify and modernise market access requirements and to avoid fragmentation of the Single Market.** Where service providers are required to obtain authorisations on the basis of national law, we ask policymakers to ensure that the **conditions to obtain them remain clear, proportionate and objective**.
3. We call for the creation of **clear legal statuses for participants in the collaborative economy** so that they can participate as part-time workers and complement their income. We support the concept of thresholds under which economic activity may be considered professional or non-professional.
4. We call for **proportionate regulation for people sharing their goods and offering their services**. This includes the implementation of **tax systems which are different** for occasional participants and professionals.
5. **We ask for the prioritisation of facilitating tax payments** - developing easy-to-use tax processes and systems that make it simple for individuals to report and pay applicable income taxes. We also call for a **unified approach to VAT regulation across EU countries**.
6. **We ask that policymakers prioritise and support the development of insurance solutions** for collaborative economy activities.

## Supporting Consumers in the Collaborative Economy

The following factors were identified by respondents as barriers to consumer engagement:

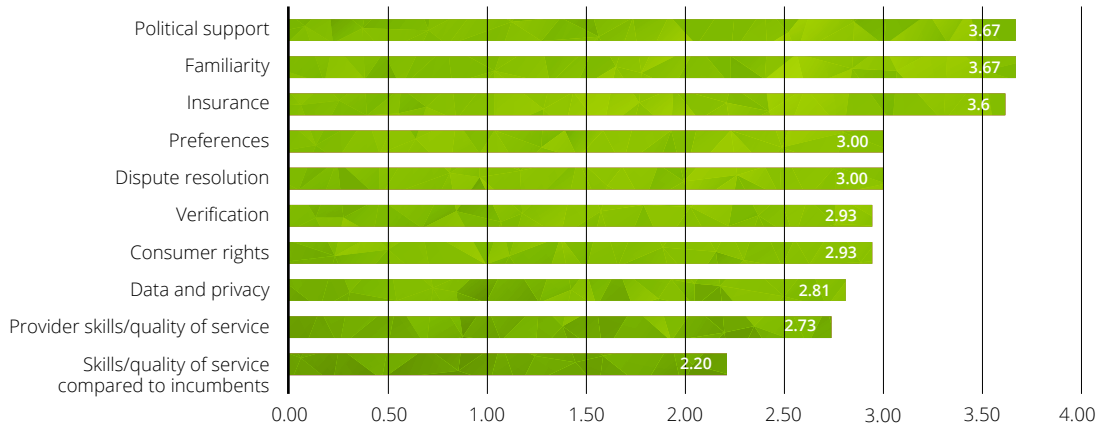
- **Political support** - Lack of political support for the collaborative economy
- **Familiarity** - Lack of familiarity with the collaborative economy
- **Insurance** - Lack of insurance options and concern over damages
- **Preferences** - Preference to deal with traditional companies
- **Dispute resolution** - Confidence in platform dispute mechanisms and ability to police the community
- **Verification** - Confidence that the provider's identity is verified
- **Consumer rights** - Uncertainty regarding applicable consumer rights
- **Data and privacy** - Confidence in the platform to uphold data protection and privacy
- **Provider skills/quality of service** - Confidence that the provider has the necessary skills to provide the service or ensure a minimum quality of goods
- **Skills/quality of service compared to incumbents** - Reduced quality of goods or service in comparison to traditional industry provider

## Supporting Consumers in the Collaborative Economy

### What respondents say

Respondents were asked to rank (from 0 - 5; 0 = no impact, 5 = significant impact) the barriers to consumers engaging in collaborative economy platforms in Europe. Results are summarised as follows:

#### Average score: Barriers for consumers on collaborative economy platforms



## Supporting Consumers in the Collaborative Economy

### What respondents say

On average, the top three factors which respondents identified as barriers to consumer engagement on platforms were:

1. **Lack of political support** for the collaborative economy: 3.67/5.00
2. **Lack of familiarity** with the collaborative economy: 3.67/5.00
3. **Lack of insurance options** and concern over damages: 3.60/5.00

On average, the least significant barrier to participation was: Reduced quality of good or service in comparison to traditional industry providers: 2.20/5.00

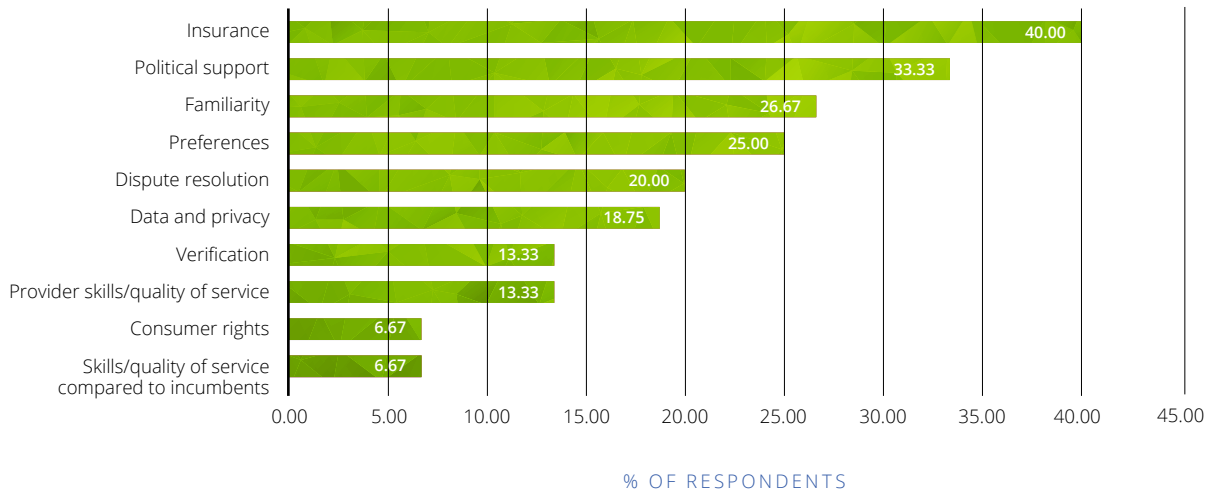


## Supporting Consumers in the Collaborative Economy

### What respondents say

Respondents were asked to rank (from 0 - 5; 0 = no impact, 5 = significant impact) the barriers to consumers engaging on collaborative economy platforms in Europe. Results are summarised as follows:

#### Barriers for consumers on collaborative economy platforms – % of votes – Very significant (5)



## Supporting Consumers in the Collaborative Economy

### What respondents say

Percentage of respondents ranking barrier as most significant (5) to consumer engagement on European collaborative economy platforms:

1. **Lack of insurance options** and concern over damages: 40%
2. **Lack of political support** for the collaborative economy: 33.33%
3. **Lack of familiarity** with the collaborative economy: 26.67%

### Additional issues which respondents thought had an impact:

- **Restrictions on service providers offering a full range of services**  
(ie. sometimes very limited versions of the service due to the need to comply with outdated and protective regulations and laws), means that consumers are not afforded the right to choose and miss out on services until they experience it in jurisdictions where the full range of services are allowed, e.g. the US. This prevents the collaborative economy in Europe being demand driven, because although there may be demand, the service is prohibited.
- **Promotion of TrustTech:** Support for the development of technologies and services which enable the verification, identification, social profiling and reviewing of participants is key.

## A view from industry

What we would like policymakers to do to support consumer engagement on the platform:

1. Ensure that **consumers are allowed access to the full range of services** provided by our platforms, and not be denied access due to outdated and protectionist regulation.
2. We ask policymakers to refrain from creating new EU regulations but rather **focus efforts on enforcement of existing EU laws, namely the Services Directive, E-Commerce Directive, Freedom to provide Services and Freedom of Establishment**. As part of this, we urge an **approach which assesses risk properly** - and ask for action only when there are clear and evidence-based gaps in consumer protection frameworks.
3. We ask policymakers to **refrain from imposing new consumer protection obligations on intermediaries**.
4. When assessing the justification and proportionality of legislation applicable to our platforms, we call on Member States to take **into consideration the tools currently used to address public policy concerns, for instance, in relation to quality or verification through rating and reputational systems**, which reduce the need for certain elements of regulation.
5. We urge policymakers to **support and incentivise TrustTech technologies** and services which enable the verification, identification, social profiling and reviewing of participants.

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