



PRESS RELEASE

The Sharing Economy in the EU: State of Play

12 July 2018

- **Two years after the publication of the European Commission's "European agenda for the collaborative economy" the sharing economy is a significant contributor to the economic well-being of European citizens.** We estimate that collaborative economy activities create EUR 26.5 billion in revenue and employ almost 400,000 persons in Europe.
- **Regulation matters to the extent and the way in which the collaborative sector develops in Europe.** While there is no one-size-fits-all formula, our research shows that where the regulatory framework has been adapted and clarified, sharing economy businesses have emerged and grown.

12 July 2018: The European Commission has published two VVA studies about the collaborative economy in Europe.

- [Study to monitor the business and regulatory environment affecting the collaborative economy in the EU](#)
- [Study to monitor the economic development of the collaborative economy at sector level in the 28 EU Member States](#)

The sharing economy is a fast-growing, economically important phenomenon in Europe...

Renting a spare room to visitors for a weekend or carpooling with strangers going to the same destination have become familiar activities for many Europeans. **The European Commission estimates that nearly 400,000 persons have offered goods or services on sharing economy platforms in 2016 across the European Union.** This activity has generated revenues of EUR 26.5 billion in total (including for the providers themselves, for the platforms that host the transactions and for an ever-expanding eco-system of third parties such as payment service providers, insurance companies, cleaners, etc.

... that is distributed unequally across EU member states ...

As big as they seem, these figures still account for a very small share of the EU economy: 0.17% of EU GDP and 0.15% of EU employment, respectively. Collaborative economy revenues are also very unequally distributed across EU member states: the seven largest collaborative economy markets (France, United Kingdom, Poland, Spain, Germany, Italy and Denmark) represent about 80% of total revenues in the EU.

... whose emergence is driven by the actions of policy makers ...

The European Commission's freshly published a "Collaborative economy Index" that measures the openness of national regulatory frameworks towards sharing economy activities. How easy is it to become an Uber driver? How many requirements does a potential host need to fulfil before letting a room on Airbnb?



The study finds that **Lithuania, France and the United Kingdom are the most “collaborative-friendly” governments**. Their success factors? Having adapted their existing regulatory frameworks to fit the specificities of the collaborative economy and the provided guidance and services for sharing economy start-ups. For instance, France and Lithuania have included definitions of car sharing and ride sharing in their Transport Codes, and the British agency Innovate UK offers grants for sharing economy projects.

In contrast, in countries that have not implemented tailor-made policies to attract collaborative economy providers, **there is a risk of sudden bans or judicial procedures** that stop online platforms from operating when the market disruption brought by the collaborative economy upsets established traditional operators such as taxi drivers or hotels.

Of course, alongside tailor made rules, other factors, such as consumers’ digital savviness, overall economic conditions, the importance of urban versus rural areas, or the presence of big national platforms (e.g. the French Blablacar, the Estonian Taxify) are also of great relevance. Finally, regulations encouraging small and very small businesses in general have been found to facilitate the collaborative economy, especially small platforms and occasional providers.

... and whose continued growth and development is in our hands!

Given the pace of technical innovations and the rapid adoption of digital services by European citizens, collaborative platforms are here to stay. There is no such one-size-fits all formula for the development of the collaborative economy, and our research for the European Commission shows that what works in one country cannot be necessarily replicated everywhere else.

What is certain though is that a proactive approach by policy makers to engage with collaborative economy stakeholders, examine the current regulatory framework and put in place clear and transparent rules that mitigate the disruption caused by collaborative business models without jeopardising innovation and their economic growth potential is far better than a reactive approach based on the enforcement of regulation designed for traditional providers to online platforms.

For further information on any of these projects, please contact us at <http://vva.it/economics-policy/> or p.hausemer@vva.it
l.porsch@vva.it
l.rabuel@vva.it
m.nunu@vva.it

About VVA Economics & Policy

VVA is a European public policy consultancy based in Milan and Brussels, specialised in advising the European Commission and public sector institutions on digital issues. VVA brings to the Consortium proven knowledge and expertise in working on the collaborative economy at European level and in Luxembourg as well as on wider issues surrounding digital content, online platforms, economic and social policy in particular in relation with digital technology. We have a strong network with relevant players in the field and we have an in-house European public policy and economic team.

Our senior experts have extensive experience on the sharing economy and the accommodation sector including the challenges and opportunities posed by online sharing platforms. We have conducted the following studies of particular relevance to the sharing economy and online platforms:



Valdani Vicari & Associati
ECONOMICS & POLICY

- Study on the assessment of the regulatory aspects affecting the collaborative economy in the tourism accommodation sector in the 28 EU Member States (DG GROW 2018)
- Exploratory study on consumer aspects of the sharing economy (JUST 2017)
- Study to monitor the business and regulatory environment affecting the collaborative economy in the EU (DG GROW 2018)
- Study to monitor the economic development of the collaborative economy in the EU (DG GROW 2018)
- Study on P2B data relations on online platforms (GROW 2017)
- Study to support an impact assessment on measures to facilitate digital compliance with Internal Market legislation (DG GROW 2017)
- Study on broadband coverage across Europe (DG CONNECT 2014)
- Study on marketing practices to vulnerable consumers in the online, financial and energy sectors (EAHC 2014)
- Assessment of the socio-economic impact of different policy options on cloud computing (DG CONNECT 2015)
- Effectiveness of co and self-regulatory measures in the context of the Audio-visual Media Service Directive (DG CONNECT 2016)
- Behavioural study on the digitalisation of the marketing and distance selling of retail financial services (CHAFFEA, EC ongoing)

VVA's European public policy division is a member of the European Business and Innovation Centre Network (www.ebn.be), of the European Network for Social and Economic research (ENSR) and of the Big Data Value association (BDVA) which provides us immediate access to consultancy partners in all EU countries and globally.