

Report from the EU H2020 Research Project Ps2Share:  
Participation, Privacy, and Power in the Sharing Economy

# Recommendations for the Sharing Economy: (Re-)Balancing Power

Gemma Newlands, BI Norwegian Business School  
Christoph Lutz, BI Norwegian Business School  
Christian Fieseler, BI Norwegian Business School



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# 1. Introduction: Power in the Sharing Economy

This report, '**Recommendations: Power**', forms one element of a European Union Horizon 2020 research project on the sharing economy: *Ps2Share 'Participation, Privacy, and Power in the Sharing Economy'*. The study is undertaken within the scope of the European Union's Horizon 2020 research and innovation programme, funded under grant agreement No. 732117 and with the objective (ICT-35) of "Enabling responsible ICT-related research and innovation".

This project aims to foster better awareness of the consequences which the sharing economy has on the way people behave, think, interact, and socialize across Europe. Our over-arching objective is to identify key challenges of the sharing economy and improve Europe's digital services through providing recommendations to Europe's institutions. We focus on topics of participation, privacy, and power in the sharing economy.

This report presents recommendations derived from Work Package 7 '*Fairness, Labor, and Control: Power Dynamics in the Sharing Economy*' within the Ps2Share project. Work Package 7 encompassed a comprehensive literature review on power in the sharing economy (Newlands, Lutz, & Fieseler 2017a), focus group discussions among Millennials in several European countries (Ranzini, Newlands, Anselmi, Andreotti, Eichhorn, Etter, Hoffmann, Jürss, & Lutz, 2017) and a large-scale survey of citizens of twelve European countries (Newlands, Lutz, & Fieseler, 2017b).

Also part of the larger Ps2Share project are three deliverables on participation in the sharing economy: a comprehensive literature review (Andreotti, Anselmi, Eichhorn, Hoffmann, & Micheli, 2017), a large-scale survey report (Andreotti, Anselmi, Eichhorn, Hoffmann, Jürss, & Micheli, 2017) as well as recommendations on a more inclusive sharing economy in Europe (Andreotti, Anselmi, Eichhorn, Hoffmann, Jürss, & Micheli, 2018). Furthermore, the project included three deliverables on the topic of privacy in the sharing economy: a comprehensive literature review (Ranzini, Etter, Lutz, & Vermeulen, 2017), a large-scale survey report (Ranzini, Etter, & Vermeulen, 2017) as well as recommendations on a more privacy-friendly sharing economy in Europe (Ranzini, Kusber, Vermeulen, & Etter, 2018). Finally, two deliverables about platforms in the sharing economy formed part of the project: a comprehensive platform analysis report (Stanoevska-Slabeva, Lenz-Kesekamp, & Suter, 2017) and a set of platform design implications in the form of guidelines (Stanoevska-Slabeva, Lenz-Kesekamp, & Suter, 2018). Following the previous reports, we define the sharing economy as a reciprocal exchange process, mediated through a digital platform, whereby individuals share their personal goods with others for use

In the following report, we conclude the work package by offering a set of recommendations for the various stakeholder groups in the sharing economy. Recommendations are based on the idea that all stakeholders should strive to foster a European sharing economy that is both empowered and fair to all parties involved. Recommendations are driven by a desire for stakeholders to behave ethically and with due regard to current and potential power asymmetries. We divide the recommendations equally among five primary stakeholder groups: providers, consumers, sharing economy platforms, educators, and policy makers.

## 2. Executive Summary

**Providers:** We have the following recommendations for **providers** in the sharing economy:

**1. Providers should take notice of the legal and regulatory parameters of their participation.**

Since most providers operate in a single regulatory context, providers can reasonably inform themselves about the current legal situation and any changes which might impact them. We particularly encourage providers to use multiple sources of information and not rely solely on the platform for information.

**2. Providers should keep track of all transactions, expenses, and income.**

Since platforms hold all the data over transaction histories, keeping an individual off-platform record will offer providers an opportunity to counterbalance current information asymmetries.

**3. Providers should avoid oversharing.**

In practical terms, we recommend that providers pay due attention to incentives offered by platforms. Unless sharing is in the provider's best interest, we encourage against providers taking on too many promotions.

**4. Providers should consider their broader social responsibilities.**

Providers should interact with their local neighborhood to provide information about the use of a residential property for home-sharing. Providers should restrict the hours of arrival and not impose on neighbors or other co-habitants to let consumers in and out of the property.

**5. Providers should find strength in numbers.**

Online fora, for instance, offer a natural starting point for many providers to communicate and share their experiences. This interaction can help to create communities of providers, as well as to enable the sharing of informational and emotional support.

**Consumers:** We have the following recommendations for **consumers** in the sharing economy:

**1. Consumers should take notice of the legal/regulatory parameters of their participation.**

When using services abroad, we particularly encourage consumers to check the legality of the service and to avoid obscuring the mode of their use from neighbors or law enforcement officials.

**2. Consumers should manage their expectations.**

While the lines between professionalism and authenticity are blurred, an empowered sharing economy relies on a foundation of information symmetry and appropriate expectations. We recommend that consumers who have expectations for professional standards of service should use alternative services.

**3. Consumers should stick to the terms of the agreement.**

In order for providers to have an empowered experience, they need to retain control and authority over the asset which is being shared. Consumers should respect this by clarifying any points of uncertainty and by not demanding additions.

#### **4. Consumers should rate responsibly.**

Responsible rating practices empower consumers to express their individual voice, but also empower the whole community by having an accurate picture of provider quality.

#### **5. Consumers should leverage their collective power to demand a fairer sharing economy.**

Consumers can vote with their feet and use alternate services or try out local options. This will allow multiple options to operate and increase competition for the benefit of consumers.

**Sharing Economy Platforms:** We have the following recommendations for **sharing economy platforms:**

##### **1. Platforms should build transparency into the system.**

We recommend that platforms operate with transparency-by-design. Platforms should provide clear information about the pricing mechanisms and give consumers more options to filter by categories, by price, or by rating.

##### **2. Platforms should view users as people, not data.**

Platforms should ensure that any platform changes do not impact the dignity of its providers. In particular, platforms should not roll out large changes in payment structure without consultation with providers to avoid unexpected impacts.

##### **3. Platforms should clarify the difference between platform requirements and suggestions.**

This can be achieved through having different FAQs which apply to the different groups taking part. It should be explicitly stated what the difference is between a basic requirement and a suggestion.

##### **4. Platforms should make their narratives reflect reality.**

We recommend that platforms attempt to align their narratives to reflect the realities of those who use the platforms. Aligning provider classification and nomenclature with reality is an essential first step.

##### **5. Platforms should set a good example.**

Each company has a set of values which become ingrained into the technology. We recommend that platforms therefore set a good example and start from the top in trying to build a fairer sharing economy.

**Educators:** We have the following recommendations for **educators:**

##### **1. Educators should illuminate the architectures of power.**

Users in the sharing economy are hesitant to question the terms of a platform. Educators should give insight into how digital platforms operate and how users can counterbalance information asymmetries.

##### **2. Educators should enable providers to receive professional development.**

Many providers are pursuing further education or would like to receive training and professional development to help them transition into other careers. We recommend that educators should develop provider-targeted qualifications, as well as encourage provider access into current qualifications.



**3. Educators should focus on users' rights and the human element of the sharing economy.**

We would encourage educators to focus on what the current European Union regulations are with regard to consumer rights. They should also distribute platform-specific information about how to access legal or other institutional support by both consumers and providers.

**4. Educators should question platform narratives.**

For many providers and consumers, the discussions and marketing efforts of platforms do not reflect the reality. Educators can raise critical questions about the self-positioning of platforms.

**5. Educators should enable micro-entrepreneurs to embrace their potential.**

There are many new business opportunities to be developed in the sharing economy. We recommend for educators to focus on the new business opportunities which individuals can develop, focusing on how to create new ethical platforms and companies.

**Policy Makers:** We have the following recommendations for **policy makers:**

**1. Policy makers should make insight-based decisions.**

Policy makers should give due attention to the current sources of data on the sharing economy, as well as attempt to gain their own data about platform practices.

**2. Policy makers should protect the vulnerable.**

Individuals who share their assets on a sharing platform naturally want a lot of control about who should access their goods. Policy makers should clarify the extent of discrimination protection which is applicable in the sharing economy.

**3. Policy makers should distinguish between casual and professional users.**

Policy makers should restrict individuals from having multiple assets shared on a single platform, particularly in the case of home-sharing. We recommend that policy makers find solutions on how to tax professional users of the sharing economy.

**4. Policy makers should persevere through current regulatory debates.**

Not all facets of the sharing economy need new regulations but current regulatory debates and struggles on a local and regional level are important for establishing the foundations of a future fair sharing economy.

**5. Policy makers should engage with local communities.**

Policy makers should focus on how the sharing economy can bring benefits to the local community, through more local and collaborative forms.

## 3. Recommendations for Providers

### ***3.1. Providers should take notice of the legal and regulatory parameters of their participation.***

Across Europe, a number of cities have taken action against sharing economy services to ensure compliance with pre-existing laws. In Paris, for instance, Airbnb hosts are now automatically restricted to 120 days per year to keep in line with French laws on short-term rentals. Transport for London, meanwhile, has refused to renew Uber's license to operate within the city due to the company's lack of corporate responsibility. While enforcement of restrictions becomes a separate issue, these examples from 2017 indicate three important points: 1) The sharing economy as a whole is not currently facing any direct action, but rather it is specific platforms which face legal and regulatory attention; 2) Regulatory and legal changes are happening quickly and in a dispersed manner; and 3) It would be difficult for an average user to keep up with all of the regulatory and legal parameters of the sharing economy across Europe.

As such, users of sharing economy platforms in Europe face a scattered regulatory and legal background and may be unaware of the terms of their participation. Platforms, nevertheless, place the burden of legal compliance on the users, who are expected to keep up to date with such top-down changes and act accordingly. For providers, keeping up to date with changing legal and regulatory parameters is of key importance, since many of them depend on the income. Any significant changes, with regard to new restrictions, taxes, or certification requirements, would have a direct and profound impact on their ability to provide. Moreover, the costs of non-compliance, in terms of fines or legal action, may be borne solely by the provider.

Our first recommendation, therefore, is that providers **should take an active role in informing themselves about the legal and regulatory parameters of their participation**. Since most providers operate in a single regulatory context and on a small number of platforms, this is more achievable than expecting providers to keep up to date with all sharing economy platforms in all locations. We particularly encourage providers to inform themselves through multiple sources of information, such as local news channels or local organizations, not solely relying on the platform to inform them directly of any local changes which could affect them. By ensuring self-awareness and compliance, providers can protect themselves in instances of dispute with consumers, since it would be difficult to resolve damages or legal problems if the activity itself is prohibited. Moreover, it would prevent providers from encouraging or enabling consumers from engaging in any prohibited activities.

Our recommendation also refers to providers taking an active role in informing themselves about the terms and conditions under which they operate. While terms and conditions are notoriously difficult to comprehend and change frequently, we recommend that providers at least read the terms through once, in addition to reading any platform-provided FAQs. This would empower providers to have full awareness of their responsibilities and liabilities, preventing providers from taking more responsibility in cases of dispute than formally required. We particularly encourage providers to save personal copies of the terms and conditions, whenever they are changed, in order to be able to cross-reference them in the future and identify where changes have occurred if necessary.

### ***3.2. Providers should keep track of all transactions, expenses, and income.***

As a peer-to-peer economy, the sharing economy is reliant on individuals sharing their personal assets for compensation. Yet, depending on the asset in question, the compensation can vary from a small nominal fee to a considerable sum. Depending on the platform, the commission and cost of transacting can similarly differ. In light of such variance, one unifying element of most sharing economy platforms is that the transactions are mediated and handled centrally by the platform.

This centralization enables platforms to control the transfer of money, determining when and how the transaction takes place. The platform, for instance, often determines when the payment to providers is made (e.g., on a weekly basis or immediately), as well as determining whether additional charges are to be levied on either the provider or consumer. For some of the largest platforms, take Uber for instance, the platform even determines the cost of 'sharing' itself, where the provider has no opportunity to increase the amount.

In order to encourage a more empowered sharing economy, we therefore encourage providers to **pay close attention to the financial aspects of sharing, keeping track of all transactions, expenses, and income**. Since platforms hold all the data over transaction histories, keeping an individual off-platform record will offer providers an opportunity to counterbalance the current information asymmetries. This is particularly important since costs are determined automatically, in some cases, and are liable to include mistakes. In addition, personal oversight can create awareness of any changes in the pricing models and costs, which may not always be explicitly communicated by the platform.

Currently, the sharing economy is framed as creating opportunities for micro-entrepreneurship among the provider base. As such, we encourage providers to take a more micro-entrepreneurial approach to providing, whereby they check all financial transactions and keep records off-platform for their own personal accounting. This may encourage providers to take a first step in establishing their own micro-entrepreneurial ventures by taking connections off-platform. While off-platform use depends on the individual's risk profile and desire for platform protection, personal oversight of expenses may nevertheless encourage a more business-like perspective.

We particularly encourage providers in asset-heavy forms of sharing, such as home sharing, to keep track of all expenses (e.g., cleaning costs) so as to calculate more accurately the net profit which is being generated. For ride-hailing providers, we also encourage providers to take a firm assessment of associated costs (e.g., petrol, vehicle depreciation, licenses) in order to calculate their net profit. Greater awareness of these figures will inform and empower providers to share on their own terms. Although this appears to be more pertinent for those providers who operate with financial motives, keeping oversight of the transactions and net profits is similarly important for those who share with social motives, as a social motivation may lead providers to overlook expenses and overspend to provide the services.



### ***3.3. Providers should avoid oversharing.***

Providers, across all sectors of the sharing economy, offer their assets for a variety of reasons, ranging from financial incentives to a desire to meet new people. The flexibility of the sharing economy also allows people to take part in varying intensities. For some providers, offering a shared meal on a food-sharing platform may be a one-off experience conducted to meet people in the area. For other providers, driving on a ride-hailing platform may act as a full-time job. With such a variation in intensity and motivation, there is a strong liability for certain providers to take part in oversharing, namely providing their assets in a manner and with a frequency which extends what they were initially comfortable with. As such, providers may feel disempowered due to pressure to over-provide or to provide under conditions of enforced sociality.

As our third recommendation for providers, we thus **encourage providers to avoid oversharing and respect their own limitations**. In practical terms, we recommend that providers pay due attention to incentives offered by platforms to share more frequently or with fewer restrictions. Instant-booking options, for example, should be avoided by new providers or providers who want more control over their assets. While there are benefits, such as higher placement in the search algorithms if instant-booking is enabled, this reduces the power of providers to determine their own consumers. Similarly, ride-hailing platform promotions which encourage providers to complete a certain number of trips or maintain a certain acceptance rate should be avoided unless the incentives align with pre-existing provider motivations. Ensuring a high acceptance rate and a large number of available providers is naturally in the individual platform's best interest. However, unless sharing is also in the provider's best interest, we encourage against providers taking on too many promotions or attempting to meet targets.

A second important aspect of oversharing, which we recommend against, is the oversharing of personal emotions and energy in attempting to create a highly personal experience for consumers. While there are a significant proportion of users who still desire a 'personal' experience, complete with an authentic provider-consumer interaction, there is an increasing trend towards an informal and professional vision of the sharing economy, whereby transactions occur without the social trappings. As such, there is sufficient variation among the consumer base so that providers who do not want to provide very personal experiences, should be able to find consumers who share the same expectations. We thus recommend that providers are open and clear about what they want, in terms of social interactions, when advertising their assets. This would enable consumers to self-select the type of experience they want. Moreover, we recommend that providers do not then force themselves to over-share if it does not feel comfortable or appropriate.

### ***3.4. Providers should consider their broader social responsibilities.***

Due to the peer-to-peer nature of the sharing economy, as well as ongoing media discourse which presents sharing as a social experience, providers are often framed as giving back to their communities and opening up new avenues for local collaboration. While this may be true in some cases, there are many negative externalities which have arisen in local communities across Europe. Housing shortages, for instance, in cities such as Berlin, Amsterdam, and Barcelona have been attributed to the rise of Airbnb.

On a more micro-scale, the local communities and neighbors of home-sharing services also have limited recourse in the face of noisy or inconsiderate guests who make use of local neighborhood facilities and shared areas. While these problems are difficult to avoid in the cases of casual use, the rise of professional or semi-professional sharing operations in residential areas has increased the problem and given the sharing economy a reputation for social disruption, as opposed to social cohesion.

We therefore encourage providers to **consider their broader social responsibilities when sharing**. A general consideration would be for providers to avoid buying property for home sharing, particularly in crowded cities. More achievable solutions would also be for providers to interact with their local neighborhood to provide information about the use of a residential property for home-sharing. Providers could also offer the property off-platform instead to longer-term tenants from the local area. By engaging more with the local community, providers can decrease potential tension and negative consequences.

To reduce the power-imbalances between providers and their communities, particularly in the case of home-sharing, we further encourage providers to take steps to reduce the local disruption of consumers. Providers should restrict the hours of arrival, particularly in residential areas, so as to reduce noise complaints. Moreover, we encourage providers to not impose on neighbors or other co-habitants to let consumers in and out of the property. An important step for providers to take is to also ensure that there is a level of oversight over the behavior of consumers. In home-sharing experiences where the entire property is shared, providers should take responsibility and care to prevent groups from throwing disruptive parties. Since neighbors have limited to no recourse to solve issues of disruption, the burden must be placed on providers to reduce the impact.

The viability of sharing platforms is dependent on the continued good will of local councils. Already, in a number of areas, home-sharing platforms have been restricted or have faced local backlash due to perceived overcrowding. If providers want to maintain the good will of the local area towards home-sharing, providers could take action to reduce their negative social impact.

### ***3.5. Providers should find strength in numbers.***

Providers, as a group, form one of the key beneficiaries of the spread of the sharing economy. By sharing their assets, providers have gained a new source of 'un-tapped' revenue, as well as opportunities for social experiences. However, for some providers, the current functioning of the sharing economy reflects ingrained power imbalances in favor of platforms.

Although much of the discourse around the sharing economy is concerned with its collaborative nature, with the role of the sharing economy being to bring individuals together, most sharing platforms offer no opportunities for providers to interact with each other. Indeed, most providers carry out their sharing in a distributed fashion. This can prevent the creation of communities and solidarities, particularly for platforms which operate on a global scale.

Nevertheless, there are opportunities for providers to interact both online and offline. Online fora, for instance, offer a natural starting point for many providers to communicate and share their experiences. We therefore **encourage providers to leverage the strength of their numbers**. This interaction can help to create communities of providers, as well as to enable the sharing of informational and emotional support. We particularly encourage community-creation among new providers, who may benefit the most from learning about the practicalities of sharing. By interacting and forming communities, providers can also leverage their strength to demand changes in how the sharing platforms operate.

One caveat to this recommendation, however, is the fact that providers share for a variety of purposes and reflect differing socio-economic groups. As such, we do not recommend the creation of singular communities among providers, but encourage providers to seek support among providers who share similar interests and goals. Opinions on whether providers should be classified as employees, for instance, would vary not only between platforms but also between providers on a single platform depending on personal circumstances. It would thus not be appropriate to expect all providers to work together for the same goal. Rather, providers who do share such goals should make use of current online resources or even create new online resources themselves.

## ***4 Recommendations for Consumers***

### ***4.1. Consumers should take notice of the legal and regulatory parameters of their participation.***

For many consumers, the distinction between sharing economy services and traditional alternatives may be unclear. While perhaps more obvious to regular consumers, it may not be readily apparent to a casual consumer what separates a professionally run Airbnb from a normal hotel or bed and breakfast. Similarly, it may be difficult to understand how a regular taxi, when operated through a ride-hailing service, operates under separate terms and conditions. The strong focus on usability among sharing economy platforms, which encourage adoption in a manner not dissimilar to other traditional alternatives, may further obscure how the sharing economy is governed by distinct mechanisms, such as reputation mechanisms, personal asset liability, and independent contracting. As such, consumers may be left in a precarious position if they are unaware of the differences between using a peer's assets and using a regular service.

We therefore recommend that **consumers attempt to inform themselves of the broader context of the sharing economy**. When using services abroad, we particularly encourage consumers to check the legality of the service and to avoid instances where providers ask consumers to hide the purpose of their use from neighbors or law enforcement officials. While the benefits of accessing the services can be high, an empowered sharing economy requires consumers to be legally empowered and not to put themselves at risk. Underlining this point, the potential for damage or issues during a sharing economy experience may be more difficult to resolve if the context of use is illegitimate. As a further recommendation, we encourage consumers to respect the local rules when engaging with providers. For instance, we encourage consumers not to request illegal pick-up spots or conduct illegal activities within home-sharing properties.

As a secondary point of consumers self-informing about the context of their use, we recommend that consumers should read the FAQs of the platform they are using and take note of any financial or informational requirements. By becoming aware of at least the basic terms of use, consumers will be empowered to know the limits of their liability, as well as avoid negative consequences such as fines or account deactivations.

Finally, consumers, and especially those who use sharing economy platforms frequently, might want to inform themselves about new technological and legal developments in the sharing economy through traditional and social media as well as through conversations with like-minded friends about the topic. This can prevent unpleasant surprises, for example when a service ceases to operate in a certain area or changes its business model dramatically. It can also lead to a more responsible use of sharing services and increase awareness of possible alternatives to mainstream platforms.

## ***4.2. Consumers should manage their expectations.***

The relationship created between providers and consumers, in some cases, is a marker of the sharing economy experience. In other experiences, providers and consumers never meet and the asset is shared impersonally or for only a very limited time. In finance-sharing, for instance, providers and consumers rarely meet and the transaction happens entirely professionally. There is therefore a broad spectrum in terms of the experience which can be provided, as well as the experience which can be expected. The lines between professionalism and authenticity are blurred.

An empowered sharing economy, nevertheless, relies on a foundation of information symmetry and appropriate expectations. We therefore **recommend that consumers manage their expectations, treating their provider as a peer and not expecting the conditions of a traditional service alternative.**

Overly high expectations, in terms of service quality, asset quality, or the level of sociality, can have negative repercussions for the consumer's own experience, as well as implications for the rating/review provided. Overly high expectations can also impact providers, who must compensate by over-sharing. Many providers perceive themselves as receiving lower levels of impersonal treatment, as well as being treated in a service capacity. While consumers are paying for access, they are nevertheless using the personal property of another individual as opposed to a business. We therefore recommend that consumers who have expectations for high, professional level standards of service, should use alternative services or at least take note of the asset's price-point and plan accordingly.

While recommending that consumers manage their expectations with regard to their provider's asset or service, we also recommend that consumers manage their own expectations with regard to their own expected levels of sociality. For some consumers, this may result in a feeling of pressure to over-present themselves or engage in awkward social interactions. For some potential consumers, the fear of having to socialize or interact may hinder adoption of services in the first place. As a solution, we recommend that consumers who are less comfortable with the social aspects of the sharing economy should select impersonal services. Moreover, consumers who are not comfortable with the social aspects of the sharing economy should set clear personal boundaries.

### ***4.3. Consumers should stick to the terms of the agreement.***

While the informality inherent within the sharing economy can be a benefit to consumers, informality can also lead to over-extensions of the agreed terms, as well as an over-extension into the boundaries of the provider. We therefore **recommend that consumers clarify and then stick to the agreed terms**, in order to respect the peer-to-peer nature of the sharing economy. In order for providers to have an empowered experience, they need to retain control and authority over the asset which is being shared. Consumers should respect this by clarifying any points of uncertainty and not requesting additional aspects.

For instance, home-sharing consumers should avoid requesting to bring additional guests if pre-emptively restricted on the sharing profile. By requesting, consumers may put the provider in an awkward situation. More strongly, we recommend that home-sharing consumers should not bring additional guests without asking permission in the first place, as this would place an unfair burden on providers to accommodate the changes or to reject the entire sharing transaction. Since there are clear terms and conditions which govern each sharing transaction, we particularly encourage consumers to stick to the agreed terms, as violating them can have legal or financial consequences. Consumers may face fines, for instance, or de-activation for bad behavior.

For an empowered sharing economy we recommend that consumers stick to the terms of the agreement. This draws on the fact that the shared goods are personal assets and the provider has, or at least should have, the ability to determine how and when that asset is shared. Clarifying and sticking to the terms of the agreement will help reduce the power asymmetries between the provider and the consumer and prevent consumers from legal repercussions.

Of course, in order to stick to the terms and conditions, consumers need to be aware of them and must have read or discussed them. As expressed in the first recommendation for providers (3.1), terms and conditions are notoriously difficult to comprehend and change frequently. Especially for consumers on multiple platforms and for infrequent consumers, it is a heavy cognitive burden to fully read and grasp the terms and conditions. Nevertheless, we recommend that they at least read the terms of frequently used platforms with higher levels of attention, in addition to reading any platform-provided FAQs. This would empower consumer to have full awareness of their rights and responsibilities.



#### ***4.4. Consumers should rate responsibly.***

In the sharing economy, the rating and review mechanisms are important for generating trust. They are valuable and the two-sided aspect argues against their removal. However, for an empowered sharing economy, **we argue that consumers should rate responsibly**. Responsible rating practices empower consumers to express their voice, but also empower the whole community of users by having an accurate picture of the rating processes. In particular, we recommend that consumers give ratings for all transactions, not only those which are exceptional. This includes giving negative ratings when they are deserved.

We also recommend that consumers rate based on appropriate criteria. For instance, rating based on things outside the provider's control might not be fair. Understanding the rating and review mechanisms of different platforms takes a certain amount of time, as different platforms have different rating mechanisms and cultures. In that sense, consumers should first familiarize themselves with the rating norms of a specific platform before providing their initial rating or review. On Airbnb, for example, this might imply reading through a variety of reviews on different listings and getting acquainted of the tone and style of the ratings, particularly in the area the consumer wants to book. It would also involve reading the FAQs about the rating and review system.

At the same time, consumers should not just copy or replicate the reviews of previous consumers but instead should try to find their own style, taking into consideration the rating and review norms of the platforms. This should also include informing themselves about provider rating expectations. In the case of Uber, for example, 5-star ratings are the norm and providers need to maintain an average rating of higher than 4.6 in the long run to avoid risking suspension from the platform. Thus, consumers who lack the rating literacy and are not familiar with the platform-specific rating norms can seriously damage the reputation of drivers and thus, in some cases, even challenge their livelihoods. If the topic or ratings or reviews comes up in personal conversations with providers, consumers should make sure to listen to the providers' arguments and consider them in their rating or review decisions.

We particularly encourage consumers to leave text comments where possible to clarify and extend on numerical ratings or to leave additional markers of what they appreciated. Reviews should be personal and tailored to the individual experience, without censoring potential issues in the transaction. However, the ratings should not be overly personal. In that regard, an important consideration is to not include personal details which might either abuse the provider, reveal personal information they did not want shared, or make them personally identifiable against their will.

#### ***4.5. Consumers should leverage their collective power to demand a fairer sharing economy.***

Without consumers, there would be no sharing economy. Currently, consumers face a lot of service options, with many competing services that often have a very similar business model and platform experience. At the same time, a small number of platforms currently dominate the sharing economy. While consumers have the benefit of minor competition in terms of improved services, useful interfaces, and promotions, they might still be limiting the number of competitors in the future if they overly rely on the big players instead of giving small – maybe even non-commercial – players a chance.

We thus **recommend that consumers leverage their collective power** to demand a fairer sharing economy. This can be through voting with their feet towards fairer options. We recommend that individuals use alternate services and try out local options. This will allow multiple options to operate and increase competition for the benefit of consumers.

Consumers also have a strong and powerful voice. At this point, collective action and consumer advocacy in the sharing economy does not seem to be pronounced, possibly due to the dispersed, technologically-mediated nature of sharing economy transactions. So far this lack of organization has been used in the sharing platforms' favor, in terms of opposing certain restrictions and placing responsibility on both providers and consumers. Consumers could do more to collectively organize and have their voices heard. Different forms how this can be done are the organization of local events, to bring in their voices in town hall meetings, and to express their opinions through social media, letters to the editor, as well as in private and workplace conversations. The latter points to the power of consumer word of mouth, which can be used to support changes, be it changes in how the platforms operate and provide user experiences or be it changes among in the local regulatory context.

## ***5 Recommendations for Sharing Economy Platforms***

### ***5.1. Sharing economy platforms should build transparency into the system.***

The competitive edge of sharing economy platforms is driven by their utility and their efficiency in matching providers and consumers. There are various algorithms at play behind the scenes of the transaction which determine the allocation and placement of offers. Since many providers are reliant on these transactions, we **recommend that platforms should be more open to transparency**. Platforms rely on individuals being open and sharing. However, platforms are not very open themselves. Information asymmetries for the benefit of platforms create a difficult situation for consumers and providers. While they give a competitive edge to platforms, we recommend that platforms build in forms of transparency when possible. We further recommend that new platforms operate with transparency-by-design.

One aspect of this is for platforms to provide clear information about the pricing mechanisms. This is to reveal the full amount paid and received by providers and consumers. In addition, platforms should open up to more individual levels of rate setting between partners. While we appreciate that individual rate setting can lead to less efficiency and can make it so that there is a race to the bottom to undercut prices, it would increase the level of micro-entrepreneurship and power for individuals. At least where possible, users should be allowed to alter the amounts of the transaction by mutual agreement.

Platforms which do not automatically allocate transactions could give consumers more options to filter by categories, by price, or by rating. However, while there are benefits to this, it might also create a high barrier of entry for new providers, reducing their autonomy and flexibility. We thus recommend that platforms give more options to have unfiltered results as well. In addition, we recommend for platforms to reduce their reliance on acceptance rates as a metric of being a 'good provider'.

For platforms which automatically allocate transactions, currently, transactions are allocated based on alignment to platform incentives, such as high ratings or acceptance rates. The use of algorithms for placement might not be completely clear. They are opaque and thus raise questions over what will improve placement or what will make matching less likely. Rather than leaving these open to guesswork, platforms should make clear what will determine a higher or lower placement. Naturally, requiring every transaction to explain the decisions would result in a less efficient system. So platforms could at least explain what will drive matching and what will prevent it.

## ***5.2. Sharing economy platforms should view users as people, not data.***

As sharing economy platforms become more efficient, automatic, and user friendly, they nevertheless reflect a disintermediation of the transaction. Transactions are disintermediated and platforms view the users as data points, with little humanity in the platforms. Governed by algorithms and code, platforms work largely based on automatic decisions. We **recommend that sharing economy platforms should treat the users like people**, and not only as data. Specifically, we would recommend that platforms interact more with their users and treat them with respect and dignity.

As a first step, platforms should respect that many providers rely on the platforms for their livelihoods. In a symbiotic relationship, platforms should ensure that any platform changes do not impact the dignity of the providers or make it more opaque. In particular, platforms should not roll out large changes in payment structure without notice or without consultation with providers. In addition, there should be fairness among the user base. Platforms should restrict their testing, particularly with elements which might lead to discrimination.

To further increase the humanity, platforms should include human customer service agents who are contactable. One recommendation would be for a consumer-friendly service where human agents call back in person since platform mediated communication can become prohibitive and disempowering. The use of algorithms as intermediary agents means that sometimes there can be mistakes, such as incorrect bookings or repayments. By including a human element which can resolve issues, this can be improved upon. With such a circumstance, it is nevertheless expected that platforms should hold themselves responsible for any mistakes and not the users.

As a final aspect, platforms should operate with more humanity in that there should not be platform-determined deactivations. Instead, platforms should allow the market to determine for itself whether people want to use the assets of low rated individuals. Consumers and providers have the ability to reject those with low ratings and there should be more options for re-activation of accounts, as providers might have learned from their previous mistakes or might have been unfortunate victims of circumstances and thus have received low ratings. In particular, opportunities for reactivation should exist that do not require lengthy or financial commitments. Platforms are sometimes critiqued for prioritizing consumers over providers, for example by applying stricter rules and guidelines to consumers than to providers. In that sense, platforms should make sure that there is more of a balance between the consumer and the provider interests. By doing so, they could lower the platform churn characteristic of major sharing platforms and increase the sustainability and fairness of the sharing economy.

### ***5.3. Sharing economy platforms should clarify the difference between platform requirements and platform suggestions.***

Much of the confusion and disempowerment surrounding the sharing economy comes from the merging together of that which is required and that which is encouraged. Although platforms take an ‘intermediary’ approach, they nevertheless provide advice and suggestions on what should be the service. While this helps to build their individual ‘brand’, the language of this type of advice tends to be affective and frequently opaque. It blurs the line between a requirement and a suggestion.

This can cause confusion for providers and consumers. Maintaining both sides of the sharing market requires users to be aware of what they need to do to participate. Providers might be encouraged to over-share or invest money into their assets which would otherwise not be necessary, leading to unsustainable business competition. Similarly, both providers and consumers might be driven to express emotions and over-socialize even when not comfortable.

As such, we recommend that **platforms should make it explicitly clear what constitutes advice and what constitutes requirements**. This can be achieved through having different terms and conditions and FAQs which apply to the different groups taking part, where it is explicitly stated what the requirements are. This in itself is a useful recommendation because it would reduce the barriers for entry. Overall it will help users who will feel less pressured to align with the overly affective language. It also would make the platform more scalable on an international market, as specific cultural advice may not translate in different markets.

This would also benefit platforms which do not want to clarify their providers as employees. Having a level of control over their providers, in terms of determining when, how, and where they should provide, blurs the line between independent contractors and employees. Reducing the level of advice and making clear what is a requirement would help. There should also be greater clarity in what recommended behaviors are due to data-driven customer feedback and what is recommended due to alignment with a specific platform brand. While advice for the first can be viewed as welcome insight by the platform which might help providers provide more effectively, the latter type operates as a form of overt control.

#### ***5.4. Sharing economy platforms should make their narratives reflect reality.***

A lot of discussion about the sharing economy are concerned with narratives: Narratives about sociality, narratives about flexibility, and narratives about independence. Even the idea of sharing provides a topic of discussion when it comes to narratives. Narratives are essential since, for many providers and consumers, the marketing efforts of platforms do not reflect their experienced reality. Indeed, platforms have a vested interest in creating compelling narratives that might not always align with reality. Not only is it useful in creating an affective and emotional reaction to the service, it also provides legal and regulatory strength to avoid risk and responsibility. For a more empowered sharing economy, **we recommend that platforms clarify their narratives, about what they do and what their role is.** In particular, we recommend that platforms attempt to align their narratives to reflect the realities of those who use the platforms.

One important aspect of this recommendation is how the relationship between platforms and providers is conceptualized. So far, there has been a lot of debate, in legal and media spheres, about whether providers should be classified as employees or independent contractors. Determining the answer naturally differs depending on the platform, as well as a host of other factors such as intensity, level of control, and location. For more asset-driven platforms with less human labor it is understandable that the terminology is more leaning towards the independent contractor. For more labor-driven platforms, the idea of providers being independent contractors seems more difficult. Yet, it is important to recognize that even providers themselves are torn and do not have a single consensus on the issue. We thus recommend that platforms clarify their reasoning for selecting a certain classification and express it clearly and consistently in all their provider-facing communication. We further recommend that platforms take responsibility for self-identifying when their provider base should be indeed classified as employees and not rely on extended legal battles to establish it.

Platforms should also clarify elements of the relationship between the platform and the consumer, including the role of the platform in resolving disputes. Platforms currently take a strong role in managing disputes and determining refunds and payment issues. This level of control is not, however, matched with platform liability if something goes wrong. That liability is firmly established as the domain of the provider. Platforms should also do more to clarify what the involvement of the platform is in the relationship between providers and consumers, particularly with regards to the ownership of the relationship between providers and consumers. Currently, a number of platforms attempt to control the relationship and take strong ownership, for example by attempting to prevent off-platform bookings. We recommend for platforms to question whether such strong signaling of ownership and control over the provider-consumer relationship is appropriate and enforceable.



## ***5.5. Sharing economy platforms should set a good example.***

Each sharing economy platform is, at its essence, an organization. As such, each organization has a set of values which become ingrained into the technology, since technologies inherit the morality of those who design them. The company culture and the company make-up of sharing economy platforms has thus a large impact on the nature of the platform itself and the nature of the sharing economy. We **recommend that platforms therefore set a good example and start from the top** in trying to build a fairer sharing economy.

One part of this is considering company culture. Diversity in hiring and in who is making the platform will result in benefits of a more diverse and aware platform. It will also hopefully restrict platforms from making decisions which impact certain population groups negatively, or at least increase awareness about such issues. In particular, platforms should take note of pre-existing bias and company make-up and not attempt to solve their issues through mere tokenistic hiring. Preserving 'company culture' should not be used as an excuse for a lack of diversity in hiring decisions or as an excuse for preventing necessary internal polyphony. For global platforms, we further recommend that platforms should take a more local perspective in their company culture and use local bases, or at least local touchpoints.

For platforms operating on a global scale, or at least in multiple markets, they should pay close attention to emerging debates regarding the sharing economy in specific local contexts. For example, in cities where Uber is accused of disrupting local markets and creating labor market frictions, the platform might want to seek a bottom-up dialogue rather than a top-down monologue. As such, platforms can have a large impact on a local community. Accordingly, platforms should further conduct outreach activities with the local communities they operate in, for example by twinning initiatives with local organizations. Platforms should make use of the many good opportunities to give back. For example, Airbnb could invest into sustainable housing initiatives for vulnerable population groups, while Uber could invest into road safety campaigns.

A further aspect is to have a closer relationship with the providers and the consumers. Platforms which rely on providers and consumers to interact with each other and with the platform could be more open to interacting with the users themselves. One of the ways this can be done is for platforms to integrate providers as a powerful stakeholder voice and give them ample and frequent opportunity for feedback, for example through surveys, company visit initiatives, and similar outreach activities. Sharing platforms should make some touchpoints more permeable and allow for critical feedback beyond mere tokenism, especially when it challenges the platform culture and makes them aware of local idiosyncrasies.

Finally, platforms should go further in actively engaging with broader policy makers on an open field. Some platforms, such as Uber, pursue a very aggressive lobbying culture and try to actively curb regulation through questionable business practices. In the long run, a more dialogic listening culture might help platforms to engage in more constructive discussions with policymakers.

## ***6 Recommendations for Educators***

### ***6.1. Educators should illuminate the architectures of power.***

Users in the sharing economy are hesitant to question the terms of a platform. Part of this is due to a lack of awareness about the terms and how platforms operate. For a more empowered sharing economy, the first step should be for educators **to give insight into how digital platforms operate and how they create architectures of power**. Our understanding of educators in this instance is broad and goes beyond teachers. We also consider journalists, academic researchers, and civil rights advocates concerned with sharing economy topics to be part of the educators group.

While there is a limit on the level of insight that can be gained when platforms are closed, in that we can't see the underlying code and algorithms, a first level of education can be demonstrating how platforms operate on a broad level. This includes finding answers to the following questions, among others: What is the role of the platform? How do they make matches? What is their business model? Where do they operate? What is their platform culture and approach to sharing? For many consumers, the platform is only a connection service, not really a social environment or even a community. Educators can highlight the broad reach of platform control and make students and readers aware of current debates in the sharing economy.

Educators should further highlight how the power of platforms is established. This is partly through the value of the service, but also due to higher level issues such as market share, finance, intellectual property, and network effects. In particular, educators should focus on how automated decision making is ingrained into a lot of sharing economy services. Automated decision making reinforces unfairness and discrimination, which can lead to differential access to the services on behalf of users and differential access to opportunities to provide.

As the above mentioned topics are complex issues, which require a certain level of expertise, educators should make sure to communicate them in an accessible and understandable way, using modern formats such as infographics, games and videos, which are accessible through mobile devices. A necessary pre-requisite for educators to give insights into the modus operandi of digital platforms is knowledge about these practices in the first place. We would therefore encourage educators to develop a certain self-efficacy and literacy on the topic, for example by experimenting with different services and platforms themselves or by consulting the academic or practitioner-literature on the subject on a regular basis.

## ***6.2. Educators should enable providers to receive higher education and professional development***

Many providers in the sharing economy are participating part in lieu of alternative careers. Many are also graduates or holding extensive professional training. Some providers are also from a lower educational background, particularly when it comes to more labor-intensive sharing economy sectors such as ride-hailing. The educational range of the provider base is thus wide and varied. However, many providers are pursuing further education or would like to receive training and professional development to help them transition into other, potentially more sustainable, careers. One recommendation for educators, therefore, would be to **provide courses or particular education programs which can help providers access additional jobs and careers**. These should be made as flexible as possible to work within the needs requirements of platform workers. Online courses, for instance, could be a benefit as long as they are properly certified and professionally managed.

We recommend that educators should develop provider-targeted qualifications and encourage that they provide access into current qualifications. The qualifications provided should account for previous on-the-job experiences and be mindful of the tacit knowledge many sharing economy providers have developed over months and years of practice. Such qualifications could help to move providers out of the on-demand workforce if that is what they want. To be widely accessible to providers, these qualifications should at best be free or at least very affordable.

More openings and training opportunities for adjacent careers should also be made available. Already, there are some moves to create scholarships targeted at those involved in the gig economy. In the US, for instance, Uber has a partnership with South Seattle College and Community College of Allegheny County for a scholarship program. Uber has also partnered with FutureLearn and under certain conditions pays for the Certificate of Achievement. These initiatives are a good step forward and educators should make sure to convey potentially interested parties enough knowledge and critical judgment so that they can make informed decisions if they want to engage in such additional qualifications. For journalists, for example, this could involve reviewing the programs or taking them (or parts of them) themselves to then provide an informed discussion of the matter.

### ***6.3. Educators should focus on users' rights and the human element of the sharing economy.***

It is difficult to align concepts of consumer rights to sharing platforms, where it is often questionable who should be held liable in cases of problems. But it is this uncertainty which can be disempowering. Particularly, the uncertainty over issues of dispute resolution presents an important case for educators to create awareness and spread knowledge. In many cases, it is not clear what issues are to be handled by the platform and what issues are to be handled by more traditional means, such as the police. We therefore recommend consumer advocacy groups to publicize where the limits of provider and platform responsibility are. Concise and understandable information should be the basis for communicating how dispute resolution mechanisms work across different sharing platforms. Using case studies and a variety of real-life examples would particularly help for novice sharing economy users as well as for interested non-users to develop a better picture of the possible pitfalls that can emerge in the case of dispute resolution, particularly with regard to liability questions.

We also encourage educators to focus on the current European Union regulations with regard to consumer rights. Again, conveying this abstract information in accessible formats, such as videos, infographics, games, or real life scenarios, could help create a more informed and empowered user base. When discussing the sharing economy, we often see a tendency to focus on numbers and statistics, stressing the macro-dimensions of the topic. For educators who are attempting to create a more empowered sharing economy, there is a benefit in **focusing on the human element of the sharing economy** and to educate by illuminating the life worlds of workers and consumers. This would lead to a greater focus on the tangible issues of working in the sharing economy, as well as consuming in the sharing economy. Gamified case studies and playful teaching material can particularly help to convey this human element to users and non-users. As a recent good example, the Financial Times Uber Game<sup>1</sup> emphasized the difficulties of making a livelihood as an Uber driver and sensitized the players about the often hidden costs and investments of sharing economy work.

Finally, one of the issues of the sharing economy is that it includes both the professional and the casual, as well as the global and the local, thus being very diverse. There are therefore a multitude of aspects which come under this understanding. However, as a general development, we can observe a trend towards professionalization and standardization, particularly in the way ratings and review mechanisms are used as a form of behavior control and surveillance. Educational games and user-centered teaching material can again foster a more enlightened understanding how the technical and human elements interact in the sharing economy, creating more awareness and empathy for the worker and consumer perspective.

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<sup>1</sup> <https://ig.ft.com/uber-game/>

#### ***6.4. Educators should question platform narratives.***

Sharing platforms, and commercial sharing platforms in particular, want to be seen as community-oriented, avant-garde pioneers of new forms of economic organization. They understand themselves as intermediaries, connecting providers and consumers through sophisticated algorithmic matching, rather than traditional transportation or hospitality services. Not only are these platform narratives useful in creating an affective and emotional reaction to the service, they also provide legal and regulatory strength to the platforms.

Of course, these narratives are contested by critical educators, again understood broadly as teachers, academics, journalists, and engaged representatives of the civil society. For instance, the very notion of the term sharing economy and the idea of sharing is currently heatedly debated, with academics and journalists alike challenging the grassroots notion of sharing as a sociable and community-driven act. Rather, they see the sharing economy more as a buzzword and marketing term. We recommend therefore that educators should **focus on asking critical questions**.

Some platform narratives might be accurate in describing current shifts in technology and cultural attitudes, towards a more collaborative economy. Other narratives, however, might be overplayed and mere marketing or clever PR. Educators should therefore develop a balanced but critical assessment of platform narratives, trying to dispel myths and exaggerations while at the same time acknowledging a positive sustainable role of platforms, when communicated authentically through the platform. Such a critical, yet realistic, approach towards platform narratives should at best work with real-life examples and scenarios rather than abstract notions. This will also make it easier to convey platform narratives in an intelligible manner to policy makers and users themselves.

## ***6.5. Educators should enable micro-entrepreneurs to embrace their potential.***

As society moves towards technologically-mediated asset sharing as a new mode of consumption, there are a lot of new opportunities in the sharing economy. While a number of key platforms have so far dominated the market, a lot of business opportunities in the sharing economy are still relatively open, with low barriers of access. We therefore recommend for educators to **focus on the new business opportunities which individuals can develop.**

A first important aspect here refers to the opportunities to provide on existing sharing economy sites. As a first step into micro-entrepreneurship, this can be a stepping stone to further business activity. For example, an Airbnb host who rents out a spare room very infrequently initially might develop a liking towards this type of micro-entrepreneurship and later open up their own bed-and-breakfast, thus transitioning from part-time sharing to full-time providing. Yet, we do not simply recommend that educators should focus on reinforcing existing privileges by showing already privileged and wealthy individuals how to profit from their assets. This education should rather be shared and targeted at those who could most benefit from entrepreneurial activities, for example those in badly paid jobs who happen to have a spare room or some spare time to provide ride-hailing services. At the same time, these underprivileged groups are often the ones least exposed to new developments in the sharing economy or most skeptical, potentially missing out on earnings opportunities. Educators should therefore make a dedicated effort to reach population groups which might benefit most from the additional micro-entrepreneurial opportunities of the sharing economy.

Another option is to utilize the existing structures of the sharing economy to create business opportunities beyond sharing platforms, for example through secondary services that “add-on” to the primary services of the sharing economy. Examples are Airbnb property management services, such as Pass the Keys in the United Kingdom, which assist hosts in making their properties available, or house cleaning services. Educators might want to show how third party services can be added onto existing services to create new business opportunities.

Finally, educators should focus on teaching business skills to enable individuals to create their own businesses and platforms. These can be entirely new services, which would require substantial coding skills and business development and would thus be associated with significant initial investments. However, it can also be assistance in creating more low-threshold local offerings, for example helping setting up a food sharing community as a Facebook group. Currently, the first mover advantage has given some platforms a head start, with these platforms being successful in introducing new sub-industries and acclimatizing consumers to a collaborative economy. However, large platforms are also facing issues which come from being legacy players. These include legal issues or even a bad reputation. Educators should therefore focus on the gaps in the market for new platforms which operate more ethically. Journalists, in particular, are encouraged to showcase the good practices of new players and to provide realistic alternatives to the big brands.



## ***7. Recommendations for Policy Makers***

### ***7.1. Policy makers should make insight-based decisions.***

Currently, regulators and policy makers across Europe are attempting to work out how to regulate the sharing economy, or at least how to reconcile the new technological advances with established industries. While we observe a lot of debates on the topic of regulation and regulatory applicability, it is in the interests of larger global platforms, emerging from the specific cultural context of Silicon Valley, to have limited to no regulation. Yet, such issues are not of as much concern to smaller platforms which operate locally, and often not on a profit-driven business model. Moreover, the interests and concerns of the incumbents, such as hotels or taxi business, often go against the concerns of the platforms, creating a very complex regulatory landscape.

In this environment, policy making is a difficult task. What comes through clearly from the noisy discussion space on the sharing economy is that there are many voices and a lot is based on assumption and rumor. However, **policy should be made based on insights** and policy makers should rely on evidence to make decisions.

One aspect of this is for policy makers to give more attention to the source of data and the source of advice on the sharing economy. To date, much of the data-driven research into the sharing economy platforms has emerged from in-house researchers or from think tanks with clear agendas. We thus recommend for policy makers to pay more attention to the source of information. In a democratic society, value judgements over what should and should not be regulated need to be supported by evidence and close attention should be placed on the quality of that evidence. Policy makers should therefore put particular emphasis on large-scale, high-quality studies by independent researchers, as published in peer-reviewed outlets. This includes systematic overviews of previous research, economic analyses but also in-depth interview and survey-studies with a variety of stakeholders. Policy makers might also want to seek increased direct dialogue with high-profile researchers and might consider convening a sharing economy committee of leading experts in the field, similar to The Advisory Council to Google on the Right to be Forgotten.

Yet, one major difficulty of policy based on insights is that platforms are closed with regard to the data they hold and their operating processes. We would thus recommend for policy makers to demand more access to the platforms to see how they operate, as well as more access to data. While certain business practices, such as key matching technologies and algorithms, are a trade secret and cannot be realistically exposed, a middle ground between complete transparency and complete opaqueness should be achieved. This could create more accountability and, in the long run, will benefit both providers and consumers. For instance, platforms should provide indications on the size of their actual user base, as it remains difficult to gain an accurate understanding of the scope of the sharing economy.

Finally, we would recommend policy makers to hesitate before making far reaching policy changes which attempt to target a comprehensive 'sharing economy' as the term is too amorphous and it could impact smaller platforms or local initiatives.

## ***7.2. Policy makers should protect the vulnerable***

Much discussion in the sharing economy is about discrimination and, based on some evidence, it appears that minorities and already excluded population groups are systematically disadvantaged. This applies across a range of criteria, from race, to gender and disability. To create a more equitable sharing economy in Europe, we encourage more policy initiatives about how sharing platforms can better comply with disability/discrimination legislation. This is one important area that needs to have firm rules and regulations. More generally, we **recommend that policy makers make a dedicated effort to protect the vulnerable.**

Individuals who share their assets on sharing platforms naturally want a lot of control about who should access. There is thus a difficult line between provider autonomy and discrimination. Nevertheless, overt discrimination, for example by only accepting booking requests from white consumers or from young consumers, should not be acceptable. Moreover, it violates the nondiscrimination policies sharing economy platforms, such as Airbnb and Uber have formulated based on applicable jurisdiction in their area of operation. Policy makers should do everything they can to support sharing platforms in their efforts to curb discrimination. If necessary, they should introduce additional legislation to govern the fine-grained complexities of discrimination in the sharing economy. Particular efforts should be made to consult excluded and vulnerable stakeholders. For example, more hearings with disability advocacy groups and with civil rights law experts could foster advancements in that regard.

One aspect of the sharing economy which may be leading to discrimination is a reliance on automated decision making, particularly through the use of automated matching algorithms and through the differential pricing of transactions based on location and other factors. Again, more collaboration between policy makers and sharing platform representatives for auditing and transparency would help. In addition, platforms should be made to take responsibility for oversight, ensuring that sharing profiles do not explicitly discriminate by removing or deactivating accounts which do so. Platforms should also be required to have human customer service agents to handle issues of discrimination.

As described, providers on labor-intensive sharing platforms, such as Uber drivers, are particularly exposed to precarious working conditions and exploitation. They are a stakeholder group that deserves more attention among policy makers, not least because the share of workers in such arrangements is increasing. One important suggestion for policy makers is thus to lower the hurdles for collective organization of sharing economy workers so that the vulnerable can have a voice.

### ***7.3. Policy makers should distinguish between casual and professional users.***

Many of the regulatory touchpoints in the sharing economy are an issue of intensity. For small scale initiatives, and the casual user, there are few negative externalities arising. However, for a small subset of the sharing economy who use sharing services intensely, serious concerns exist which need attention by policy makers. For instance, home-sharing hosts who offer their homes on a permanent basis face the risk that their business becomes an issue of operating an illegal hotel. This is particularly problematic for providers who operate multiple listings. For ride-sharing providers who provide on a full time basis, the issue of classification arises, that is, of whether they should be classified as employees or independent contractors.

We thus **recommend that policy makers make a point of distinguishing between users based on the level of intensity**, so as to draw a line between the professional and the non-professional users.

We recommend that a good place to start would be restricting individuals from having a large number of assets shared on a single platform, particularly in the case of home sharing platforms. Naturally, the question where to draw the line between a healthy small micro-enterprise and a large-scale disruptive money-making enterprise freeriding on public infrastructures (as is the case for Airbnb hosts that have dozens of listings in social housing areas) is difficult to answer. In the spirit of an equitable sharing economy, we think that there should be clear laws preventing excessive and disruptive providing, while at the same time allowing for healthy micro-entrepreneurship. In this regard, close collaboration between policy makers and sharing platforms is desirable, as the latter are naturally much closer to the issue than the former. Policy makers should make every effort to receive the necessary transaction and financial documents from platforms when it comes to controversial questions such as limiting providers in how much they can provide or taxation.

With regard to the latter, we recommend that policy makers also take note of how to tax professional uses of the sharing economy. In that way, rather than restricting it, it would open up professional users to city taxation and other forms of contribution.

#### ***7.4. Policy makers should persevere through current regulatory struggles.***

Currently, many issues are under the lens of policy makers, in different localities as well as on larger stages. These are all valuable discussions to be had as they allow the topic to be thoroughly assessed and not just for the status quo to continue. We thus **recommend that policy makers persevere in attempting to find solutions to the issues of the sharing economy**. Not all facets of the sharing economy should be regulated, but not all should be allowed to continue unchecked.

As visible throughout this report, the sharing economy is a complex environment, with a large variety of stakeholders and complicated regulatory questions. It would be easy and convenient for policy makers to just bury their heads in the sand and let the market freely play. At the same time, we have seen that the stark growth of the sharing economy in recent years has come with positive and negative side-effects. The latter will be exacerbated and become increasingly unsustainable in areas that are heavily affected by sharing services, particularly touristic cities with housing or traffic problems in the first place such as London, Barcelona, Paris, and Hamburg. Policy makers, particularly in these hotspots, are therefore advised to not dismiss the topic as a passing fad and underestimate its importance. Long-term perspectives and visions are needed to balance the varied interests of the stakeholders in place. Thus, policy makers should think outside the box and proactively stay abreast of the cultural and technological shifts inherent in the sharing economy.

Persevering through current regulatory struggles also includes taking multiple perspectives, for example by speaking to providers and consumers alike and by trying out major sharing platforms if possible. Thus, policy makers should make every effort to consult with sharing economy providers and consumers across a broad spectrum of services and applications – from commercial to non-commercial, from food sharing, to object-sharing, time-banking, home-sharing, and ride-sharing and ride-hailing. They might want to attend industry events and speak with journalists who cover the topic. Such in-person involvement would allow them to consider a multiplicity of voices when making decisions, potentially leading to better outcomes.

Finally, policy makers should try and stay close to the topic after they step down from their duties or fail to be re-elected. This could happen via informal mentoring of new policymakers or through engagement in more formalized contexts such as (co-)authoring of reports or opinion pieces on the topic.

### ***7.5. Policy makers should engage with local communities.***

The local impact of the sharing economy can be large, particularly in cities where there is intense usage. However, the local nature of the sharing economy means that the impact can vary, depending on local desires. For some locations, more encouragement of the sharing economy could boost the economy and open up new income opportunities. For some locations, there might be opposition and resistance as residents do not want to have the status quo challenged for justified fears of negative externalities such as overcrowding. **We recommend for local policy makers to take note of the regional and local differences.**

First and foremost, policymakers should develop a cultural sensitivity about how prevalent and desired various types of sharing services are in their constituency. Touching upon the previous recommendation, this would involve being close to the basis, with regular interaction and hearings from the civil society.

We would also encourage local policy makers to take a focus on how the sharing economy can bring benefits to the local community. One method of this is in data sharing for local usage. For instance, platforms, through in-depth traffic data (Uber, BlaBlaCar) and accommodation occupancy rates (Airbnb), might have detailed insights in areas very relevant for policymaking which could be used for city planning. Already, many cities and governments have initiated open data portals which allow for the sharing of open government data, creating business opportunities for new applications and services. Policymakers should inform themselves about the potential of open data and about the possibility of collaborating with sharing platforms in that regard.

Policy makers could also interact with local communities to encourage local alternatives, through giving incentives to small scale initiatives that could operate instead of large-scale platforms. Particularly in less developed and rural areas, such initiatives would be very welcome and could be incentivized through generous access to credits or tax incentives.

## 8. Conclusion

The present report provides a set of 25 key recommendations for five major stakeholders in the European sharing economy: providers, consumers, sharing platforms, educators, and policy makers. The recommendations, taken together, are an attempt to provide a roadmap for a more empowered sharing economy in Europe. More empowered in this context means a more informed, balanced, equitable, and sustainable sharing economy.

The aspect of more and better *information* was prevalent in the recommendations for all stakeholder groups. We believe that each group has their part to play in making the sharing economy in Europe more transparent and thus more empowered. Users – both providers and consumers – are advised to stay abreast of current developments in the sharing economy and to inform themselves about their rights and duties, for example by reading the terms and conditions of the platforms they use or by reading the FAQs as well as adjacent media coverage. Platforms, on their part, should strive to make important information more accessible and understandable by default and to be more reachable in cases of dispute resolution. While this is costly and might be seen as detrimental for their business interests in the short run, it can bring long term benefits by an enhanced reputation and user satisfaction. Educators such as teachers, journalists, and researchers, have a key role to play in creating a more empowered sharing economy. As outlined in more detail above, they should strive to put the topic on their agenda and curricula, bringing in a critical voice to the discourse and supporting the vulnerable through targeted education programs and offers, potentially in collaboration with sharing platforms where it makes sense. Finally, policy makers should base their decisions on high-quality, in-depth and large-scale evidence rather than on hearsay and prejudice. They should not shy away from controversial decisions if they will lead to more fairness and protection of sharing economy participants as well as non-users.

The aspects of more *balance* and more *equitable rules* partly touch upon the topic of participation, which was addressed in depth in the participation recommendation report (Andreotti, Anselmi, Eichhorn, Hoffmann, Jürss, & Micheli, 2018). However, power imbalances go beyond participation inequalities and also emerge between different users groups as well as in the relation between platforms and users. Important aspects of power imbalances are worker classification, dispute resolution, algorithmic control, and collective action (Newlands, Lutz, & Fieseler, 2017a). Several recommendations were targeted at empowering users, thus reducing the power imbalance between them and sharing platforms. For example, recommendation 3.5 called for providers to find strength in numbers and to think about ways of collectively organizing, thus overcoming the relative isolation of providing as fostered by the platform architectures of major sharing platforms. This includes low-threshold forms of collective organization, for example through online communities. By having a powerful collective voice, rather than a lot of dispersed individual voices, sharing economy providers can negotiate from a stronger bargaining position with platforms and policy makers when it comes to important current questions such as provider classification. Similarly, we recommended that consumers should make conscious decisions and vote with their feet. Educators can support both providers and consumers in their efforts by focusing on the human element, for example by using real-life, concrete stories and examples that show the opportunities and constraints of operating in the sharing economy. This is aligned with the recommendation for policy makers to pay special attention to vulnerable population groups, for example by paying close attention to issues of discrimination, which involves collaborating with the platforms.

Finally, the aspect of *sustainable* in the sense of environmental sustainability was not very present in this report. However, throughout different recommendations we tried to bring in a strong temporal, long-term perspective targeted at social and economic sustainability. The sharing economy is a relatively young phenomenon and predictions about its future status and development are necessarily shaky. We nevertheless think that several of our recommendations, if properly implemented, can help strengthen its role in society and increase its long-term strength and prosperity. For example, recommendation 3.4 called for providers to consider their broader social responsibility, while recommendation 4.4 called for consumers to rate responsibly and mindfully of the repercussions their ratings can have. Both recommendations could lower platform churn (i.e., rapid turnover of sharing economy users) and enhance user satisfaction by providing a mindful, collegial environment. Similarly, recommendation 5.2 for sharing platforms, to view users as people and not just as data points, is also an attempt to provide a future-looking, long term vision of the sharing economy rather than a short-term view. Finally, also several recommendations for educators and policy makers could strengthen the long-term role of the sharing economy in society. For example recommendation 6.5, encouraging educators to focus more efforts on enabling micro-entrepreneurship, and recommendation 7.5, a call for increased interaction with local communities, both provide a roadmap for increased acceptance of sharing services and for a more socially and economically sustainable peer-to-peer economy.

Overall, we hope that some of these recommendations fall on fertile ground and create a critical reflexivity among different stakeholders about issues of power in the sharing economy, particularly in Europe.

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