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| Università degli Studi di Trento  Scuola di Studi Internazionale | Master’s Degree in European and International Studies English LanguageUse of English | 2015– 2016  16 June 2016 |

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Mat. No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_

For each of the numbered gaps 1 – 30 provide **ONE** word to complete the phrase IF a word is necessary. Write the word against the correct number on your answer sheet. If no word is necessary, put a diagonal line in the space next to the number. Blank spaces on the answer sheet will be marked as incorrect.. Multiple answers will be marked as incorrect. Please note that in two instances there are two questions with the same number (two ‘question 1)s’ and two ‘question 18)s’ , as the answer is identical in both gaps bearing the same number.

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**What is the collaborative economy and what are the benefits linked to it?**

The collaborative economy is a fast growing business trend including a range of activities and cutting 1)…….. economic sectors, ranging from sharing houses and car journeys to domestic services. Sometimes also called "sharing economy", "peer-to-peer economy" or "demand economy", its contours are not precise. In its work, the Commission uses a 2) ……..concept, referring to all the business models, primarily based on transactions between peers, where activities are facilitated by collaborative platforms that create an open marketplace for the temporary use of products or services. Such transactions often do not 3) …….. a change of ownership, and can be carried out on a profit or non-profit basis.

The collaborative economy is small but growing rapidly, gaining important market 4) …….. in some sectors. Gross revenue in the EU from collaborative platforms and providers was estimated to be €28 billion in 2015. Revenues in the EU in five key sectors (short-term letting, passenger transport, household services, professional and technical services, collaborative finance) almost doubled 5) …….. with the previous year and are set to continue expanding robustly and there is a high potential for new businesses to capture these fast growing markets. Consumer interest is indeed

strong, 6) …….. confirmed by a recent public consultation and a Eurobarometer poll published today.

The collaborative economy creates new opportunities for consumers and entrepreneurs and can therefore 7) …….. an important contribution to jobs and growth in the EU, if encouraged and developed in a responsible manner. The success of collaborative platforms can be challenging for existing market operators and practices, but driven by innovation, the collaborative economy enables individual citizens to offer services and can promote new employment opportunities, flexible working arrangements and new 8) …….. of income. For consumers, the collaborative economy can provide benefits through new services, an extended supply, and 9) ……..prices. It can also encourage more asset-sharing and more efficient use of resources, which can contribute to the EU’s sustainability agenda and to the transition to the circular economy.

The collaborative economy brings new opportunities that also traditional providers can seize to help them customise and improve the quality of 10) …….. services thanks to customer reviews or other feedback mechanisms. The public consultation confirmed that traditional providers also use collaborative platforms.

**Why do we need a European approach?**

The collaborative economy often raises issues with regard to the application of 11) **…….** existing law, 12) **…….** established lines between consumer and provider, employee and self-employed, or the professional and non-professional provision of services. This can result in uncertainty over applicable rules, especially when combined 13) **…….** uncoordinated and divergent regulatory actions at national or local level.

This fragmented approach to the collaborative economy creates uncertainty for traditional operators, new services providers and consumers alike and 14) **…….** hamper innovation, job creation and growth. A number of research papers, a legal mapping of existing legislation in selected Member States, a public consultation, stakeholder workshops, and a Eurobarometer poll highlight that the main issues are market access requirements, consumer protection, (direct and intermediary) liability, labour law and tax.

Therefore, as announced in its Single Market Strategy, the Commission is issuing guidance to Member States to help 15) **…….** the balanced development of the collaborative economy.

Today's guidance is complementary to the Commission's broader approach to online platforms that was presented on 25 May 2016 as part of the Digital Single Market strategy. The Commission concluded that a 'one-size-fits-all' approach was not appropriate for consumers to benefit 16) **…….** the opportunities and for the rules to meet the different challenges posed by the very diverse types of online platforms. Based on this approach, the Commission will look at each area 17) **…….** it can act, from telecoms to copyright rules, to address any specific problems in a future-proof way for all market players.

**Different countries have different rules – what are good practices in this area?**

A number of good practices on the collaborative economy have been identified across EU countries:

Establishing thresholds to differentiate between individual citizens providing services on an occasional basis and providers acting in a professional 18) **…….**;

- Cooperating with collaborative economy platforms to record economic activity to facilitate and improve tax collection, 19) **…….** respecting data protection legislation;

- Issuing guidance on the application of employment rules and market access requirements to new business models;

- Not demanding prior authorisations for the short-term rental of primary residences;

Reviewing quantitative restrictions in transport sectors and facilitating market access for all operators.

**Who takes part in the collaborative economy?**

A variety of collaborative economy business models are rapidly emerging and growing 1) **…….** Europe, changing the way services are provided and consumed. Overall, they involve:

- **service providers** who share assets, resources, time and skills - these can be private individuals offering services on an occasional basis ('peers') or service providers acting in a professional 18) **…….**;

- **users** of these services;

- **collaborative economy platforms** that connect providers with users and facilitate transactions betweenthem.

**Are all platforms part of the collaborative economy?**

Not all platforms are running a collaborative economy business model. Collaborative platforms are internet-based tools that enable transactions between people providing and using a service, generally 20) **…….** there being a transfer of ownership of an asset.

**Can there be a "one-size-fits-all" approach to the collaborative economy?**

The collaborative economy 21) **…….** many sectors ranging from accommodation and tourism to passenger transport, car rental, catering services, retail and business services. A wide variety of business models can be considered part of the collaborative economy, including consumer-to-consumer transactions, consumer-to-business, business-to-consumers, and business-to-business. In some cases, individuals or service providers may not seek any profit, but just exchange products or skills (e.g. exchange of houses or tasks performance) or share costs. In 22) **…….** cases, the service providers or individuals do seek a profit. Issues related to one business model are not necessarily common to all sectors and activities, countries, or even regions and municipalities within a country. 23) **…….** the same time, the use of online platforms gives the possibility to collaborative providers to offer their services beyond the local level. 24) **…….**, a fragmented and uncoordinated regulatory approach may deter people, users and providers alike, from taking advantage of the opportunities offered by the new business models. For these 25) **…….**, the Commission presents today general guidance on the application of existing EU laws to collaborative business models, and recommendations to EU countries on how to support a balanced development of the collaborative economy.

**What type of market access requirements can be imposed in the collaborative economy?**

26) **…….** EU law (the fundamental freedoms of the Treaty and the Services Directive), service providers can be subject to market access requirements, such as business authorisations or licensing obligations, only where these restrictions are non-discriminatory, justified and proportionate to meet clearly identified public policy objectives. Absolute bans and quantitative restrictions should only be used as a measure of last 27) **……..** This is the case for the regulation of both the collaborative economy and traditional services providers.

Under the e-Commerce Directive, market access requirements cannot be imposed on platforms 28) **…….** in exceptional circumstances.

When applying market access requirements, EU countries need to take into account the specific

features of the collaborative economy, without favouring one business model 29) **…….** another. They should seek to differentiate, in particular:

- between collaborative platforms providing the underlying service and those only acting as 30) **…….** intermediary;

- and between private individuals offering services occasionally and services providers acting in a professional capacity.