

A COOPERATIVE VISION FOR THE COLLABORATIVE ECONOMY

Shaping a people-centered and democratic collaborative economy



With the support of



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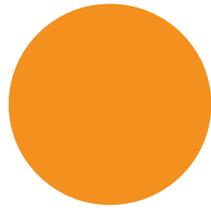
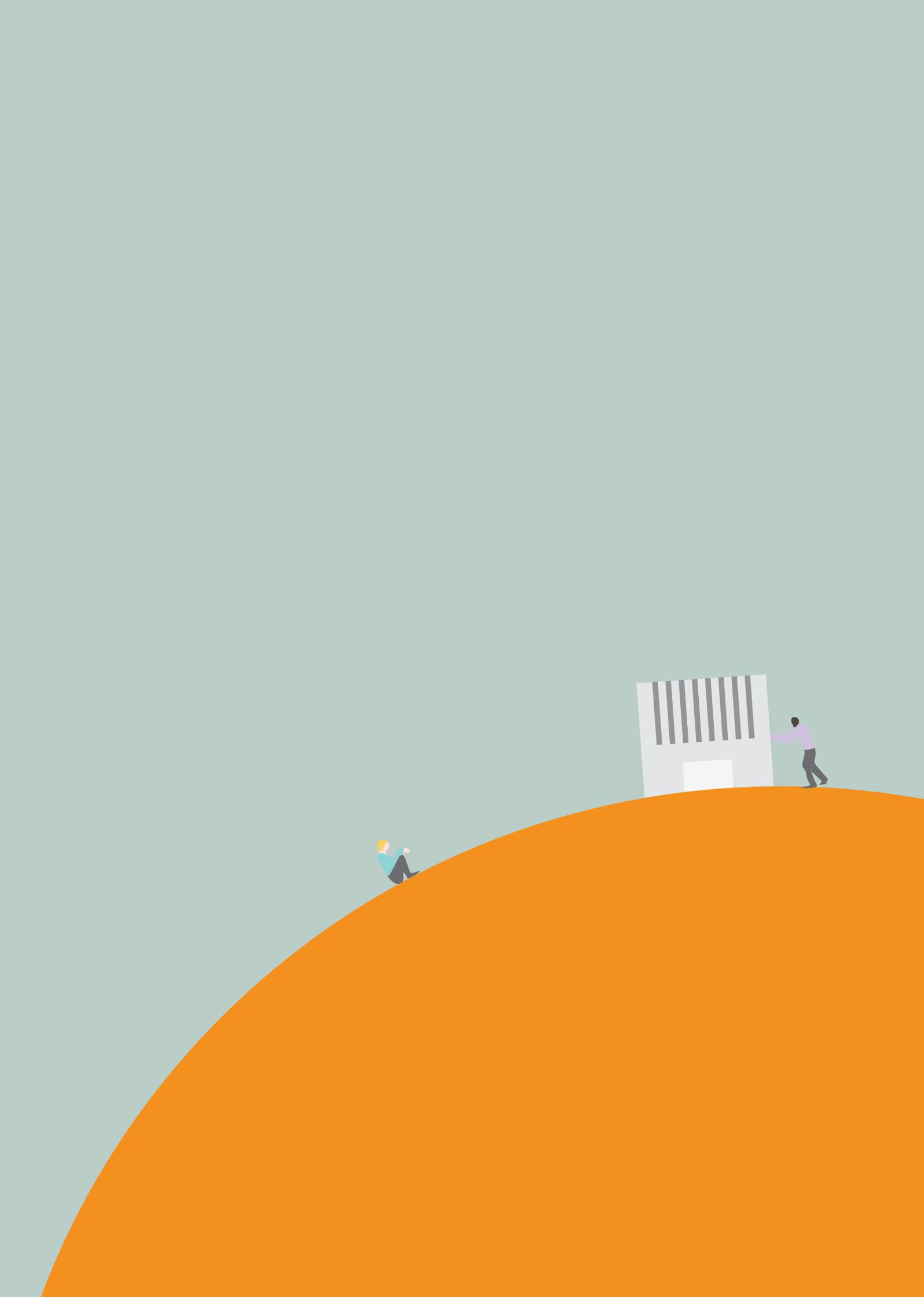
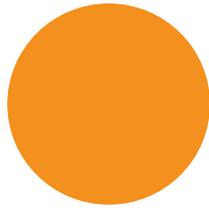


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EXECUTIVE SUMMARY

This document presents the position of Cooperatives Europe with respect to the *European Agenda for the collaborative economy*, following the European Parliament's Resolution released on June 15th, 2017.

The document has been elaborated on the ground of a stakeholder consultation which took place during summer 2017, and which involved representatives of sectoral cooperative associations at the European and national levels, and cooperative entrepreneurs across different sectors and European countries.



"Cooperatives call for a public-private partnership"

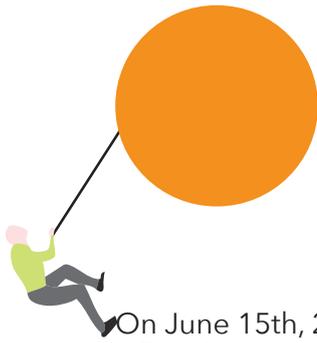
Through the consultation, a number of comments, observations and proposals were collected not only in relation to the *European Agenda*, but in general around the current challenges, opportunities and trends for the innovation of the cooperative movement brought about by the collaborative economy. While inspiring this position, the consultation has helped to reflect on the diversity of perceptions, approaches and models adopted by cooperatives in collaborative economy across Europe.

Despite the diversity of approaches, models and outcomes found within this fast changing landscape, a common vision has emerged: the fundamental role played by communities in the collaborative economy, and the opportunity to integrate economy, technology and society within a unique, inclusive and sustainable project of growth. This element deserves further room for investigation, experimentation and debate not only for its potential contribution to a renewed and empowered cooperative membership, but also for the yet untapped opportunity to unleash social and economic forms that can enable a smart, sustainable and inclusive growth in Europe.

In this scenario, the cooperative movement stands out as a key player to ensure a sustainable, competitive and

inclusive development of the collaborative economy in Europe. However, there is the need of a European enabling ecosystem that recognizes and fully includes the cooperative model, making the most of its distinctive features and values to imprint the collaborative economy with strong social purposes, addressing societal challenges and achieving positive impact on individuals, communities and society.

In this perspective, Cooperatives Europe, the voice of cooperative enterprises in Europe, calls for a partnership between European institutions and community-based organizations to shape and implement an ambitious collective project for the collaborative economy.



INTRODUCTION

On June 15th, 2017, the European Parliament (EP) adopted a Resolution¹ on the *European Agenda for the collaborative economy*, published by the European Commission (EC) in 2016² to provide guidance to businesses, consumers and public institutions, engaging in the emerging collaborative economy.

The EC's Agenda has represented a major cornerstone in acknowledging the importance of the collaborative economy in Europe, recognizing its increasing relevance for the creation of new opportunities for consumers and entrepreneurs, as well as for the creation of jobs and growth.

With a gross revenue in Europe of around 28 billion euros in 2015, and an index of growth that for some sectors like accommodation and mobility almost doubled in one year-time³, the collaborative economy is indeed much more than an eccentric trend. By designing goods and services and shaping economic relations around unedited or massively empowered features - temporary access to assets, disintermediation, peer-to-peer exchange, distributed networks - the collaborative economy is disrupting almost all sectors, challenging the competitiveness of traditional businesses. In turn, the ongoing 4th Industrial Revolution characterized by automation, robotics, artificial intelligence, digital fabrication and big data on the one hand, and surrounded by growing societal concerns on the other hand, is putting a major question mark at the horizon of our production model. The question is if and to what extent it can adapt to this changing scenario not only securing jobs, but rather driving growth and wealth benefitting all.

Doubtless, the disruption brought about by the collaborative economy is not free from serious consequences. Controversial impacts in many areas such as fair competition, labour rights, consumer protection, quality of services and transparency are, among others, under the spotlight of a global debate. Taken together, these aspects all converge towards a deep concern about the new forms of exploitation and concentration of wealth powered by many 'platform businesses', questioning the democratic nature of the 'knowledge society' and its main 'armed wing' - the Internet, therefore turning the collaborative economy into an urgent matter for policy-makers, researchers and practitioners at all levels.

¹ Texts adopted, P8_TA(2017)0271.

² COM(2016)0356.

³ Vaughan R., Daverio R., *Assessing the size and presence of the collaborative economy in Europe*, Pwc UK, 2016.

"Adapting to a changing scenario"

Indeed, the collaborative economy has something deeply in common with the cooperative movement: sharing and collaboration strongly belong to both their vocabularies, as much as the community dimension represents a common ground of action. Born in the 19th century from the need of advancing inclusive, socially driven forms of economic and productive organization, cooperatives have gone through all major revolutions of modern times, showing resilience and adaptation to changes, protecting workers and contributing to the welfare state. To date, they can be found all over the world, with numbers that are showing a promising increase.⁴

Like other social and economic actors, the cooperative movement has recognized the disruptive potential of collaborative economy models. More specifically, it has acknowledged the emergence of unedited forms of community building, organization, participation and governance that the collaborative economy brings with it. If there is a risk of making the traditional cooperative membership and the same cooperative model losing ground, there is also an opportunity: that of unlocking the distinctive features of cooperatives - democratic ownership and governance, mutualistic relationship and concern for communities - towards empowered models for people to connect and collaborate around shared goals, strengthen social ties, and earn sustainable livelihoods.

“A disruptive potential of collaborative economy models”

To date, no unique and univocal definition is able to fully encompass the huge variety of models and approaches labelled as collaborative economy. Uber, Airbnb, Blablacar, Copify, Loomio, as some examples, are very diverse in terms of scale and scope, as much as they are in their ways of harnessing distributed assets and networks, building communities, and facilitating exchanges among peers. To the extent that the language shapes the reality, such ambiguity in meanings is what blurs the borders between an economy supporting citizen’s empowerment on the one hand, and business strategies operating in an extractive logic on the other hand. This eventually prevents from building a regulatory framework able to fully unleash the former, while mitigating the negative effects of the latter.

The European Parliament’s Resolution underlines the need of developing the collaborative economy in a responsible

⁴ Since 2009, cooperative enterprises in Europe have increased by 12% and members have increased by 14%. For more statistics and information on cooperatives in Europe see <http://www.coopseurope.coop/>.

manner, making it socially and environmentally sustainable. By recognizing a “growing interest in the collaborative economy based on cooperative business models”⁵, the European Parliament opens doors for a collaborative economy that can be social and collaborative in scopes rather than only in means, imprinting the European way to the collaborative economy with strong values of democracy, equal opportunities and rights.

“A contribution to an ambitious agenda for the collaborative economy”

Cooperatives Europe welcomes the European Parliament’s acknowledgment that the collaborative economy is much more than “a collection of new business models offering goods and services”, but rather “a new form of integration between the economy and society.”⁶ However, also in light of the growing social tensions stemming from aggressive strategies implemented by a few giants of the collaborative economy, it regrets that the Resolution does not stress further on the structural prerequisites to which collaborative economy businesses should comply with.

Within this framework, the present document represents an attempt to provide European institutions and stakeholders with a contribution aimed at developing an ambitious agenda for the collaborative economy in Europe.

The overall position and proposals contained in this paper have been built on the ground of a stakeholder consultation realized during summer 2017, which involved representatives of sectoral cooperative associations at the European and national levels, and cooperative entrepreneurs across different sectors and European countries. Through the consultation, a number of comments, observations and proposals were collected in relation to the European Parliament’s Resolution, as well as around the current challenges, opportunities and trends for the innovation of the cooperative movement brought about by the collaborative economy. The consultation was complemented with extensive literature review, aimed at gathering existing positions from different cooperative actors operating in the collaborative economy. Moreover, the preliminary study published by Cooperatives Europe in 2016⁷, drawing an initial picture of the engagement of cooperatives across Europe in the collaborative economy, served as a starting point to enrich the consultation, while helping to select



⁵ Texts adopted, P8_TA(2017)0271, par. 11.

⁶ Ibid., par. 9.

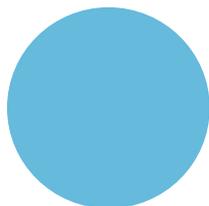
⁷ Como et al., *ibid.*

the main topics of discussion. Finally, this position builds on the work done within Cooperatives Europe's Working Group on Collaborative Economy since early 2016, which was established with the goal of stimulating a common understanding and approach towards the collaborative economy. The WG involves experts at national and local levels in the fields of cooperatives and the collaborative economy.

The document is organized into three sections: Section 1 highlights the main assumptions that underpin Cooperatives Europe's position; Section 2 provides non-exhaustive insights about the potential of the cooperative model for the collaborative economy; finally, Section 3 contains a set of proposals for achieving a European level playing field allowing cooperatives to fully engage in collaborative economy models, and calls for the establishment of a partnership between cooperatives and European actors to shape an ambitious collaborative economy.

1





THE COLLABORATIVE ECONOMY: PEER-TO-PEER EXCHANGES EMPOWERING INDIVIDUALS AND COMMUNITIES

OPPORTUNITIES AND CHALLENGES

The collaborative economy has contributed to bring new opportunities and benefits for European citizens, enterprises and other public and private organizations.

As pointed out by the European Commission (EC) in the *European Agenda for the collaborative economy*⁸, and further confirmed by the European Parliament's (EP) Resolution of June 2017⁹, **the collaborative economy proves to be an enabling factor in three main dimensions.**

First, it allows citizens to rely on new opportunities of consumption and production, benefitting them from enhanced competition, tailored services, increased choice and lower prices. Moreover, by enabling them to position both on the demand and supply side, the collaborative economy allows to valorize assets that are underused, turning passive consumers into active 'prosumers'.

Second, it boosts innovation and entrepreneurship, allowing in particular individuals and groups traditionally marginalized from entrepreneurship to collaborate around common needs and mutualize resources within creative models of service/goods creation and delivery. Besides, established organizations benefit from tools and models that allow them to go beyond their traditional boundaries, reaching out to new markets and needs, and thus becoming more competitive and efficient.

Third, it stimulates the transition towards the digital economy, bringing individuals and communities to make the most of digital technologies to collaborate at unprecedented scales and scopes. In this respect, the growth of the collaborative economy reflects a collective enthusiasm for technologies empowering individuals through their communities, creating positive conditions to anticipate and foster the transition to the digital economy.

However, the collaborative economy also brings with it major challenges. Although not yet quantified nor systematically assessed, the fragmentation of the European single market, dynamics of unfair competition and rising

"Boosting
innovation and
entrepreneurship"

⁸ COM(2016)0356.

⁹ Texts adopted, P8_TA(2017)0271.

social tensions are currently emerging as concrete evidences.

Prompted by the urgent need to balance economic potentials with social and economic sustainability, national and local governments have developed a number of uncoordinated regulations. As a consequence, the single market - a fundamental pillar of the European Union (EU) - has weakened, paradoxically under the weight of a model which naturally crosses borders. In turn, the proliferation of national and local legislations has contributed to create an uncertain and risky environment for enterprises and communities, preventing them from making long-term investments and identifying adequate strategies. On the other hand, such legal uncertainty has contributed to strengthen the position of large-scale, often non-European businesses, which in some cases have gained market positions near to monopoly, navigating through the grey zones of non-regulation.

“Governments have developed uncoordinated regulations”

Finally, since its birth, the collaborative economy has been accompanied by conflicting positions among different social and economic actors, which have recently resulted in strikes and mobilizations in many European cities.¹⁰ Tensions mainly relate to the ways through which many platform businesses create and extract value, as well as to the different regulatory regimes that apply to traditional and collaborative economy businesses operating in similar markets. If not tackled in all their complexities, these aspects could seriously contribute to hamper the achievement of Europe 2020's goals.

DEFINING THE COLLABORATIVE ECONOMY

Within this framework, the *European Agenda for the collaborative economy* marked the first step of European institutions within this complex landscape. By approaching the collaborative economy as “business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals”, the European Commission has contributed to the emergence of a common understanding of the collaborative economy

¹⁰ See for instance “Anti-Uber protests around the world, in Pictures”, *The Telegraph* (available at <http://www.telegraph.co.uk/technology/picture-galleries/11902080/Anti-Uber-protests-around-the-world-in-pictures.html>) showing demonstrations in the UK, Italy, Belgium, France and Poland among others.

at the European level, linking it to the broader development of the digital economy. However, **the Communication has omitted to propose a broader approach able to apprehend the full picture and diversity of the collaborative economy**, limiting the analysis to a factual consideration based on few large-scale and well-known existing business models.

“Misleading interpretations regarding the collaborative economy”

In its recent Resolution, the European Parliament then called to adopt a broader conception, emphasizing “the need to consider the collaborative economy not only as a collection of new business models offering goods and services, but also as a new form of integration between the economy and society where the services offered are based on a wide variety of relations embedding economic relations within social ones and creating new forms of community and new business models.”¹¹

Both documents are cornerstone references that will be transversal to any future work conducted by European institutions on this topic. However, although they provide a valuable understanding, a definition able to encompass the diversity of collaborative economy models is yet to emerge among EU institutions.¹²

The absence of a definition opens the door to misleading interpretations regarding the nature of exchanges and type of actors encompassed under the collaborative economy. Besides theoretical reflections, this gap produces negative consequences on the development of the collaborative economy and the Single Market. The existing confusion among policy-makers, researchers and practitioners leads to uncertainty about potentials and risks, and eventually creates tensions among them. In particular, the lack of a common understanding negatively affects the capacity of policy-makers to develop coordinated political objectives and adequate regulations, leading in turn to a fragmentation of approaches across Europe.



¹¹ COM(2016)0356, p. 3, “What is the collaborative economy?”.

¹² The qualification of collaborative economy proposed by the Communication A *European Agenda for the collaborative economy* seems to offer a description suited for this report, instead of a proper definition. In particular, a definition of (collaborative) economy cannot be restricted to an aggregation of business models.

On this ground, building on previous work done by Cooperatives Europe in this field¹³, **we propose the following definition:**

The term *collaborative economy* refers to a broad and varied group of practices and innovative models that use digital technologies to facilitate collaboration and exchange among a community of peers, and to maximize the use of underutilized resources. Collaborative economy models enable the aggregation of peer-to-peer exchanges performed among community members, and turn them into systemic processes of value generation driven by the community and benefitting the community.

Such definition is based on the following assumptions:

●●●● **The collaborative economy is not limited to new forms of production and consumption** of goods and services, but it goes much further, unleashing unedited forms of sharing and collaboration across sectoral domains and actors. The conceptualization started by Botsman and Rogers¹⁴, and further elaborated by Stokes et al.¹⁵, identified 5 main groups of collaborative economy practices: collaborative consumption, collaborative production, collaborative finance, collaborative learning, collaborative governance. Any public action aimed at fully apprehending the collaborative economy should then consider its multi-sectoral and multi-dimensional nature.

“Peer-to-peer exchanges among community members”

●●●● **The collaborative economy does not only include exchanges among individuals**, but also exchanges among networks of organizations and businesses. Within this framework, two main forms of collaborative economy can be identified:

¹³ See Como et al., *ibid.*

¹⁴ Botsman, R. and Rogers, R. (2010), *What's mine is yours*, New York, Harper Business.

¹⁵ Stokes, K. and Clarence, E. (2014), *Making Sense of the UK Collaborative Economy*, 1st ed. [pdf] NESTA Collaborative Lab. Available at: https://www.nesta.org.uk/sites/default/files/making_sense_of_the_uk_collaborative_econom.

- first-level collaborative economy referring to models that enable exchanges between two individuals. It includes C2C (consumer to consumer) exchanges, but also a wider diversity of actors (workers, producers, users, beneficiaries, members of a community);
- second-level collaborative economy referring to models that enable exchanges between two organizations. It includes B2B (business to business) exchanges, but also a wider diversity of actors (administrations, civil society organizations, informal groups, etc.).

These two forms of collaborative economy pursue different objectives, develop different opportunities and meet different challenges. Thus, they should receive equal recognition by policy-makers, who should adopt differentiated approaches accordingly.

●●●● **The collaborative economy is rooted in peer-to-peer exchanges, platforms are intermediaries.** The exponential growth of the collaborative economy is driven by, and goes hand in hand with the digitalization of the economy and society. As stated by the Communication of the European Commission, collaborative platforms are one among three actors, i.e. the intermediary, the others being the service providers and the users. Evidence shows that the collaborative economy cannot be reduced to platform-based economy though. The richness in ongoing initiatives goes from informal self-organized networks, to more structured forms involving technical infrastructures such as online platforms (which may be owned and managed whether by a third party, or by community members themselves). A public action aimed at supporting a socially driven and sustainable development of the collaborative economy should primarily focus on empowering individuals and organizations to exploit the potential of peer-to-peer exchanges. Platform businesses will be important actors in a future digital economy (including the collaborative economy), and thus deserve specific consideration through a distinguished policy (see the Communication *Online Platforms and the Digital Single Market*¹⁶ and related Resolution¹⁷). Although B2C, C2B, B2B2C, C2B2C models belong to an emerging form of digital businesses, they must not be considered as collaborative economy models

“Empowering individuals and organizations”

¹⁶ COM(2016) 288

¹⁷ Texts adopted, P8 TA(2017)0272

since they are missing one main component: an exchange between peers. A model like Uber is characterized by an economic system exclusively organized by the intermediary (i.e. the platform): individuals involved in the service (i.e. driver and consumer) are unable to organize the exchange (for instance, they do not have an influence on the price of the service). Thus, as a C2B2C model, the platform-based business model Uber is not a collaborative economy business. By extension, “on-demand household services” and “on-demand professional services” cannot, as such, be recognized as part of the collaborative economy, despite a recent study conducted by PwC.¹⁸

●●●● **The collaborative economy is community-based.** Collaborative economy models enable peer-to-peer exchanges: by aggregating and scaling them up, they transform groups of individuals or organizations into active communities, and translate low-value isolated interactions into high-value powerful collaborations. Thus, collaborative economy models have developed on existing communities, or have contributed to the creation of new ones, either in physical and digital spaces. Travelers, freelance workers, social streets, knowledge communities, makers communities are some examples of communities organizing exchanges among peers through a plethora of collaborative approaches and models. A prerequisite for sustaining and upscaling the collaborative economy is thus to support the creation and development of such communities, but also to promote models sustaining them through democratic governance and control over the value generated.

“Promoting democratic governance and control over the value”

A COOPERATIVE VISION

Currently, increasing synergies between the collaborative economy and cooperatives are creating promising roots of socially-driven innovation. Cooperatives are indeed community-based organizations with a dual nature: business enterprises on the one hand, and membership based associations organised for collective action on the other. If this “new form of integration between the economy and society”¹⁹ represents an unprecedented opportunity for social and solidarity economy (SSE) organisations, cooperative enterprises can offer a sustainable model

¹⁸ See Vaughan R., Ibid.

¹⁹ Texts adopted, P8_TA(2017)0271, par. 9.

showing the capacity of “embedding economic relations within social ones.”²⁰

Cooperatives Europe believes that a sustainable future for the collaborative economy could emerge from an ambitious partnership supporting a cooperative dynamic at European level.

Reaping the potentials of the collaborative economy, while mitigating its threats, requires a strong and tangible political project, conducted through a close partnership between policy-makers and democratically organized collaborative economy communities. As acknowledged by the European Parliament, policy-makers and practitioners are demonstrating a “growing interest in the collaborative economy based on cooperative business models.” The cooperative movement has the potential to articulate a community-based development of the collaborative economy within a consistent EU strategy and policy: it benefits from a dense network of community-based enterprises from all sectors, involving a diversity of stakeholders through democratic governance models, and maintaining coordinated relations with EU policy makers.

“Promising models for a responsible development of collaborative economy”

Cooperatives experiment with promising models for a responsible development of the collaborative economy,

boosting economic efficiency in a sustainable and inclusive way. Open membership and democratic governance generate trust from the service users and beneficiaries towards cooperative enterprises. Control from the community over the value generated ensure fair redistribution of profits among community members, and offer a lever to invest in the development of collaborative economy models. Multi-stakeholder governance models enable the creation of collaborative ecosystems involving all actors into a common enterprise, leading to the emergence of models more respectful of established economic and social contexts. Finally, as enterprises rooted in their communities, cooperatives are less subjected to buyout strategies.

“Supporting a cooperative dynamic at European level”

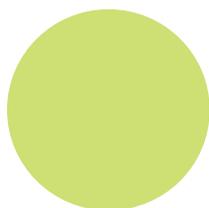
The European cooperative movement promotes a vision of a community-based and empowering collaborative economy, contributing to shape a stimulating environment enabling people to participate more actively in their communities and pursue aspirations of a more inclusive and democratic society. However, the achievement of this objective needs

all stakeholders involved, especially European institutions and policy-makers, at all stages of innovation: from experimentation to policy definition and regulation.



2





COOPERATIVES AND THE COLLABORATIVE ECONOMY: A COMMON GROUND FOR A COMMUNITY-DRIVEN GROWTH

Many cooperatives across Europe are at the turning point of one century of history.

Going through the major revolutions of modern times, they have ensured protection to their members and communities, created assets transmitted over generations, infrastructured wide networks of collaboration, and contributed significantly to the economy and the welfare state.

Nowadays, the European cooperative movement counts on around 180,000 cooperative businesses, 4.5 million employees and more than EUR 1,000 billion turnover. Only in the EU, there are 127 million members, meaning that 1 citizen out of 5 is a member of a cooperative. Moreover, these numbers are constantly increasing.²¹

“The cooperative movement at the forefront of change”

According to a preliminary study published by Cooperatives Europe in 2016²², cooperatives across Europe are increasingly confronting with the collaborative economy. Often prompted by the ongoing digital revolution, they are showing growing awareness and engagement in this new landscape, underlying a shared need to renew their models in light of the potential of digital technologies and new forms of sharing. Indeed, the richness of approaches and visions emerged through the study highly reflects the specific history and relevance of the cooperative movement across EU countries and regions; however, there is much convergence around the need - and the potential - of the cooperative movement being at the forefront of change.

THE CONSULTATION

The stakeholder consultation realized for the present paper involved both representatives of sectoral cooperative associations at the EU and national levels, and cooperative

²¹ Cooperatives Europe (2015), *The power of cooperation - Cooperatives Europe key figures*, [online] available at: <https://coopseurope.coop/sites/default/files/The%20power%20of%20Cooperation%20-%20Cooperatives%20Europe%20key%20statistics%202015.pdf>

²² Como et al., *Cooperative Platforms in a European landscape: an exploratory study*, 2016. The study aimed at investigating the potential interaction between the collaborative economy and cooperative businesses, in order to highlight synergies and opportunities of innovation. Through a mapping survey and in depth interviews which involved top representatives of national cooperative associations across Europe, the study contributed to draw in initial picture of the engagement of cooperatives in the collaborative economy, pointing out the richness of approaches and visions around this emerging landscape.

businesses across different sectors and EU Countries. Sectoral associations are: CECOP (European confederation of industrial and service cooperatives), Cogeca (European organization of farmers and agri-cooperatives), Euro Coop (European community of consumer cooperatives), Rescoop.eu (European Federation of renewable energy cooperatives), Co-operative Housing Ireland (Irish Federation of the cooperative housing movement). Cooperative entrepreneurs were involved from the following sectors and European countries: mobility (Cotabo, Italy, and Partago, Belgium), consumers (Fairmondo, Germany, and France Barter, France), freelance workers (Condiviso, Italy), health (Midata, Switzerland), cultural and creative industry (1D Lab, France, and Resonate, Germany), agriculture (SAOS, UK), tourism (eLands, Malta), finance (Cera, Belgium). Importantly, not all these cooperative businesses fully fall under the definition of collaborative economy provided in Section 1; nonetheless, they all show valuable approaches around specific aspects of the collaborative economy, such as the combination between digital technologies and cooperative governance to empower large forms of participation and sharing of assets.

“A priority in both political agendas and business strategies”

Although the consultation highlighted a number of different point of views and concerns, which may reflect the specific challenges that are perceived as the most urgent within the different sectors covered, the collaborative economy is indeed a priority in both political agendas and business strategies. Interestingly, if the collaborative economy brings risks of increased inequalities, dismantlement of rights and concentration of wealth, the consultation has shown an ongoing effort to tackle them, using the cooperative model either as a mitigation and, more often, as a transformative means.



A COOPERATIVE LANDSCAPE

COMMUNITY BUILDING

First, cooperatives prove to be powerful drivers of community building across different sectors, either facilitating new processes of collaboration and sharing within pre-existing communities, as well as boosting the creation of new ones. Whether ‘old’ or ‘new’, communities benefit from new tools and approaches that enable them to collaborate and organize answers around collective needs. When built on cooperative governance, such models empower individuals to actively contribute to a

collective vision or project, increasing their personal, social and economic emancipation. Cooperative co-working spaces such as Condiviso in Italy, Casaco in France, and KnowledgeWorkers in Denmark engage communities of freelance workers in collaborative design and delivery of solutions, with the overall goal of improving their individual and collective professional capacities. In the cultural field, online platforms such as 1D Lab in France enable artists, citizens, entrepreneurs and administrations to valorize cultural resources through co-production of cultural contents, relying on a multi-stakeholder and public-private governance model. As for mobility, car-sharing platforms such as Partago in Belgium and Som Mobilitat in Spain engage citizens in creating a pool of electric cars made available for their communities, supporting them in acquiring, maintaining and renting electric vehicles, but also collectively deciding about the management of the service.

Second, cooperative models have demonstrated the capacity to capitalize on collaborative economy

**INNOVATIVE
CONSUMPTION**

approaches to experiment, develop and upscale new consumption models. New forms of supermarkets such as BeesCoop (Belgium) or La Louve (France) are steering fairer, greener and cheaper food consumption through innovative organization of human resources mixing employment and volunteering. New banks are being founded, such as NewB (Belgium) and Cooperative for Ethical Financing (Croatia), creating (online) spaces for collaborative governance enabling members to decide how their savings should be used and invested. New streaming platforms such as 1D Lab (France) are based on the co-creation of musical offer involving artists, consumers and public actors, so to foster diversity of cultural offer while ensuring fairer remuneration of producers.

Third, cooperatives stimulate wide and diffused entrepreneurship within the collaborative economy,

**INCLUSIVE
ENTREPRENEURSHIP**

enabling in particular marginalized and disadvantaged groups as well as rural areas to take active part. In this respect, many national cooperative associations are intensively supporting new entrepreneurship initiatives, establishing dedicated incubators, accelerators and investment funds (such as CoopVenture in France, Coopcity in Belgium and CoopUp in Italy), capacity building programmes (such as Coopstartup in Italy and Co-operative Housing Ireland), and specific crowdfunding platforms (such as Microgenius in the UK and JeFinanceUnProjectCooperatif.fr in France).

Most of them are also supporting their members through the establishment of specific Working Groups involving experts across sectoral domains (such as in the case of CG SCOP, Cogeca and Cooperatives Europe). Some actions have specifically engaged people at risk of exclusion in collaborative entrepreneurial initiatives aimed at tackling collective needs, such as the access to housing for older people and disabled people (e.g. the action carried out by Co-operative Housing in Ireland). Finally, cooperative entrepreneurial initiatives like eLands in Malta have contributed to the development of an entrepreneurial spirit at the scale of a community, involving a diversity of actors from both urban and rural areas for the collective management of the territory in the tourism sector.

ANTICIPATING TRANSITIONS

Fourth, cooperatives are able to harness the collaborative economy to anticipate upcoming economic and social transitions, exploiting the triangulation between platform-based models, digital technologies and the cooperative structure to provide effective solutions to pressing societal challenges. On the labour side, experiences like Condiviso in Italy and SMart in France are championing innovative organizational forms for freelance workers, allowing them to make the most of the cooperative model to increase peer collaboration and exchange, get a reliable framework of rights, and decrease significantly the costs of bureaucracy and administration. On the environmental sustainability side, car-sharing cooperatives such as Partago in Belgium, or ride-sharing as Ridygo in France, pursue a strong sustainability-centered mission, involving stakeholders (workers and/or users) as co-owners of the cooperative. Collaborative economy applied to business-to-business relations has also proven to boost adaption of existing organizations to a fast evolving market. Cooperatives such as Aldia (Italy) have established innovative frameworks for the pooling of resources among organisations, in order to improve the quality and accessibility of care services. B2B collaborative economy models can also take innovative forms such as in the case of France Barter, which organizes exchange of tangible and intangible assets among member enterprises. Inspiring initiatives are emerging at European and international levels to untap and upscale the potentials of B2B collaborative economy, such as in the agriculture (Cogeca) or banking sectors (CIBP Grace16).

Fifth, the cooperative governance makes a great contribution to the diversity of entrepreneurial models

rooted in the collaborative economy, providing new forms through which digital technologies and data can be used in more responsible, accountable and reliable ways. The ongoing platform cooperatives movement, initiated by Trebor Scholz and Nathan Schneider in 2014²³, is nowadays global in scope and scale, witnessing the extent to which cooperatives over the world are experimenting with innovative models of ownership and governance at the basis of peer exchanges. In this respect, cooperative platforms have been developed to conciliate online services with traditional sectors: examples include platforms developed by taxi companies, such as Cotabo (Italy) and Alpha (France), or by music artists such as Resonate (Ireland). In addition, other cooperative projects are tackling the issue of data ownership. Midata (Switzerland) is pioneering an innovative data-driven business model that harnesses the cooperative form to enhance user's role in the control and management of personal health data, while boosting community building processes among people with the same diseases, as well as between them and health researchers. Similarly, the Scottish Agricultural Organization Society (SAOS, UK) have developed, thanks to a public-private partnership, a service enabling a democratic management and ownership over agricultural data by farmers, in order to improve efficiency and sustainability as well as transparency towards public administrations.

**INNOVATING
OWNERSHIP &
GOVERNANCE**

Finally, cooperatives are able to embed local development within a globalized economy,

adopting networked cooperative alliances and federations to expand to new markets and reach effective scales, while keeping strong attention to the local dimension. Fairmondo, Partago, Midata and Cotabo are all examples of cooperative businesses currently engaged in an internationalization or - in the case of Cotabo - scaling up at national level, looking at partnerships

**LOCAL &
GLOBAL
DEVELOPMENT**

²³ In 2014, Trebor Scholz, Associate Professor for Culture & Media at The New School in New York City, proposed the idea of *Platform Cooperativism* (Scholz, 2014), suggesting that if platforms were controlled by their users – organized in the form of a cooperative – most of the governance and social responsibility issues would be solved. Over the last three years, platform cooperativism has been taking the shape of a true global movement, gathering practitioners, researchers, policy-makers and stakeholders from almost all continents. Also thanks to the dissemination work carried out by Scholz (2015, 2015a, 2016) and Nathan Schneider (2015b), initiatives of platform cooperatives from a wide number of countries across the globe have been documented, witnessing the extent to which this alternative avenue to the platform economy has already reached the stage of a concrete reality.

among existing cooperatives or birth of new ones to be competitive and socially sustainable at the same time.

BREAKING THE BARRIERS

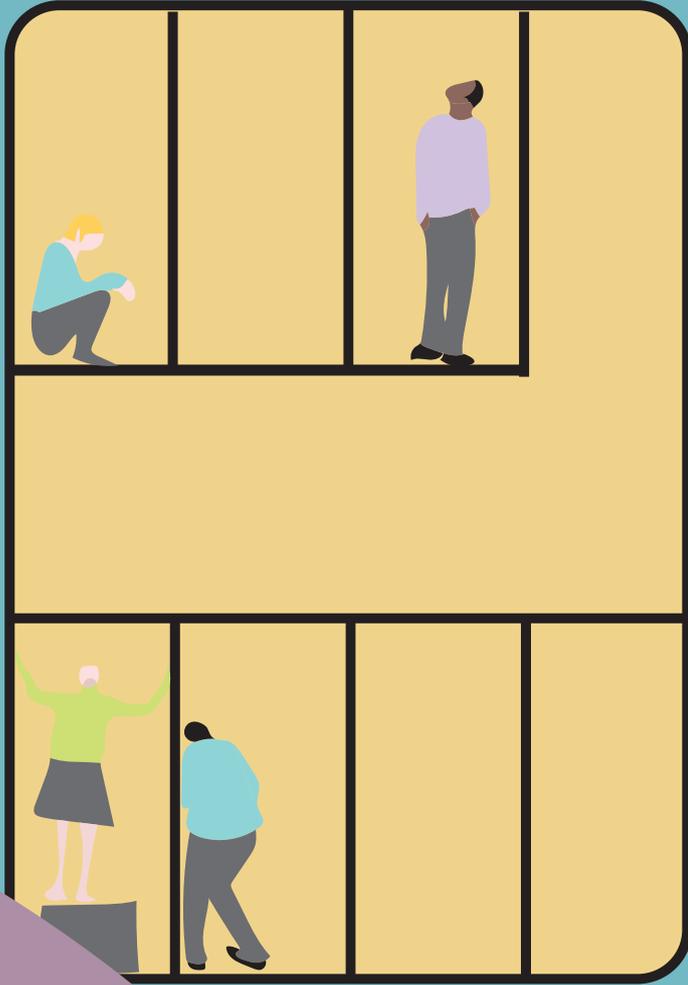
Nonetheless, several barriers stand out in this landscape, often representing a concrete limit to the achievement of the stated missions and desired social outcomes.

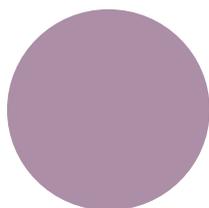
The yet unachieved European single market in many sectors, the lack of a reliable regulatory framework around the collaborative economy, cooperative national legislations that are often obsolete are the main barriers perceived to a full and meaningful engagement of cooperatives in the collaborative economy. With specific relation to cooperative start-ups, such barriers also result in heavy administrative and bureaucratic burdens, discouraging the choice of the cooperative legal form. Structural difficulties in attracting equity capital and long-term investments can be added to the pot, making the development of new cooperative businesses as difficult as the innovation of existing ones. Finally, cultural and skill mismatches have also emerged from consultations; with this respect, both a general lack of cooperative entrepreneurship education across Europe, and a certain difficulty - especially for established cooperatives - to rethink business models, cooperative governance and organization according to the key features of the collaborative economy were mentioned.

“Cooperatives take root in the collaborative economy”

Despite such barriers, the European cooperative movement has started to take root in the collaborative economy. By approaching the latter through the lens of its distinctive features, it is contributing to show alternative, more sustainable and fairer models of collaborative economy. In order to fully unleash positive impacts and benefits for citizens, communities and the society, in the following section a number of proposals and recommendations are exposed, directed towards the construction of a European enabling ecosystem allowing cooperatives to collaborate meaningfully to a shared project of sustainable and socially driven growth.

3





RECOMMENDATIONS FOR AN AMBITIOUS COLLABORATIVE ECONOMY IN EUROPE

Thanks to a long tradition of solidarity and democracy, the European continent can have the ambition to shape a responsible, sustainable and community-driven collaborative economy, aimed at benefitting all its citizens. However, the collaborative economy will not become inclusive and responsible, unless it is embedded in a self-sustaining ecosystem ensuring that the value generated by this economy contributes to develop and strengthen its own value chain, which is rooted in communities of individuals and organizations.

Through the Resolution of June 2017²⁴, the European Parliament has set a key principle: to tackle the development of the collaborative economy, the European Union (EU) should step out from an economic-centered approach, adopting instead an integrated policy encompassing economic, social and environmental issues. The Resolution outlines the need to aim for balanced development of a responsible collaborative economy, by strengthening the European Single Market and creating an enabling environment for relevant economic actors, including cooperatives.



“The collaborative economy is an opportunity for strengthening the Single Market”

If apprehended in a coordinated fashion, the collaborative economy is an opportunity for strengthening the Single Market, matching the Single Market Strategy’s goal to “enable the balanced development of the collaborative economy”.²⁵ Huge economic and social potentials are stemming from the collaborative economy, which should be also translated into an institutional potential at the EU level. The disruptive effects of the collaborative economy go beyond national borders, challenging established organizational forms across the continent. A coordinated and ambitious European action would be the opportunity to give a renewed breath to the EU project. Starting from strengthening the Single Market through the convergence of national legislations, an ambitious European Agenda for the collaborative economy should be transversal, encompassing all EU’s fields of action and mobilizing consistently existing resources and tools.

Existing regulations should be modernized to enable the development of a cooperative-based collaborative economy. The need to develop new, enabling frameworks for communities to reap the benefits of the collaborative economy has been illustrated in Section 2 through several

²⁴ Texts adopted, P8_TA(2017)0271.

²⁵ COM(2015) 550, par. 2.1.

cooperative models experimenting innovative socio-economic systems. Due to their disruptive effects on established social, economic, legislative and administrative frameworks, such experimentations have often met mistrust, resistance or even conflict with third actors and in particular national governments. Non-compliance with the law may indeed be dangerous when stemming from unilateral private initiatives: some well-known online platforms have demonstrated their capacity to harm local economies by exploiting grey zones in legislations. However, when such initiatives stem from communities acting through collective and democratic organizations, administrations and governments shall adopt a differentiated and proactive approach. Together with the objective of stimulating social and economic innovation should come a commitment to modernize existing policies and regulations, creating adapted frameworks for discussion, exchange and reflection, and eventually embed them into a fair and balanced social system. Cooperatives have demonstrated a strong capacity to create open and democratic laboratories of social and economic experimentations, involving a large diversity of stakeholders - including administrations.

“Enabling the development of a cooperative-based collaborative economy”

Many collaborative economy initiatives based on cooperative models offer “significant opportunities to inner peripheries, rural areas and disadvantaged territories”; they do “bring new and inclusive forms of development”, and “do have a positive socio-economic impact”, helping “marginalized communities.”²⁶ By valorizing activities traditionally suffering from insufficient recognition of their economic importance and impact (such as care, socio-cultural activities, and local solidarity), cooperatives translate an economic potential into a tool of social empowerment. Besides, cooperatives contribute to making the collaborative economy “increasingly important in the energy sector, allowing consumers, producers, individuals and communities to engage efficiently in several decentralised phases of the renewable energy cycle.”²⁷ However, given the breadth of the needs at European level, **these initiatives need to be able to spread across the continent, adapt to the diversity of situations, and upscale.** Currently, they can hardly emerge because of a lack of support from policy-makers, an absence of clear directions in favor of a community-led collaborative economy, and inadequate regulations and policies.

²⁶ Texts adopted, P8_TA(2017)0271, par. 52.

²⁷ Ibid., par. 57.



Cooperatives Europe therefore calls for an ambitious European project for the collaborative economy, grounded on the following three objectives:

1. Encourage the development of a responsible, inclusive and community-led collaborative economy;
2. Foster socio-economic experimentations stemming from the collaborative economy, as a way to anticipate the transition to a digital society;
3. Make collaborative economy policies a driver for a renewed and more ambitious EU project, by establishing a modernized Single Market in line with a sound social project.

The following conditions are identified as prerequisites to reach the objectives above:

●●●● Reach a collective understanding and recognition of the potentials of a community-led collaborative economy. Within this framework, EU institutions should:

**UNDERSTAND
& RECOGNIZE**

Adopt a definition of collaborative economy rooted in peer-to-peer exchanges, encompassing collaborative consumption, collaborative production, collaborative finance, collaborative learning, collaborative governance;

Support large-scale research on the collaborative economy, in order to cover the diversity of collaborative economy models. In particular, it should include a social impact assessment of business models, to understand enabling conditions and factors making cooperatives a lever to boost sustainability and inclusiveness at scale;

Establish monitoring and evaluation tools and mechanisms to measure the development of the collaborative economy and its socio-economic impact. This should go together with incentives for enterprises operating in the collaborative economy to share data enabling efficient

and transparent measurement of socio-economic impacts of their activities. A transparent and effective follow-up of the number and size of registered European Cooperative Societies should also be implemented to better assess the emergence of transnational collaborative economy initiatives;

Implement awareness-raising activities to promote community-led collaborative economy towards EU, national and local policy-makers and public administrations. Such activities should in particular aim for a better understanding from governments and administrations about the diversity of collaborative economy models, and the specificities and potentials of collaborative economy models based on cooperative enterprises.

DEVELOP AN ENABLING ENVIRONMENT

●●●● Develop an enabling environment for the emergence and development of community-led collaborative economy models. In this respect, EU institutions should:

Shift the debate from 'more regulation' to 'well-suited environment'. Policy-makers should especially have in mind that regulatory burdens and legal uncertainty favor large, non-European companies over European community-based enterprises;

Foster the development of coordinated and enabling regulations suited for a community-led collaborative economy, which includes the establishment of a level-playing field for cooperatives. Special attention should be put on:

- tackling obsolete regulations preventing the emergence of a cooperative-based collaborative economy, such as outdated national cooperative laws and undue administrative burdens on cooperative entrepreneurs;
- promoting a 'profits are taxed where they are generated' approach, to prevent dumping strategies from non-European companies;
- enhancing coordination and convergence of national regulations, in particular by identifying regulatory best practices enabling effective development of community-led collaborative economy;
- discouraging aggressive strategies aiming to reach monopolistic positions, in particular by

calling for national and local legislations ensuring diversity of economic players and encouraging the development of businesses with demonstrate positive social impact;

Adapt EU financial mechanisms to make them more suited for community-led entrepreneurial initiatives. The European Investment Fund should in particular be able to favour projects based on cooperative business models, over other models of enterprises.

●●●● Support actively the development of an ecosystem fostering the emergence and scale-up of community-based collaborative economy enterprises. In this respect, EU institutions should:

**SUPPORT A
DYNAMIC
ECOSYSTEM**

Encourage and support social experimentation, as a way to stimulate innovations integrating economy, technology and society. In particular, we recommend the creation of permanent multi-stakeholder working groups involving administration, economic and social actors, in charge of supporting, evaluating, assessing and eventually disseminating social experimentations aimed at improving the economic, social and regulatory environment around entrepreneurship in the collaborative economy;

Foster modernization and diversification of education and training in Europe, especially through Erasmus+ priorities. Entrepreneurial education should systematically include community-led entrepreneurial initiatives, such as cooperative entrepreneurship. The collaborative economy and platform economy should be promoted as topics to be included at all levels of education, as a way to empower citizens and young people in particular to adopt a critical and more informed approach towards these new forms of economy, and eventually stimulate the emergence of new entrepreneurial initiatives;

Adapt strategies of appropriate funding lines, in particular the EU Research and Innovation Programme Horizon 2020, to the specificities of community-led collaborative economy projects. A specific attention to the type of business models supported should be reflected in the calls for projects and evaluation criteria, in an aim the ones ensuring democratic control from users over the enterprise;

Support the development of collaborative ecosystems

able to stimulate the emergence of new collaborative economy enterprises. EU institutions should in particular establish public-private partnerships with networks of entrepreneurs aiming to promote and encourage the development of a community-led collaborative economy.

IMPLEMENT A CONSISTENT APPROACH

●●●● Lastly, the implementation of an ambitious policy for the development of a community-driven collaborative economy should lead to the adoption of a consistent approach towards topics related to the digitalization of the economy.

As a driver for the development and upscaling of collaborative economy enterprises, a **strategy on online platforms should be elaborated at EU level in consistence with the needs and specificities of a community-driven collaborative economy**. The potential of online cooperative platforms to enhance trust from its users, contribute to a fairer distribution of profits, and foster the diversification of models and services, should be recognized and promoted by EU institutions.

Boosted by the digital economy, the collaborative economy also contributes to the development of an economy of data, by generating user data that are valuable for the business model, but also for the users themselves and the society at large. In this respect, an **EU policy on data should aim to reinforce the emergence of a community-led collaborative economy**. Such a policy should recognize the need of reconnecting data to a true knowledge society, especially by encouraging open data, and put a specific emphasis on individual and collective control over data, algorithm, and fair redistribution of data-generated value.



The emergence of the collaborative economy represents an unprecedented opportunity for creating a new dynamic to the European project. As a vector of individuals' economic and social empowerment, creation new communities and upscaling existing ones, fostering an innovation which combines technological, social and economic aspects, the collaborative economy has the potential to organize a community-driven transition to a digital European society. However, if its development is not put in perspective with clear and coordinated political objectives, it may also carry along profound negative effects for European citizens and enterprises, by disrupting complex economic and social equilibriums at the benefit of few aggressive players.

The European cooperative movement, gathering 180,000 community-based enterprises, sees in the collaborative economy a strong lever to pursue its *raison d'être* to empower citizens through democratic business models. A number of successful cases have demonstrated the relevance to develop and sustain collaborative economy models organized as cooperative enterprises. Nonetheless, confronted to a non-supportive environment, such models are yet to upscale and reach their full potentials.

Unleashing the full collaborative economy potential requires an ambitious mobilization at European level of both community-based organizations and public actors, working in partnership towards the creation of an adapted multi-stakeholder cooperative ecosystem responding to the needs of entrepreneurial initiatives in the collaborative economy.

The voice of cooperative enterprises in Europe



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