

Article – Infographic: the increasing popularity of the collaborative economy

Online platforms such as Uber, Airbnb and Deliveroo that match providers of goods and services with consumers have become household names in just a few years. The total transactions' value for the four main sectors involved in the so-called collaborative economy already reached €28 billion in the EU in 2015, nearly double that of 2014. However, this new business model also comes with challenges and opportunities, which are dealt with in a report adopted by the internal market committee on 3 May.

How the collaborative economy works

Each transaction usually involves three parties: the consumer paying for the service, the provider who gets the income and the platform, which matches the two together and takes a fixed commission on the payment.

One of the core ideas is to unlock the value of unused or under-used assets. This could for example be an empty room in an apartment, which could be rented out to visitors. Usually no change of ownership is involved.

Not all collaborative platforms are geared towards generating a profit. Some use alternative, non-monetary currencies such as time or favours, others simply rely on voluntary contribution of their users. One of the best examples is the online encyclopaedia Wikipedia which since launching in 2001 has become the largest encyclopaedia in existence with nearly 5.4 million articles in English.

Collaborative platforms can also be an effective tool for bringing local communities together in the pursuit of common goals.

Challenges

The success of collaborative platforms has raised concerns regarding workers' rights and unfair advantages these firms might enjoy over traditional companies that are bound by stricter legal regulations. Read more about the controversies surrounding the collaborative economy in our [in-depth background article](#).

Fair working conditions and adequate protection should be guaranteed for all workers in the collaborative economy, according to the report adopted by the internal market committee on 3 May.