

EU warns against curbing 'sharing economy' firms like Uber

June 2 2016



Online success stories like ride-sharing app Uber and Airbnb have caused major disruptions in Europe, with taxi drivers and hotel owners furious at the inroads made by firms into their markets

The EU on Thursday warned member states against banning "sharing economy" services such as Uber and Airbnb, especially if only to protect existing businesses from competition.

"You cannot put an absolute ban on activity if the reason for this is only protecting a business model," EU industry commissioner Elzbieta Bienkowska said at a news briefing in Brussels.

Online success stories like ride-sharing app Uber and Airbnb have caused major disruptions in Europe, with taxi drivers and hotel owners furious at the inroads made by the main actors of the sharing economy.

In response, local governments and national regulators have moved to limit access to the websites, and in some cases, outright banning them.

Uber has filed complaints with the EU against France, Germany and Spain to hit back, arguing that the national or city policies are in violation of European law.

The EU is currently deliberating a response to those complaints as well as another lodged by an individual in Berlin who is unhappy with a local law against websites like Airbnb.

The EU's Bienkowska warned against government overreach as she unveiled the European Commission's recommendations on how the EU's 28 member states should better regulate the sharing economy.

"Absolute bans of an activity should only be a measure of last resort," said the commission's guidelines.

While the advice from the EU executive is non-binding, it does offer an indication on how the commission will respond to the complaints by Uber.

"We invite member states to review their regulation in the light of this guidance and stand ready to support them in this process," Bienkowska said.

In one idea, the EU encouraged regulators to differentiate "between individuals providing services on an occasional basis and providers acting in a professional capacity."

It also recommended that [sharing economy](#) actors "fully cooperate" with national tax authorities amid accusations that the services facilitate tax evasion.

Uber welcomed the commission's proposals.

"The European Commission has made it clear that EU laws protect collaborative economy services against undue restrictions," said Gareth Mead, an Uber spokesman.

"Member States should review regulations that undermine the development of such services," he added.

© 2016 AFP

Citation: EU warns against curbing 'sharing economy' firms like Uber (2016, June 2) retrieved 25 April 2024 from <https://phys.org/news/2016-06-eu-curbing-economy-firms-uber.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--