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THE SHARING ECONOMY – A VEHICLE FOR INNOVATION OR A SOURCE FOR MORE REGULATION?

A comparative case study on the European Commission
versus France and the Netherlands

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Abstract

This thesis focuses on the policy-challenges in the sharing economy in relation to innovation and regulatory principles in the European Union. It is a qualitative thesis that takes the form of a comparative case study, comparing the European Commission on a supranational level with France and the Netherlands on national level, as two Member States of the EU. The aim of the thesis is to identify how the EU and its Member States understand and frame the sharing economy from an innovation perspective. It also aims to clarify how governmental bodies in the EU deal with tensions in policy-making in the area of the sharing economy. This is done by drawing on the theoretical framework of institutional logics and sensemaking. The main empirical material consists of official governmental documents of the respective actors and is supported by qualitative interviews. The results found that the European Commission is acting as a forum for discussion rather than a supranational regulator. France understands their own approach towards the sharing economy as more careful, while the Netherlands prefer little government interference. This thesis looks at what constitutes these different approaches, what sensemaking procedure it is subject to, and what logic they make out of it. It can be concluded that regulation in the sharing economy is interpreted very differently across the EU, based on different institutional logics and sensemaking processes.

Keywords: sharing economy, innovation, regulation, policy-making, tensions, European Union, France, the Netherlands

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List of abbreviations

COREPER	Committee of Permanent Representatives
DSM	Digital Single Market
DG	Directorate-General
DG CNCT	DG for Communications Networks, Content, and Technology
DG GROW	DG for the Internal Market, Industry, Entrepreneurship and SMEs
EP	European Parliament
EU	European Union
MS	Member States
P2P	Peer-to-peer
RQ	Research Question
SEM	Single European Market
SMS	Single Market Strategy

1 Introduction

1.1 Problem statement

Innovation driven by technology and digitalisation is often perceived as unavoidable and undeniable. It is changing the world we live in, the way we do business and the way we consume (MGI, 2016). Innovation is currently closely connected with the dominant discussion on the sharing economy¹ and digitalisation. There are a lot of policy implications and challenges involved, in particular when it comes to supranational and national concerns. This Master's thesis in European Studies will look upon the tensions in policy-making within the sharing economy in the context of the European Union (EU).

This Master's thesis presents a comparative case study which will focus on how European governments interpret, frame and make sense of the sharing economy in relation to innovation and regulation. A comparative analysis is conducted on the European Commission at supranational level versus France and the Netherlands at national level, as two EU Member States. By conducting this research, the author hopes to acquire a better understanding of why different political agendas are pursued in these three cases when it comes to the sharing economy, how these agendas condition each other and how tensions in policy-making at EU level and national level are shaping each other. Therefore, the unit-of-analysis is policy-making and the political tensions associated with innovation in the sharing economy on different governmental levels in the EU.

Since the beginning of the term of the current European Commission (October 2014), the Commission has continuously been trying to navigate a common European approach to the phenomenon of the sharing economy, as well as other digital policies. Moreover, it is part of the overarching Digital Single Market (DSM) Strategy, which is one of the priorities of the Commission. The goal is to create a European DSM as an equivalent to the Single Market (European Commission, 2015a). Several MS have taken individual actions towards the sharing economy. It can thus be observed that there is a difference in approach between national level and supranational level, due to different interests at stake at different governmental levels.

¹ This thesis will use the term "sharing" economy, as it is the dominant term in the literature and it implies not only a collaboration between two or more parties, but also the fact that sharing allows for more access than ownership (Sundararajan, 2016: 27-28). The thesis will draw on the definition adopted by the European Commission in June 2016: "the collaborative economy involves 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" (European Commission, 2016a).

Arguably, one of the major policy-making challenges of the sharing economy is the novelty this type of innovation brings. The sharing economy offers a new way of doing business and a new form of consumption, where ownership is increasingly transformed into access (Brodersen, 2015). Since the EU is a political and legislative body, ultimately the Commission's goal is to legislate and create common European rules, where needed. However, MS do not have the same goals and objectives, as it is in their interest to protect their country and to represent their country's interest in international negotiations. Therefore, it is important to keep in mind that, although the Union tries to bring countries together, MS still fundamentally differ in approach and political institutions (Wallace, Pollack and Young, 2010).

Tensions in the sharing economy and other policy-making challenges

As previously mentioned, this thesis focuses on the tensions in policy-making that are present in the discussion on the sharing economy and moreover, what it would mean for policy-making in general. These tensions are representative to the broader European society, but also to each specific MS. By engaging in the sharing economy, MS can contribute to reshaping the economy and maintaining both business and wealth in an innovative way (Botsman, 2013). However, this can give rise to political tensions, which makes it unclear how the sharing economy in the EU can be developed in practice. European governments have different ideas and approaches towards innovation and naturally, there are different policies applicable in every MS. These tensions in policy-making can be seen as the driver of the political agenda that is pushing ideas about regulating the sharing economy and enabling innovation in a digital economy.

Hence, tensions in the sharing economy can particularly be found in relation to the different approaches taken by MS. One of the reasons of these tensions is that innovative business models, such as those in the sharing economy, may provoke certain tensions in domestic politics. While innovation can be perceived as disruptive to the traditional economy, it can also contribute to more economic growth, and job creation etc. (Dotterud Leiren & Aarhaug, 2016). As far as innovation is concerned, it is rather hard to grasp what exactly constitutes innovation; it is principally an economic phenomenon which is highly dependent on investments, but it is subject to various political tensions as well. Innovation is an open process in which companies, governments, politics, and policy-makers are all involved (Ranchordas, 2015). The tensions in policy-making that may arise is that governments may fear that innovation will disrupt the economy in a negative way and that it constitutes unfair competition vis-à-vis other economic players. Another concern governments may be the potential impact on the labour market (Ranchordas, 2015).

Policy-making is considered to be extremely complex, especially in the multi-level governance system of the EU. The policy-making process is generally explained as a policy-cycle consisting of five different phases. The classic order of policy-making starts with the agenda-setting process, followed by policy formulation, policy decision, implementation and finally, policy evaluation (Wallace, Pollack and Young, 2010: 46). There are many different actors involved in the policy-making process, the main actors are politicians, bureaucrats and interest groups. When it concerns a collective issue, there are also consumer and environmental organisations involved (Wallace, Pollack and Young, 2010). It is important to understand the differences between different levels of governmental institutions in MS involved in the process, due to various political tensions involved therein (Brodersen, 2015).

Given the differences in approach across the EU, this thesis analyses policy-making and the tensions associated with innovation in the sharing economy. Moreover, it analyses how this relates to future policy-making at different governmental levels in the EU. The main issue at stake is that change could be perceived as disruptive, but disruption has to be managed in a way that still provides wealth. This problem is approached by different countries in different ways, which can be observed when looking at the EU's supranational level versus the MS national level approach. In brief, the policy-making problem is two-fold. On the one hand, innovation is necessary to develop and maintain sustainable economy. To stimulate innovation, governments need to encourage change, but at the same time manage this change in a responsible manner. There is a dilemma in the sense that innovation needs to have certain delimitations in order to provide a stable innovation process. On the other hand, there is the question of how to deal with this active balance. Ultimately, there are differences in approaches in different MS. Some MS are more engaged in providing clear instructions for actors for how to deal with innovation, whereas other MS are more liberal and tend to provide a freedom for dealing with innovations.

1.2 Research questions and research aims

This thesis draws on the fact that the sharing economy is an increasingly important topic for politics and academic research (Mair & Reischauer, 2017). The European Commission and its MS are taking different approaches to the phenomenon, as they are managing different agendas, act according to different logics, and make sense of the sharing economy in different ways.

Drawing on the policy-making tensions between supranational and national level and the different approaches towards innovation and the sharing economy, the research questions (RQ) are as follows:

RQ1: How is the sharing economy understood and framed as a vehicle for innovation on governmental level within the EU?

RQ2: How and which tensions emerge in policy-making on an EU level and on a Member State level concerning the sharing economy?

RQ3: What is the role of regulation in innovations such as the sharing economy?

In relation to the RQs outlined above, this thesis aims to identify how the EU at supranational level and its MS at national level deal with differences in innovation policy-making on the sharing economy. It also aims to clarify how governmental bodies in the EU understand and frame the sharing economy from an innovation perspective or rather as a source for more regulation.

1.3 Relevance of the study

This thesis contributes to both the academic world as well as the European policy community. As for academic relevance, this thesis is contributing by filling the research gap by analysing supranational and national approaches in the EU towards dealing with innovation in the sharing economy from a policy-making perspective. The case study looks at the sharing economy from an innovation perspective and aims to clarify how selected European governments (France and Netherlands) understand and frame the sharing economy, i.e. as a vehicle for innovation or a source for more regulation. The policy implication in this thesis is therefore clearly present.

In 2011 the sharing economy was said to be among one of the ten things that would change the world (Brodersen, 2015; Walsh, 2011). In recent years, the sharing economy has been receiving a lot of attention in the political discourse and in the media landscape globally. In the EU, the sharing economy triggered political discussions and concrete actions by MS. For instance, in Sweden the Digitalisation Commission (Digitaliseringskommissionen) was established. In France there is an entire Ministry dedicated to digital issues (Le Ministère de l'Économie, de l'Industrie et du Numérique) and the Netherlands appointed a Digital Commissioner (Digicommissaris). This exemplifies the relevance to society on a political level as well as to the field of European Studies. From a socio-economic point of view, the thesis discusses the sharing economy in direct connection to innovation. Additionally, the sharing economy provides all members of society with the opportunity to engage in the economy. The thesis can thus be considered relevant both socially and economically. Culturally and again politically, the topic is relevant as European governments may approach the sharing economy differently

due to cultural and political traditions. Finally, this thesis may also be relevant to academic and policy research on innovation, from a regulatory perspective.

1.4 Outline of the thesis

In order to present the findings in a structured and readable way, this Master's thesis has the following structure:

The first part of the thesis provided an introductory chapter, which presented the problem statement, research questions and research aim, and pointed to the relevance of the study. This will be followed by a chapter on previous research, which includes a literature review on previous research concerning the sharing economy, policy-making, and innovation. In this chapter the thesis will subsequently be placed into context with previous research and moreover, the research gap will be identified.

The next chapter will outline the theoretical framework that has been applied in the thesis, which consists of institutional logics perspective and sensemaking theory. Subsequently, a chapter on methodology will be presented, which includes the research design, case selection and sampling procedure, method for data collection, and the analytical approach. The methodology chapter will also include a section on quality, reliability and generalisability of the study, ethics and delimitations.

The results of the thesis will be presented in the chapter thereafter, followed by a chapter which will theoretically discuss and analyse these results. This will lead to a conclusion provided in the final chapter with some recommendations and ideas for further research.

2 Previous research

The literature on the sharing economy and innovation is rather extensive. It is therefore not feasible to include all previous studies in this research field. However, this chapter attempts to identify and discuss the main contributions and approaches and connect them in relation to this thesis.

2.1 Diversity about the definition of the sharing economy

Due to the great diversity among activities as well as boundaries taken by sharing economy participants, the concept is extremely difficult to define and therefore, there is no common definition yet (Botsman, 2013; Schor, 2016). Previous research use different terms to describe the phenomenon, among others: collaborative consumption, collaborative economy, consumer-to-consumer market, peer economy, the on-demand economy, and platform economy (Botsman, 2013; Brodersen, 2015). However, in the beginning of the thesis the definition adopted by the European Commission was presented for the reader to acquire a better understanding of what the sharing economy entails. As the European Commission defines: “The collaborative economy involves 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” (European Commission, 2016a).

While it is widely acknowledged that it is extremely complex to come up with a solid definition (Schor, 2016), scholars have identified a number of criteria to clarify what the sharing economy entails. One school of thought describes the sharing economy as an economic system with the following five characteristics: 1) largely market-based; 2) high-impact capital; 3) crowd-based “networks” rather than centralised institutions or “hierarchies”; 4) blurring lines between the personal and the professional; and 5) blurring lines between fully employed and casual labour (Sundararajan, 2016: 27). However, some scholars might object to this definition, as it focuses on the sharing economy in the sense of commercial transactions, e.g. the capitalist form, rather than the “sharing of goods” (ibid). Another school of thought describes that the sharing economy can be defined in accordance with a number of principles, which include critical mass; idling capacity (untapped value or unused or underused resources); belief in the commons; and trust in strangers (Botsman & Rogers, 2010). In addition, research has also pointed out that the sharing economy can be characterised by “sharability”, meaning that products or services can easily be shared within a community, both locally and globally. Moreover, previous research note that the sharing economy relies on advanced digital networks, and that it is very much about “immediacy”, meaning that goods and services can be shared whenever and wherever.

The latter refers to the sharability, as mentioned above. Furthermore, research points out that in the sharing economy, advertising is replaced by promotions driven by social media networks or in the form of review mechanisms. Finally, the sharing economy is global both in scale and potential (Gansky, 2010).

Sundararajan (2016) points out that in the early thinking of the sharing economy, research found that the innovation in the sharing economy does not refer to whether and how these idle resources emerged, but rather to the uptake of once-neglected resources (Sundararajan, 2016: 31). Another scholar defines the sharing economy as: “The sharing economy is the value in taking underutilised assets and making them accessible online to a community, leading to a reduced need for ownership of those assets” (Stephany (2016) in Sundararajan, 2016: 31). There are five components to this definition: 1) value; 2) underutilised assets (similar to Botsman’s idling capacity characteristic); 3) online accessibility (the enabling power of the Internet); 4) community (the facilitation of more fluid exchange through community trust, social interaction, or shared value) and 5) reduced need for ownership (goods become services) (Stephany (2016) in Sundararajan, 2016: 31-33).

Research indicates that sharing economy innovators firmly believe in the “self-definition” by the platforms itself and the press that defines what is included in the sharing economy and what not. For instance, according to Schor (2016), TaskRabbit (a platform for running errands) and Airbnb are included, whereas traditional bed and breakfasts are not (Schor, 2016: 9). Schor concludes that sharing economy practices can be divided into four broad categories, namely recirculation of goods; increased utilisation of durable assets; exchange of services; and sharing of productive assets (ibid).

In sum, what can be observed from these various definitions is that they are similar, but previous research has different ideas about the main elements of the sharing economy. An overview of different definitions on the sharing economy can be found in Appendix I (Brodersen, 2015).

2.2 The rise of the sharing economy

Previous research often points out that while the origins of the sharing economy lie in San Francisco, United States, it has become a global phenomenon (Schor, 2016). This is both due to the idea of sharing that caught on the world and the expansion of platforms to other parts of the world (Schor, 2016: 6). With regards to the rise of the sharing economy, research also indicates that the sharing economy came forth out of the economic crisis of 2007 (Brodersen, 2015). A possible explanation as to why people are increasingly engaging in the sharing

economy, offered by previous research, is that the economic crisis of 2007 created a source of “distrust” in old businesses. Moreover, the emergence of innovative technologies, such as information and communication networks, offer opportunities to businesses to provide better and more personalised services (Gansky, 2010: 63-70). Finally, due to the fact that climate change increases the costs of doing business, research found that sustainability can be another factor for the rise of the sharing economy. Brodersen (2015) suggests that people started to reconsider their values, due to the economic environment the 2007 crisis caused. In addition, she found that consumers are increasingly becoming more environmentally conscious (Brodersen, 2015: 33). The growing population and urbanisation created communities that prefer sharing economy businesses over traditional ones (Gansky, 2010: 63-70). Having temporarily access to a good or service (sharing) rather than purchasing (owning) seems a preferred choice, according to research. This leads several scholars to suggest that “access is the new ownership” (Brodersen, 2015: 33), which according to Gansky (2010) has a positive effect on the environment (Gansky, 2010).

An important theme that comes to mind in the sharing economy is trust. Research suggests that ultimately, trust is a key enabler of the sharing economy, as it is built and based on trustworthiness. People participating in the sharing economy rely on a certain level of trust, which is provided by review mechanisms. These review mechanisms include peer reviews of people who have used the service, which will be used by future users of the service to determine to use the service or not (Brodersen, 2015). Previous literature suggests that trust in the sharing economy has to do with establishing authenticity and intention (Sundararajan, 2016: 59). In this context, trust could come from five different aspects: from your own experience; from learning from experiences of others; through brand certification; by relying on digitised social capital; or through validation from other organisations, be it governmental or nongovernmental (ibid). These review mechanisms may provide an easy way to build trust, as trust increases with every positive experience (Sundararajan, 2016: 61). It may also be argued that the role of brands and platform certifications play a role in increased trust in the sharing economy (Sundararajan, 2016: 62).

Critics of the sharing economy, however, argue that services like Uber and BlaBlaCar are similar to hitchhiking practices, the sole difference is that rating systems and review mechanisms are used to create a feeling of safety (Slee, 2016). Research on the sharing economy in the tourism sector has found that “the more trustworthy the host is perceived to be from the photo, the higher the price of the listing and the probability of its being chosen” (Ert et al., 2016:

62). This is just one empirical example of the importance of trust. Nevertheless, these review mechanisms are questioned by scholars and practitioners in the field, due to practices where platforms pay people to write misleading or fake reviews in order to generate more sales (Valant, 2015).

Research often highlights that technological developments are a critical enabler of the sharing economy, which highly contributed to its emergence. However, the sharing economy is not an entirely new concept. The way in which sharing in today's sharing economy occurs, takes us back to the era where these kind of sharing behaviours, self-employment and ways of community-based exchange were common-practice (Sundararajan, 2016). Research therefore argues whether the sharing economy is offering anything new at all. However, as previously mentioned, new technological developments are the key enabler of sharing economy practices. Research suggests that the shift from a traditional economy to a sharing economy is not necessarily because of societal acceptance, but because digital platforms – the availability of free software, distributed computing, and wireless networks – enable these resources to be shared and used at capacity more easily (Sundararajan, 2016: 34-35). Precursors of the sharing economy, platforms such as eBay, emerged right after the commercialisation of the Internet. The difference in today's sharing economy is that rather than focusing on retail, the sharing economy is a means to facilitate or provide services or exchange goods (Sundararajan, 2016: 48).

In brief, among previous research there seems to a general consensus that all types of sharing economy activities provide a wider range of activities and opportunities for both participants and providers. There is also consensus that it may potentially lead to more attention to long-term goals such as sustainability and an increased “reliance on social rather than economic cues to facilitate the organising of economic activity” (Sundararajan, 2016: 48). It is suggested that the sharing economy is driven and affected by a combination of the will to experience the ‘local feeling’, contributing to a more sustainable economy, saving money, sharing resources and earning money in the process (Sundararajan, 2016: 25).

2.3 Multilevel governance of the EU and national interests

Previous research shows that policy-making in general is a complex process. The multi-level governance system of the EU is equally complex. Therefore, the EU policy-making process is not necessarily easy to grasp. To understand how the EU multi-level governance system works, this section will provide a very brief overview on how decisions are made in the EU. It will also

present a literature review on policy-making tensions with regards to national interests in intergovernmental negotiations.

The EU has three main institutional bodies: the European Commission, the European Parliament and the Council of the EU. The Commission has the sole right of proposing new legislation, but the other institutions can recommend the Commission to propose new policies, in case of need for legislation. There are three types of competences in the EU policy-making process. Exclusive EU competences are competences and powers that solely the EU institutions have. Member State competences are competences reserved to the national governments in the MS, and thus the EU has no impact here. Finally, shared competences are those competences the EU institutions share with the MS governments. Commonly these competences are divided into different sectors of the market, such as competences for transport, health, and accommodation industries (Wallace, Pollack and Young, 2010). The innovation sector is a policy area that is intertwined with other areas such as research and development (R&D), digitalisation, taxation, labour relations, competition, etc. Competition policy is important for the innovation sector, because innovation creates new types of competition. The technological and digital advancements create novelties which arises challenges for policy-makers at both supranational and national level (Ranchordas, 2015).

While alliances are formed by MS having similar national interests, it is important to note that internal national interest will always have an influence on a state's behaviour in international politics as well as intergovernmental negotiations (Buchan, 2012: 5). Two different types of national interests can be distinguished. Vital interests are related to the protection and survival of the state, its sovereignty. These interests can be about national security issues, the protection of its institutions, people and values. Secondary interests, on the other hand, have to do with the prosperity, wealth and progression of a state. A state's government is the vehicle to officially deal with international relations. It portrays the state's interests in international political negotiations (Buchan, 2012; Wallace, Pollack and Young, 2010). Research points out that it is often the case that these national political interests may lead to policy-making challenges on a supranational level (ibid).

In addition to the tensions in policy-making, research indicates that foreign affairs policy generally tends to be differentiated from national policy-making (Wallace, Pollack and Young, 2010:51). In particular, policies which states are most concerned with are said to be subject to 'high politics', meaning that heads of states or government are prominent and societal actors are rather passive. Other policies such as trade and international environment have been

characterised as ‘low politics’, in which societal actors play an active role (ibid). Given the involvement of a plethora of actors in the field of the sharing economy, it can be argued that this is also subject to ‘low politics.’ Research mentions that policy-makers usually welcome information from interest groups and other actors, because it can help them in making more informed policy-decisions (ibid). Ultimately, the objectives from a supranational institution such as the European Commission would differ to a great extent to objectives from MS at national level (ibid).

2.4 The sharing economy’s infrastructure: innovation and digital platforms

Research has found that the sharing economy is supported by infrastructural set-ups, which are known as online and digital platforms. The key driver of the sharing economy is therefore widely considered to be technological developments (Gansky, 2010; Brodersen, 2015; Sundararajan, 2016). Moreover, it has been suggested that the sharing economy is currently in an ongoing phase of evolution of the economy and society that is partly shaped by digital technologies (Sundararajan, 2016). It is through the means of technological innovation that the sharing economy has been made possible. Researchers often call the current era the “digital revolution” (MGI, 2014).

Considered by many, technological developments are forms of innovation practices. Previous research suggests that innovation is equally complex to define as the concept of sharing economy. However, a suggested definition is “new creations of economic and societal significance, primarily carried out by firms (but not in isolation), including product innovations as well as process innovations” (Borrás & Edquist, 2013: 1513). With regards to innovation policy-making, research points out that in order to be able to design appropriate innovation policy instruments, it is necessary to know the causes behind the problem identified (ibid). These can be found through a number of sources, the so-called innovation indicators. Internationally, the most well-known is the ‘Oslo manual’ or the Organisation for Economic Cooperation and Development (OECD)’s own statistical series. Another information source for innovation policy-making is foresight exercises, which consists of expert-based analyses of future trends in specific technological fields. Research claims that these information sources may help governments to formulate policy in the area of innovation (ibid).

It has been argued that the ultimate objectives of innovation policy are determined in a political process of a given country (Borrás & Edquist, 2013). These objectives may be economic (growth, employment, competitiveness, etc.) or environmental, social, related to health, defence

and security, etc. It is a highly political process to determine how these innovation policy objectives should be balanced with other policy areas. Innovation policy instruments are not intended to (and cannot) influence the ultimate objectives in an immediate sense, because these instruments can only influence innovation processes. Previous literature stipulates that every policy instrument can be seen as a unique instrument, as it is most often formulated in order to achieve a particular political goal. Research has found that there are three categories of innovation policy tools that governments can utilise, namely regulatory, economic and financial, and soft instruments. It is found that economic and financial instruments are most widely used, in particular those aimed at stimulating incentives in innovation policy (Borrás & Edquist, 2013).

2.5 Policy-challenges on innovation and digital platforms

It is widely understood that tensions between different actors, parties or other organisations are always existent on a wide range of areas, including in politics as well as in innovation practices (Gobble, 2015). Previous research shows that the central issue in innovation and technology policy debates can be referred to “the permission question.” The question is as follows: “Must the creators of new technologies seek the blessing of public officials before they develop and deploy their innovations?” (Thierer, 2014: 1). Thierer suggests there are two conflicting approaches to this question. One is known as the “precautionary principle”, which “refers to the belief that new innovations should be curtailed or disallowed until their developers can prove that they will not cause any harms to individuals, groups, specific entities, cultural norms, or various existing laws, norms or traditions” (ibid). The second one can be characterised as “permissionless innovation”, which refers to “the notion that experimentation with new technologies and business models should generally be permitted by default” (ibid).

It has been suggested that the notion of permissionless innovation would imply that innovation can occur without the need for innovators to prove policy makers of the importance. It could be argued that innovation would become less likely if public policy is guided by precautionary principle regulatory schemes, which would potentially also pose a threat to technological development, entrepreneurship, social adaptation and long-term prosperity (Thierer, 2014: 2). When it comes to innovation and regulation, research has stated that it is rather challenging to determine whether innovation should be subject to more regulation or not (Gobble, 2015: 63).

As regards EU legislation on the sharing economy, it is understood that there are different regulations applicable for different sectors, such as sectors on service provision, ecommerce,

technology and innovation. It should be underlined that most often existent EU legislation is designed for a specific industry sector. Consequently, this refers to what is considered as one of the key challenges in the sharing economy for the EU's supranational level; it is subject to many different regulatory schemes depending on the sector. It has been suggested that this is regarded as a challenge for the EU, as there are numerous sharing economy activities in MS in areas which is strictly regulated by MS. The Commission has thus no power to interfere in these areas (Wallace, Pollack and Young, 2010; European Commission, 2016a).

Critics of the sharing economy have often expressed their critique towards the influence the sharing economy could have on the future of the labour market. However, it could be argued that the sharing economy opens up for new employment opportunities (MGI, 2014). Research has stipulated that tensions are always omnipresent; different countries pursue different political agendas, as they may have divergent priorities. It is widely understood that policy-makers are looking for compromises when tensions arise. As regards the sharing economy, it is suggested that that all parties involved could search for compromises when tensions arise in international political negotiations (Wallace, Pollack and Young, 2010).

2.6 Research gap

This thesis draws on the fact that the sharing economy is considered to be a topic for increasingly public and scholarly attention. A plethora of previous research has been conducted on a number of areas in connection to the sharing economy. Among others, this focused on the motivations for the sharing economy, competition rules, governance of users, sharing economy business models, its contribution to the environment, and issues relating to the tourism or accommodation sector. However, so far no scholars have addressed the different dynamics the sharing economy has across the EU in relation to policy-making or the different approaches taken by EU Member States (Mair & Reischauer, 2017). Moreover, political science theory often neglects the informal part of policy-making, which can be said to be the political tensions that occur in the policy-making process. These tensions and policy-making challenges are not explicitly written down in official governmental documents. Hence, there is a need to shed more light on tensions in policy-making on both an EU level as well as on a MS level concerning the sharing economy. This thesis therefore aims to fill this research gap.

3 Theoretical framework

The theoretical framework of this thesis is two-fold; institutional logics perspective in combination with sense-making theory. This chapter will describe the two theories and central concepts thereof and place it in connection with this thesis, the research questions and aim.

3.1 Institutional logics perspective

This thesis assumes that a lot of the sensemaking that is made in a policy-making context will draw on references to different regulative, normative and cultural institutions (Scott, 2013). In order to cover the variation in the references to these different institutions, this thesis will also draw on the institutional logics perspective. This is a perspective introduced by Alford and Friedland (1985) to describe the contradictory practices and beliefs inherent in the institutions of modern western societies. Capitalism, state bureaucracy, and political democracy are described as three contending institutional orders which have different practices and beliefs that shape how individuals engage political struggles. In 1991, the institutional logics theory was further developed. The revised theory points out that institutions are viewed as “supraorganisational patterns of activity rooted in material practices and symbolic systems by which individuals and organisations produce and reproduce their material lives and render their experiences meaningful” (Thornton & Ocasio, 2008).

The institutional logics perspective is a so-called metatheoretical framework for analysing the interrelationships among institutions, individuals and organisations in social systems. The framework helps researchers to understand how individual and organisational actors are influenced by their situation in multiple social locations in an interinstitutional system. In this classical theory, the view of society is drawn upon. A core concept of the institutional logics perspective is that “the interests, identities, values, and assumptions of individuals and organisations are embedded within prevailing institutional logics” (Thornton and Ocasio, 2008; Thornton et al, 2012: 6). The key factors that distinguish the theory of institutional logics perspective with other strategies (hereafter the orienting strategies, as presented in 3.1.3.) is that it incorporates theoretical mechanisms that explain the partial autonomy of actors from social structures (Thornton et al, 2012). This is especially relevant to apply in connection to this thesis, because it compares the European Commission’s perspective with that of France and the Netherlands.

3.1.1 Six institutional logics

The six logics, or six institutional orders, that are usually referred to in the institutional logics perspective are: market, corporation, professions, state, family and religions (Thornton and Ocasio, 2012). These institutional orders provide individuals and organisations with a wide range of contrasting choices for building identities and goals. Each institutional order constitutes unique organising principles, practices and symbols that influence individual and organisational behaviour. Institutional logics represent frames of reference that condition actors' choices for sensemaking, the vocabulary they use to motivate action, and their sense of self and identity. The principles, practices and symbols of each institutional order differentially shape how reasoning takes place and how rationality is perceived and explained by different actors (Thornton and Ocasio, 2012).

Drawing on these six institutional logics, each of these institutions has a central logic that constrains both the means and ends of individual behaviour and are constitutive of individuals, organisations, and society. Additionally, institutions provide sources of agency and change; it provides individuals, groups and institutions with cultural resources for transforming individual identities, organisations, and society. Institutions hence become a core component of society (Thornton and Ocasio, 2008: 101). A possible definition for institutional logics may be: “the socially constructed, historical patterns, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality” (ibid). This definition integrates structural, normative and symbolic as three necessary and complementary dimensions of institutions, rather than separable structural (coercive), normative, and symbolic (cognitive) carriers, as suggested by alternative approaches (ibid).

3.1.2 Development on the theory of institutional logics perspective and critiques

Institutional logics has a long history in social sciences and researchers are experimenting with applying the theory in addressing long-standing problems of interest in social science research. Thornton et al (2012) developed the theory further and made it into the institutional logics perspective. It implies that different organisations and institutions have different agendas to pursue. This is of relevance to this thesis' problem statement as it investigates how different European government interpret the sharing economy in relation to innovation. To clarify: “Institutional logics represent frames of reference that condition actors' choices for sensemaking, the vocabulary they use to motivate action, and their sense of self and identity. The principles, practices, and symbols of each institutional order differentially shape how

reasoning takes place and how rationality is perceived and experienced” (Thornton & Ocasio 2012: 2). This in turn applies to the sensemaking theory and in relation to the present thesis, where the aim is to understand how institutions at EU level and MS level make sense of the sharing economy.

Alford and Friedland’s (1991) critique on the deficits of organisational and neoinstitutional theory is related to the lack of situating “actors” in a societal context. It was argued that society and social relations are not just about the diffusion of material structures, but also about culture and the symbolic. The critique went much further than that; it also asked why network theory does not explain why people are connected, what they are likely to say, and why power and status do not have universal effects. It thus went against the classical rational-choice theory, arguing that the meaning of rationality differs by institutional order” (Thornton and Ocasio, 2012: 3-4).

Within the sphere of the market, “sensemaking occurs through the lenses of self-interest; but under the influence of the professions in a tempered way” (Thornton and Ocasio, 2012: 3-4), for example through concerns over personal reputation, professional accusation, and quality of craft. Alford and Friedland’s (1991) view of society as constituted by multiple institutional orders helps to understand the broader array of organising by both people and organisations.

The critique also marked political sociology and by implication political science in the sense that it was argued that the meanings of power and resources vary by institutional order. Self-interest is not generally applicable across institutional settings. Instead, the institutional logics perspective is fundamentally about “how to specify countervailing and moderating effects on self-interest and rationality and, for that matter, to realise that while markets are institutions too, the professions cannot be completely dominated by market” (Thornton and Ocasio, 2012: 3-4). Similarly, individuals and organisations are aware of the differences in the cultural norms, symbols, and practices of different institutional orders and incorporate this diversity into their thoughts, beliefs and decision making (Thornton and Ocasio, 2012). In relation to the sharing economy, it can be argued that the actors, selected in this thesis’ case study, are also aware of the different institutional orders that are undertaken by different European governments on national level and by the EU institutions on supranational level.

3.1.3 Four orienting strategies of institutional logics

A core concept of the institutional logics perspective is that “the interests, identities, values, and assumptions of individuals and organisations are embedded within prevailing institutional

logics” (Thornton and Ocasio, 2012: 6; Thornton and Ocasio, 2008). This idea differentiates an institutional logics perspective from macro structural approaches, which highlight the primacy of structure over action, as well as perspectives on institutions, which separate the institutional from the economic or technical sectors of society (Thornton and Ocasio, 2012: 7). Actions are referred to the concept of agency, which can be defined as “an actor’s ability to have some effect on the social world (ibid). There are four orienting strategies that are applied throughout the institutional logics perspective as described below.

An orienting strategy that builds on the theoretical dilemma of structure and action is DiMaggio and Powell’s theory of structural isomorphism. In sociology, an isomorphism is a similarity of the processes or structure of one organisation to those of another. There are three forms of isomorphism, namely mimetic, normative and coercive. The latter implies some theory of agency other than conformity and habitual behaviour. The main emphasis of the institutional theory has been to privilege continuity and constraint in social structure (Thornton et al, 2012). The other two forms take the structuralist point of view in that social relations are shaped and constraining to “free initiative of individuals and organisations (Thornton and Ocasio, 2012: 7).

Another orienting strategy on the duality of social structure and action is that individual actors are both constrained and at the same time enabled by existing social structures. Social structures are comprised of rules, resources, and practices that are “both product and platform in the enactment and reproduction of social life.” There are some contradictions in this part of the theory. In this school of thought, for example, the theory has no conception of a social system. It therefore contrasts with the assumptions of the institutional logics perspective in which “how and why an individual uses power to express their interests and takes on different meanings depending on their location within the interinstitutional system” (Thornton and Ocasio, 2012: 8). Thornton and Ocasio therefore argue that the theory on duality of agency and structure is incomplete.

A third orienting strategy came up by linking ideas and interests through the concept of the “institutional entrepreneur”, which “engage in a competition for the ability to own and frame an idea in the hope that they can express their self-interest in shaping how the idea is institutionalised.” This refers to the idea that MS take their national interests within EU institutions and that there arises competition between different MS when it comes to addressing the sharing economy. MS understand and frame the sharing economy in their own way, according to the national interest that shape how the sharing economy should be institutionalised.

A fourth and final orienting strategy to the problem of structure and action is “the concept of how individuals use culture as a “toolkit” (Thornton and Ocasio, 2012: 9). This relates to the theory of voluntary action, which means that social systems contain value orientations that are internalised by individuals through socialisation, which makes them take certain decisions. While culture plays a role in human action, it does not necessarily mean that it serves as an indication of people’s actions (ibid). This strategy investigates how actions depends on how individuals and organisations are situated within and influenced by the spheres of different institutional orders, each of which presents a unique view of rationality.

These four orienting strategies are important as they will be used as a basis for the analysis. They support institutional logics by providing a different angle to analyse a problem. The theory thus describes that institutions can have different logics, even different layers of logics within the same institutions. This can be due to the different interpretations of the issue at stake or due to varying priorities of the institution at hand, for instance cultural or identity differences. In connection to the present thesis, the theory can be applied in that different institutions within the EU, meaning different countries – MS of the EU – apply different logics to the concept of sharing economy. The theory of institutional logics is relevant for the comparative case study in this thesis and the aim to study different European governments, which have different institutional perspectives.

3.2 Sensemaking theory

In connection to the theory of institutional logics, sensemaking is used as an approach to analyse how institutional logics are applied in action. They turn into action, because that is the way institutions make sense of the sharing economy. These theories are connected in order to see how the European governments actually frame different logics and how they make sense of it. By looking at the sensemaking processes, it helps to understand what kind of sensemaking the European governments go through to arrive at these institutional logics and how they connect and combine different logics in a specific way.

The choice for sensemaking theory is well-suited for qualitative and interpretive data analyses. This thesis presents a qualitative study attempting to understand how European governments understand and frame the sharing economy in a policy-making context. Sensemaking theory will enable to illustrate how European governments make sense of the sharing economy. Additionally, sense-making theory is often applied in collective and chaotic situations. Consequently, methods that include actors and audiences, such as interviews in this case, are

“ideal for exploring how participants make sense of a scene” (Tracy 2013: 58). This study aims to shed light on how European governments make sense of the sharing economy in relation to innovation and regulation. Drawing on Weick (1995), the sharing economy is an example of sensemaking, because issues of identity and reputation are involved. In this case, it refers to national identity and reputation, that of France and Netherlands versus the European Commission.

3.2.1 The concept of sensemaking

The concept of sensemaking literally means “the making of sense” (Weick, 1995: 4). Following Karl Weick (1995), an instance of sensemaking is “when someone notices something, in an ongoing flow of events, something in the form of a surprise, a discrepant set of cues, something that does not fit” (Weick, 1995: 4). Sensemaking is about the ways people generate what they interpret, it is about an activity or a process, whereas interpretation can be a process but is just as likely to describe a product. Sensemaking focuses on a process, in which people try to make sense of something (Weick, 1995: 13). More specifically, “to talk about sensemaking is to talk about reality as an ongoing accomplishment that takes form when people make retrospective sense of the situations in which they find themselves and their creations” (Weick, 1995: 15).

Sensemaking underlines meaning making, ambiguity, and identity. According to Weick (1995; 2001), people make sense of their environments retrospectively, by taking into account their behaviours, talk, and action. Sensemaking theory is often summed up in the question “How can I know what I think until I see what I say?” (Weick, 2001: 189). But it is also a matter of grasping uncertainties and change, thus it fits with the idea of innovation and the sharing economy.

3.2.2 Three phases of sensemaking

Sensemaking theory consists of three interrelated phases: enactment, selection and retention. Going back to the core question of the theory “How do I know what I think until I see what I say?” Enactment refers to the “what I say” part of the theory (Weick 2001: 189). Through enactment, participants single out certain issues for acting and commenting upon, such as “our environment is complex and open to numerous conflicting interpretations.” Through enactment, participants limit the potential interpretations of a situation – drawing attention to some issues more than to others. The second phase of sense-making is selection (“until I see”). This is the phase where participants begin to notice and select possible interpretations of the situation. In the third and final phase of sense-making, the selected interpretation (“what I think”) is

retrained for future situations. Weick's three-phase sense-making process services to sensitise researchers of the ways meaning is chosen, interpreted and retained by participants (Weick, 1995).

The participants as referred to in the three phases of sensemaking do not necessarily have to be present. This can also be analysed in the context of a document or a text. The participants are then the organisation that wrote the document in question. As will be explained in the methodology section, the main empirical data of this thesis consists of text analysis. The interviews merely serve as a complementary method to the texts. The three phases where sensemaking occurs has therefore not been used in conducting the interviews.

3.2.3 Seven properties of sensemaking

Weick (1995) describes seven properties of sensemaking. These characteristics differentiate sensemaking from other processes, such as understanding, interpretation, and attribution.

Weick points out that sensemaking is understood as a process that is:

1. Grounded in identity construction
2. Retrospective
3. Enactive of sensible environments (enactment)
4. Social
5. Ongoing
6. Focused on and by extracted cues
7. Driven by plausibility rather than accuracy (Weick, 1995: 17).

Sensemaking starts with the sensemaker, in the so-called phase of *identity construction*. This constitutes a core concept in sensemaking. Identities vary depending on the situations, as they are generated in interactions. When shifting between interactions, a shift between different "selves" takes place as well (Weick, 1995: 20). Sensemaking is dependent on the particular identity we identify ourselves in. We define who we are to make sense of what is "out there," similarly what is out there defines our identity. Sensemaking process starts with the need of individuals to have a sense of identity, meaning a general direction to situations that preserve esteem and consistency in self-conceptions (Ring and van de Ven in Weick, 1995: 22). There are three self-derived needs that affect a person's changing sense of self: the need for self-enhancement, self-efficacy and self-consistence. Self-enhancement refers to seeking and maintaining a positive and affective image of ourselves, self-efficacy refers to how we desire

to see ourselves as competent and efficient, and self-consistence refers to how we desire coherence and continuity (ibid).

The *retrospective* characteristic of sensemaking refers to that sensemaking is based on meaningful lived experiences. Ultimately, one can only make sense out of things that have taken place already; one takes attention to what has already happened to create meaning. People build on previous equivalent or recognisable situations and experience to interpret and make sense of current events, which can be understood as a comparative process (Weick, 1995: 24). What this could mean for the sharing economy and the way governments in Europe make sense of it is by looking at other similar policies or innovations throughout the policy-process.

Enactment of sensible environments means that people contribute to their own environments. Sensemakers are active parts of the environment they are in and thus active in creating the environments (Weick, 1995). Weick points out that action is crucial for sensemaking: “people create their environments as those environments create them” (Weick, 1995: 34). The action part of sensemaking is where it renders it unique from other practices such as interpretation and understanding. Action in sensemaking is about reading a text, but the way the text was constructed is equally important as the way it is read. However, the action does not have to be a visible one, because actions that are not taken (passive actions) are an important factor for making sense as well. In connection to the sharing economy and EU government’s approaches towards it, it is important to observe what action has been taken in the making of sense of the sharing economy. However, it is equally important to point out what action has not been taken and why. This is another way governments would make sense of the sharing economy and what to do with it on a political level.

It is important to consider that sensemaking is very much a *social process*. It does not necessarily imply that others have to be present in the sensemaking process. Weick (1995) points out that the “implied presence” is just as important as physical presence. In social interactions people consider what others are doing or not doing, or will do in the future. This means that other people’s actions may result in a change to your own actions. These can be referred to as the social expectations, which are important in a sensemaking process (Weick, 1995: 41). In connection to the case study in this thesis, some European governmental bodies may be influenced by the making sense of the sharing economy by other countries who are ahead of them. This can result in different approach undertaken by this specific country than previously anticipated.

Sensemaking is an *ongoing* process, meaning it is a process that never starts because there is no end to it; it is always ongoing. This is one of the important characteristics of an ongoing process. It is often the case that people make sense of experiences and situations when they are in the middle of doing something, something where reality flows. When the experience goes as expected, sensemaking occurs in the normal sense. However, when something unexpected disturbs the ongoing flow of events, sensemaking occurs again (Weick, 1995: 43). In connection to the sharing economy and policy-making, it can be said that the sharing economy is something disruptive which European governments have to make sense of again. Moreover, it is often considered that the sharing economy and innovation practices will evolve over the years, as it is an ongoing process. Once evolved, actors will have to make sense of it again. This can be studied by looking at, for instance, governmental documents to analyse the position of the country in question.

Sensemaking is also focused on and by *extracted cues*, meaning that people focus on some events while neglecting other events in favour of an interpretation of a specific event. Noticing an event is dependent on past experiences, which relates to the retrospective part of sensemaking (Weick, 1995: 49). The extracted cues can be interpreted to support what we believe in during the sensemaking process (ibid). In connection to the thesis, governmental bodies may make sense of the sharing economy in a specific way by relying on past experiences in the way of looking how it was conducted in other related policy-matters.

Finally, sensemaking is *driven by plausibility rather than accuracy*. This refers to the fact sensemaking takes place based on how it is most likely to be. This may result in a different outcome than previously anticipated, but does not necessarily have to be negative (Weick, 1995: 58). Plausibility also means that people make sense in a coherent and reasonable way, based on what people feel is socially acceptable and plausible. Sensemaking is a quick process, so making sense of things based on what they think it should be, plausibility, is opted over accuracy (ibid). In connection to the thesis, it can be said that European governments also make sense of the sharing economy as something they think is plausible, rather than basing their arguments on accurate information.

4 Methodology

4.1 Design of the research

A qualitative case study is presented which focuses on how the sharing economy in connection to innovation and regulation is understood and framed by European governments. This research design fits well with the research questions, aims and explorative approach of this thesis (Denscombe, 2010; Bryman, 2012). This thesis has an explorative approach with an inductive touch, as it is exploring by comparing various cases. It attempts at finding the meaning in between the lines rather than posing hypotheses to prove a case. It is also explorative in the sense that there is no common agreed approach towards the sharing economy in the EU. The thesis therefore aims to explore why European governmental bodies pursue certain agendas, act to certain logics and make sense of the sharing economy in a certain way.

More specifically, this thesis presents a comparative case study focusing on the following three cases: the European Commission on supranational level, and France and the Netherlands on national MS level. By comparing cases, it becomes easier to identify themes and ideas in between the formal approach of the actors (Bryman, 2012). As the aim of the thesis is to shed light on how the sharing economy is understood on different governmental levels within the EU, a comparative case study design has been chosen.

A basic case study traditionally means that the researcher aims to study “the detailed and intensive analysis of a single case” (Bryman, 2012: 66). A comparative case study design is worth distinguishing from other designs. It constitutes a study design with two contrasting cases, using identical research methods. This thesis is designed according to the logic of comparison, because two contrasting cases make it easier to understand a social phenomenon and allow for a better and more meaningful evaluation of differences and similarities (Bryman, 2012: 74). When conducting preliminary research on the case selection for this thesis, it was found that France and the Netherlands are widely considered two contrasting cases in terms of their approach on the sharing economy. It was also found that the Commission’s approach differs from the national cases, as it acts according to supranational interests and therefore has different logics in mind when framing the sharing economy.

Since this thesis includes more than one case, it is classified as a multiple-case study (Bryman, 2012: 72-74). It is argued that a multiple-case study design plays an important role in relation to the understanding of *meaning* in a specific context (Bryman, 2012: 74). In connection to this

thesis, it also aims to understand the *meaning* of the tensions that emerge in policy-making in the EU concerning the sharing economy.

4.2 Case selection, sampling procedure and method for data collection

This section will motivate the case selection of the three cases, the sampling procedure and the method of data collection, including the applied time frame. It will briefly motivate why France and the Netherlands have been selected as cases for this thesis. This will be followed by three detailed sections to motivate the case selection. The last section will present the method for data collection. It should be underlined that the sampling procedure will be explained throughout the sections on case selection.

4.2.1 Case selection of two contrasting national cases: why France and the Netherlands?

France and the Netherlands are the two EU Member States that have been selected for the national level cases in this case study. Both countries are relevant to investigate since they are contrasting to each other, in terms of political institutional set-up, their views on the sharing economy as well as in the way they deal with the economy and the labour market. They are also different with regards to their role and reputation in international relations (Meuner, 1999).

France is a Republic headed by a President (French government, 2017a), whereas the Netherlands is a constitutional monarchy with a proportional representation system, i.e. with a coalition government of multiple political parties (Instituut voor Publiek en Politiek & Netherlands Institute for Multiparty Democracy, 2008). The Netherlands is known for its history and dependence on free trade and its liberal politics. On the other hand, France is known to be slightly more protectionist (McPartland, 2014) and is a country where trade unions play a bigger role in comparison to the Netherlands. The comparison of the two countries would therefore make an interesting case.

In terms of linguistic differences, in order to avoid any language barriers in this thesis, it was a strategic choice to select France and Netherlands in the sample based on languages spoken by the author of this thesis. This approach made it possible to conduct interviews in the official language of both countries and to study the texts of the governmental documents in that language. Alternatively, there could have been a need to select interviewees based on their ability to speak English and to select documents based on their availability in English.

Naturally, other MS have been considered to be included in the case study as well. Italy and Estonia, for instance, could have made an interesting case too. These countries are considered to be rather contrasting in their approach towards the sharing economy. However, there are

several constraints to analysing these countries for the purposes of this thesis. Both countries are already quite far in the policy-making process on the sharing economy. In 2016 Italy published a legislative proposal which attempted to provide an overall legal framework for the sharing economy (Camera del Deputati, 2016; Rosati, 2016). In the same year, Estonia was the first country to legally embrace ridesharing by introducing legislation in favour of this development (Invest in Estonia, 2016; Parliament of Estonia, 2016). Due to the rather advanced policy-making phase they are in, it was considered that it would be more relevant to analyse a Member State in which the policy-making process was not yet towards the end. The decision to exclude these countries was moreover supported by the fact that little to no information was available in English.

4.2.2 Case selection for national level: France

It can be argued that France makes an interesting case to analyse, since it was among one of the countries where numerous protests and strikes on the sharing economy took place between 2014 and 2015. These protests and strikes were found to be undertaken by French trade unions, representing the traditional industries, e.g. the French taxi industries protesting against new services such as Uber (The Economist, 2014). By French law, trade unions in France form an integral part of business life, and consequently, they exert a certain degree of influence in policy-making (ibid). These protests against “the tourism car with driver” ultimately resulted in complete ban of Uber in France (Gradt, 2014). However, it could be argued that this is in contradiction with France’s participation in the sharing economy in general. France is in fact one of the countries in which the sharing economy is increasingly growing (PWC, 2015). In recent times, however, French policy-makers have incorporated new rules for online platforms for instance in the French Finance Act for 2016. There are also new rules on digital policies, incorporated in La Loi Numérique (The Digital Law) (Némarq-Attias, 2017; French government, 2017b).

On EU level, France was ranked 16th in the EU’s 2017 Digital Economy and Society Index (DESI). It was found that France performs well in digital skills (9th rank) and e-government (9th rank). On the other hand, it scores below the EU average for the integration of digital technologies by companies, connectivity, and internet use by individuals (European Commission, 2017a). In the 2017 European Innovation Scoreboard, France was identified as a strong innovator (European Commission, 2017b).

In sum, it can be argued that France presents an interesting aspect to study, with regards to its approach towards the sharing economy and the uptake of digitalisation in the country. It allows for an interesting comparison with the Netherlands, where the sharing economy has been approached differently.

4.2.3 Case selection for national level: the Netherlands

The Netherlands is a country which is known for its liberal politics and dependence on free trade. Moreover, it is a social welfare state (Instituut voor Publiek en Politiek & Netherlands Institute for Multiparty Democracy, 2008). The Netherlands are an “exporting nation” with an open economy and a large financial sector on national and international level (Government of the Netherlands, 2017). The Dutch economy is highly dependent on economic developments in Europe, as a large portion of the national income comes from exports. Financial stability and growth in Europe are therefore of vital importance to the Netherlands (ibid).

On EU level, the Netherlands was ranked 4th in the 2017 DESI. It was found that the Public Services in the Netherlands are among the most advanced in the EU, but the challenge remains to improve the uptake of technology by businesses, even though already above EU average (European Commission, 2017a). These results show that innovation may be considered a key priority in the Netherlands. The 2017 European Innovation Scoreboard classified the Netherlands as one of the innovation leaders (European Commission, 2017b). Moreover, the Netherlands held the Presidency of the Council of the EU in the first half of 2016, meaning that the country was responsible for setting the political agenda and chairing the Council meetings. In its Presidency Working Programme, the DSM and particularly, the sharing economy were key priorities (Netherlands Presidency, 2016).

In sum, the position of the Netherlands on the digital progress, its focus on the sharing economy in the Council, combined with its progress on innovation makes it an interesting case to compare with France.

4.2.4 Case selection for supranational level: the European Commission

The European Commission has been selected for the supranational level case, since it is the EU institution that has the monopoly to propose and adopt new legislation. On EU institutional level, it is therefore the most relevant, appropriate, and moreover the sole institution to incorporate for the analysis in this thesis. The European Parliament (EP) has been strategically left outside the scope of this thesis, as the EP represents different political colours and is not the right supranational institution at EU level for this type of analysis.

As stipulated in the introduction, the DSM is a key priority for the European Commission. In the DSM strategy Commission President Juncker mentioned that: “The rise of the sharing economy also offers opportunities for increased efficiency, growth and jobs, through improved consumer choice, but also potentially raises new regulatory questions” (European Commission, 2015a). Consequently, this was reiterated in the Single Market Strategy (SMS) which included the objective to “enable the balanced development of the collaborative economy” (European Commission, 2015b).

In sum, the sharing economy and other digital policies are high on the Commission’s agenda. It is therefore a relevant governmental body at EU level for the purposes of this thesis, its research questions and aim.

4.2.5 Sampling procedure and method for data collection

The method applied for the gathering of data was based on strategic sampling and strategic data collection, meaning that the documents and interviewees were selected based on the country or institution they represent. This was necessary to fulfil the purposes and requirements of this case study focusing on three cases (Bryman, 2012; Tracy, 2012). It was a strategic choice in relation to the research questions and in order to bring a certain contrast for the analysis. Additionally, these countries were chosen on the base of being different from one another and on the presumption of being contrasting to each other. It was decided to compare to the EU level, as the European Commission has been trying to safeguard a harmonious approach to the sharing economy since the publication of the EU Guidance document in June 2016.

For the data collection of the official governments, the following terms were used when undertaking the research for suitable documents: sharing economy, innovation, regulation, collaborative economy; governmental document. These terms were used in combination with the name of the country and/or institution. As the sharing economy only started emerging on the EU political agenda from early 2015, the selected time frame for data collection was between 2015 to June 2017. The type of documents that were looked for were official government documents, e.g. position papers or letters from Ministers to the domestic Parliament, etc.

The time frame this thesis applies on the empirical data of the document analysis is from January 2015 until June 2017. The gathering of data took place during March and June 2017. This represent a certain moment in time, so the results might not be generalisable for the future.

4.3 Empirical material

The empirical material of this thesis consists of qualitative interviews and text analysis. The text analysis serves as the main empirical material. Conducting interviews with the three respective actors enabled to test the reliability in interpretation of the documents. The section below will describe the method for text analysis and interviews. The interviews pointed to other sources apart from policy-documents and thereby also enabled to compare with discussions surrounding the core documents that were in focus in the thesis.

4.3.1 Text analysis as main empirical method

Empirical material selected for the text analysis include official government documents, originating from the three selected actors respectively. These were selected by looking at the government's website in question and in particular by looking at the relevant governmental body. They were searched for in the original language of both countries. The documents that were selected were all relating to the sharing economy and the regulatory and innovation approach. Therefore, documents solely relating to digital platforms without referring to the sharing economy were left outside the scope of the thesis. The time frame was from January 2015 until June 2017, because the DSM was already high on the political agenda since the beginning of the Juncker Commission in October 2014. From 2015 onwards, MS started to draft national governmental documents and therefore it is a relevant time frame.

Official government documents include the government's official position on the topic, usually supported by statistical data or research to backup statements provided in the document. They also enable analysing the way the concept is framed, understood and consequently how some kind of policy advice is included in it. These documents are relevant pieces of empirical material for this thesis. The title of the document is provided in the original language with an English translation in brackets.

If we start by describing the documents that have been used in the analysis of France, the following have been used.

- Synthèse du Rapport sur L'Économie collaborative. Mission confiée à Pascal Terrasse, Député de l'Ardèche. Hôtel de Matignon – Février 2016 (Synthesis of the Collaborative Economy Report. Mission entrusted to Pascal Terrasse, Deputy of the Ardèche. Hôtel de Matignon - February 2016) – Number of pages: 12
- Communiqué de Presse – Remise au Premier ministre du rapport de Pascal Terrasse, Député de l'Ardèche sur l'économie collaborative – Hôtel de Matignon – le 8 février

2016 (Press Release – Presentation to the Prime Minister of the report by Pascal Terrasse, Deputy of the Ardèche on the collaborative economy – Hôtel de Matignon – 8 February 2016) – Number of pages : 2

- Enjeux et perspective dans la consommation collaborative, étude économique juin 2015 (Issues and perspective in collaborative consumption – economic study June 2015) – Number of pages: 336 [of which 50 pages were used in the analysis]

These documents aim at identifying the sharing economy as an important topic for policy-making. Some documents outline the various options the French government could go with, whereas other documents include strategies and proposals for the French government to undertake. The press release aims to inform both the French President and the public of the French state.

The documents that have been used for the analysis of the Netherlands are outlined below.

- ShareNL (2015) Innoveren in de deeleconomie. Een inventarisatie van kansen en belemmeringen die innovatieve investingen in de deeleconomie, op het gebied van groene groei, (on)mogelijk maken
(Innovating in the sharing economy : an inventory of opportunities and barriers that make innovative investments in the sharing economy, in the area of green growth, (im)possible) – Number of pages: 59
- Brief - Ministerie van Economische Zaken (2015) Werken aan toekomstbestendige wetgeving: digitale platforms en de deeleconomie, waaronder particuliere verhuur aan toeristen (Airbnb) 18 December 2015
Letter - Ministry of Economic Affairs (2015) Working on future-proof legislation: digital platforms and the sharing economy, under which private rental to tourists (Airbnb) 18 December 2015) – Number of pages: 7
- Bijlage aan de brief: Toelichting bij de diverse onderdelen
(Annex to the letter: explanation to the various components) – Number of pages: 9

These documents date from December 2015. The objective was to inform the Dutch Parliament of the developments of the sharing economy, to measure the importance of the subject on a political level, and finally to provide policy recommendations to the Dutch Parliament on behalf of the Ministry of Economic Affairs.

Finally, the documents that have been used for the analysis of the European Commission are described below.

- Communication: A European agenda for the collaborative economy COM (2016) 356 final – Number of pages: 16
- Staff Working Document (supporting analysis), accompanying the Communication SWD (2016) 184 final – Number of pages: 50
- Press release, accompanying the Communication IP/16/2001 – Number of pages: 2

The selected documents for the case study of the European Commission date from June 2016. The objective of the Communication is to provide MS with political guidelines on how to apply existing EU legislation on the sharing economy. The Staff Working Document serves as a supporting analysis to the Communication. The press release served to inform the public.

4.3.2 Interviews to complement document results

Qualitative interviews are flexible and allow the interview to move into the direction in which the interviewees takes it. The goal for qualitative interviews is to obtain rich and detailed answers (Bryman, 2012). Nearly 90% of studies conducted in the field of social sciences present interviews as a research method. Interviews allow the respondents to provide their opinion, motivation and experiences (Tracy, 2012: 132). In qualitative research there are three main types of interviews: structured, semi-structured, and unstructured interviews (Tracy, 2012; Bryman, 2012). Structured interviews are most commonly used when compared and contrasted to a large sample. The disadvantage is that it lacks flexibility and depth, because the researcher cannot deviate from the interview script (Tracy, 2012: 139). Unstructured interviews may lead to a broad range of topics, where the researcher typically uses something that is called aide-mémoire as a guide through the process on what questions to ask (Bryman, 2012; Tracy, 2012).

In semi-structured interviews, on the other hand, the researcher has a list of questions to be covered during the interview, the so-called interview guide. There is the flexibility for both the interviewer and the interviewee in terms of order of the questions, providing answers and asking follow-up questions (Tracy, 2012: 139). This thesis followed the logics of a semi-structured interview process, since this included the flexibility to adapt where needed, but at the same time structured and organised questions, which increased the usability of the interview in question (Kvale, 2007; Bryman, 2012). The interview guide (in English) used in this thesis can be found in Appendix IV. The type of questions that were asked were open-ended in order to allow for an elaborate answer. The questions were framed in a neutral way to avoid any influence on the possible answers. The goal was to learn more about the governments' view on the sharing economy on the three cases.

As for the type of interview, this thesis followed the informant interview type, as the interviewees represent the organisation they work for and do not reflect their personal opinions. The interview stance that the researcher undertook in this thesis was deliberate naïveté, meaning the interviewer lets go of any presuppositions and judgement to remain open to new and unexpected findings (Tracy, 2012: 142). It is advisable for the interviewer to remain as objective as possible, for example in case of a common language or other bias such as the country of origin.

The sampling procedure of the interviews was strategic sampling by making use of purposeful interview methods (Tracy, 2012: 135). There was a representative chosen for each case. For the national level cases, the Permanent Representation to the EU was considered the most relevant governmental body. This is a MS' Permanent Representation, which principally is tasked with representing the MS' views in the meetings of the Council of the EU in the Committee of Permanent Representations (COREPER). In general, the people working at the Representation are best suited to provide information about the country's position on a topic in relation to the EU. A representative working directly with relevant files was contacted.

For the case on the European Commission, a representative from the Directorate-General (DG) for the Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) was interviewed, since this DG has the main lead on the sharing economy file within the Commission. However, a representative from DG for Communications Networks, Content, and Technology (DG CNECT) was interviewed as well. The reason for the second interview is because the sharing economy forms an integral part of the DSM policy which touches upon relevant issues for DG CNECT, such as digital platforms. Moreover, the representatives from both DGs indicated that there is a possibility of differences between DG due to the rather sectorial approach of the sharing economy.

When negotiating access for the interview with the Permanent Representation of the Netherlands to the EU, an organisational gatekeeper was used (Tracy, 2012). This person facilitated the process of getting in touch with the relevant interview respondent. This interviewee for the Dutch case study could identify the most relevant person to contact for the French case study. No organisational gatekeeper was used for the Commission's case. All interviewees were contacted through email correspondence. The email used to contact the interviewees can be found in Appendix II.

All interviews were conducted by phone and are therefore classified as “mediated interviews”, enabled through technological media. This means that the interviews were conducted in a synchronous method, meaning that the interview took place in real time (Bryman, 2012). The interviews lasted for about 30 minutes each and took place between April and May 2017. It is important to highlight that the interviews therefore reflect a certain moment in time and are not generalisable for the future, also because the sensemaking process is always ongoing.

4.4 Analytical approach

The below section describes the analytical approach utilised in both the text and interview analysis. It should be emphasised that the documents and interview results were coded according to the same coding categories and are thus analysed in an identical manner. As stipulated before, the text analysis serves as the main empirical data, whereas the interviews are complementing the results.

4.4.1 Analytical approach to the text analysis and interview analysis

Qualitative content analysis can be defined as “a research method for the subjective interpretation of the context of text data through the systematic classification process of coding and identifying themes or patterns” (Hsieh & Shannon, 2005: 1278). “The goal of content analysis is to provide knowledge and understanding of the phenomenon under study” (ibid), which best fits the purposes of this thesis, the research questions and aim. Content analysis is usually regarded as a flexible method for analysing text data (Hsieh & Shannon, 2005). In qualitative research there are generally three approaches to content analysis, namely conventional, directed or summative. All approaches are applied to interpret meaning from the content of text data (ibid). The key differences lie within the coding schemes, origins of codes, and threats to trustworthiness. The coding categories in conventional content analysis are derived directly from the text data, whereas with a directed approach, it starts with a theory or relevant research findings as guidance for initial codes. In a summative content analysis, there is an analysis of counting and comparisons, usually of keywords or content, followed by the interpretation of the underlying context (ibid). This thesis follows the summative approach to content analysis, since it is comparing three actors. This approach implies that the data analysis starts with searches for occurrences of the identified words and it provides insights into how words are used (Hsieh & Shannon, 2005: 1283).

The purpose of the conducted interviews was to complement the results from the text analysis, in this way it tested the reliability in interpretation of the official governmental documents.

Moreover, tensions are not explicitly expressed in official documents. Conducting interviews are therefore a good way to find out more about the policy-making tensions, which contributed to a more profound pronunciation of the policy-making tensions in this thesis. It should be noted that the results of the interviews are analysed in the results section as a complementary analytical tool to draw conclusions from the results found in the official governmental documents.

The interviews have been analysed according to coding schemes, as explained in the section below. The data has been put into different categories according to the results. This enables for a comparison of the results and to the drawing of conclusions from it. The coding method as outlined in Miles et al (2010) was applied for this purpose, both for the text analysis as well as the interview analysis.

4.4.2 Coding categories

Coding is a form of analysis where labels assign a symbolic meaning to the information provided in a text (Miles et al, 2010: 71). Among others, codes are used to retrieve and categorise similar pieces of data to enable the researcher to cluster similarities and differences found in the text in connection to a particular research question or theme (ibid). When looking at these different texts and interviews, the aim was to analyse and compare them to see what the differences and similarities are. The way the different way the text is formulated and framed has also been analysed, in particular the latter. The framing of the text was important for the analysis, as this is included in the main research question.

The coding categories for the text analysis was based on the coding the words in the official governmental documents into different themes. Throughout the documents, words were categorised when it related to tensions, regulations, actions and political measures. Words were also coded when it referred to EU level or other MS. These seemed like the relevant coding categories that would find the answers to the research questions. These factors were looked upon when seeking for relevant coding categories. The same coding method was applied for the results of the interviews.

4.5 Validity, quality, reliability, and generalisability

To guarantee a high quality and validity of the thesis, information from reliable sources have been used. Information from previously unknown sources has been checked and the sources verified. The document analysis of this thesis is based on governmental documents, e.g. letters to the respective Parliament and a guidance document from the European Commission. These

are official governmental documents and are considered as a valid and moreover a trustworthy, reliable and credible source with the appropriate amount of quality. Both primary and secondary sources were used. Primary sources being the interviews that were conducted and the results from the textual content analysis, secondary sources being the scholarly articles and books utilised in the literature review.

With regards to interviews part of the thesis, there are a number of quality and validity issues that can occur. These have to do with reliability, forms of bias, validity and generalisability (Kvale, 2007). In light of generalisability, it is important to note that general Parliamentary elections have taken place in both France and the Netherlands between the period of March and May 2017. It is considered that this will not influence the results of this thesis, but it may potentially impact future generalisability. It could be the case that the country's view or approach towards the sharing economy changes in a different direction after putting in place a new government.

It can be said that the semi-structured nature of interviews can make it difficult to compare interviews to each other. On the other hand, it also enables for more flexibility for the interviewer. The interviews were conducted between April and May 2017 and thus represent certain reflections in a particular moment in time. The answers could have been different if the interview would have taken place at a different time. It is possible for the interviewer to unconsciously influence the responses, for example by the way the interviewer dresses and uses his or her voice (Kvale, 2007). The interviews were conducted via the phone, so there was no physical communication. The author minimised any influence in the tone of voice or equivalent issues associated therewith (Kvale, 2007). Direct interviews (in person) would have been the preferred option, but due to certain constraints this was not feasible. It is unlikely that direct interviews would have given other results, as the way in which the interviews were conducted are not likely to influence the results or answers to the questions posed. Moreover, the aim of the interviews was barely to support the results from the textual content analysis, and thus does not serve as main empirical material.

The language used in interviews is subject to quality and validity issues (Van Nes et al, 2010). The interviews with the European Commission were conducted in English, whereas the interview with the representative from the Netherlands and France were conducted in the language of the respective countries, i.e. Dutch and French. Given that most of the work of the Permanent Representation is carried out in the native language of the respective countries, as they communicate with their constituencies in The Hague and Paris respectively, confirmed the

decision to conduct the interviews in the respondents' native tongue. Conducting the interview in their native language contributed to an increased quality of the interview and its results, as it ensured that the interviewee could express him/herself in the best possible way. It also contributed to a high-level of dialogue and hence to a high quality of the results.

On the challenges of language differences in qualitative interviews, it can be argued that it is considered valid "when the distance between the meanings as experienced by the participants and the meanings as interpreted in the findings is as close as possible" (Van Nes et al, 2010: 1). Moreover, in order to acquire valid findings, they should be communicated in a way that the reader understands the meaning as was expressed in the findings, in the original language the interview was conducted in (ibid). The researcher recognises the possibility for some of the meaning to go lost in translation, which might result in a slight decrease the validity of the thesis. However, working with a professional translator was outside the scope of this thesis' project and time frame. Nevertheless, the author has experience in translating, which contributed to an increased validity of the findings that are translated to English (Van Nes et al, 2010; Temple & Young, 2004).

In the analysis of documents, it is important to keep several criteria in mind when assessing the quality of documents, namely authenticity; credibility; representativeness; and meaning (Scott, 1990: 6). These criteria were applied throughout the analysis. As regards authenticity, prior to conducting the text analysis, the author established the authenticity of the official government documents. The conclusion was that the documents were authentic. Prior to the interview analysis, the identity of the interview was established, while the respondent was informed of remaining anonymous in the presentation of the results. As for credibility of the data, for the text analysis this goes hand in hand with authenticity. The authenticity of the document was established and therefore rendered the documents a credible source of information. The transcription and translation of the interviews was carried out carefully, making sure to omit any errors (Scott, 1990: 7). Naturally, it is possible that there might have been interpretation errors, but given that the interviews merely served as a complementary source of empirical data, this chance is minimal and does not affect the end results.

According to Scott, representativeness in a thesis relates to the fact whether evidence is typical (Scott, 1990: 7). This was a challenging part for both types of analysis. Naturally, the author had some expectations in mind of the typical answers. However, these expectations were built through extensive literature review and study of the field. It can therefore be concluded that the findings of the study confirmed the researcher's anticipation of the results. The final criterion

refers to the degree to which the evidence is clear and comprehensible to the researcher (Scott, 1990: 8). In fact, the results of the text and interview analysis are clear and comprehensible. The sole challenge encountered in the process was connecting them to the theoretical framework and lay out a discussion of results.

4.6 Ethical considerations

As regarding the ethical issues of the thesis, a number of issues have been considered such as participant consent, benefit, risk, confidentiality, and data ownership (Miles et al, 2014). The consideration of ethical issues is in accordance with the guidelines as set by the University of Gothenburg and the Swedish Vetenskapsrådet (Science Council).

As for informed consent, interview participants have been sent an informed consent form, designed on the example of Tracy (2012), which can be found in Appendix III. This form presents the topic of the thesis, outlines the research questions and aim. It also indicates what is expected from the respondents and lists their rights, such as anonymity etc. (Tracy, 2012).

With regards to considerations on benefits, costs, and reciprocity, interview respondents did have to invest time and energy in participating in the interview, approximately 30 minutes per interview. All the respondents explicitly mentioned that they were interested in the topic and even one of them expressed the desire to read the thesis upon completion. It can therefore be stated that the benefits were mutual and reciprocity was present. As regards harm and risk, the author believes that no harm and risk is present in the results of the interviews. Confidentiality and anonymity were promised in initial agreements with the interview respondents. However, it may be that a person from the same organisation will recognise the person in the discussion of results when reading the case. Issues of data privacy were guaranteed as well, as solely the author has access and ownership to the data and conclusions of the results. While the thesis supervisor has seen the data too, no ownership or permanent access is present there.

The wishes of the interviewees were respected concerning the anonymity, the respondents from the national cases indicated that they could not be quoted in issues relating to COREPER. As regards the language choice for the interviews, it was an ethical choice to conduct it in the native language of the respondents for the national cases, as they are able to express themselves to the best of their abilities.

While the researcher of this thesis is originally from the Netherlands and therefore may have some opinions on how to approach the sharing economy from a Dutch perspective or may be

biased to have a preference for the Dutch case, the researcher remained objective throughout the course of the interviews, the document analysis, and the thesis in general.

4.7 Delimitations

The delimitations of the thesis are presented in this section. Qualitative interviews do not allow for generalisability of the study to a larger sample, however, in this thesis the interviews serve as a way to test the reliability of interpretation of the policy-documents, which are the core empirical material. The interviews illustrate the differences between the selected cases, the European Commission on EU level, compared to France and the Netherlands at national level. It should be noted, however, that these views are solely representative from the time frame from April and May 2017.

This thesis focuses mostly on the sharing economy for commercial exchanges, as the most problematic issues arise when commercial transactions are involved. These issues have to do with competition law, taxation and employee status, to name but a few. Therefore, the sharing economy for non-commercial exchanges is not within the main focus of this thesis.

5 Results

If we now remind ourselves of the introduction to this thesis, this analysis discusses the policy-making challenges of the sharing economy in relation to innovation and regulation. The text that follows beneath will guide us through the findings in the empirical material and thereby the research questions. It already can be said now that the following themes can be found. In the case of France, it was found that they have a more careful and caring approach towards regulation and innovation, whereas the Dutch have a more open and liberal approach where the government interference is as little as before. At the end of this section the supranational level of the EU will be discussed where it is found that the Commission is providing guidance to MS.

In order to present the findings in more detail, the next section will now start now by looking at the approach of France to the sharing economy before going into the approach of the Netherlands and the European Commission.

5.1 The French way of approaching regulation and innovation – the idea of caring for regulation

Official French governmental documents point out that the sharing economy is indeed framed a topic of importance to the France. The interview results show that the sharing economy is viewed as a positive development by France. Due to the large variety and differences among platform providers, the French see the sharing economy in a more sectorial approach in order to define the most appropriate course of action. For instance, the level of fixation and remuneration is the service is normally undertaken between the service provider and the service user, while in the case of Uber, it is the platform Uber that fixes the price of the course and no interaction between the service provider and user takes place in this regard. This is why France has been quite sceptical towards Uber and its so-called “sharing economy” aspect, since no “sharing” or mutual agreement on the costs takes place as the price is already set by the platform.

The French approach to framing the sharing economy is a matter of decisiveness. As they see it, regulation is a way to care for innovation. They do not seem to define regulation as opposite to innovation. In fact, it seems to form an inherent part of the innovation system France wants to foster. The interview also pointed out that the French approach is rather to regulate innovation, both as a way to control innovations and to protect businesses and consumers, but also as a way to foster innovation.

“We have to stop thinking that regulation prevents innovation. Regulation can also allow actors who are still a bit smaller to develop into a legal personality, otherwise existing actors will do anything to stifle them if there are no rules.”

The above quote illustrates that the French do not believe that regulation prevents innovation. Rather, France frames and understands regulation is a matter of caring for regulation. This implies that regulation can serve as a way to promote the innovation climate that France tries to foster. The way France sees it, is that rules governing sharing economy activities do not prevent innovation, but rather foster innovation. According to France, rules and regulations provide a legal framework for innovation to take place.

Another important finding is that the French make sense of and frame the term “collaborative” or “sharing” economy as disturbing, as they understand that there is nothing collaborative about it when it concerns a relation on a market, with a market of supply and demand. In addition, there are issues framed as “challenges” regarding the sharing economy. For example, social rules associated with employment. To take the example of Uber again, the Uber drivers do not have a clear employment status, they are something between self-employed and employee. The question then arises whether these workers should be offered social protection equivalent to clearly-defined employees, as understood by France.

Regarding the approach to the sharing economy, France has come up with 19 concrete proposals, in response to 4 bigger objectives. These objectives include:

- 1) To allow for the sharing economy to liberate all its growth potential;
- 2) To guarantee a sense of loyalty and transparency in these platforms for consumers and actors in the traditional economy;
- 3) To better support the career paths of workers in this sector, and improve their social protection;
- 4) To make a distinction between individuals and professionals and clarify their obligations.

These objectives suggest that France understands that they are keen on developing the sharing economy, but in order to protect the consumers and workers it is framed as important to clarify what set of rules would apply for this type of economy.

5.2 Limitations as described as a way to care for innovation in France

While France’s approach is described as way to care for innovation by taking care of the innovative sectors by providing regulation, there are certain limitations to what is allowed, e.g.

delimitations. The interview results also show that France put some limitations to the sharing economy, in order to “protect” the traditional industries and to make sure that it stays within reasonable boundaries. These are included in La Loi Numérique (The Digital Law). Among these rules is the limitation of the duration and the number of days that one can rent out their apartments within the framework of Airbnb, 120 days a year in France for cities that have over 200.000 inhabitants. The interviewee described this by taking the example of Airbnb.

“In France, we have introduced a number of rules, especially in the bigger cities, because Paris, as you know, is the first city of destination for Airbnb users. But it is positive, I mean, we want to develop the tourism sector. It is true that Airbnb constitutes an instrument to develop the tourism sector. But at the same time, Airbnb does not offer nor the same guarantee nor supports the same charges as a hotel owner. [...] These are limitations on the duration, the number of days in which one can offer an apartment within the framework of the Airbnb platform.”

The French state has also asked Airbnb to fulfil a number of other requirements, such as a declaration of income by Airbnb providers, as well as the paying of a tourist tax. The latter is a practice found in other member States as well. This tourist tax, or holiday tax, is used in the finances of a local community at municipality level and can be between 1 and 5 euros.

5.3 France’s view on other Member States’ approach

With reference to other Member States, the interview results show that France frames other Member States’ approach, such as Sweden and Denmark, to have an “extremely open approach” when it comes to the sharing economy. France has a rather careful approach, as they want to understand and see what the sharing economy brings, in order to protect the social laws, the workers, and the trade unions, etc. The way they see it, it is of particular importance to France that sharing economy providers do not skip tax obligations just because it is a sector belonging to the sharing economy and not the so-called traditional industries.

In brief, even though there are challenging elements, the way France sees the sharing economy is as a positive development to the economy with some restrictions. The results pointed out that big taxi companies in France have realised the kind of innovation that Uber brought, which resulted in more innovation in traditional taxi companies too. It was also mentioned that the sharing economy brings job creation. However, it is important to the French to guarantee a good consumer protection with a level of quality interpreted for these types of service. Furthermore, it is perceived to be necessary to ensure social rights that are in connection with the general social perspective that exists in France.

5.4 France's approach to promoting innovation

While most of the concrete proposals outlined in the official French document aim to regulate or control sharing economy platforms, some proposals are directly linked to the promotion of innovation or promotion of the sharing economy, for that matter. It is proposed to organise training sessions for sharing economy providers, in order to stimulate initiatives alike. One of the proposals suggests to:

“Simplify the entrepreneurial approach by allowing the platforms to act as a third party” (proposal 15).

The motivation behind is that the sharing economy favours a democratisation of entrepreneurship. In order to make sure that users get the most out of actively participating in the sharing economy, the French believe that the requirements to create a company should be simplified as much as possible.

With regards to France's classification as a “strong innovator” in the 2016 Digital Economy and Society Index (DESI), it was mentioned that France is promoting the so-called “competitiveness clusters.” These clusters are important for innovation protection, especially in the digital sector. This is the innovation ecosystem that has been put in place in France, where there is a collaboration between research and development projects in the framework of these clusters which also allows for the receiving of public finances.

In addition, it was found that the so-called FrenchTech has been launched. This is a set of measures to help start-ups with financing and it moreover offers favourable conditions to the development of these start-ups. So there are two elements to the way France is promoting innovation, on the one hand competitiveness clusters, especially those in the digital sector and on the other hand the FrenchTech. This creates an open environment for innovations in France. The interview results also show that there might be need for a bit more competition compared to the traditional functioning of the market, in order to stimulate innovation.

5.5 The liberal Dutch approach to innovation – little governmental interference

In general, the Netherlands regard the sharing economy as something very positive to the economy, the society and citizens. The Dutch do not see the sharing economy as a threat and moreover, the Netherlands believe that regulation in this field should be as little as possible, except for when the public interest is at stake. The interview results show that the Netherlands see the sharing economy actually in direct connection with online platforms. The latter is an important feature in the sharing economy, as online platforms enabled the development of the sharing economy. The Netherlands also played an active role on the topic of digital platforms.

They arranged a study that looks at the role of digital platforms. The results of this study showed that no specific platform legislation should be created, but just use all existing laws.

The way the Netherlands sees the sharing economy means that the sharing economy is subject to relatively little regulation. The Dutch point of departure for most cases is that government interference in the sharing economy should be minimal and take place only when necessary to safeguard public interests. The sharing economy is regarded as good for the economy and society in general. The below quote from an official government document illustrates that it is important for the Netherlands to leave enough space for innovation.

“[...] regard it is important that legislation offers enough space for innovation, renewal and entrepreneurship, while at the same time adequately secure public interests.”

The interview results confirm the interpretation of the text analysis. It was hereby confirmed that the Netherlands have an open and non-regulatory approach and moreover, it has a promotion strategy towards the sharing economy. The lack of national regulation on the sharing economy, or at least a minimum amount of regulation is the main approach taken by the Netherlands. They believe that:

“[...] interfering as little as possible and creating as little regulation as possible is the best way to approach the sharing economy.”

The above quotation is in direct connection with leaving space for innovation, as was found in the official governmental document. The interview illustrated that the sharing economy started online, and the power of the phenomenon partly lies in the digital aspects. The Netherlands believe that this should not be slowed down by government interaction. Moreover, the Dutch government is taking an approach to ensure “future-proof” legislation, meaning making rules more viable and future-proof, in response to the changing economic and societal dynamics. It is also committed to actively look to those situations in which innovation would be hampered by regulation. The overarching approach here is to ensure future-proof legislation, this will be elaborated more in the next section.

5.6 Public interests as a limitation for the Netherlands

However, the Netherlands of course also have issues that need to be taken into account when dealing with the sharing economy. The issues are framed as “challenges” rather than problems, which suggests a forward-looking approach rather than problematising the issues at stake. Moreover, there is a more careful approach when the public interests are at stake. Examples of public interest are safety, liveability and fair competition. In case of a violation of public

interest, the Netherlands believe that the government would eventually need to step in if no solution can be found among the parties involved. During the interview, a practical example of when a public interest is at stake was mentioned. This is when people renting their apartments through Airbnb do not pay taxes, whereas the hotel industry does. This is a clear example of when a public interest is at stake, according to the Netherlands.

Official documents point out a practical example for the tourism sector that as long as the property is rented for a short and temporary period of time and to a limit number of people, the public interest would not be at stake. These documents illustrate that the origin of most problems occur at local level, mostly due to the lack of a clear boundary between private and professional rental.

Regarding the approach taken by other Member States, the interview results point out that the Netherlands believe that looking at the sharing economy in a critical way to see for what sectors it could pose a threat, would be a “break on the development of the sharing economy.” This illustrates their persistence in keeping an open approach towards it.

5.7 Sharing economy as a way by the Netherlands to encourage sustainability with regulation

The Netherlands is also known as a green country, contributing to sustainability goals. A Dutch study conducted on the development of the sharing economy on the environment found two important conclusions. Firstly, it concludes that sharing economy has a positive impact on the environment and that therefore sharing economy initiatives contribute to green growth. Secondly, there is uncertainty about the applications of laws and regulations, which inhibits the potential of the sharing economy. There are two important areas to focus on here. A challenge identified in the latter is where the line should be drawn between private and professional/commercial and when what laws and regulations should consequently be applied.

In order to encourage sustainability, there is need for regulation to a certain extent. Sustainability needs encouragement and politicisation for the direction of where to go. This is government interference, although it might not look like it from the traditional point of view. So sustainability goals can be perceived as a limitation to the sharing economy, in a way.

“Due to the variety of sharing economy initiatives and its characteristics, it is difficult to make general statements about any limitations or whether it should be regulated. It asks for a case-by-case approach.”

This quote illustrates that the Netherlands frame the sharing economy as a positive phenomenon, to which the Dutch government should have as little interference as possible. In

case of a need for regulation, it should be decided on a case-by-case approach, rather than a “one-size-fits-all” approach. Moreover, official documents point out that it is favourable to work with already existing legal tools to address questions in the field of the sharing economy. In case any problems arise, documents point out that the Netherlands are of the belief to address the problem at the sectorial, regional or administrative level where the problem arose, as to avoid a generic approach. In the interview it was moreover mentioned that specific legislation would not only affect big platforms, but also affect smaller platforms. The Netherlands foster a start-up culture and promotes small and medium businesses. The Dutch concern is therefore also connected to smaller platforms.

5.8 Dutch reference to Member State level discussions

As regards the remaining challenges in the sharing economy, issues such as employee-status, insurance, taxation etc., the Netherlands is closely following these challenges and developments. The importance of not suddenly creating new rules but using existing and horizontal laws on the sharing economy was reiterated in the interview. It was also pointed out that the municipalities have a responsibility, so it is treated as a local issue as well. Insurance may also be a challenge in the sharing economy. It is very important to the employer, as they must have the same rights and obligations. It was found that in the COREPER, the discussions regarding insurance issues were generally in line with each other. This shows that regardless of the tensions present in policy-making, consensus can still be found. While the Netherlands are positive about the sharing economy in general, insurance is an important topic and the Netherlands may also be critical about this aspect due to its vital importance. An interesting challenge identified by the Netherlands is the fact that the United Kingdom will leave the EU. The UK is one of the most liberal MS on the topic and the Netherlands are cooperating with them a lot. The interview results pointed out that this may result in a more difficult situation in COREPER discussions for the Netherlands.

“UK is one of the most liberal Member States about the sharing economy, so we are working with them a lot.” The Netherlands recognises that Brexit will change the balance in the Council a bit.

As illustrated in the above quote, losing the UK as a Member State of the EU is clearly identified as a challenge for the Netherlands, as they will be losing one of their fundamental partners in this regard. Regarding the discussions in the COREPER at the Council level, the interview results show that there were indeed quite some tensions in the political negotiations and debate. The interview results point out that there was a block of two countries, the so-called “like-minded” countries which means that they cooperate. The Netherlands were part of a block of

sixteen countries, among others the UK, Sweden, Denmark and entire Eastern Europe. This two blocks of MS shared the same position of the positive aspects of the sharing economy. On the other hand, there was also a block of MS that were much more critical towards the sharing economy. These include France, Germany, Spain and Italy, among others. The first block had a majority in the Council, which resulted in an easy voting procedure for the block holding the majority. One of the biggest differences in Europe can be observed here, as well as cultural differences.

The above paragraph illustrates that there is challenge for both MS and European level. For the European level this is a challenge, as the job of the Commission is to make sure that there is a harmonised approach and no fragmentation. For MS level, this is a challenge because large differences in approach on the sharing economy ultimately makes it more difficult for companies to do business across borders in the EU.

On the reference to the European Commission's guidance document, the interview results show that the Netherlands seem to be happy with the adoption of this Communication. They call it "well-timed" within their Presidency of the Council of the EU. Specifically, the Netherlands appreciates that the Commission did not develop any specific legislative initiative and that the Commission recommends to apply existing EU laws and regulations as much as possible.

The Netherlands regards the Communication as very positive, as it provides a framework for further development. The interview results also point out that the Netherlands would like the Commission to intervene a bit more with regards to European platforms, as platforms are the fundamental enabler of sharing economy activities. It was mentioned that a European approach to make sure that platforms can be active in all MS without problems for scale-ups and start-ups and to ensure that platforms can be active in other MS too besides their MS of origin. Thus, according to the Dutch, the Commission could play a role in making sure that the platform economy is more accessible across the entirety of the EU, for all kinds of platforms of any size. Action undertaken at supranational level is therefore welcomed by the Netherlands.

5.9 Promoting innovation in the Netherlands – future-proof legislation perspective

Within the future-proof legislation approach, on the one hand the government looks at how legislation in concrete cases can stimulate innovation and on the other hand, how possible barriers in regulation could be taken away as much as possible. It becomes apparent that the Netherlands are opting for a change in legislation to allow the swift in economic and social

dynamics to continue, to allow for innovation. This future-proof legislation idea is part of a bigger package, a bill that has been sent to the Dutch Parliament in which the Dutch government would consider sharing economy and digital platform elements in the adoption of all new laws. It would construct a legislative toolkit to check with the adoption of every new law that the effect would be on the sharing economy and digital platforms. It has not been implemented yet, but the toolkit is being tested at the moment of writing.

“In this approach, the government looks at how legislation and regulations can, in concrete cases, stimulate innovation and, on the other hand, how possible obstacles can be eliminated.”

The above quotation shows that the Dutch government is actively promoting innovation and considering how to remove potential obstacles to allow for more development of innovation. Official documents point out that the Netherlands has a similar approach as was mentioned in the Single Market Strategy by the Commission, namely to facilitate the sharing economy and where necessary remove obstacles and maximise opportunities.

As regards green growth, the Dutch conducted a study on the potential of the sharing economy’s contribution to green growth. The report provides an inventory of opportunities and obstacles that enable innovative investment in the sharing economy in terms of green growth. A key conclusion is that it could contribute to the environment to a greater extent.

The Netherlands was identified as an innovation leader in the 2016 Digital Economy Society Index (DESI) by the European Commission. The Netherlands strives to keep their position as an innovation leader by doing the following.

“Setting as few rules as possible, no unnecessary rules for companies. Let them innovate without all those roles. And in addition, you should provide space for those entrepreneurs who innovate innovatively, making favourable fiscal arrangements so that it is also attractive to innovate.”

The above quote points out that a good innovative climate combined with little government interference is the approach taken by the Netherlands. Interestingly, it can be observed from the interview that the Netherlands regard the sharing economy as an actual ‘vehicle for innovation’, in the sense of a factor of pure innovation. Another important factor in direct connection with innovation is competition. It is regarded as something very important to the development of new innovations in the Netherlands. The same point of departure counts here: as few rules as possible. This is the Dutch starting point in most cases.

In brief, it can be concluded that the Dutch approach to the sharing economy is open-minded and not wanting too much restriction, nor regulation. According to the Netherlands, it should

be an open process, and if problems arise, one should look at the level where the problem arose and find a solution starting there. The Netherlands is of the belief that a one-fits-all approach should be avoided and that a case-by-case approach should be applied in all cases.

5.10 Supranational approach towards innovation – the European Commission guiding Member States

The official document at EU level is a guidance document which provides guidance to MS on how to apply existing EU legislation on the sharing economy. In this document, the Commission also encourages MS to keep monitoring the development of the sharing economy and where necessary, adjust national legislation or even create a new, more appropriate legal framework. The key issues in the sharing economy are categorised into different sections in the guidance document, namely market access requirements; liability regimes; protection of users; self-employed and workers; and taxation. These issues ultimately represent the current issues associated with the sharing economy. The interview results show that it is still too early to evaluate the success of the guidance document. It was also mentioned that the Commission continues to work with MS and industry on the matter of the sharing economy. This is done by a series of workshops on the applicable regulation existing both at EU and national level. During these workshops, MS, and industry representatives for that matter, are also provided the opportunity to come with suggestions on how they think the sharing economy would benefit most in their respective countries.

The European Commission has a positive approach towards the sharing economy, as illustrated in the below quote.

“The collaborative economy creates new opportunities for consumers and entrepreneurs. The Commission considers that it can therefore make an important contribution to jobs and growth in the European Union, if encouraged and developed in a responsible manner.”

The above quote illustrates the European Commission’s position with regard to the sharing economy. However, it is important to note that the Commission sees a certain “condition” to this positive development; it should be “encouraged and developed in a responsible manner.”

Regarding challenges for existing market operators and sharing economy practices, the official documents point out that the sharing economy often raises challenges relating to the application of existing legal frameworks, blurring 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 combined with regulatory fragmentation stemming from divergent regulatory approaches at national or local level.”

The above quote from the official document illustrates that more clarity was indeed necessary to move forward on this policy-area. In addition, the documents point out that there is also a risk that regulatory grey zones are exploited to circumvent rules designed to preserve the public interest. This is why the Commission came up with a guidance document to ensure certainty over applicable rules to MS. The aim of this guidance document was to make an attempt at ensuring a uniform European approach. The Commission therefore believes in the idea that no legislation should be created at this point. It should be noted here that the Commission believes that divergent regulatory approaches taken by MS, be it at national or local level, would potentially hamper the development of the sharing economy in Europe and prevents its benefits to materialise fully.

“Absolute bans and quantitative restrictions of an activity normally constitute a measure of last resort. They should in general only be applied if and where no less restrictive requirements to attain a legitimate public interest can be used.”

The above quote taken from the guidance document clearly illustrates that the Commission is attempting to ensure a harmonised approach as much as possible and indeed attempts to avoid that absolute restrictions of the sharing economy take place, in order to reach its full potential.

5.11 The EU’s way of analysing Member State actions

The official documents also point out that the European Commission understands that different national approaches are being taken according to various sectors, some being more restrictive than others. It furthermore notes that regulatory intervention by Member States is usually motivated by referring to public interest objectives as noted both in the results section on France and the Netherlands. The official document point to the following objectives that may be used as a public interest: “protection of tourists; ensuring public safety; combating tax evasion; maintaining a level playing field; safeguarding public health and food safety; remedying scarcity of affordable housing for citizens.” In addition, the document refers to some specific actions taken in MS.

“In some Member States, in addition to existing sector-specific requirements, there have been targeted regulatory interventions, spurred by the entry into the market of collaborative economy operators.”

What can be concluded from the above quote is that the Commission provides clear examples on the status of the sharing economy in MS. It also includes the Commission's point of view with regards to certain MS' actions.

5.12 The European Commission's way of promoting innovation

The way the Commission frames the sharing economy is "driven by innovation", which is something the Commission wants to promote. The reasons they provide is that the sharing economy is growing rapidly and that it could add EUR 160 – 572 billons to the EU economy, which is why there is a high potential for new businesses to capture these fast-growing markets. The official documents point out that a public consultation and Eurobarometer poll found that the consumer interest on the sharing economy strong, so there is willingness on the consumer side as well. However, the Commission does not have a lot of room for manoeuvre due to the many competences belonging to Member State level. The interview results show that these competences will most likely not be given to the European Commission. The Commission is pointing to the advantages and disadvantages and attempting to get MS into the right direction. Having no legislative tools for this can be perceived as a challenge for bureaucrats in Brussels.

5.13 Commission's internal work on the sharing economy

As stipulated in the previous theme, the Commission is continuing to work together with Member States and industry representatives on the sharing economy. The interview results also show that there is still an inter-service group active at internal Commission level. This group consists of representatives from each Directorate-General (DG) that are involved and is coordinated by the DG that has the main lead on the file, in this case DG Internal Market, Industry, Entrepreneurship and SMEs (GROW). Other DGs that are involved are DG Connect (CNCT), DG Employment (EMPL), DG for Regional and Urban Policy (REGI), DG Competition (COMP), DG for Consumer Protection and Justice (JUST), DG Transport and Mobility (MOVE), and DG Environment (ENVI). This inter-service groups still meets regularly to discuss issues involved around the sharing economy, in order to ensure that all aspects from all relevant DGs are considered. Thus, the way the Commission is promoting innovation is, among others, by engaging in dialogues with Member States and providing a framework for discussion and collaboration.

6 Discussion

This chapter will discuss the theoretical concepts found in the results section. It will present the results in a theoretical way in an attempt to answer the research questions.

6.1 Institutional logics perspective – state or market logic?

The research results show that the state-logic is more pronounced in the French case, as the core focus is on regulating innovation and sharing economy practices. In the Dutch case, however, there is a clear focus on a market-driven approach, leaving space for corporations and organisations to innovate. This can also be referred to as the market-liberal approach which the Dutch employ to ensure a flourishing sharing economy in their country (Wallace, Pollack and Young, 2010). This is in accordance with what Thornton et al (2012) say about market- and state-logic in relation to the sharing economy (Thornton et Ocasio, 2012).

However, sustainability requires regulation and ultimately some kind of governmental interference. The Dutch contribute to green growth and try to connect the sharing economy to the sustainability goals, which is indirectly classified as a state-logic perspective (Thornton and Ocasio, 2012). However, it is rather a state-logic perspective in the sense of stabilising sustainable goals, but not in the classic government interference (Buchan, 2012; Thornton and Ocasio, 2012). Due to the Dutch market-liberal approach, it can be perceived that the sustainability aspect in the sharing economy comes second in line of the Dutch priorities, after the flourishing of the market in general. Therefore, sustainability can also be perceived as a minor limitation to the sharing economy.

Official government documents imply that the Dutch approach is a classical liberal approach (Wallace, Pollack and Young, 2010; Thornton and Ocasio, 2012). The way they see it, an excessive amount of regulation hampers innovation. The Netherlands takes more a promotion strategy rather than regulation strategy when it comes to the sharing economy. France, however, stakes a steadier hand in saying that regulation is directing innovation. One could say that the French approach is more decisive in that they deliberately decided to act rather than not to act as becomes apparent in the Dutch case. France is an example of a rather classic state strategy, as they are making sense of regulation as a national necessity (ibid; Wallace, Pollack and Young, 2010).

On EU level, the European Commission is looking upon themselves as a facilitator rather as a regulator. In the case of the sharing economy, the Commission is not behaving as a supranational actor. The reasoning behind this is that the sharing economy is a development

that is constantly in process. Therefore, the Commission see themselves rather as a mediator, an institution that facilitates dialogue, provides guidelines and a framework for the sharing economy. This is an interesting development, since the Commission's role normally is to propose EU-wide legislation, but it deliberately chose not to do so in this field.

It is clear that the approach taken by France and the Netherlands differ, France looking very much at the effects on employment, whereas the Netherlands look more at opportunities to promote and boost innovation through the sharing economy. While these differences exist, there are some similarities as well. This refers to the fact that the Netherlands did also recognise the legitimacy of prohibiting services such as UberPOP, since this kind of service do not identify themselves as a taxi service but operate to equivalent traditional taxi companies while not complying with the rules. This resulted in a ban on UberPOP in both countries (Kottasova, 2016).

6.1.1 Market and state-logic intertwined in both national and supranational level

However, in other areas there were tensions in the discussions at COREPER level in the Council of the EU. These tensions may be the result of domestic policy priorities as MS act according to state-logic. On the EU level, however, the Commission acts according to market-logic, as it is important for them to both guarantee fair competition, but at the same time provide opportunities for innovation and technological development to occur (Buchan, 2012). Member States act according to state-logic, and thus prioritise taxation and regulatory affairs when approaching the sharing economy. It is in their interest to protect their country and in international negotiations to represents their country's interest to the best of their abilities. It is therefore also important to keep in mind that, although the Union tries to bring countries together, that MS still fundamentally differ in approach and political institutions at national level (Wallace, Pollack and Young, 2012).

What is interesting from the results section is that it can be observed that all three actors are using market and state-logic, but in different ways and according to different priorities. The Netherlands combine market and state logic to promote innovation. This is because the Netherlands make sense of the sharing economy as a vehicle for innovation, which ultimately leads to new forms of competition to arise on the market, hence the market-logic. France, on the other hand, also sees the positive aspects in the sharing economy, but primarily makes sense of it as a state-logic perspective. The fact that France created some national regulations on concepts related to the sharing economy, such as those found in La Loi Numérique (The Digital

Law), illustrates the fact that it may see the sharing economy as a source for additional regulation. However, as far as market-logic is concerned, France did put in place measures to ensure the promotion of innovation, which can be seen as their way to ensure the sector continues to boost within the country (Buchan, 2012).

When looking at the 2016 DESI there is a difference between France and the Netherlands, whereas France is classified as a strong innovator, the Netherlands are categorised among the innovation leaders. A basic point of departure for the Dutch is to create as little regulation as possible combined with little government interference. Additionally, they regard it as important to create a favourable environment to stimulate innovation even more, this includes a favourable tax environment and opportunities for start-ups. France's approach is also to promote innovation, but not against the suspense of everything. It is important to the French to protect the social laws, the workers and the trade unions. At the same time, the Netherlands also recognises that the Dutch state does have a duty in case a public interest is at stake.

6.1.2 The European Commission as a platform for discussion

The European Commission's role towards the sharing economy is not quite as its traditional role. Perhaps this is also a result of the fact that the sharing economy is an innovative and continuously developing sector. As previously mentioned, it can be concluded that the Commission does not see itself as a regulator since it explicitly chose not to regulate the sharing economy. It is, however, providing room and opportunities for dialogue and is undertaking workshops with MS and the industry. One of the reasons the Commission is doing this is not only to continuously monitor the sharing economy at MS level, but also to ensure that no fundamental differences occur which would create more divergent approaches at European level. The EU's construction of self-identify is thus important in this respect (Wallace, Pollack and Young, 2010).

More specifically, the research results show that the European Commission rather acts as a mediator and facilitator of discussion. The Commission believes that the sharing economy is good for the European economy and in light of the DSM Strategy, it is providing MS with guidance and a forum for discussion to help them taking the sharing economy in the right direction. In sum, it can be argued that the Commission explicitly takes this approach due to its lack of jurisdiction on the sharing economy.

When the French refer to the approach taken by MS such as the Netherlands, it is referred to as an "extremely open approach." It may be concluded that the French believe the Dutch way is

extreme in the sense of embracing the market-logic. By saying that other countries employ it in another way, it becomes reasonable to do it in the French way, which forms part of the sensemaking process of France. It is their sensemaking strategy in itself, as this is a way to justify to employing the French approach rather than another one (Buchan, 2012; Thornton and Ocasio, 2012).

6.2 Making sense of the sharing economy

The thesis draws on sensemaking theory in order to analyse how institutional logics are applied in action. By looking through the lens of sensemaking theory, it helps us to understand which institutional logics European governments go through to understand and frame the sharing economy in different ways.

6.2.1 Seven phases of sensemaking process on the sharing economy

Drawing on sensemaking as an approach enables to analyse how institutional logics are used in action. This section will discuss the seven priorities of the sensemaking process on the sharing economy for all three actors. The French traditional way is more caring for its economy, since France has a history of more protectionism. In the sensemaking process, the aspects grounded in identity construction are essential. The way the French make sense of the sharing economy is very much dependent on the French state, the sensemaker. The French state acts according to national interests and previous lived experiences, the retrospective aspect of the sensemaking process. The latter can refer to the way the French dealt with equivalent previous digital policies. They will ultimately evaluate how this process went and consider whether to apply the same approach to the sharing economy.

The social process in the sharing economy can be interpreted as the approach undertaken by other MS. This may or may not influence the approach another country takes. In particular with regards to like-minded states, meaning MS that vote in the same way or perceive policies in similarly, may be more inclined to follow the lead of their like-minded.

Sensemaking as an ongoing process very much refers to the sharing economy in this aspect, as it is a policy-area that is constantly developing. That is also why it is challenging for the European Commission to design EU level recommendations, let alone regulations, as it is a fast-changing environment.

The fact that sensemaking is also focused on extracted cues refers to the sensemaker in identity construction as well. It first depends on the sensemaker, but at the same time it depends on how

the sensemaker makes use of some previous events or experiences. For instance, France may see the many strikes by the trade unions as a noticeable event for which government action is required. The Dutch approach, however, is to have as little government interference as possible, and refers to the way that it has acted in the past, according to the market-liberal approach. On the side of the European Commission, the applied approach very much is dependent on previous approaches to similar policy-areas in the digital sphere. At first the intention was to regulate, but then it came to realise that this was not desirable for the sharing economy providers, and that it has no insight in how the sector is going to evolve in the future.

6.2.2 Divergent sensemaking processes but similar economic goals

In order to answer the research questions, it can be concluded that the sharing economy is framed as a vehicle for innovation on governmental level within the EU. However, it can also be argued that there is a need for more regulation to encourage and promote the sharing economy to foster the innovative climate. The research results pinpoint that the way the Netherlands understand and frame the sharing economy rather is as a vehicle for innovation. The Netherlands employ a strategy with little government interference, a belief that a case-to-case approach should be applied, and a general strategy for future-proof legislation for all future laws. The French case illustrates that the sharing economy is rather a source for more regulation, as it traditionally aims to protect the social rights in the country. However, the French intention is not at all to limit the development of the sharing economy. On the contrary, it sees improved regulations in the innovation area rather as a way to foster the sharing economy, to make sure that the big players do not dominate the market and that innovation can take place on a wider scale. Hence, both France and the Netherlands go through divergent sensemaking processes by using the same institutional logics.

This automatically answers the third research question; the role of regulation in innovation for the French part is to promote the sharing economy and other innovations alike. The Dutch approach to regulation on the innovation is to be as little as possible. On the side of the Commission, there is no EU-level regulation for innovation or the sharing economy. For all three cases, it is advised to employ a sectorial approach, meaning sector-per-sector, and to apply a case-by-case approach since sharing economy practises are highly unique.

7 Conclusion

Innovation and digital technologies form an integral part of the sharing economy. Across the EU, one can observe many different approaches taken on national level by MS and on supranational level by the European Commission. This thesis is a comparative case study on the European Commission versus France and the Netherlands. It focused on how the sharing economy can be understood and framed as a vehicle for innovation. It found out what constitutes these different approaches, what logic they make out of it and what sensemaking procedure they go through. This thesis contributes to the academic field by discovering what policy-making challenges in the EU form tensions in relation to the sharing economy. It sheds light on how actors deal with these challenges on a governmental level in the EU by comparing the national perspective of two selected MS compared to the supranational level.

While one may expect the European Commission, as the main legislator at EU supranational level, to take the lead and act as a regulator, this thesis found that the Commission is rather staying on the background. It could be said that it is rather acting as a platform for discussion, a platform for engagement with MS, to stimulate discussion and debate and to guide MS into the right direction. France and the Netherlands are two different countries on many aspects. However, the sharing economy is equally important to these countries' economies. The way they deal with the sharing economy on a policy-making level differs. In sum, the European Commission, France and the Netherlands all use the same logics by using different types of sensemaking.

Traditionally, the Netherlands have a more market-liberal approach which results in little government interference and a lot of room to innovate. However, France is traditionally employing a more careful approach and guarantees and promotes the sharing economy by creating regulation in order to safeguard the positive development of the sharing economy. Regulation in the French eyes is a way to stimulate innovation in a positive manner.

As addressed in the introduction, the complexity of policy-making makes a topic such as the sharing economy an extremely complicated one. The sharing economy includes many policy-making challenges, which can be framed as tensions. This thesis showed that this is the case. The Commission is acting as an abstract institution at disembedded level. As it is a supranational institution, their concern for welfare, wealth and redistribution laws could be of less importance because the regulatory aspects of the sharing economy are administrated at

national level. Therefore, it could be said that the European Commission is rather disembodied on a more general level.

This thesis shows that there are extensive differences within the EU. It is incredibly difficult for supranational level actors to become a driving actor, as they may not have the mandate or the appropriate jurisdiction. Hence, they become the facilitators, a platform for discussion and guidance. The European Commission does not behave as an actor that can be held accountable, since the prime actors are the MS. The sharing economy is often associated with a one-sided liberal approach, as if the technology itself would cause a liberal ideology. This thesis also shows that there are differences between different national contexts. The sharing economy fits into the national economy that already existed and ultimately becomes part of the tensions. The tensions would look like they used to do. The sharing economy might be a global phenomenon, but it also becomes part of the national game.

7.1 Ideas for further research

As regards to ideas for further research, it could be interesting to conduct a study in which the perspective of the European Parliament on the sharing economy would be compared to that of the European Commission. In addition, the results of this thesis could be used to explore the possibility of creating a new theory about policy-making within the sharing economy field and the role of innovation. A suggestion is to apply a multiple case study design, as this research design improves the act of theory building (Bryman, 2012).

Another idea for further research is to assess the quality of the EU guidance from June 2016. For instance, one could conduct a study to investigate how useful this guidance has been in relation to the implementation at national, regional and local level.

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9 Appendices

9.1 Appendix I: An overview on different definitions on the sharing economy

Author	Title	Year	Definition of the share economy
Spaeth and Felson	Community Structure and Collaborative Consumption: A Routine Activity Approach	1978	First to describe the phenomenon and use the term "collaborative consumption"
Rifkin	The Age of Access: The New Culture of HyperCapitalism Where All of Life Is A Paid-For Experience	2000	"Access economy" highlighting users' preference to access over ownership
Benkler	"Sharing Nicely": On shareable goods and the emergence of sharing as a modality of economic production	2004	"... relying on social relations and an ethic of sharing, rather than on a price system, to mobilise and allocate resources..."
Belk	Why not share rather than own?	2007	"Sharing is an alternative to the private ownership that is emphasised in both marketplace exchange and gift giving. In sharing, two or more people may enjoy the benefits (or costs) that flow from possessing a thing"
Gansky	The Mesh: Why the Future of Business is Sharing	2012	"The interconnectedness of people and how technology gives access to goods and services"
Bardhi and Eckhardt	Access-Based Consumption: The case of Car Sharing	2012	"Access-based consumption is transactions that may be market mediated in which no transfer of ownership takes place"
Botsman	The sharing economy lacks a shared definition	2013 a	"An economic model based on sharing underutilized assets from spaces to skills to stuff for monetary or non-monetary benefits. It is largely focused on P2P marketplaces."
John	Sharing, collaborative consumption and web 2.0	2013	"Sharing is an activity of Web 2.0 and is the word that describes the mode of our participation in SNSs and digital communication. It can also perform production and consumption".

Source: Brodersen, 2015: 30.

9.2 Appendix II: Email to the interviewees

Dear Sir/Madam,

My name is Bo Dohmen and I am a Master's student in European Studies at the University of Gothenburg/Sweden. I am currently writing my Master's thesis about the sharing economy. I am writing to you in the hope that you might be willing to set up an informational interview with a staff member in DG GROW who would be available to provide me with some information about the collaborative/sharing economy from the perspective of the European Commission.

My thesis is about the sharing economy in relation to innovation in the context of the EU. Innovation and the sharing economy are both complex concepts, which raise a lot of policy-making questions, particularly when it comes to supranational and national concerns. My thesis investigates the tensions in policy-making in the area of the sharing economy by comparing the supranational level (the European Commission), with national level of Member States of the EU, namely France and the Netherlands. I would like to understand how European countries understand and frame the sharing economy as a vehicle for innovation and why there is a fragmented approach throughout the Member States. I would like to shed more light on the Commission's approach as well. The methodology consists of textual document analysis combined with interviews with the respective actors.

The title is: "The sharing economy - a vehicle for innovation or a source for more regulation?"
My research questions thus far are:

- How is the sharing economy understood and framed as a vehicle for innovation on governmental level within the EU?
- How and which tensions emerge in policy-making on an EU level and on a Member State level concerning the sharing economy?
- What is the role of regulation in innovations such as the sharing economy?

I would be most grateful if you could forward my email to the person responsible for this. I would be happy if you could arrange a phone/Skype interview if that would be convenient for you. I can only imagine how busy your schedules are, so even 15-20 minutes would be very much appreciated.

Thank you for your consideration and I look forward to hearing from you. Please do not hesitate to contact me if you have more questions regarding my thesis or the interview.

Best regards,

Bo Dohmen

Master's student at the MSc Programme in European Studies
University of Gothenburg/Sweden

9.3 Appendix III: Informed consent form

SHARING ECONOMY – A VEHICLE FOR INNOVATION OR A SOURCE FOR MORE REGULATION?

A comparative case-study on the European Commission versus France and the Netherlands

This is an information form about my Master's Thesis on the sharing economy. You will be contacted soon by phone or e-mail where I will ask you whether you would like to contribute to my study.

This thesis is part of my Master's Programme (MSc) in European Studies at the University of Gothenburg, Sweden. You are being asked to participate in this thesis by giving an interview. To ensure that my thesis complies with the ethical requirements for academic research, it is required that interviewees explicitly agree to be interviewed and how information contained in the interview will be used. The following principles will therefore be adhered to:

- Interviewees in this thesis project will be given information about the purpose of the project.
- Interviewees have the right to decide whether he or she will participate in the project, even after the interview has been concluded.
- The collected data will be handled confidentially and will be kept in such a way that no unauthorised person can view or access it.

Description of the thesis: The thesis is about the sharing economy in relation to innovation in the context of the European Union. Innovation and the sharing economy are both complex concepts, which raises a lot of questions in policy-making, particularly when it comes to supranational and national concerns. This thesis investigates the tensions in policy-making in the area of the sharing economy by comparing the supranational level (the European Commission), with national level of Member States of the EU, namely France and the Netherlands. The methodology consists of textual document analysis combined with interviews with the respective actors.

Procedures: The interview will be recorded, as it makes it easier to document the interview and will consequently lead to a high-level analysis of the interview results. The interview purpose is to learn more about the respective country's position in relation to the sharing economy, in

order to understand why there is a difference between supranational and national level. It will take approximately between 30-40 minutes. Examples of questions are:

- What is the current position of the Netherlands/France/Commission on the sharing economy?
- When it comes to the challenges found in the sharing economy, how does the European Commission/French/Dutch government aim to address these?
- What is the current status quo in the debates/discussions in the Commission/Committee of Permanent Representatives (COREPER)?

You have the right to decline answering any questions or terminate the interview without any given explanation. You will remain anonymous and your confidentiality will be guaranteed. You are welcome to contact me or my supervisor in case you have any questions regarding the thesis.

Bo Dohmen (student)

gusdohbo@student.gu.se

Dr. Bertil Rolanddson (supervisor)

Associate Professor, Dept. of Sociology and
Work Science
University of Gothenburg

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9.4 Appendix IV: Interview guide

Interview guide (English version)

Thanks again for agreeing to participate in this interview. The interview will take about 30 to 40 minutes, does that work for you? Sometimes I would encourage you to elaborate more on a certain question, while sometimes I would focus on another question to make sure we can cover everything within the set timeframe. Is it still okay with you if I record the interview? This will make it easier for me to analyse the results and will enable me to focus on the conversation rather than taking notes. The recording will not be shared with anyone, as was outlined in the “informed consent form.” You will remain completely anonymous in the presentation of the results.

As I already explained by email, my research is about the sharing economy. The current title of my thesis is: “The sharing economy – a vehicle for innovation or a source for more regulation?”

The interview questions are:

- “How is the sharing economy understood and framed as a vehicle for innovation by European governments?”
- “How do the tensions in innovation play a role in the sharing economy?”
- “How to justify this type of innovation from a political point of view?”

My thesis a comparative case-study. The aim is to investigate why and how the difference in approach in the EU works with regards to the sharing economy. Therefore, I am comparing the supranational level the European Commission with on national level France and the Netherlands. I chose these countries because they are sufficiently different from each other in multiple areas. In addition, there was a lot of resistance to the sharing economy in France in the form of strikes with the traditional taxi companies. The Netherlands is known for her dependence in international trade and open for new innovations. The combination of the two countries therefore seemed appropriate to me. Furthermore, I look at the tensions in European policy-making and how innovation plays a role in policy-making on national level when it concerns the potential regulation of the sharing economy, so what is important for European countries regarding the sharing economy. The method for my thesis is qualitative document analyse in combination with interviews.

I have several questions. Please do not hesitate to add anything if you think that is relevant and necessary.

Supranational level case – European Commission

- What is the current position of the European Commission on the sharing economy and what is the Commission currently doing with it?
- How does the Commission perceive the sharing economy? Does the EC perceive it as a purely innovation phenomenon or are there other factors that play an important role?
- The sharing economy is a grey area in legislation. The European Commission published a guidance document on how to apply existing EU legislation on the sharing economy in June 2016. Has this been an effective recommendation document? Are there any steps moving towards creating sharing economy legislation on an EU level?
- In connection to this guidance document, what are the remaining challenges? Have some of the challenges mentioned in the document already been addressed? For example, issues with employer status, insurance, or taxation. What would you describe as the biggest tensions in the sharing economy area?
- Since the objective of the Commission is to avoid fragmentation in the single market, I imagine this would be similar for the digital single market. From the perspective of the DSM, what would be the ideal scenario for the sharing economy to develop in the EU, allowing for innovation as well as fair competition?
- Is there anything the European Commission is doing for the development of the sharing economy and to avoid that Member States create restricting legislations for the phenomenon? How does the Commission work with Member States?
- Digitalisation and online platforms are the enabler of the sharing economy platforms. In how far do you think there should be more digital policies to support this?
- Do you have anything else to add? Feel free to add anything you think may be relevant.

National level case – France and Netherlands

- What is the current position of the Netherlands/France on the sharing economy?
- About the challenges in the sharing economy, such as employee-status, insurance, taxes etc. how do the Dutch/French government aim to deal with those?
- What is the interaction on local and regional level when it comes to the sharing economy?
- The European Commission published a guidance document last year in July in which the Commission provides advice and recommendations on existing EU legislation can

be applied to the sharing economy. What did the Dutch/French government do with this document?

- What is the current status quo in the discussion of COREPER (Committee of permanent Representatives)?
- How likely do you think that there will be regulation for the sharing economy (on national or European level)?
- Should there be any regulation for the sharing economy, from the point of view of the Dutch/French Permanent Representation, do you think that this will stop innovation? Would it stop other innovative businesses to open a start-up in the sharing economy?
- What is the ideal balance between the so-called innovation and “fair competition”?
- According to the Digital Economy and Society Index (DESI) in 2016, the Netherlands was classified as a leader in innovation/France was classified as a strong innovator. How does the Netherlands/France approach the sharing economy? Is that more as a “vehicle for innovation” in the sense of a factor of pure innovation? Or are there other factors that play an important role? If so, which are those and could you explain why?
- How does the Netherlands strive to keep its position as “innovation leader”? /How does France strive to keep its position as “strong innovator”?

Thank you. That was it. Do you have anything else to add to this or something that you would like to mention?

In that case, thank you very much for your time to participate in this interview. If you would like, I can send you the thesis once it is finalised. Have a nice afternoon. Good bye.