

# From Research to Action

## Implementing a Standards-Based Solution for the Sharing Economy



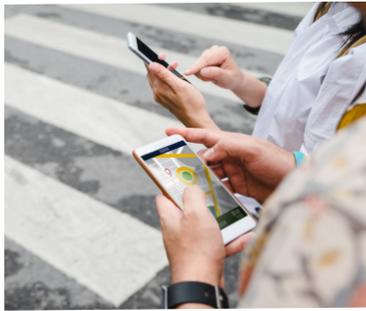
Have you ever rented a private residence for a vacation? Have you used Uber, Lyft or a similar provider to get a ride to the airport? Have you booked dog-sitting services through an app instead of leaving your dog at a kennel? Have you been a provider of these services and not just a customer? Thanks to advances in mobile internet technology, many of us have taken advantage of the sharing economy, where private individuals share assets or services for a fee.

Readily available and with prices that are sometimes more affordable than traditional alternatives, sharing services are expected to experience continued growth. Once valued at

\$15 billion in 2015, PwC now predicts that five key sharing sectors—travel, car sharing, finance, staffing, and music and video streaming— will increase global revenues to around \$335 billion by 2025.<sup>1</sup>

Despite its many advantages, the sharing economy has a number of challenges. There is no consistency in the sharing experience, and the lack of a comprehensive and flexible regulatory framework for this dynamic sector raises some major concerns in the ability to manage issues such as privacy, worker health and safety, and fair competition.

<sup>1</sup>PwC (2015), Consumer Intelligence Series: The Sharing Economy. Retrieved from: <https://www.pwc.com/us/en/industry/entertainment-media/publications/consumer-intelligence-series/assets/pwc-cis-sharing-economy.pdf>



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## Addressing the Challenges through Research

Recognizing the unique role that standards could potentially play in addressing these major concerns, [CSA Group commissioned a research report from the Mowat Centre](#) to identify the major challenges in the sharing economy and explore the value of a standards-based solution.

“We know that standards provide a set of best practices that can be used consistently across jurisdictions while offering enough flexibility to adapt those best practices to meet local needs,” says H el ene Vaillancourt, CSA Group’s Vice President of Standards Research and Planning. “They also offer a practical solution to governing authorities that may not always have the resources to develop their own set of policies or regulations for certain matters. Our aim with this research initiative was to confirm whether a standards-based solution could offer the same value for the sharing economy.”

To create the report, the Mowat Centre conducted a literature review and interviewed 18 Canadian and international experts. This helped to identify and analyze key issues in the sharing economy that could be addressed through standardization, which were: discrimination; accessibility and inclusion; safety; labour challenges; negative externalities; online reviews; algorithmic openness and equity; dynamic pricing; competition; data-sharing and data protection; dispute resolution mechanisms; and transparency. Based on the findings, the report recommended some next steps for consideration including leveraging existing international and national standards to create standards-based solutions for sharing economy activities and a holding a workshop to achieve an ISO International Workshop Agreement (IWA) that would outline guiding principles.

## Developing the IWA, Establishing Best Practices

In March 2017, CSA Group, Standards Council of Canada (SCC), and ISED Office of Consumer Affairs (OCA) held a workshop with stakeholders from 15 countries with representation from consumer groups, industry, government, and academia. Together they developed [IWA 27:2017, Guiding principles and framework for the sharing economy](#), which identified and defined 10 guiding principles: integrity; transparency; accountability; accessibility and inclusion; responsiveness; health, safety and environment; confidentiality, privacy and security; capacity; competence; and continual improvement.

Following the IWA, CSA Group held a panel as well as discussions with the City of Toronto to explore how these principles could be implemented. This resulted in a [second research report](#) which consolidated challenges, opportunities, and existing best practices from around the world to help identify specific best practices for each of the 10 guiding principles. Those findings were then used to develop an [implementation guideline](#) and [checklist](#) that cities could use to verify if best practices were being followed.

## Validating the Implementation Guideline and Checklist with Four Cities

To verify the adaptability and applicability of the implementation tool, a pilot project was conducted with the cities of Amsterdam, NL; Guelph, CA; Toronto, CA; and Tokyo, JP. The guiding principles and best practices were reviewed and compared to each of the city’s regulations, policies, and guidelines to help identify gaps and obtain feedback on CSA Group’s research initiative and implementation tool.

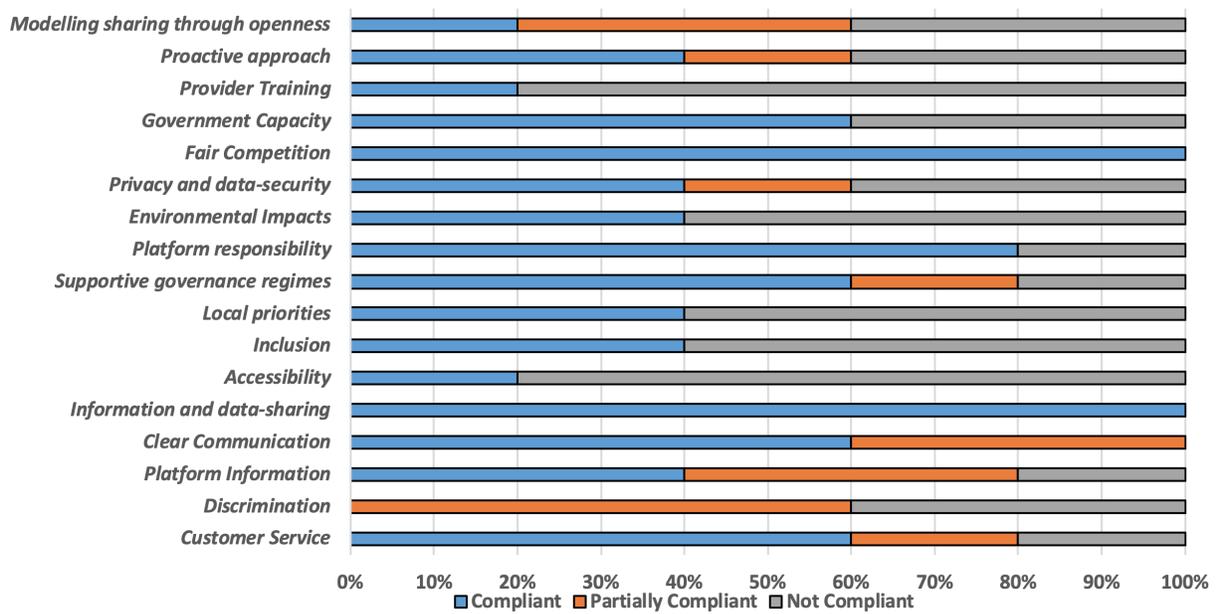
The pilot revealed that these cities had made significant strides in their compliance with some of the best practices and principles, such as information and data sharing (to demonstrate accountability), platform responsibility (in support of health, safety, and environment) and capacity (to help ensure fair competition). The participating cities were generally following some – not all – of the best practices for each of the guiding principles. Some specific areas that needed improvement included prevention of discrimination (to demonstrate integrity), accessibility and inclusion, and provider training (to demonstrate competence). The results of the pilot project are presented below, showing consolidated compliance of five groups from the four participating cities against each guiding principle.

Based on these findings, a summary of the gaps was presented to the four cities as recommendations to help them build their sharing economy frameworks.

The Sharing Economy Association of Japan believes in the value of this implementation tool and says that “it can be widely used by policymakers, practitioners, and entrepreneurs to maximize the benefits of sharing and even improve the working environment in impacted industries. We really think this is the first step in helping to build standardization for this constantly evolving sector.”

Indeed, after Tokyo piloted the implementation guideline and checklist, Japan submitted a proposal to ISO for the development of an international sharing economy standard. The research and implementation tool developed by CSA Group can serve as a seed document for those efforts to help jurisdictions around the world reap the benefits of the sharing economy. Until then, the implementation tool and checklist can be used now to help municipalities and service providers make the most of the sharing economy.

**Table 1: Pilot Project Findings**



*Note: The data is strictly based on the gaps found b/w CSA Best Practices and Cities' documentation*



## CSA group’s implementation checklist

The implementation checklist gives policymakers, consumers, and service providers a practical tool to confirm whether sharing services – and the governing framework – reflect the 10 guiding principles. Below is an excerpt from a checklist for platform responsibility to help users confirm they are integrating the principle of **Health, Safety, and Environment** in sharing economy activities.

|  |     |    |     |
|--|-----|----|-----|
| Have minimum requirements for insurance coverage of users by sharing economy organizations been set as a condition of operation in the jurisdiction?                     | Yes | No | N/A |
| Have minimum requirements for criminal record checks of providers by sharing economy organizations been set as a condition of operation in the jurisdiction?             | Yes | No | N/A |
| Have minimum requirements for appropriate licensing of providers by sharing economy organizations been set as a condition of operation in the jurisdiction?              | Yes | No | N/A |
| Would it be feasible and beneficial to require sharing economy organizations to provide a 24-hour telephone hotline for responding to urgent health and safety concerns? | Yes | No | N/A |
| Does the sharing organization provide clear and comprehensive safety information to users, and particularly to providers?  | Yes | No | N/A |

### Contact Us

To learn more about the sharing economy and to download our implementation guideline and checklist, contact us today.

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[csagroup.org/research](https://csagroup.org/research)