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SHARING ECONOMY IN RURAL AREAS

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Abstract: The prominence of the sharing economy is evident in the superiority that it has already achieved with respect to the traditional economy in some sectors, although we are waiting for a complete regulation about it, like issues of tax, labour, administrative law or even private law. In any case, the authorities would be encouraged to urgently address the expansion of this movement. The future CAP 2020-2027 promotes to focus on cooperative and collaborative aspects in order to complete its objectives. The sharing economy contributes to these objectives, it contributes and promotes food security and food sovereignty goals, different circumstances have favoured it: behaves of greater social responsibility, a greater responsible consumption, less waste of resources and to ensure the sustainable development of rural areas. Nowadays the practices that have their base in the sharing economy are very diverse but the most outstanding are: the relief service, the grouping of farmers for the acquisition of agricultural machinery: share agricultural machinery, and rural tourism. *(This paper is framed in the Research Project Los consumidores en la vivienda colaborativa, Proyecto I+D del Programa Estatal de Fomento de la Investigación científica y técnica de excelencia, Subprograma Estatal de generación de conocimiento, DER -84726-C3-2-P, 2018-2020, IP: Esther Muñiz Espada).*

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Summary: 1. The sharing economy in the rural areas.- 2. The relief service.- 3. Share agricultural machinery.- 4. Rural tourism.

1. When we deal with the sharing economy we explain that:

- it is justified by the development of technology,
- it is the consequence of the economic crisis,
- it is because of new models of consumption, or new social models
- it is due, even, to the rigidity or interventionism of market regulation

The sharing economy is above all a response to the inefficiencies of the system: the economic system, the price system and the labour model.

Both, in the urban and rural agrarian world the key is to determinate how to be more efficient with resources. The success of the model illustrates the example of Spain, 53% of Spaniards would be willing to share or rent goods in a context of collaborative consumption. The protagonist of the collaborative economy is evident in the superiority it has already achieved with respect to the traditional economy in some sectors.

Although we refer this phenomenon as sharing economy it can be also described such as peer economy, collaborative, platform economy, access economy, gig economy, on demand economy, common economy or hybrid economy, it is essential to mention that all of the term are related to the circular economy, however with the different scope of meaning.

It is difficult to provide a definition of collaborative economy accepted unanimously. For the Communication from the Commission to the European parliament, the Council, the European economic and social Committee and the Committee of the regions *a European agenda for the collaborative economy*, -COM (2016) 356 final-, the term *collaborative economy* refers “to business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals. The collaborative economy involves three categories of actors: (i) service providers who share assets, resources, time and/or skills —these can be private individuals offering services on an occasional basis (‘peers’) or service providers acting in their professional capacity (“professional services providers”); (ii) users of these; and (iii) intermediaries that connect —via an online platform — providers with users and that facilitate transactions between them (‘collaborative platforms’). Collaborative economy transactions generally do not involve a change of ownership and can be carried out for profit or not-for-profit”. In spite of this definition the fundamental characteristic of sharing economy is to avoid goods and services underused, and to obtain profitability with its temporary

assignment. The object, therefore, is temporary access to certain resources, not the transmission of property.

For outstanding the relevant role of the sharing economy in the agrarian space we need to remember the transcendence of art. 39 the Treaty on the Functioning of the European Union, the objective of the common agricultural policy shall be:

- to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- to stabilise markets;
- to assure the availability of supplies;
- to ensure that supplies reach consumers at reasonable prices.

In working out the common agricultural policy and the special methods for its application, account shall be taken of:

- the particular nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions;
- the need to effect the appropriate adjustments by degrees;
- the fact that in the Member States agriculture constitutes a sector closely linked with the economy as a whole.

In short, the objective is above all is to guarantee farmers' incomes and guarantee to consumers basic products at low prices. In this sense, the future CAP will focus on nine general objectives reflecting the economic, environmental and social importance of the policy:

1. Support viable farm income and resilience across the EU territory to enhance food security;
2. Enhance market orientation and increase competitiveness including greater focus on research, technology and digitalisation;

3. Improve farmers' position in the value chain;
4. Contribute to climate change mitigation and adaptation, as well as sustainable energy;
5. Foster sustainable development and efficient management of natural resources such as water, soil and air;
6. Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;
7. Attract young farmers and facilitate business development in rural areas;
8. Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;
9. Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, as well as animal welfare. (*European Commission, EU Budget: the Common Agricultural Policy beyond 2020, Brussels, 1 June 2018*).

The Sharing economy contributes to these objectives, different circumstances have favored it:

- behaves of greater social responsibility,
- a greater responsible consumption
- less waste of resources
- to ensure the sustainable development of rural areas,

In order to these goals the future CAP promote cooperative and collaborative approaches to achieve its goals.

2. Nowadays the practices that have their base in the sharing economy are very diverse but the most outstanding are:

- the relief service;
- the grouping of farmers for the acquisition of agricultural machinery: share agricultural machinery;
- And rural tourism.

The farm relief services:

- Support under this measure shall be granted in order to :

.- Help farmers, young farmers, forest holders, other land managers and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business (*art. 15 regulation EU 1305/2013 of the European parliament and of the council of 17 December 2013 on support for rural development by the European agricultural fund for rural development*)

.- For the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment.

.- Farm relief services should help farmers improve and facilitate management of their holding.

.- Eligible costs under this measure shall be the costs for travel, accommodation and per diem expenses of participants as well as the cost of the replacement of farmers shall also be eligible for support. All costs identified under this paragraph shall be paid to the beneficiary. (*art. 14.4 ib.*)

.- This Support shall be granted to the authority or body selected to set up the farm management or farm relief service.

.- Following the art. 41 regulation EU 1305/2013 the Commission shall adopt implementing acts, laying down rules on the implementation of the measures in this section concerning: procedures for selection of authorities or bodies offering farm and forestry farm management or farm relief services.

.- In Spain, Act 613/2001, of 8 June, for the improvement and modernization of the production structures of agricultural holdings, already dealt with by the aid scheme for the modernization of agricultural holdings and foresaw

in its art. 17 grants to agrarian groups whose objective was the creation of substitution services in the holdings of their partners.

3. On the second hand, one of the essential elements in the modernization of agricultural holdings is, together with investment in technology and research, the mechanization of primary production. To respond to the challenges of environmental protection and improve agricultural productivity and competitiveness, the Act 704/2017, of July 7, establishes the regulatory bases for the direct granting of state subsidies for the renovation of agricultural machinery in Spain: **Share agricultural machinery, the grouping of farmers for the acquisition of agricultural machinery.**

- The beneficiaries are:

- .- natural person or legal entities
- .- groupings of natural persons or legal entities
- .- cooperatives,
- .- agrarian transformation societies
- .- or other agrarian groups, whose partners or members are owners of, at

least, three of these farms altogether.

- it seeks to promote a set of innovations in agricultural machinery currently existing in the Spanish agricultural environment to improve the adaptation to the environment, environmental protection and efficiency and safety in primary production, thereby enhancing the provision of goods in one of the most important sectors.

-There is a follow-up and control to these subsidies; the beneficiaries will not be able to sell the new machinery during a period of five years, from their date of inscription in the Official Registry of Agricultural Machinery.

- Since coming CAP 2020-2027 wants to favour the innovation and the use of new technologies in the agrofood chain, in such law it should be necessary to include a mention to preferential subsidies and grants for acquisition of those technologies.

4. Another modality of sharing economy in the rural environment is **rural tourism**, which from its very beginnings was practiced spontaneously, and its legal regulation has occurred earlier than in the urban environment. Its regulation has become necessary above all due to the expansion that it has experienced and its environmental value.

It can be called rural tourism or agrotourism, ecotourism, or alternative tourism, and has many varieties, and each one has its nuances, one of the most appreciated being that of the wine tourism, at least in Spain.

Not only it is a means of development for the rural world, but also it is another function of agriculture. Agriculture fulfils a multiplicity of functions, which is why we talk about the multifunction aspects of agriculture. Agriculture not only serves to produce raw materials and basic products, but also as we perfectly know to: protect the environment, maintain the landscape, to improvement territorial cohesion,

That is why this activity of rural tourism or agro-tourism receives incentives from the public administration and support from various European programs. Rural tourism is a means to obtain a profit from the environment in which it is developed, rural or agricultural.

Therefore, from Europe, and especially from the autonomous communities in Spain there is a rural tourism strategy.

For its regulation, it must be borne in mind that it not only involves the one providing the service, but also a whole region or the region in which it is integrated so we have: transport, infrastructure, resources of the area, including the idiosyncrasy and character of the people who live there.

The European Parliament underline the value of tourism to the EU economy, underscored that "rural tourism and agro tourism should improve the quality of life, bring economic and income-source diversity to rural areas, create

jobs in these regions, keep people there - even by preventing depopulation - and establish a direct link with the promotion of traditional, ecological and natural food products".

The study of 2013 from Directorate-General for Internal Policies - Policy Department: structural and cohesion policies - Industrial Heritage and Agro/rural Tourism in Europe highline the benefit of rural tourism in the local economy about all and the social benefits, also in the heritage preservation, in the impact external issues, funding, incomes, regeneration communities, in a number of European countries the efforts have been made to link organic farming to a special type of environmentally friendly rural tourism, then the benefits are considerable, but there can be some disbenefits, especially in sensitive areas fragile ecosystems conservation areas. So, it is a very complex policy. Complex because it demands also a specific rural and urban interaction.

To start it is difficult to conceptualize what is rural turism. Acording to several authors "Rural tourism is essentially a tourism activity which relies on landscape and related heritage, the conservation of which is usually paid for by the public sector" (*ib.* p. 23). "Rural tourism is tourism which takes place in the countryside. Agro-tourism is rural tourism that takes place on farms". But it is recognized, such a simple definition of rural tourism is insufficient. In that way, in the Rural development programs in the autonomies communities in Spain there are different criteria about rurality and different list of rural areas. Also, rural areas are themselves difficult to define, about all because the criteria used by different nations vary considerably. So, the first problem is the ambiguity in the conceptualization of both rural areas and rural tourism

This variety makes its regulation difficult. Its regulation is made from private law and from public law.

From private law, under art. 1255 of the Spanish Civil code, which enshrines the principle of autonomy of the will, it is necessary to regulate the services that make up rural tourism through the agro tourism contract. It has an

onerous nature, and its content depends specifically on the type of activity to which it refers. It is not limited to accommodation; it includes a wide range of services. If it is agro-tourism, the agro tourist operator must be a farmer or an agricultural professional.

But in the field of rural tourism what stands out above all is the administrative regulation, the regulation on granting licenses to agro tourism establishments. The regulations are aimed at avoiding intrusion and defending quality and professionalism.

It has been regulated by the autonomous communities; dealing with accommodation and especially in the variety of types of accommodation. Each autonomous community offers specific types according to the peculiarities of the rural architecture of that area. What figures principally is the rural house or the rural hotel. Each type has specific requirements: it depends on the location, the capacity limit, the type of construction and the architectural value.

The main difficulty for the regulation of rural accommodation is the diversity of models, depending on the peculiarities of the area. The lack of consensus on denomination and typologies was a problem for consumer protection. It was precisely this problem that moved from Castilla y León, Spain, to propose a categorization, that is, to agree on a uniform system, to eliminate uncertainties about what is offered and to standardize rural tourism accommodation models.

In the similar way a system of quality brands has been organized in various autonomous communities linked to tourism excellence, with a rigorous system of control and the quality of control. At the European level, the development of codes of good practice for an ethical commitment and self-regulation is also promoted, And guides have also been prepared with a chart of rights and duties for the tourist businessman and tourist.

The associations in this area, which create networks of rural accommodation, also ensure quality and develop guidelines to maintain the European criteria to be followed by accommodation, propose systems for assessing compliance with standards according to levels of quality.

But the important thing is that the badge shows adequate information, avoiding contradictions and confusion to the consumer. Also it should reflect special characteristics and services if this end is met then it will really serve the rural and agrarian purposes of rural tourism as means of obtaining income, for the conservation of heritage and territory and for the sustainability of the environment. In Spain, it is not a finished regulation but it is much more advanced and prior to the ordination in the urban area.

Then, one of the area of sharing economy is tourism for instance. Rural tourism is of special interest to achieve rural progress and avoid depopulation of rural areas. Therefore, it is wise to explore the chances in sharing economy aiming to the development of rural areas and promotes ways to use efficiently the resources and use of common equipment.

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