

The Regulation of Reputational Information in the Sharing Economy

Authors : Emre Bayamlioğlu

Abstract : This paper aims to provide an account of the legal and the regulative aspects of the algorithmic reputation systems with a special emphasis on the sharing economy (i.e., Uber, Airbnb, Lyft) business model. The first section starts with an analysis of the legal and commercial nature of the tripartite relationship among the parties, namely, the host platform, individual sharers/service providers and the consumers/users. The section further examines to what extent an algorithmic system of reputational information could serve as an alternative to legal regulation. Shortcomings are explained and analyzed with specific examples from Airbnb Platform which is a pioneering success in the sharing economy. The following section focuses on the issue of governance and control of the reputational information. The section first analyzes the legal consequences of algorithmic filtering systems to detect undesired comments and how a delicate balance could be struck between the competing interests such as freedom of speech, privacy and the integrity of the commercial reputation. The third section deals with the problem of manipulation by users. Indeed many sharing economy businesses employ certain techniques of data mining and natural language processing to verify consistency of the feedback. Software agents referred as "bots" are employed by the users to "produce" fake reputation values. Such automated techniques are deceptive with significant negative effects for undermining the trust upon which the reputational system is built. The third section is devoted to explore the concerns with regard to data mobility, data ownership, and the privacy. Reputational information provided by the consumers in the form of textual comment may be regarded as a writing which is eligible to copyright protection. Algorithmic reputational systems also contain personal data pertaining both the individual entrepreneurs and the consumers. The final section starts with an overview of the notion of reputation as a communitarian and collective form of referential trust and further provides an evaluation of the above legal arguments from the perspective of public interest in the integrity of reputational information. The paper concludes with certain guidelines and design principles for algorithmic reputation systems, to address the above raised legal implications.

Keywords : sharing economy, design principles of algorithmic regulation, reputational systems, personal data protection, privacy

Conference Title : ICITE 2015 : International Conference on Innovation, Trade and Economics

Conference Location : Istanbul, Türkiye

Conference Dates : February 16-17, 2015