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(Self)-Regulation of Sharing Economy Platforms through Partial Meta-Organizing

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Abstract

Can platforms close the governance gap in the sharing economy, and if so, how? Through an in-depth qualitative case study, we analyze the process by which new regulation and self-regulation emerge in one sector of the sharing economy, crowdfunding, through the actions of a meta-organization. We focus on the principal French sectoral meta-organization, Financement Participatif France (FPF – *Crowdfunding France*). We show that this multi-stakeholder meta-organization not only closed the governance gap through collective legal, ethical, and utilitarian work but also preceded and shaped the new market. We present a hybrid governance approach combining a) soft multi-agency regulation, b) self-regulation through a process of “partial meta-organizing”, and c) direct civil society participation. We expand the literature by highlighting features of partial meta-organizing by sharing economy platforms and by identifying conditions for successful joint regulation and self-regulation of the sector.

Keywords

Sharing economy, crowdfunding, self-regulation, meta-organization, partial organization, governance

Introduction¹

The rise of the sharing economy seems irresistible all over the world, challenging existing regulatory frameworks and calling for a rethink of the governance of peer-to-peer platforms (Sundararajan, 2016). Little research has closely examined this gap or misfit between existing governance apparatus and new practices or technologies in the sharing economy, and most of it argues for public regulation to close the gap (Chaffee & Rapp, 2012; Hong & Lee, 2018a, 2018b). The question of how joint industry-level actions by platforms can also contribute to close the sharing economy's governance gap remains mostly unanswered. Our paper aims to contribute to this debate and to provide a finer understanding of how sectoral governance emerges in the sharing economy.

Platforms play a central role in the sharing economy. Yet most of these new economic players operate in a grey regulatory area, or a governance gap (Whelan, 2017), where what is legal or illegal remains unclear and where incumbent industry legislation is unsuited to oversee their emergent practices and technological developments. The literature has not yet agreed whether hard or soft law is the best way to address this governance gap in the sharing economy. Some authors argue that a strong regulatory framework is needed, and that platforms are too embryonic to self-regulate (Chaffee & Rapp, 2012). Hong and Lee (2018a, 2018b) highlight the different roles of national and local government in this regulation. However, Cohen and Sundararajan (2016) argue that only self-regulation by economic players can enable the sharing economy to innovate and develop. Few studies have examined this alternative, despite its central importance in incumbent industries (King & Lenox, 2000; Palazzo & Richter, 2005).

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Extensive management, organization and governance literatures analyze the emergence, configuration, and drivers of industry self-regulation (Bartley, 2007; Gond, Kang, & Moon, 2011; King & Lenox, 2000). Most industry-level self-regulation occurs through “meta-organizations”, i.e. organizations of organizations (Ahrne & Brunsson, 2008), such as standards associations, industry associations, and multi-stakeholder initiatives. This line of work has mostly focused on traditional firms and incumbent industries (Berkowitz, Bucheli, & Dumez, 2017; Christiansen & Kroezen, 2016; Marques, 2017). However, in the sharing economy, platforms are central economic players that differ from the traditional firm (Acquier, Daudigeos, & Pinkse, 2017) and raise specific governance issues (Scherer, Rasche, Palazzo, & Spicer, 2016).

Without adequate analysis of platforms’ specific governance challenges, scholars and policymakers may undervalue the political responsibility of platforms in the sharing economy. Ultimately, this may lead to an oversimplified conceptualization of the sharing economy’s governance, focusing uniquely on hard law, and possibly threatening market development and innovation (Brescia, 2016; Cohen & Sundararajan, 2015). So, how can sharing economy platforms “meta-organize”, i.e. partially coordinate their joint actions through meta-organizations, to regulate and self-regulate their practices? How do regulation and self-regulation frameworks emerge in the sharing economy, and how can they be combined? Do platforms develop meta-organizations in specific ways?

To answer these interrelated questions, we conducted an in-depth case study of the emergence of regulation and joint self-regulation in the crowdfunding sector, an exemplar case in the sharing economy (Belk, 2014; Hamari, Sjöklint, & Ukkonen, 2016). More precisely, we study the creation, structuration and actions of the principal French crowdfunding meta-organization, Financement Participatif France (FPF). We collected

rich qualitative data over two years using mixed techniques, including 68 interviews, seven observations, archive retrieval and the study of legal documents.

Our results reveal that the platform meta-organization preceded and shaped the crowdfunding market itself. FPF was set up to answer the need to develop platforms and new technologies, with the aim of building trust with regulators, and protecting the industry from black sheep. Eventually, the meta-organization co-constructed a new regulatory framework in cooperation with regulators and industry self-regulation. However, we show that platforms can only accomplish this by formally creating a partial meta-organization that includes multiple stakeholders.

We suggest that, for crowdfunding platforms, a hybrid approach of regulation and joint self-regulation may also be conducive to adaptive governance (Hong & Lee, 2018a, 2018b). This approach combines 1) soft multi-agency government regulation, 2) self-regulation through partial meta-organizing and 3) direct civil participation through meta-organizational mechanisms. We identify some sector-level conditions for this hybrid governance of crowdfunding platforms, such as a gap in the regulatory framework, formal coordination of the meta-organization, high market fragmentation, strong player interdependency, and a shared interest in developing ethical practices. These conditions may vary across subsectors of the sharing economy, but they may also be relevant for other new, innovative fields.

We expand meta-organization theory by highlighting the characteristics of platforms' partial meta-organization, i.e. a unique organizational form and coordination mechanisms. We also contribute to the governance literature by highlighting how such a meta-organization can close a governance gap by engaging in legal, ethical, and utilitarian work. Lastly, we contribute to the sharing economy literature by providing empirical

evidence of a hybrid governance approach that could offer decision makers rich opportunities to rethink platform governance while encouraging innovation.

The paper is organized as follows. The next section gives a brief overview of the extensive literature on industry governance, and the specific challenges that platforms in the sharing economy face. Then we explain our methodology and findings, before analyzing how partial meta-organizing closes the governance gap in the crowdfunding sector. The last section discusses the theoretical and managerial implications of our findings and concludes.

Governance of industries and new challenges of the Sharing economy platforms

Below, we review the extensive literature on the drivers and dynamics of global governance and the questions that the sharing economy raises.

Transformations of global governance

Recent literature has highlighted the growing privatization of regulation as a mode of joint governance of human activity (Büthe & Mattli, 2011; Simon, 2017). The rise of “regulatory capitalism” contributes to the construction of a new international order (Levi-Faur, 2005), increasingly characterized by transnational governance dynamics (Bartley, 2007; Djelic & Quack, 2018) and a proliferation of instances, technologies and tools for private and public regulation (Jordana & Levi-Faur, 2005; Levi-Faur, 2005).

In this context, firms have been producing more and more self-regulation mechanisms and instruments, or soft law (Gond et al., 2011). These mechanisms include firm-level corporate social responsibility instruments, such as codes of ethics or responsible investment (Busch, Jörgens, & Tews, 2005) but also standardization (Brunsson &

Jacobsson, 2000; Brunsson, Rasche, & Seidl, 2012) and industry norms (King & Lenox, 2000; Mena & Palazzo, 2012; Rajwani, Lawton, & Phillips, 2015). Corporations may decide to jointly self-regulate for strategic reasons, such as protecting their industry's collective reputation from bad players (King, Lenox, & Barnett, 2002), influencing institutions (Barley, 2010; Rajwani et al., 2015) or simply because industry-level cooperative strategies may increase the market size for all participants (Barnett, 2006).

Multiplicity and plurality of industry self-regulation

At both industry and trans-industry level, business self-regulation relies on multiple types of collectives and coalitions (Djelic & den Hond, 2014), including standards organizations (Brunsson et al., 2012), multi-stakeholder initiatives (Mena & Palazzo, 2012; Rasche, 2012; Whelan, 2017), global associations for sustainability standards, such as ISEAL (Loconto & Fouilleux, 2014), and industry associations (Laumann & Knoke, 1987; Marques, 2017).

Bartley (2007) shows for instance that transnational labor standardization emerged as a market response to both mounting criticism of sweatshops and the increase in private regulation. NGOs and governments, such as the Clinton Administration, played a key role in the creation of standards organizations – including the Fair Labor Association. These associations essentially started as “an outgrowth of the U.S. Department of Labor” (p. 330), but then developed through the work of NGOs and companies. As a feedback loop, standards organizations also contribute to policy change, by interacting with governments (Lee, 2009).

Self-regulation through meta-organization

The common feature of this wide range of players contributing to business self-regulation is that they constitute ‘meta-organizations’, that is, organizations whose members are themselves organizations (Ahrne & Brunsson, 2008; Berkowitz et al., 2017; Rajwani et al., 2015). Multi-stakeholder initiatives, for instance, qualify as meta-organizations (Berkowitz et al., 2017; Mena & Palazzo, 2012). Standards organizations like ISO or the Marine Stewardship Council also constitute meta-organizations (Brunsson, Gustafsson, & Hallström, 2018). And this matters, because by nature, meta-organizations function differently from organizations of individuals (Ahrne & Brunsson, 2008). They rely much more on member-organizations’ resources and usually lack hierarchy. They function horizontally and rely on consensus to make collective decisions, due to the importance of member-organizations’ identities and individual agendas (Ahrne & Brunsson, 2008).

Rasche, Bakker and Moon (2013) show that self-regulation through standards and cross-sectoral initiatives (or meta-organizations) selectively combine organizational elements identified by Ahrne and Brunsson (2011). Firms partially organize their environment through meta-organizations, in an attempt to reduce uncertainty (Ahrne, Brunsson, & Seidl, 2016). In other words, a meta-organization can be understood as a “partial organization”: a socially decided order that lacks certain organizational elements, such as hierarchy or monitoring (Ahrne et al., 2016).

Industry self-regulation through meta-organization can not only promote industry self-interest but also raise firms’ social consciousness (Marques, 2017), providing what the literature calls a “political” turn of corporate social responsibility (Whelan, 2012), that is, a conceptualization of the firm as taking on new responsibilities (Scherer & Palazzo, 2007). From that perspective, self-regulation through meta-organization goes beyond the simple positivist tradition of corporate social responsibility. This new political role of

firms translates into collective governance dynamics, in a world where responsibility is increasingly shared across society (Scherer, Palazzo, & Baumann, 2006). More recently, Scherer, Rasche, Palazzo and Spicer (2016) have called for further investigation of new dynamics of political corporate social responsibility, including the efficiency of private governance or the effects of economic digitalization on governance, as indeed happens in the sharing economy.

The advent of platforms and peer-to-peer transactions

Acquier, Daudigeos and Pinkse (2017) identify three key pillars that frame the sharing economy: 1) access economy (sharing underused assets such as financial savings, tools and rooms), 2) platform economy (using platforms to decentralize and intermediate transactions between peers) and 3) community-based economy (nonhierarchical, monetized or non-monetized transactions between the crowd).

These various definitions mean that the sharing economy may encompass highly dissimilar peer-to-peer markets of “collaborative consumption ventures” (Belk, 2014), including room rental (Zervas, Proserpio, & Byers, 2017), driving services (Cannon & Summers, 2014), crowd logistics (Carbone, Rouquet, & Roussat, 2017), lending (Fraiberger & Sundararajan, 2017; Gerwe & Silva, 2018) and collaborative financing of projects or companies, or crowdfunding (André, Bureau, Gautier, & Rubel, 2017; Belk, 2014; Hamari et al., 2016). In all these cases, platforms are central intermediaries between organizations and individuals. Sharing economy platforms governance raises specific challenges.

Governance gaps in the sharing economy

Consumer protection watchdogs around the world have grown increasingly concerned over the risks sharing economy platforms may represent for consumers (Rauch & Schleicher, 2015). Brescia (2016) argues that this concern leads to a lack of trust in unregulated platforms. This lack of trust may impair platform growth and profitability. Governments and regulators are also struggling to monitor and regulate these new business models (Rauch & Schleicher, 2015), meaning that sharing economy platforms often operate in a grey regulatory area. This is largely due to platforms' technological developments outpacing governance frameworks, or what Whelan (2019) calls dispositive modalities, i.e. existing legal, ethical or utilitarian devices, which creates a governance gap (Whelan, 2017). "The sharing economy creates new ways of providing familiar services that are traditionally often highly regulated, regulatory conflict is to be expected" (Sundararajan, 2016, p. 137). But the recent sharing economy literature provides no consensus on how to address this governance gap.

Chaffee and Rapp (2012) argue that a strong regulatory framework is needed to protect not only consumers but also platforms and society in general. According to these authors, self-regulation is not a credible option for such new sectors, because it would be too radical for emerging markets and businesses. They suggest two main regulatory alternatives: a multi-agency regulatory approach, in which multiple state agencies monitor and control activities; or a single institution approach, in which one dedicated agency exercises authority.

From this regulatory perspective, Hong and Lee (2018a) argue that centralized governance is inappropriate for the sharing economy. They provide evidence concerning Airbnb, suggesting that decentralization (local government administration) is more responsive to regulatory issues in the sharing economy and provides more adaptive

governance. In a second study, Hong and Lee (2018b) show that government regulators have implemented different regulatory strategies for home-sharing companies, either incorporating them into existing frameworks or developing strict new regulations. A policy monopoly may favor incumbents' interests, or what the authors call protecting the status quo. However, political competition may push regulation against incumbents and in favor of the sharing economy.

Yet for other scholars, self-regulation by market players should be considered. Zrenner (2015) shows that governments have tended to delegate regulatory responsibility to Uber, instead of actually regulating the company, as is the case in most incumbent industries. Cohen and Sundararajan (2015) argue that only self-regulation can solve the governance problems of the sharing economy while allowing grass-roots innovation to emerge. The issue of regulating while allowing market development is central (Brescia, 2016). Transferring responsibility for regulation from governments to third parties, such as groups of platforms, may help solve governance issues in the sharing economy (Cohen & Sundararajan, 2015).

Such coalitions, which we have discussed earlier as meta-organizations, may develop business practice rules or arbitrate disputes. Thus, they would fill a form of institutional void (Mair, Martí, & Ventresca, 2012). Yet little research has closely examined the characteristics of self-regulation through meta-organization in the sharing economy. Can sharing economy platforms join together to self-regulate, and if so, how?

To reformulate this, we have shown that most work studying self-regulation through industry coalitions, or meta-organizations, has focused on traditional economic players, in incumbent industries (Marques, 2017), such as alcohol (Christiansen & Kroezen, 2016) or oil and gas (Berkowitz et al., 2017). Sharing economy platforms, with their new business models as transactions intermediaries, are a new type of economic player. In

what conditions can they meta-organize to (self-)regulate? And how do regulation and self-regulation processes emerge?

Methodology

Research design

Our paper investigates the emergence of sharing economy platforms' regulation and self-regulation through meta-organization. The case study method is appropriate to describe such a new phenomenon, rather than to test propositions (Eisenhardt, 1989; Yin, 2012). In-depth studies are often used to explore a multifaceted phenomenon such as self-regulation (Barnett & King, 2008; King & Lenox, 2000). Besides, focusing on a single case allowed us to consider this new phenomenon from different angles without having to choose which types of data to collect beforehand (Eisenhardt, 1989; Yin, 2012). Few recent studies have used case studies to explore governance challenges in the sharing economy (Hong & Lee, 2018a, 2018b). Most work in that domain consists of reviews (Chaffee & Rapp, 2012) or regulation scenarios (Zervas et al., 2017).

Industry and case selection

To address our research question, we chose to study the French crowdfunding sector, as it provides an exemplar of sharing economy governance challenges. Indeed, as part of the sharing economy (Belk, 2014; Hamari et al., 2016), peer-to-peer lending or equity financing relies on new technology developments and may raise both regulatory issues and ethical concerns (Chaffee & Rapp, 2012; Philippon, 2016).

The French context is particularly interesting, because crowdfunding has developed in a grey regulatory area, as it attempted to bypass a banking monopoly in place since the mid-20th century (Souchaud, 2017). Worldwide crowdfunding volumes were estimated at \$34bn in 2015. Crowdfunding raised about €630m in France in 2016 (about \$740m),

compared with €7.9m (\$9.3m) in 2011 (FPF Yearly barometers). Thus, in five years, crowdfunding volumes in France increased almost one hundredfold.

Box 1: Presentation of FPF (as of Oct 2017)

Creation date: August 2012

Website: <http://financeparticipative.org>

Objectives: to “jointly represent and defend the rights and interests of crowdfunding players”

Members: 68 crowdfunding platforms, including 22 reward-based, 26 equity-based, and 39 lending-based (several platforms provide more than one type of crowdfunding and are therefore included in different categories)

2018 board: Chairman: head of WiSEED, Vice-presidents: head of Unilend, head of Freelendease, Ethics officer (Professor at Paris Dauphine University)

Data collection and analysis

Data collection. The data collection process lasted two years and combined various techniques, from semi-structured interviews and archival data collection to observations (see Table 1). We collected both primary and secondary data to triangulate our results (Eisenhardt, 1989; Gibbert, Ruigrok, & Wicki, 2008; Lincoln & Guba, 1985). We collected primary data through 68 interviews with several actors in the field and observation of seven FPF board meetings or platform training sessions. Interviewees included FPF platforms, regulators, legislators, and consumer associations. The interviews lasted from 30 to 120 minutes. We also collected legal documents (ordinance, decrees) and other archival data (e.g. reports, press articles).

We organized data collection in three phases. We first conducted an exploratory study, meeting crowdfunding platforms (some of which we have anonymized in the paper), regulators, and experts. The purpose of this preliminary investigation was to get a primary understanding of the case characteristics and to develop an interview guide (Yin, 2012). We identified key actors, such as FPF's Ethics officer, a position created within the association to help address sector-level governance issues. During this phase, we developed a preliminary overview of FPF's role and actions within the sector. We developed an interview guide focused on: 1) organization of FPF and governance role; 2) processes and devices it has implemented to ensure ethical practices; 3) potential governance issues and FPF's treatment of them. Throughout the data collection process, we recorded interviews and transcribed them as soon as possible, to ensure data quality (Gibbert et al., 2008).

We then entered a second stage of data collection, during which we interviewed crowdfunding platforms, FPF board, regulators, legislators, experts, advisors, and consumers' associations, using our interview guide. To observe FPF's activities, we decided to join the association, through its Ecosystem college, an organization within the association that represents civil society. We remained nonparticipant observers and the association was aware of our professions and research objective. This allowed us to observe meetings and training sessions, providing primary direct observation of governance issues as they unraveled.

In the last stage of data collection, we refined our overall understanding of the case and of the governance issues we had identified. To check our intuitions and gather additional insights, we met the Ethics officer on multiple occasions, and were able to monitor the development and resolution of governance issues he faced at FPF. Thanks to these meetings, the Ethics officer finally decided to provide us with unique access to emails,

archives, and memos concerning governance issues. This additional material enabled us to document our analysis further and to triangulate the information we had collected through interviews and observation. Ultimately, different types of fieldwork provided both triangulation and “undeniability” (Denzin & Lincoln, 1994).

Data analysis. To explore the emergence of regulation and self-regulation in this sector, we constructed a historical narrative of the development of the crowdfunding sector and interactions between FPF, platforms members, and regulators. By narrative, we mean the “construction of a detailed story from the raw data” (Langley, 1999, p. 695). This detailed narrative is a central product of our research, as it helps understand the organizational dynamics while disclosing their richness and complexity (Lincoln & Guba, 1985).

To construct the narrative, the authors read the material separately several times and met repeatedly to discuss material, analysis, milestones, and turning points in the story. We coded the material multi-thematically, identifying various themes and units of meaning in these themes (Dumez, 2016). Appendix A summarizes our multi-thematic coding. For instance, we identified a theme covering FPF’s emergence in the context of the crowdfunding governance gap. After the Senate hearing, which constituted a turning point, we identified a second theme, the organizational transformation of FPF. FPF’s co-construction of the regulatory framework in cooperation with regulators and self-regulation with civil society, provided a third theme. Lastly, we coded some material under the theme of self-regulation efficiency. This analytical strategy enabled us to account for various viewpoints in the narrative (Dumez, 2016), such as those of the regulators (fears of crowdfunding risks) and the platform founders (fears of black sheep). Writing the narrative unraveled these four themes.

Finally, the narrative, a “data organization device” (Langley, 1999), served as a basis for our subsequent analysis (Eisenhardt, 1989). Since we aimed to investigate the extent to

which sharing economy platforms could self-regulate through meta-organization, we used Ahrne and Brunsson's concepts as guiding analytical frameworks to move to a more explanatory, conceptual analysis. Meta-organization and partial organization, therefore acted as "sensitizing" concepts that informed and structured our analysis (Järvi, Almpantopoulou, & Ritala, 2018).

We first drew out the meta-organizational elements of the case (Ahrne & Brunsson, 2008; Berkowitz et al., 2017), identifying how meta-organizing attributes, such as coordination mechanisms and collective decision-making processes, emerged or evolved in FPF. Then, we applied the partial organization concept to our findings. This makes sense, because meta-organizations and partial organization are deeply interconnected concepts (Ahrne et al., 2016; Grothe-Hammer, 2019; Järvi et al., 2018). To do so, we built our analysis on recent case studies (Grothe-Hammer, 2019; Järvi et al., 2018; Nielsen, 2018) using the five elements of organization (membership, hierarchy, rules, monitoring and sanctions). With this analysis, we sought to highlight the differences between the meta- and partial organizing of sharing economy platforms, and of other collectives (Bartley, 2007; Berkowitz et al., 2017).

The emergence and structuration of French Crowdfunding governance

In this section, we narrate the emergence and structuration of crowdfunding governance. First, we detail the state of crowdfunding platform governance at the start of FPF. Then, we describe the actions that structured the sector's regulation and self-regulation. Finally, we assess the effects of joint self-regulation.

Crowdfunding platforms governance at the birth of FPF

Since December 1945, French credit regulation has followed a unique principle, that of the banking monopoly. The law gave the central State control over funds allocated by commercial banks to rebuild the country after World War II. Over time, the State's role diminished, but one rule remained: nobody could enter the interest-bearing loan market without a banking license, after a long, demanding, extremely bureaucratic process.

In 2010, a peer-to-peer lending platform called Friendsclear became the first French platform to try to bypass the banking monopoly. However, the Banking Authority – a national agency regulating credit – forced it to cease operations in April 2011 until it obtained the required operating license. Friendsclear reopened in December 2011, in partnership with a large established bank. However, in June 2012, the Banking Authority shut it down again, and this time, for good.

But in August 2012, two crowdfunding platform founders registered an association, Financement Participatif France or FPF. It aimed to “represent the joint interests and rights of crowdfunding players” (extract from the 2012 statutes). What did crowdfunding mean for them? At that time, business models and technologies were still emerging but entrepreneurs saw crowdfunding as potentially three distinct activities: *reward-based platforms*, like Kisskissbankbank, which already existed and were the best-known; *peer-to-peer lending platforms*, which sought to use new technology to provide loans and were illegal; and another emerging form, *crowdequity* (capital equity crowdfunding), also using new technology but whose legality was uncertain. Therefore, crowdfunding platform entrepreneurs were operating in a regulatory and normative grey zone: the existing legal apparatus for banking was too constraining and restrictive for their technologies, but entrepreneurs were unsure whether they could benefit from different

regulations. In that context, these various players also understood the need to cooperate to improve their legitimacy:

“I’d say there were around 20 people who were really counting on this creation, and they were mainly start-ups that had just been founded, they didn’t have a business model yet, they had very few clients and very heavy regulatory requirements [...] I think there were a lot of quite weak organizations that wanted to establish their legitimacy and also base their legitimacy on being part of a group, because they had a shared vision but they had to sell it. And one platform alone, just one economic player, cannot sell it [...].” Interview with FPF member

Several cognitive barriers were impeding the development of crowdfunding – barriers that FPF sought to remove. Crowdfunding platform entrepreneurs lacked the confidence to launch their businesses without the security of the law, due to the governance gap in which they were operating. But they believed they could bypass the banking monopoly, and that crowdfunding was the right alternative to a financial system they deemed too sophisticated, profit-oriented and disconnected from SME operations.

*“When I remember how we used to describe those quants creating by-products from by-products, the guys were clearly there to f*** over the client, to play with smoke and mirrors to lure people into buying a house of cards. [...] Crowdfunding positioned itself based on that, it was a way to put people back at the heart of finance.”* Interview with FPF member

“We can say we’ve got a product for something that’s not just for financial gain.”

Interview with FPF member

On the other side of the mirror, regulators and legislators hardly trusted these emerging, digital businesses that they neither knew nor understood. Big banks were the incumbents that they understood and with whom they had established connections. Crowdfunding

was surrounded with fears of consumer risks: money laundering, terrorism financing, fraud, but also risks related to the platform itself, such as lack of transparency and financial accountability. These fears prompted regulators either to prevent the sector's development or to regulate it harshly.

“There are two senators who said that crowdfunding needs to stop because it's the best way to finance terrorism” (a member of FPF)

“A huge ethics problem plus a huge scandal means a huge mess!” (Financial Markets Authority)

These fears also affected entrepreneurs, who worried that one unscrupulous platform could damage all their efforts. At this stage, the association remained informal. Increasing numbers of crowdfunding entrepreneurs joined it. They were looking for an open arena to exchange ideas, learn, and discuss business development, and for a structure to defend their interests and protect them against another “Friendsclear.” The association began informal discussions with regulators, not only to develop relationships but also to enhance the regulators' knowledge of crowdfunding.

After these informal meetings, the parliamentary finance commission officially invited crowdfunding players to a formal hearing in January 2013. The legislators were seeking to understand the sector and the regulations required to frame its development. The commissioner clearly intended to add a crowdfunding section to banking law, to encourage the development of crowdfunding. The underlying aim was to facilitate SME employment through this new financing system. Platform entrepreneurs were eager to share their proposals to ease the regulatory framework. Yet the hearing did not go as planned. According to participants, the meeting was a mess. The platforms appeared divided, unprepared, and disorganized. The different types of crowdfunding players had

no consistent arguments. They presented weak proposals for regulation with unclear objectives. The commissioner dropped the project and the hearing was a failure.

“They came with proposals that seemed to me... I had trouble understanding exactly what they wanted, or how they wanted it to... I remember it as unclear and unfinished and I wasn’t even sure if it was relevant to the goal they wanted to achieve. So I think that they weren’t very clear on what they wanted to achieve by meeting the legislator, or even why they were there.” (Finance Hearing commissioner)

The organizational transformation of the platform association

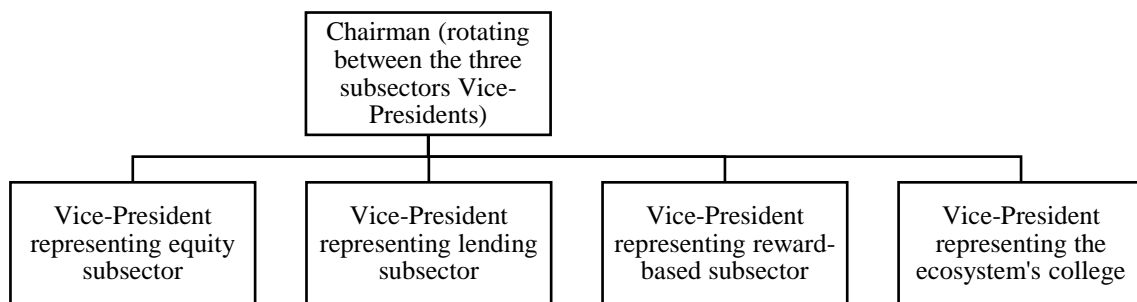
The failed hearing made platforms aware of their weak collective organization and of the need to strengthen their association. They decided to transform and professionalize FPF. The association became more structured, rather than fully participative and directly democratic, as it had been before.

“So that was when we decided to adopt a tougher structure and give less room to players who we thought were blocking us, overshadowing us, those who were not productive enough or failed to move forward when we had the opportunity to do so.” (a member of FPF)

The association was split into two clear bodies: the “platform college” (with all the platforms) and the “ecosystem college” (civil society, with academics, local governments, law firms, citizens, entrepreneur networks, new technology startups, and other players interested in the development of crowdfunding). FPF appointed a volunteer ethics officer from the ecosystem college, a university professor of philosophy and ethics. Having this college and the ethics officer enabled FPF to consult and inform stakeholders.

To ensure adequate representation of the three main activities on the board – reward, lending, and equity crowdfunding – the association decided to appoint four vice presidents, one for each activity and one for the ecosystem college. Each of the activity vice presidents acted in turn as chair. The statutes were renewed, with the president’s mandate increasing from one to two years, to ensure stability. The organization chart in Figure 1 shows these various mandates inside FPF. The platforms also introduced a procedure for excluding members. The association recruited a full-time secretary and moved its offices to the premises of one of the professional banking associations, OCBF, to gain respectability.

Figure 1: Organization chart of the crowdfunding meta-organization



After this internal restructuring, FPF developed a much stronger, coherent position. In April 2013, FPF attended a national entrepreneurship conference, where it obtained official support from the French president, who expressed his desire to reform French monetary and financial law to facilitate the development of capital and interest-bearing loan platforms:

“Crowdfunding received support from several parties during the Assises de l’Entrepreneuriat, which resulted in an announcement by the President of the Republic in April of the need to support crowdfunding in France.” [FPF, 2013 Annual Report]

The co-construction of regulation and self-regulation

After this event, the governance framework developed more rapidly. First, the government held two meetings between April and August 2013, between, among others, banking and financial market regulatory agencies, and FPF. These meetings identified regulatory needs and problems and resulted in a broad national consultation on crowdfunding regulation, in September 2013.

During this consultation, FPF made proposals and helped regulators draft an ordinance. Almost all FPF suggestions were accepted.

Ordinance no. 2014-559, of 30 May 2014, and decree no. 2014-1053, of 16 September 2014, introduced two new statuses. One of these, IFP (Crowdfunding intermediary), allowed peer-to-peer lending platforms to operate as long as: 1) they respect a broad principle of transparency in their communication with lenders and borrowers, 2) they publish financial figures enabling their activities and default rates to be monitored, 3) they respect a €1 million threshold per project and €1 000 threshold per ticket, 4) they only allow individual contributors to lend their own money (business entities can borrow but not lend on these platforms). The second status, CIP (Crowdfunding adviser), enabled capital investment platforms to develop with similar rules. In just two years, platforms had managed to bypass the banking monopoly.

This new legal apparatus only provided the platforms with loose regulations. First, it stresses the importance of transparency in public communication. Second, it aims to protect private individuals, by enforcing a default rate and thresholds. But it does not define transparency or rates in detail. Within this framework, crowdfunding platforms report to several regulatory agencies: the Banking Authority (ACPR) for lending transactions, the Financial Markets Authority (AMF) for equity, the Consumer Protection Agency (DGCCRF), the Money Laundering Prevention Agency (TRACFIN), and the

Platform Registration Office (ORIAS). The ordinance also makes it possible for FPF to become a Financial Markets Authority approved association, which would require the association to monitor its members more strictly.

At the same time, FPF was discussing industry norms. Members of the board, platforms, and the ecosystem college, were debating rules, thresholds, and best communication practices. FPF also provided its members with compulsory training, for instance on money laundering. In a collective bricolage, that is, a collective tinkering process, FPF members defined principles to guide their practices. These proposals resulted in the co-construction of a code of ethics that sets industry standards for transparency, transaction security, consumer protection, and compliance. All FPF members must abide by this code to remain members of the main national crowdfunding association, in direct contact with the government.

“Everyone, please read them again because you will be asked to vote on them and, if approved, to sign them. Let me know if you’re OK with the text as is or send me suggested changes if you notice anything that’s missing or needs to be improved. Once approved, we can send everything to the members along with the AGM invitation as the text will be submitted for approval during the meeting.”

(Email from one vice-president to the entire FPF board, February 2014, regarding the draft ethics code)

Several versions of the code were signed during FPF general meetings, including one in 2012 and another in February 2014, just before the ordinance. In that version, the code revealed the member expulsion procedure on which FPF had decided. However, it soon proved inapplicable. A new 2016 version proposed a more gradual sanctions procedure with a pre-expulsion phase. So far, no member platform has been formally removed. While there have been spinoffs, such as rival associations focusing on only equity

crowdfunding, these associations, and their members, are almost all FPF members as well. Thus, most of the sector is affiliated to FPF, and stakeholders consider it the most important association in the field.

The efficiency of the governance framework

One of the informal tasks of the Ethics officer is to audit platforms to check that they comply with the ethics code. During a one-off audit, in June 2016, the officer became aware that a platform, Lendingfield, only financed projects led by the platform CEO's father. The Ethics officer discovered that the website did not mention this family link, which may constitute a conflict of interest.

To address the issue, he sent an email to the CEO explaining that the website should make this potential conflict of interest clear. The CEO replied that this was none of the officer's business, that the email was unduly intrusive, and that if he had an issue with their disclosure policy, he could hire a lawyer. The Ethics officer reported the situation to the FPF board and the regulators. The board sent an official warning, which triggered a public argument between the platform CEO and the Ethics officer at a board meeting, following which the board launched the procedure to exclude the platform for unethical behavior. The platform took this threat seriously, and decided to disclose full information about the family link on its website. Consequently, Lendingfield was allowed to remain a member of the association.

"The Lendingfield CEO complained about unjustified interference in their business model and asked which members of the Board approved sending this letter. [...] The Ethics officer reminded him that Lendingfield had signed the code of ethics and had to comply or risk being removed. He added that the Board was

almost unanimous in its opinion and did not divulge individual votes.” (FPF member)

“Lendingfield has changed their website to make the connections to the CEO’s father clear.” (FPF member)

Transparency is a crucial issue for the FPF ethics officer. FPF and its ecosystem members are indeed very sensitive to the risk of money laundering and terrorism financing through crowdfunding platforms. The association’s headquarter is in Paris, a city that has suffered from terrorist attacks for which the arms were funded using loans obtained by deceiving online banking procedures. This may be one reason why FPF organized a workshop in June 2016 with the Money Laundering Prevention Authority, Tracfin.

During this workshop, platforms realized that they misunderstood and underestimated their legal responsibilities. They were mistakenly convinced that they would not be considered responsible if they identified an illegal project and simply refused to fund it. However, they learnt that the law also requires them to denounce such projects to Tracfin. If they fail to do so, platforms and their CEO could be convicted of complicity in criminal endeavors. Some platforms were not even aware of the existence of Tracfin or of the possibility of contacting them. They certainly did not know that informing them of criminal activity is compulsory under criminal law. The workshop was organized jointly by FPF and the regulator, and thus it contributed to build shared knowledge in this area. Another governance issue shows both the importance of transparency, and the association’s role in regulating platform behaviors. The 2014 ordinance makes it compulsory for platforms to publish financial ratios periodically on their website. However, it is unclear how these ratios have to be computed, and nor are FPF members sure whether these ratios give the public appropriate and relevant information. In February 2017, a consumer association published a report showing that different

platforms defined these ratios in very different ways. The report also showed that the information about project default rates was not as fair as FPF claimed it to be. The report was widely publicized in the national press, which concluded that crowdfunding was a fraud.

"Our analysis shows that crowdfunding stakeholders provide consumers with mediocre services [...] promises of overestimated yields, incomplete presentations and haphazard selections of funded projects, and a lack of respect for legal obligations [...]." (Consumer Association 2016 report p. 2)

"The consumer association criticism is extremely harsh. The association implies that the sites take advantage of French consumers' relative ignorance of finance."
(Press article, La Tribune, 23 February 2017)

In response, FPF published a press release and began internal discussions regarding their own rules. The Ethics officer reaches an agreement with platforms on homogeneous ratio definitions and ratio publication. FPF then presented the regulators and the consumer association with a preliminary agreement, asking them to make additional recommendations before its adoption by FPF Board.

"Dear FPF member lending platforms [...] Please confirm your approval for publication of the attached indicators." Email from the Ethics officer to FPF members to approve the ratios, June 2017

This case shows the evolution of collective action among platforms, moving from an informal unprofessional network, to a structured association that acts as both an intermediary for regulation and a self-regulation device.

Partial meta-organization of self-regulation

In its initial informal format, FPF failed to convince regulators or to provide a clear strategy for the sector, so the informal network evolved into a more formal meta-organization. It developed formal coordination mechanisms, a board, and voting rights; it recruited a permanent secretary, while the members appointed volunteers to contribute to the meta-organization. Interestingly, the meta-organization also derived respectability from a banking association (by locating its offices in the same building). Thus, the platforms strengthened themselves in two ways: they reinforced both the meta-organization's internal structure and its external legitimacy, towards regulators.

As a meta-organization, FPF is only partially organized however, as summarized in Table 2. The most important attribute of the meta-organization is its membership: FPF seeks to represent as many platforms in the sector as possible. However, the membership comprises different types of players, both in the crowdfunding sector (reward, lending, and equity, with very disparate business models) and civil society. The meta-organization thus has no clear membership composition and little isomorphism (i.e. it includes varying classes of members).

Table 2: Analysis of the partial organization

Organizational element	Feature in FPF
Membership	Decision on who belongs to the meta-organization, which gathers most of the sector of crowdfunding Diversity of membership through the Ecosystem college
Hierarchy	Rotating presidency and vice-presidency Collective decision making through the board
Rules	Collective definition of a code of Ethics which members must comply with
Monitoring	No decision on monitoring, only informal punctual surveillance from the ethics officer
Sanction	No sanctioning power apart from exclusion

The meta-organization does not have a strong hierarchy. Although there is a rotating presidency, and therefore a form of leadership, decisions are still taken jointly, by board-

level consensus. The board represents all platform types and civil society. Therefore, FPF seems a heterarchy rather than a hierarchy, or at least it operates through a mediated hierarchy.

Rules are important to the meta-organization. The code of ethics, for example, is defined collectively, and lays down conditions for membership. Thus, the principles set out in the code almost define the essence of the meta-organization and guarantee its integrity. Members must respect these rules, which may generate conflict (as in the case of Lendingfield).

However, the meta-organization finds it difficult to monitor implementation of these rules, due to a lack of resources. In addition, it has taken no formal decision about monitoring. While the Ethics officer identifies certain issues, such as conflicts of interest, he can only audit platforms occasionally, and his work is voluntary. The 2014 ordinance made it possible for FPF to register as a Financial Markets Authority approved association. But this would require it to monitor its members very closely, and, to date, FPF has refused to assume this role, probably for reasons of cost, but also because members are reluctant to submit to stronger organization.

The last organizational feature that FPF uses selectively is sanctioning power. Unlike complete organizations, FPF has no positive sanctioning power, to reward good or particularly responsible behavior. It also has little negative sanctioning power, and no financial sanctioning power. Its main sanction is exclusion. It may exclude members for unethical behavior recognized by the board, but only after a pre-exclusion procedure. This has never yet happened. For these reasons, FPF is indeed both a meta-organization and partial organization, which we coin a “partial meta-organization”. We further differentiate between the formal association, a partial meta-*organization*, and the dynamics, process

and transformation of collective organizing among platforms and civil society, or partial meta-organizing.

The boundary conditions for the partial meta-organization of (self-)regulation in the sharing economy

Our findings outline a hybrid approach to the governance of crowdfunding platforms through the process of partial meta-organizing. This contributes to the literature in several ways and has important managerial implications.

Partial meta-organizing preceding market development and closing the governance gap

Many of the entrepreneurs in FPF appear motivated by a desire for more responsible finance. These initial values and integrity may be one reason why the meta-organization develops checks and balances, such as the ecosystem college, representing civil society, and an ethics officer. This wish for responsible finance also influences the market structure, since new entrants are bound by the legal restrictions that FPF has helped to create. However, the need to build market and regulatory trust may also have influenced the structure. Whatever the reasons, the sectoral governance and shared corporate social responsibility organized by FPF have substantially influenced the development of the crowdfunding market.

Further, the multi-stakeholder partial meta-organization appeared before the market did. In a sense, the collective political corporate social responsibility promoted by the meta-organization preceded and shaped the crowdfunding market. Initially, only reward platforms existed. The closure of Friendsclear in 2010 was a reminder of the strength of

the banking monopoly and acted on entrepreneurs as a cognitive barrier. The meta-organization FPF was created in 2012 to address these obstacles to the market's development. But the law did not officially allow entrepreneurs to launch peer-to-peer lending and equity platforms until 2014. Even early versions of the FPF code of ethics preceded the ordinance. Therefore, two years of partial meta-organizing occurred before the crowdfunding market became fully lawful.

To close this governance gap, the meta-organization undertook three types of action: 1) legal transformations, by co-constructing a new legal apparatus with the regulators, 2) definition of ethical principles, through the collective construction of industry norms, 3) utilitarian work, through the collective definition of meta-organizational rules, or inter-organizational governance mechanisms. The meta-organization therefore acted on all three dispositive modalities (legal, ethical and utilitarian) (Whelan, 2019).

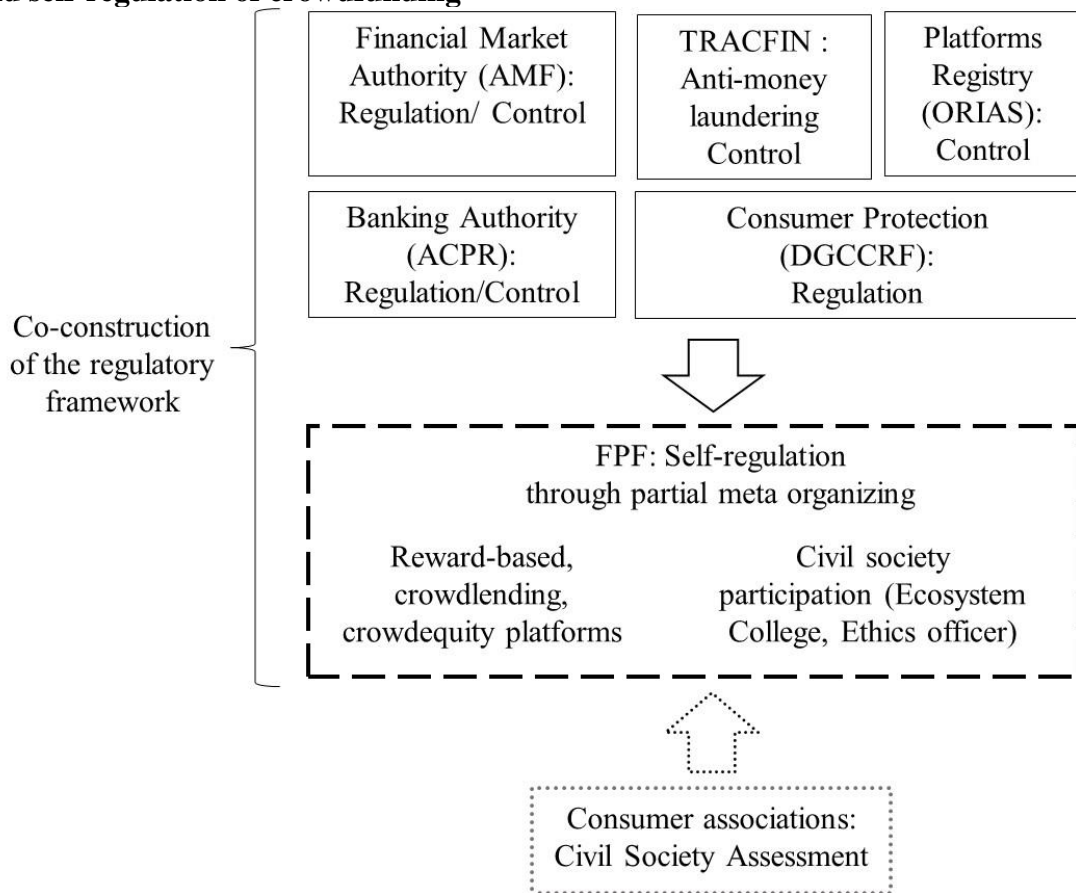
Characteristics of the case and comparison with other sectors

Our case reveals that the partial meta-organization not only undertook legal, ethical and utilitarian work but also preceded the existence of the crowdfunding market. This is a major difference from other sharing economy sectors like room-sharing and taxi services, in which platforms did not develop communal strategies, mostly lobbied alone and competed directly with incumbent industries (Hong & Lee, 2018a, 2018b; Paik, Kang, & Seamans, 2017). Drawing a comparison with Bartley's study of the origin and design of transnational self-regulation, the Fair Labor Association emerged as a collective market response to both mounting criticism of sweatshops and the self-regulation turn in governance. In our case, regulation and self-regulation by the platforms through partial meta-organizing emerged before the market, as a response to technological developments, entrepreneurial uncertainty, regulatory worries, and the black sheep risk.

Our case also differs from the hotel and taxi sectors in terms of relations with government (Hong & Lee, 2018a, 2018b; Paik et al., 2017). Hong and Lee (2018b) show that government regulators favor the interests of market incumbents, or “protect the status quo”, when there is a policy monopoly. Our case involves an initial policy favoring the monopoly of incumbents, but rapid regulatory developments in favor of new entrants. One major difference between these industries may be the joint organizing efforts and dialogue with regulators that occurred in crowdfunding. These two features were a condition for market development, due to the banking monopoly. Platform partial meta-organizing, i.e. partially organized joint actions through a meta-organization, may therefore also be conducive to adaptive governance (Hong & Lee, 2018a; Österblom & Folke, 2013).

Overall, we propose a hybrid governance approach for sharing economy platforms combining regulation and self-regulation through: 1) multi-agency soft regulation, 2) partial meta-organizing for self-regulation, 3) civil society participation (see figure 2). Due to the variety of technologies and business models in the crowdfunding sector, a multi-agency model regulates the sector. However, the regulators developed a weak framework giving platforms most of the responsibility for filling the governance gap, unlike Hong and Lee’s observations. In addition, we show that self-regulation is possible, in combination with this multi-agency model, unlike Chaffee and Rapp’s (2012) initial argument in favor of hard regulation.

Figure 2: Mapping of interactions among public and private actors in regulation and self-regulation of crowdfunding



Finally, we identify some conditions for successful sharing economy joint regulation and self-regulation: 1) a governance gap left by hard regulation, 2) partial meta-organizing of industry-level joint actions, 3) internal ethical devices, 4) high market fragmentation, 5) platform interdependency, 6) shared interests overcoming competitive strategies. First, we argue that a governance gap in the regulatory framework can facilitate self-regulation. Second, one condition for self-regulation is the partial meta-organizing of industry level joint actions. Partial meta-organizing can be used to develop a professional, legitimate, yet flexible and inclusive association. Third, the use of internal ethical devices like the ethics officer also make the association more inclusive. Fourth, we argue that high market fragmentation is necessary, to justify the need for collective strategies via a sectoral meta-

organization and collective political CSR. Fifth, we assume that interdependency between players makes them more sensitive to the risk of “black sheep.” Finally, all the platforms need to have a strong interest in cooperation (here to develop the market and ensure market trust), which prevails over their competitive instinct.

Contribution to the literature and limits

Our contributions to the literature are threefold: to meta-organization theory, to the governance literature and to the sharing economy literature. First, we contribute to meta-organization theory by highlighting the features of joint platform organizations (Ahrne & Brunsson, 2008, 2011). We provide rich empirical evidence of a unique partial meta-organization, FPF, which existed before its market, and which formally brings together several stakeholders. This form may be particularly conducive to the governance of sharing economy platform. What sets it apart from the many different existing collectives (Djelic & den Hond, 2014)? The dual structure, comprising a platform body and an ecosystem college (one section for economic players and another for civil society), with equal voting rights on the board, provides checks and balances in the sector’s governance. This partial meta-organization is non-hierarchical, or heterarchical, and has little sanctioning power. The multi-stakeholder form echoes yet differs from other initiatives that gather governments, corporations and NGOs (Berkowitz et al., 2017; Mena & Palazzo, 2012; Rasche et al., 2013; Whelan, 2012). Its board includes a wide range of players, with no organized isomorphism, unlike what Ahrne, Brunsson and Seidl (2016) predict with regard to meta-organizations: FPF is unique in formally bringing together different classes of members, from platforms to civil society. In addition, the ecosystem college and the ethics officer constitute unique arenas for citizenship within the meta-

organization, enabling the internalization of otherness, incorporating the environment of platforms and increasing responsibility and accountability.

Second, we enhance understanding of the mechanisms for collective platform regulation and self-regulation. We show that collective political CSR may be a central driver of (self-)regulation rather than simply government incentives or NGO pressure, as in Bartley's (2007) study, or the race-to-the-bottom (Whelan, 2017). On the contrary, we highlight a combination of joint legal, ethical and utilitarian dispositive approaches (Whelan, 2019) to create a crowdfunding market. Moving away from a firm-level analysis (Whelan, 2017, 2019), we highlight a sector-level perspective of "born political" strategies, enabled by a governance gap (Whelan, 2017). Interestingly, in such an emergent sector, the meta-organization corrals not only the institutional field (Barley, 2010) but also future platforms. In addition, Scherer, Palazzo and Matten (2009) have shown the limits of current work on self-regulation and have called for investigations of the conditions for successful cooperation between business and civil society. We show that multi-stakeholder self-regulation can occur at sector level through what we call "partial meta-organizing," that is, the process of formally organizing joint action between organizations through a selective combination of organizational components.

Thirdly, we contribute more specifically to the growing literature on the sharing economy by providing empirical evidence of how a meta-organization can close a governance gap. Our case involves a hybrid governance approach that allows platforms to develop (Chaffee & Rapp, 2012; Cohen & Sundararajan, 2015) while governing their practices. In the sharing economy, the governance gap may be filled by unobtrusive multi-agency regulation, partial meta-organizing and direct civil participation. The key player is a "born political" multi-stakeholder meta-organization, which simultaneously undertakes regulatory and self-regulatory action through legal, ethical and utilitarian devices

(Whelan, 2019). The challenge is to develop a novel, disruptive sector that regulators and consumer watchdogs initially consider with suspicion.

Managerial implications

Our work has important practical implications for the sharing economy. We insist on the practical role of sectoral governance in developing and framing platform practices. A multi-stakeholder meta-organization appears essential for governance and dialogue with stakeholders, including regulators, consumer associations, citizens, academics, and entrepreneurs. We argue that responsible development of the sharing economy sector may require open and frank dialogue between stakeholders, which partial meta-organizing enables. Further, the ecosystem college and the ethics officer are key devices to incorporate civil society in decision-making processes, and other meta-organizations could benefit from developing such features. We envisage fruitful applications to emerging, risky activities in Fintech or artificial intelligence.

We also distinguish between two levels of political corporate social responsibility: collective (sector) and organizational (platform). At sector level, our results emphasize the role of the partial meta-organization. This may explain why, in our case, the French legislation left open the possibility for the meta-organization to become a control agency (Ordinance no. 2014-559, 30 May 2014). At organizational or platform level, we provide empirical evidence of who is responsible for what. For instance, with regard to complicity in financing terrorism or money laundering, platforms have a responsibility to report their slightest suspicions to regulators. Some platforms have tried to reject this responsibility, arguing that they act only as intermediaries, or marketplaces, like Amazon or Ebay. But both regulators and the meta-organization agreed that in crowdfunding, the platform's responsibilities go beyond that of intermediation.

Limits of the case

These theoretical and practical contributions nonetheless have their limitations, which provide fruitful research perspectives. The main limit lies in our single case study in the crowdfunding sector, which has some unique features. We believe that our findings may apply to other emerging (or older) fragmented sectors that need collective organization, either to develop governance mechanisms or to digitalize. These sectors may include direct-to-consumer agriculture platforms, bicycle/scooter sharing platforms, leisure/knowledge sharing platforms, and fintech other than crowdfunding, such as alternative currencies or initial coin offerings (ICO).

However, our assumptions need testing in different empirical settings. Future research could compare the nature, dynamics, and effects of partial meta-organizing for self-regulation in other sharing economy sectors. This may also be appropriate for the development of ethics-challenging sectors, such as artificial intelligence in healthcare, which might also benefit from a partial meta-organization framework. In addition, our study does not include the reactions of incumbents. It would be fruitful to analyze the banking sector's strategy, especially towards regulators, in response to the emergence of a communal strategy (Barnett, 2006) in crowdfunding.

Finally, our paper raises questions regarding paradoxical situations that result from, or are solved by, combining different levels of organization. "Partial meta-organizing" may appear as a collective organizational response to solve conflicting pressures from the institutional, regulatory, and competitive environment, but it may also produce paradoxical tensions. Applying a "paradox lens" (Smith & Lewis, 2011) to meta-organization may help further understand how the "organizationality" (Dobusch &

Schoeneborn, 2015) of governance collectives like FPF contributes to address and generate paradoxes. This is particularly relevant in the field of business ethics.

Conclusion

In this article, we analyze the process by which platform regulation and self-regulation emerged in a sharing economy sector. We show that the government's regulatory framework for crowdfunding platforms was multi-agency but weak, leaving platforms responsible for self-regulation. In this institutional void, we show that joint self-regulation by sharing economy platforms may be a credible option, when it is structured through "partial meta-organizing." We also show that in the case of crowdfunding, the multi-stakeholder partial meta-organization preceded and shaped the market itself. These findings contribute to theory by outlining elements of a hybrid governance approach in a sharing economy sector, and by identifying some features of platform partial meta-organizing. Further research is necessary to understand the development of sharing economy sectoral governance.

Compliance with Ethical Standards:

Disclosure of potential conflicts of interest: The authors declare that they have no conflict of interest.

Ethical approval: All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards. This article does not contain any studies with animals performed by any of the authors

Informed consent: Informed consent was obtained from all individual participants included in the study. Additional informed consent was obtained from all individual participants for whom identifying information is included in this paper.

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Appendix A: Synthesis of the multi-thematic coding

Theme	Unit of analysis
FPF emergence in a context of crowdfunding governance gap	Need to collectively organize
	Risks from the sector
	Fears from regulators
	Fears of a black sheep
	Strong differentiation between crowdfunding and banking
	Informal meetings
Organizational transformation of FPF	Weakness of the association
	Restructuration of FPF
	Role of the Ecosystem College in bringing alterity
	Presidential support
	Public consultation
Emergence of a governance framework for crowdfunding: the co-construction of regulation and self-regulation	Involvement of FPF in the consultation
	Obligations for platforms to join an association
	Legal statuses
	Responsibility of the platform
	Role of the Banking Authority
	Regulating agencies
	Importance of the code of Ethics
	Vote on the Code of Ethics
Efficiency of self-regulation	Training provided by FPF
	Consumer Association's critics
	Discussion about the Consumer Association's report
	Governance response to the Consumer Association's critics
	Implementation of the response among platforms
	Case of conflict of interest on a platform
	Identification of the problem by the Ethics Officer
	Governance response to the conflict of interest issue
Compliance of the platform	

Appendix B: Index of organizations

ACPR: Banking Authority (regulatory agency)

AMF: Financial Markets Authority (regulatory agency)

DGCCRF: Competition & Consumers Protection Global Regulation Agency (regulatory agency)

FPF: Finance Participative France (*crowdfunding France*)

ORIAS: Platform Registration Office

TRACFIN: Money Laundering and Terrorism Financing Prevention Agency

UFC Que choisir: Consumer Association