



When the sharing economy becomes neoliberalism on steroids: Unravelling the controversies



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ABSTRACT

Morozov (2013a) in an op-ed published in *The Financial Times* stated: “the sharing economy [SE] amplifies the worst excesses of the dominant economic model: it is neoliberalism on steroids”. The above statement does not seem so far-fetched based on the different academic discussions collected. Some recent attempts have been made to problematise the assumptions made under the banner of the SE. The findings reveal the extent of the terminological confusion that surrounds the SE and the need for a more elaborate discussion that enables practitioners, regulatory bodies, and academics to shed some light on the social impacts of the SE. In this paper we identify the debate that has resulted from the collision between what we term ‘the SE manifesto’, the SE’s promise of social progress, and platform capitalist practices operating under the banner of the SE. The framework developed in this paper enables us to analyse the assumptions made by the initial promoters of the SE on its impact on markets, governments, workers, consumers, and the environment and set a research agenda that can help academics and governments engage in a more nuanced discussion on the disruption created by the SE.

1. Introduction

The academic debate on the sharing economy (SE) and the host of related terms is badly in need of conceptual clarification. Given the relative infancy of this movement, having only come into being in the last decade (C.J. Martin, 2016; Cheng, 2016a; Slee, 2015, p. 9), it still lacks the theoretical groundwork to categorise and fully address SE’s impacts, dilemmas, and theoretical hurdles. This is a huge ‘grey area’ that is of particular interest to governments and public authorities since it is estimated that 70% of Europeans (OCU, 2016) and 72% of Americans (Pew Research Center, 2016) are involved in SE activities. As stated in a recent position paper published by four European consumer organisations (OCU, 2016): “although much has been written about the promise of CC [collaborative economy or SE in this article] and its potential benefits, it is a largely under-researched area and relatively little is known about its true impact on society, the economy, and the environment.” All in all, the case for the academic discussion of its disruptive effects seems both evident and urgent.

In this article, we start by building a theoretical framework that will guide us through the current discussions on the social impact of the SE. First, we introduce the terminological debate around the SE and give an account of the SE’s aspirations at the outset – which we describe as ‘the SE manifesto’. Second, we make the case for what we consider to be a

clash between these social aims and platform capitalism practices operating in the SE which, ultimately, render the initial SE aspirations difficult to achieve. Third, we turn to the identification of a number of current controversies affecting the SE (see similar attempts in Schor, 2014, 2015; Dredge and Gyimóthy, 2015; Slee, 2015, Kathan et al., 2016; Sundararajan, 2016). Our final goal, as suggested by Netter (2015), is to help build a critical research agenda that problematises the impacts of the SE. To close, we offer some reflections for further exploration and research and justify the need for a public policy response to the controversies presented here.

As a preliminary note for the reader, we adhere throughout this paper to the critical standpoint taken by Parker and Thomas (2011, p. 421) in embracing interdisciplinarity, acknowledging that knowledge has a politics and that new knowledge can very often be found in dissent and distinctiveness – though this alone does not guarantee academic success. We acknowledge several limitations to our paper, to wit: (i) our focus is on the main players of the SE movement, the for-profit digital platforms (the relevant players according to Henten and Windekilde, 2016, p. 13; Kenney and Zysman, 2016; Srnicek, 2017); (ii) we admit the clear western-centric origin of our critical analysis of the SE (see a similar critique of critique in Arnould and Rose, 2016, p. 88); and finally (iii) we are aware that the broader SE ecosystem is far richer and more diverse than that presented below.

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That said, we believe that the final outlook raises elements of concern for those who advocate the positive social impact caused by the SE at large. At the same time, it offers relevant research questions and insights for those who would argue against the initial aspirations of the SE. Similarly, we are convinced that our reflection has value for those non-western countries and regions where many of the initial promises of the SE were identified.

At a more practical level, we trust that the discussion presented here and the questions raised should be applicable to the whole SE spectrum and act as a potential sounding board for incumbent participants, activists, and advocates. For academics studying the social impacts of the SE, our aim is two-fold: (a) to problematise the (taken-for-granted) scope for a socially-oriented SE and, most importantly; (b) drive research questions (as proposed by [Alvesson and Sandberg, 2011](#)) that can guide future lines of research on the topic. Our aim is not to reveal ‘the true nature of SE’ but rather, along Foucauldian lines, to problematise the implications of adhering to the initial vision of a socially-oriented SE without analysing the controversies arising from it.

As a final methodological note, the article was developed between mid-2015 and the end of 2016 through the revision of relevant articles, books, reports (49) and academic papers (116) – mainly found on the EBSCO database. This academic review provided several insights on the societal impacts of the SE at large. For the articles perused in the mainstream media, English was used as the main language of research and secondarily, other languages were also used. Through an iterative process of reflection and classification of the topics covered, the different controversies presented below emerged as most prominent, though at no point was the identification of controversies intended to be exhaustive. The categorization shown in (Table 2) in the conclusions section shows the result of this process, which at the same time summarizes our discussion on the societal impacts of the SE.

1.1. The definitional conundrum

From collaborative consumption to the on-demand economy, the gig economy, the ‘DIY’ (do it yourself) economy or crowd-based capitalism (see [NESTA, 2014](#); [Pew Research Center, 2016](#); [Slee, 2015, p. 11](#); [Sundararajan, 2016](#)) the terms used as equivalents to the SE are many, the definitions are numerous and the boundaries blurred. The ongoing struggle to define what SE is and what it isn’t (see some instances in [Belk, 2014a, 2014b](#); [Cheng, 2016a](#); [Ertz et al., 2016a](#); [Scaraboto, 2015](#); [Schor, 2014](#)) is a multi-faceted debate that discusses: the inclusion of peer-to-peer versus the business-to-peer dimension of the SE; its belonging to the gift or purchasing economies; the sharing versus the renting component of the SE; or its for-profit versus not-for-profit nature.

While some use a clear-cut definition around the SE (e.g. “*when sharing is market-mediated, it is not sharing at all*” as in [Eckhardt and Bardhi, 2015](#)), the landscape on the whole is a very diverse one. There are several rather vague and precarious attempts at categorisation of the SE (e.g. in [Schor, 2014](#); [De Rivera et al., 2016](#)) that, along the lines of [Goudin \(2016, pp. 10–11\)](#), take the form of a succession of either broad or narrow definitions. These definitions seem to be largely shaped by the author’s ideological standpoint and/or academic focus. [Cohen and Muñoz’s \(2015, p. 96\)](#) interpretation sums this up nicely; “*These narratives represent different interpretations about what the sharing economy is, what it can and cannot do*”. In this regard, the boundaries and limitations of the SE, what it can or cannot do becomes one of the key questions.

The definition of SE embraced by the European Parliament is certainly an example of one of the broader types of definition (see [Goudin, 2016, p. 11](#); used as well by [Sinclair, 2016](#)). The SE appears to be defined as “*The use of digital platforms or portals to reduce the scale for viable hiring transactions or viable participation in consumer hiring markets [...] and thereby reduce the extent to which assets are under-utilised.*” Here there is an implicit and clear focus on the main, private sector, for-profit

SE players. This definition does not contemplate the other forms of sharing (non-technological, e.g. solidarity or social economies in general); neglects the meaningfulness, openness, inclusivity or embracing of the commons of these practices (as in [NESTA, 2014, p. 11](#)); and leaves in a marginal position other incipient manifestations of the SE (e.g. platform co-operativism as in [Dönnebrink and Kagel, 2016](#) or [Sundararajan, 2016, p. 196](#)) which seem to be perceived as playing only a minor role ([Kasprowicz, 2016](#); [Srnicek 2017, p. 127](#)).

If this is the scene that has been set for the SE, we can proceed in one of two ways: a) question the usefulness of a broad definition, which represents the recognition of a political, power-related debate; or b) move on, depart from this broad definition of the SE, and analyse the compatibility between the social expectations set by the early advocates of the SE and the current discussions around its societal impacts. While acknowledging the interest of the first path – that is, that of identifying which SE firms and practices would fit into the SE Manifesto and which ones would not – we choose the second option. The overall aim of this paper is therefore to explore the limitations of the SE concept as defined and map the different controversies that lie beneath such a broad definition.

1.2. A starting point: sharing economy as platform capitalism

[Hamari et al. \(2015, p. 2\)](#) place the SE as a technological phenomenon linked to the development of information technologies alongside the growth of Web 2.0. If “*technology makes the difference*” and offers an explanation to “*why the sharing economy has to be taken seriously*” ([Kathan et al., 2016, p. 664](#)) we need to observe the magnitude of the disruption created and situate the SE within a set of techno economic boundaries.

Similarly, according to [Martin et al. \(2015, p. 240\)](#), an examination of socially-oriented organisations such as those of the SE reveal the isomorphic forces that operate upon them to become more commercially focused. The authors state that “*the causes, processes, and outcomes of grassroots niche organisations [are] subject to coercive and indirect (isomorphic) pressures to become more commercially-oriented.*” They also ([Martin et al. \(2015\), p. 249](#)) observe that “*the extensive non-profit and voluntary sector literature identifies the tendency of non-profit organisations to become more commercially-oriented over time*”. The same idea can be found in [Schor \(2014, p. 11\)](#) when she refers to the progressive disappearance of “early stage goodwill” in big platforms. Therefore, can we still observe the SE as an independent silo alien to its socio-economic environment?

In this context, and amid the plethora of definitions of the SE, only a few authors ([Kenney and Zysman, 2016](#); [Langley and Leyshon, 2017](#)) equate the term with platform capitalism at large and treat the SE as simply one manifestation of the previous. According to these authors, this seems to be a suitable avenue for the discussion of the societal impacts of the SE. Therefore, and along these lines, we place the platform, as a technological and corporate mechanism, at the centre of our critical analysis of the SE (same in [Langley and Leyshon, 2017, pp. 5–6](#)). From this perspective the SE would be no more than a specific type of platform capitalism that can be defined ([Langley and Leyshon, 2017, pp. 11](#)) as a marketplace for the hire of assets and services that would otherwise be underutilised or not even recognised as such, normally at a discount to those charged by traditional incumbents.

The use that [Langley and Leyshon](#) make of the neologism ‘platform capitalism’ seems like a necessary counter-argument to the narrative building around the SE, which depicts it as diverse and redistributive. This approach is an important step towards a more sober assessment of the claims made by the proponents of *sharing*, which we proceed with below. As a secondary definition, we use the term *platform* as a set of online digital arrangements whose algorithms serve to organise and structure economic and social activity ([Kenney and Zysman, 2016](#)). In this regard, following [Gillespie \(2010, p. 359\)](#), our starting point is to acknowledge the SE players as platforms. In this sense, given the main

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