1. Introduction to the *Handbook of the Sharing Economy*: the paradox of the sharing economy

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THE NATURE OF SHARING AND THE SHARING ECONOMY

The sharing economy, defined as a social and economic system of transactions in which individuals use third-party technology platforms that match providers and users to exchange goods, services, or ideas in a manner that does not transfer ownership (Eckhardt et al. forthcoming), is coming of age. It has been more than a decade since the advent of exemplar platforms such as Airbnb and Uber came into existence, and since pioneering academic thought began exploring sharing (e.g., Belk 2007). Besides the big players such as TransferWise in the fintech space and Grubhub Seamless in the food delivery space, there are also many smaller players that are leading innovations in the sharing economy, such as OpenBazaar, able to compete against the big players because of blockchain technology (De Filippi 2017). This *Handbook* aims to explicate what the phenomenon of the sharing economy is, as it can be treated in wildly different ways in different literatures; how this economy has evolved over the past 15 years (for example, its growth and sectors); and what the key dynamics are as we move into the next decade. We do this from an interdisciplinary perspective, examining aspects such as labor and governance in addition to consumption. In this introductory chapter, we seek to examine how the sharing economy has developed, what its future might be, and what the consequences of the sharing economy are to businesses, consumers, and society.

A key issue that many of the chapters in this *Handbook of the Sharing Economy* address is the paradoxical character of its two components. "Sharing" implies a moral economy of "sharing in" within a small community of close others (Belk 2010), while "economy" implies a market economy where access-based consumption takes place within a potentially large community of distant others (Bardhi and Eckhardt 2012). The treatments in the chapters that follow variously attempt to resolve this contradiction by:

- theorizing hybrid economic forms;
- positing an alternative economy through sharing;
- examining an exploitative cooptation of human labor in an entrapping gig economy;
- considering the replacement of the human trust of the moral sharing economy with a transactional reputation economy;
- investigating the elimination of the need for trust in others through blockchain technology;
- exploring the negation of the human emotional component of sharing through the use of smart contracts and DAOs (distributed autonomous organizations);
- demonstrating the suspension of the egoistic market economy rules in times of crisis;

- evaluating the renegotiation of market economy rules by municipalities;
- contemplating possibilities of moral economies within market economies.

While these perspectives reflect a variety of ways of dealing with the paradox of the sharing economy, they all agree that the sharing economy is something new and significant, even if it draws on millennia of the coexisting, but largely separate, moral and market economies (Eckhardt and Bardhi 2016; Fontaine 2014; see also Chapter 8 by Gruen and Mimoun, and Chapter 10 by Dalli and Fortezza, in this volume). What is new is the marketization of sharing, which has greatly upset the status quo in several markets.

The chapters in this *Handbook* broaden the spatial and conceptual scope and understanding of the sharing economy beyond the North American context that has dominated prior research. Current chapters include cases and studies from regions such as Southern Europe, the Nordic countries, and the Arabian Gulf. For example, Baz Radwan et al. (Chapter 6) examine the emergence of the sharing economy in Arab countries with their distinct histories and traditions of ownership, religious sharing, and communal property rights. These authors trace the history of sharing practices to the nomad Bedouin tribes who had to rely on alternative forms of exchange and shared consumption among themselves as well as with other, non-kin travelers in order to cope with the dire natural settings. Islamic religion also had an influence, through the practice of *zakat* that structures formal sharing, informal *sadaqah* sharing, and the hospitality traditions of the region (Sobh et al. 2013).

The *Handbook* chapters also advance our understanding of the exchange practices that have proliferated via the sharing economy. Widlok (Chapter 3), for example, argues that practices associated with the sharing economy represent a "crowd-based capitalism" that goes beyond the duality of non-commercial gift-exchange versus commercial capitalist transactions. He conceptualizes such practices as forms of communal redistribution, pooling, and sharing that are neither mainstream market transactions nor instances of gift-exchange relationships. He argues that when cultural practices are transferred into digital environments, they rely on social practices that are already established but are constantly in danger of being undermined.

Dalli and Fortezza (Chapter 10) examine moneyless market exchanges of bartering and swapping that have proliferated via digital platforms in Italy. They argue that bartering represents a hybrid practice integrating market transactions with social exchange (see also Humphrey and Hugh-Jones 1992). Valor and Papaoikonomou (Chapter 11) study another moneyless practice: of timebanks, where time becomes an alternative currency for the exchange of services in Spain and Greece. However, they find that timebanks are not successful because they fail to institutionalize the hybrid logics of social and market exchange, as well as to move their participants away from the balanced or negative market reciprocity they are socialized in (Sahlins 1972). This hybrid logic can also be construed as reflecting the liminal nature of the market economy, caught halfway between market and moral economies (Scaraboto 2015).

A further treatment of the liminal nature of the sharing economy is found in Chapter 8 by Gruen and Mimoun who examine how the access-based workplace and the gig economy are transforming the practice of work. Their chapter is based on ethnographies of two new emerging workspaces: the contexts of coworking and cohoming in Paris and London. They find that the collaborative and informal design of such workplaces fosters intimate and informal relationships that often lead to personal friendships as well as professional collaborations. Further, they find that the logic of hospitality, that shapes cohoming (in which strangers pay to work in someone's home), does not inhibit but rather supports personal interactions and relationships. Through the study of a variety of practices and contexts, these chapters show the diversity of sharing economy practices and interactions.

THEORETICAL ORIENTATIONS

One of the theoretical orientations that is best able to illuminate the paradoxes of the sharing economy is institutional theory and institutional logics (Thornton et al. 2012). The chapters in this *Handbook* that take this approach explore how platforms and individual prosumers (Toffler 1980) deal with the paradoxical nature of the sharing practices. Geissinger et al. (Chapter 14) identify six logics of the sharing economy via social media analytics: abundance, scarcity, profit, sustainability, global, and local. It is through these logics that participants in the sharing economy seek to balance the underlying tensions among access, community, and platforms.

The tensions between institutional logics in the field of sharing are also seen as opportunities, which are explored by platform firms such as Airbnb, as seen in Chapter 15 by von Richthofen and Fischer. The sustainability and success of sharing economy platforms depends on the successful navigation of conflicting logics, such as the logics of commerce and hospitality in the case of Airbnb's peer-to-peer rental market. As Valor and Papaoikonomou (Chapter 11) find, failure to incorporate, balance, and manage the hybrid nature of sharing leads to the collapse of the platforms and practices. In sum, all of these chapters highlight how platforms shape the behavior of users through governance mechanisms.

HISTORY

As many chapters in the *Handbook* detail, sharing is an ancient and widespread practice anchored in cultural and religious practices. Arvidsson (Chapter 2), for example, taking a historical sociology approach in his chapter, situates the contemporary sharing economy between the market, the commons, and capital. Drawing on Polanyi, he traces the developments and relationships among these institutions during various economic systems and major transformations. Arvidsson argues that the sharing economy is a manifestation of a more general tendency of late capitalism where capital accumulation depends on new forms of commons (specifically, what he calls commodity production in manufacturing and data commons in social media) supported by digital technology. In other words, the monopolistic rent-seeking that characterizes the sharing and digital economy is an indicator of the re-feudalizing logic of digital capitalism.

Several communal movements are neglected by the research historicizing the sharing economy, including communes, communitarians, communist and socialist communism, kibbutzim, the hippie movement, and various other religious, governmental, and social groups brought together through the ideal of sharing (e.g., Belk 1994; Cova et al. 2013;

Kanter 1972; Smith 1999, 2016; Webb 2016). What is striking about such communities is that, with the rare exceptions of certain religious communities, most have dissolved after their first few years; a finding consistent with several of the chapters here in the context of contemporary sharing. Gardner (1978) found that when the largely rural communes that he studied relied on sharing personal property, it hastened their demise. Besides a tendency to be short-lived, there is a tendency to move from equal sharing to unequal sharing, and from shared property to private property (Abramitsky 2018). In sum, voluntary non-market-mediated platforms tend not to be successful in the long term within the sharing economy.

WHY AND HOW THE SHARING ECONOMY WORKS

The goals and benefits of non-profit and for-profit sharing economy platforms overlap in several ways that are quite laudable. They include a reduced carbon footprint, reduced redundant and unnecessary consumer ownership of major durables, and sociability and friendships, as the chapters in this *Handbook* attest. But at a deeper level, as Adam Parsons (2014) argues, what we are seeking is the good society, one where human kindness matters, where we can learn to trust one another, and where we sacrifice some of our individualism and materialism for the collective good. For example, Ozanne's Chapter 20 describes how sharing platforms can be utilized in times of disaster to link consumers and resources, with the result of facilitating value in affected communities. Blockchain also has the potential to move us toward increased trust. Möhlmann, Teubner, and Graul (Chapter 23) point out that blockchain can facilitate the decentralization of control, allowing for true peer-to-peer exchange without the need for a third-party intermediary to control the exchange. Rocas-Royo (Chapter 17) reinforces the view that blockchain can provide for a sense of real community among platform members in a way that highly market-mediated exchanges cannot. And Laamanen and Wahlen (Chapter 5) outline the emancipatory potential of the sharing economy via lifestyle movements, explicating the ways that communities can use platforms to resist the "neoliberalism on steroids" character that the behemoth platforms in the sharing economy tend to display (Murillo et al. 2017).

A mechanism that highlights the paradoxical nature of the sharing economy is how reputation and trust are engendered within the platforms and communities of sharing, and how surveillance is enacted. For example, Pitt, Eriksson, and Plangger (Chapter 25) demonstrate the role of electronic word of mouth in engendering trust in access-based consumption platforms, highlighting how goodwill influences rating inflation, with ratings being the main proxy for trust in sharing economy platforms. Gandini (Chapter 29) argues that reputation, as garnered via ratings systems in the sharing economy, is the basis for trust among strangers and, further, serves as the mechanism for the economic becoming re-embedded into the social (Arvidsson 2018). In this way, Gandini provides a framework for understanding the paradox of the sharing economy: that is, that it embraces both market and social characteristics; that it is a space that allows them both to exist, in a hybrid form, via the reputations mechanisms embedded within the system.

Furthermore, as Gandini also notes in his chapter, China is already experimenting with a controversial system designed to bring about "better citizens" and a "better society":

its social credit system. This system gives everyone a single three-digit score that reflects how good a citizen they are. The ideology behind this system is that "keeping trust is glorious and breaking trust is disgraceful" (Ma 2018). In this model, we can see how the ratings systems so ubiquitous within sharing economy platforms can be used in the future: as instruments of the government, with your score determining such outcomes as your ability to travel via bus, train, or plane, or to get a date. Ratings are based not only on satisfactory performance within sharing economy platforms, but also on how much alcohol you purchase and whether you jaywalk across intersections (Botsman 2017). By surveilling consumers both online and via 200 million closed circuit television (CCTV) cameras equipped with facial recognition software, China is experimenting with a currently voluntary system that will become mandatory in 2020. The plan has been described as "Straight Out of Dystopian Sci-Fi," "a gigantic social engineering experiment," "a digital dictatorship," and "the gamification of trust" (Dockrill 2018). It has also been greeted as more complex and sinister than the TV series *Black Mirror* (Jefferson 2018), a "futuristic dystopian nightmare" (Rollet 2018), "a modern day Orwellian social control mechanism" (Cheung 2018), "an Orwellian tool of mass surveillance" (Munro 2018), and "Orwell's *1984* meets Pavlov's dogs" (Botsman 2017). Others point to the eerie similarity to an episode of *Black Mirror* in which consumers desperately seek to have others award them points lest they are excluded from all public life or even imprisoned (DuFault and Schouten forthcoming).

While all of this may seem far removed from the sharing economy, the reputation economy on which much of the sharing economy is based uses a similar sort of calculus, if based on fewer types of data. Rather than having separate scores for Airbnb hosts and guests, eBay buyers and sellers, Amazon merchants and customers, and so forth, there are several companies that are working on computing an aggregate portable score that could be used across platforms (Sipp 2017). To deal with the challenges of privacy and surveillance, regulatory measures and related public policy will become more prevalent as the sharing economy matures, as also discussed by Bartling (Chapter 18) regarding urban transportation challenges, and Hawley (Chapter 19) regarding the European labor laws.

FINAL WORDS AND FUTURE DIRECTIONS

In sum, in thinking about the paradox of the sharing economy, we can reflect on the fact that in many ways, while it has the characteristics of a hyper-capitalist marketplace (Murillo et al. 2017), the participants within it want to believe that they are participating in something better for the world. This is even reflected in the use of the word "sharing" to describe the sharing economy, even when little sharing is going on (John 2016). While it may be a nostalgic exaggeration, many of those participating in the sharing economy describe it as being reminiscent of an earlier time when people really did help one another and share hospitality and favors. In making such a claim, they ignore the prices paid, rules imposed, mutual judgments of the reputation economy, and all the smiles, conversations, and emotional labor that are offered primarily in order to get good ratings and thereby enhance future bookings. Indeed, Ryan and Avram (Chapter 26) demonstrate how participants in the Airbnb platform perform as largely social actors even while acting out market exchanges. It is easy to see how some people today accept the "sharing economy" label in order to feel better about their consumption. It is not only corporations but also consumers who engage in "sharewashing" (Belk 2017).

This is not to deny that the sharing economy can have very real positive impacts on the environment, our sense of community, the reduction of consumption, and perhaps the beneficial redistribution of wealth and jobs. However, as Schor (2014) finds, these benefits are sometimes illusory, and the net impact of sharing within the sharing economy can sometimes be negative. For example, a recent study (Martin and Shaheen 2010) found that for most car sharers there was actually an increase in emissions. Schor (2014) also suggests that for a full accounting we also need to look at what Airbnb hosts do with the extra money they earn, suggesting that they may use it to buy high-impact products such as yard tractors and cars. In Chapter 27 of this volume, Van den Bussche and Morales illustrate how accounting practices within the sharing economy are a form of biopower, incentivizing platform users to marketize aspects of their private lives and authenticity in order to be a part of a "community." Relatedly, Mikołajewska-Zając (Chapter 28) maps the rhetorical strategies at play in sharing economy discourses of legitimation. That is, how popular books about the sharing economy contribute to the blurring of boundaries between various types of organizations and behaviors. Thus, while the total impact of the sharing economy is not as negative as the social engineering model from China would suggest, it may also not be as positive as the performances of sociality identified by Ryan and Avram imply. That is, the paradox of the sharing economy is that elements of both will always exist within the system; and many of the chapters in this *Handbook* provide novel ways of both illustrating and suggesting ways to deal with that.

We hope that this rich set of chapters will stimulate future sharing economy scholarship, with readers coming away with an expanded sense of the benefits and dilemmas of the sharing economy. These benefits and problems are not distributed equally among participants. Still, this mixed set of outcomes is more complex than the simple conclusion that this is just one more realm of once private and personal engagements which has been commoditized and commercialized by big business. Just as there is still more to dating and mating than dating and hook-up apps, there is still more to sharing and caring than the sharing economy. This also allows us to consider what appears to cause some segments of the sharing economy to flourish and others to fail. We also would like to step back from this ten-year-old anniversary of the sharing economy and ask what its ultimate impact might be. Will we be better people? A better society? A more sustainable planet? Less economically and socially divided? Freer? Or will the opposite of these desirable conditions emerge as a result of the sharing economy?

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