The Sharing Economy:
From Each According to Their Need,
To Each According to Their Ability

by Chelsea Palmer, 2015

Economics in the Information Age

Modern capitalism is alternately celebrated and castigated. Some see this economic model as a wellspring of growth and innovation which leads to the gradual but widespread improvement of quality of life (Greenstein, 2008; Smart, 2011). Others warn that contemporary capitalism has spiralled into an increasing stratification of wealth and labour, in which the rich get richer and the poor get nothing (Aronowitz, 1994; Winner, 1994; Halcli & Webster, 2000; Lauer, 2011). Either way, the evolution of capitalism through the 20th century is inextricable from the development of more complex technology and automation of labour (Mumford, 1962). Since the origins of industrialization, there have been utopian notions that the widespread mechanization of jobs would lead to greater labour equality, particularly fair wages for all and reduced work hours (Hughes, 2004). Automation has certainly improved the modern economy in many ways, but it has also destabilized employment security and rendered many jobs obsolete without creating new roles for those workers (Chodos, Murphy & Hamovitch, 1997).

In Community Psychology "power is a combination of ability and opportunity to influence a course of events" (Nelson & Prilleltensky, 2010, p. 108). This translates pragmatically to understanding capitalist markets and economics in general. The acquisition of resources and wealth generally grant a person or group both ability and opportunity in terms of traditional political lobbying, as well as allowing them to re-invest those resources in pursuit of greater returns. In the current age, the shift to informational capitalism privileges another source of ability: the knowledge and prowess to use computer technology to track down crucial opportunities (Halcli & Webster, 2000; Castells, 2004).

Not so long ago, it was necessary to establish a significant base of capital and a material infrastructure in order to get a business off the ground. Now, the proliferation of "startups" demonstrates a market in which a good idea and preliminary prototype can garner large commitments from investors who are looking to capitalize on the next big innovation in technology (Maney, 2014).

However, this pattern of early-stage enthusiasm can lead to over-valuation, inciting a desperate scramble to fulfill the startup's supposed worth (Casey, 2014; Dougherty, 2015). This speculative risk becomes more worrisome when the startup in question have promised opportunities for the general public to make money or share their work with the world.

Who's Sharing What in the 'Sharing Economy'?

The online "sharing economy" adapts the term "sharing" to a wildly different context than its traditional use within communities. For Community Psychologists and most social activists, the concept of sharing is based in the equitable distribution of resources across an entire population, ensuring collective well-being (Kelly, 2006; Nelson & Prilleltensky, 2010). In contrast, within the modern capitalist market, "sharing" refers to the facilitation of interpersonal exchange of goods or services within a self-contained network (Olma, 2014). Whereas companies that employ a traditional manufacturing process produce products and sell them to consumers, platform businesses depend upon facilitating exchanges between two or more external parties (Regalado, 2014). This can range from encouraging independent developers to design and sell software within a closed market, such as a mobile "App Store," to connecting service providers to potential customer bases, as demonstrated by eBay, Uber, and AirBnB. Generally, the companies that construct and oversee these proprietary online exchange platforms levy a fee on one or both parties upon the completion of transactions (Carson, 2015).

One problem with the term "sharing economy" is its broad application to a variety of business models-- companies like Zipcar, which own and maintain the fleet of cars that members "share," are lumped in with Uber, which merely facilitates connections between drivers and riders (Yglesias, 2013). However, these companies, which all depend upon the connectivity of the Internet age, have more in common with one another than they do with the brick and mortar stores of the past. The most popular sectors for these platforms revolve around transport, sharing access to spaces and locations, and independent contracted labour (Wosscow, 2014). These sites erode the historical necessity to build infrastructure and individual recognition in order to participate actively in open markets, but they still act as "gatekeepers" in a new sense, by establishing their own fixed terms and conditions regarding interaction between customers and sellers (Olma, 2014).

In order to act as a driver for Uber, sell a mobile application on the Google Play Store, or rent out a property via AirBnB, individuals must play by those companies' firmly established rules. They

are designated as "customers" of the software, utilizing it in order to pursue their own aims, rather than "employees" of a business who should receive fair wages and benefits (Carson, 2015). On the other side of the equation, customers who wish to purchase goods or services must consent to some form of the "buyers beware" mantra, and agree not to hold the platform responsible beyond a stated level of accountability (Stein, 2014; Morozov, 2015). This is exacerbated by the reality that most platform sites provide limited customer service, and operate according to opaque arbitration procedures, continually reinforcing that they are not responsible for anything beyond their stated role in transactions (Lowry, 2014). This small infrastructure means less overhead, and a lower fee taken from the "sellers" and "buyers." However, it also means there's often nowhere to turn when things go wrong.

Platforms are disruptive and innovative, but so far, they are also unchecked by external regulations. Currently, there are innumerable legal battles going on in the attempt to set precedents regarding labour laws, the applicability of taxation, and preventing threats to traditional industry regulations (Eidelson, 2014; Schneider, 2014; Weinberger, 2015). TaskRabbit, a platform that connects individuals to contractors for odd jobs, originally followed the model of an open auction site, but chose to restructure its business through a more centralized interface after six years of operation (Somerville, 2014). Its new operations replace the customer-led negotiation of per-task fees to a regulated standard of hourly pay for its workers (Newton, 2014). This may serve as an example of the transition that will be necessary as the sharing economy negotiates legitimation in the larger labour market. A central element in the negotiation of this transition will be the degree upon which companies rely upon a positive public relations image and popular support within society.

The Illusion of Corporate Benevolence and the Erosion of Platform Responsibility

With the increasing importance of advertising and brand loyalty in the consumer sphere, it has become crucial for corporations to maintain the illusion of a conscience. Corporations' visible contributions to charities or participation in goodwill causes may not just improve their general image, but also lead to their consumers valuing their products and services more favourably, possibly due to an unconscious bias (Chernev & Blair, 2015). Supposed corporate benevolence must be evaluated with a healthy degree of skepticism. Segev (2005) insists that Google's central promotion of "Don't be evil" as its driving vision statement is "more than anything else an exercise in public relations, and economic considerations often predominate over moral ones" (p. 53). In the fallout of public relations disasters questioning their dedication to "not being evil," as seen in their collusion

with the Chinese government's censorship efforts, Google has taken visible steps to support human rights initiatives and grassroots activism (Liacas, 2015). The degree to which this is a genuine attempt to make amends, or merely an attempt to reform their image, is inconclusive. Supposed corporate benevolence must be evaluated with a healthy degree of skepticism.

Since sharing platforms are generally free for anyone to browse or access, making any user a potential seller or freelance worker, it is easy for them to project an air of corporate benevolence (Olma, 2014). However, without regulation or accountability, platforms can reap all of the benefits of a large workforce, and face none of the responsibility for accidents, oversights, or ensuring a livable wage for all (Gillespie, 2010; Eidelson, 2014; Kessler, 2014). Additionally, while these sharing platforms emphasize the options for independent entrepreneurship, and the potentially unlimited customer base, they often maintain opacity about the hidden operating costs which the participating contractors are solely responsible for (Kessler, 2014). This ranges from the cost of shipping items, to the overhead of property maintenance and damage repair, to the cost of gas and transport (Weiner, 2015). Often, companies like AirBnB only exercise accountability for their lessors in cases of extreme abuse of the system, and even that can often be circumvented by the precise specifications of their terms and conditions (Bort, 2014; Stark, 2015).

Kessler (2014) points out that, especially in the "gig" economy, as opposed to the sharing market for secondary goods, the abstract potential for work availability does not translate to a guarantee. Many workers enthusiastically enter these roles with the assumption that they will be able to achieve the average estimated income level, only to find that they are making less than minimum wage (Smiley, 2015). For example, the ride-sharing site Uber centrally controls the price that customers pay drivers, and has recently discounted that price significantly in order to maintain a competitive edge, passing the profit loss down to its drivers (Kosoff, 2014). Additionally, Uber's limited review of driver's backgrounds can result in safety issues for riders. This is most dramatically illustrated in multiple prominent cases of driver-to-passenger sexual assault in the past few years (Schmadeke & Manchir, 2014; Yuen, 2015).

Community Psychology envisions "a world in which human beings and their relationship with each other and the environment are the determining considerations behind our decisions, not profit" (Choules, 2007, p. 463). The apparent benevolence of sharing platforms presents the appearance of similar values, but the drive for profit will always be the foundational motivation for corporations (Sriskandarajah, 2015). This is not, in itself, evil, as profit is the source of their self-preservation, and

"no company could exist if it did not do--or at least allow--some harm and impose some costs on other entities" (Vaidhyanathan, 2011, p. 75). However, it becomes highly problematic when these supposedly freeing business models result in greater exploitation of workers than traditional employment models. A frontier where other Internet businesses are potentially crossing the line between goodwill and exploitation is in the collection and exploitation of user data and content.

Data Production as Labour, Media Content as Property

When wide collections of media and information are accessible online, the concept of ownership changes, but so does the concept of consumption as a relatively private activity. As we indulge in our favourite movies or shows on Amazon, their algorithms are tracking what we watch, and how long we watch for (Garfinkel, 2011). The trade-off for free, or membership-based, access to libraries of content is our open provision of every minute detail about our interests and preferences. Even outside of these opt-in services, all of our actions on the Internet leave behind traces and data that is compiled and analyzed, which is used to "microtarget" advertising messages based on our presumed demographic traits (Auerbach, 2013). This is prominent in Google's advertising model, in which an overall analysis of our searches and online activity leads to a comprehensive profile of the user. As Vaidhyanathan described, "we are not Google's customers: we are its product" (2011, p. 3). Similarly, Amazon.com collects all-incompassing information not just on its shoppers' purchases, but also their browsing and behaviour on the site (Humphreys, 2006).

Facebook consistently integrates paid advertisements into users' experiences, and has even been caught misrepresenting users as "liking" ad content that they never explicitly endorsed (Hof, 2011; Bott, 2012). This brings exploitation of user behaviour and data production to an entirely new level, taking advantage of the existing social capital of friend networks to sidestep users' tendency to ignore obvious paid ads. Facebook has combined this with practices of scaling content visibility as a paid service, allowing individuals or businesses to "promote" their pages for a certain fee (Fitts, 2015). If users engage Facebook without skepticism about these trends, they are likely to mistake paid content for organically popular content.

The actual terms of profiling, tracking, and data ownership for various sites are often buried in obscure End User License Agreements, which many users skim or skip past entirely (Chopra & Dexter, 2008). Stallman (2002) extensively addressed the use of copyright restrictions to limit the distribution of software and operating systems, which has strong parallels with the coercive terms of

service that are ubiquitous among online services. For Stallman, these restrictions must be circumvented by users creating their own crowdsourced alternatives. Such action is not necessarily realistic when it comes to the economic market and general consumer practices, however.

What can potentially take the place of building an entirely independent economic infrastructure is engaging in consumer activism, in which potential customers of a business or service boycott that company to demonstrate their disapproval of company practices (Brown & Marsden, 2013). In recent years, consumer activism has led to the creation of informal online pressure groups, which primarily utilize social media and blogs to raise awareness about controversial corporate practices (Kerr et al., 2012). Shame can be an effective tool to wield against groups and corporations, just as it is when employed against individuals within smaller social collectives (Wired UK, 2014). Just as there are new forms of marginalization in the Internet economy, there are new sources of agency as well.

Who Really Benefits In the New Age of Labour?

Roose (2014) suggested that the primary reason the sharing platform model is thriving is because of the failure of the larger traditional economy, the growing disparity between wages and inflation, and the dwindling availability of many jobs in the digital age. Unlike businesses in the past, online companies do not usually require extensive infrastructures, so the proportion of available jobs in these companies has dwindled (Leslie, 2014). There are both positive and negative outcomes in the current shifts in the job market. It's currently estimated that around 34% of the US workforce is engaging in some form of freelance labour (Rogers, 2015). This widespread trend can give a greater sense of agency to independent contractors, but it can also deny them job security (Little, 2000; Smart, 2011). The heightened status granted to informational workers encourages the pursuit of higher education, but also puts people who can't afford such training and certification at an even greater disadvantage than they previously faced (Bruce & Hogan, 1998; Rotman, 2014). There is great promise in the sharing labour model, but appropriate safety nets must be designed to prevent exploitation of independent contractors in these arrangements (Stein, 2014; MacMillan, 2015).

Systems of reputation verification and "peer review" have been crucial to maintaining the communal trust necessary for sharing platforms to work (Wosscow, 2014). Platform interfaces utilize the crowdsourcing and fast pace of the Internet, allowing for immediate feedback on potential problems with individual sellers or service providers (Morozov, 2015). The collaborative

communities which form around these new platforms are in some ways reminiscent of the long history of the free and open source software movement. Within F/OSS communities, participants report high levels of satisfaction with the contribution experience, and strong feelings of social cohesion, even in the absence of financial compensation for their work (McCormick, 2004; Flanagin, Flanagin & Flanagin, 2010; Sullivan, 2010). Though sharing economy platforms exist for a different purpose, they create similar opportunities for communication and relationship-building.

Whereas previously, legal action and the hopes of mainstream media coverage were the only way to highlight unethical practices, peer review commentary allows for real time responses to perceived issues. On Airbnb, hosts can warn others of a traveller's unruly behavior, while customers can highlight potential misrepresentations of a host's accommodations. Indeed, users do choose sites and platform markets based on their quality and reputation, not just their size (Hagiu, 2011). This suggests that customer peer review results in an effective process of self-regulation, and can improve the general experience of consumers across all economic models. Even though the platform site's customer service resources may be lacking, this allows the crowd to attempt to sort out issues by itself.

Can we find something beautiful in the underlying philosophy which drives the sharing economy? Tanz (2014) emphasizes that the trust which propels these services, the relatively newfound faith which motivates people to share their homes and allow strangers into their cars, flies in the face of the societally enforced suspicion which has grown over the past century.   It's true that this trust makes us vulnerable, and can lead to disturbing and dangerous incidents, but as a general trend it seems to be opening positive connections between people on a larger scale (Scholtz, 2014). Even if the financial model can be exploitative, the human relationships are built on an expectation of general goodwill amongst their participants.

It's also crucial to emphasize that the financial model does not have to be exploitative, because the basic transactional model of the sharing economy is a fair one (Volkman, 2015). If we bracket potential profiteering by the platform sites themselves, we can see the net benefit in these services. One person's excess fills another person's necessity, encouraging communal micro-transactions and ensuring that pooled resources are used to their full capability (Mushtaq, 2014). The theory of the sharing economy is an ideal one, which empowers people with both the ability and the opportunity for financial agency. It is primarily the adaptation of appropriate legislation that must be monitored vigilantly.

In this day and age, there is a privileged view in Silicon Valley that we should choose jobs that we truly love to do (Tokumitsu, 2014). Though this eclipses the reality of most people's current employment status to a nearly insulting degree, it is certainly an ideal vision for the future, one that recalls the utopian perspectives of the earliest days of mechanized labour (Hughes, 2004). If through regulation and fair practices, we can build safety nets and fair practices to accompany the sharing economy, we could face a brighter future than was ever imagined under monopoly capitalism.

The collaborative and accessible nature of the Internet could bring us to a congruence with Marx's borrowed idealistic slogan, "from each according to his ability, to each according to his needs" (Marx, 1875). The current state of capitalism seems to be inciting an unfortunate reversal of this concept, in which desperate workers will do anything for the promise of future compensation, but only those with highly privileged informational skills reap true benefits from their contributions. Still, we are in a obvious and sometimes turbulent transition, and we might still have the time to lobby for a more equitable distribution of resources in the new sharing economy.