An Alternative to State-Market Dualism: The Sharing Economy. Practical and Epistemological Questions

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**I. The Paradoxes of the Sharing Economy**

The sharing economy contains a certain contradiction in terms, accompanied by strong structural characteristics.

1.1. The "sharing economy” and it’s contradictions

The sharing economy covers a multitude of activities focused on production, consumption, finance, and trade. One might ask just what the commonalities are between Airbnb, Uber,
Wikipedia, Ulule, Blablacar, La Ruche qui dit Oui!, Leboncoin, Linux, fab labs, LETS (local exchange trading systems), accorderies, and worker cooperatives. It is rather difficult to answer this question, as the sharing economy concerns more than just a few specific economic activities – it spreads into all spheres of economic activity (exchange, consumption, production, finance); from second-hand markets (Ebay, Leboncoin), ridesharing (Blablacar) to transportation (Uber) to lodging rentals (Airbnb), consumption of local agriculture (La Ruche qui dit Oui!, Les Paniers de Martin), crowdfunding (Kickstarter, Ulule, KissKissBankBank), complementary currencies (Brixton pound), knowledge pooling (Wikipedia, Wikia, reciprocal knowledge exchange networks, Linux), production (fab lab, hackerspace, SCOP worker cooperatives), exchange of goods and services (accorderies, local exchange trading systems), and so on.

Rachel Botsman’s work claims that the sharing economy originated in the context of economic and ecological crisis with the desire to privilege the use of goods over their ownership (Botsman & Roger, 2011). While collaborative consumption is indeed relevant and extensive (isn’t it more important to have access to a drill rather than to own it if you only need it once or twice a year?), the sharing economy is vaster yet. Jeremy Rifkin (2014, p. 326ff) sheds light on the subject from a logistical angle. The sharing of information and resources (warehouses, unoccupied car seats, free rooms in an apartment, parking spaces, drills, etc) enables an optimization of their use and thus the avoidance of colossal waste. Some companies are redefining their objectives so as to privilege use over property in the aim of sustainable development. As such, they fall under the category of the function-oriented economy (or the product-service system).

Here is a first possible segmentation: between a sharing economy whose starting point is the horizontalization of interpersonal relationships mediated by digital platforms used as “weapons of mass collaboration” (Tapscott & Williams, 2007) and another sharing economy whose starting point is a more vertical, traditional organization (companies as we know them now) that redefines its values and business model so as to integrate cooperation/collaboration into its strategic objectives and/or its organizational mode. The former refers to sharing economy and collaborative consumption initiatives; the latter concerns the function-oriented economy, circular economy, production cooperatives, or more broadly the field of social economy (Laville, 1994, 1999; Demoustier, 2001; Draperi, 2011).

We find, then, that the borders of the sharing economy are not easily defined insofar as these initiatives may originate in a strict commercial logic just as they may emerge from an aspiration for solidarity (and sometimes with a savvy blend of both). The French think tank OuiShare (ouishare.net), an important medium in the sharing economy both in France and throughout the world, founded in 2011, groups the following five phenomena under the term ‘sharing economy’: collaborative consumption; crowdfunding (peer-to-peer financing); open knowledge (open data, open education, open governance); the maker

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1 For a couple of taxonomic essays on the sharing economy, see Bauwens (2012) and Servet (2014).
2 Also called collaborative consumption.
movement (open design and manufacturing, DIY); and open and horizontal governance (participatory budgeting, cooperatives, do-ocracy, holacracy).

It is therefore necessary to deepen our understanding of the sharing economy by underscoring some of its distinguishing characteristics.

1.2. **Horizontal culture and the return of the “invisible hand”**

The sharing economy’s actors have embraced the “horizontal” culture of the internet (Castells, 1996, 2002), where power, responsibilities, information, and knowledge are distributed and shared, and the lines between producer and consumer blur (Rifkin, 2014, speaks of the “prosumer” to refer to a reality where individuals can simultaneously be both producers and consumers). Networks form around shared values in digital and physical communities to provide personalized answers to specific problems and to thereby pave the way for a new economic model: the “long tail” (the sale/offer of a large variety of products, each in small quantity – Anderson, 2004).

Digital auctioneers (Uber’s, Airbnb’s, and Kickstarter’s algorithms play this role) that mediate peer-to-peer (P2P) exchanges act like so many “invisible hands”. Could this be the return of Smith? Or Hayek? The question deserves to be asked when the founder of Wikipedia, Jimmy Wales, affirms that “Hayek’s work on price theory is central to my own thinking about how to manage the Wikipedia project” (Mangu-Ward, 2007).

Indeed, “prosumers” can get what they want directly from other “prosumers” with minimal or even no transaction cost (in the “zero marginal cost society” described by Rifkin, 2014). According to Rifkin, this collaborative model will progressively push capitalism aside. Take for example the fact that Airbnb has a larger market capitalization than the Hyatt group without owning a single hotel. The accumulation of capital (the basis of capitalism) is therefore no longer the guarantee of economic hegemony.

The sharing economy facilitates the transformation of private goods (car, apartment, drill, etc.) into productive goods. This originates, in part, from an economy of frugality found at the intersection of ecological motivations and economic crisis. All of these little invisible hands are acting within a regulatory framework ill-suited to the sharing economy. This new model is accompanied by a marked increase in independent workers in both France and the United States – a sort resurgence of the putting-out system or an acceleration of the *Second Industrial Divide* (Piore & Sabel, 1984) between mass production and artisanal production. A corollary to this movement has been qualified as the “Uberization of work”, in reference to the company Uber, whose UberPop service puts people seeking supplemental income (or a full income) to work under very precarious conditions.

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6 [http://www.lemonde.fr/entreprises/article/2015/03/14/uber-bouscule-la-loi-thevenoud-4593581_1656994.html](http://www.lemonde.fr/entreprises/article/2015/03/14/uber-bouscule-la-loi-thevenoud-4593581_1656994.html)
In any event, it is difficult to pretend that the sharing economy doesn’t exist when we know that the wealth created by this sector could reach up to 335 billion USD by 2025 from its 15 billion in 2014. Apparently frugality isn’t a concern for all of the sharing economy’s actors. But what about Uber or Airbnb has to do with sharing or collaboration? The notion of collaboration is ambiguous (Servet, 2014). And on what level is it situated? Is sharing or collaboration a better term? The algorithms that manage the connection of individuals on these digital platforms are not open access, nor are the client databases.

For some, Uber and Airbnb should not be considered a part of the sharing economy, which refers more to the formation of self-organized communities of interest and peer-to-peer relationships as well as with the construction and management of common goods (Servet, 2014; Bauwens, 2015). How then should we make a distinction between a sharing economy based in a capitalism founded on the massive use of digital tools thanks to the Internet (a “netarchical capitalism” as Bauwens puts it, 2015) and another sharing economy, to be defined, based on a communal project?

II. Characterizing the Sharing Economy
Of course, the sharing economy promotes a distributed view of the economy (Rifkin, 2012, p. 155) in which the consumer becomes involved in production by making their goods available to a third party. The pooling of goods, facilitated by the mediation of digital platforms, aims to save money, to use fewer resources, to reduce consumption and pollution, and to redefine consumer necessities (to shift away from goods and toward relationships). Peer-to-peer exchanges enable collaborative arrangements of production and exchange without being weighed down by institutions or organizations – it is an economy based on demand, where the consumer acts in the field of production (Bauwens, 2015). The peer-to-peer approach proposes a view of the economy’s place in society that was first envisioned by the economic sociologist Karl Polanyi in the mid-20th century. This vision is based on the desire to change economic relationships and to organize their cooperative management.

2.1. The sharing economy – an economy re-embedded in society?
The sharing economy produces social innovation (Klein et al., 2014) by mobilizing economic behaviors that reinforce social cohesion whereas mercantile exchange is a behavior that tends to depersonalize exchanges. Karl Polanyi discussed this phenomenon at length (Maucourant et al., 1998), beginning with his identification of the two meanings of “economy”. The polysemy of this word is the source of many imprecisions in the dominant discourse (Polanyi, 1977, p. 19). In its formal sense, the economy connects means to ends – it is a question of maximizing interest (profit) by avoiding waste – that is, by saving (through efficiency). As such, the economy is the prerogative of a select few firms, namely those organized by the principles of economic liberalism. The substantive meaning of the economy is altogether different, concerning a much larger number of companies. In the...
substantive sense, the economy is the process that enables the livelihood of humankind (through efficiency). This livelihood circulates through interactions with other people and with their natural environment, and interactions with other people fit into a social framework, as humans cannot survive outside of society. Economics is thus immersed – embedded – in the social.

Polanyi identified four principles of economic behavior: three in the substantive sense and the last in the formal sense. These principles are associated with institutional models operative in a given society, which are in turn intended to facilitate the implementation of economic principles of behavior.

The first principle is reciprocity, which consists of giving when one has received. Reciprocity can take many forms, but it’s essential characteristic is that it concerns individuals that identify with one another in some respect. “Reciprocity is enormously facilitated by the institutional pattern of symmetry, a frequent feature of social organization among nonliterate peoples” (Polanyi, 1944, p. 78). Redistribution, the second principle of economic behavior, can be sketched as an initial movement of products toward a central authority which then disseminates them. “The institutional pattern of centricity [...] provides a track for the collection, storage, and redistribution of goods and services” (ibid.). Finally, the principal of domestic administration, which roughly consists of consuming what one produces oneself, is based on the model of the closed group (ibid., p. 83). These three principles of economic behavior, which are not mutually exclusive, represent forms of integration into a group. They rely on institutional models generated by the collective. Respecting and adhering to these principles allows the individual to fit into their community (ibid., p. 86).

The fourth principle is mercantile exchange based on the institutional model of the market. In this case, society does not determine the individual’s place according to “custom and law, magic and religion”. It is rather the market’s function to establish the individual’s place in society in a purely mechanical manner by intersecting the individual’s offers/demands with those of other buyers/sellers on the market in question. In such cases, the market risks becoming the sole “social” link due to its tendency to depersonalize exchanges (Durkheim, 1991).

Different forms of sharing economy mobilize these principles to various degrees. One can already see that Uber, Airbnb, and Ebay fall within the category of mercantile exchange based on the institutional model of the market despite the fact that the exchanges are peer-to-peer (P2P). Wikipedia (Rifkin, 2014), fab labs (Lallement, 2015), and LETS (Ferraton, Vallat, 2012), however, primarily function according to the principle of reciprocity based on the institutional model of symmetry. This principle of reciprocity characterizes the “concern for others” (Servet, 2007) found in groups where the pursuit of the common good takes precedence over the pursuit of individual interests. The sharing economy, in a Polanyian framework, refers to a substantive conception of the economy (the economy is embedded in and works in the service of society). Economic action is thus oriented toward the production of social utility, as is the case with solidarity economy projects (Ferraton and Vallat, 2005; Gadrey, 2006).
With these points in mind, we can enrich our description of the sharing economy to begin distinguishing several forms of sharing economy according to the Polanyian framework. For example, it is possible to act within a mercantile structure while having a substantive conception of the economy (this is the case in circular economies, product-service systems, and worker cooperatives). Likewise, it is possible for several principles of economic behavior to coexist within the same organization: a fab lab or a neighborhood development committee partially subsidized by public funds can function according to the principles of reciprocity or redistribution (Demoustier, Vallat, 2005).

Economic behavior does not seem a sufficient criterion to make distinctions between actors in the sharing economy, thus we will explore a second criterion, pertaining to the cooperative management of the economy.

2.2. A cooperatively managed economy?

The sharing economy seems to offer a third way, between the State and the market – that of the Collaborative Commons (Rifkin, 2014), which, aiming to produce, innovate, and manage cooperatively (Ostrom, 1990; Hess & Ostrom, 2007), is based on the community’s interests (economy in the substantive sense) rather than on the satisfaction of individual desires alone (economy in the formal sense). This perspective is in line with open access culture (Suber, 2012), a prominent part of Internet culture (Benkler, 2002). The collaborative culture associated with the Internet draws from its academic beginnings (Castells, 2002, p. 18-49), and more generally from open source culture (while this cultural trait has not been the only one to create Internet culture, it does constitute a major foundation according to Castells – 2002, p. 50-82). Thus the collective/collaborative production of content (of which Wikipedia is emblematic) has been seeping into organizations, if only by way of generational effect (generation Y†), and is said to contribute to the construction of an adaptive, creative, collective intelligence (Williams Woolley et al., 2010).

Collaborative practices create value for the group/society, and the free software movement is at the forefront of this idea of producing value cooperatively to the benefit of all (Mangolte, 2015). In this context, knowledge is the good being collaboratively managed. The Linux operating system, the Firefox web browser, and the Arduino boards are examples of the innovative fruits of distributed, democratized development (von Hippel, 2005). As the world economy is largely based on the production and distribution of knowledge†‡, this means there is great temptation to appropriate collaboratively produced knowledge for profit. Economist Elinor Ostrom’s work on the commons establishes a framework for thinking about the management of these goods.

The notion of the commons was first used to speak of common-pool resources requiring communal management (Ostrom, 1990) in order to avoid the “tragedy of the commons” (Hardin, 1968) – which is to say, the excessive exploitation of a common limited resource to private ends (e.g., fish stocks). After initial work on the commons was published near the end of the 1970s, with its focus on the management of rare resources (Ostrom & Ostrom,

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1977), the commons was reimagined with a particular focus on culture (Bertacchini et al., 2012), the Internet (Benkler, 1998), and knowledge (Ostrom & Hess, 2011). It is thus possible to give a general definition of commons:

Commons is a general term that refers to a resource shared by a group of people. In a commons, the resource can be small and serve a tiny group (the family refrigerator), it can be a community-level (sidewalks, playgrounds, libraries, and so on), or it can extend to international and global levels (deep seas, the atmosphere, the internet, and scientific knowledge). The commons can be well bounded (a community park or library); transboundary (the Danube River, migrating wildlife, the Internet); or without clear boundaries (knowledge, the ozone layer). (Ostrom & Hess, 2011, p. 4-5)

Knowledge is a particular kind of commons – it grows as it is shared. The more this resource is called upon, the more it develops; and this development has been made much easier as information and communications technology bring the cost of sharing down to nearly nothing (Rifkin, 2014). Within our Polanyian framework, we would say that the production of knowledge relies upon the economic behavior model of reciprocity, based on the institutional model of symmetry – the symmetry of all knowledge producers whose creativity is recognized by all. This is the model that allows for the democratization of innovation (von Hippel, 2005).

Knowledge is, of course, a non-rivalrous good, but it can be improperly appropriated and thus calls into question the establishment of property rights (Orsi, 2015). Privatization is a constant threat to common resources (Polanyi gives the example of the creation of enclosures in the 18th century as “a revolution of the rich against the poor” – Polanyi, 1944), which explains the resistance movements against privatization in the domain of knowledge (Latrive, 2004) that advocate for open access (Suber, 2012) and free culture protected by Creative Commons licenses (Lessig, 2004).

We may further characterize the different forms of sharing economy by adding a discriminating criterion based on the communal management of resources (especially the resource of knowledge, but not exclusive of financial resources, i.e., the sharing of findings related to a given activity). The representatives of “netarchical capitalism” do not share their algorithms for putting peers into contact nor do they share their profits or client databases (which are furnished by the clients themselves).

The sharing economy is not a political movement; while it sustains what may be considered a utopian project (Michel Bauwens’ book is titled “To Save the World” – 2015, and Jeremy Rifkin speaks of “eclipsing capitalism” – 2014), it is based in a diagnosis of the actual that leads one to think: “the structure of our society is profoundly out of sync with the principles of contribution, participation, and cooperation on which the digital and the sharing economy rely” (Filippova, back cover). This conclusion is widely shared (Castelles, 1996; Anderson, 2012; Tapscott & Williams, 2007; Botsman & Rogers, 2011). Beyond this diagnosis, the supporters of the sharing economy advocate action – participation in the

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13 For a more in-depth definition, see Coriat (2015).
14 The Internet makes all production available (especially knowledge) and thereby democratizes creativity (Anderson, 2011, 2012; Serres, 2012).
creation of this new world by being an agent of change. Action becomes the means of testing ideas and overcoming the movement’s internal contradictions.15

III. The Sharing Economy Is Conceived through Action
Sharing economies are united in action. Certain initiatives are managed collectively, based on reciprocity, and remain nonprofit. Others – victims of their success – shift to the side of "netarchical capitalism": No matter where they end up, they appear to share an original impetus – to act, to make, which contributes to the transformation of our worldview.

3.1. The sharing economy encourages us to bricoler
What does it mean to "make" (Lallement, 2015; Anderson, 2012)? It is more than a political agenda, it is a way of life: to no longer be a passive consumer – to join the ranks of the producers. Production liberates, as Proudhon emphasized (in hackerspaces we approach the Prouhonian notion of mutualism that was opposed to the Marxist vision of communal ownership of the means of production) – production in places where space, tools, experiences and knowledge (fab labs and hackerspaces) are shared, production to affirm one’s identity, in collaboration and for collaboration’s sake. To make is to learn by doing – it is a practice of production/personal liberation that fosters empowerment; it is the union of art and technique (which encourages disciplinary decompartmentalization). One might ask if the sharing economy announces the triumph of pragmatism over ideology, of the maker over the professional.

The 3d printers, laser cutters, and other digital machining tools that one finds in fab labs give access to a new form of making that is no longer simply individual, but interconnected (Anderson, 2011; 2012). The Internet hasn't only made possible the implementation of more horizontalized relationships that facilitate collaboration, it has revealed and promoted the image of the maker that each of us can be (in the digital and/or the analog world) (Castells, 1996; Rifkin, 2014). These transformations obviously call for us to question the way in which we think about society and organizations (Castells, 2002). Indeed, the idea of bricolage [DIY, tinkering] can shed light on the process of innovation (Gundry et al., 2003; Garud & Karnøe, 2003), on the choices of entrepreneurs, and on the understanding of organizations (Duymedian and Rüling, 2010). We will show that, by way of its pragmatism, bricolage also calls into question the way we understand the construction of knowledge.

In his book The Savage Mind (published in 196217), Claude Lévi-Strauss developed the concept of bricolage to characterize a mode of understanding the world based on experimentation – a "science of the concrete" (Lévi-Strauss, 2014, p. 30) that he defines as follows:

In its old sense the verb ‘bricoler’ applied to ball games and billiards, to hunting, shooting and riding. It was however always used with reference to some extraneous movement: a ball rebounding, a dog

17 The references given here correspond to the 2014 edition.
By using the analogy of DIY making, Lévi-Strauss attempts to escape what he calls the "Neolithic paradox" (ibid., p. 26). The Neolithic period saw the advent of pottery, weaving, agriculture, animal husbandry, metallurgy, and more technologies that do not come into existence by simple chance, but neither did these discoveries appear as the results of a "modern" (analytical) scientific approach as that formalized by Descartes several centuries later. Thus two scientific approaches coexist in history – one incarnated by the bricoleur and the other by the engineer:

The ‘bricoleur’ is adept at performing a large number of diverse tasks; but, unlike the engineer, he does not subordinate each of them to the availability of raw materials and tools conceived and procured for the purpose of the project. His universe of instruments is closed and the rules of his game are always to make do with ‘whatever is at hand’ [...] The set of the ‘bricoleur’s’ means cannot therefore be defined in terms of a project (which would presuppose besides, that, as in the case of the engineer, there were, at least in theory, as many sets of tools and materials or ‘instrumental sets’, as there are different kinds of projects). It is to be defined only by its potential use or, putting this another way and in the language of the ‘bricoleur’ himself, because the elements are collected or retained on the principle that ‘they may always come in handy’. (ibid., p. 31)

3.2. Cobbling together a construction of the world
Science seeks to understand, whereas the bricoleur seeks to build, which is anything but a barrier to understanding. On the contrary, it reminds us that the construction of knowledge is inconceivable without action: "all doing is knowing, all knowing is doing" (Maturana et al., 1987). This construction of knowledge is created in dialogue with the world. The scientist observes, whereas the bricoleur dialogues; the bricoleur is in the world – he is the world. This is why the bricoleur accepts "[...] the incorporation of a certain amount of human culture into reality" (Lévi-Strauss, 2014, p. 34). Hence the term bricolage qualifies (teleologically) both the mode of production and its result.

Finally, the maker movement and its DIY approach encourage us to be/make the world, challenging our relationship to knowledge as well as calling into question the place of the engineer and the bricoleur more broadly. The figure of the bricoleur leads us to consider a profound ontological hypothesis: the real does not exist in and of itself – the project contributes to its creation. This hypothesis has already been discussed at length in the sciences in its relationship to pragmatic epistemological (Bazzoli & Dutraive, 2015) and constructivist approaches (Le Moigne, 2012)18. It certainly deserves to be discussed much more in the context of organizational management and political action19. Doing goes beyond ideological discourse by implementing concrete shared solutions (Wikipedia, OpenstreetMap, Linux, etc.) based on togetherness (or an economy in the substantive

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18 "Radical constructivism, thus, is radical because it breaks with convention and develops a theory of knowledge in which knowledge does not reflect an ‘objective’ ontological reality, but exclusively an ordering and organization of a world constituted by our experience. The radical constructivist has relinquished ‘metaphysical realism’ once and for all, and finds himself in full agreement with Piaget, who says: ‘Intelligence organizes the world by organizing itself’" (von Glasersfeld, 1984).

19 We might inquire into the capacity of a given sharing economy to correspond to a return to political engagement by way of community involvement (Putnam, 1995, 2000).
A Provisional Conclusion

On the one hand, we have open access culture (Suber, 2012), where peers join together in support of a socially useful project and produce collectively; on the other hand are gigantic commercial enterprises that profit from the opportunities made available by the Internet and seek to establish a “netarchical capitalism”\(^20\). The sharing economy concentrates contradictions of which the field’s actors are clearly aware and which are simply the reflection of the complexity of our societies. This is why we distinguish different forms of sharing economy. Certain of them may appear as the culmination of the new spirit of capitalism (Boltanski & Chiapello, 1999) and others as its reassessment. Some of these initiatives, “victims” of worldwide success (Airbnb), succumb to institutional isomorphism (DiMaggio & Powell, 1983), reproducing organizational forms of the past as they blend into a new capitalism supported by digital networks. Others take part in the desire to make in order to affirm one’s existence in the world (to re-affiliate oneself – Castel, 1995), or even to transform the world and to cobble together a concrete utopia.

Makers shake up the orderly arrangement of the scientific organization of work (Anderson, 2011, 2012)\(^21\), prosumers throw into question the workings of capitalism (Rifkin, 2014), and hackers challenge ownership (Latrive, 2004): all of them open new horizons for researchers to explore, as the established knowledge does not exhaust this new context. The way is open to cobble together new knowledge.

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\(^20\) [http://www.liberation.fr/economie/2015/03/20/le-peer-to-peer-induit-que-la-production-emane-de-la-societe-civile_1225002](http://www.liberation.fr/economie/2015/03/20/le-peer-to-peer-induit-que-la-production-emane-de-la-societe-civile_1225002)

\(^21\) Worker cooperatives have been able to play this role, but on a smaller scale.
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Abstract:
The values of the collaborative economy (openness, cooperation, equality, empowerment, reciprocity) allow it to propose an alternative to capitalism. We attempt to characterize this form of economy by inquiring into its intentions (with a Polanyian framework), its mode of governance (collective), and its relationship to act of production.