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## The Economy of Collaboration between Reciprocity and Profit

The initial orientation towards the social relationship tends to turn into generation of revenues

The book entitled “*L’Economia della Collaborazione. Le Nuove Piattaforme Digitali della Produzione e del Consumo*” was written by Francesco Ramella and Cecilia Manzo in 2019 and published in Bologna for il Mulino. The book has 245 pages and a cover price of 22.00 euros. The book consists of an introduction, 8 chapters and conclusions.

*Introduction.* In the introduction, the authors refer to the presence of the collaboration economy as a new paradigm deriving from the encounter between digital innovations that have allowed the creation of online platforms of services and products and the attitude of people to exchange and collaborate to increase their access to consumption or their own income. The authors refer to the contrast between various models of "regulation" of economic exchanges, among which there is certainly reciprocity and market transaction. However, between these two different poles there are also other types of forms of market regulation such as for example mitigated forms of reciprocity that the authors call balanced reciprocity and the case of redistribution. The distinction between these forms of market regulation is useful to the authors as a framework for describing the complex of collaborative platforms that have purposes ranging from generalized reciprocity to financial transactions. Therefore, even if the collaboration platforms of the sharing economy are inspired by a principle of co-operation between the participants, this collaboration does not necessarily take place for free and indeed in many cases gives rise to market transactions. This consideration is useful for the authors to highlight that the platforms of the sharing economy are not institutions that have the purpose of subverting the functioning of capitalism thanks to technological innovation, but rather they constitute alternative structures to the traditional forms of organization of exchanges of goods and services facilitated by the cooperative attitude of producers and consumers.

*Chapter 1: The Drivers of the Collaboration Economy.* In this paragraph, the authors highlight the reasons that prompted the economy to implement sharing economy models. One of these factors is the technological transition or the fact that digital innovation has made it possible to reduce the costs of collaboration between consumers and producers. The Internet has made it possible to generate a network effect in the connection of users, guaranteeing reputational monitoring thanks to feedbacks, comments, and recommendations. This phenomenon has changed the way the population is consumed by creating "*collaborative consumption*" based on the fact of using the production capacity of unexpressed value in the goods and services that are lent, given away, or which third parties are allowed to use for periods of limited time under certain conditions. The result is a model in which to consume a good there is no need to own it and instead access is enough. The authors also believe globalization has played a role in creating the collaboration economy thanks to the construction of the Global Value Chains.

*Chapter 2: Intelligent Production.* In this chapter, the authors refer to the new production capacities that have been achieved using technology in industry 4.0. The fourth industrial revolution is understood as a set of enabling technologies including: Internet of things, Big Data Analytics, Cloud and Cloud Computing, Manufacturing and 3D printing, Cybersecurity, Advanced Robotics,

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Augmented Reality, Simulation, Horizontal integration systems and vertical. The available technologies allow the creation of a mass production customization system. The Fordist-Taylorist idea of mass production is therefore overcome to arrive at a model in which consumers can customize the purchased product. This reorganization of production systems also leads to the creation of threats to work. In fact, it is not clear whether the net effect of industry 4.0 is an increase or a reduction in the number of employees in the industry sector. Certainly, in order to operate in the 4.0 industry it is necessary that workers develop ever more in-depth knowledge on digital technologies and also have the ability to produce intangible assets. The authors identify three necessary skills or "content skills" or problem-solving skills, social skills or the ability to develop social relationships and process skills or the ability to monitor oneself and others. However, not all companies have the right incentives to be able to access industry 4.0 and that is why economic policies have been introduced that have the specific objective of supporting companies in the investments necessary to become digital companies.

*Chapter 3: The Sharing Economy.* This chapter introduces some examples of sharing economy such as the case of the Facebook group "*I give it to you if you come to take it*" which allowed the re-use of goods that were not efficiently used by the owners and through this exchange it also allowed people to expand their weak social networks. The authors also refer to the thinking of Arun Sundararajan, an expert in business theory who mistakenly saw the sharing economy as an opportunity to overcome capitalism. In fact, according to the logic of Arun Sundararajan, the production carried out by the crowd or by the crowds would have replaced the production carried out by the organizations. Obviously, this vision is an interpretation that does not reflect the reality of the facts as even the sharing economy platforms tend to assume the same extractive, profit oriented and market based characteristics of the big corporations. In any case, even if crowd production is unlikely to replace capitalism, it is also true that the economy of collaboration has changed the behavior of many consumers. In fact, traditionally privately owned assets were hardly the object of forms of shared use that did not provide for compensation or partial or total transfers of private property. Instead, in the collaboration economy, the percentage of the population that began sharing goods and services with strangers has increased. From an economic point of view, the sharing economy in Anglo-Saxon countries is worth about 1.3% of GDP. A very important role is played by cities. In fact, there is a dimension of the collaboration economy that appears to be city based. Cities therefore intended to become "shareable cities" or cities based on sharing with the adoption of a set of regulations that allow citizens and municipalities to collaborate in the management, design and maintenance of local public assets. Finally, the world of work is also crossed by a sharing economy dimension, although this change seems to be associated with a worsening and precariousness of the conditions of workers.

*Chapter 4: The Sphere of Innovation.* The authors refer to the growing role that innovation has assumed in the economy following the industrial revolution. Innovation also has its own local dimension as demonstrated by the district theory. To this type of "traditional" innovation, the economy of collaboration adds another, namely "crowd innovation" which consists in the contribution that people give to the resolution of production problems and the introduction of new and more creative generation systems. value. With reference to the dimension of collaborative innovation, the authors identify the following types of innovation, namely:

- Open innovation model: it is a model in which the production of innovation takes place both by using the internal resources of production organizations, and by using external resources. This model is used both in the for-profit sector and in the non-profit sector or in the context of social innovation models.
- Collective inventions: innovation processes in which a set of companies and organizations participate, deriving from the dissemination of information and the advantage deriving from

the sharing of small marginal innovations which, overall, can significantly improve technological innovation.

- Open innovation communities: these are very common innovation models in the software production sector. In this case there are no market incentives but rather participation in innovation occurs for intrinsic or reputational reasons. Examples of this kind are for example Linux and computer systems created under the General Public License-GPL.
- Free innovation and the democratization of inventions: it is a very broad and complex phenomenon that nevertheless requires a large capacity for innovativeness on the part of consumers. In fact, in this case, consumers are able to modify products that have been made through mass production systems to make them more personalized by introducing significant innovations. The free innovators can later share this information through social networks and also allow producers to make the same changes during the industrialization phase.

With reference to the dynamics of collaborative consumption, the authors consider four different dimensions:

- The exchange of goods: generally takes place in the form of a donation or loan and therefore through a form of generalized or partial reciprocity. Little-used goods are donated to people who have the greatest need to use them. Peerby is a service born in Amsterdam in 2012 thanks to which it is possible to lend tools to people who live in the same neighborhood through an app.
- Mobility or car sharing vs car pooling: there is a significant distinction between car pooling and car sharing. In fact, in car pooling the users of the platform collaborate in supporting the costs of a trip or a move and there is therefore an element of partial reciprocity with the construction of weak social bonds. A typical example of car pooling is BlaBlaCar. In car sharing, on the other hand, consumers simply buy a service or rent a car without cooperating with any other user and without referring to reciprocity.
- Cohabitation: this is the case of Airbnb and CouchSurfing. Through the use of Airbnb, users declare that they have additional advantages over the use of traditional accommodation systems in hotel rooms thanks to the possibility of a more informal atmosphere. Furthermore, Airbnb users can also rely on the information of the hosts to be able to explore the territory more effectively.
- The consumption of food: it developed through the tools of social eating. Social eating has developed in France and the UK and also in Italy thanks to apps that allow chefs to cook at people's homes after booking. In Italy, the Gnammo platform, which allows people to organize lunches and dinners with strangers, has been very successful. However, there is a reputation mechanism due to the feedback that users write on the platform.

Regarding production, the authors refer to open source, open manufacturing and open design. Collaborative production also takes place through the various forms of crowdsourcing widely used in the IT sector. Finally, with reference to the use of collaborative platforms in the service sector, there is the possibility of using tools such as TaskRabbit to build relationships between workers, Amazon Mechanical Turk for carrying out micro-tasks, various digital time banks that allow you to develop forms of digital neighborhood.

*Chapter 6: The Sphere of Financing.* The authors refer mainly to crowdfunding and forms of fundraising through the internet. Such systems can involve various types of social relationships from parental-friends, to geographical-territorial ones, to professional-working ones up to generic

stakeholders. However, there are also a number of differentiated models in the context of crowdfunding, namely:

- *Donation-based*: it is a system based on donation without receiving anything in return.
- *Reward based*: the lender receives a postcard, a preview of the product or service, and then is "rewarded" for the offer;
- *Social lending*: it is a real loan that is made at lower interest rates than those practiced by the banking system;
- *Equity based*: it is a type of financing that allows you to enter risk capital with the possibility of obtaining participation in profits;
- *Royalty based*: the lender receives part of the profits as royalties;
- *Civic crowdfunding*: it is a financing method through which citizens participate in the construction of generally local public goods.

The crowdfunding phenomenon is quite widespread in Italy thanks also to the fact that Italians were pioneers of the phenomenon even before Kickstarter. Crowdfunding platforms raised € 111 million in 2018. Finally, the authors refer to some cases of civic crowdfunding, namely:

- *A step for San Luca*: an initiative through which the population of Bologna participated in the renovation of a municipal portico;
- *Municipality of Milan*: where the administration has asked citizens to participate with projects and crowdfunding in the implementation of projects for urban improvement.

*Chapter 7: Fab Labs: Collective Goods of the Collaborative Economy.* The Fab Labs were created by MIT professor Neil Gershenfeld who in 2001 gave a lecture entitled "*How to Make (Almost) Anything*". Fab Labs are collaborative laboratories in which it is possible to produce through various techniques such as additive manufacturing thanks to the presence of highly qualified human capital. These laboratories have had a wide diffusion being present about 686 Fab Labs in the 5 continents. The authors analyze the sociology of Fab Labs and discover that these laboratories are very present in countries such as France and Italy in which human capital with technical and engineering skills, not being adequately employed and remunerated in the industrial sector, finds alternative ways of using the just knowing by doing a service to the community. In the USA, on the other hand, Fab Labs have been associated with high schools.

*Chapter 8: Collaborative Platforms in Italy: Three Case Studies.* The authors present three cases of collaborative platforms present in Italy, namely:

- *Airbnb*: it was widespread especially in Italian cities of art. It was contested by hoteliers for having significantly reduced the length of stays in Italian cities. 55% of Italian hosts are women. Proceeds from Airbnb are re-invested to finance other commercial-entrepreneurial activities. Airbnb has been accused of fomenting the phenomenon of airification: that is, the fact that citizens prefer to rent the houses they have in the city center and live in the suburbs, effectively transforming the city center into playgrounds for tourists.
- *BlaBlaCar*: it is a platform born in France that has spread a lot also in Italy. The efficiency of the service is mainly due to the presence of abundant reviews that allow users to evaluate the reliability of the driver and estimate the quality of the trip. 25% of BlaBlaCar's Italian business takes place in the North-West, 34.5% in the North-East. Italian users use BlaBlaCar for relational, study and work purposes.
- *Gnammo*: is a social eating app. In 2014, 300,000 people in Italy participated in social eating events. Restaurateurs believe that social eating should be regulated as it would constitute a

form of competition. Gnammo users are located mainly in Northern Italy: 39.8% in the North East and 11.9% in the North West.

*Conclusions.* The authors conclude that the collaboration economy can be developed above all thanks to a set of interventions, namely: digitization, security and transparency, promotion and integration of the collaboration economy.

**Considerations.** The book well represents the social phenomenologies that support the phenomenon of the collaboration economy. However, it must be considered that this book was written before the pandemic crisis and therefore makes no reference to the profound financial difficulties of many collaborative platforms such as Airbnb, BlaBlaCar and Gnammo. Furthermore, the issues of work in the gig economy are not adequately addressed, such as the case of riders and food delivery companies which during the pandemic crisis experienced very significant growth. In fact, if consumers and producers can increase their usefulness through the economy of collaboration through online platforms, it is very likely that the workers will pay the price. Furthermore, the authors place too much emphasis on the dimension of total or partial reciprocity. In fact, as is evident, the online collaboration platforms seek profit and modify their business model to increase revenues and possibly aim for listing on the stock exchange, especially in the USA and UK. Therefore, the economy of collaboration is not a form that can in some way "contrast" capitalism and at most represents an alternative form - until proven otherwise - of the organizational model of big corporations. Probably, collaborative platforms could retain a more significant social orientation if they adopted cooperative forms of organization.

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