Title: **Platform Economics**

Subtitle: **Rhetoric and Reality in the "Sharing Economy"**

Authors: **Cristiano Codagnone, Athina Karatzogianni, Jacob Matthews**

Introduction

> We are being afflicted with a new disease of which some readers may not yet have heard the name, but of which they will hear a great deal in the years to come--namely, technological unemployment. This means unemployment due to our discovery of means of economising the use of labour outrunning the pace at which we can find new uses for labour.

> (John Maynard Keynes, 'Economic Possibilities for our Grandchildren'[1])

This book tackles head on and deconstructs the rhetoric surrounding the so called sharing economy, which has obfuscated so far the public debate, contributing to delays, or total lack of policy and regulatory intervention. In a nutshell, we show that platforms have managed to enlist in their communication and lobbying activity two apparently contradictory rhetorics: that of disruptive innovation typical of neo-liberalism ideology together with the positive normative discourse about grass-roots and bottom-up revival of community, trust, social capital, and the moral economy allegedly enacted by exchanges between peers. Economist Timothy Taylor (2015) argues that the use of the 'sharing economy' to refer to various commercial platforms is a 'triumph of public relations artistry'. Taylor would rather use the expression 'matching economy', whereas when we analyse at face value 'sharing economy' discourses and self-defining practices here, we use expressions such 'platform economy' or two and multi-sided market.

The platform economy has reached sizeable dimensions and today is a very politically relevant and hotly debated topic. According to a study released in 2017 by European Commission (Hausemer *et al.*, 2017) , for instance, as many as about 200 million European citizens have used peer-to-peer platforms between May 2015 and May 2016. The platform economy is discussed both as source of innovation/growth and as matter of various policy concerns going from competition, tax collection, consumers' protection, privacy, algorithms transparency all the way to the future of work. One particular concern, in fact, regards the alleged advent of technological unemployment predicted in the quotation from Keynes placed at the beginning of this introduction. The rise of online labour platforms is occurring at the same time as many gurus predict the widespread computerisation and robotisation of jobs, as well as the emergence of a new algorithm dominated forms of governance and organisation of work.

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[1] From John Maynard Keynes, Essays in Persuasion, New York: W.W.Norton & Co., 1963 (orig. ed. 1930), pp. 358-373

Within the broadly defined online platforms phenomenon, at face value the 'sharing economy' seemed a new and refreshing movement where the passions and the interests could be reconciled along the ways suggest by Albert Hirschman (1977, 1982) who, in his attempt to rebuke the pessimism implicit in Mancur Olson's work on collective action (1971 [1965]), had argued that social and publicly inspired passions could be reconciled with economic self-interest. Yet, today the 'sharing economy' is contested and critics actually claim that it represents a further encroachment of neoliberalism economic self-interest on society, rather that the re-embedding of economy within community. Recently, on the basis of 120 in depth interviews with participants a group of sociologists suggest that the 'sharing economy' can still domesticate the market and build a 'moral economy'(Fitzmaurice et al., 2018). At least, these authors claim, most participants see the sharing economy as an opportunity to construct communitarian and morally attuned personalised exchange. Leaving aside the issue of the validity of claims based only on 120 interviews, it is one of our contentions in this book that this kind of narratives are exactly among the sources of the rhetorical discourses obfuscating the debate and used instrumentally by the commercial platforms. Actually, we prefer the way the economic literature deals with both sharing platforms and other platforms, namely as two-sided markets (see *infra*). At any rate, the developments since 2014 justify the use of the metaphor 'sharing wars' (Rauch & Schleicher, 2015) as more appropriate than that of the reconciliation between the passions and the interests to characterise the current debate. The purposive sampling of media and blogs coverage performed for this book, corroborated by other similar exercises (Cohen & Muñoz, 2015; Dredge & Gyimóthy, 2015; Martin, 2016; Richardson, 2015; Schor, 2014; Schor & Attwood-Charles, 2017), indicates that attention peaked in 2014-2015 and increasingly started to focus on controversies and conflictual aspects. The conflict between the 'passions' and the 'interests' is evident in the claim that 'true' and 'authentic' sharing and collaborative movements have been hijacked and co-opted in the rhetoric and public relations campaign of big commercial platforms such as Uber and Airbnb to pursue their economic self-interest through traditional lobbying strategies (Caldararo, 2014; Kuttner, 2013; Lee, 2015; Walker, 2015). In less than five years the 'honeymoon' with the 'sharing economy' has ended. Optimistic and utopian narratives have been substituted by accounts of legal disputes and of the 'dark side of sharing economy' (Malhotra & Van Alstyne, 2014). So, starting especially in 2016 the first sign of policy and regulatory responses occurred in a domain already characterised by heated debates and open conflicts.

In the Digital Single Market (DSM) strategy unveiled in 2015 the European Commission (henceforth EC) announced an in depth review of platforms (European Commission, 2015a, 2015b), which translated in a number of initiatives including, among other things, the e-commerce package,[2] the *Communication on Online Platform* (European Commission, 2016c), and the *Communication on the Collaborative Economy* (European Commission, 2016b); several European countries also took action in this domain.[3] Yet, as of today online platforms

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[2]   The e-commerce package contains, among other things, the legislative proposal 2016/0152 (COD) on geo-blocking and the legislative proposal 2016/0148 (COD) concerning unfair commercial practices in the digital world.

[3]   For instance: - a) In 2015, the French government promoted the Digital Republic Bill, with the objectives of opening up data and knowledge dissemination, ensuring equal rights for internet users, and promoting an inclusive digital society (http://www.republique-numerique.fr/pages/digital-republic-bill-rationale); - b) In 2016, the Italian parliament drafted the Sharing Economy Act (http://www.camera.it/_dati/leg17/lavori/stampati/pdf/17PDL0039770.pdf); - c) The Dutch Ministry of Economic Affairs commissioned a study to identify and evaluate policy options for online platforms (https://www.tno.nl/en/about-tno/news/2016/3/how-policy-makers-can-deal-with-digital-platforms/ ; d) In Germany, the Ministry of Economics has published a Green Book on Digital Platforms outlining rules and

still function somehow in a grey area not fully governed by the rule of law. In a speech pronounced on February 28 2018, the President of the European Parliament Antonio Tajani affirmed that currently online platforms are to a large extent '*legibus solutus*' (exempt from law), often with dominant market position and paying little taxes.[4] In particular, Tajani singled out the 'collaborative economy' (official EC policy jargon for what in the majority of academic contributions is called the 'sharing economy') and made the example of Airbnb that is allegedly exempt (according to Tajani) from norms on workers, consumers, taxes, security, and license that on the contrary its micro-enterprise competitors in the tourism industry must respect. Tajani concludes that the message of the European Parliament is clear: the EU market, besides promoting innovation, must also guarantee competition rules and equal conditions for all players.

In practice, the situation in Europe today is not as clear cut as in the words of the president of the European Parliament, since different 'regulatory' solutions are emerging in different countries as a patchwork of judges' decisions and local authorities' initiatives. In certain European cities, for instance, Airbnb can operate only at the condition of withdrawing due taxes whereas in others strict permissions and licenses are required for those who want to put their house on the platform.[5] Yet, there is not a common and systematic common European approach and at times not even a common national level framework (i.e. in Spain rules on Airbnb differs between Madrid and Barcelona, see *infra*). Whereas various regulations and license schemes can be applied to Airbnb and other platforms in the accommodation businesses, only two Member States / cities (France and Italy) have introduced specific regulatory regimes addressing online collaborative platforms in the accommodation sector. On the other hand, Catalonia has introduced a regulatory regime which, although not explicitly mentioning online platforms, it targets them (and differentiates Barcelona from Madrid).

A similar situation characterises platforms involving labour matters and the much debated issue of whether Uber's drivers or Foodora's riders are self-employed contractors or de facto employees.[6] On such labour matters, governments have so far remained idle and let courts decide. Courts are deciding differently in different countries. In October 2016, a London employment tribunal upheld the claim brought by two Uber drivers on behalf of a group 19

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framework conditions for online platforms, while the Competition Authority has carried out an analysis of online market structures.

[4] Opening Speech by EP President Antonio Tajani at EU-China Tourism Year Parliamentary Day, Brussels 28 February 2018 (see: http://www.europarl.europa.eu/the-president/it/sala-stampa/intervento-di-apertura-evento-anno-del-turismo-ue-cina).

[5] Three impulse papers requested by European Commission on how Airbnb operates in different European cities provide an exhaustive picture of this fragmentation of approaches (Ranchordás, 2016; Rating Legis, 2016; Smorto, 2016). The most recent overview of regulatory approaches in the tourism sector for the sharing economy can be found in a report published in 2018 by the European Commission (VVA & Spark, 2018).

[6] For the most updated overview of policy and regulatory developments concerning the issue of workers of the sharing economy in Europe see a report recently published by the European Agency for Safety and Health at Work (Garben, 2017.). Other two reports also published by the Commission provide an overview of regulatory developments in EU28 concerning consumer protection (Hausemer, et al., 2017) and of cases concerning sharing economy platforms that have been dealt by the Court of Justice of the European Union (Psaila *et al.*, 2017).

Uber workers who argued that they were employed, rather than working for themselves.[7] In Turin on April 11 2018 the court rejected an appeal by 6 riders of Foodora who, after having participated to a mobilization for their rights, were terminated by the platform.[8] The judges accepted the platform claim that the riders were self-employed and could be terminated any moment and, thus, could not benefit of the right to self-organise as employees would.

No doubt that the emergence of online platforms is a case in point of tension and friction between fast technological innovation and regulation where it is more difficult that technology and regulation coevolve to ensure both innovation and a fair management of risks and sharing of benefits (Brownsword & Goodwin, 2012; Brownsword & Somsen, 2009). In the literature on law and technology this situation is called regulatory disconnect whereby regulation cannot evolve as fast as its target and becomes disconnected (Butenko & Larouche, 2015). Some of the platforms of the sharing economy, such as for instance Airbnb, further complicate the picture, as they operate at the intersection between different levels of law and regulation: general national law, civil codes provisions, city regulations, regional level safety frameworks for rental, and in specific rental laws.

Yet, there is also no doubt that online platforms have followed a 'fait accompli strategy', reached scale and power and then started to deal with compliance only when forced (Degryse, 2016, p. 15). In this way platforms first avoided existing laws and regulations, which enabled them to later claim that they are a specific case and should be either exempted from existing regulatory framework or be the target of innovative regulations. Second, this enabled to gain wealth and influence and the needed political power. Third, they first locked in consumers and workers of became reliant and dependent on them and can today act as their political supporters. So, it is debatable the extent to which their success is attributable to pure innovation or rather to 'regulatory arbitrage'.

A rhetoric-driven 'negative policy bubble'

It is the claim of this book that such 'fait accompli' strategy was not only the result of regulatory difficulty and of platforms ability, but it is rather a case of a 'negative policy bubble' skilfully obtained through rhetorical framing and lobbying. The concept of the 'policy bubble' has been put forward to provide alternative explanations to when we observer an 'oversupply' or 'undersupply' of policy responses (Jones et al., 2014; Maor, 2014; Maor, 2016). For what concerns the systematic undersupply of policy common explanations include, among others, institutional frictions (Baumgartner et al., 2009; Jones & Baumgartner, 2005), policy drift due to pressure from veto points in the political process (Hacker, 2004), and time trade-offs over time when government is unwilling to impose immediate costs for future gains (Jacobs, 2011). The 'policy bubble' perspective introduce a cognitive and emotional dimension of analysis

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[7]   Aslam & Ors v Uber BV & Ors [2016] EW Misc B68 (ET) 28 October 2016.

[8]   See for instance: P. Cruciatti "Cosa ci dice la sentenza di ieri su Foodora", Il Post, 12 April 2018 (https://www.ilpost.it/2018/04/12/foodora-sentenza/ ; accessed May 2018).

related to the heuristics and biases that can be opportunely framed through rhetorical narratives, activated by those interested in producing an oversupply or undersupply of policy responses.

Since the emergence of the first 'sharing economy' platforms in the mid of the first decade of the 21st century until at least 2016 there has clearly been an undersupply of systematic policy and regulatory responses in Europe, testified by the earlier cited February 2018 speech of the president of the European Parliament basically stating that they still function to a large extent outside of the rule of law. After platforms started operating and reached scale they have skilfully enacted lobbying strategy based on rhetorical framing and on the instrumental and selective use of empirical evidence.

Cannon & Summers (2014) wrote a piece providing strategic suggestions for Uber and other 'sharing economy' companies on how to fence current criticisms and win over 'regulators' by using state of the art techniques to reach out to government, produce well researched case showing the benefits created by companies, use external validators, and create coalitions. Indeed, all the major commercial sharing platforms have just done exactly as suggested. The narrative of their blogs is clearly framed in terms of sharing and caring and they have produced several self-report on the many economic and social impacts they allegedly deliver to economy and society (Codagnone *et al.*, 2016b). Just a few examples are reported here. In a public hearing with the UK House of Lords Patrick Robinson (Head of Public Policy Europe and Canada for Airbnb) affirmed that 'In our case, the public interest at stake here is, first, about consumers and consumer choice not just to consume services but to be producers of services too. The additional income that Airbnb hosts are making is very important to them. Identifying outdated rules and regulations that might stop people engaging in what is beneficial activity is a good exercise and one that I am delighted that we undertook in London…' (House of Lords, 2016). The rhetoric of a flat world is integrated with that of the advent of a global online meritocracy by the Elance-oDesk (then renamed Upwork) 2014 annual impact report (Elance-oDesk, 2014). On 10 February 2016, Airbnb, Uber and 45 other commercial 'sharing' platforms sent an open letter to the Netherlands Presidency of the Council of the European Union,[9] where they demanded to be protected from regulatory intervention taken at national and local level in in view of their great contribution to sustainable economic growth in Europe.

This book shows that evidence is emerging on both the positive and negative effects of platforms, but it also unequivocally documents that the currently available evidence on costs and benefits is absolutely partial, not yet conclusive, and does not warrant the claim above, through which platforms ask protection to the European Commission, in view of possible threats from national and local level regulatory interventions. Not surprisingly, several observers have claimed that large companies have co-opted the sharing movement to pursue economic self-interest through traditional lobbying strategies (Lee, 2015; Schor, 2015; Walker, 2015). According to Lee (2015, p. 17), the 'sharing economy' is just another example of how 'insurgent sentiments' are used to 'sell the bona fide of profit-making corporations'. The anti-establishment ideology disseminated by magazine *Sharable* and association *Peer.org* are increasingly seen as mouthpiece of big companies such as Uber and Airbnb, which use such

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[9]   Available at: https://www.airbnbaction.com/wp-content/uploads/2016/02/NLCouncilLetterCollabEcon-Final-100216-4.pdf (retrieved 9-10-2017).

rhetorical weaponry for the pursuit of their economic interests (Kerr, 2014). As a matter of fact, it is our claim that the sharing economy is a unique case, in which concentrated and specific economic interests (large commercial platforms), not only have used to their advantage the narratives describing the initial phase of the sharing movement, but they have also succeeded in the infrequent objective of enlisting diffuse (i.e. consumers) interests as their allies.

This book aims precisely at tracing the origin of such rhetorical framing and at deconstructing them by way of analysing the available empirical evidence around the underlying claims. In this we follow the inspiration from the general approach of Hirschman and particularly from his book *The Rhetoric of Reaction* (1991). Throughout his scientific production Hirschman considered ideas, values, and rhetorical discourses as having autonomous effects on the process of change itself, regardless of whether or not they are empirically grounded. He considered them part of the endogenous mechanisms of social and economic change with an approach that can be deemed 'pragmatic idealism' (Adelman, 2013, p. 422). In the *Rhetoric of Reaction*, Hirschman observed how opposing groups in liberal democracies sometimes get walled off from each other's opinions and views; rhetorical discourses can explode into conflict simply as a result of the 'imperative of the argument'. Rhetorical discourses limit what people might consider as alternatives and are immune from being wrong and accommodate uncertainty. Hirschman considered instead a detached analysis of surface rhetoric, placed historically and analytically in context, more useful than a head-on attack on one of the opposing factions, and claimed that deconstructing rhetoric by using empirical evidence could help restore dialogue and communication between conflicting factions. Rhetorics are part and parcel of debates on important policy issues that involved opposing interests entering into various forms of negotiations that can be settled or become intractable. Rhetorical discourses do not emerge from nowhere, but are historically inspired and recurring. Hirschman compared, for instance, the neoconservative attacks on welfare states, such as Charles Murray's *Losing Ground* (1984), to the reactions hundreds year earlier against the "Poor Laws". He noted how 'Any idea that has been out of view for a long time has a good chance of being mistaken for an original insight' (1991, pp. 29-30). A case in point is the discourse about gigs workers performing tasks on digital labour markets for 'pin money'. Here, an old idea first articulated in the 1950s and 1960s about the then-emerging temporary work agencies in the US has clearly resurfaced (Berg, 2016).

In sum, the 'sharing economy' is today a rhetorical field that needs unpacking and this book contributes to this undertaking. It may seem churlish to deconstruct these discourses with empirical evidence and to challenge claims made by both naive disinterested and shrewd self-interested parties about '*le magnifiche sorti e progressive*' (the magnificent and progressive fate) of the 'sharing economy'. Alternatively, deflating the gloomy predictions of the harshest detractors of 'sharing' platforms may be considered apologetic. Yet, this is exactly what this book aims to do.

Elective affinity

There is a clear elective affinity between the first narratives on the sharing economy, the conceptual ambiguity they generated, and the way this has been harnessed into rhetorically framed discourses.

The expression 'sharing economy' is actually a 'floating signifier' for a diverse range of activities (Nadeem, 2015, p. 13) and its usage to refer to various commercial platforms can be seen as the 'triumph of public relations artistry' (Taylor, 2015). As discussed by Belk (Belk, 2014a), among all the platforms included into the sharing economy one could distinguish 'real sharing' from 'pseudo sharing', by which he means 'business relationship masquerading as communal sharing'. The conceptual ambiguity is such that at times one is left to wonder whether stakeholders, experts, and policy makers are talking about the same phenomenon. It is important to note that there is a closed self-reproducing loop between conceptual ambiguity, rhetorical controversies, lack of sound measurements and empirical evidence, and fragmented or non-existent policy and regulatory approaches. Such conceptual ambiguity goes hand in hand with rhetorical narratives that have been harnessed into current disputes between boosters promising 'utopian outcomes' (empower consumers, lower carbon footprint, and efficiency) and the critics denouncing that self-defined sharing companies are in reality about economic self-interest pursued in predatory and exploitative manners. Under the label 'sharing economy', depending on the stream of literature, one can find all sorts of different platforms that have in common only the fact that they two groups of users and providers, increasing the scale and speed of traditional transactions such as selling, renting, lending, labour trading, and provision of services. Such usage is confused and confusing to the point of making expressions such 'sharing economy' or 'collaborative economy' conceptually trivial.

The attempt to place or be placed within such label is part of what can be called the rhetorical politics of platformisation. Also the digital labour markets, which we analyse in this book and include both those that allow the remote delivery of electronically transmittable services (i.e. Amazon Mechanical Turk, Upwork, Freelancers, etc.) and those where the matching and administration processes are digital but the delivery of the services is physical and requires direct interaction, are at times referred to as sharing platforms. In practice, however, sharing platforms diverge in terms of dimensional relevance (i.e. from a few hundred users to millions of users), interaction modality (i.e. peer-to-peer or P2P vs. business-to-consumers or B2C), and type of assets being exchanged (i.e. a property vs. one's labour). Hence, they differ also in terms of their current policy and regulatory implications (e.g. market access and licensing, liability and insurance, consumer protection, labour laws). As this book deals with rhetorics and such rhetorics are closely connected to such conceptual ambiguity, we will use expressions such as 'sharing economy' or 'sharing platforms', although in practice we believe that the most appropriate way to conceptualise and treat them is that used in economics where these players are discussed as two-sided markets or two-sided platforms. Since 2002, a growing body of mostly conceptual-theoretical economic literature (discussed in chapter one) has analysed situations where one economic operator (originally referred to as an intermediary and later increasingly as a platform) brings together at least two different groups of users as instances of 'two-sided' or 'multisided' (when there are more than two groups) markets.

Yet, narratives and definitions of the sharing economy have emerged with emphasis on the social and the communitarian elements, which have proven to be very sticky and also rhetorically useful especially for those commercial platforms that have scaled up. This has created a paradox (Richardson, 2015) and a built-in potential for polarisation (Martin, 2016). The paradox consists of the fact that the sharing economy is defined simultaneously as part of

the capitalist economy and as an alternative to it. This resulted in the polarisation between the sharing economy as a new socially and environmentally sustainable form of consumption/production or as a new nightmarish form of neoliberalism. In their analysis of discourses on the 'sharing economy' and its impacts Dredge & Gyimóthy (2015, pp. 2-3) showed that the initial framing of issues publicly debated has created path dependencies that prioritise certain aspects to the detriment of others and end up determining the agenda for public and policy discourses and debates.

The roots of the rhetorical framing can be found in the optimism that accompanied the initial phase of the 'crowds' and 'sharing' phenomena. First came the optimism on crowdsourcing and of the 'wisdom of crowds'(Anderson, 2006; Benkler, 2004, 2006; Benkler & Nissenbaum, 2006; Surowiecki, 2004), allegedly offering a 'cognitive surplus'(Shirky, 2010) and problem solving capabilities (Brabham, 2013; Brabham, 2008; Gehl, 2011) and promising new efficiencies efficiency (Chandler & Kapelner, 2013; Djelassi & Decoopman, 2013; Satzger et al., 2013). Then came the social optimism on the sharing movement portrayed as offering triple wins: greener commerce, greater profits, and rich social experiences in the form of community revival and strengthening of social capital (Grassmuck, 2012a; Leadbeater, 2009; O'Regan, 2009; Wittel, 2011). Later on, management (Guttentag, 2013; Heimans & Timms, 2014; Matzler & Kathan, 2015; WEF, 2013, 2014; Wosskow, 2014) and neo-liberal economics optimistic narratives followed (Allen & Berg, 2014; Cohen & Sundararajan, 2015; Koopman *et al.*, 2014, 2015; Sundararajan, 2014; Thierer *et al.*, 2015). Management gurus (Heimans & Timms, 2014), for instance, proposed a distinction between 'new power' (sharing economy, but also grass-roots political movements) and 'old power' (big corporations, but also established political parties) where the former is about radical transparency, openness and collaboration and the latter about bureaucracy. Neo-liberal and libertarian economists expect the 'sharing' platforms to: a) increase economic activities and productivity through better use of underutilised assets or 'dead capital', and through lowering transaction costs that expand of trade; b) increase social utility and consumer welfare as a result of more competition; c) create new jobs; d) reduce information asymmetry between consumers and producers thanks to reputational ratings; e) create new markets through disruptive innovations and spur in turn further innovation among incumbent industries; f) produce a new cohort of entrepreneurs if the micro-entrepreneurs who provide services in the platforms acquire the experience and skills to progress and launch their own ventures.

In sum, conceptual ambiguity and rhetorical discourses fuel controversies between supporters and opponents, who harness and present conflicting ad hoc 'evidence'. Disputes flourish as there is no basis on which to adjudicate opposing claims. The practice of platforms not to disclose important metrics or to make them available only to some researchers further contributes to a debate that is not informed by evidence. Hence, not only in the press and in reports by politically-positioned think tanks, but also in many peer-reviewed academic essays one finds value-loaded, normative, and prescriptive claims.

Interpretative framework: sharing rhetorics and evidence based policy

The instrumental rhetorical discourses, when empirical evidence is still lacking or inconclusive, have contributed to the undersupply of policy and regulatory responses and today to policy and regulatory decisions taken 'in the dark' often under the influence only of some interest groups; one also has the impression that politicians and policy makers have abdicated to their role and are mute while courts and judges pronounce their judgements. And yet, given the growth of sharing platforms there are several issues at stakes for several groups of interests on which decisions are needed such as: a) for users as consumers, balancing between the alleged benefits from cheaper and more convenient choices and possible risks (i.e. liability issues, safety, information on quality of products and services, etc.); b) for users as providers (i.e. the 'contractors' performing work), balancing between new employment opportunity and the erosion of the 'labour contract' and of social protection; c) for platforms, that have much to gain or lose depending on regulatory decisions; d) for established operators (i.e. traditional taxi and traditional accommodation), potential disrupted by sharing platforms, who have already challenged such platforms both in national courts and in the CJEU; e) last but not least, for the general public interest since sharing platforms can have positive or negative externalities on the economy and society as a whole (i.e. positive surplus from innovation versus erosion of tax base).

The 'sharing economy' qualifies as a domain where values are disputed, facts uncertain, and stakes high.[10] As a matter of fact, it is our claim, the 'sharing economy' is one among the many policy domains that are bringing to the fore the intrinsic limitations and crisis of rudely positivistic and technocratic nature of the Evidence Based Policy (EBP) paradigm[11]. While there is hardly anything new in the programme of using evidence for policy (Bogliacino *et al.*, 2015; Misuraca *et al.*, 2013; Pawson & Tilley, 1997; Vedung, 2010), the main peculiarity of the EBP paradigm is its unrealistic ambition to eliminate any ideological element and judgements from the formulation of policies, and to curb the discretion of professionals (i.e. teachers, field workers, policy officers, etc.). Indeed, it has been criticised as sort of new 'rationality project' to expel politics from policy making that consider democratic processes as rent-seeking and a deadweight loss to society (Kay, 2011). Increasing criticisms to EBP include authors turning it on its head and arguing that what is happening in practice is 'Policy Based Evidence Making' (PBEM) as a form of misuse of evidence in policy making (Sanderson, 2011; Strassheim & Kettunen, 2014; Torriti, 2010).

That policy can be entirely determined by evidence it is the naïve and technocratic tenet of the EBP paradigm. We see, in fact, policy as shaped by the interaction between three dimensions: evidence, interest groups' politics, and values. This framework has been developed and applied by Codagnone et al (2018a, pp. 24-30) and Codagnone (2017) and called the 'Policy Triangle'. We use this interpretative framework here for the purpose of discussing the role of rhetorical framing within the interaction between policy makers and interest groups with respect to the sharing economy. The evidence dimension concerns science and scientists and how they

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[10]   This characterisation come from the literature on Science and Technology Studies (STS) and in particular from a 'post-normal science' approach (Funtowicz & Ravetz, 1990, 1991, 1993, 2008; Ravetz, 1990).

[11]   The EBP was launched as part of the programme of New Labour in Britain Blair (Cabinet Office, 1999), but rapidly spread beyond UK (Nutley et al., 2010); as noted (Head, 2013, p. 397), most policy makers adhered swiftly to the EBP mantra since policy making based on ignorance, opportunism, and vested interested is not 'readily admitted'. For more detailed discussion of the emergence and crisis of Evidence Based Policy see Codagnone et al (2018, chap 1).

influence, or are influenced by, policy making debates and the values of the surrounding society (Pielke, 2007). The values dimension, with its underlying emotionally shaped system of belief,[12] in a stylised fashion refers to society and the citizenry at large. The dimension of politics has to do both with organised interests and policy makers, and in the following we concentrate on it.

Figure 1 The policy triangle
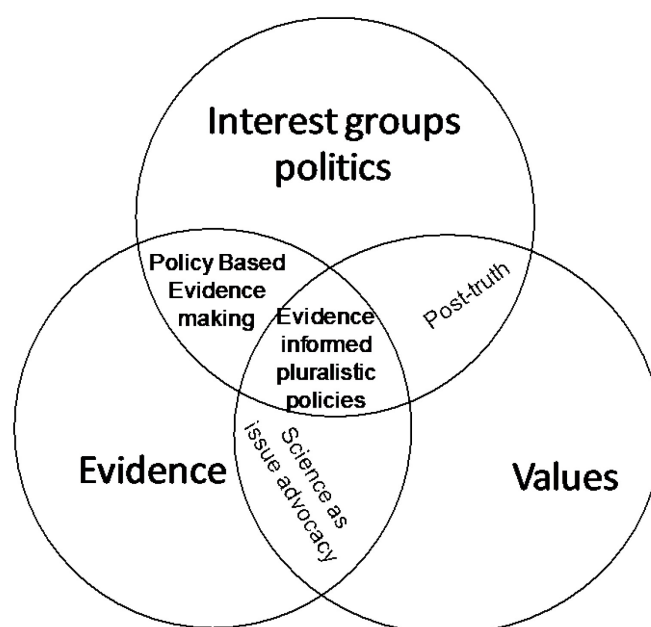
Source: Codagnone (2017, p. 19)

The political dimension of policy making involve also the policy making bodies and the policy makers, because it would be naïve to take for granted that policy are enacted only for the public interest and that evidence is used in policy making only for the sake of efficiency and effectiveness. Policy makers have their own agenda and goals, as well as their values.[13] They

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[12] For social psychological discussion of the concept of values we follow the definition provided by Thorngate (2001, pp. 88-91). An attitude is an attraction/repulsion to/from a thing, idea, concept, person, which is called the attitude object (i.e. a policy or ATO,). The attraction/repulsion is felt as an emotion. The degree of attraction/repulsion is called a value. When we say that a policy has a value it means we have an emotional reaction to it, or an attitude. Often we have a set of emotional reactions that can be combined into an overall attitude. Each item in this set, however, reflects a link between our emotion and our belief.

[13] According to classical Public Interest Theory, policy pursues common and public goods, and addresses market failures. As first advanced by Pigou (Pigou, 1920; Pigou, 1932), regulation is supplied in response to the demand of the public for the correction of inefficient or inequitable market practices. Regulation is assumed initially to benefit society as a whole rather than particular vested interests. The rival of Public Interest Theory has been called the 'Capture Theory'(Posner, 1974) or alternatively the 'Chicago Theory'(Hantke-Domas, 2003, p. 165). The first contribution in the construction of this rival approach came by George Stigler (1971), who wrote about the influence of interest groups in designing and enforcing regulation, arguing that regulatory agencies may be "captured" by special interests. From an organizational and institutional perspective, it has also be shown that policy making bodies as any other organization do not pursue only instrumental goals but also their own survival and legitimacy (Di Maggio & Powell, 1991; DiMaggio & Powell, 1983; Selznick, 1948, 1949; Weber, 1970, pp. 220-222). Finally, In a ground breaking and neglected social psychological analysis of the role of policy analysis, Thorngate (2001) sheds lights on the social-psychological deviations from instrumental rationality in policy-making. His main argument is

interact with concentrated specific interests (i.e. industry) and diffuse interests (i.e. consumers). This is a classical distinction following Mancur Olson's theory of collective action (Olson, 1971 [1965]). Olson deemed diffuse interests as the 'forgotten groups' and took consumers as a typifying example of a numerous but dispersed group that 'have no organization to countervail the power of organized or monopolistic producers' (Olson, 1971 [1965], p. 166).[14] Specific and concentrate interests (being they association or single firms) have a better capacity to access and/or buy the evidence to be exchanged with policy makers. Evidence, in fact, has become the new currency of lobbying to influence policy making and framing policy debates. Two books written in parallel, one on Washington (Drutman, 2016) and one on Brussels (Laurens, 2017) lobbyists, have shown in details how evidence is strategic for lobbying and is a source of power asymmetry between the interests that have money to buy evidence and those who do not. It has been estimated, for instance, that in the US for each dollar spent by the trade unions to produce evidence corporations spend $ 34. The many reports on impacts self-published or commissioned to high profile scholars or to former members of executive power by Airbnb and Uber (discussed in chapter two) are case in point of this aspect and seem to apply the strategic advice contained in the earlier cited *Harvard Business Review* piece (Cannon & Summers, 2014).

It is in such context that the issue of rhetorical framing acquires importance as an instrument within the interest groups politics. Rhetorical discourse are an instrument of framing policy agenda and debates. Tversky & Kahneman (1981) have shown that framing can affect the decisions taken in any given choice problems. So, a framing strategy can be used by players on both sides of a policy contested issue to polarise the situation. The importance of framing was first adopted in the sociological analysis of social movements (Benford & Snow, 2000; Klandermans, 1997; Snow & Benford, 1988; Snow et al., 1986). Frame alignment, bridging, and amplification, are process of strategic importance in the mobilisation of social movements (Snow & Benford, 1988; Snow et al., 1986). Frame alignment occurs when individual frames are linked and made congruent and, thus, produce 'frame resonance' and catalyse the group formation process. Frame bridging involves the 'linkage of two or more ideologically congruent but structurally unconnected frames regarding a particular issue or problem' (Snow et al., 1986, p. 467). Frame amplification refers to 'the clarification and invigoration of an interpretive frame that bears on a particular issue, problem, or set of events' (Snow et al., 1986, p. 469). Through the value amplification logic, framers can actively promote and embellish a

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that policy makers decide to make or improve policies, not only for the intrinsic merits of the policy at stake, but also for competition with peers, to get promotion or avoid demotion, for the desire to save face and that often Policy making is ridden with social influence and group dynamics distortion (i.e. normative conformance to avoid embarrassment, censure, or ostracism, and group processes such as group think bias).

[14] According to an extensive review of interest groups' politics (Beyers et al., 2008, p. 1109), the distinction between specific and diffuse interests remains quite influential but it is rather empirical question to be tested. Bouwen, analysing of the multitude of access opportunities used by groups to exert influence in the EU's multi-level, stresses the importance for such groups to provide EU institutions (i.e. Commission, Council, and Parliament) with the 'access goods' (basically information) that they demand (2002, 2004). Bouwen defines access goods as "goods provided by private actors to the EU institutions in order to gain access. Each access good concerns a specific kind of information that is important in the EU decision-making process. The criticality of an access good for the functioning of an EU institution determines the degree of access that the institution will grant to the private interest representatives" (2002: 370)

specific value to justify the actions proposed in its name. 'Value amplification refers to the identification, idealization, and elevation of one or more values presumed basic to prospective constituents but which have not inspired collective action for any number of reasons' (Snow et al. 1986: 469). Following these insights, in the last two decades the framing perspective and the role of ideas have increasingly been applied both theoretically and empirically in the study of both politics and policy making. According to Béland (2009), framing affect the policy making process in three ways: a) constructing the issues entering the agenda; b) shaping the assumptions that affects the content of policy proposals; and c) it may build discursive weapons in the construction of reforms imperatives. Particularly important is the role of framing in shaping policy assumptions, as they form what Hall calls 'policy paradigms' (1993). Therefore, in our policy triangle framework the rhetorical framing of discourses, occurring also by way of selectively producing and disseminating 'evidence', can be considered a strategic weapon of lobbying especially by concentrated interests in an attempt to shape the policy agenda and contents in ways that are favourable to them or at least to contain the potential damage that may derive from regulatory intervention. Rhetorical framing has been a key weapon used by the most concentrated and powerful economic interests, which are active in the sharing economy policy and regulatory arena.

As we shall see in more detail in chapters two and three the following rhetorical framings emerged on the sharing economy in general: a) revival of community and increase in social capital; b) more equitable distributional effects; c) positive environmental and economic impacts; d) disruptive innovations; e) capacity for self-regulation through peer reviews normative control (i.e. ratings). With regards to online platforms intermediating labour there are at least four specific rhetorical framings. First, the rhetoric of a flat world allowing digital labour migration with no boundaries and a world online meritocracy. Second, the discourse on extra-money as a motivation to work for the flexers (students, retirees, stay at home parents, etc.); As acutely observed by Berg (2016, p. 18), the claim about individuals working in digital labour markets for 'pin money' or out of boredom is a replication of the rhetoric used in the late 1950s and in the 1960s when the new temporary agency industry in the US was portrayed as employing just middle class wives killing time and earning extra-money. This is an emblematic case of Hirschman's claim that rhetorical discourses of the past tend to resurface. Third, the alleged contribution of online labour platform to bring back to work the unemployed and under employed. Fourth, the discourse on the flexibility, autonomy, and creativity that these platforms allegedly provide to their workers.

The present book maps the rhetorical framings that shape the policy debate on sharing platforms against the available empirical evidence in order to reduce the obfuscation effect and possibly favour more evidence informed policy and regulatory decisions. Going back to the figure of the policy triangle, our aim is to help the debate move to the kernel of evidence informed pluralistic policies. Currently, the rhetorical framing and the disputes are instead producing a mix of the other three types identified in the figure: Policy-Based Evidence Making, Issue Advocacy, and Post-Truth. This does not mean we aim to provide a new technocratic Evidence Based Policy solution. The book unpacks the rhetoric, removes semantic and conceptual confusion, and identifies what empirical evidence is available and what is

missing. The principle of scientific analysis based on sound design, methods, and evidence gathering is not abandoned in favour of a relativistic and constructivist account. On the contrary, the book is strongly rooted in the scientific method, but starts from the 'humble' premise that scientific research will not solve all disputes. It follows that sources were selected and analysed to capture both empirical evidence and rhetorical discourses.

Sources and structure of the book

The work that went into this book started in May 2015 and was completed in May 2018, thus, involving three years of research based on secondary sources, first hand in depth analysis of platforms, and the field work (presented in chapter four). Although earlier versions of this work have been presented in other publications,[15] the account presented in this book is original in at least three ways. First, the evidence base has been updated to mid-2018, whereas previous versions were based on sources available as of mid-2016. Second, a new and fully grounded theoretical and conceptual interpretative framework has been applied. Third, a case study based on in-depth fieldwork in three European cities examining the ideological production in digital intermediation platforms has been added.

This book is one of a kind because it gathers extensive primary and secondary evidence (a total of about 864 unique sources) and it takes an inter-disciplinary approach in which economics, sociology, anthropology, legal studies, and rhetorical analysis converge. These sources included: a) extensive analysis of media accounts and blogs (about 220 sources); b) formally reviewed academic literature on sharing and labour platforms (about 234 sources); c) other indirectly and contextually relevant academic literatures (about 200 sources ranging from the economics of two sided market, to the study of Non Standard Work, computerisation and the future of work, social capital, the analysis of ratings, etc.); d) grey literature (about 100 items including both policy reports and reports by interested parties such as Airbnb, Uber, other platforms, and trade unions); e) in depth review of a purposive sample of platforms (110 in total, of which 70 on renting/selling and 40 intermediating labour based services).[16] The fieldwork in chapter 4, which analyses key strands of rhetoric in platform ideologies, includes 28 in-depth interviews of sharing economy and alternative governance players in Barcelona, Paris and Berlin, during November 2015 and February 2017.

Given the diversity of sources and the objectives of this book, the narrative alternates theoretical and conceptual reasoning, discussion of 'hard' findings from experimental and quasi-experimental studies, and 'softer' issues such as rhetorical discourses and media 'hyped' accounts. Such accounts are contrasted with the limited empirical evidence available on key aspects (motivations to participate, trust and social capital, platform matching and rating mechanisms) and impacts (environmental, economic, and social).

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[15] A general analysis of the sharing economy (Codagnone*, et al.*, 2016b); a scoping exercise on the sharing economy that placed it in the context of the literature on two-sided market (Codagnone & Martens, 2016); a more specific analysis of digital labour platforms(Codagnone *et al.*, 2016a); a first and preliminary essay on the sharing economy as a form of rhetorical framing (Codagnone, 2017).

[16] Only a selection of these sources are referenced in the book; the platforms analysis can be found in the annexes of Codagnone et al (2016a and 2016b).

In chapter one we present an introduction to the economic literature on two sided market as the background to contextualise commercial sharing platforms and as a basis to unpack rhetorical discourses and anticipate some of the key policy and regulatory issues. Chapter two deals with the sharing economy in general by presenting a typology, describing the main rhetorical framing and contrasting them with empirical evidence. Chapter three repeats the exercise of chapter two but with an in-depth zoom on the digital labour platforms. Chapter four presents the in-depth discussion and analysis of three strands of ideological discourse (neoliberal, commons and platform cooperativism) in the sharing economy. Chapter 5 concludes with a critical review of open policy and regulatory issues and the corresponding evidence gaps that call for future research.