The Sharing Economy: The End of Employment and the Rise of Crowd-Based Capitalism, by Arun Sundararajan. Cambridge, MA: MIT Press, 2016. 256 pp. ISBN: 978-0262034579

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The rise of the (so-called) sharing economy is among the most important and controversial developments in the world of commerce in the last half-century. But business ethicists have thus far had relatively little to say about it. A recent search via my library's portal suggests that the word "Uber" has never, until now, graced the pages of either *Business Ethics Quarterly* or the *Journal of Business Ethics*. This makes it easy to recommend that scholars in the field take a look at Arun Sundararajan's *The Sharing Economy.*

Sundararajan's book is wide-ranging, examining the rise of the sharing economy, exploring its impact, and speculating about its future. In terms of style, the book attempts to bridge the gap between scholarly and journalistic; it includes plenty of quotations sourced from the author's own interviews with various tech and sharing-economy execs and entrepreneurs, but also includes a robust set of endnotes. This makes the book both a candidate for a quick, casual read and a sourcebook for those interested in digging deeper.

It is worth pausing, at the outset, to ask just what the sharing economy is. Though he discusses a wide range of examples, some central and some marginal, Sundararajan argues that the sharing economy, in the sense in which he is interested, has these five characteristics:

1. Largely market-based: the sharing economy creates markets that enable the exchange of goods and the emergence of new services, resulting in potentially higher levels of economic activity.
2. High-impact capital: the sharing economy opens new opportunities for everything, from assets to skills to time and money, to be used at levels closer to their full capacity.
3. Crowd-based "networks" rather than centralized institutions or "hierarchies": the supply of capital and labor comes from decentralized crowds of individuals rather than corporate or state aggregates; future exchange may be mediated by distributed crowd-based marketplaces rather than by centralized third parties.
4. Blurring lines between the personal and professional: the supply of labor and services often commercializes and scales peer-to-peer activities like giving someone a ride or lending someone money, activities which used to be considered personal.
5. Blurring lines between fully employed and casual labor, between independent and dependent employment, between work and leisure: many traditionally full-time jobs are supplanted by contract work that features a continuum of levels of time commitment, granularity, economic dependence, and entrepreneurship.

While this list helps us understand what Sundararajan is talking about, and provides a useful analysis of central features, it leaves untouched the fact that the term

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sharing economy itself is problematic. Many have pointed this out. Uber drivers are not literally sharing their cars with you. In some cases, Airbnb hosts do literally share their homes with you (renting you a room), but in most cases they do not, instead renting you the entire space. The term "sharing" seems to imply two key elements, one or both of which fail to be found in many services offered within the sector. First, sharing generally doesn't have a price tag: ask a friend if she wants to share your brown-bag lunch and she'll look very confused when you ask her for $5 in return. Second, sharing usually means enjoying something together, or jointly. Sharing a couch means sitting on it together, rather than each of us using it on alternating days.

It's hard to blame Sundararajan for swallowing the term "sharing," and using it in the title of his book. It is, after all, the dominant term used to pick out the set of economic activities covered in Sundararajan's book. But at times the reader gets the feeling that the term is more than a convenience for Sundararajan, and that he sees serious romance in the term. He describes Uber and Lyft, for example, in terms of sharing, as "platforms that connect drivers who have cars and are willing to give rides to people who need them" (3). This gives a badly distorted picture of Uber and Lyft, as if they're no different from the ride-share bulletin boards once common at university dormitories.

One of the most useful contributions of the book—and this is not intended to damn the book with faint praise—is the enormous range of examples Sundararajan provides. Most North Americans, when asked about the sharing economy, can name a couple of examples quickly (probably Uber and Airbnb). If pressed, we can probably name a few more, such as Lyft and Etsy and maybe TaskRabbit. Sundararajan's list runs to over sixty examples, including ones from Europe and China and India that most North Americans will have never heard of. This diversity of examples is useful, in at least two ways. First, it will force many readers to accept that Uber is not typical of the sharing economy. The controversy over Uber (and to a lesser extent, over Airbnb)—driven in part by Uber's own history of bad behaviour—threatens to distract us from serious discussion of the risks and benefits of the sharing economy more generally. Second, Sundararajan's diverse list provides just the fodder required for serious engagement with the topic. Any scholar deciding to tackle any of the ethical issues raised by the sharing economy by focusing just on the small handful of familiar examples would likely produce a seriously inadequate analysis. To think seriously about the sharing economy, you *need* to know about BlaBlaCar and EatWith and Thumbtack. You need to see what hundreds of entrepreneurs in this space are doing right, and what they believe they can do, not just what Uber happens to have done, and done wrong.

Another virtue of *The Sharing Economy* is the reminder Sundararajan provides that efficiency is a morally significant value. Though he doesn't put it quite that way, a good deal of Sundararajan's enthusiasm for the sharing economy is grounded in the way in which various firms and services within that realm have found innovative ways to free up underutilized capital and labour. As Sundararajan points out, for example, cars in North America are vastly underutilized: Most cars sit unused most of the time, and when they are used they are almost never used to full capacity. Our highways are full of expensive vehicles occupied by one or two individuals. This is an enormous waste, and environmentally problematic to say the least.

One way to summarize Sundararajan's view of the sharing economy is that firms within it have found ways to leverage digital technology to connect underserved consumers with underutilized goods and labour. Our society, he reminds us, is characterised by massive, pervasive waste in the form of excess, unused capacity. Using that capacity in order to improve lives would be good. The utility to be had here is potentially enormous, and morally important.

One of the main reasons, however, for business ethicists to read Sundararajan's book is that it provides a reminder that business today isn't much like business in days gone by. It's not even much like business was when the first-generation business ethics textbooks were being written. Business ethics as a field needs to adapt to the new face of industry, and grappling with the challenges both faced and posed by the sharing economy would be a good place to start.

And the firms and services that Sundararajan discusses are, in many ways, radical departures from older business models. The food cooperative known in English as The Food Assembly has volunteers setting up rendezvous points for farmers, and those who want to buy their foodstuffs, to meet and engage in trade; all the company does is provide the software platform. That's different from most traditional businesses organizations in nearly every way imaginable. Our most familiar example—Uber—illustrates the point nicely, too. What kind of thing is Uber? Fundamentally, is Uber a small firm, or a large one? Based on its estimated value of around $70 billion (Isaac 2018), we can identify Uber as a big company. But what about employees? That depends of course on how you define "employee," which is a famously tricky and contentious issue for Uber. Is Uber a relatively small firm (with just around twelve thousand employees), or a very large one (with hundreds of thousands of drivers in the United States alone)? And if drivers are not employees, but not quite private contractors, where does that leave them in terms of the rights and obligations normally attributed to those two categories? A range of critical ethical issues must be rethought in the light of companies-cum-networks such as this.

For his part, Sundararajan emphasizes the peer-to-peer nature of the sharing economy. Framing it this way makes sense to the extent that it highlights the fact that most of the services he discusses are provided, at least on the surface, by an individual rather than by a corporation. In many cases, the corporate entity merely helps make the connection between buyer and seller. But the focus on peer-to-peer also blurs some important distinctions. For example, Sundararajan refers to the way Airbnb *customers* have set de facto standards—nongovernmental ones—for Airbnb *hosts* as a matter of "peers set[ting] standards." But this is misleading. True peers are individuals of roughly equal standing. When nurses set standards for nurses, or engineers for engineers, this is true peer-to-peer standard setting, because the people setting the standards are similar in professional status and knowledge to those who must follow the standards. In the case of Airbnb, millions of customers exert pressure, through a digital feedback system, on amateur and professional hosts, overseen by a centralized corporate entity. Very little about that looks peer-to-peer. Of course, to insist on this distinction—to insist that Airbnb customers are in no meaningful sense "peers" of their hosts—is not to belittle the free-market process through which customers exert their will. But the use of peer-to-peer rhetoric risks making it sound like the sharing economy is all about rugged individualism and scrappy entrepreneurship. And to be sure, that is part of the story that ought not be forgotten. But to focus on peer-to-peer risks masking, for example, the fact that the peer-to-peer interaction between Airbnb guests and hosts is mediated by a sophisticated corporate entity with nearly $100 million in yearly net revenue.

Finally, the focus on novel ways of doing business highlights the fact that a big part of the sharing economy involves finding new ways of providing services that were previously strictly regulated. In such a context, Sundararajan notes (137), conflict is to be expected. Of course, this admission may somewhat understate the issue. When Sundararajan notes that "a radical shift is underway" (2), he stays clear of the fact that radical shifts often imply winners and losers. In fact, while one of the great virtues of Sundararajan's book is the broad terrain he covers, its greatest weakness may be the ground he avoids. Sundararajan explicitly sets aside some of the most important and difficult normative and regulatory issues. He admits, for example, that he has nothing to say about privacy issues. And while privacy is perhaps receiving slightly more attention today than in 2016 when the book was published, note that Uber was already being criticized, way back in 2014, for misusing the treasure trove of data that the company has regarding its customers (Tufecki and King 2014). Sundararajan likewise admits that he doesn't address issues of liability and insurance, a set of issues that seem poised to make or break companies such as Uber and Airbnb (see, e.g., Lieber 2014).

And so Sundararajan's focus on innovation and novelty often slides quickly into techno-optimism, if not quite all the way to panglossianism. Market-driven approaches to solving hard problems, including ethical problems, "hold great promise," according to Sundararajan (156). Fair enough. But he is short on explanations for why the happy stories he cites are likely to be generalizable, and is satisfied to offer up hopeful possibilities. "One might imagine," he says, "a variety of societal objectives being achieved in part by the platforms applying machine-learning techniques to their data to detect patterns, or integrating some notion of social responsibility into the design of their software systems" (158). Indeed, one might imagine. But others have imagined a dystopian future in which millions are "empowered" to become their own bosses in a system of networked service provision, bearing entrepreneurial risks they neither desire nor are suited to, a future in which ostensibly peer-to-peer service provision is managed by slick corporate entities that use machine-learning techniques to maximize their share of the cooperative surplus. And of course, Sundararajan acknowledges such worries. But ultimately, he remains an optimist, and that's fine. He has opened up the terrain in a useful way, and leaves it to others—including perhaps especially business ethicists—to tackle the messy normative issues.

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