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## Moral economies of the digital

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# Moral economies of the digital

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## Abstract

Within thirty years of first appearing, the networked digital economy has spread its tentacles into the lives of half the population of the world, and transformed the balance of power in the commercial economy. Social theory has been slow to recognise the significance and scale of these developments, and this special issue is a contribution to redressing the balance. It is organised around the concept of moral economies: the values and norms that underpin and shape our participation in larger economic structures. The digital economy today is the site of a range of competing economic models, and this is reflected in clashes between a corresponding range of moral economies. The contributors to the issue map these tensions in examples of both gift and commodity models of economy, analyse the implications for global risk, and re-evaluate classic analytic schemes for representing these tensions. Because the economy is built on moral economies, the process of economic change is already inherently a process of debate and contestation between different moral economies, with the consequence that academic work on the ethics of the economy can influence these processes of change.

## Keywords

Digital economy, moral economy, gift economy, risk.

The digital economy has grown at an unprecedented pace, both in scale and in its influence over our lives. Although digital technologies such as the personal computer and compact disc were economically important from the early 1980s, it was the development of the Internet, and in particular the World Wide Web (invented in 1989) that provided the networked platform for what we think of today as the digital economy. Today, less than thirty years later, over 50% of the world's population has access to the Internet (Internet World Stats, 2017), and that in turn brings access to a very different experience of the economy. One indicator of the commercial significance of the digital economy is that at the time of writing, six of the largest seven companies in the world by market capitalisation are digital economy companies. Apple (#1), and Microsoft (#3) first came to prominence as pre-Internet computing companies but their continuing position rests on their presence in the Internet-based digital economy, while Alphabet (#2), Facebook (#4), Amazon (#5), and Alibaba (#7) have been built entirely on the basis of Internet technology (Dogs of the Dow, 2017). These companies, and others like them, are behind vast numbers of commodity transactions, but the Internet (including the services provided by some of these companies themselves) is also the site of new economic forms that were marginal or non-existent in the pre-digital economy, both non-capitalist forms and novel hybrids of capitalist and alternative forms (Elder-Vass, 2016).

Social theory has tended to lag behind these developments. True, Manuel Castells was a trailblazer in the analysis of the new economy (Castells, 2000), but it is striking that some of the most innovative and engaged analyses of the digital economy have come from disciplines beyond the traditional spaces of social theory, notably law (Benkler, 2006; Goldsmith and Wu, 2006; Lessig, 2004). This special issue is part of a growing move to redress the balance. Versions of four of the five papers were originally presented at one of three miniconferences on the digital economy at the 2016 SASE conference in Berkeley, California – which were followed by three more at the 2017 conference. Although SASE is a general economic sociology conference rather than a social theory conference, many of the papers in these miniconferences had significant theory content. Growing theoretical interest in the digital economy has also been displayed in debates on the concept of prosumption (e.g. Andrejevic, 2010; Ritzer and Jurgenson, 2010), in recent work on the platform economy (e.g. Srnicek, 2016) and in Marxist critiques of digital capitalism (e.g. Fuchs, 2014).

The papers in this issue are loosely organised around the concept of moral economies, although not all of them invoke the term explicitly. Both Mikołajewska-Zajęc (Mikołajewska-Zajęc, 2017, this issue) and Bacevic and Muellerleile (Bacevic and Muellerleile, 2017, this issue) provide useful introductions to the concept, which is most strongly associated with the work of the historian E.P. Thompson (Thompson, 1971). For Thompson, the moral economy was a set of norms and values that ordinary

working people understood to apply to economic activity, but as Hann has argued, the concept has been extended in various ways since Thompson took it up (Hann, 2010). For Sayer, for example, moral economy is also a form of study, with two dimensions. In the analytical dimension, it studies “the ways in which economic activities, in the broad sense, are influenced by moral-political norms and sentiments, and how, conversely, those norms are compromised by economic forces” (Sayer, 2004: 80). In the normative dimension, it takes an evaluative stance towards economic institutions and actions. The papers in this issue are studies of moral economies in the first sense and therefore *are* moral economy in the second sense: they are concerned with the normative underpinnings and consequences of a broad range of economic structures. Evaluative stances are closer to the surface in some of the papers than others, but all of them are clearly motivated by evaluative concerns – like all worthwhile social theory.

Thompson was concerned with the moral economy (in the singular) of an entire social class, but the accelerating differentiation of modern society has produced a plurality of moral economies. Economic activity today, particularly in the digital economy, is organised through a broad range of different sets of values and norms that regulate our participation in different sections of the economy, organised according to varying principles and models. These moral economies underpin the corresponding models, guiding the ways in which we participate in them, but they also often function as legitimations of these models and the power structures they support. The digital economy today is therefore a site of conflict and tension between a range of moral economies, which we may think of as the discursive aspect of the competition between the corresponding economic models (Elder-Vass, 2015).

The first three papers in this issue are concerned with the moral economies of specific cases, beginning at the gift end of the spectrum of economic models, and moving towards the commodity end. We begin with Karolina Mikołajewska-Zajac’s investigation into the moral economy of Couchsurfing, one of the iconic cases of the sharing economy – a predominantly gift economy model of provision, in which participants offer strangers free use of accommodation in spare rooms in their homes. Clearly this arrangement presents risks for both parties, and the Couchsurfing platform mitigates these risks primarily through a reputation system: both hosts and guests rate and review each other after each stay, and these reviews become a source of information for future hosts and guests about the qualities of the participants. Mikołajewska-Zajac’s focus is on the referencing practices, which are embedded in the wider moral economy of giving practices. Participants, on the one hand, feel a sense of obligation to their guests and in particular to their hosts – as Mauss’s work on the role of reciprocity in gift economies might lead us to expect (Mauss, 2002) – and one

apparent consequence of this is that references on the Couchsurfing platform are overwhelmingly positive. But, on the other, participants also understand that the purpose of references is to provide honest information to their fellow Couchsurfers and they feel a sense of obligation to the Couchsurfing community too, which creates a conflict when they have had unpleasant experiences. Mikołajewska-Zajac documents the ways in which participants navigate these tensions, finding ways to balance the conflicting moral obligations in Couchsurfing's regulatory ecosystem.

The digital gift economy, however, is vulnerable to colonisation by the commodity economy, and in our second paper Jana Bacevic and Chris Muellerleile discuss the shifting ground of open access scientific publishing. While we might think of open access as a de-colonising move, replacing paid-for access to academic journals with their free availability on the web, the practical realities are more complex, with commercial publishers moving in on open access by demanding payment from authors or funders to make their papers freely available on the web (within journals that must still be paid for by institutional subscribers!) Bacevic and Muellerleile are concerned with the ways in which debates over open access have been shaped by ethical assumptions about the actors and institutions involved in the production of academic knowledge. Drawing a strong parallel with Thompson's observation that "grain traders in eighteenth-century England... were considered morally suspect because they extracted profit by restricting access to food" (Bacevic and Muellerleile, 2017, this issue), they highlight the ways in which the contemporary moral economy of academic publishing frames publishers as morally suspect because they extract profit by restricting access to knowledge. Like Thompson's case, this is a somewhat subversive moral economy, and one that remains the site of tensions as academic publishers seek to reinsert themselves into a slightly different position in the academic value chain while many academics would prefer to remove them from it altogether.

Our third paper introduces a very different moral economy: one that positively celebrates the market as a space of individual freedom. Nikos Sotirakopoulos examines the adoption and espousal of libertarianism by participants in cryptomarkets: online markets on the dark net, such as Silk Road (Silk Road itself has been closed down by the US authorities, but similar sites continue to proliferate) (Sotirakopoulos, 2017, this issue). These sites allow almost anything to be traded, apparently free of legal regulation and observation, and are predominantly used to sell things that could not be traded on conventional web sites, notably drugs and weapons. The operator of Silk Road, known as Dread Pirate Roberts (and alleged by prosecutors to be Ross Ulbricht, who was sentenced to life imprisonment for his role in Silk Road), explicitly justified it as an expression of libertarian principles, a space where trading partners could interact safely and freely beyond the coercive reach of the

state. There is a reminder here that from a sociological perspective even those engaged in illegal activities need ways to frame those activities as legitimate. The mentality, as Sotirakopoulos calls it, of libertarianism is a moral economy of participation in the market that serves this function well by framing resistance to the restrictions imposed by the state as normatively desirable. We need not agree with this to see it as a moral economy: as Hann says, when we are using the concept of moral economy in a descriptive register “even the reactionary right is entitled to its moral economy” (Hann, 2010: 195). One particularly fascinating feature of this libertarian moral economy is that although it draws on very similar ideas to neoliberalism, it ultimately takes a very different stance towards the state. If neoliberalism is an art of government, as Foucault tells us, then libertarianism is an art of avoiding government (Foucault, 2010).

The last two papers in this special issue apply more abstract analytical frameworks to the macrosocial issues raised by these conflicts in the digital economy and its moral economies. One of the more familiar objections to the individualism of libertarian philosophies is that they ignore all but one of the systemic social consequences of the individual pursuit of personal advantage. While celebrating Adam Smith’s and Friedrich Hayek’s claims that the market is the ideal mechanism for coordinating production with needs (or at least those needs backed with purchasing power), they assume away all other macro consequences of the unrestrained market. But, as Dean Curran shows in his paper, the digital economy also generates a series of major macrosocial risks (Curran, 2017, this issue). He focuses on three: the remaking of interpersonal interaction as a screen-based instead of a face to face activity and the risk of human isolation this creates; the risk that artificial intelligence and roboticization will increase unemployment and inequality; and the threat posed to the environment by the massive consumption of electrical power by the infrastructure of the digital economy. As Curran stresses, these risks are a product, on the one hand, of the same individualistic imaginary of consumption imaginary, and on the other hand, the same single-minded pursuit of profit, as are celebrated in the moral economy of the free market. It is the very lack of the regulation despised by libertarians and neoliberals, the failure to exert any external control over innovation, that is allowing the runaway digital economy to generate these risks, and this is exacerbated by the exploding scale of the digital economy. Public policy on some of the most important issues facing us today has thus been dissolved into an unplanned by-product of private decisions and Curran calls for it to be brought back into the space of public debate and democratic control.

Perhaps the most influential framing of the contrast between the commodity economy and more social forms of governance is Habermas’s distinction between *systems* (activities governed by money in the economy and power in the state) and *lifeworld* (normatively governed activities in the public

and private spheres) (Habermas, 1987). Habermas's distinction has also been criticised, however, and one reason for doubting it is already implicit in the discussion above: while Habermas sees the commodity economy as being governed purely by the systemic medium of money, even markets depend on moral economies – normative (and thus lifeworld) complexes that shape and regulate economic behaviour. The final paper in this special issue also suggests that gift forms of the digital economy, like Couchsurfing, could be seen as a *lifeworld economy* (Elder-Vass, 2017, this issue). If systems depend on lifeworld forces, and lifeworld activities can have economic functions, then Habermas's neat binary distinction between the *lifeworld* and *systems* collapses. Nevertheless, I argue, a more focused version of the distinction can continue to be useful. Defining lifeworld and systems as classes of social mechanisms allows us to analyse social phenomena as the outcome of complexes of causal forces that may include both system and lifeworld mechanisms. The colonisation of the lifeworld by systems can now be seen as an incremental shifting in the balance of these forces rather than a binary switch – an approach that is illustrated here with reference to open source software, though a similar logic could be applied, for example, to Bacevic and Muellerleile's study of conflicts over open access.

A further complication is that the conflict between systems and lifeworld forces in the digital economy operates both within the spaces that Habermas sees as systemic and those that he sees as part of the lifeworld. Thus gift economy models involve more lifeworld mechanisms, while commodity economy models involve more systems mechanisms, but the competition between the two is conducted both in the systemic space of securing increasing numbers of transactions and in the lifeworld space of securing increasing adherence to the corresponding moral economies, the corresponding normative visions of how economies should operate.

Such visions, such ethical discourses, are at least implicit in the papers in this issue, but also increasingly explicit in academic discourse on the economy, in concepts such as the human economy (Hart et al., 2010), everyday communism (Graeber, 2011), convivialism (Adloff, 2014), and cooperative peer production (Benkler, 2006). Perhaps the greatest value of the concept of moral economy is that it helps us to see that ethical discourses like these are not fundamentally external to the structure of the existing economy, as the original framing of lifeworld and systems might suggest, but rather that ethical discourses are already deeply embedded in all aspects of our economy and that debates over them are part and parcel of a continuing process of change within the economy itself.

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