Cultural Capitalism: Manipulation and Control in Airbnb’s Intersection with Tourism

D. Michael O’Regan and Jaeyeon Choe

Abstract New decentralised collaborative platforms are said to be challenging and redesigning traditional business models and reinventing how the tourism business works. Collectively termed the ‘Collaborative Economy’ (CE), these platforms are increasingly intersecting with the established tourism industry and how a tourist interacts with host communities, destinations and other tourists. By utilising the concept of cultural capitalism to explore the global “disruptive” brand Airbnb, we find that the collaborative economy is not about collaboration at all, and argue that the Airbnb platform is merely reinforcing the values of consumer capitalist society by providing a more efficient means to satisfy tourist wants and desires. While we conclude that collaborative economy in its manifest forms will continue, we believe the tourism industry is well placed to address its impacts, and recommend that authorities should recognise parts of the collaborative economy as predatory laissez-faire platform capitalism in need of regulation.

Keywords Collaborative economy • Sharing economy • Sustainability • Airbnb • Hospitality • Tourism

1 Introduction

We are told we are undergoing a rapid explosion in sharing, bartering, lending, trading, renting and swapping, scaled up in ways never before possible because of new social technologies as well as economic and environmental imperatives. We are told that a new consumptive model is moving tourists and even societies away from hyper-consumption while increasing access to wealth and employment. Its economics of scope is said to offer protection from food, energy and resource scarcity, falling public investment in infrastructure, increasing food prices, unemployment, housing costs and natural disasters. Botsman (2012) believes the collaborative economy is as potentially as important as the industrial revolution as it
reinvents consumer and business models by unlocking assets and driving new sustainable marketplaces as well as productivity, entrepreneurship, intercultural understanding and innovation. This new model is focused on reinventing traditional sharing, re-distributing, bartering, lending, trading, renting, gifting, and swapping through technology and peer communities. It depends on and/or can create new kinds of relationships, changing how we consume, socialise and move. Collectively termed the ‘Collaborative Economy’ (CE), it presents itself to us in multiple, shifting forms. It has been called the peer-to-peer economy, the access economy, the gig economy, shared capitalism, the on-demand economy, hippienomics, the people economy and the enabling economy. In an encompassing label, the CE is described by Rachel Botsman (2015, n.p.), a global authority on the Collaborative Economy (CE), as an “an economic system of decentralized networks and marketplaces that unlocks the value of underused assets by matching needs and haves, in ways that bypass traditional middlemen.” The CE sector has attracted entrepreneurs, the public sector, venture capitalists and start-up corporations to a sector with an estimated a global worth of US$335 billion by 2025 (PwC, 2014). It has also attracted those with consistent and specific motivations to offer, share or lease products, skills and capital deemed valuable to tourist desires and needs. A United States consumer survey conducted by the Travel Technology Association and the Internet Association reported that in 2015 that nearly half of all Americans (46%) participated in one or more aspects of the sharing economy (King, 2015).

Using the concept of cultural capitalism, which refers to the application of capitalist theory to cultural affairs, this paper reveals how critical questions are not being asked about the CE and explores the unbalanced, short-term and ahistorical rhetoric fostered by CE evangelists such as Brian Chesky, the co-founder and CEO of Airbnb. We utilise Airbnb as an example of a CE platform which is said to be disrupting and reshaping the tourism industry and tourist destinations. Through the prism of cultural capitalism, we identify both the impacts of Airbnb on cultural, economic, political, and consumer worlds as well as the opportunities and challenges that Airbnb is bringing the established tourism industry.

2 Theoretical Framework

2.1 Cultural Capitalism

“Cultural capitalism” is a concept developed and/or used by Rifkin (2000), Žižek (2009a) and Holloway (2010) to address a phenomenon that they believe is a new stage of commodification that does not change the basic rules of capitalism. They describe a world where the relationship between an object and its symbol-image is inverted, as an image no longer represents the product, but, rather, the product represents an image (Žižek, 2006). We no longer buy products we want to own, but seek life-experiences to render life meaningful. In a new age of access, where in the
“declining relevance of physical capital, the ascendancy of intangible assets, the metamorphosis of goods into pure services” (Rifkin, 2000, p. 114), businesses are increasingly mining assets and resources, and turning them into commodified life experiences (experiences of sex, eating, communication, cultural consumption, participation in a lifestyle) and brand communities.

As ‘everything is accessed’ (Rifkin, 2000, p. 6), experiences are increasingly offered for low transactional cost in order to seduce tourists into buying the true “experiential commodity”. Experiential tourism is being immersed as you experience a place, with an increasing popularity of homestays, cooking and craft classes. Access to yachts, private homes and luxury cars serve merely as props, while access to local guides, home cooked meals and paid for romantic dates with locals highlight how the intimate, social and cultural spheres are being pulled into the commercial sphere through vast supplier-user networks controlled primarily by private companies. Žižek (2009a, p. 52) argues that no one any longer sells (and buys), but “in order to render our lives pleasurable and meaningful,” one becomes server or client, supplier or user as “social relationality in its very fluidity is directly the object of marketing and exchange” (Žižek, 2009a, p. 139). Holloway (2010) argues that cultural capitalism is the means to expand the capitalist economy by way of capital accumulation in the face of a global, structural crisis. Just as capitalism surged on the dot.com boom as corporations unlocked peoples’ homes using sub-prime refinancing (Harvey, 1989), the CE mines an individual’s assets and resources. CE platforms have been fully integrated into the market economy by raiding, cracking open, exploiting and releasing surplus value by using resources from private and public sources and re-packaging them as cultural commodities and entertainment for the short-term benefit of stockholders, entrepreneurs and venture capitalists, as well as the ultimate tourist consumer.

CE platforms have flourished in this context as they seek to persuade people to leverage physical, network, mobility, economic, cultural, human, social assets and other resources so as to capitalise on their liquid and economic value by renting (sharing, leasing) them out to those that demand them. By connecting individuals to information, other people, objects, ideas, lifestyles, capital and physical things such as cars, apartments, tools, relationships, time, bodies and friendship in more efficient ways, rhetoric by CE evangelists such as Chase (2015), Howard (2015), Kramer (2015) and Krakovsky (2015) claim that the CE offers health, emotional and spiritual benefits, as well as boosting living standards across the many countries which they span. Blurring the lines between personal-commercial and private-public, anyone can use their assets and resources such as cars (to lease), spaces (parking, a spare room), skills (food preparation, tour guiding, driving) and other goods, products, services and utilities. Tourist focused businesses that seek to unlock ‘idling capacity’ through platforms that market them as experiences include Dopios (connects travellers with locals who serve as guides and drivers), UrbanBuddy (local concierge), Duff (someone to pack your suitcase), EatWith (meals cooked by locals), TravellerChic (local dates) and Bellhop (room service provided by locals).
These new businesses are an evolution in the ways they connect tourists with locals, with Botsman and Rogers (2011) describing CE platforms as a means to disrupt “out-dated” consumption and “anti-innovation” business models propagated by entrenched and monopolistic elements within travel and tourism such as car hire companies, hotel groups and airlines. Largely meeting market-exchangeable needs, with asset owners acting on economic-oriented motivations on the supply side (Hamari & Ukkonen, 2013), these new businesses have recognised the scarcity in tourist infrastructure and experiences, and have sought to trade in these resources using market values. Airbnb has been the leading disruptive innovator in the industry, which Brian Chesky, in his own words, describes as a platform that provides access to social and cultural experiences by helping tourists on a budget visit destinations they might otherwise not go because of cost, as well as unlock latent market demand and thereby offer growth potentials in an otherwise competitive and saturated tourism marketplace (Stephany, 2015).

3 Airbnb

3.1 The Rise of AIRBNB

For many, Airbnb is a champion in the libertarian revolt against the oppressive social organisations characterised by entrenched out-dated business models and big government (Lux, 2015). Founded in 2008, Airbnb is part of a new generation of businesses that have, embraced the egalitarian and anti-hierarchical rhetoric of the counterculture to match its many hosts with tourists who rent out their homes and rooms for a fee. It is a strategy that has seen Airbnb increase its value to US$25 billion in 2015 by generating upward of two million listings across more than 34,000 cities across the globe. While striving for an efficient use of existing resources, Airbnb has grown to a global brand by avoiding what they see as outdated regulations, and spending vast sums lobbying lawmakers to deregulate what they see as excessive regulation covering the accommodation sector. Their head of global policy and public affairs, Chris Lehane, who once served as the adviser to former US President Bill Clinton, has lobbied across the globe for a facilitating legal environment. They argue that they should be exempt from existing regulations because their services are ordered over the Web and therefore not subject to ‘local’ regulation such as existing local housing ordinances or laws pertaining to fire and safety inspections. In practice, this means, for example that in New York, 72%, or more than 25,000 of short-term Airbnb rentals, violate local laws (Schneiderman, 2014).
3.2 Airbnb and Control

Airbnb is a well-funded for-profit business with a vertical, linear structure that uses user interfaces, software and algorithms on its platform to control what is shared, with whom, and for what purposes. It rides on the network effect of the more people who join Airbnb, the more useful it is and the more valuable it becomes as a vehicle to generate revenue. However, the more people join, the more power and control Airbnb have over sellers, who have little to no control over the platforms rules, software, and even their reputation (Gurvich, Lariviere, & Moreno-Garcia, 2015). Žižek (2012, p. 165) argues that contemporary capitalist modernisers like Airbnb seek to “diversify, devolve power, and try to mobilise local creativity and self-organisation”, without retaining any of the risks and responsibilities to these independent contractors (Dredge & Gyimóthy, 2015). At the same time that Airbnb promotes itself as a platform for those who have financially over extended themselves in a turbulent world economy, Airbnb exercises control over the conditions and terms by which users secure access to the Airbnb marketplace. At a time of joblessness and high debt levels, as well as poverty in many tourist destinations, Chesky encouraged people to extract value or productivity from their assets to offset rent or mortgages, and make life/austerity/depth bearable. He notes that “I assumed this was a trend that would happen in the aftermath of the recession [in 2008]. . . . I didn’t realise this was something that will sustain and become a part of people’s lives. It’s not too surprising because that’s the reason we started this company. We started this because we couldn’t afford to pay rent and it allowed me to keep my home in San Francisco. Without being able to rent my rooms, how would I have paid rent?” (Ahmed, 2014).

While lowering start-up friction costs (in the absence of paperwork), there are no protections like health coverage, insurance against injuries, paid vacations, pensions, maximum working hours, a stable income, job security and other safeguards for those hosting via Airbnb and many of those working in the Airbnb ecosystem. From Guesthop (check-in and concierge service) to Proprly (cleaning), Airbnb has facilitated a world without taxes, hourly ceilings, anti-discrimination laws, unions, health and safety regulations and minimum wages. Airbnb does not offer a physical place of work, training, infrastructure or education, and frequently varies the incentives for hosts (i.e. charging hosts an additional 12–15% fee for each booking if their guest found the listing through Google advertising). Data provided by Airbnb rarely reflects host expenses, given sellers must pay third parties (e.g. insurance and self-employment taxes) and other hidden costs of participation, such as the high degree of emotional labour—smiling and conveying friendliness and use of personal time (Hochschild 1983). Through Airbnb videos, guidebooks, and Airbnb Mentors, individuals are trained how to behave and provide hospitality as hosts. As a fragmented, individualistic, temporary, insecure labour force, these “micro-entrepreneurs” have, through little fault of their own, undermined hard-fought protections and regulatory frameworks.
By addressing output over outcome, Airbnb have gained control by way of a superior-subordinate relationship. This is manifested in sellers’ fear of algorithms (how they appear in customers’ search results) and hidden aspects of algorithms making (or ruining) reputations. While calling its hosts “micro-entrepreneurs”, Airbnb controls the keys to the relationships by controlling demand through algorithms, and asking these entrepreneurs to rely on Airbnb to generate leads, market their properties and take payment. The control a seller has (i.e. in setting prices, work hours, income, reputations and refund policies) is exaggerated, as Airbnb terms and conditions supersede their preferences. Given Airbnb is among the top travel booking sites on the planet, its hosts may have few alternatives to source business. Airbnb for example, can delist hosts for no reason (Lynam, 2016), does not allow the host and guest trade email addresses and has very particular demands for hosts to meet the requirements to be a “business ready” host (i.e. no pets, no smoking). For a private corporation, they are also intrusive, by requiring hosts to upload government issued identity documents into third party “secured servers”, whilst arguing that the demand by local authorities for the same information about hosting activities is a violation of privacy. In addition, control also includes the fear of leaving a platform because of its “lock-in” nature, high switching costs (inability to move data and reputations to another platform), and the suggestions offered to hosts through the site via their hosting toolkit and hosting tips. The host prices that emerge on Airbnb through its Aerosolve pricing system are created by algorithms that simulate market mechanisms, and are not the result of the free play of supply and demand. The effect ensures prices are set within 5% of Airbnb’s algorithmic result, and may lead to surge holiday accommodation pricing. As well as increasing the amount generated from its transactional cut (i.e. Airbnb take approximately 13% off every booking), the Aerosolve pricing system blurs the line between Airbnb as a marketplace and as a more controlling actor.

3.3 Airbnb and Reputational Capital

Airbnb is dependent on confirming identity, so as to create trust between strangers and enabling trust to be conveyed by way of a bidirectional rating systems, background checks, and frictionless payment systems. Brian Chesky strongly believes that reputation not only serves as a psychological reward or currency, but also as an actual currency, as “[t]he more you broadcast your reputation, the more you’ll have access too” (Ferenstein, 2014). By using various verification systems such as giving access to one’s social graph on Facebook, creating personal profiles, peer reviews ratings and official verifications (passport, background checks), one is supposed to build reputation capital on Airbnb over time. However, market-based reputation is often about control, manipulation and discipline rather than transparency and accountability. A damaged reputation, even when playing the role of a dutiful and dependent host, may result in the movement of capital away from a host. A tourist’s negative review of an Airbnb host because of poor Wi-Fi
signal strength can lead to a hosts’ account been downgraded in search results. For Debord (1998, p. 18), reputations have become ‘malleable and alterable at will by those who control all information.’ Debord argues that you cannot believe anything about anyone that you have not directly learned for yourself, with Airbnb customer ratings found to be unreliable and skewed (Zervas, Proserpio, & Byers, 2015b). Airbnb eliminates the possibility that buyers and sellers ever come into contact without some trust mechanism, which in turn makes relationships dispensable. One can leave a reference for the ‘Other,’ out of lack of pity, empathy or spite, leading to the commodification of culture, and the cultural interaction between hosts and guests.

Airbnb notes in its terms of use, that it merely provides an online platform that connects hosts who have accommodations to rent with guests seeking to rent such accommodations. It notes that Airbnb has “no control over the conduct” of hosts or guests. Airbnb have been accused of facilitating discrimination, with Airbnb hosts in various parts of the world allegedly denying service to consumers with wheelchairs, minorities and guide dog owners. A study by Wang, Xi, and Gilheany (2015) revealed the prevalence of racial discrimination among hosts in California, while another study by Edelman, Luca, and Svirsky (2015) also concluded that Airbnb facilitates discrimination based on a host’s race, gender, age, or other characteristics. There is also no reputation mechanism to assist either hosts or tourists denied the use of Airbnb because of discrimination or access to protections that may normally cover accommodation provision and use. A destination fulfilled by only Airbnb may see bodies that are coloured, disabled, queer, sick and obese categorised as ‘out of place’ by some hosts. There is no backstop to hosts’ discriminating, or Airbnb facilitating the threat of violence, racism, sexism and homophobia. Yet Airbnb seeks to control any measures that threaten the extractive nature of their platforms by appealing to their consumers-sellers to push regulators to loosen restrictions and regulatory protections.

3.4 Airbnb’s Future Plans

“Dead Capital” is an economic term related to assets which are informally held, but are not legally recognised and not easily bought, sold, valued or used. Airbnb seeks to exploit the precise dead capital of each seller by forcing the value incorporated inside assets, such as socialised spaces like a private home into the open where they can be re-enclosed and commodified. Given that the majority of the world’s population are denied access to valuable property or asset ownership, people will increasingly leverage everything they have. The goal of cultural capitalism is to commodify everything, including human relationships, in a process of ‘making things exchangeable on markets either actually and/or discursively by framing things as if they were exchangeable’ (Sevignani, 2013, p. 733). As the physical economy is shrinking (Rifkin, 2000), the new operative term is “lifetime value” (LTV). This is the theoretical measure of how much a human being is worth if every
moment of his or her life were to be commodified in one form or another in the commercial sphere. In 2014, Airbnb began experimenting with a plan to turn their host’s homes into restaurants. A San Francisco pilot let diners eat at hosts’ homes for US$25 for a three-course meal. In 2015, it launched a pilot option offering “hand-crafted” package holidays and listings especially for business travellers.

Anchored in commerce and enclosure, hosts are not only tourist infrastructure, but also corporate activists. Airbnb has embedded tools and incentives on its site to mobilise hosts in support of less restrictive regulations. Its community organiser program uses hosts to advocate for the company, while also paying its host community directly (e.g. US$10 credit for a 2014 campaign to promote Airbnb thought social media). In fighting Proposition F, a ballot to restrict short-term rentals in San Francisco in 2015, Airbnb asked its hosts to join a local action team to fight the measure by writing to politicians, attend rallies, and become an involved volunteer. Airbnb is also introducing a network of home-sharing guilds in cities across the North America in 2016 to act for the corporation, and become a formidable voting constituency as well offering training, tools and support to these guilds to influence leading elected officials and organisations. This may help to ensure that Airbnb see off future policies or laws that act against its interests.

4 Discussion

Airbnb incorporate the language of the underdog, whilst taking on monopolistic tendencies and accepting existing socio-economic relations built on the conventional economy. Created through venture-capital-backing and a hierarchical structure, it facilitates little more than a transactional form of “collaboration”. The utopian spin and frontend of such a service-oriented platform offers the pretense of collaboration, solidarity, community, equality, trust, sustainability, mobility justice, reciprocity and altruism. Airbnb has claimed that they reduce pollution and poverty, and provide more authentic tourist experiences by lowering transaction costs. Botsman and Rogers (2011, p. 216) argue that the CE is a “systems change”, because it converts hyper-consumption into “fewer products, more efficient usage, less material consumed, reduced waste and more social capital” as well as “mopping up the surplus created by overproduction and consumption” (ibid, xvi). Airbnb has been adept at promoting socio-ideological motifs (care for the environment, social responsibility, communal life, social solidarity) and geographical imaginaries (autonomy, intimacy, authenticity) to legitimise their business model. Žižek (2011, p. 236) argues that cultural capitalism promotes solutions as “containing or providing the remedy against the consumerist excess”, such as doing ones their social and ecological duty. Airbnb evokes the rebellious and anti-establishment spirit of its co-founders, and makes the use of its platform stand for symbolic acts of personal commitment to the causes they invoke (Rifkin, 2000). Paraphrasing Žižek (2009b), tourists are evoked to buy into redemption by being a consumerist. By selling varying slogans and ideas, as helping the
environment, or restoring a sense of community, tourist endeavours on Airbnb become capitalism with a human face (Žižek, 2009b). Its 2015 “Never a Stranger” campaign sought to position it itself as sustainable, culturally immersive and a transformative travel experience in cities including Paris, Tokyo, Rio, New York, and Tulum in Mexico. The campaign shows a highly idealized version of the host/guest relationship where a young woman travelling alone buys into a life-style, where consumption and anti-consumerism have been brought together. Latching onto our inherent sentimentality and care for humanity, it promises us we can all feel good (and safe) about using the platform and using the local resources of hosts.

There is nothing wrong with collaboration, sharing, making money or indeed technology. The CE may be a more efficient means to satisfy every tourist want and desire by expanding lifestyles, niches and brands and may through unintended effects, create some positive social and environmental benefits. Airbnb, however, will not end the financial crisis, climate change, peak oil, inequality, resource scarcity, loss of biodiversity and ecosystem resilience and unemployment. It will not contribute, to any great degree, to a more sustainable world, or more sustainable tourism marketplaces. Airbnb will not create secure and stable jobs and generate greater trust amongst hosts and guests. There is absolutely no evidence to suggest that Airbnb can offset ‘offset’ ecological and human damage, make us greener or more ethical tourists and make up for inequality. While Fiske (1992) argues that individuals can live simultaneously in a world where social norms prevail, and where market norms make the rules, Zelizer (2005) argues that trouble ensues when social and market norms collide.

Airbnb ensures that lines between public and private, community and the market, production and consumption, voluntary activity and precarious exploitation, commercial and intimate life, market and non-market, economic value and personal life become more permeable and harder to discern. For governments, these blurred lines mean the illusion of income creation, micro-entrepreneurship, and it makes the degradation of labor, socio-spatial inequalities, intimacy and distributinal conflicts associated with Airbnb (somehow) irrelevant. Given that Airbnb is designed to nurture the needs of those who can afford access to paid hosts on the platform, there is a potential breakdown of reciprocity, intimacy, sympathy, understanding and trust between those who perform services and those who pay for them. In a dystopian future, a seller’s day might include collecting tourists from the airport, sharing their house, cooking meals, doing their laundry, walking their dog, minding their children and packing their bags. While receiving everything one desires by a commoditised transaction at the touch of an app can be liberating for tourists, it can also be dehumanising, even though Airbnb seeks to conceal any monetising of interaction and intimacy through frictionless payment systems. Our understanding of tourism as a composite commons is being changed by Airbnb in both striking and subtle ways. From demonstrations in Barcelona, where Airbnb is accused of pushing out locals in the old quarter of the city (Arias-Sans & Quaglieri Domínguez, 2016) to the ways we lose something when we forget how to value things without a price tag, a more individualistic, transactional, less creative commons may lead to more manipulation, exploitation, abuse and conflict. The
concept of ethical consumption or responsible tourism where autonomy, community or participation is valued now seems quaint as values become guided by the logic of the market.

As the substance and integrity of social life weakens as businesses market interactions, emotions, time and bodies as depreciating assets, the very notion of what can be shared, bought and rented has transformed. As the walls between intimate lives, social relations, community and the market become permeable, what was once thought unthinkable to buy or sell has changed. While one’s intimate or private life will never be ruled by the absolute logic of market, the CE is driving a new kind of flatness or depthlessness (Jameson, 1984, p. 60), leading to the “reductionism of all beings and all cultural differences to a common commodified form” (Harvey, 2000, p. 83). The more you give away via the CE, the more commercially customised your world becomes. As economic activity degrades intimate relationships (Zelizer, 2005), the very source of culture of which tourism feeds is threatened. As information, knowledge, and culture are produced through market rather than social relations, the lines of difference between culture, entertainment, information and consumption become blurred to such an extent, that almost everything viewed or interacted with becomes an act or object of consumption. Market morality encourages tourists to seek the ease of market exchanges for experiences over serendipity, the uniqueness of the locale, a nuanced appreciation of journey and relationships. The expansion into intimate lives flattens the texture of the social fabric, and the illusion of affluence pushes the poorest, with little to share and little to lose into new terrains of rent extraction (Kaminska, 2015), and a subsequent reduction of the value and meaning of a human life.

4.1 Turning the Collaborative Economy into a Collaborative Society

As an increasing number of politicians and policy makers around the globe adopt the CE, and destinations such as Amsterdam, Seoul, London and San Francisco describe themselves as “Sharing Cities”, Airbnb and similar platforms are here to stay. The CE can work in many areas of the economy, if sharing businesses work with cities and destinations. However, Governments (and unions) must play a pivotal role in ensuring the CE is more than a modality of economic production (Benkler, 2006), and understand how Airbnb, in particular, violates the spirit and the letter of the law. Its fear of regulation saw it launch an aggressive US$8 million advertising campaign on local TV, billboards and social media in San Francisco in 2015. Using consultants, researchers, canvassers and social media specialists to make the case against regulation, they defeated the measure. Despite this, political debate about the role of the Airbnb, their actual contributions to public good, autonomy and external costs (inequality, discrimination and social exclusion generated by platform use) is slowly emerging. Studies indicate that Airbnb can

D. Michael O’Regan and J. Choe
push up rents (Kusisto, 2015), hit small and medium hotel room revenue (Zervas, Proserpio, & Byers, 2015a) and push rentals off the market. Recent studies have indicated major negative impacts in Barcelona (Arias-Sans & Quaglieri Domínguez, 2016), San Francisco (Budget and Legislative Analyst’s Office, 2015) and New York (Schneiderman, 2014). As Airbnb seeks enclosure over the resources once nurtured and protected within communities, the very source of culture on which non-profits and non-governmental organisations such as charities emerged from is threatened. Airbnb has proven to indirectly work against loosely affiliated groups and non-profit entities, who may seek to deliver actual desired outcomes in a given locality, such as social inclusion, greater equality, cultural understanding and poverty reduction. SERVAS, for example, is an offline, and paper based hospitality exchange system affiliated with the United Nations. As Airbnb refuses to be regulated as it scales up, regulated non-profits are vulnerable to losing their place in tourism. Destinations must invest in the protection of non-profits that could distribute value amongst the value creators, and provide resources for such creators to interconnect technologically (e.g. Platform Cooperativism) to facilitate federations of locally-owned cooperatives.

Adept at paying lip service to poverty, inequality, social and economic exclusion, and beholden to owners, stockholders and investors, there will be market created problems that will soon need innovative solutions. Many solutions from market facing businesses in the tourism industry were structured in forms amenable to non-profit intervention, such as ratings and quality control systems for sustainable businesses and responsible tourism (e.g. Green Globe). However, the more fragmented and decentralised CE becomes, altruistic interventions may no longer be applicable. While many argue that tourism marketplaces are already exploitive, cultural capitalism has the power to add to its destructive elements. While many CE platforms package their market communication along the rhetoric of morality and eco-ethics, they do not address or promote moral or ethical decision-making. Airbnb properties, for example, by and large, do not coordinate with the UNWTO Task Force to Protect Children in Tourism, or promote “The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism” (ECPAT), or train hosts to spot the signs of child sexual abuse. However, a private trade body called SEUK representing the CE in the United Kingdom has joined the Skoll Centre for Social Entrepreneurship at Oxford University and Rachel Botsman in 2015 to develop a “trustmark”. The idea that Airbnb can regulate and police itself, with the invisible hand of the market protecting the environment, hosts and the public is questionable. Airbnb also throws into question whether a future self-interested consumer, many of whom do not currently pay any taxes on Airbnb, will pay into any future tourism system (i.e. the Balearic Islands accommodation eco-tax, the Dubai tourist tax, the Hamburg culture and tourism tax) and whether policy makers will engage in partnerships with intermediaries such as Airbnb to regulate the accommodation sector (Dredge & Gyimothy, 2015).

Regulators must decide whether Airbnb’s “micro-entrepreneurs” are employees or independent/dependent contractors. Entrepreneurs, for example, should be able to set their own prices and find their own customers. Regulators should also ensure
that Airbnb cannot pass the burdens of service, liability, legal, fiscal and social responsibilities onto hosts and consumers in the name of public good and the “big society”. Neither should authorities spend resources to enforce existing regulations. Regulators must demand the Airbnb data that they need to enforce regulations and taxation, require hosts to register with local agencies and create new mechanisms to collect taxes, restrict the density of short-term rentals in certain areas, and deal with absentee owners whose guests may become nuisances. In the longer term, margins may not be worth the burden of participation once a “level playing field” between incumbents and Airbnb is introduced and the costs of regulatory, tax and general compliance costs are added. Host “churn” will also impact on host availability. Airbnb also risks becoming a victim of its own success, as it becomes forced to introduce more efficient oversight, host and customer tools, and managerial practices. As it grows, it risks being obscured by new and hungrier platforms. In addition, “micro-entrepreneurs” who begin to invest capital (cleaning staff, redecorating rooms) may end up replicating the existing professional system (Kaminska, 2014) just as the “entrenched” accommodation providers become revitalised as they adapt to the new access-oriented, on-demand environment. Paradoxically, because Airbnb works because of the pretense that it is not a commodity, but an experience, any replication of the existing system and its fixed costs may lead to consumers looking elsewhere for experiences. The venture capitalists who have invested up to US$2.39 billion up to 2015 may also seek to recoup their investments by asking Airbnb management to squeeze even more cash from hosts and raise prices through algorithmic manipulation.

There is no data to indicate the Airbnb threatens entrenched business models, given Airbnb acts to free spare capacity if and when professional capacity falls short. By unlocking spaces at favorable prices, Airbnb actually expands the size of the market. However, spare capacity during peak periods when hotels normally increase prices could affect low and high end independent properties if quality processes and efficiency innovations are not implemented by those independent or chain properties. In addition, Christensen, Raynor, and McDonald (2015) argue that as Airbnb uses nicer host homes in wealthier areas, their disruption to entrenched hotel business models will become more pronounced. However, modest innovation by accommodation providers, either individually or part of a global chain can be very successful. In 2015, Hyatt Hotel group become an investor in onefinestay, which rents owners’ upscale vacation homes, and allows the platform users an opportunity to freshen up at a Hyatt Hotel, whilst Expedia purchased Homeaway to add vacation rentals to its online travel booking options. Hotel groups, like Ovotel, Citizen M and Marriott International’s “Edition” have also sought to incorporate and sell real life “experiences”, make better use of customer data and utilise techniques prevalent in Airbnb such as user feedback, flexibility (e.g. self-laundry, flexible check out, co-working spaces), authentic local interactions (i.e. linking guests to local guides), easier transactions and a “lifestyle ethos”. Hotels and other accommodation providers increasingly use events, shareable moments and content that speak to customer values, and address the desire for authenticity, flexibility, accessibility, efficiency and adventure. Unlike Airbnb, many hotels (groups) have
also made great strides in working with authorities and tourists to protect labor and the environment, and work with cities and those in governance and locally owned platform coops to deliver a real-world service to create sharing destinations where benefits trickle down. In contrast, Airbnb are in conflict with authorities across the globe. They were, for example, fined €30,000 in 2014 for breaching local tourism laws in Barcelona. In Australia and Europe, Airbnb has not fully incorporated any method to show local laws during the listing process, or adequately disclose mandatory fees, such as for service and cleaning in advance, despite regulatory demands.

4.2 Future Research

Further research may explore whether the shared resources on Airbnb are really excess capacity from the perspective of hosts, or whether, when fulfilling tourist needs, they create shortages within their immediate social circles (i.e. hosting intermediately rather than seeking higher income, full-time employment). In addition, while Airbnb is delivering progressively more market-sourced income to asset owners, more research is needed to explore whether such income is recycled back locally through taxes, wages and payment for consumer goods and services. Research should explore the emotional impacts of collaboration and sharing on hosts, and whether those who participate freely do so, or are induced to monetise their assets and sociality. It may also be relevant to research the diverse forms, impacts and regulatory responses in different geographical contexts (urban-suburban-peri-urban-rural), including welfare societies and societies in economic crisis. Finally, the impacts of ‘short-term strangers’ on civic life and the authenticity of neighbourhoods in heavily visited destinations would be useful, as well an examination of the disruption to public policy making in tourist destinations.

5 Conclusions

In its full scope, the CE encompasses gift transactions and nonprofit collectives and cooperatives. However, despite claims from many advocates, the CE is by and large, administered by for-profit companies anchored in commerce and enclosure. As people, their skills, assets and belongings are monetised in a new age of access, Airbnb brings the efficiency and capabilities of the internet to exploit network organisation for the purpose of extraction by connecting tourists with service providers. While boosting economic output without requiring destinations to increase public spending, we argue that parties are as much influenced by economic incentives as by trust underpinned by shared norms, values or protections. While technological infrastructure and entrepreneurial dynamism coupled with regulatory
and tax evasion and without proper oversight and proper accountability, Airbnb will continue to grow the demand for experiential travel and make money. However, the organisational ethos of the platform will be increasingly recognised as a symptom of predatory laissez-faire platform capitalism and, therefore, be in need of greater regulation across the globe. While disruption to aspects of the tourism industry as well as destinations themselves are needed to achieve a more sustainable future (e.g. to reduce greenhouse gas emissions from the transportation sector), Airbnb is not a disruptive movement, its venture capital backed business model merely an extractive online tourism marketplace.

References


Cultural Capitalism: Manipulation and Control in Airbnb’s Intersection…


<table>
<thead>
<tr>
<th>Query Refs.</th>
<th>Details Required</th>
<th>Author’s response</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU1</td>
<td>Hochschild (1983) is cited in the body but its bibliographic information is missing. Kindly provide its bibliographic information. Otherwise, please delete it from the text/body.</td>
<td></td>
</tr>
<tr>
<td>AU2</td>
<td>Hochschild (2003) has been provided in the reference list but its citation in the text is missing. Please provide location of its citation. Otherwise, delete it from the reference list.</td>
<td></td>
</tr>
<tr>
<td>AU3</td>
<td>Please provide the publisher location for the reference &quot;Howard (2015).&quot;</td>
<td></td>
</tr>
</tbody>
</table>