Role of Community level Governance and Commons in Sharing Economy: Case study of Auroville

Conference Paper · October 2017

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Role of Community level Governance and Commons in Sharing Economy: Case study of Auroville

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"Money will be no more the Sovereign Lord."
– Mother (Mirra Alfasa, Auroville)

Collaboration between individuals is generating novel, unstudied organizational forms (Gulati, Puranam, & Tushman, 2012; Puranam, Alexy & Reitzig, 2014) in which 'matter matters' (Carlile & Langley, 2013) letting materiality gain a central role (de Vaujany & Mitev, 2013). With the failure of many capitalist based models of organizing, societies and communities are turning towards experimenting with innovative ways of collaborating. These forms seem to be more democratic, largely participatory, with high level of sharing, and with alternative governance models.

Advancement in Web 2.0 and more individuals across the world being connected through internet has also led to rise of Sharing economy(Martin, 2016, Mair & Reischauer, 2017). Organizations participating in sharing economy have gained considerable momentum with new startups popping across the globe offering new products and services which were earlier not available within this new business model. One of the most common avenue for such studies has been to investigate them as model organizations of Sharing economy (Uber, AirBnb), while we believe that Sharing economy model for these organizations represents their revenue model and not necessarily their organizational model. We agree with Belk (2016), "in referring these transactions on these faux sharing commercial ventures "pseudo-sharing" in that they often take on a vocabulary of sharing (e.g., "car sharing"), but are more accurately short-term rental activities."

Most studies have focused on the governance of users and recent work is picking up to study the influence of institutional factors on sharing economy (Schor and Fitzmaurice, 2015,; Mair & Reischauer, 2017) . This is important as further highlighted by Mair & Reischauer (2016), that cultural context and eventually the institutional forms will have high impact on how these organizations grow in certain economies, and how the markets will be

impacted. But the growth (or resistance) of sharing economy cannot be explained only with institutional factors.

These recent developments and emergence of new organizational and business models, has made it evident that the traditional organizational boundaries are blurring. Such organizations depend to a higher degree on the various communities for their effective functioning rather than just the traditional organizational members and stakeholders. Be it the community of drivers at Uber, hosts at AirBnb, the developers in Open Source Software development (Seidel & Stewart, 2011) or the midwives in Bangladesh and Africa (Mair et. al., 2012), these new forms of organizing at community level is changing not just how the products are developed and services are consumed, but also how such organizations are built and structured.

Existing research focuses on understanding sharing economy from either the organizational perspective or from the individual users perspective. This is further supported by the gap in the organizational studies field which tends to focus on single firm or industry as a unit of analysis instead of community of members within and across such firms. While this is equally necessary, we believe that not enough attention is paid to role of community in the sharing economy. We posit that 'community' will play a higher role in further growth of sharing economy, similar to what institutions did for the individual organizations. This 'community' will lie on the interface of the organization facilitating the sharing and the individual users/peers.

Lately, Uber has started to mobilize its community of drivers and local citizens to help rally against the regulatory roadblocks it is facing in various cities and countries. Airbnb has officially created a job of "Community Organiser" within its corporate structure. For users it allows to book with "Superhosts" which are more credible than regular hosts. Moreover, with Airbnb Open events and award ceremonies, it seems to bequeath more privilege and prestige to certain hosts compared to others. While the concept or ratings exists across most of such sharing platforms, creating this active group of users and members seems to be critical for these organizations. With our work we want to highlight the role and importance of community within the sharing economy and not delimit it to organizations or individual users only. As Organizational scholars, we need to investigate deeper into how such unconventional modes of doing business also alters the organizational structure and governance. Often such untraditional forms develop alternative employment schemes, with

semi-independent workers engaged in complex and fluid collaborations taking place in distributed environments (Oldenburg, 2001).

Sharing as concept is an alternative to the private ownership that is emphasized in both marketplace exchange and gift giving (Martin, 2016). In his work Russell Belk (2014) states that "For there to be sharing, there must first be feelings of possession, if not ownership. Otherwise, we have nothing to share. In communes, kibbutzim, cooperatives, and communism, possession and ownership may be to hold things in common for those who wish to use them. He also states that "communal sharing as a model of resource allocation that applies primarily within the immediate family"(Belk, 2014). But for 'real' sharing economy, and eventually a sharing society, resource sharing needs to take place at local level (Martin, 2016). With our work we study how such offline community, based highly on the concept of commons and non ownership of various assets, builds and sustains a sharing economy over time. We undertake an exploratory study of such a community, Auroville, situated in India.

Context

Set in the southern part of India, on the borders of the state of Tamil Nadu and the French colonial town and Union Territory[1] of Pondicherry, Auroville is geared up to celebrate 50th anniversary of its inception in March 2018. Although it has spiritual inclinations in its origin, Auroville is a secular, non-religious township. It is unique in its existence, because unlike other 'intentional communities'[2], Auroville is legally recognized by the Government of India through its Auroville Foundation Act (AFA) from 1988, and remains a functioning, and expanding project. Lately, the unique features of the governance model of the Auroville have been in the media and national and international news. There is an increasing interest to understand and evaluate the 'Auroville Model' as a new alternative to existing governance model of various cities and towns across the world which are facing

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[1] India has twenty-nine states and seven union territories as administrative divisions. These states are federated states and have high level of autonomy and regional governments. Union territories are ruled directly by the Central Government. Auroville is geographically located majorly on borders of state of Tamil Nadu in India with some parts in Union territory of Puducherry. It is 10 km north of Puducherry and therefore more connected to Puducherry.(Profile, India at a Glance, State Portal [National portal of India]. Retrieved August 21, 2017, from https://india.gov.in/india-glance/profile)

[2] Intentional community: "A group of people who live together or share common facilities and who regularly associate with each other on the basis of explicit common values." as defined by Fellowship for Intentional Community

myriad of problems from cultural assimilation, sustainability, employment and income generation to even a cashless society. [3]

While many such initiatives and intentional communities have emerged over time across the globe to address one or multiple of the issues mentioned above, Auroville has active involvement in all of the above-mentioned causes, albeit in unconventional or novel ways. From the concept of 'lack of private ownership' of land and monetary resources, to participatory model of governance and selection of governing bodies, to prominent level of entrepreneurship in green and sustainable technologies, to a township formed of citizens from 49 countries, Auroville, as an organized community presents unconventional forms of organizing to address the various issues that traditional societies, towns and cities are facing at large. Furthermore,the scale and temporality of Auroville combined with its scientific approach to recording and archiving of its data becomes an interesting setting for further investigation.

One of the basic tenets of the 4-point charter[4] provided by the founder of Auroville is the lack of private ownership. The key tenets of the charter are: 1) Auroville does not belong to any individual in particular, 2) Constant focus on education and progress, 3) Connecting past and future, through learnings from past and discovering future, 4) Site of material and spiritual research. Thus, Auroville is a unique setting not just in the nature of its processes and products, but also in its form of organization. The lack of ownership of land and business by individuals but owned collectively in first point of the charter, creates a setting similar to concept of 'Commons', made popular à la Hardin, (1968).

This experimental township has variety of projects and commercial units dealing with design and innovation, eco-friendly products, education services, building construction, information technology, and various other small and medium scale businesses to name a few, to generate income and revenue for its existence. These units can be considered at par to a business organization or a firm, and have legal recognition under the AFA. Thus, in total there are around 700 units (both commercial and service) in Auroville, started by its

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[3]Retrieved August 21, 2017 from http://www.indiatimes.com/news/india/these-two-places-in-india-are-already-living-pm-modi-s-dream-of-cashless-economy-266574.html
Retrieved August 21, 2017 from http://www.thehindu.com/life-and-style/leisure/a-city-the-earth-needs/article3900563.ece
[4]The Auroville Charter, Retrieved November 27, 2016 from http://www.auroville.org/contents/1

residents. All of the Aurovilles' housing and units belong to Auroville Foundation which is the main governing body of Auroville.

There was a clear indication by the founder -Mira Alfassa - in the inception note that stated that Aurovillians will need to contribute to development of Auroville. This can be in form of human labor and work. She also stated that participation through meaningful work is an essential aspect of living in Auroville. Everyone is expected to take up an activity that corresponds to the needs of the community in harmony with the capacities, priorities and needs of each individual. Instead of having different monetary compensation based on the type and nature of job, all the jobs in Auroville are paid the same amount. The only requirement is minimum of thirty-five hours per week of work in any of the Auroville units. Since, most of the services and facilities within Auroville are free or subsidized for the Aurovillians, they receive a basic monthly 'maintenance' (currently, 10,500 rs (approx. $164) for full time, half of that for part time, and same amount for children) directly into their accounts. Of this 50% is 'Auroville currency' and remaining can be converted into Indian currency to be paid outside Auroville for their various needs. While several Auroville residents have their own resources including financial support from families or friends, the majority depend on the 'maintenance' which they receive from the commercial unit or community service they work for. Thus, there exists a spirit of altruism for development of the collective and community, rather than just the individual. Moreover, this collective spirit is not just observed in income generation, but also in setting up new enterprises and construction of housing and various other units. Through creation of new units, Aurovillians channelize their entrepreneurial orientation and co-create a mechanism of income generation for the community. With this high level of entrepreneurship, Auroville also employs around over 5,000 people from its nearby localities in its various units and activities. Thousands of tourists visit Auroville every year, staying in the many guesthouses run by Aurovillians and participating in the life of the community in various capacities. The many sectors of Auroville are today a success story of small business and eco-tourism.

Governance model of Auroville

The structure of Auroville organization, though not unique in its individual components, is an uncommon model in totality. The Auroville Foundation is Auroville's legal entity. The Auroville Foundation, comprises of three primary bodies; i. International advisory council (IAC) ii. Governing Board (GB) iii. Resident's Assembly (RAS). IAC consists of not

more than five members, nominated by the UNESCO unit of the HRD Ministry of the Government of India from persons who in its opinion are devoted to the ideals of human unity, peace and progress. The powers of the IAC are advisory only. When giving advice to the Governing Board, the IAC endeavors to ensure that the ideals for which Auroville has been established are encouraged, and that the residents of Auroville are allowed the freedom to grow and develop activities and institutions which further the aspirations and programmes envisaged in the Auroville Charter[5]. The Governing Board, formed of seven members nominated by Central Government of India, manages the general affairs of the Auroville Foundation. Its task is to promote the ideals of Auroville, to review and approve basic policies and programmes, to secure the proper management of all properties, to prepare the master plan and co-ordinate fundraising. Most of these functions are executed in consultation with the Residents Assembly. The Residents Assembly comprises all residents of Auroville on the Master List[6] over the age of 18. This body monitors the various activities of Auroville, decides on the terms of its membership, and is responsible for evolving and implementing a Master Plan for Auroville's future development in consultation with the Governing Board. It selects a Working Committee (WC) as interface with the Governing Board, the Secretary, and the other groups of collective service to Auroville.There is also a Secretary to the Foundation, appointed by the Government of India, who resides and has an office with supporting staff in Auroville.

This Governance structure of Auroville is akin to traditional organizational structure with Board of Directors (IAC), Top Management (Governing Board) and Middle and Line Management (RAS), it is the composition, selection, arrangement and coordination that exists within Auroville Foundation that makes it worth studying.

IAC has international members, while Governing board consists solely members nominated by the Central Government of India, of which two are representatives of the Central Government itself, and all of them of Indian nationality. The WC of RAS is formed from within the existing members of Auroville. Auroville consists of around 2500 members[7] who can be considered similar to "Citizens" in other parts of the world and are known as Aurovillians. Of this, two thirds are of Indian, French and German nationality, and in total

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[5] Auroville Charter is a 4 point charter provided by Mother, Mirra Alfassa. This charter is the primary guideline and can be considered synonymous to a vision statement of an organization. All of the details in Appendix A.
[6]The Auroville Master List, maintained by the Residents Service, is a complete list of Aurovilians and Newcomers aged 18 or over who comprise the Residents Assembly under the Auroville Foundation Act.

from 49 different countries. Thus, this ethnically diverse group from multiple countries, settled in Southern part of India, though not citizens of India, yet governed by a body consisting of only Indian citizens in GB, which are not elected but rather nominated by the Govt. Of India, makes it a unique setting not just as an organization but also in various cooperative societies and intentional communities across the world.

It should also be noted that Auroville as a society does not has any political party or political linkages. Neither does it have a police force or a judicial system though an appeal system has been recently created in case of internal conflicts. When dealing with 'outside Auroville' issues, it does engage and interact with Indian government and judicial systems[8]. Thus, the governance of Auroville highly draws from the social capital it has built over the years within the community, among the community members. There exists a strong notion of 'trust' within the community for many of the dealings, which in the outside world might require contractual and legal arrangements. This trust is akin to Organizational trust (Myer et. al., 1995; Cummings & Bromiley, 1996; Huff & Kelley, 2003). Organizational trust is expressed in the practices and processes that the members of an organization, or organizations as collective actors, engage in. These practices build, maintain, mobilize, prevent, destroy or repair the trust within and between organizations over time. Manifestations of organizational trust are not fixed but constantly evolving, shaped by prior trust as well as by new and ongoing influences and dynamics on organizational relationships.

Research Focus

Our study aims at understanding Auroville as a new form of collaboration. We do so by analyzing Auroville at different levels- Auroville as a single entity, at community level, individual business units and governing boards in Auroville, at unit/firm level, and lastly various relationships and interaction among Aurovillians at individual level. In doing so the project seek answers to the following questions:

At macro level

Why and when was the vision of the business organization as a community of persons overshadowed by managers' and scholars' vision as an organizing abstract entity?How can Auroville's organization be sustained over time (and space)?

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[8] During the land encroachment case, or in-case of any accident or theft within Auroville.

The answers to these questions intercept the need expressed by Auroville, since there is a recent ongoing debate within the community about the state of its economy and future. There are also discussions about the amount of maintenance received and if it should be increased. Moreover, with this existence of 50 years, the lessons learned can be instrumental for various policy makers who are currently dealing with the concept of basic income.

At meso level,

By studying the governance of Auroville as a community of business units, individuals and various governing boards, all of which are comprised from the same individuals from the larger community (sub-set) of Aurovillans, we hope to be able to understand the organization and management of such individual businesses within a community. Some questions we wish to answer with this study are:

How does habitual trusting evolve, and how is it sustained (or questioned) by sensemaking in the organizational context? How do organizational trust violations occur and what practices prevent such violations or facilitate trust restoration and repair?[9]

Moreover contrastingly, how and in which way does the sharing economy and commons affect existing pattern of inequality and/or create new forms of exclusion?

At micro level

From an economic view point, Auroville is characterized by high level of entrepreneurship and income generation, non-ownership of land or assets by individuals, consisting of a collaborative community enjoying a shared economy. Nonetheless, the case raises questions about motivation of people to engage in meaningful work and their levels of productivity. It also challenges the management theories which present compensation and rewards as the only mechanism for higher levels of productivity.

How can firms in a sharing economy develop resources and capabilities to contribute to the "common good" principle of the community and simultaneously enhance skills that are idiosyncratic leading to competitive advantage?

In turn how do social institutions and the community values that these firms are embedded in, shape their organizational values?

Finally, can building social capital decrease the free-riding in a community based on commons specifically and in organizations in general?

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[9] These questions were part of the SWG at EGOS 2016 Naples. We will refine these questions eventually as the study progresses, but for time being use it for guiding our inductive approach.

Contributions

From analytical point of view, we want to strengthen the work of community as level of analysis within the organizational theory field. We believe that while studying organizations and industries as an entity, the field has advanced enough to understand them to a high level, yet the many unexplained phenomenons or occurrences can only be explained when we expand the boundaries enough and yet keep them within industry as a field of analysis, thus bringing the focus on communities.

Our goals is, to provide an exemplar for Sharing society, which is not limited to ICT organizations, but an actual community composed of organizations, citizens embedded in that society, and yet organized in a way that the boundary spanning is different compared to the traditional organizations and society that we usually think of. These boundaries are created and yet remain fluid because of the membership of these citizens which are part of community into multiple sub groups including business units within the communities. Moreover, every firm and business unit is a form of organization, but not all forms of organizations are limited only to business units. Social movements, projects, to informal entrepreneurs and informal markets are also forms of organization which sometimes defy and sometimes complement to our basic understanding of 'organization'.

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