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## **Reciprocal online communities as a case of an informal economy: the erosion of social borders from private to public fields**

The study explores the phenomenon of online reciprocal communities as a case of an informal (non-governmental) economy. The dynamic nature of the Internet increases the level of social mobilization, and makes social networks more flexible, resourceful and numerous. Over the past few years (after the crisis of 2008, when money was lacking), reciprocal communities have expanded: experts proclaim an increase in their number and a significant growth in the number of participants. The pioneer network was founded in the 1990s and consists of 24 000 participants. The most popular communities include 160 000 participants and made more than 1 600 000 gifts. The Internet platform has adapted private patterns of gifts exchange. Previously unknown people share presents (products, items) on a non-repayable basis. The effect of public mobilization was revealed by putting reciprocal communities on the Internet. Generally, it is cognized the erosion of social borders from private to public field. Internet shifts gift making rituals from the private sphere to the public and then triggers new social patterns, norms, and institutions.

Based on defining trends and contradictions, the general research objective was to define the origin of online reciprocal communities and determine what kind of social change these communities effect.

### **Relevance and novelty of the research**

There is transfer (displacement) of economic activities from real (offline) life to the Internet space. Significant part of online communities can be attributed (refer) to the agents of informal economy - activity that are not directly regulated by state rules and frames. Infiltrating (leaking) into social networks and sites, the field of informal economy involves new actors as buyers, sellers, exchangers and givers. There are specialized websites dedicated to personal sales, exchange of goods and services, and reciprocations.

The nature of online community increased the level of social mobilization. In the last few years, reciprocal communities have become more significant: there is growth in their total number and in their participants. Thus, the first Russian reciprocal network, founded in 2002, has 24 thousand members. The most numerous community has 160 thousands members, where the total number of exchanges was more than 1.6 million.

The growth of the reciprocal community is explained by a variety of reasons. First of all, the Internet provides the opportunity to share information out of space-time frames. There was trade and exchange over long distances and different time zones. There is an acceleration of information exchange. The second reason is growth of payable (profitable) online audience. Hyper (over) consumption is probably the reason for exchange (reciprocation).

## **The problem of the study**

New social structure is reciprocal online communities is of significant interest to the researcher. The practice of online reciprocation creates a social phenomenon, and «erodes» the boundaries between previously private events. Online technologies make the daily practice of gift exchange routine and public. Strangers exchange gifts (food, objects) on a non-monetary (free) basis. There is growing social mobilization, the emergence of new social strategy, gives birth to different types of sociability. For example, the transformation of reciprocation from private to public space has led the emergence of a new pattern of behavior - "social dependency" (scrounger) (these include community members who are motivated primarily by receiving gifts).

Reciprocal relationships are not regulated by formal institutions that have specific, "network" nature. According to Castells, communities are not static group with given number of members, the structure and the character of the group progresses. For these types of communities the more applicable concept of a "network" composed of varying numbers of actors, «erodes » (deleted) boundaries and makes the nature of the relationship more flexible [Castells, 2001, 125-126] .

Researchers Zones and Lekkenbi wanted to understand how the structure of the community helps to increase co-operation, and in which there is the problem of "social dependents" (scroungers). Their study showed that the structure of exchange significantly affects its productivity. Researchers have identified two types of structures. The first is «group-generalized», characterized by a common pool (center), where all members of the community contribute to the total "pot" and have access to the resource when they need it. The second type of community is «network-generalized». It involves all members of the community to participate in the process of individual exchange. Empirical research confirmed that the level of cooperation is much higher in «group-generalized» community.

Reciprocal communities initially do not have formal attributed rules. It is important to find out what rules and mechanisms exist in this type of economy. What motivate people who was previously strangers to exchange gifts? How does this social structure exist? The answer to these questions will help to identify new senses of social reality. Based on this, the research goal - an analytical description of reciprocal virtual communities, to show their social order as a social structure.

## **Methods**

The research team systematically observed four of the most popular reciprocal communities in Russia. The nethnographic approach (online observation) was elaborated as a method of data collection. Online observations were conducted every two days for two weeks in July 2012. The sample of communities was selected on the basis of a consistent protocol form, containing information about norms, patterns, conflicts, rituals, and roles that belong to these types of networks. Preliminary data consists of eight protocols, with two of them describing one community by different researchers.

## **Research results**

Based on preliminary analysis, online reciprocal communities are an example of a constructed public good. The rise of internet mobilization and the general spiral growth of social gift exchange convincingly demonstrate an emerging level of social trust on the Internet.

This kind of social trust is based on social capital, cumulating in a network. Each participant has more opportunities to get a required gift the higher his social capital is in a community. Social capital is the first mobilization source of a network. It includes previous social experience on the Internet: the general number of gifts given, rating, feedback of receivers, profile attraction, number of friends, time active, and so on. The general hierarchy of a network is based on social capital and is marked by a quantitative value. For example, one popular reciprocal community shows the number of gifts given at the top of participants profile. Most active Internet users convert a profile from one social network to another and, as a result, demonstrate a higher social capital rate.

Economic rationality is the second core driver for a community's participants. The subject of social interaction is intensive gift exchange. Generally, based on the case of reciprocal communities, we discovered a new social identity, receiving economic goods for the offline world through the use of accumulating social capital in virtual space.

The existence of two main types of communities was defined based upon the nature of social actions. The concepts of Tennis F. "community" and "society" as well as Weber's theory of social action are adequate as descriptors.

Therefore *instrumentally rational reciprocation* [Weber, 1978, p. 24-25] - mechanical rational action, aiming to get rid off "useless" things and get "useful" things. Communities are unicentric and moderators are the creators and indenters of basic rules and mechanisms of the community. Community members are rather restrained in relation to the introduction of new rules and prefer existing ones.

*We do not have democracy. We practiced democracy once (see question about cats), and will never do such a stupid thing again [Quote moderator from reciprocal community, livejournal.com, Moscow].*

The reciprocation is close to the phenomenon of "freebies" (free-for-all) - the ability to get expensive item for free. This gift exchange does not involve reciprocity (duality) and is biased towards giving. The Internet is a platform for information. The priority in receiving gifts is based on the principle of "first come- first sense" (who is the quickest to the express the desire for a particular gift).

The most active, the "other" community where "reciprocity" is the source «network-generalized». They have different sense of reciprocation - **value-rational action** - collective action based on mutual trust participants. This type of social groups is characterized by frequent contact outside the online space, in the real (offline) world. They are distinguished by the importance of the subject and the recipient of gift. This refer to the traditional private practice of exchanging gifts among individuals with close personal ties.

**Value-rational reciprocal** communities have a complex, multi-centre, but flexible structure. Hierarchy example of in one popular community:

*«Developers - create free gifting service for different people who can give gifts to each other - with maximum benefit and pleasure.*

*Caretakers help participants to hold to community traditions, to communicate with each other in the most difficult situations in order to use the tools of free gifting service. They have their own code, the main principles of which are "Help" and "Do No Harm".*

*Postmen help donors (gift givers) to transfer the gifts to other cities, saving them time and money, and unite participants, living in different cities*

*Patrons and many other participants help developers to maintain service, and improve it further ... "[Quote from the description of the structure of the international community gift exchange].*

The gift in *value-rational reciprocation* is continuation of the life and history of things [Appadurai, 1986]. There is "revival" of things and personalization of communication participants. Trust, social capital and reputation - the mechanism of social vitality. A participant's chance for a desired gift depends on their social capital. This type of community shows how it is possible on the "public" internet to create a private relationship based on trust and constructed negotiability.

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