The rise of coworking spaces: A literature review*

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Introduction

How has the aftermath of the global economic crisis transformed the practices and meanings of work in the knowledge economy? Current literature suggests that nonstandard forms of employment have become commonplace within a highly individualised labour market in which urban professionals work as a casualised, project-based and freelance workforce (Cappelli and Keller, 2013; Osnowitz, 2010). This raises the question of the extent to which knowledge workers are encouraged in finding new ways to live a nomadic and precarious worklife in this fragmented professional context. This literature review addresses one of the most interesting phenomena to recently emerge: the diffusion of coworking spaces.

The spread of coworking practices transformed ‘coworking’ into a buzzword with increasingly high expectations concerning the improvement of the socio-economic conditions of workers in the knowledge economy. This ‘vibe’, however, is somewhat similar to what followed Richard Florida’s enthusiastic claim of the ‘rise of the creative class’ (2002), whom he forecast to be the drivers of economic growth in the early 2000s. With this literature review I aim to provide a critical reflection on the ‘celebratory’ framework that surrounds the representations of proliferating coworking spaces. The question I discuss is how to interpret the coworking phenomenon in the landscape of the knowledge labour market, as it is

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connoted with the expectation of being the ‘new model of work’ in the context of
the ‘collaborative and ‘sharing’ economy (Botsman and Rogers, 2011). Among
existing contributions, in fact, little evidence is available to assess whether such
practices will bring skill enhancement and tangible empowerment for urban
knowledge workers – or end up reiterating an illusory enthusiasm and ultimately
reproduce inequalities and shortcomings similar to those attached to the rise of
the ‘creative class’ and ‘creative cities’ (Florida, 2002). A wide and diverse body of
literature has recently flourished around the theme of coworking, addressing this
topic from the perspective of academic and practitioners mostly as concerns the
emergence of collaborative models of work and distributed organisations.
However, though with notable exceptions, most contributions in the literature
builds on the assumption that coworking represents an inevitably positive
innovation, with few dwelling upon empirical findings and rarely offering a
critical understanding.

This literature review aims to give a different angle of interpretation. Should we
consider coworking phenomena as inevitably positive, as the ‘vibe’ seems to
support, or should we be alerted to an emerging ‘coworking bubble’, as recently
suggested (Moriset, 2014), given that coworking is being increasingly used for
branding, marketing and business purposes? This question will be discussed by
examining the people using coworking spaces, their motivations, expected
outcomes and perceived benefits. It also considers how questions of social
relations and organisational arrangements fostered in coworking spaces are
presented in the literature. Do coworking practices and organisational
arrangements effectively bear the potential to provide urban freelance knowledge
workers with a physical space to reorganise and their mobile and nomad worklife
– who now regularly live at the borders of offline-online practices of interaction
and the production of work – and what are the eventual ramifications of these
practices? These questions represent central issues that impact broader topics in
the literature of knowledge work – such as the changing nature of work practices,
the functioning of knowledge labour markets, the nature of value across
knowledge networks and even a growing discourse around proto-dynamics of
class recomposition (Arvidsson, 2014).

What is coworking?

Coworking spaces are shared workplaces utilised by different sorts of knowledge
professionals, mostly freelancers, working in various degrees of specialisation in
the vast domain of the knowledge industry. Practically conceived as office-renting
facilities where workers hire a desk and a wi-fi connection these are, more
importantly, places where independent professionals live their daily routines
side-by-side with professional peers, largely working in the same sector – a circumstance which has huge implications on the nature of their job, the relevance of social relations across their own professional networks and – ultimately – their existence as productive workers in the knowledge economy.

Contemporary coworking originates in 2005 in San Francisco. It brought the possibility of envisaging a ‘third way’ of working, halfway between a ‘standard’ worklife within a traditional, well-delimited workplace in a community-like environment, and an independent worklife as a freelancer, characteristic of freedom and independence, where the worker is based at home in isolation. This third way was coined ‘coworking’ without the hyphen, to indicate the practice of working individually in a shared environment – and to differentiate it from *co-working* (with hyphen), which indicates working closely together on a piece of work (Fost, 2008) – although often these terms are used interchangeably.

As outlined by Pratt (2002), the San Francisco Peninsula was one of the leading areas in new media production in the early 2000s as a result of a ‘hybrid’ infrastructure of interaction able to connect technologies, spaces and people. Pratt notes that San Francisco, located at the end of the Silicon Valley with a high concentration of technology industries and hardware companies, satisfied the requirements of a contemporary ‘product space’. This was due to an efficient socio-spatial division of labour and cultural ambience naturally entailed into a ‘bohemian’ environment – a vibrant culture infused with political activism and socially-organised work patterns based on social networks and tacit or shared knowledge (Pratt, 2002). Since inception, the idea of coworking has quickly spread to become, ultimately, a ‘trendy topic’ bearing huge expectations concerning the future of knowledge work. Johns and Gratton for instance, define coworking as the ‘third wave of virtual work’ (2013: 1), that seeks to restore ‘co-location’ in the digitalising mode of production where tasks can be performed anywhere, anytime. A proliferation of coworking initiatives and ventures can be currently witnessed in different cities worldwide, for a somewhat self-proclaimed ‘coworking movement’ that now aligns with other similar ‘trendy’ concepts which flourished in the post-crisis economy, such as ‘startups’, ‘social innovation’ or ‘sharing economy’ (Botsman and Rogers, 2011). This literature review locates coworking principally in relation to these approaches to challenge the often overenthusiastic framework of interpretation and confront it with the existing empirical data.

Coworking shows a significant global diffusion together with an impressive annual growth rate, particularly since 2007-08, interestingly coinciding with the onset of the global economic crisis. Moriset (2014), using data collected by the international online editorial Deskmag, a well-reputed online reference for the
coworking movement, shows how coworking is largely diffused in the so-called ‘creative cities’ of advanced economies, such as London, Berlin and Paris in Europe, San Francisco and New York in the US, but also embraces a larger perspective, with a reported presence of 129 spaces in Japan, 95 in Brazil, 60 in Australia and 39 in Russia (Moriset, 2014) with a growing presence in China (Lindtner and Li, 2012).

Moriset’s (2014) exploratory study reports an overall number of 2,498 mapped spaces worldwide. This appears to be just a downward estimate since a growing number of businesses of different sorts are currently opening coworking ‘sections’ within their activities, indeed without formally registering as coworking spaces. In his work, coworking spaces are epitomised as ‘third places’ between home and work. He argues that coworking is a global phenomenon that maintains strong local roots, as it frames into policies which point towards the emergence of creative districts around urban environments – and casts a light on the risks of a possible ‘coworking bubble’, given that the profitability of these initiatives is often still low (ibid.).

In order to directly address the latter issue, we should take into account that since the earliest coworking phenomenon reports, the primary rationale of coworking is not, in principle, business-oriented. On the contrary, a significant element that seems to characterise coworking practices is an ‘open source community approach’ to work (Leforestier, 2009), intended as a collaborative practice that seeks to establish communitarian social relations among the member-workers. According to an article on Network World, coworking is conceived as a ‘movement’ or a ‘philosophy’ characterised by four common values: collaboration, openness, community and sustainability (Reed, 2007).

Alongside practitioner-oriented research, a growing stream of academic empirical work has arisen concerning coworking practices. In a study of collaborative production in Berlin, Lange (2011) outlines a definition of coworking spaces as bottom-up spaces participated by workers who strive for independence, collaborative networks and politics, and that share a set of values in a ‘collective-driven, networked approach of the open source idea translated into physical space’ (Lange, 2011: 292). The idea underlying this assumption is that social relations are the main factors of productivity across coworking spaces, conceived as collaborative environments where microbusinesses and freelancers deploy new production opportunities in non-hierarchical situations. Those accessing coworking spaces are mostly ‘culturepreneurs’, a term Lange coined to identify knowledge professionals with multi-functional skills and irregular career paths, operating as self-entrepreneurs within scarcely-institutionalised economies (Lange, 2006). This term stresses both the cultural’ dimension that
connotes coworkers, and the eminently entrepreneurial trait of their activity, that is framed into a non-competitive and largely ‘socialised’ philosophy of work perpetrated into a production context made of small-size actors, which does not imply hierarchical relations and where organisational arrangements are constantly renegotiated (Lange, 2006, 2011).

In a study of coworking spaces in Austin (Texas), Spinuzzi (2012) sustains that coworking is the most eminent example of the new models of ‘distributed work’, that seem to be the incoming trend in the organisation of labour in the knowledge economy. Distributed work is intended to be a flexible organisational arrangement whereby different subjects pursue objects and produce outcomes across network-based, collaborative schemes of production. Among the subjects, Spinuzzi includes, not only the coworkers but also the proprietors, known as ‘hosts’, who play a crucial role in the organisation of the space by being hybrid figures who both lead the space and also *cowork* within it. Spinuzzi provides a more business-oriented and entrepreneurial perception of coworking practices. The coworkers in Spinuzzi’s account are not just ‘workers’ or ‘professionals’ – rather, mostly ‘non-employee enterprises’, meaning individuals who run a self-enterprise with no employees, looking to increase profit and business turnover through a managerial cultivation of social relations. Spinuzzi calls this a logic of ‘good neighbours’ or a ‘good partners’ approach, a partially communitarian organisational rationale by which business outcomes are pursued through temporary partnerships and collaborations among peers working in the space, resulting from a combination of complementary skills and social relations (Spinuzzi, 2012).

These two readings implicitly suggest we should interpret coworking spaces as places that freelancers and independent workers access with the purpose of fostering networking practices that the literature on knowledge work identifies as the ‘engine’ of their professions, epitomised in the expression ‘it is all about who you know’ (Blair, 2001; Grugulis and Stoyanova, 2011, 2012). A recent survey distributed among coworkers enrolled in the different spaces across Milan seems to confirm this insight (Colleoni and Arvidsson, 2014). First, the research offers the profile of a largely male workforce made of freelancers or self-employed professionals ranging in age from 24-44, with a multi-functional set of competencies and not a single professional specialisation. Both traditional intellectual professionals directly related to the creative industries (architects, designers, etc.), and ‘digital professionals’ such as community managers, social media content producers and PR or branding consultants, make up part of the fluid aggregation of coworkers in Milan. This means that across coworking spaces we can find a ‘multi-functional’ set of professionals whose skills are both the result of education and training as well as of ‘commonly available’
knowledge, especially knowledge that directly pertains to the digital economy. The average gross income per month is reportedly between 1000 and 2000 euros that is quite low considering the condition of ‘partita IVA’ (the self-employed status in Italy) is characterised by high tax rates (Ranci, 2012) and combines with Milan’s comparably high rental cost (Global Property Guide, 2014).

More specifically, in terms of the intrinsic relation between business-oriented networking practices and coworking, this study shows that the expectations from participating in a coworking space among Milanese coworkers explicitly relate to the need of getting a sense of community (48%) and entertaining networking activity (34%) (Colleoni and Arvidsson, 2014). Besides the somewhat self-evident claim of accessing coworking spaces to overcome isolation and experience worklife in a physical space (55%), coworkers in Milan declare their activity has a peculiarly instrumental aim; the construction of a network of contacts and the acquisition of a reputation in the professional scene. This should be seen as strategic to access social capital resources that lead to jobs and income. A large majority of workers declare having expanded their network of clients (61%) and collaborators (62%) by accessing a coworking space in a mutual process that enables interdependence among workers (Colleoni and Arvidsson, 2014). Also, an overall 52% of coworkers report that their earnings have increased since participating in coworking spaces.

Taken together, these different contributions seem to concede that coworking environments provide a space for urban-based freelance, often precarious workers to reterritorialise the physical organisational structure previously offered by firms, which are now diminishing from the emergence of a well-delimited new spatial organisation but with flexible boundaries and affiliations. However, a striking aspect affects the attitudes and the outcomes fostered by accessing a coworking space. Though working in similar sectors, in fact coworkers do not seem to feel competitive – rather, they are seeking to bring ‘the social’ back into their working life (Clark, 2007). This dominant value-oriented interpretation of coworking spaces as ‘communitarian’ places where coworkers operate as ‘complementary’ figures rather than potential competitors remains a challenging issue.

In fact, although coworking spaces are populated by professionals working in the same industry, whose activity includes a never-ending process of networking and a recursive search for jobs, it may be reasonable to imagine that the competition for contracts among them is not completely suppressed. Rather, it is likely to take place among microbusinesses, composed of individuals who get together to form what should be seen as an ‘associated brand’ – a small and flexible managerial
entity, frequently changing in scope and associates depending on the tasks that are created for success in a specific market. I call this strategy a ‘networked mode of organisation’, a loose modality that is located between collaboration, competition and cooperation, which I have encountered frequently in my research on freelance networks in London and Milan (Gandini, 2014). Therefore I suggest that the literature should more deeply explore this issue of competition and how it is embedded in professional networks, to seek meaning of social capital across coworking spaces – where an organisation is loosely regulated by design, thus favouring informal interaction.

The coworking organisation

Among the papers that tackle coworking practices from a strictly organisational perspective, the study by Capdevila (2013) offers a theory of coworking spaces as ‘microclusters’ that enable knowledge transfer among members from a network-based perspective. In their analogy with localised industrial clusters, where organisations and firms entertain network relations among themselves with the purpose of building trust relations, Capdevila argues that coworking spaces are territories where microbusinesses and freelancers coexist and collaborate on a variety of actions and tasks. Thus, coworkers tend to be involved in the establishment of communitarian relationships of trust among themselves, largely escaping the competitive frameworks to engage in different forms of negotiable collaboration.

While reiterating the same non-competitive dimension of coworking, the account provided by Capdevila describes a complex socio-economic scene based upon networked dynamics of interaction, where old and new organisational practices coexist in an instrumentally coherent ‘rationale’ that leverages on social capital to access network resources with expected economic return. Capdevila stresses how, with the end of the Fordist era, the traditional industrial clusters are being replaced by ‘innovation networks’ constituted by networked microbusinesses, whereby larger firms operate as ‘anchors’ and attract new businesses into the cluster. In his view, coworking spaces provide the necessary intermediation to this network activity, as well as a physical platform for this purpose (ibid.).

The relevance of personal networks and the acquisition of social capital to pursue economic success requires workers to associate, thus enabling the ‘distributed’ and ‘networked’ organisations mentioned above. This is confirmed by findings emerging from research on coworking spaces in Milan. We have seen how the possibility to engage in collaboration with peers with complementary skills emerges strongly as a factor of productivity, together with a strategic ‘business-
like’ approach towards reputation construction, and is seen as a key resource from which to capitalise (Colleoni and Arvidsson, 2014). Concerning organisational logic, the argument presented is that coworking spaces are functional in constructing networks and ‘new’ reputation-based social capital in a context where the ‘old’ ways of social capital leverage to access jobs, such as family ties, are no longer effective. The pursuit of a personal reputation emerges in this context as the most prominent factor for coworkers in terms of productive outcomes and organisational arrangements, as it plays an ‘intermediary’ role in accessing network resources and generating valuable outcomes. As a result, from this perspective the ‘communitarian’ and ‘value-oriented’ approach to work should therefore be seen under a different nuance, mostly as the necessity to share a ‘habitus’ that pertains to a creative community (Colleoni and Arvidsson, 2014).

These contributions suggest how coworkers in coworking spaces seem to imply a specific sort of ‘economic rationale’, that sees networking practices as functional to the acquisition of a reputation. This seems to emerge as the element that keeps these different social actors together in the same space, and which projects them into the broader socio-economic ‘creative scene’ of the city. As a result, coworking spaces seem to function, not just as hubs, as most of the literature suggests, but mostly as relational milieus providing workers with an intermediate territory to enact distributed organisational practices made of continuously negotiated relationships in a context where professional social interaction is simultaneously physical and digital. This intermediate territory, contrary to what is sustained by Moriset (2014), is by no means a mere drop-in office with low inter-professional interaction where collaboration remains incidental. Instead, coworking spaces are territories that are accessed purposely to construct and maintain network relations and perpetrate a market position.

The reason for this claim is that coworking practices efficiently respond to the necessities of the contemporary knowledge worker, among which, networking is central. This reading induces us into thinking that coworking is not merely an ‘open source approach to work’ (Lange, 2011; Leforestier, 2009), rather a manifestation of a broader transformation in the employment and organisational regimes in the knowledge economy, based on the socialisation of value production – whereby coworking spaces seem to be functional to enable the circulation of information that leads to valuable outcomes.

However, the existence of such potentially positive effects towards workers and the urban economic networks brought by the diffusion of, and the access to, coworking spaces across cities should not prevent us from being critically engaged towards this phenomenon – as it seems to be the latest outcome of a
project that has substantially failed in its own scope: Florida’s (2002) claim in *The rise of the creative class*.

**Coworking: Another ‘bubble’ in the knowledge economy?**

The interpretation of coworking spaces in the contemporary urban knowledge economy suggests that coworking practices may effectively provide the potential for a physical reterritorialisation of ‘nomad’ working practices (O’Brien, 2011). As seen, these spaces should be regarded as the most prominent manifestation of a more general rethinking of work that has its roots in the shared and highly-networked forms of collaborative production embedded in the urban territory – the function of which is to operate as an intermediary between actors entangled in network-based processes of organisation and valorisation. However, a critical approach to coworking practices seems to be equally sustainable. As also suggested by Moriset (2014), we may be ultimately confronted with a ‘coworking bubble’ – the extent to which remains to be seen.

Over recent decades, the most prominent discourse concerning the transformation and regeneration of western urban environments and socio-economic scenes was the realisation of ‘creative cities’ (Landry, 2000; Power and Nielsen, 2010; Musterd and Murie, 2010). This vision went hand-in-hand with the supposed ‘rise of the creative class’ (Florida, 2002), which was defined as a variously articulated ensemble of individuals working across media, advertising, fashion and other creative sectors who were supposed to live and prosper within cities whereby the expansion of creative industries operated as a trigger for economic growth and development. The enthusiastic claims made by Florida in the early 2000s, together with the broader vision of an age of economic prosperity resulting from the conjuncture of leisure and work, based upon the talent of creative professionals (Florida, 2002) have in fact arguably failed to materialise. Both Peck (2005) and Pratt (2008) criticised Florida’s argument for being as attractive as it is elusive, in that the celebratory framework of the creative class neglected the social inequalities and class divisions, making those diluted within the ‘coolness’ of the emerging economy – and making the creative class a list of professional figures rather than a class as traditionally conceived in sociological terms. The diffusion of coworking spaces became visible on a large scale approximately a decade after Florida’s manifesto, and shows what I argue to be the unfulfilled promise of the creative class.

Some of the most influential and recent studies in the context of urban economies and creative industries (Gill and Pratt, 2008; Pratt, 2008; Grugulis and Stoyanova 2011, 2012) have shown how knowledge workers are largely
freelance, precarious professionals characterised by a necessity to entertain relationships and manage social capital across their professional network as a decisive source for incoming jobs. They have to develop a self-entrepreneurial ethos and perform self-branding strategies in a highly identitarian, entrepreneurial landscape (Cremin, 2003). More than a decade later, many creative people who were promised permanent jobs in media firms have now more or less voluntarily transformed into different sorts of subjects – freelancers, ‘startuppies’ and even ‘changemakers’ (Bandinelli and Arvidsson, 2013) – shifting with different degrees of satisfaction among project-based work, subcontracting and the establishment of an individual enterprise with varying levels of stability and certainty.

In other words, we are now confronted with the backlash of the ‘creative class mantra’, which emerges in perilous combination with the greatest recession since the 1930s, to leave a multi-faceted workforce facing rising unemployment rates, especially among the younger generations, together with a decreasing availability and desirability of firm-based careers (EEOR, 2010). The extent to which coworking spaces have become a catch basin for precarious workers remains in question. The instances described above in fact combine with issues of free labour and unpaid or low-paid jobs (Hesmondhalgh and Baker, 2013) that are frequent and cross-cutting in terms of class relations – indeed, often snubbed and overlooked as if these traits naturally make up a creative worklife. Thus, as sustained by Arvidsson (2014), through the rise of these atomised entrepreneurial subjects of neoliberalism beyond the creative class we may be witnessing the proto-diagram of a ‘new social’ that would perhaps converge towards new forms of class recomposition, where these workers recognise themselves as a new ‘class’ of knowledge professionals sharing the same economic interests (Arvidsson, 2008, 2014).

Ultimately, coworking spaces may even be beneficial in this regard since, differently from Florida’s claims based on lifestyle and success, coworking spaces do not just restate a physical dimension but principally act as new intermediaries for value production, thus potentially igniting the acknowledgement of common economic interests among coworkers – a potential ‘coworking class’ presently unaware of any collective subjectivity or consciousness. Whether this will lead into a full process of class recomposition, however, remains to be seen, as the mere existence of political claims among creative people often remains silenced beneath the ‘coolness’ of participating in the creative lifestyle.

This silencing is due to the diversified body of freelancers-coworkers that should be seen as a ‘double-sided’ economic subject, made up of both precarious workers and ‘new entrepreneurs’ contradictorily coexisting with different
attitudes in the same relational milieu. This is why ‘neo-Marxist’ critiques that simplistically call for a ‘revolution’ of precarious freelancers (Fuchs, 2014; Clark, 2007) are romantically attractive but fail to comprehend not only the ethos of freelance workers, which is closer to the pre-modern bourgeoisie, than to the modern industrial working class – rather, more so in fact, the powerful ‘biopolitical’ strength of a system that leverages upon ‘passion’ and ‘coolness’ for social recognition (McRobbie, 2004), in a context made of limited unionisation and politicisation, and very little self-reflexivity.

The plurality of the subjects involved in the rise of coworking, from academics to policy makers, up to coworkers themselves, will have to seriously take into account the contradictory nature that coworking spaces come to embody in the broader debates regarding the ‘sharing economy’, in order to disentangle the diverse issues that lie under the surface. The coworking movement does not benefit from a ‘buzz’ that resembles the blind celebratory framework which used to relate to the idea of the ‘creative class’, the reiteration of which would configure not merely a new ‘bubble’ in the knowledge economy – rather, a surprising survival of the neoliberal age (Crouch, 2011).

references


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