

Own This! A Portfolio of Platform Cooperativism, in Progress

“We are own bosses. The platform co-op model can help us to grow professionally and as people.”

- Up&Go Member-Owner

Introduction

Almost thirty years after the inception of the World Wide Web, the power asymmetry between those who own its core platforms and the users who depend on them is more pronounced than ever. A decentralized and democratic digital economy is needed. How can especially workers on the edge of society respond to the numerous "disruptions" on the horizon including automation and algorithmic decision making as well as unanticipated and unpredictable changes? Platform cooperativism is an economic, political, and cultural alternative that responds to these challenges by driving the economic domain into more humane and equitable directions. Platform cooperativism calls for an Internet that is broadly owned and democratic governed. Today, it is an international movement that experiments with the integration of cooperatives into the digital economy. Through the Platform Co-op Development Kit, and our pilot groups in India, Germany, Australia, Brazil, and the United States, a democratically-owned People's Internet is proving to be not only a possibility, but a viable alternative. The submission by the Business Council of Co-operatives and Mutuals (BCCM) to the Victorian government's inquiry into the on-demand economy reflects this thinking and momentum. The BCCM's proposal makes key recommendations for how policymakers can support this work in Victoria right now. The Platform Cooperativism Consortium at The New School strongly endorses the BCCM's assessment of the gig economy and the policy recommendations made in their report.

The Economy is Not Working for Most People

Platform capitalism, the economic system currently dominating the Internet, is not working for most people. Despite its initial promise as a new commons, the Internet now serves primarily the few, not the many.

- The model has resulted in a ***broken social contract*** between workers and businesses, exacerbating income inequality. Platforms like Airbnb and Uber focus on short-term returns and rapid growth to please investors, externalizing the risk

of business to workers, while offering few essential benefits. Contract work and automation are replacing direct employment at every turn. Precariousness abounds.

- Platform capitalism **exacerbates existing social inequities** given that many gigs are performed by people who are invisible to customers. Persons of color, especially women of color, are seeing less pay, fewer benefits, and hardly any opportunity for meaningful on-the-job skills training. Many non-white and disabled platform users remain unprotected against discrimination, too.
- We now live in an era of **surveillance capitalism**. Despite the fortunes of Silicon Valley investors and developers, the users who give actual value to platforms through their data do not co-govern them. The narrative that these platforms have ushered in a new era of “sharing” only obfuscates the real revolution: the monetization and capitalization of nearly every dimension of our lives, from dating to dishwashing.

Despite their continued expansion, investor-backed capitalist platforms dominating today’s Internet are not invincible. We’ve seen online empires collapse before: remember Yahoo, Lotus, Friendster, AOL, or MySpace? There is nothing inevitable about technological development.

In the face of widespread dissatisfaction with capitalism, and in the face of alarming income inequality driven increasingly by these capitalist platforms, it is time to collectively ask, “What kind of new digital economy do we want to create?”

A Humane Alternative to the Winner-Takes-All Economy

Instead of optimizing the online economy for growth and short-term profits for the few, we need to optimize the online economy for workers and all people.

Platform cooperativism, as developed by Trebor Scholz and popularized by countless people around the world, chiefly Nathan Schneider, does this by applying the 200-year history of cooperatives - its lessons, principles, and best practices - to the digital economy.

- ❑ Read the original Medium article [here](#).
- ❑ Read an extended introduction to Platform Cooperativism here: [Scholz, Trebor. *Platform Cooperativism: Challenging the Corporate Sharing Economy*. New York: Rosa Luxemburg Foundation, 2016.](#)
 - ❑ Translations available in [Spanish](#), [Dutch](#), [Italian](#), and [Portuguese](#)

A *cooperative* is defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. A *platform* is an online application or website used by individuals or groups to connect to one another or to organize services. *Platform cooperativism*, the growing movement to cooperatize online businesses, builds on these values by establishing four key principles of its own:

- *Broad-based ownership*, in which stakeholders and workers own, and therefore direct and control, the technological features, production processes, algorithms, data, job structures and all other aspects of their online platform;
- *Democratic governance*, in which all stakeholders and workers who own the platform collectively self-govern the entity through a one-person, one-vote principle;
- *Co-design of the platform*, in which various users and marginalized persons are included in the design and creation of the platform so that software is not pushed down onto users, but instead grows out of their needs, capacities, and aspirations; and
- *A commitment to open source development*, so that platform co-ops can build new structures of collective ownership and democratic governance, while lifting up other emerging cooperatives in disparate locations, who can avoid having to reinvent the wheel, and apply the cooperative model through a commons of open source code.

- ❑ To read more about how the principles of platform cooperativism offer a near-future alternative, read Trebor Scholz' "How to Coop the Digital Economy." [Download PDF](#).
- ❑ Study a 17-page infographic about platform cooperativism. [Download PDF](#).
- ❑ Watch an 18 minute introductory video [here](#).

Whichever way you look at them, platform co-ops place people at the center, and allow worker-owners to set their own objectives for business. Through distributed ownership, platform co-ops ground the digital economy democratically through a fundamentally new business model that, for the first time, puts workers and users ahead of profits and stockholders. This is not only a struggle for social justice; it is also about economic development.

- ❑ Read more about how platform coops push back against the gig economy here: [Scholz, Trebor. *Uberworked and Underpaid: How Workers Are Disrupting the Digital Economy*. Cambridge: Polity Press, 2016. Print.](#)

Platform Co-ops Are Already Here

The platform co-op movement is not a figment of the academic imagination; it is already here. It has gained momentum in numerous sectors and in numerous countries around the globe.

The ecosystem of platform co-ops, some two hundred forty projects currently, reaches from Brazil to Switzerland, India to Canada, East Asia to Africa, and places in between.

- ❑ See a directory of the ecosystem [here](#).

Various types of platform co-ops are developing and pushing into new markets against the status quo: producer platform co-ops like [Stocksy](#), and [Resonate](#); worker platform co-ops like Green Taxi, Co-Rise, and [Up&Go](#); data platform co-ops like [MIDATA](#), and [Social.coop](#); and mutual risk co-ops like [SMart](#) are proving the sustainability and resiliency of the new business model.

- ❑ Read more about platform cooperativism making news in [Fast Company](#), [The Nation](#), [Financial Times](#), and [Shareable Magazine](#)

Platform co-ops are ripe for interventions into additional industries, such as food delivery, trash pickup, elder care, short-term rental, transportation, data entry, child care, home repair, social media, higher education, and many others. Projects like [Fairbnb](#), [CoopCycle](#), and others are pushing into these sectors.

Workers value platform cooperatives too, because they offer several key benefits not available in the traditional “business-as-usual” approach of platform capitalism:

- better job quality and security
- an inclusive design that respects workers needs
- workers’ formal inclusion in governance of the enterprise
- value creation not just for workers, but for the community

Platform co-ops also exhibit greater productivity among workers, demonstrate greater resiliency in unsteady markets, and encourage workers to organize not just in the workplace, but in their communities and around larger political issues.

Online tools like Loomio are emerging to help facilitate democratic governance for these businesses, accompanying the best practices emerging from existing platform coops. Finally, employee ownership, a central component of cooperatives. Worker ownership is supported by both conservative and liberal political parties across continents.

Platform co-ops offer a new vision for society. They are actually existing alternatives to some of our current economic dilemmas. The platform co-op movement offers a critical reform, but one that is also deeply structural; it is a reform that has the potential to fundamentally alter power relations in an enduring fashion. If one economic paradigm can slowly lose power through this reform, so too can its alternative gain power, building on small successes.

This is the potential of the platform co-op movement.

- ❑ Read more about the thinkers and projects helping to expand this work here: [Scholz, Trebor and Nathan Schneider. Eds. *Ours to Hack and to Own: Platform Cooperativism. A New Vision for the Future of Work and a Fairer Internet*. New York City: OR Books, 2017. Print.](#)
- ❑ Explore here the presentations, big ideas, and [stories of attendees](#) from [the past several years' annual conferences](#) on Platform Cooperativism hosted at The New School in New York City.

Beyond Analysis. The Work at Hand: Strengthening Platform Co-ops Through The Platform Coop Development Kit (PCDK)

This work cannot happen through book publications, journalism, or academic conferences alone. New projects and institutions of all kinds, grounded in organizing workers in new ways, are needed to bring about a fairer digital economy.

- ❑ One of these necessary experiments is the recently launched Platform Co-op Development Kit (PCDK). Watch a 7-minute long video about platform cooperativism and this Kit [here](#).
- ❑ Read the press release about the Kit [here](#).
- ❑ Download a drawing of the components of the PCDK. [PDF](#)

This Kit, a \$1 million project supported by Google.org, and homed at The New School in NYC, in conjunction with the Inclusive Design Research Centre at OCAD University in Toronto, seeks to harness the momentum of platform co-ops and elevate them to a new level, based on principles of open source, open data, and co-design.

Over the next two years, the Kit will:

- Introduce a co-written narrative that demonstrates the promise of the platform co-op model for a fairer economy and documents the actual experiences of co-op workers worldwide

- Create a Wikipedia-style knowledge commons on platform cooperativism
- Refine an interactive map of the more than 240 businesses in the platform co-op ecosystem
- Co-design customizable, online applications, tools, and governance mechanisms, and provide legal resources to existing co-ops to help them launch or improve their platform operations

Through a set of activities and resources, the Kit will strengthen the growing platform co-op movement by offering essential templates, tools, and consulting to other platform coops. Its success will demonstrate a compelling alternative to the otherwise extractive and on-demand nature of the present digital economy.

The Kit will launch this work through co-design with five diverse pilot co-ops:

- A group of 3,000 babysitters in Illinois looking for an onboarding, labor, and purchasing platform
- A group of young urban women in Ahmedabad, India who are part of the co-op federation SEWA bringing beauty services to people's homes through an app;
- A group of trash pickers in Recife, Brazil whose work collecting trash makes up more than 90% of Brazil's entire recycling capacity;
- A group of refugee women in Germany, starting in Hamburg with Syrian, Albanian, and Iranian women, who plan to offer a platform co-op for child care services;
- A group of homecare workers in Australia, the only worker co-op in social care in Australia, that is seeking to build a governance tool for its remote rural members.

As the work with these groups progresses, we'll engage other cooperative ventures and organizations. By working with diverse pilot organizations and populations, our Kit will provide essential assistance to platform coops of all stripes with workers from many socio-economic backgrounds.

Finally, by building shareable tools for cooperatives services, the Kit develops a new cooperative infrastructure, from cooperative cloud services to peer to peer reciprocity licenses. This infrastructure will allow other platform coops to develop without first needing to reinvent the wheel.

Join Our Movement

What started just a bit over three years ago, is now an international movement with hundreds of businesses. Many of you have asked how you can help. To adequately respond to the overwhelming interest worldwide, the Platform Co-op Development Kit and the Platform Cooperativism Consortium need the support of innovative philanthropists, bold policy facilitators, union leaders, dedicated cooperative workers, visionary action-researchers, tireless activists, rigorous students and thinkers, and everyone interested in building a fairer future of work and a more democratic Internet.

New sister organizations of the Platform Cooperativism Consortium at The New School have been launched in Hong Kong, Japan, and Germany. Working groups exist in many countries. Building on the strength of these organizations and the generosity of our funders thus far, we have built a strong network. But we are still in need of more institutions and funders to support workers who need us most. Much work remains to be done, and we need your support.

- ❑ Explore our plan to expand the Development Kit and learn how you can help. [Download PDF](#)

Apex organizations like the Business Council of Co-operatives and Mutuals in Australia provide key leadership for pushing this work forward. The BCCM's submission to the Victorian State Government offers key recommendations that can help lift up this ecosystem. The Platform Cooperativism Consortium at The New School endorses their call to create a Co-operatives and Mutual Enterprise (CME) Charter and to support the development of co-operatively owned platforms in Victoria. The Victorian government can position itself as a leader in this field by adopting such proposals while creating a friendly business environment for new platform co-ops to emerge.

About the author:

Trebor Scholz is an activist scholar and professor for Culture & Media at The New School in NYC. His book *Uber-Worked and Underpaid. How Workers Are Disrupting the Digital Economy* (Polity, 2016) introduces the concept of "platform cooperativism" as a way of joining the co-op model with the digital economy. His edited volumes include *Digital Labor: The Internet as Playground and Factory* (Routledge, 2013), and *Ours to Hack and to Own: Platform Cooperativism. A New Vision for the Future of Work and a Fairer Internet* (listed by Wired Magazine as one of the Top Tech Books of 2017). Scholz founded the Platform Cooperativism Consortium, which has received funding to support the ecosystem of platform co-ops. Scholz frequently presents on the future of work to media scholars, lawyers, activists, computational designers, union leaders, and policymakers worldwide. His articles and ideas have appeared in *The Nation*, *The Chronicle of Higher Education*, *Le Monde*, *The Financial Times* and *The Washington Post*. To learn more, visit <http://platform.coop> or email info@platform.coop.