

Own This!

A Portfolio of Platform Cooperativism, in Progress

Today, the power asymmetry between those who own the World Wide Web's core platforms and the users who depend on them is more pronounced than ever. A decentralized digital economy is needed that is built on broad-based ownership and democratic governance. Platform Cooperativism could be an answer.

By Trebor Scholz

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

Up & Go Member-Owner

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.

First, 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. Second, 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. And third, 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 have seen online empires collapse before: remember Yahoo, Lotus, Friend-

ster, 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 (2014/2016 a) 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.

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 (Scholz 2018 a, Scholz 2018 b, Platform Cooperativism Consortium n. d.):

- 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.

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 a struggle about economic development. There have been also successful attempts of platform co-ops pushing back against the gig economy (Scholz 2016 b, Anzilotti 2018).

Platform Co-ops Are Already Here

The platform co-op movement is not a figment of the academic imagination. The platform co-op movement is already here. It has gained momentum in numerous sectors and in numerous countries around the globe. The ecosystem of platform co-ops, some 240 projects currently, reaches from Brazil to Switzerland, India to Canada, East Asia to Africa, and places in between (Platform Cooperativism Directory 2018, Anzilotti 2018, Schneider 2016, Bounds 2018). 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.

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

„Despite its initial promise as a new commons, the Internet now serves primarily the few, not the many.“

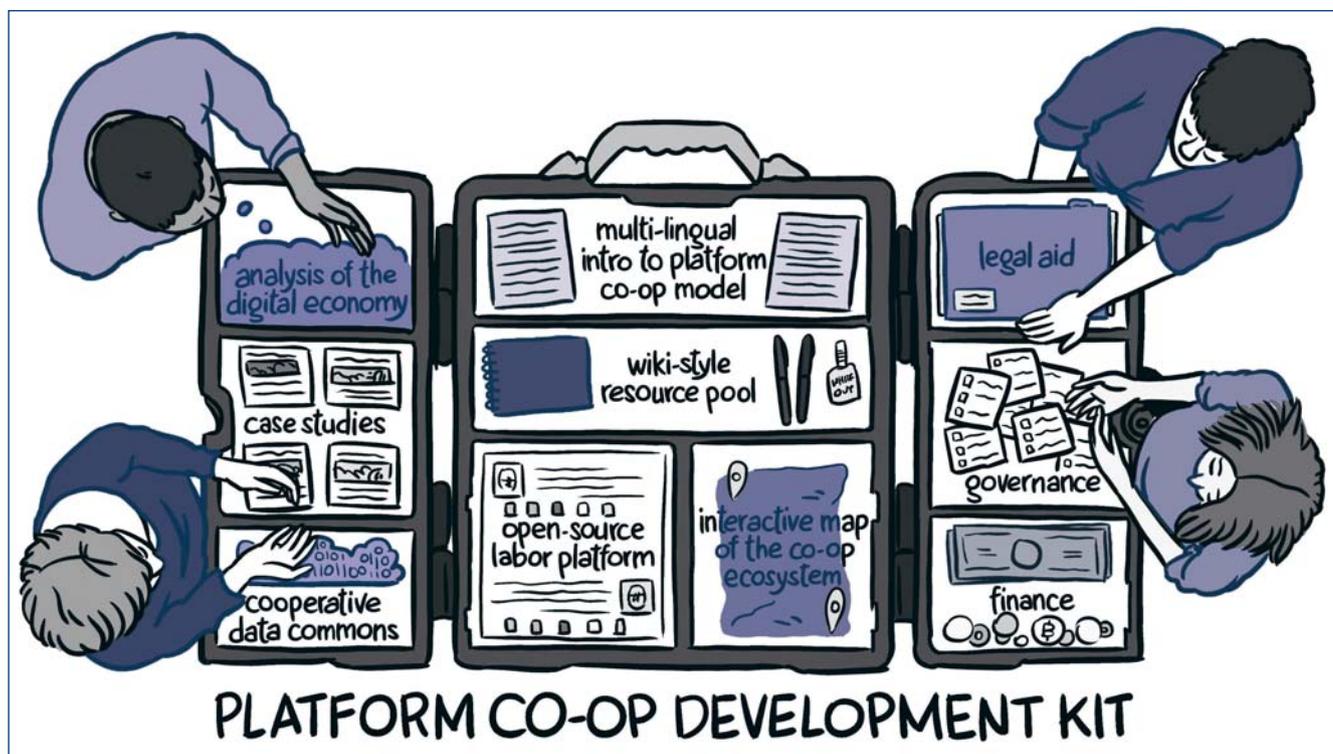


Figure 1: Illustration of the Platform Co-op Development Kit by Susie Cagle (Platform Co-op Development Kit 2018)

„The platform co-op movement offers a critical reform, that has the potential to fundamentally alter power relations in an enduring fashion.“

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 co-ops. Finally, employee ownership, is a central component of cooperatives. Worker ownership is supported by both conservative and liberal political parties across continents (Scholz & Schneider 2017).

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.

Beyond Analysis

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) (Vimeo 2018, McHugh 2018).

This Kit, a one million dollar project supported by Google.org, and homed at The New School in New York City (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 co-ops. 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 percent 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 will engage other cooperative ventures and organizations. By working with diverse pilot organizations and populations, our Kit will provide essential assistance to platform co-ops 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 co-ops 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 people have asked how they 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, learn how you can help (Platform.coop n. d.) or get involved online, via the webpage Platform.coop.

Through the activities related to the Development Kit, and through collaboration with those interested in building a free and fair Internet, we can deliver the tools, applications, knowledge, legal skills and research necessary for platform co-ops to transform our economy, step by step, building on small successes. There is an alternative, and each new cooperative proves it.

References

- Anzilotti, E. (2018). Worker-Owned Co-ops Are Coming For The Digital Gig Economy. *Fast Company*. 31. May 2018. <https://www.fastcompany.com/40575728/worker-owned-co-ops-are-coming-for-the-digital-gig-economy>
- Bounds, A. (2018). New Co-operatives Aim to Cut Cost of Student Accommodation. *Financial Times*. 8. March 2018. <https://www.ft.com/content/8c69f682-2b62-11e8-a34a-7e7563b0b0f4>
- McHugh, M. (2018). PCC Announces Major New Initiative to Support The Platform Co-op Community: \$1,000,000 Grant Will Support the Development of Cooperatives in the Digital Economy. 30. May 2018. <https://platform.coop/consortium/new-initiative-to-support-platform-co-ops>
- Platform Co-op Development Kit (2018). Illustration. https://ia601509.us.archive.org/30/items/PlatformCoopDevelopmentKitIllustrated/Graphic_%20Development%20Kit%20Illustrated.jpg
- Platform.coop (n. d.). Platform Co-op Development Kit: Integrating Cooperatives Into The Digital Economy Globally. https://ia601506.us.archive.org/2/items/IntegrationPlanForDevelopmentKit/Graphic_%20Expansion%20Plan%20for%20Development%20Kit.pdf
- Platform Cooperativism (2018). Directory. <https://platform.coop/directory>
- Platform Cooperativism Consortium (n. d.). Platform Co-ops: We Connect Cooperatives With The Digital Economy. https://ia601508.us.archive.org/6/items/PLATFORMCOOPERATIVISMGraphicIndividualLetterSizePagesJuly252018/PLATFORM-COOPERATIVISM_graphic-individual-letter-size-pages_%20July%2025%2C%202018.pdf
- Schneider, N. (2016). The Rise of a Cooperatively Owned Internet: Platform Cooperativism Gets a Boost. *The Nation*. 13. October 2016. <https://www.thenation.com/article/the-rise-of-a-cooperatively-owned-internet/>
- Scholz, T. (2014). Platform Cooperativism vs. the Sharing Economy. 5. December 2014. <https://medium.com/@trebors/platform-cooperativism-vs-the-sharing-economy-2ea737f1b5ad>
- Scholz, T. (2016 a): Platform Cooperativism: Challenging the Corporate Sharing Economy. New York: Rosa Luxemburg Foundation. http://www.rosalux-nyc.org/wp-content/files_mf/scholz_platformcoop_5.9.2016.pdf
- Scholz, T. (2016 b). Uber-Worked and Underpaid: How Workers Are Disrupting the Digital Economy. Cambridge: Polity Press.
- Scholz, T. (2018 a). How to Coop the Digital Economy. Institute of Network Cultures, Amsterdam. <http://networkcultures.org/blog/publication/moneylab-reader-2-overcoming-the-hype/>
- Scholz, T. (2018 b). The State of Platform Cooperativism at #PDF18. Lecture at Personal Democratic Forum (PDF). 18. June 2018. <https://www.youtube.com/watch?v=qcPUARqRsVM>
- Scholz, T./Schneider, N., eds. (2017). 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.
- Vimeo (2018). Introduction to Platform Cooperativism. <https://vimeo.com/280102634>

AUTHOR + CONTACT

Trebzor Scholz is an activist, scholar and professor for Culture & Media at The New School in New York City. Scholz founded the Platform Cooperativism Consortium and his articles and ideas have appeared in *The Nation*, *The Chronicle of Higher Education*, *Le Monde*, *The Financial Times* and *The Washington Post*.



Website: <http://platform.coop>, E-Mail info@platform.coop



Nachhaltig, fair & verantwortungsvoll.

Wir sind die Ökopioniere seit 1989 mit dem Einkaufsführer für nachhaltigen Konsum und gutes Leben.

jetzt NEU:
greenya NordOst
FÜR BERLIN-BB,
MV, HH UND SH

GUTSCHEIN

Bitte gewünschte Ausgabe(n) ankreuzen, Ihre Adresse und € 1.45 Porto in Briefmarken pro Buch an uns senden. Um den Gutschein per E-Mail einzulösen, mailen Sie an info@greenya.de

<input type="checkbox"/> Nord-Ost (MV, BB, HH, SH)	<input type="checkbox"/> Nordrhein-Westfalen
<input type="checkbox"/> Berlin & alle neuen Bundesländer	<input type="checkbox"/> Niedersachsen Bremen

Weitere Ausgaben sind in Vorbereitung.

greenya Verlag OHG | Lasbeker Str. 9 | 22967 Tremsbüttel
Fon +49 (0) 4532 - 21402 | Fax +49 (0) 4532 - 22077
info@greenya.de | www.greenya.de

greenya f. oekom 23.03.18