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Trebor Scholz

Sobreexplotados e infrapagados. Trabajo gratis,
precariedad y creación

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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

I.   *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. Ordinary users retain little control over their personal data and have no say about what happens on the Internet platforms that they rely on most. Platform capitalism has a monopoly problem: at its root lays extreme and growing concentration that propel financial extraction and surveillance. With some regularity we learn about major data breaches from Internet giants. And more devastatingly, contract work and automation are replacing direct employment at every turn. People from all walks of life are struggling to make a living in the gig economy.

Broken Social Contract. Platforms like Airbnb and Uber focus on short-term returns and rapid growth to please investors. This extractive model is undermining the social contract between workers and businesses, exacerbating income inequality, bringing it to levels not seen since the Gilded Age. Platform owners externalize the risk of business to workers who now also provide the needed infrastructure, think, for example cars and apartments. They essentially nullify federal law and local regulations. Moreover, by forcing workers to accept gigs as independent contractors, platforms don't have to offer any health insurance benefits, minimum wage guarantees, workers' compensation, or other essential social benefits that organized labor had fought to establish for almost 200 years. Precariousness abounds.

Exacerbated Systemic Inequities. These income inequalities do not distribute evenly according to socioeconomic status. Given that many gigs are performed by people who are *invisible* to customers in sectors such as home cleaning, in which you can order up a clean apartment with a simple swipe on your phone, *persons of color, especially women of color, are seeing less pay, fewer benefits, and hardly any opportunity for meaningful on-the-job skills training*. Their rights as workers have stalled (and worse) and the inequalities created by the "sharing" economy are magnifying the existing systemic racial

and gender inequities in pay and economic opportunity. Many non-white platform users remain unprotected against discrimination, with African Americans facing lower acceptance rates for bookings on Airbnb and a higher likelihood of having their rides canceled before pickup by Uber and Lyft drivers. Persons with disabilities, too, find themselves left behind by platform capitalism, with their needs neither considered nor incorporated into the design and implementation of many emerging platforms.

Surveillance Capitalism. Despite the newfound fortunes made by many investors and creators of extractive platforms, the users who give actual value to these apps through their data do not co-govern the platform. Internet giants collect and control innumerable data points about users, and in exchange, offer zero transparency for how this information is used, who it is sold to, and for what purpose. The narrative of these platforms as ushering in a new era of "sharing" around the globe only obfuscates the real revolution at play: the monetization and capitalization of nearly every dimension of our lives. From dating to dishwashing, extractive platforms are reaching into every corner of life, collecting data along the way to be controlled only by a tiny number of people without democratic recourse by users.

Despite their continued expansion, investor-backed capitalist platforms dominating today's Internet are not as inevitable and unbreakable as they appear. While it is true that, at present, they are rapidly growing, we've seen online empires collapse before: just remember Yahoo, Lotus, Friendster, AOL, or MySpace? There is nothing inevitable about the success of *platform capitalism.*

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 economy do we want to create?"

II.   *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](), [Chinese,]() [French](), [German]().

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 democratic means and 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 ensuring 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 internally, while lifting up other emerging cooperatives in disparate locations, who instead of having to reinvent the wheel alone, can apply the cooperative model locally 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's "How to Coop the Digital Economy." [Download PDF.]()
❏ Study a 17-page infographic about platform cooperativism. [Download PDF]().
❏ Watch this one minute introductory video [here]().

In short, in the same way cooperatives started many years ago to reverse the devastating effects of unbridled capitalism, and fought to ensure that markets served humans and not the other way around, so too do platform co-ops challenge the status quo. And just like in 1844, some see these co-ops solely as a matter of economic survival, while others understand them as a way to end capitalism.

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 co-ops push back against the gig economy here: Scholz, Trebor. *Uberworked and Underpaid: How Workers Are Disrupting the Digital Economy*. Cambridge: Polity Press, 2016. Print.

III. *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 240 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.

While objections to the cooperative model and movement abound, with dissenters claiming that cooperatives cannot be scaled and often fail, and others arguing that co-ops are too difficult to govern or simply too "socialist," one need not look far for examples that disprove these dubious claims. After all, most traditional, extractive startups fail, and so too may some platform co-ops. The Spanish Mondragon Cooperative proves that co-ops can scale effectively; started in only 1956 as a small cooperative in the rural Basque region of Spain, today it employs 74,000 workers in numerous industries, from finance to auto parts manufacturing. Successful cooperatives like Mondragon often exist in plain sight. Ace Hardware, Ocean Spray, Cabot Cheese and REI are all established cooperative businesses. Moreover, one in three Americans is in a co-op, many often in more than one, totalling 350 million memberships nationwide. In both Canada and France, almost 40 percent of the populations are co-op members. Brazil has 7.6 million people in co-ops. In Germany, almost 20 million people are co-op members, and India has more than 239 million co-op members. Though often overlooked, cooperators are everywhere.

IV. *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 seven-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 New York City, 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.
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, a central component of cooperatives. Worker ownership is supported by both conservative and liberal political parties across continents.

In short, despite the continued "uberization of society"—with fissured workplaces, the socialization of risk, and the increasing atomization of workers—and despite the inevitable pessimists, history reminds us that there is nothing inevitable about the continued dominance of one mode of thinking or one business model.

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.

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; and

- 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 socioeconomic 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.

V. *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.

Support is also needed as we build an international network of legal experts to support

the legal needs of platform co-ops. This effort came out of the cyber law clinic on platform cooperativism at Harvard Law School.

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.

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.

- ❏ Get involved here.