OURS TO HACK AND TO OWN

THE RISE OF PLATFORM COOPERATIVISM, A NEW VISION FOR THE FUTURE OF WORK AND A FAIRER INTERNET

EDITED BY TREBOR SCHOLZ AND NATHAN SCHNEIDER

OR Books
New York • London
# TABLE OF CONTENTS

## PART 1 SOMETHING TO SAY YES TO

1. Trebor Scholz and Nathan Schneider - What This Is and Isn’t About
2. Nathan Schneider - The Meanings of Words
3. Trebor Scholz - How Platform Cooperativism Can Unleash the Network
4. Susie Cagle - The Seven Cooperative Principles
5. Jessica Gordon Nembhard - Eight Facts about Cooperative Enterprise

## PART 2 PLATFORM CAPITALISM

6. Douglas Rushkoff - Renaissance Now
7. Juliet B. Schor - Old Exclusion in Emergent Spaces
8. McKenzie Wark - Worse Than Capitalism
9. Steven Hill - How the Un-Sharing Economy Threatens Workers
10. Christoph Spehr - SpongeBob, Why Don’t You Work Harder?
11. Kati Sipp - Portable Reputation in the On-Demand Economy
12. Dmytri Kleiner - Counterantidisintermediation
13. David Bollier - From Open Access to Digital Commons

## PART 3 AN INTERNET OF OUR OWN

Showcase 1 - Platforms
- Stocksy United
- Fairmondo
- Coopify
- Gratipay
- FairCoop
<table>
<thead>
<tr>
<th>No.</th>
<th>Author</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>Yochai Benkler</td>
<td>The Realism of Cooperativism</td>
<td>91</td>
</tr>
<tr>
<td>15.</td>
<td>Janelle Orsi</td>
<td>Three Essential Building Blocks for Your Platform Cooperative</td>
<td>96</td>
</tr>
<tr>
<td>16.</td>
<td>Caroline Woolard</td>
<td>So You Want to Start a Platform Cooperative…</td>
<td>102</td>
</tr>
<tr>
<td>17.</td>
<td>Melissa Hoover</td>
<td>What We Mean When We Say “Cooperative”</td>
<td>108</td>
</tr>
<tr>
<td>18.</td>
<td>David Carroll</td>
<td>A Different Kind of Startup Is Possible</td>
<td>113</td>
</tr>
<tr>
<td>19.</td>
<td>Marina Gorbis</td>
<td>Designing Positive Platforms</td>
<td>119</td>
</tr>
<tr>
<td>20.</td>
<td>Cameron Tonkinwise</td>
<td>Convenient Solidarity: Designing for Platform Cooperativism</td>
<td>125</td>
</tr>
<tr>
<td>21.</td>
<td>Seda Gürses</td>
<td>Designing for Privacy</td>
<td>130</td>
</tr>
<tr>
<td>22.</td>
<td>Danny Spitzberg</td>
<td>How Crowdfunding Becomes Stewardship</td>
<td>135</td>
</tr>
<tr>
<td>23.</td>
<td>Arun Sundararajan</td>
<td>Economic Barriers and Enablers of Distributed Ownership</td>
<td>140</td>
</tr>
<tr>
<td>24.</td>
<td>Ra Criscitiello</td>
<td>There Is Platform-Power in a Union</td>
<td>145</td>
</tr>
<tr>
<td>25.</td>
<td>Saskia Sassen</td>
<td>Making Apps for Low-Wage Workers and Their Neighborhoods</td>
<td>149</td>
</tr>
<tr>
<td>27.</td>
<td>Tom Slee</td>
<td>Platforms and Trust: Beyond Reputation Systems</td>
<td>158</td>
</tr>
</tbody>
</table>
## PART 4 CONDITIONS OF POSSIBILITY

Showcase 2 - Ecosystem

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loomio Cooperative Ltd.</td>
<td>169</td>
</tr>
<tr>
<td>The FairShares Model</td>
<td>170</td>
</tr>
<tr>
<td>Swarm Alliance</td>
<td>171</td>
</tr>
<tr>
<td>Ms., The Madeline System</td>
<td>172</td>
</tr>
<tr>
<td>Purpose Fund</td>
<td>173</td>
</tr>
<tr>
<td>rCredits</td>
<td>174</td>
</tr>
<tr>
<td>External Revenue Service</td>
<td>175</td>
</tr>
<tr>
<td>Data Commons Cooperative</td>
<td>176</td>
</tr>
<tr>
<td>Coliga</td>
<td>177</td>
</tr>
<tr>
<td>CommunityOS: Callicoon Project</td>
<td>178</td>
</tr>
<tr>
<td>Backfeed</td>
<td>179</td>
</tr>
<tr>
<td>My User Agreement</td>
<td>180</td>
</tr>
</tbody>
</table>

29. John Duda - Beyond Luxury Cooperativism 182
30. Brendan Martin - Money Is the Root of All Platforms 187
31. Carmen Rojas - From People-Centered Ideas to People-Powered Capital 192
33. Palak Shah - A Code for Good Work 200
34. Micky Metts - Meet Your Friendly Neighborhood Tech Co-op 204
35. Michael Peck - Building the People’s Ownership Economy through Union Co-ops 208
36. Mayo Fuster Morell - Toward a Theory of Value for Platform Cooperatives 213
37. Francesca Bria - Public Policies for Digital Sovereignty 218
38. Miriam A. Cherry - Legal and Governance Structures Built to Share 223
39. Rachel O’Dwyer - Blockchains and Their Pitfalls 228
40. Astra Taylor - Non-Cooperativism 233

Contributors 239
Acknowledgments 249
Further Resources 251
PART 1

SOMETHING TO SAY YES TO
1. WHAT THIS IS AND ISN’T ABOUT

TREBOR SCHOLZ AND NATHAN SCHNEIDER

This is a guidebook for a fairer kind of Internet. While we intend to foster something new in the online economy, we do so by turning to something old: the long tradition of cooperative enterprise. The problems of labor abuse and surveillance that have arisen with the “sharing economy,” also, are not entirely new; they have much in common with struggles on nineteenth-century factory floors. By considering the emerging platforms in light of well-hewn cooperative principles and practices, we find an optimistic vision for the future of work and life.

Already, this strategy is catching on. Workers, organizers, developers, and social entrepreneurs around the world are experimenting with cooperative platforms and forming conversations about platform cooperativism. This book, therefore, is an effort to serve a movement in the making, to add to the momentum we and our fellow contributors already feel.

We each came to platform cooperativism by somewhat separate paths. Trebor had been convening the Digital Labor conferences at The New School since 2009, from which arose an earlier book, *The Internet as Playground and Factory*. In publications like *The Nation* and *Vice*, Nathan was reporting on the protest movements of 2011 and efforts among young people to create ethical livelihoods, online and off, once the protests receded. We met at OuiShare Fest in Paris in 2014, and, at Trebor’s “Sweatshops, Picket Lines, and Barricades” conference later the same year, we both sensed it was time to think about constructive alternatives to the dominant Silicon Valley model.
That December, Trebor published “Platform Cooperativism vs. the Sharing Economy,” framing this concept that would come to be this movement’s moniker. The same month, Shareable published Nathan’s article “Owning Is the New Sharing,” which mapped out some of the efforts to build cooperative platforms already underway. Realizing our common interest, we discussed these ideas with interested platform-workers, labor advocates, techies, and luddites—many of whom, we found, were venturing into various forms of platform cooperativism already. We agreed it was time that they should meet each other.

In November 2015, we held a two-day event called “Platform Cooperativism: The Internet, Ownership, Democracy” at The New School. More than a thousand people came, including New York City Council members, CEOs, investors, platform creators, and leading scholars. The Washington Post deemed the event “a huge success.” Shortly after, the Rosa Luxemburg Foundation published Trebor’s primer on platform cooperativism, which has been translated into at least seven languages. Follow-up events have taken place in Barcelona, Berlin, Bologna, Boulder, London, Melbourne, Paris, Rome, Milan, Vancouver, and elsewhere.

Before we get started, let’s make sure we are talking about the same thing: shared governance and shared ownership of the Internet’s levers of power—its platforms and protocols. Democratic ownership and governance are the pillars of what cooperativism refers to, both here and historically; without these, the word rings hollow.

Second, this book calls for a process, not another trick of technological solutionism. Platform cooperativism will not come about simply through a few killer apps; it will require a different kind of ecosystem—with appropriate forms of finance, law, policy, and culture—to support the development of democratic online enterprises. This means challenging the cooperative movement to meet the opportunities of the platform economy, and challenging the platform economy to overcome its obsession with short-term profits for the few.

Platform cooperativism is a radical horizon, to be sure, but we should not regard it as an absolute. There will be multiple and
sometimes partial means of getting there. A company that shares some ownership and governance is better than one that shares none, and we celebrate that. We encourage a variety of strategies and experiments.

The contributors to this book, in that spirit, represent diverse approaches and perspectives. It is a means of sharing what we learned from the 2015 Platform Cooperativism event more widely, and of drawing more people into the work of overcoming the challenges we face. We can keep the conversation going at platformcoop.net, a place for ongoing discussion of news, resources, and ideas.

After these introductory chapters, the first set of essays considers the opportunities and challenges of the existing online economy, demonstrating the need for more cooperative approaches. The second section addresses the practical design and development of cooperative online platforms; it includes “showcases” of actually existing and in-development platform co-ops. In the third section, we step back to consider the broader ecosystems that we’ll need to develop if we are serious about making shared ownership and governance a new norm for the Internet; here, too, are showcases that show how far the platform co-op ecosystem has already come.

Throughout this process, we have been amazed by the enthusiasm and experience that so many people around the world have brought to the #platformcoop conversation, and the effort to make it a reality. We hope this book does justice to the power of what is already underway, as well as the hurdles we still face together. We dedicate the book to those with the courage and imagination to create an Internet worthy of the people it connects.
For most of the last decade, I’ve been a reporter, covering stories on how technology is reshaping public life, from debates about God to protests in the streets. One thing I’ve noticed is that Internet culture has an odd way of using a really important word: democracy. When a new app is said to be democratizing something—whether robotic personal assistants or sepia-toned selfies—it means allowing more people to access that something. Just access, along with a big, fat terms of service. Gone are those old associations of town meetings and voting booths; gone are co-ownership, co-governance, and accountability.

Words are the tools of my trade as a writer, so I like to have a handle on what they mean. We rely on them so much. They connect us to each other; they remind us what we’re capable of. And I hope that the Internet can help us make our definitions of democracy more ambitious, rather than redefining it out of existence.

In late 2014 I was reporting a story about Amazon’s Mechanical Turk platform, a website where users can find entirely online piece work—jobs that might take between seconds and hours, like transcribing a receipt, providing feedback on an ad, or taking a sociological survey. I went to Trebor Scholz’s Digital Labor conference in New York, which included real-life Mechanical Turkers. One was a wife whose husband lost his job, for instance; another was a former cable technician. I heard them describing what working on the platform is like. Employers can review them, but they can’t review employers. Their work can be rejected with no remuneration or recourse. There
are no constraints to prevent below-minimum-wage pay. One of them complained in the media and her account was frozen.

Over the course of those days, a kind of question kept coming up among the Turkers, a thought experiment. They wondered aloud: What if we owned the platform? How would we set the rules?

They’d sit with that for a minute or two, batting ideas back and forth about how to make the platform better for themselves—and for Amazon. Reasonable ideas. Clever ones. But then the ideas would fade back into reality again: back to the complaints.

Since then the agonies over the dictionary-altering Internet have only intensified. People have blockaded Google Buses to protest wealth inequality in San Francisco, and Uber drivers have gone on strike around the world. Increasingly this online economy is becoming the economy—the way more and more of us find jobs, relationships, and a roof over our heads. Internet companies aspire to network and monetize everything from our cars to our refrigerators; the companies call this the “Internet of things.” But the Turkers’ questions have kept coming back to me.

Were they on to something? What if the platforms and networks really were ours? What if we had an Internet of ownership?

**REAL SHARING, REAL DEMOCRACY**

Another word that the Internet has gotten to is sharing. Sharing used to mean something we do with the people we know and trust. In the so-called sharing economy, it means more convenient transactions that take place on distant servers somewhere. Convenience is great, but all along there has been a real sharing economy at work, the cooperative economy.

One can trace the modern cooperative movement to the Rochdale Principles of 1844, in England, though it had precursors among ancient tribes, monasteries, and guilds around the world. The rudiments of this stuff could be basic common sense: shared ownership and governance
among people who depend on an enterprise, shared profits, and coor-
dination among enterprises rather than competition.

We might not know it, but co-ops are all around us. In Colorado, where I live, 70 percent of the state’s territory gets its power from coop-
erative electric companies that date to the 1930s and earlier, owned and governed by the people they serve. The credit union where I’m a member is one of the top mortgage lenders in the region. Up in the mountains west of me, some years back, a group of neighbors started their own co-op Internet service provider. There’s also Land O’Lakes, Organic Valley, and REI.

Co-ops come in all shapes and sizes. They fail less than other businesses, and they often pay better wages (except to top executives). Democracy, it turns out, works—though it can be less lucrative for those just trying to get rich. People in charge are harder to swindle.

I lived in a co-op house once; it followed a certain dirty, organic, folk-music-every-night stereotype. The same couldn’t be said, though, for what I saw at Kenya’s business school for managers of cooperatives. There, co-ops hold about half the GDP, and those students looked like business students anywhere—except that, along with all the mar-
keting and case studies, they were also learning how to run a company where the people who work for you are your bosses. In the area around Barcelona, among the thousands of members of the Catalan Integral Cooperative, I got a glimpse of what twenty-first-century coopera-
tives might look like. Rather than securing old-fashioned jobs, these independent workers help each other become less dependent on sala-
ries, and more able to rely on the housing, food, childcare, and com-
puter code they hold in common. They trade with their own digital currency. In cases like this, the traditional lines between workers, pro-
ducers, consumers, and depositors may become harder to draw.

Part of the cooperative legacy has played out in tech culture already. The Internet relies on free, open-source tools built through feats of peer-to-peer self-governance, like Wikipedia and Linux. Visit many tech offices, from a startup’s garage to the Googleplex, and there are self-organizing teams creating projects from the bottom up. Yet
somehow this democracy doesn’t seem to make it to the boardroom; things are still pretty twentieth-century corporate in there, with whoever happens to own the most shares calling the shots. There’s a firewall. We can practice democracy everywhere, it seems, except where it really matters.

There are some pretty sci-fi questions before us these days: Will apps and robots replace our jobs? Will any aspect of our digital lives escape the notice of surveillance? Can there be a digital utopia without the dystopias of sweatshops and blood minerals? In each case the cooperative tradition poses necessary questions, which in the onrush of change we may neglect to ask: Who owns the tools we live by, and how are they governed?

PLATFORM COMMONS

Cooperative enterprises of the past and present have relied on two kinds of strategies to gain a foothold in economies and cultures premised on competition. One is the competitive advantage to be found in cooperation—the ability to succeed where conventional markets fail, for instance, and the power latent in solidarity. The second is when the rules of the system are changed to support more cooperative practices—especially through governments that see the value of cooperative enterprise enough to encourage and fund it. For platform cooperativism to flourish, I suspect we need both of these.

We can begin by identifying the competitive advantages of cooperation. Cooperative practices, for instance, are poised to thicken the notoriously loose ties that online connectedness normally offers. And as big tech companies continue having difficulty treating workers and users as—well, people—co-ops can offer positive, ethical alternatives that workers and users can turn to. Hybrid models—combining aspects of a conventional company with aspects of cooperative ownership and governance—seem promising in the short term. Yet the rules of the system remain very much tilted against cooperativism.
This needs to change. Governments should recognize that cooperative platforms will mean more wealth staying in their communities and serving their constituents. Rather than trying (and failing) to say “no” to the likes of Uber, platform co-ops are something public institutions can say “yes” to. We need laws that make it easier to form and finance co-ops, as well as public investment in business development—stuff that extractive businesses get all the time.

This also means thinking differently about the incumbents. The Facebooks, Googles, and Ubers aren’t just regular companies anymore. Their business models are based on how dependent so many of us are on them; their ubiquity, in turn, is what makes them useful. They’re becoming public utilities. The less we have a choice about whether to use them, the more we need democracy to step in. What if a new generation of antitrust laws, instead of breaking up the emerging online utilities, created a pathway to more democratic ownership?

Rather than donating Facebook shares to his own LLC, Mark Zuckerberg could put them into a trust owned and controlled by Facebook users themselves. Then they, too, could have a seat in the boardroom when decisions are made about what to do with all that valuable personal data they pour into the platform—and they’d have a stake in ensuring the platform succeeds. How would you vote?

These aren’t just questions about what kind of Internet we want, or even what kind of world we want; they’re about how we see ourselves. Do we trust ourselves enough to expect democracy from the institutions on which we rely? Are we bold enough to imagine, as the Mechanical Turkers were, what the Internet would look like if we were in charge?

Thirty years ago, when the Internet wasn’t much more than a lab experiment, the social critic Theodore Roszak saw a lot of this coming. “Making the democratic most of the Information Age,” he wrote in The Cult of Information, “is a matter not only of technology but also of the social organization of that technology.”

We forget that. New gizmos come and go so quickly that we hardly notice when the meanings of our words change, and when what we
expect of ourselves changes with them. Ordinary people have already made the Internet their own with their hacks, their memes, their protests, and their dreams. The cost of forfeiting control over these things is too high, and too mysterious. We need to expect better, to demand more. It’s time that we own and govern what is ours already.
3. HOW PLATFORM COOPERATIVISM CAN UNLEASH THE NETWORK

TREBOR SCHOLZ

In 1998 I moved into a small Buddhist temple in San Francisco’s Mission District. My spiritual comrades in this commune could not understand why I would spend all the money that I had saved on an IBM laptop when the community already owned a computer. As someone who studies the social impact of the Internet, I was surprised by the proposal to collectively use one computer. For me, up to that point, thinking about the Internet meant thinking about individual use, not communal ownership. This episode showed me how a culture of genuine sharing can also mean sharing technology, just like anything else.

Over the past five years, the technological ingenuity of the “sharing economy” deeply resonated with the zeitgeist. Emphasizing community, underutilized resources, and open data, the genuine sharing economy was initially presented as a challenge to corporate power. Just like my Buddhist friends, the pioneers of this economy proposed to split the use of lawn mowers, drills, and cars. But soon, the non-commercial values behind many platforms were rewritten in the boardrooms of Silicon Valley, turning the “sharing economy” into a misnomer. Today, facing various prophecies about sharing and the future of work, we need to remind ourselves that there is no unstoppable evolution leading to the uberization of society; more positive alternatives are possible.
In *Average Is Over*, the economist Tyler Cowen foresees a future in which a tiny “hyper meritocracy” would make millions while the rest of us struggle to survive on anywhere between $5,000 and $10,000 a year. It already works quite well in Mexico, Cowen quips. Carl B. Frey and Michael A. Osborne predict that 47 percent of all jobs are at risk of being automated over the next twenty years. And I have no doubt about the vision of platform owners like Travis Kalanick (Uber), Jeff Bezos (Amazon), or Lukas Biewald (CrowdFlower)—who, in the absence of government regulation and resistance from workers, will simply exploit their undervalued workers. I’m all on board for Paul Mason’s and Kathi Weeks’ visions for a post-capitalist, post-work future where universal basic income will rule the way we think about life opportunities. In the United States, however, unlike in Finland, the chances for this scenario becoming a reality over the next two years are not high. The question then becomes what we can do right now, with and for the most precarious among the contingent third of the American workforce, which is unlikely to see the return of the traditional safety net, the forty-hour workweek, or a steady paycheck.

Today’s Internet bears little resemblance to the ARPA-designed, non-commercial, decentralized, post-Sputnik network. We are finding that the sources of our entertainment, the platforms where we are logging on to work every day, and the apps that constantly draw us into feedback loops are all owned by a small number of deep-pocketed founders and stockholders. That’s simply unacceptable, and it is for this reason that I proposed a theory of “platform cooperativism” in 2014. Workers in the on-demand economy are called upon to “live like lions,” but with slightly more flexibility have come more risks and harsher taskmasters. The average on-demand economy worker earns $7,900 a year through labor platforms, which indicates that many of them work only part-time in this digital economy. Often disregard in this discussion are those who are pushed out of the market by, for example, Uber drivers, who are 40 percent college-educated and more likely to be white than legacy taxi drivers who may lose their jobs.
Many of the business models of the “sharing economy” are based on the strategic nullification of the law. Companies knowingly violate city regulations and labor laws. This allows them to undermine the competition and then point to a large customer base to demand legislative changes that benefit their dubious modus operandi. Firms are also activating their app-based consumers as a grassroots political movement to help them lobby for corporate interests. Privacy should be a concern for workers and customers, too. Uber is analyzing the routines of its customers, from their commutes to their one-night stands, to then impose surge pricing when they most rely on the service. Navigating legal gray zones, these deregulated commerce hubs sometimes misclassify employees as independent contractors. They are labeling them “turkers,” “driver-partners,” or “rabbits,” but never workers. Hiding behind the curtain of the Internet, they would like us to believe that they are tech rather than labor companies.

In the decade between 2000 and 2010, the median income in the United States declined by 7 percent when adjusted for inflation. In 2014 51 percent of Americans made less than $30,000 a year, and 76 percent of them had no savings whatsoever. Since the 1970s, we have witnessed concerted efforts to move people out of direct employment, which has led to the steady growth of the number of independent contractors and freelancers. Digital labor, a child of the low-wage crisis, is part of that process.

What has the “sharing economy” really gotten us? Beyond the consumer convenience and efficiency in creating short-term profits for the few, it has demonstrated how, in terms of social well-being and environmental sustainability, capitalism turns out to be amazingly ineffective in watching out for people. Seemingly overnight, the gains of more than one hundred years of labor struggles, dating back to the Haymarket Riots in 1886 and the protests after the Shirtwaist Factory fire in 1911, have been stalled. Also, the Fair Labor Standards Act of 1938 suddenly has far less pull because the number of employees is shrinking rapidly.
Among all the problems of the twenty-first century that are related to workers—inequality, stagnant wages, loss of rights—the biggest predicament is that there seem to be so few realistic alternatives. But there are. I will identify four approaches.

The first two approaches are based on the belief in negotiation with corporate owners and with government. The Domestic Workers Alliance, for example, formulated a Good Work Code in hopes that policy makers would endorse their guidelines and that platform owners would follow them. Seattle imposed a tax on Uber and gave drivers the right to unionize, Mayor Bill de Blasio of New York City made attempts to curb the number of Uber cars, and the city of San Francisco tried to regulate Airbnb. A third pathway is to move production outside of the market altogether. Yochai Benkler labeled this “non-market peer production,” with the most successful example being Wikipedia. And, finally, for the compensated labor market, there is a fourth approach, which is platform cooperativism, a model of social organization based on the understanding that it is hard to substantially change what you don’t own.

My thinking about platform cooperativism owes much to the Digital Labor conferences at The New School. These events started in 2009 and one of the recent ones was Platform Cooperativism in 2015. Initially, at these events, discussions focused on the Italian Workerists, immaterial labor, and “playbor.” Artists like Burak Arikan, Alex Rivera, Stephanie Rothenberg, and Dmytri Kleiner played pioneering roles in alerting the public to these issues. Later, debates became more concerned with “crowd fleecing,” the exploitation of thousands of invisible workers in crowdsourcing systems like Amazon Mechanical Turk or content moderation farms in the Philippines. Over the past few years, the search for concrete alternatives for a better future of work has become more dynamic.

The theory of platform cooperativism has two main tenets: communal ownership and democratic governance. It is bringing together 135 years of worker self-management, the roughly 170 years of the cooperative movement, and commons-based peer production with the
compensated digital economy. The term “platform” refers to places where we hang out, work, tinker, and generate value after we switch on our phones or computers. The “cooperativism” part is about an ownership model for labor and logistics platforms or online marketplaces that replaces the likes of Uber with cooperatives, communities, cities, or inventive unions. These new structures embrace the technology to creatively reshape it, embed their values, and then operate it in support of local economies. Seriously, why does a village in Denmark or a town like Marfa in rural West Texas have to generate profits for some fifty people in Silicon Valley if they can create their own version of Airbnb? Instead of trying to be the next Silicon Valley, generating profits for the few, these cities could mandate the use of a cooperative platform, which could maximize use value for the community.

Platform co-ops already exist, from cooperatively owned online labor brokerages and marketplaces like Fairmondo, to video streaming sites that are owned by filmmakers and their fans. Photographers co-own the stock photography cooperative Stocksy and massage therapists in San Francisco started the freelancer-owned online labor market Loconomics. Students at Cornell University built Coopify for (and with) co-ops of low-income immigrants in Sunset Park, Brooklyn. Platform co-ops could be attractive options for home health care professionals and also low-income residents, or pensioners who need to earn extra cash. In the United States, the 650,000 people who are released from U.S. prisons every year would be likely to welcome dignified work. And finally, platform co-ops might be attractive for refugees, for whom it often takes as long as eight years after their immigration to find a job, even in a country like Sweden. With this model, workers can become collective owners; they do no longer have to subscribe to the pathology of the old system that trained them to be followers.

Few people will feel drawn to build a platform co-op based on abstract principles. But for the already committed, common principles and values matter. From the Rochdale Society of Equitable Pioneers, to African-American cooperatives in the South of the United States,
to the Mondragon Corporation in Spain, forming any kind of cooperative endeavor has always started with a study group. Political scientist Elinor Ostrom reminded us that aspiring to create alternatives without rigorous study is a pipe dream, a vain hope. Being realistic about cooperative culture is essential. From the history of cooperatives in the United States, we learned that they are indeed able to offer a more stable income and a dignified workplace. While the necessary enthusiasm of makers doesn’t always sit well with justifiably skeptical scholars, their dialogue is important. Jointly, they could rewrite the Rochdale principles for the digital economy, for instance. Education is an essential cornerstone of platform cooperativism.

Platform co-ops should consider the following principles. The first one, which I explained already, is communal ownership of platforms and protocols. Second, platform co-ops have to be able to offer income security and good pay for all people working for the co-op. And history shows that co-ops are able to offer this. Emilia-Romagna, an area in Italy that encouraged employee ownership, consumer cooperatives, and agricultural co-ops, has lower unemployment than other regions in Italy. The flagship of cooperatives, Mondragon, is a network of co-ops that employed 74,061 people in 2013. But in the United States, despite its dominance in areas like orange juice production, the cooperative model has been faced with many challenges, including competition with multinational corporate giants, public awareness, self-exploitation, and the network effect. So, it is essential for platform co-ops to study the communities they’d like to serve and get their value proposition right.

In opposition to the black-box systems of the Snowden-era Internet, these platforms need to distinguish themselves by making their data flows transparent. They need to show where the data about customers and workers are stored, to whom they are sold, and for what purpose. Work on platform co-ops needs to be co-determined. The people who are meant to populate the platform in the end must be involved in its design from the very beginning. They need to understand the parameters and patterns that govern their working environment. A protective legal
framework is not only essential to guarantee the right to organize and the freedom of expression but it can help to guard against platform-based child labor, wage theft, arbitrary behavior, litigation, and excessive workplace surveillance along the lines of the “reputation systems” of companies like Lyft and Uber that “deactivate” drivers if their ratings fall below 4.5 stars. Crowd workers should have a right to know what they are working on instead of contributing to mysterious projects posted by anonymous consignors.

At its heart, platform cooperativism is not about any particular technology but the politics of lived acts of cooperation. Soon, we may no longer have to contend with websites and apps but, more and more, with 5G wireless services (more mobile work), protocols, and AI. We have to design for tomorrow’s labor market. In the absence of rigorous democratic debates, online labor behemoths are producing their version of the future of work right in front of us. We have to move quickly. Together with cities like Berlin, Barcelona, Paris, and Rio de Janeiro, which have already pushed back against Uber and Airbnb, we ought to refine the discourse around “smart cities” and machine ownership. We need incubators, small experiments, step-by-step walkthroughs, best practices, and legal templates that online co-ops can use. Developers will script a WordPress for platform co-ops, a free-software labor platform that local developers can customize. Ultimately, platform cooperativism is not merely about countering destructive visions of the future, it is about the marriage of technology and cooperativism and what it can do for our children, our children’s children, and their children into the future.
THE SEVEN COOPERATIVE PRINCIPLES

DERIVED FROM THE 1844 ROCHDALE PRINCIPLES, AS ADOPTED BY THE INTERNATIONAL CO-OPERATIVE ALLIANCE IN 1995

BY SUSIE CAGLE

Help us leverage network effects! Become a member today!

Platform Nation proudly welcomes anyone willing and able to contribute their efforts to

No catch? Really? A native alternative to the corporate digital platforms we used to rely on.

ANTI-DISCRIMINATORY OPEN MEMBERSHIP

DEMOCRATIC MEMBER CONTROL

EQUITABLE MEMBER ECONOMIC PARTICIPATION

https://platformnationcoop.org
Now that we're running our own servers, we can control our own data for a change. It's the least we can do for the members.

**AUTONOMY AND INDEPENDENCE**

If you tried a tiered model, you could include all your stakeholders without needing any new investment.

**EDUCATION, TRAINING, AND INFORMATION**

I take Visa, but we have a new partnership with Co-op Coin. If you pay through them, the transaction fee is added as a tip instead.

**COOPERATION AMONG COOPERATIVES**

Wow, Ok! I'll download the app for next time.

**CONCERN FOR THE COMMUNITY**

- Free parking space reservation for the disabled
- Shared free bike pool
- Short-term rentals (affordable co-housing, impact fee included)
5. EIGHT FACTS ABOUT COOPERATIVE ENTERPRISE

JESSICA GORDON NEMBHAND

1. Cooperative enterprises address market failure and need. They provide rural electricity or other utilities in sparsely populated areas; affordable healthy and organic foods, especially in food deserts; access to credit and banking services; access to affordable housing; access to quality affordable child or elder care; and access to markets for culturally sensitive goods and arts.

2. Cooperatives overcome historical barriers to development in the ways they aggregate people, resources, and capital. Of 162 non-agricultural cooperatives in one study, 44 percent of the respondents said they could not have opened their business had it not been organized as a cooperative.

3. The economic activity of the approximately thirty thousand cooperatives in the United States contributes an estimated $154 billion to the nation’s total income. Co-ops have helped to create over 2.1 million jobs, with an impact on wages and salaries of almost $75 billion. After becoming owners of a house-cleaning co-op in Oakland, the workers experienced a median income increase from $24,000 to over $40,000.

4. Cooperative businesses have lower failure rates than other businesses, both after the first year (10 percent failure versus 60-80 percent) and after five years (90 percent still operating versus 3-5 percent). Evidence also shows that cooperatives successfully address the effects of economic crises and survive crises better.
5. **Cooperatives are more likely to promote community growth** than an investor-oriented firm, since most are owned and controlled by local residents. Since cooperative business objectives are needs-oriented, cooperatives are more likely to stay in the communities where they originate. For every $1,000 spent at a food co-op, $1,606 goes to the local economy; for every $1 million in sales, 9.3 jobs are created.

6. **Cooperative businesses stabilize communities** because they serve as business anchors, distributing, recycling, and multiplying local expertise and capital. They enable their owners to generate income and jobs; accumulate assets; provide affordable, quality goods and services; and develop human and social capital.

7. **Co-ops and their members pay taxes and are good citizens.** They tend to give donations to their communities, pay their employees fairly, and use sustainable business practices.

8. **Cooperative start-up costs can be low.** Members can contribute time and capital, offsetting costs that require other businesses to seek outside financing. Co-ops are also eligible to apply for loans and grants from a number of federal and state agencies designed to support co-op development, and are often provided relatively low-cost loans from non-governmental financial institutions like cooperative banks.

*Adapted from Benefits and Impacts of Cooperatives, working white paper for the Center on Race and Wealth, Howard University (February 2014), http://is.gd/It0PHT.*