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# PLATFORM COOPERATIVISM

Challenging the Corporate Sharing Economy

By Trebor Scholz

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## Building a Digital Economy We Own

The “sharing economy” wasn’t supposed to be this way. Aided by the tiny computers most of us carry with us all day, every day, we would be free from the burdens of ownership and making money in our spare time by renting out our unused possessions. The vision was—or at least appeared to be—an idealistic one. Even before they enter kindergarten, every child learns the value of sharing, and here were the beneficent forces of Silicon Valley bringing us innovative new tools to strengthen our communities, disrupt outdated ways of doing business, and maybe even reduce our carbon footprints.

The reality turned out to be a little different. Sure, Uber and its ilk offer remarkable convenience and a nearly magical user experience, but their innovation lies just as much in evading regulations as in developing new technology. Behind the apps lies an army of contract workers without the protections offered to ordinary employees, much less the backing of a union. This new economy is not really about sharing at all. Rather, as Trebor Scholz argues in this study, it is an on-demand service economy that is spreading market relations deeper into our lives.

With these new middlemen sucking profits out of previously un-monetized interactions, creating new forms of hyper-exploitation, and spreading precarity throughout the workforce, what can we do? Scholz insists that we need not just resistance but a positive alternative. He calls this alternative “platform cooperativism,” which encompasses new ownership models for the Internet. Platform cooperativism insists that we’ll only be able to address the myriad ills of the sharing economy—that is to say platform capitalism—by changing ownership, establishing democratic governance, and re-invigorating solidarity. In this paper, Scholz breathes life into this idea by describing both actually existing and possible examples of platform co-ops, outlining basic principles for fairly operating labor platforms on the Internet, and suggesting next steps.

Trebor Scholz has lived and worked in co-ops for over a decade. The author of *The Internet as Playground and Factory* (2013) and *Uberworked and Underpaid: How Workers Are Disrupting the Digital Economy* (2016, forthcoming), Scholz is an associate professor at The New School, where he teaches courses on Internet and society. Together with Nathan Schneider, he has been focused on creating a campaign to challenge the system of value extraction that fuels the “sharing economy.” In November 2015, The New School hosted “Platform Cooperativism: The Internet, Ownership, Democracy,” which brought together more than one thousand people to plant the seeds for a new kind of online economy. The results of this conference are reflected in this study.

Platform cooperativism is possible, and it is necessary, but it is by no means inevitable. The current owners of online platforms are willing to offer us seemingly everything except ownership. It is time for us to instead create an online economy based in democracy and solidarity.

*Stefanie Ehmsen and Albert Scharenberg  
Co-Directors of New York Office, January 2016*

# Platform Cooperativism

## Challenging the Corporate Sharing Economy

By Trebor Scholz

Among all the problems with 21st-century work—the ballooning of the low wage service sector, economic inequality, the crumbling of worker rights —the main problem really is that there are so few realistic alternatives. What has been missing from the debate about the future of work is an approach that offers people something that they can wholeheartedly embrace. This is what this study is about.

First, I will reflect on the opportunities, pitfalls, and consequences of the sharing economy. I am using the case of Amazon.com, which has firmly entered the “sharing economy.” Second, I will describe the rise of platform cooperativism and offer examples of really existing as well as imaginary platform co-ops. What I call *platform cooperativism* is about democratic ownership models for the Internet. Third, I’ll outline ten principles for labor platforms that are bringing fairness to work on labor platforms. I will conclude with reflections about possible next steps for this movement in the making.

*The Consequences of the Sharing Economy.* They called it the gig economy, the peer economy, the sharing economy. It took a while to acknowledge that the *sharing economy* was really an *on-demand service economy* that set out to monetize services that were previously private. It is true that there are undeniable opportunities for students, educated workers between jobs, and everyone who owns a second home. Now, it’s easier for college graduates to land a gig assembling furniture or renovating someone’s house. Consumers, raised with a keen appreciation of low prices and uber-conve-

nience above all else, welcome these upstarts. But should we understand the sharing economy as a road sign pointing to a better, more flexible future of work? What has this economy really brought us?

Welcome to the Potemkin Villages of the “sharing economy” where you can finally sell the fruit from the trees in your garden to your neighbors, share a car ride, rent a tree house in Redwood Forest, or visit a Kinkbnb. Your friendly convenience is, for many workers, a low-wage, precarious trap. But you, on the other hand, can listen to your very own Spotify account in an Uber taxi. No longer do you have to suffer from what economist George Akerlof penned a “market for lemons;”<sup>1</sup> these new platforms are introducing new checks and balances. You are promoted to middle management, entitled to fire your driver. Companies even found a way to suck financial value out of your interactions with everyday objects, recruiting them as informants for surveillance capitalism.

Oh-so-cool labor companies like Handy, Postmates, and Uber celebrate their Andy Warhol moment, their 15 billion dollars of fame. They revel in the fact that they launched their platform monopolies in the absence of a physical infrastructure of their own. Just like AOL and AT&T didn’t build the Internet, and Mitt Romney did not build his business all by himself,<sup>2</sup>

1 George A. Akerlof, “The Market for ‘Lemons’: Quality Uncertainty and the Market Mechanism,” *The Quarterly Journal of Economics* 84, no. 3 (1970): 488-500, doi:10.2307/1879431.

2 “Review & Outlook: ‘You Didn’t Build That,’” *The Wall Street Journal*, July 19, 2012, www.wsj.com.

the firms in the on-demand economy did not build their empires either. They are running off *your* car, *your* apartment, *your* labor, *your* emotions, and importantly, *your* time. They are logistics companies that require participants to pay up to the middleman. We are turned into assets; this is the financialization of the everyday 3.0.

In *What's Yours is Mine*, the Canadian researcher Tom Slee sums it up:

*Many well-intentioned people suffer from a misplaced faith in the intrinsic abilities of the Internet to promote egalitarian community and trust, and so have unwittingly aided and abetted this accumulation of private fortune, and the construction of new and exploitative forms of employment.*<sup>3</sup>

At the Platform Cooperativism conference<sup>4</sup> John Duda of the Democracy Collaborative stated that:

*The ownership of the institutions that we depend on to live, to eat, to work is increasingly concentrated. Without democratizing our economy we will just not have the kind of society that we want to have, or that we claim to have, we are just not going to be a democracy. The Internet is certainly not helping! It is fueled by short-term thinking, corporate profits; it is directed by venture capital and it's contributing to the concentration of wealth in fewer and fewer hands. Wherever the tech economy is rampant, housing becomes totally unaffordable. We need to reverse that trend.*<sup>5</sup>

Occupations that cannot be offshored—the pet walker or home cleaner—are becoming subsumed under what Sasha Lobo<sup>6</sup> and Martin Kenney call *platform capitalism*. Baby boomers are losing sectors of the economy like transportation, food, and various other sectors, to millennials who fiercely rush to control de-

mand, supply, and profit by adding a thick icing of business onto apps-based user interactions. They are extending the deregulated free market into previously private areas of our lives.

The “sharing economy” is portrayed as a harbinger for the post-work society — the path to ecologically sustainable capitalism where Google will conquer death itself, and you don’t have to worry about a thing. With the slogan “What’s Mine is Yours,” the Trojan horse of the sharing economy rids us of Jurassic forms of labor while unleashing a colossal union-busting machine; passing over especially aging workers. The German author Byung-Chul Han frames the current moment as *Fatigue Society*.<sup>7</sup> We are living, he writes, in an achievement-oriented society that is allegedly free, determined by the call of “yes we can.” Initially, this creates a feeling of freedom but soon it is accompanied by anxiety, self-exploitation, and depression.

Importantly, we cannot have this discussion without first acknowledging that the “sharing economy” is not some sort of isolated shrink-wrapped cube in “cyber space,” it’s just another reflection on capitalism and the massive atlas of digital labor practices. Consequently, we cannot have a conversation about labor platforms without first acknowledging that they depend on exploited human lives all along their global supply chains, starting with the hardware without which this entire “weightless” economy would sink to the bottom of the ocean.

All the beloved Apple devices cannot be considered without first reminding ourselves of the labor conditions at what Andrew Ross called the “Foxconn’s suicide mills” in Shenzhen, China. Or take the rare earth minerals in the Democratic Republic of the Congo; it is essential to follow the supply chains that facilitate all those outwardly clean and glamorous digital life styles.

3 Tom Slee, *What's Yours Is Mine*. New York City: OR Books, 2015.

4 platformcoop.net.

5 vimeo.com/149401422.

6 Sascha Lobo, “Sascha Lobo: Sharing Economy wie bei Uber ist Plattform-Kapitalismus,” Spiegel Online, March 9, 2014, www.spiegel.de.

7 Byung-Chul Han, *Müdigkeitsgesellschaft*. Berlin: Matthes & Seitz Berlin, 2010.

There is a mass of bodies without a name, hidden behind the screen, exposed to workplace surveillance, crowd fleecing, wage theft, and proprietary software. As the free software activist Micky Metts cautioned: “When building platforms, you cannot build freedom on someone else’s slavery.”<sup>8</sup>

When responding to a political critique of the on-demand economy, some scholars pose that, well, the terrible results of unfettered capitalism are well understood; that whole spiel does need to be asserted yet another time. But perhaps, as McKenzie Wark claimed: “This is not capitalism, this is something worse.” He suggested that “the mode of production we appear to be entering is one that is not quite capitalism as classically described.”<sup>9</sup>

## The Sharing Economy Stops

Twenty or thirty years from now, when we are possibly facing the end of professions and ever more people’s jobs will be “uberized,” we may well wake up and wonder why we did not protest these shifts more forcefully. Despite all the scrumptious, home-cooked convenience of the “sharing economy,” we may end up sharing the scraps, not the economy. We may feel remorseful about not seeking out alternatives earlier on. Unsurprisingly, we cannot change what we do not understand. So, I am asking, what does the “sharing economy” stand for?

### Every Uber has an Unter

The sharing economy indicates a massive, global push in favor of “digital bridge builders”

This isn’t merely a continuation of pre-digital capitalism as we know it, there are notable discontinuities—new level of exploitation and concentration of wealth for which I penned the term crowd fleecing. Crowd fleecing is a new form of exploitation, put in place by four or five upstarts, to draw on a global pool of millions of workers in real time.

The current situation needs to be discussed at the fold of intensified forms of exploitation online and also older economies of unpaid and invisible work—think of Silva Federici, Selma James, and Mariarosa Dalla Costa’s “Wages for Housework” campaign and, in the 1980s, cultural theorist Donna Haraway discussing ways in which emerging communication technologies allowed for “home work” to be disseminated throughout society.

who insert themselves between those who offer services and others who are looking for them, thereby embedding extractive processes into social interactions. The on-demand economy indicates that digital labor is not a niche phenomenon. UpWork (formerly ODesk and Elance) claims to have some 10 million workers. Crowdwork 8 million. CrowdFlower 5 million. In 2015, 160,000 drivers are on the road for Uber if you trust their numbers.<sup>10</sup> Lyft reports 50,000 drivers. TaskRabbit states that it has 30,000 workers.<sup>11</sup>

In Germany, unions like ver.di concentrate their efforts on defending the rights of employees while in the United States, I see little chance for a return of the 40-hour-work-week for those in the contingent sector. The question then

8 [livestream.com/internetsociety/platformcoop/videos/105663835](http://livestream.com/internetsociety/platformcoop/videos/105663835).

9 McKenzie Wark, “Digital Labor and the Anthropocene,” *DIS Magazine*, accessed November 24, 2015, [dismagazine.com](http://dismagazine.com).

10 Axel Bruns, *Blogs, Wikipedia, Second Life, and Beyond: From Production to Prosumption*, New York: Peter Lang Publishing Inc., 2008.

11 [www.nelp.org/content/uploads/Rights-On-Demand-Report.pdf](http://www.nelp.org/content/uploads/Rights-On-Demand-Report.pdf).

becomes, how we can make it better for one third of the workforce that is not traditionally employed.

Today's extractive platform-based business models make some of the earlier Internet money schemes look like Socialist experiments. Douglas Rushkoff, author of *Throwing Stones at the Google Bus*, points out that "Instead of creating truly distributive businesses we are just putting industrial economics on steroids, creating more extreme divisions of wealth and more extreme forms of exploitation. We are making all these new technologies like Bitcoin or blockchain but we are not really asking what we are programming these things for."<sup>12</sup> The benefits of platform capitalism for consumers, owners, and stockholders are apparent but the value added for vulnerable workers and the long-term value for consumers are unclear at best.

## **New Dependencies and New Command**

It is about the shift from the employee, with his or her W-2 tax document,<sup>13</sup> working a 40 hour work week to a more contingent worker, the freelancer or independent contractor, also sometimes referred to as 1099<sup>14</sup> or gig worker.<sup>15</sup> In the process, workers are losing minimum wage, overtime, and protections through employment anti-discrimination laws. Employers also don't have to contribute to Medicare, unemployment insurance, workers comp, or social security payments of their workers.

<sup>12</sup> [vimeo.com/149979122](https://vimeo.com/149979122).

<sup>13</sup> A W2 is the form that an employer must send to an employee and the Internal Revenue Service at the end of the year.

<sup>14</sup> A 1099 form is a report of various types of income that a worker may receive throughout the year other than the salary an employer would pay. Contingent workers have to send these 1099 forms to the Internal Revenue Service.

<sup>15</sup> As every first-year MBA student will know, employment isn't just a single concept but it describes a bundle of rights and it is those core labor rights that are at risk.

"Whereas traditional employment was like marriage," legal scholar Frank Pasquale writes, "with both parties committed to some longer-term mutual project, the digitized workforce seeks a series of hookups."<sup>16</sup> Energetically projected myths about employment suggest that working as an employee means that you have to give up all flexibility and that working as an independent contractor somehow inherently means that your work is flexible. But this "innate flexibility" of low-income freelancers should be put to question because workers don't exist in a vacuum; they have to adapt to the schedules of their virtual bosses, too.

Using the language of entrepreneurship, flexibility, autonomy, and choice, the burden of the biggest risks of life: unemployment, illness, and old age have been lifted onto the shoulders of the workers. Platform owners refer to workers as Rabbits, Turkers, and Providers! I wonder if Leah Busque, CEO of TaskRabbit, would feel insulted if you called her a rabbit. She's a head. The trouble is that she owns her mind and the platform.

Who will be willing to offer employee-like rights for all freelancers, temps, and contract workers? Senator Mark Warner of Virginia<sup>17</sup> and notably Princeton economist Alan Krueger, among others, have suggested a third category of worker that is neither an independent contractor nor an employee: the independent worker.<sup>18</sup> This category of worker would receive many of the protections that came with employment.

A different response to the loss of bargaining power on the side of workers in the on-demand

<sup>16</sup> Frank Pasquale, "Banana Republic.com" *Jotwell: Cyberlaw*, February 11, 2011, [cyber.jotwell.com](http://cyber.jotwell.com).

<sup>17</sup> "U.S. Senator Mark Warner on Why We Need a New Class of Worker (Q&A), Re/code," accessed November 29, 2015, [recode.net](http://recode.net).

<sup>18</sup> Seth D. Harris and Alan B. Krueger, "A Proposal for Modernizing Labor Laws for Twenty-First-Century Work: The 'Independent Worker,'" *The Hamilton Project*, December 2015, [www.hamiltonproject.org](http://www.hamiltonproject.org).

economy comes from the computer programmer and writer Steve Randy Waldman who suggested that the classification of independent contractors should be made contingent on the requirements for workers to “multi-home,” work using several platforms, thereby avoiding the trappings of single, dominant platforms like Uber. Waldman understands “multi-homing” as bargaining power when it comes to mitigating the power of monopolies.<sup>19</sup>

*The sharing economy is Reaganism by other means.* Taking a step back, I argue that there is connection between the effects of the “sharing economy” and the deliberate shockwaves of austerity that followed the financial crash in 2008. Tech billionaires jumped right in, riding on the back of those desperately looking for work, thereby not only increasing inequality but also restructuring the economy in a way that makes this new way of working, deprived of all worker rights, livable, survivable, or, as they would put it: “sustainable.”

The “sharing economy” grew out of the lineage of Reagan and Thatcher who, in the 1980s did not only shut down the strikes of miners and flight traffic controllers, they damaged the belief in the ability of unions to watch out for workers; they weakened the belief in the possibility of solidarity, and created a framework in which the restructuring of work, the cuts in welfare checks, and the decoupling of productivity from income became more plausible.

Demands for qualifications are getting ever higher and anxiety, the fear of unemployment and poverty have become central life themes for many young people today. All of this led to a world where for millennials, the end of the world seems more plausible than the end of capitalism and their career paths look like autonomous vehicles heading towards Armageddon.

<sup>19</sup> Steve Waldman, “1099 as Antitrust,” *interfluidity*, accessed November 29, 2015, [www.interfluidity.com](http://www.interfluidity.com).

It’s Elia Kazan’s *On the Waterfront* on Speed; digital day laborers are getting up every morning only to join an auction for their own gigs. According to the economist Juliet Schor, the sharing economy increasingly provides access to low-level work for the educated middle class who can now drive taxis and assemble furniture in people’s houses while simultaneously displacing low-income workers from these occupations.<sup>20</sup>

One in three laborers in the American workforce is now an independent contractor, day laborer, temp, or freelancer. The jury is still out whether or not they would rather return to a world with a regular paycheck, a 40-hour work-week, and some social protections.

## **Generating Profits for the Few**

The software that is propelling the sharing economy is wrapped up in addictive interface design. On the screen, the ant-sized icon of a taxi approaching your location is as seductive yet dangerous as the Sirens who lured Odysseus; it’s design for scale. On the business side, entrepreneurs and software engineers have created new markets. But is this innovation or is there a factory behind the playground? Should innovation be just about profits for the few while leaving in its wake a workforce that is predominantly without sufficient social protections? Is innovation geared for value extraction and growth or is it about the circulation of this value between people?

Efficiency, in the same way, is not a virtue when it is, most of all, built on the extraction of value for shareholders and owners. It is in this sense of taking away value from people that labor companies like Amazon, CrowdSpring, and Taskrabbit are neither effective nor innovative. Platform capitalism, so far, has been highly in-

<sup>20</sup> [livestream.com/internetsociety/platformcoop/videos/105162259](http://livestream.com/internetsociety/platformcoop/videos/105162259).

effective in addressing the needs of the commonwealth. What initially looked like innovation, eventually cranked up the volume on income inequality.

With the creation of new occupations in the 1099 economy, businesses like Intuit started to blossom because their software helps freelancers to report their taxes.

### **Illegality as a Method**

In the United States, illegality is a method of the “sharing economy,” not a bug, and the Federal government, at least for now, is not intervening, leaving the field (and only hope) with the municipalization of regulation. The sharing economy has also been criticized for its “nullification of federal law,”<sup>21</sup> a lack of dignity for workers, and the elimination of worker rights and democratic values like accountability and consent. Firms in the sharing economy failed to pay taxes, violated federal laws. Their modus operandi follows a pattern. First, companies like Uber violate various laws—anti-discrimination laws, for instance—to then point to a growing and keen consumer base, demanding legal changes. Airbnb spent over \$8 million to lobby in San Francisco when residents voted on regulating their operations. Uber spends more money on lobbyists than even Walmart. Significantly, both Uber and Airbnb are using their apps as political platforms that can be used to activate their clients to oppose any regulatory efforts against them.

When you learn that Uber drivers in Los Angeles are making below minimum wage; when you know that workers on CrowdFlower and Mechanical Turk earn no more than two to three dollars an hour; when you understand that much (if not most) of Airbnb’s revenue in New York City comes from hosts who rent out

entire apartments for less than thirty days<sup>22</sup>; when you are told that startups are sailing around the definition of employment by restructuring work in such a way that the people who are working for them are categorized as independent contractors instead of employees; when you understand that the status of the independent contractor voids the protections afforded to workers by the Fair Labor Standards Act, when Uber, Lyft, and Airbnb continue to run their businesses in cities that shut down their operations; then you will understand why the government and/or municipalities have to act against this “nullification of federal law.”<sup>23</sup> In 2015, a Princeton study showed that Uber drivers in 20 cities are netting about \$17.50 an hour, which, according to drivers, comes out to anywhere between \$10 and \$13 an hour after subtracting the cost of gasoline, insurance, auto payments, and auto maintenance.<sup>24</sup> Los Angeles approved a \$15-an-hour minimum wage, which puts Uber in violation of this law. Now, anyone with basic awareness of the Fair Labor Standards Act of 1938 would say that such payments must be illegally low; they don’t meet minimum-wage standards.

Considering the significant attrition rates among Mechanical Turk workers and Uber drivers (half of all Uber drivers do not stay longer than one year),<sup>25</sup> it is clear that these business, in their current form, are not sustainable.

In the U.S., not doing right by workers, comes at a very low legal risk for business owners. The U.S. Department of Labor, being strategically

21 Frank Pasquale and Siva Vaidhyanathan, “Uber and the Lawlessness of ‘Sharing Economy’ Corporates,” *The Guardian*, July 28, 2015.

22 Tom Slee. *What’s Yours Is Mine*. New York City: OR Books, 2015.

23 Pasquale, Frank, and Siva Vaidhyanathan. “Uber and the Lawlessness of ‘Sharing Economy’ Corporates.” *The Guardian*, July 28, 2015.

24 Harris and Krueger, “A Proposal for Modernizing Labor Laws for Twenty-First-Century Work: The ‘Independent Worker.’”

25 In 2015, more than half of all Uber drivers do not stay longer with the company than twelve months. To learn more, read Steven Hill’s *Raw Deal. How the “Uber Economy” and Runaway Capitalism Are Screwing American Workers*.

understaffed as it is, is basically incapable of pursuing companies who are violating Federal Labor law. And even in the unlikely case that they are getting caught, all corporations have to do is to pay workers what they owe them.

There's some hope. In one recent decision, a Federal judge found that an Uber driver was an employee and not an independent contractor, for example.<sup>26</sup> And also Lyft and even Yelp workers are filing lawsuits to become recognized as employees.<sup>27</sup> In the fall of 2015, the city of Seattle opened the door for the unionization of Uber drivers. And around the same time, an unlikely coalition of startups and organized labor published a document outlining

necessary social protections for workers that are needed for the digital economy to thrive.<sup>28</sup> If the Federal Government will have the political will to introduce new worker protections remains to be seen.

On the local and state level, some regulatory efforts are under way. In Montgomery County, for instance, the Maryland General Assembly decided to regulate Uber and Lyft by imposing a \$.25 charge for each trip with those companies. The revenue will then be used to offer more accessible taxicab services for eligible senior citizens and low-income residents.<sup>29</sup> Mayor DeBlasio is working to curb the size of the Uber fleet in the streets of New York City.

## Amazon is Joining the Sharing Economy

Amazon.com, still barely above the legal drinking age, is one of the oldest companies in this digital economy, is joining the "sharing economy." Amazon's book section started in 1994 but today, Amazon, not unlike Uber, has become a template for countless other businesses. The cruel genie is out of the bottle, the business logic of crowdsourcing systems like Amazon Mechanical Turk is now being adapted by companies like CrowdFlower, 99Designs, and hundreds of others. Amazon inserted itself in the sharing economy with enterprises like Flex, a crowd sourced delivery service that uses regular people, not legacy couriers, to deliver packages.<sup>30</sup> It also launched HomeServices, which

places the company squarely in the middle when you order an electrician or plumber and HandMade-at-Amazon, directly taking on Etsy.

Since 2005, Amazon operates an online labor brokerage called Amazon Mechanical Turk, where workers can log on to pick from long listings of tasks. Similar to traditional piecemeal work in the garment industry, Mechanical Turk allows for a project to be broken down into thousands of bits, which is then assigned to so-called crowd workers. Often well-educated, novice workers are making between two and three dollars an hour in this environment. Just like migrant workers, barristers, or temps in the fast food industry, they are working long hours, are underpaid and treated poorly by their virtual bosses, and have few or no benefits.

One would think that in a rich and democratic country such as the United States, workers would be legally protected against such abuse

26 Mike Isaac and Natasha Singer, "California Says Uber Driver Is Employee, Not a Contractor," *The New York Times*, June 17, 2015.

27 "Judge Not At All Impressed By Class Action Lawsuit Claiming Yelp Reviewers Are Really Employees," accessed November 24, 2015, [www.techdirt.com](http://www.techdirt.com).

28 "Coalition of Start-Ups and Labor Call for Rethinking of Worker Policies," *The New York Times Blog*, November 9, 2015.

29 "Taxi Regulations, E-Hail App Targeted By Montgomery County Council," *WAMU 88.5*, June 8, 2015, [wamu.org](http://wamu.org).

30 [flex.amazon.com](http://flex.amazon.com).

and that operations like Uber would be immediately powered down. We witnessed officials in Paris indicting two Uber executives<sup>31</sup> and cities like Rio de Janeiro are banning the company and also enforce such ruling.<sup>32</sup> In the United States, not much is done in the face of these companies flouting federal law and municipal regulations.

Wage theft, for example, is a daily occurrence on Amazon Mechanical Turk, which explicitly tolerates this practice. Consignors can reject accurately executed work and then avoid payment. The purpose of the platform, its systemic logic is expressed through its architecture and design, as well as its terms of use. Wage theft is a feature, not a bug.

Amazon.com is indeed a good example—it is part of the monoculture of large, publicly traded, profit maximizing companies with a mission to create returns for stock holders. It is the fiduciary duty of such companies to create ever more shareholder value, to grow and serve platform owners.

The uber-convenience, speed, price, and overall dominance of Amazon makes it hard for us not to turn a blind eye to the fact that in the shadow of our convenience linger hefty social costs for workers. In one of Amazon's warehouses in Germany, for instance, the company tracked logistics workers and reprimanded them for even the shortest periods of inactivity with so-called inactivity reports. Surveillance technologies and supervisors are keeping track of even one or two minute long chats between two workers and longer disappearances in the restroom.<sup>33</sup> After two such digressions, breaks of anywhere between one and nine minutes, workers can get fired. And of

course that's not only happening in Amazon's "fulfillment centers" in Germany. It is the Taylorist logic pushed to an extreme that doesn't even make any business sense. It's an absolute *densification of work*, as labor scholar Ursula Huws put it.<sup>34</sup> In addition, the U.S. Supreme Court issued a ruling stating that the mandatory security screening of workers leaving these warehouses doesn't need to be compensated as overtime despite the fact that workers need to stand in line for anywhere between 30 and 40 minutes every single day.<sup>35</sup> Legislation favors publically traded companies.

But misery is not limited to warehouse workers, crowd workers, it equally affect Amazon's white-collar workers. We can shed more light on the spirit of Jeff Bezos, the CEO of Amazon, who told a group of publishers in a brutal face-off that "Amazon should approach publishers the way a cheetah would pursue sickly gazelle."<sup>36</sup> It is this spirit that the company also brings to its white-collar workers, its accountants, marketers, and engineers. This was revealed through the "Inside Amazon" New York Times exposé that quoted one executive in Amazon's book marketing division as saying that "nearly every person I worked with, I saw cry at their desk."<sup>37</sup>

Amazon has become known for its unfair labor conditions but it is by no means an exception within the sharing economy and beyond. Nobody is watching out for workers but with every worker that is mistreated, there are also more people who are pushing for a people-centered Internet.

31 Sam Schechner, "Two Uber Executives Indicted in France," *Wall Street Journal*, June 30, 2015, [www.wsj.com](http://www.wsj.com).  
32 "Rio de Janeiro Becomes First City in Brazil to Ban Uber," *The Guardian*, September 2015.  
33 "Amazon's 'inactivity Protocols' under Fire," *Deutsche Welle*, March 13, 2015, [www.dw.com](http://www.dw.com).

34 Ursula Huws, *Labor in the Global Digital Economy: The Cyberariat Comes of Age*. New York: Monthly Review Press, 2014.  
35 Alison Griswold, "Supreme Court Decides Amazon Workers Don't Need to Be Paid While Waiting for Mandatory Security Screenings," *Slate*, December 9, 2014, [www.slate.com](http://www.slate.com).  
36 David Streitfeld, "A New Book Portrays Amazon as Bully," *The New York Times Blog*, October 22, 2013.  
37 Jodi Kantor and David Streitfeld, "Inside Amazon: Wrestling Big Ideas in a Bruising Workplace," *The New York Times*, August 15, 2015.

The growth of the contingent sector that had been under way for decades, but with the “sharing economy” it gained significant momentum in 2008, when swaths of people had to find alternate streams of income.

And that’s why, in the second part of this study, I ask if we have to continue to rely solely on digital infrastructures that are designed to extract profit for a very small number of platform owners and shareholders. I mean, is it really inconceivable to escape the likes of Uber, Facebook, and CrowdFlower?

A People’s Internet is possible! A coalition of designers, workers, artists, cooperatives, developers, inventive unions, labor advocates can shift structures so that everybody can reap the fruits of their own labor.

Silicon Valley loves a good disruption, so let’s give them one. What follows is a call to place the people at the center of virtual hiring halls

and turn profits into social benefit. It’s a call to city councils to consider running businesses like Airbnb themselves. Historically, American cities used to own and operate hotels and hospitals and some still do. It’s time to revisit that history.

In the mid-1960s in NYC, it was Fluxus artist George Maciunas who started to form artist cooperatives motivated by his own precarious situation. In today’s New York City, it is artists like Caroline Woolard who use the logic of art to transform their own living situation and that of others.<sup>38</sup>

It is possible to escape Facebook, CrowdFlower, and Google. Corporate imperatives like growth and profit maximization are not the only option. It’s too hard to fix what you do not own. The fight for privacy and the struggle for higher wages of crowd workers are important but cooperative ownership models of the Internet would address many of these issues.

## The Rise of Platform Cooperativism

*We need to build an economy and an Internet that works for all. How can we take lessons from the long and exciting history of cooperatives and bring them into the digital age?*<sup>39</sup>

Where shall/should you/one start/begin? 51 percent of Americans make less than \$30,000<sup>40</sup> a year and 76 percent have no savings at all.<sup>41</sup> From 2000-2010, median income in the United States declined 7% when adjusted for infla-

tion.<sup>42</sup> In terms of social well being and environmental sustainability, for more and more people, capitalism is no longer working out. So, let’s think about how the Internet could be owned and governed differently and how solidarity could be strengthened in the process. My collaborator Nathan Schneider asked, “can Silicon Alley do things more democratically than Silicon Valley?”

Whether you are thinking about secure jobs, minimum wage, safety, health insurance, pension funds—none of these issues can be ad-

38 carolinewoolard.com.

39 John Duda at “Platform Cooperativism: The Internet, Ownership, Democracy,” vimeo.com/149401422.

40 “Goodbye Middle Class: 51 Percent Of All American Workers Make Less Than 30,000 Dollars A Year,” *Washington’s Blog*, October 21, 2015, www.washingtonsblog.com.

41 Angela Johnson, “76% of Americans Are Living Pay-check-to-Paycheck,” *CNNMoney*, June 24, 2013, money.cnn.com.

42 E. G. Nadeau, *The Cooperative Solution: How the United States Can Tame Recessions, Reduce Inequality, and Protect the Environment*. CreateSpace Independent Publishing Platform, 2012.

dressed fundamentally without the reorganization of work, without structural change. None of these issues can be addressed effectively until we reinvigorate solidarity, change ownership, and introduce democratic governance.

“Old school” companies typically give workers as little as they can get away with. The distrust in the willingness of owners and stockholders to watch out for the workers, the distrust in the old, extractive model, the economics of surveillance, and monopoly, and the proliferation of the workplace without borders, led many people to revive the spirit of cooperativism. What are the long-term prospects for platform cooperatives? Aren’t cooperatives an outlived organizational model for work? Anybody who is making that claim, should first consider that worldwide, the solidarity economy is growing; cooperatives employ more people than all multinationals combined.<sup>43</sup> Democratic Presidential candidate, U.S. Senator Bernie Sanders of Vermont, is promoting worker-ownership as one practicable way to move forward.<sup>44</sup> In the United States, 900,000 people are employed by co-ops.<sup>45</sup>

In her book *Collective Courage*, Jessica Gordon Nembhard describes the Black experience in co-operatives in the U.S. as one of activism, grounded in the experience of the struggle for human rights. The Japanese consumer cooperative union serves 31% of the nation’s households and Mondragon, Spain’s seventh largest industrial corporation, is a network of cooperatives that in 2013, employed 74,061 people. Emilia Romagna, an area in Italy that encouraged employee ownership, consumer cooperatives, and agricultural cooperatives, has lower unemployment than other regions in Italy.<sup>46</sup>

43 The statistics in this paragraph are taken from Marjorie Kelly’s *Owning Our Future: The Emerging Ownership Revolution*.

44 Dave Johnson, “Bernie Sanders Proposes To Boost Worker-Ownership Of Companies,” *Common Dreams*, August 18, 2015.

45 E. G. Nadeau, *The Cooperative Solution*, 37.

46 dept.kent.edu/oeoc/oeoclibrary/emiliaromagnalong.

40% of agriculture in Brazil and 36% of retail markets in Denmark are made up of cooperatives, according to Kelly. 45% of the GDP of Kenya and 22% of the GDP of New Zealand come from cooperatives. Despite many setbacks, it would be hard to successfully argue that the cooperative model is done with.

In the United Kingdom, for example, there are currently 200,000 people working in more than 400 worker cooperatives. In Berlin, citizens are currently forming utility-cooperatives to buy and operate the city’s power grid.<sup>47</sup> In the German city of Schönau, another such consumer-cooperative runs and operates both the power grid and the gas supply for that city.

For 2016, New York City Council Member Maria del Carmen Arroyo reports that New York City approved a \$2.1 million Worker Cooperative Business Development Initiative for the city.<sup>48</sup> In 2015, women almost exclusively operated the coalition of 24 worker-owned cooperatives in NYC. Low-wage workers who joined these cooperatives saw their hourly rates increase from \$10 to \$25 over the past two years.

Undoubtedly, the challenges for all co-ops are vast. Just think of Walmart, which is, after the U.S. Department of Defense and China’s Liberation Army, the third largest global organization.<sup>49</sup> For cooperatives, to compete with such giants is no walk in the park. But still, in this struggle about the imagination of the future of work, who should the driving agents of change? Is it the platform owner, shareholder, CEO, and VC, or do we focus on the collective of workers alongside a citizen-led movement? The answer could be: all of the above.

But for me, the problem begins when change is sought mainly in the boardrooms of Silicon Val-

htm.

47 [www.buerger-energie-berlin.de/das-ziel](http://www.buerger-energie-berlin.de/das-ziel).

48 fpwa.org.

49 Daniel Schlademan of OurWalmart at Platform Cooperativism: The Internet, Ownership, Democracy.

ley. Tim O'Reilly convened the Next:Economy in November 2015,<sup>50</sup> for instance, which was vastly dominated by Silicon Valley business leaders. And as if the selection of speakers—despite a two or three labor advocates, predominantly corporate leaders—did not make it clear who was identified as agents of change, the conference registration fee of \$3500 clarified that once and for all.

Former Secretary of Labor Robert Reich pointed out that in order to “safe capitalism,” workers have to have minimal social protections; otherwise there will be a rebellion. Robin Chase, co-founder of ZipCar, echoed Reich's sentiment. And sure enough, if you want to retain social peace, you have to give workers something. You can appeal to the best in corporate leaders, as Tim O'Reilly does perhaps, you can hope for their good will but the question remains if such pleas can change the core mission of these enterprises. It is true that workers need solid protections and somebody who really cares for their long-term welfare. Being “realistic” also means to realistically assess if platform owners will go beyond handing out small concessions to workers. Being realistic means to acknowledge the historical successes and failures of the extractive “solidarity economy” and of the solidarity economy.

You cannot counter economic inequality with the benevolence of owners; together we must redesign the infrastructure with democracy at its core.

As part of this redesign, it is also worth re-examining the history of building structures for cooperativism and mutualism in the United States. Here, spiritual communalism and cooperative movements, play a central role. The German Mennonites, including the Amish, started coming to the U.S. as early as 1684. In the spring of 1825, Robert Owen opened

the doors of the New Harmony community in Indiana. In the 1930s, The Nation of Islam as well as the Catholic Worker Movement set up hundreds of communal projects. The Catholic social teaching of distributism is influential in that context. It suggests that communities could co-own property and tools. Three decades later, the Hindu Kripalu Yoga Ashram and the Buddhist Karma-Choling Center were founded. Spiritual communities and co-ops haven often proven to have more staying power than secular cooperative businesses.

Since the first modern cooperative in Rochdale, Scotland, in 1844 there has been enough time to talk about worker cooperatives, critics argue, and in their minds the evidence shows that the model isn't working. And partially, they are right; most worker-owned cooperatives in the United States did not succeed. But it also worth keeping in mind, as the author John Curl observes, that

*The very existence of cooperatives challenges corporations and capitalism; corporations have always worked hard to weaken, discredit, and destroy [cooperatives] through waging price wars, enacting legislation that undercuts their viability, labeling them in the media as subversive and a failure, and using several other stratagems.<sup>51</sup>*

Also Rosa Luxemburg was cautious when it came to thinking about cooperatives as all-out alternatives to capitalism.

*The workers forming a co-operative in the field of production are thus faced with the contradictory necessity of governing themselves with the utmost absolutism. They are obliged to take toward themselves the role of capitalist entrepreneur—a contradiction that accounts for the usual failure of production co-operatives which either become pure capitalist enterprises or, if the workers' interests continue to predominate, end by dissolving.<sup>52</sup>*

<sup>50</sup> [conferences.oreilly.com/nextcon/economy-us-2015/public/content/speakers](https://conferences.oreilly.com/nextcon/economy-us-2015/public/content/speakers).

<sup>51</sup> “Ver.di. Innovation Und Gute Arbeit - Digitale Arbeit,” accessed December 5, 2015, [innovation-gute-arbeit.verdi.de/themen/digitale-arbeit](http://innovation-gute-arbeit.verdi.de/themen/digitale-arbeit).

<sup>52</sup> Phil Gasper, “Are Workers' Cooperatives the Alternative to Capitalism?,” *ISR*, 2014.

Use is made of all methods that enable an enterprise to stand up against its competitors in the market, Luxemburg wrote.<sup>53</sup>

There is, however, the undeniable and important effect that co-ops have on the workers in those systems. Existing cooperatives have shown to offer more stable jobs and reliable social protections than traditional extractive models. It'd be unhelpful to see co-ops are rosy alternatives; they function within a capitalist context where they are forced to compete. Networks of cooperatives like Mondragon cannot truly decouple themselves from the exploitative supply chains that fuel capitalism.

One common objection to cooperatives is that they are just as much bound to market pressures as any other capitalist enterprise, which make self-exploitation unavoidable. Eventually, co-ops too, can resort to the gambit of unpaid internships and uncompensated volunteers. Co-ops are exposed to the pitiless competition of the market, but in the light of the 20% to 30% profit that companies like Uber are taking as profit, one approach would be for platform cooperatives to offer their services at a lower price. They could run on 10% profit, which could then be partially translated into the social benefit for workers. Cooperatives could also flourish in niche markets, taking on low-income clients/consumers as their target groups.

Co-ops have been important instruments for building economic power for marginalized groups. Karla Morales of the childcare cooperative Beyond Care describes the simple benefits: "In my work now I have sick leave, vacations, and employment entitlements."<sup>54</sup> The southern states of the U.S., for instance, have a long history of agricultural coops that have built economic and social self-determination for African American communities. At times, though, co-ops have reinforced hierarchies of

race and gender, reproducing rather than challenging the practices of the broader society. Juliet Schor says that

*If you are interested in social justice, then you should know that in non-profit spaces, there are high levels of race, class, and gender exclusion. People act in ways that reinforce their own class position or their own racial position. These spaces are often more problematic from the perspective of race, class, and gender than many for-profits. So if you want to build a platform that attracts people across class, race, and gender, you need to start with the group of people that you want to attract to your platform.<sup>55</sup>*

Skeptics bemoan the fact that credit unions haven't really transformed the economy as a whole and that worker owned cooperatives have not become the beachheads of socialism that they were promised to be. But then there is the indisputable long-term benefit for the workers in those enterprises; and, doesn't that count for anything? Here, workers control their own work in a fashion that contributes to their own wellbeing. Cooperatives, however small, can function as ethical, self-managed counterparts that provide a model for businesses that don't have to rely on the exploitation of their workers. Cooperatives can bring creativity not only to the consumption of products but also to the reorganization of work.

There have been frequent references recently to Hannah Arendt who observed that a stray dog has a better chance of survival when it is given a name. So, welcome to platform cooperativism.

*Together we will grow old  
we will hold  
each other close and we will hold each other closer  
We will hold each other  
as the country changes;  
we will hold each other  
as the world changes.*

Anonymous<sup>56</sup>

<sup>53</sup> Ibid.

<sup>54</sup> [vimeo.com/149516216](https://vimeo.com/149516216).

<sup>55</sup> [vimeo.com/149540417](https://vimeo.com/149540417)

<sup>56</sup> John Curl and Ishmael Reed, *For All the People: Uncover-*

The concept of platform cooperativism has three parts:

- ⇒ First, it is about cloning the technological heart of Uber, Task Rabbit, Airbnb, or UpWork. It embraces the technology but wants to put it to work with a different ownership model, adhering to democratic values, so as to crack the broken system of the sharing economy/on-demand economy that only benefits the few. It is in this sense that platform cooperativism is about structural change, a change of ownership.
- ⇒ Second, platform cooperativism is about solidarity, which is sorely missing in this economy driven by a distributed, and sometimes anonymous workforce. Platforms can be owned and operated by inventive unions, cities, and various other forms of cooperatives, everything from multi-stakeholder and worker-owned co-ops to producer-owned platform cooperatives.
- ⇒ And third, platform cooperativism is built on the reframing of concepts like innovation and efficiency with an eye on benefiting all, not just sucking up profits for the few. I am proposing ten principles of platform cooperativism that are sensible to the critical problems facing the digital economy right now. Platform capitalism is amazingly ineffective in watching out for people.

The concept of platform cooperativism or at least part of it, hit the wall. People understand

the cooperative bit but the “platform” part remained mysterious. What do you call the places where you hang out and generate value after you switch on your phone? A platform, in the context of this study, is a term used to describe an environment in which extractive or cooperative intermediaries offer their services or content.

Right from the onset, when explaining the concept of platform cooperativism, let me clarify that this is not about a technological *aurora borealis*; platform cooperativism is not about the Western infatuation with advancements in technology; it is a mindset. Evgeny Morozov and Siva Vaidhyanathan are absolutely right in their stance against “technological solutionism” and Internet centrism.

Platform cooperativism is a term that describes technological, cultural, political, and social changes. Platform Cooperativism is a rectangle of hope. It’s not a concrete utopia; it is an emerging economy. Some of the models that I will describe now, already exist for two or three years while others are still imaginary apps. Some are prototypes, other are experiments; all of them introduce alternative sets of values.

Next, I will introduce you to various types of and principles for platform cooperatives. This will be followed by reflections about the cooperative ecosystem, objections, and challenges.

## **Toward a Typology of Platform Co-ops**

Early examples of platform cooperatives already exist but they are merely emerging.

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*ing the Hidden History of Cooperation, Cooperative Movements, and Communalism in America*, Oakland, CA: PM Press, 2012, 378.

Naming them here inevitably excludes other important projects. Not introducing concrete instances would leave us open to the suggestion that platform cooperativism is nothing but a pie in the sky.

## Cooperatively Owned Online Labor Brokerages and Market Places

Quite likely, you're familiar with the model of the online labor brokerage. Just think of companies like TaskRabbit where you can schedule someone to assemble your IKEA furniture in twenty minutes. The app on your smartphone serves as an intermediary between you and the worker. With each transaction, TaskRabbit gets a cut of 20-30%.

The "sharing economy" lawyer and cartoonist Janelle Orsi notices a decisive uptick in the interest in cooperatives. She reports that dozens of tech startups and traditional businesses like florists or landscapers have reached out to her Sustainable Economies Law Center<sup>57</sup> because they are interested in "crowd leaping," the migration of their business to the co-op model.

In San Francisco, Loconomics<sup>58</sup> is a freelancer-owned cooperative (in beta) where members-freelancers own shares, receive dividends, and have a voice in running the company. There is no bidding and no markup. Loconomics offers massages and other services that are locally in demand. Membership in Loconomics costs \$29.95 per month. The founders are testing the app in the SF/Bay Area in January and February and will start to allow users from other cities as early as March 2016.

Ali Alkhatib, a Stanford PhD student in Computer Science, worked with Microsoft FUSE Labs on designing a "generalizable, worker-centric peer economy platform" that allows workers to own, operate, and control the software.<sup>59</sup> The project is still in its earliest stage.

In Germany, Fairmondo, started as a decentralized online marketplace owned by its users—a

co-operative alternative to Amazon and ebay. With its 2000 members, it aspires to eventually become a genuine alternative to the big players in e-commerce while at the same time staying true to its values. The site also promotes a smaller number of fair trade and ethically sourced companies. In the process of transferring their model from Germany to other countries, they are aiming for a decentralized global online marketplace that is collectively owned by all local co-ops.

Coopify<sup>60</sup> is a student-built cash-pay labor platform that will soon serve low-income on-demand task workers. It was created by CornellTech's MBA program, financed by the Robinhood Foundation (NYC). Workers using Coopify will be comprised of low-income New Yorkers who are under- or unemployed and who do not have sufficient credit rating or documentation that would allow them to participate in the existing online markets. The platform, which has its own referral system and multilingual support, will offer workers also support with taxes and allow them to be paid in cash. The Center for Family Life (CFL) in Sunset Park, NYC, is a social support agency that is currently testing out Coopify. CFL has been incubating worker cooperatives as a way to provide living wages and dignified working conditions to low-income immigrants since 2006. The center supports 9 coops, 1 coop network, and a total of 180 worker-owners—mostly Latina women. Coopify will help these 9 co-ops to better compete with the likes of Handy and Amazon Flex.

## City-Owned Platform Cooperatives

After talking about cultural producers, now let me make a big leap and discuss public ownership, which has an image problem in the United States. The political economist and founder of democracy collaborative, Gar Alperovitz, writes

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57 [www.theselc.org](http://www.theselc.org).

58 [loconomics.com](http://loconomics.com).

59 [ali-alkhatib.com/media/presentations/PlatformCooperativism.pdf](http://ali-alkhatib.com/media/presentations/PlatformCooperativism.pdf).

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60 [seed.coop/p/V1RtF0JQe/more?wrap=true](http://seed.coop/p/V1RtF0JQe/more?wrap=true).

that there are more than 2000 publicly owned electric utilities that, along with cooperatives, supply more than 25% of the country's electricity.<sup>61</sup> Alperovitz points to the long history of cities like Dallas owning various hotels and municipalities all over the United States owning hospitals, and apparently, contrary to public opinion, this model has been working rather well.

Janelle Orsi has detailed ideas about ownership and the Internet. Corresponding to my proposal to clone and reconstruct sharing economy technologies with democratic values in mind, Orsi suggests a city-designed software/enterprise, similar to Airbnb that could serve as online marketplace owned and democratically controlled by the people who rent space to travelers. One such project is already under way in Seoul (South Korea), which is proposing to create a Cities Alliance for Platform Economy (CAPE) for the purpose of getting cities organized around such platform idea. It is called Munibnb and could be created as a collaboration between a large number of cities that would pool their resources to create a software platform for short term rentals. These cities then, could mandate that short-term rentals in their municipalities have to go through this portal. Fees could largely stay with the hosts or partly go to the city government, which could then use it to service the elderly or fix the streets, for instance. Orsi asks:

*Why should millions of traveler dollars leak from our cities into the hands of wealthy corporate shareholders especially if it wouldn't be all that hard to run these operations through something like Munibnb.<sup>62</sup>*

Another app, suggested by Orsi, is called Allbnb and it would entail residents to be paid a dividend from the profits of such rental platform, comparable to the Alaska Permanent Fund, which pays residents of the state a few

thousand dollars every year, a percentage of the profits that Alaska makes from selling oil. These three apps seem ultimately feasible to implement; they would allow cities to not only play a role in the regulation of the on-demand economy; they could be actively shaping it.

## Producer-owned Platforms

I am using the term *producer*, which is not a typo but a portmanteau of user and producer.<sup>63</sup> Producer-owned platforms are a response to monopolistic platforms like Facebook and Google that are luring users with the promise of the "free service" while monetizing their content and data.

What if we'd own our own version of Facebook, Spotify, or Netflix? What if the photographers at Shutterstock.com would own the platform where their photos are being sold?

Sites like Member's Media, Stocksy, and Resonate are a step in the direction of answering this question. They offer producers the opportunity to co-own the site through which they are distributing their artwork. Producer-owned platforms allow artists to build careers by co-owning the platforms through which they are selling their work.

The Berlin-based Resonate,<sup>64</sup> is a cooperative streaming music system owned by the people who use it. In Resonate, users stream a song until they own it. The first time they play a song, it costs 0.002 cents, the second time 0.004 cents, and by the 4th or 5th play, they connect with it; and eventually they will own it.

Stocksy<sup>65</sup> is an artist-owned cooperative for stock-photography. The co-op is based on the

61 "Socialism, American-Style," *The New York Times*, accessed July 26, 2015.

62 Nathan Schneider, "5 Ways to Take Back Tech," *The Nation*, May 27, 2015.

63 The term *producership* was developed by Axel Bruns in Nathan Schneider, "Owning Is the New Sharing," *Shareable*, accessed December 2, 2014, [www.shareable.net](http://www.shareable.net).

64 [resonate.io/2016/](http://resonate.io/2016/).

65 [www.stocksy.com](http://www.stocksy.com).

idea of profit sharing and co-ownership with the artists who are contributing photos to the site. Artists can apply to become members and when accepted license images and receive 50% commission on sales as well as profit sharing at the end of the year. The objective of the cooperative is to create sustainable careers for its members. By 2014, their revenues had reached \$3.7 million dollars, and since their founding they've paid out several million dollars in surplus to their artists.

Member's Media<sup>66</sup> is a cooperatively owned media platform that is dedicated to producers and fans of independent, narrative film. The people using and producing for this site—the producers—own the majority of the platform along with the original founders and investors.

## Union-Backed Labor Platforms

There are several examples from Denver to Newark where cabbies and unions started to work together, build apps, and organize the taxi sector. And if companies are smart, they'd welcome the unions because studies show that unionized workers have a better retention rate and at least the same productivity.<sup>67</sup>

In Newark, New Jersey, Trans Union Car service started as a non-for-profit taxi service with drivers being part of the United Transportation Alliance of New Jersey and affiliates of the CWA local 1039. Drivers benefit from the union's many protections such as credit union, immigration support healthcare, as well as pension benefits. The company is planning to expand to Atlantic City, Elizabeth (New Jersey), and Hoboken.

Already in 2007, taxi drivers joined the Communications Workers of America local 7777 and two years later, they managed to kick off Union

taxi, the first driver-owned cooperative in Denver. They are also getting support from the organization 1worker1vote.org that supports unionized cooperatives by helping them figure out how to negotiate wages, benefit plans, and training programs. The upfront capital costs, often a big challenge for cooperatives, are less of an issue here because drivers already own the equipment.

The California App-Based Drivers Association<sup>68</sup> as a not-for-profit membership organization that unifies drivers from Uber, Lyft, and Sidecar and other apps-based companies. CADA's drivers are not employees and therefore they cannot become full members of the union. However, the Teamsters Local 986 in California, can lobby for drive-friendly regulation. They make sure that drivers are working for companies like Lyft and Uber are speaking with a unified voice.

## Co-operatives from Within

Another alluring if imaginary proposal is the idea of worker cooperatives forming inside the belly of the sharing economy. Uber drivers could use the technical infrastructure of the company to run their own enterprises. Such hostile takeover by workers could be imaginable as a result of an anti-trust lawsuit comparable to the one brought forward against Microsoft after its launch of Internet Explorer.

## The Platform as Protocol

Perhaps then, the future work will not be dictated by centralized platforms, even if they are operated by co-ops. Perhaps, it will be peer-to-peer interactions facilitated by protocols that enable peer-to-peer interactions. In Israel, for example, La'Zooz<sup>69</sup> is a distributed peer-

66 membersmedia.net

67 Jack Triplett, *The Measurement of Labor Cost*, University Of Chicago Press, 1983, 101. And for a more recent discussion by the Economist: [www.economist.com](http://www.economist.com).

68 [cadateamsters.org](http://cadateamsters.org).

69 [lazooz.org](http://lazooz.org).

to-peer ride rental network. Where Members Media wanted you to think of them as Netflix for filmmakers and fans, owned by those producers, La’Zooz could be likened to the Bittorrent of ride sharing. Anyone driving around a city can earn crypto tokens by taking in fellow travelers. In difference to the system previously described, this one is entirely peer-to-peer, there is no central point, no HQ.<sup>70</sup>

## 10 Principles for Platform Cooperativism

A technical discussion of values, rules, and guidelines for platform co-ops, no doubt, is for the already committed. First, of course, must be the creation of a longing for cooperative solutions. Astra Taylor holds up the wisdom of Elaine Browne, former leader of the Black Panther Party: “You never organize or mobilize around abstract principles.”<sup>71</sup> On the other hand, once committed, principles and values associated with platform cooperativism become essential.

Juliet Schor conducted two hundred interviews with workers in the sharing economy. Her suggestion is:

*Make sure that you get the value proposition right. What you are offering needs to be of economic value to the people that you want to attract. In the non-profit space this is often missing. The for-profit space is getting that right more often.*

Beyond Schor’s points, influenced by the thinking of the German service worker union *ver.di*,<sup>72</sup> I’m proposing the following principles for platform co-ops:

<sup>70</sup> Also in Israel but not a platform co-op, Google has released the Waze app, which links up passengers who want to get to their workplaces with drivers who have to make a similar trip. Drivers get paid depending on the distance they drove but the system is set up in the way that drivers cannot turn this into a business.

<sup>71</sup> [livestream.com/internetsociety/platformcoop/videos/104571608](https://www.livestream.com/internetsociety/platformcoop/videos/104571608).

<sup>72</sup> “Ver.di, Innovation Und Gute Arbeit - Digitale Arbeit.”

*1) Ownership:* One of the main narratives of what used to be called the sharing economy was about the rejection of ownership. Millennials, we were told, are not interested in physical possessions; they just want access to “stuff.” They don’t download their music; they stream it. They don’t buy a car; they are fans of ride sharing. Our narrative, in contrast, is about a people-centered Internet.

The Internet was designed as a military scientific network in 1969. But from 1990 up to 1994, the National Science Foundation planned to pass the network to private companies who would now own the cables and routers. In 1995, the publicly funded Internet infrastructure, NSFNET, was officially handed over to the private sector. Since then, the Internet has brought us much in almost every area but it has left the question of shared ownership untouched.

This is not about cute kittens on Reddit; this is about an Internet of ownership. Collectively owned platform cooperatives, owned by the people who generate most of the value on those platforms, could reinvigorate this early, public-minded history without. Platform cooperativism can change the ways average people think about their relation to the Internet.

*2) Decent Pay and Income Security:* In 2015, crowdsourcing systems like Amazon Mechanical Turk novice workers—who are well educated—are paid between two and three dollars an hour, which is a disgrace in a country as rich as the United States. Just like domestic workers were tugged away in people’s houses, digital workers remain invisible, tugged away in between algorithms. The Domestic Workers Alliance pushed back. At the White House Worker’s Voice event they introduced Good Work Code with the simple demand: “Everyone needs fair pay and benefits to make a living.”<sup>73</sup>

<sup>73</sup> [goodworkcode.org](https://goodworkcode.org).

3) *Transparency & Data Portability:* Transparency isn't only about operational transparency. The cooperatively owned online marketplace Fairmondo, for instance, emphasizes that it makes the entire budget of the co-op publicly available. But transparency is also about the handling of data, especially the data on customers. It should be transparent which data are harvested, how they are collected, how they are used, and to whom they are sold.

4) *Appreciation and Acknowledgement:* A good working atmosphere should be part of this discussion. Workers deserve the acknowledgement and appreciation of owners and operators. The ability of workers to communicate with platform operators or owners is central in this context. When workers are paid late, not compensated in time,<sup>74</sup> or fired, they must have the enforceable right to get an explanation.

5) *Co-determined Work:* Labor platforms should involve workers from the moment of the programming of the platform and along their usage of it. This way, too, operators will learn much more about the workflow of workers. As Juliet Schor said, "Start with the people what you want to end up with." From day 1, involve the people whom you want to populate your platform.

6) *A Protective Legal Framework:* Platform co-ops require legal help because they are deemed unusual. Your help is also necessary when it comes to defending cooperatives against adverse legal actions. The triumph of the shareholder enterprise has been achieved through their control of the political, legal, and economical system. US laws subsidize corporations over the well-being of all people. For example, co-ops may need amenable local regulation to maintain a level playing field—but federal regulators may try to preempt that. Entrenched

<sup>74</sup> Over 70% of freelancers in the United States report that they are frequently paid late.

incumbents may try to keep their workers from "multi-homing" on platform co-ops. Lawyers can challenge those, or lobby for state law to make them illegal. Finally, as Frank Pasquale has observed, there is the bizarre inconsistency in US antitrust law based on the difference between monopolies and co-ops.<sup>75</sup> While monopolies can get a free pass in the U.S. if they arise "naturally" (whatever that means), a federation of co-ops trying to take on a dominant incumbent firm might be liable under antitrust law if it tries to set prices or even set standards of conduct. While the United States is quite accepting of monopolies if they are vaguely playing by the rules, it is quite unaccepting when it comes to cartels. The powers of the government promote the system of corporate rule and the marginalization of the middle classes.

7) *Portable Worker Protections and Benefits:* Both contingent as well as traditional economy workers should be able to take benefits and protections with them in and out of changing work scenarios. Social protections should not be tied to one particular workplace. The French government is testing this idea and in the United States, Steven Hill, a San Francisco-based author, is one of the people who made this proposal in his latest book *Raw Deal: How the 'Uber Economy' and Runaway Capitalism Are Screwing American Workers*. Each worker would be assigned an Individual Security Account into which every business that hires that worker would pay a small "safety net fee" prorated to the number of hours a worker is employed by that business. Those funds would be used to pay for each worker's safety net, steering the funds into already established infrastructure such as Social Security, Medicare, injured worker and unemployment compensation funds, and health care via Obamacare. In addition, this plan would provide a minimum of 5

<sup>75</sup> Frank Pasquale at "Making It Work - Platform Coop 2015: Platform Cooperativism Conference," *Internet Archive*, November 2015, [archive.org](http://archive.org). Also see: Ramsi Woodcock, "Inconsistency in Antitrust," *SSRN*, December 3, 2013.

days each of paid sick leave and paid vacation for every worker.<sup>76</sup>

An important consequence of this proposal is that, by putting nearly all workers on a similar footing, we would greatly reduce the incentives for employers to resort to contingent workers as a way of avoiding paying for benefits and worker supports. These changes can be implemented at the local or state level, Americans don't have to wait for a dysfunctional Congress to move forward. Much will depend on the "small print" of such program, which could as easily just become a cover-up for more deregulation.

*8) Protection Against Arbitrary Behavior:* Uber is known for its arbitrary disciplining and firing practices. Without a warning, drivers maybe left without an income.<sup>77</sup> Reasons for the firing of drivers are often unclear as the company refuses to respond to the enquiries of drivers demanding an explanation, a problem that is also facing workers at others platforms.<sup>78</sup> On Lyft, drivers that don't get 5 stars can get kicked off the platform. Consumers take on managerial powers over workers' lives, which comes with an enormous responsibility.

And if this was not enough, Uber's reputation system also faults drivers for fat-fingered passengers who simply hit the wrong button when evaluating a driver, thereby putting the driver's livelihood at jeopardy.

Uber's worker reputation system is hosted in the "cloud," on the centralized, private servers of the company. Just like with other upstarts in the sharing economy, this makes it impossible

for workers to capitalize on their reputation. When they are moving to another platform, they are starting from scratch. Consequently, it is essential that workers establish their own, decentralized reputation and identity systems. Projects like Traity<sup>79</sup> and Crypto Swartz<sup>80</sup> are working in that direction.

*9) Rejection of Excessive Workplace Surveillance:* Excessive workplace surveillance along the line of oDesk's (now Upwork's) worker diaries<sup>81</sup> or the constant reviews on TaskRabbit need to be rejected.

Where is the dignity of work is in such systems? How would you like to get up every morning, only to compete for the job that you have to do that day? How would you like to be evaluated every four hours by people you don't know at all? Such surveillance practices leave workers without much dignity.

*10) The Right to Log Off:* Workers also need to have the right to log off. Decent digital work is to have clear boundaries, platform cooperatives need to leave time for relaxation, lifelong learning and voluntary political work.

It is important to articulate such a vision, guided by such lofty principles. It will take us a very long time to get closer to this vision, which needs to be articulated. Our inability to imagine a different life, however, would be capital's ultimate triumph.

It will not come as a surprise when I say that platform cooperativism is also faced with enormous challenges, from the self-organization and management of workers, to technology, UX

76 Currently 60 million private sector workers in the US do not have access to paid sick leave.

77 Ellen Huet, "How Uber's Shady Firing Policy Could Backfire On The Company," *Forbes*, accessed December 4, 2015.

78 For a discussion of the situation of Amazon Mechanical Turk's workers, see Lilly Irany, "Difference and Dependence among Digital Workers: The Case of Amazon Mechanical Turk," *The South Atlantic Quarterly*, January 2015.

79 traity.com.

80 Galt. J. "Crypto Swartz Will Get You Paid for Your Great Content." *The CoinFront*, June 23, 2014. [www.disruptek.info](http://www.disruptek.info).

81 ODesk's (now UpWork's) "worker diaries" document the work flow of workers. This includes repeated photographs of the workers with the camera built into the computer of the worker and screenshots to measure the progress of the work.

design, education, long-term funding, scaling, wage scales, competition with multinational corporate giants, and public awareness. Other challenges include the screening of core members of a co-op, insurance, competition with multinational corporate giants, and importantly, public awareness. Thinking through obstacles clearly matters. Naivety and enthusiastic arm waving are not enough. Jodi Dean has a point when she poses that “Goldman Sachs does not care if you raise chickens.” But corporate owners will become interested if they get wind of the growth of chicken cooperatives, powered by online market places, all across North America. To make good digital labor a reality, like-minded people will organize and fight for democratic ownership and rights.

Another challenge is that of worker mobilization: so-called 1099 workers don’t meet their

colleagues for lunch break, they don’t get to get hang out in union halls. Instead they are, for the most parts, isolated from each other. “If these people have to gain ownership and decision-making power, enhancement of their social networks must be part of the project,” economist Paola Tubaro emphasizes in response to the idea of platform cooperativism.<sup>82</sup> There have been some attempts to create new forms of worker solidarity, including a design intervention like Turkopticon,<sup>83</sup> an employer reputation systems used by workers on the Amazon Mechanical Turk platform. Also consider Dynamo, a petition based Turker community.<sup>84</sup> But all of this has little to do with traditional worker organization and it also doesn’t make the task of organizing platform cooperatives much easier. The challenge remains: how do you organize distributed workers in the first place?

## The Cooperative Eco System

Platform co-ops are not islands, entire of themselves. Every co-op is part of an eco system. Neal Gorenflo writes:

*Part of the magic of tech startups is that there’s a well-understood organizational structure, financing method, and developmental path for entrepreneurs to use. In other words, there’s a template. Platform co-ops need templates too, but the ones that support a diversity of organizational patterns. What’s needed is a small number of incubators in different global cities working together to give birth to the first wave of platform co-ops. The trick is to get the first few platform co-ops off the ground, and then develop a global ecosystem that*

*encourages replication of working models across industry verticals and geographies.*<sup>85</sup>

Platform co-ops depend on other cooperatives, funding schemes, software engineers, lawyers, workers, and designers. Alliances between co-ops are essential. They need to be based on standards, a commitment to the open commons, shared strategies, goals, and values: A shift of mentality from Ayn Rand to Robert Owen, supported by a political platform.

**Financing:** Platform cooperatives and co-ops in general are calling for a different funding scheme than traditional enterprises. Many of the traditional avenues for funding are not

82 Tubaro, “Discussing Platform Cooperativism,” Data Big and Small, accessed December 9, 2015, databigand-small.com.

83 Turkopticon is a web-browser extension that allows otherwise largely unconnected workers to jointly evaluate signors on Amazon Mechanical Turk, turkopticon.ucsd.edu.

84 wiki.wearedynamo.org.

85 “How Platform co-ops Can Beat Death Star Platforms to Create a Real Sharing Economy,” *Shareable*, accessed November 4, 2015, www.shareable.net.

available to platform co-ops and regulators eagerly guard against experiments. What are financing options that broaden the financial power of the many?

On the one hand, the upfront capital costs that often present the biggest challenge for co-operatives are not the biggest obstacle in this case. At least when you think of transportation, the drivers already own their major assets. In Spain, Mondragon, the world's largest industrial cooperative in the world, is functioning like a development bank. In Germany, banks also play an important role in the development also of small business, which makes up a large part of that country's economy.

Projects like Seed.coop are helping co-ops to get off the ground.<sup>86</sup> Crowdfunding drives can be successful. The Spanish crowdfunding site GOTEQ is worth highlighting here because it only allows projects to seek funding that follow a commons-oriented set of values.<sup>87</sup>

In his article, "Owning is the New Sharing,"<sup>88</sup> Nathan Schneider reported about the world's first experiment in "crypto equity," called Swarm.<sup>89</sup> Swarm is a crowdfunding site, the Kickstarter of blockchain if you will, that relies on a "swarm" of small investors rather than big venture capitalists. The site runs on a crypto currency, not dollars, but as part of its first drive, it raised more than one million dollars.

But regulators don't make things easier. In 2011, Brewster Kahle's, founder of archive.org, attempted to start a credit union but was faced with a barrage of regulatory audits and the bureaucracy eventually led him to give up.<sup>90</sup> Sili-

con Valley, which is built on speculation, short-term returns, and jumping ship through initial public offerings, is not the right funding model for cooperatives, which grow slowly and are designed for sustainability.

The philanthropy platform External Revenue Service aims to help non-profits so that they are not spending all of their time on begging for money. With External Revenue Service, users pledge a particular amount per month, which is then divided up among their favored organizations.<sup>91</sup> Max Dana of External Revenue Service writes:

*In order to receive pledges from others, a person must first make a pledge of their own annual income and allocate it to at least one other person. [...] The external revenue service is not owned by anyone. It is a distributed network of contributors and users invested in the maintenance and development of the system.<sup>92</sup>*

In the United Kingdom, Robin Hood Minor Asset Management is a co-op hedge fund that acts conservatively in the stock market, it simply operates a data mining algorithm that mimics the moves of Wall Street's top investors to invest the profits into co-ops, for example. They ask "What if capital was P2P?"<sup>93</sup>

In the United States, Slow Money stands out as a national nonprofit organization that catalyzes investment in sustainable food and farms in particular. FairShares supports farming coops and The Workers Lab is the nation's first union-backed innovation accelerator. Institutional investor Kanyi Maqubela states that the most important thing for the cooperative movement is scalability. At Collaborative Fund, Maqubela is trying to help platforms co-ops to create scale by providing them with enough liquidity so that they can attract large pools of capital. "We need all hands on deck, including

<sup>86</sup> seed.coop.

<sup>87</sup> goteo.org.

<sup>88</sup> "How Platform co-ops Can Beat Death Star Platforms to Create a Real Sharing Economy," *Shareable*, accessed November 4, 2015, www.shareable.net.

<sup>89</sup> Swarm.co.

<sup>90</sup> Nathaniel Popper, "Dream of New Kind of Credit Union Is Extinguished by Bureaucracy," *The New York Times*. November 24, 2015.

<sup>91</sup> slack.externalrevenue.us.

<sup>92</sup> The quote originates from Max Dana's talk at Platform Cooperativism in November 2015.

<sup>93</sup> robinhoodcoop.org.

investors to create a more cooperative world," Maqubela said.<sup>94</sup>

*Platform Cooperativism for the Commons:* The Internet has been associated with the commons and non-market exchanges since Richard Barbrook's *Hi-Tech Gift Economy*, Yochai Benkler's *Wealth of Networks*, David Bollier's *Spiral Viral*, Dmytri Kleiner's "Venture Communism,"<sup>95</sup> as well as Michel Bauwens' work with the P2P Foundation. Over ten years ago, Dmytri Kleiner coined the term venture communism to describe the possibility of federated cooperatives to create communication platforms that can overcome some of the centralized, capitalist, very controlled and privacy-violating platforms that have emerged recently. He calls on us to investigate how the Internet, which was started out as a decentralized and cooperative network became centralized and corporate.<sup>96</sup>

Platform co-ops build on the commons; they rely on open design, and open source hardware licenses for 3D printing; they facilitate the cooperative eco system. Michel Bauwens is currently working on the commons-based reciprocity license,<sup>97</sup> which would for instance allow cooperatives to share pieces of code in the commons. Cooperatives could freely use the code while others would have to pay.

*Free Software for Platform Co-ops:* The backend of platform co-ops needs to be free software. Not only must the code be accessible to the workers so that they can understand the parameters and patterns that govern their working environment, the software also needs to be developed in consultation with the workers from day one.

In the transportation sector, for example, we're talking about at least four apps. There's

one app for the passenger and one for the driver, and these have to be programmed for Android and the iPhone; and those would have to be constantly kept updated and usable as operating systems and phones are frequently changing. This also means that funding for the developers needs to be ongoing. Platform cooperatives cannot be built based on one-time-crowd funded initiatives.

Free software developers could publish core protocols and then allow various independent open-source projects to build their own different backend and front end components. This would accommodate the various service sectors—from crowdsourcing, undocumented migrants, and domestic cleaners, to babysitters.

*Blockchain Technology as Algorithmic Regulator?* As co-ops start to take part in online labor markets, they become more distributed, more international. The trust among members that existed in local organizations, is no longer a given. Blockchain technology is one way to address the problem of trust.

Blockchain is the protocol underlying the virtual currency Bitcoin. But the most relevant developments for platform co-ops are not solely about Bitcoin itself; "blockchain" has applications well beyond cash and currency. "The blockchain is a distributed dredger that runs under the Bitcoin currency," Irish researcher Rachel O'Dwyer explains. Blockchain technology can constitute a public database that can then be used for all kinds of transactions that require trust. Governments, for instance, experiment with blockchain technology for voting applications. The Honduran Property Institute has asked Factom, an American startup, to provide a prototype of a blockchain-based land registry, for example.<sup>98</sup>

94 [vimeo.com/149532379](https://vimeo.com/149532379).

95 "Venture Communism," *P2P Foundation*, accessed December 11, 2015, [p2pfoundation.net](http://p2pfoundation.net).

96 [vimeo.com/149381439](https://vimeo.com/149381439).

97 "Commons-Based Reciprocity Licenses," *P2P Foundation*, accessed November 8, 2015, [p2pfoundation.net](http://p2pfoundation.net).

98 "The Great Chain of Being Sure about Things," *The Economist*, October 31, 2015, [www.economist.com](http://www.economist.com).; Also see Rachel O'Dwyer's talk at the Platform Cooperativism event: [livestream.com](http://livestream.com).

O'Dwyer cautions that while there is lots of positive potential, currently most of the applications of blockchain technology are closer to venture capitalism than venture communism: Think better sharing between private banks and "improved" forms of digital rights management.

But this technology also allows for middle-man-free peer-to-peer marketplaces. Imagine "decentralized autonomous organizations" and virtual companies that are basically just sets of rules for transactions executed between peers.<sup>99</sup> Sure, who do you turn to if something goes wrong? Blockchain-based programming is also used as "consensus mechanism" for platforms/tools that facilitate democratic decision-making in cooperatives. Here, bylaws, membership, shares, and voting records could be irrevocably stored.

On the other hand, "blockchain technology is based on the idea of delegating trust away from centralized institutions like the state but also social institutions and putting that instead into a technical architecture. Some people call this *trust in the code* but this trust also presumes that we no longer have to trust in each other. Instead, you are asked to trust some kind of algorithm. Some have even called this a form of algorithmic regulation," O'Dwyer said.<sup>100</sup> There is also the concern that blockchain-enabled marketplaces could make it easier to avoid paying taxes, for instance.

*A Foundation Focused on the Creation of the WordPress of Platform Co-ops:* In our experience, working to connect people interested in cooperatives and the Internet, we noticed that developers across the country are working on similar projects.

Underfunded system designers on the West Coast would set up an online labor market while an East Coast project does something

similar but neither of them would consider joining forces.

My proposal is for various developers worldwide to work under the auspices of a platform co-op foundation that would be able to raise funds for the ongoing development of the kernel of such free software project. Contrary to Jeremy Rifkin's proposal of a marginal cost society it is still extremely expensive to program and constantly update an online labor market and such foundation could assist.

*Democratic Governance:* Cooperative structures call for collective decision-making, conflict resolution, consensus building, and the managing of shares and funds in a transparent manner. Then, there is also the overall management of workers. One of the central questions in this discussion is how its abuses of power can be kept to be. One of the essential questions is governance, basically. How could the platform govern itself in a distributed, truly democratic way? Convincing tools based on blockchain technology have emerged over the past few years. *Loomio, Backfeed, D-CENT, and Consensusys.*

Loomio, aka "the Facebook of the citizen web," is a worker-owned cooperative based in Wellington, New Zealand, and New York City<sup>101</sup> that produces open-source software, very much guided by the values of Occupy. It is a web app that features communication and polling tools that make it easier to facilitate democratic communities.<sup>102</sup> In Spain, 27,000 citizens joined Loomio to connect a nationwide grassroots network to the rapidly growing political party Podemos. Altogether, 100,000 people in 93 countries are using Loomio already.

Backfeed.cc is a distributed collaborative organization based on blockchain technology; it

<sup>99</sup> The non-for-profit Ethereum is helping such enterprises. [100vimeo.com/150040123](https://100vimeo.com/150040123).

<sup>101</sup> Wikimedia Foundation's head office moved off email into Loomio, enabling collaborative decisions with 180 staff.

<sup>102</sup> [loomio.org](https://loomio.org).

supports coordination within a self-organized network.<sup>103</sup>

D-CENT was born out of the recent activism work in Catalonia, Iceland, and Greece. They are creating a suite of tools to be used for rapidly implementing democracy, and other cooperative platforms. Their goal is to give political power to people who are able to propose policies, debate options, draft and scrutinize the proposal, vote, and make decisions.<sup>104</sup>

ConsenSys<sup>105</sup> is a venture production studio building decentralized applications and various developer and end-user tools for blockchain ecosystems, focusing primarily on Ethereum.

*Designing for Convenient Solidarity:* All too often, technologists belittle the importance of front-end design. This is unfortunate because on the level of user experience design, free software platforms have to rival the habit-creating seductiveness of the approaching Uber taxi on the screen of your phone. Or, at least, designers need to decide how much of a consumer-mentality they want to integrate. Cameron Tonkinwise, Director of Design Studies at Carnegie Mellon University, cautions that:

*A lot of these platforms enable interactions between people. Political decisions are being made at the level of software design, at the level of interface design, and the sorts of people who are making these decisions are designers and they are very ill-equipped about the political ramifications of what they are doing. Politics is now happening at the level of micro interactions and it's very important that designers are understanding the sociology and anthropology of what they doing.*<sup>106</sup>

What can design for platform co-ops do differently? Cameron Tonkinwise calls for a design

that facilitates “convenient solidarities,” a design that makes small acts of solidarity easier and more seamless.<sup>107</sup> He proposes, for example, that design should literally provoke solidarity with a worker. If I can see that worker A has three children, is more expensive than worker B, and that she is about to be terminated by Taskrabbit or Uber, I am faced with the decision whether or not I want to support her. While making solidarity a bit more convenient, such approach would also bring about obvious privacy issues.

Good design for platform cooperatives begins with the development of a relationship between the designers and their clients.

UX Design for platform co-ops presents a great opportunity. The interface of these platforms could instruct users about the fair labor standards of the co-op and contrast it to the lacking social protections in the sharing economy. In other words, such platforms could visualize the unfairness of the established on-demand economy.

I'm also suggesting the use of Mozilla's badge technology<sup>108</sup> to certify that the particular platform follows the principles that I outlined above. Not unlike the fair trade coffee, that for all its shortcomings, has captured a segment of the market, these badges could certify ethical labor practices behind the screen.

*Scale:* In order to build an economy that is socially fairer and ecologically sustainable cooperative have to move beyond the growth imperative. Cooperatives don't always have to scale up. Democratically controlled businesses such as worker cooperatives, could target smaller, local niche markets without having to focus on scaling up. Such efforts could start

103For a discussion of blockchain technology see: Nathan Schneider, Trebor Scholz “The Internet Needs a New Economy” *The Next System Project*, November 8, 2015, [www.thenextsystem.org](http://www.thenextsystem.org).

104dcentproject.eu.

105consensys.net.

106vimeo.com/149541466.

107Cameron Tonkinwise speaking at Platform Cooperativism: The Internet, Ownership, Democracy, [platform-coop.net](http://platform-coop.net).

108“Badges,” *MozillaWiki*, May 22, 2012, [wiki.mozilla.org](http://wiki.mozilla.org).

in cities like Paris, Berlin, Rio de Janeiro, and other municipalities that have banned Uber. If your priority is to take care of your workers, then scaling up is not an immediate imperative. In difference to countless startups, the goal isn't to jump ship by way of acquisition but it is to build lasting businesses over decades to come.

*Learning and Education:* One of the reasons that the Spanish Mondragon is so successful is that they have a cooperative University that directly feeds into their network of businesses. Various universities set up centers dedicated to the preparation of students for cooperative work: University of Wisconsin (1962), Kansas State (1984), UC Davis (1987), and North Dakota State (1994). In New York City, The Labor Studies Program at CUNY is offering a graduate course about worker cooperatives.<sup>109</sup> In Boston in 2016, MIT's Sasha Costanza-Chock

teaches a project-based co-design course with worker-owned cooperatives.<sup>110</sup> Teaching cooperative design and values is one approach, another would be to think up and build a college that is built on cooperative principles, a Black Mountain College 2.0.

How could alternative learning institutions better prepare youth for cooperative working and living today? Again, the work of Janelle Orsi is quite essential here. In her co-authored book, *The Sharing Solution*, Orsi demonstrates in a practical, hands-on manner, the various ways in which sharing can become part of our everyday life: everything from sharing housing, household goods, space, tasks, childcare, transportation, and even work. *The Sharing Solution* lays out the practical ground rules that could orient college students to a more cooperative approach to life. Read it; it is *The Whole Earth Catalog* of genuine sharing.

## For All People

*We must invent a new Web in the service of a viable macroeconomic model, rather than developing a completely ruinous economy of data.*<sup>111</sup>

Bernard Stiegler

Right now, platform capitalism is getting defined top-down by decisions being made in Silicon Valley, executed by black box algorithms. What we need is a new story about sharing, aggregation, openness, and cooperation; one that we can believe in.

The co-operative movement needs to come to terms with 21st century technologies. It'll take some work to make the notion of online cooperatives as American as apple pie. It'll also take

discussions in various national and local contexts, from Peru, Germany and Italy, to the UK, South Korea, and India.

The importance of platform cooperativism does not lie in "killing death star platforms."<sup>112</sup> It does not come from destroying dark overlords like Uber but from writing them over in people's minds, incorporating different ownership models, and then inserting them back into the mainstream. In the late 1960s, early 1970s, counter culturalists, formed utopian communities; they left cities to force their idea of the future into existence by living it in the mountains. Frequently, these experiments failed. Read in terms of an

109 [murphyinstituteblog.org](http://murphyinstituteblog.org).

110 [codesign.mit.edu](http://codesign.mit.edu).

111 "Stiegler on Daesh and 'The Age of Disruption,'" accessed November 29, 2015, [www.samkinsley.com](http://www.samkinsley.com).

112 "How Platform co-ops Can Beat Death Star Platforms to Create a Real Sharing Economy," *Shareable*.

integral part of culture, platform cooperativism can become an important actor in the economy.

To successfully develop platform cooperatives, it does take more than practical wisdom and giddy enthusiasm. An anti-theory stance, a rejection of critical self-reflection, will—as we saw with American counterculture—become an impediment. We need to study the failures and successes of the past. We need to identify the areas in which platform cooperatives are most likely to succeed. We need to spread an ideology of felt mutualism, communitarian ideals, and cooperation that make all of this possible. Platform cooperativism can invigorate a genuine sharing economy, the solidarity economy. It will not remedy the corrosive effects of capitalism but it can show that work can be dignifying rather than diminishing for the human experience.

Platform cooperativism is not about the next device or “platform”; it is about envisioning a

life that is not centered on the shareholder enterprise. Making change is not always a dinner party, or writing an essay, or convening a conference; it’s not so convenient: platform cooperativism is also about confrontation.

To strengthen and build out platform co-ops, it is essential for like-minded people to organize. Yochai Benkler encouraged this movement, “If you can imagine it, it can happen, if you do it in time and capture a market.”<sup>113</sup>

We cannot waste any more time. Politicians and platform owners have been promising social protections, access, and privacy, but we are demanding ownership. It’s time to realize that they will never deliver. They can’t. But we must. Through our collective effort we will build political power for a social movement that will bring these ideas into existence.

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<sup>113</sup>“Making It Work—Platform Coop 2015: Platform Cooperativism Conference.”

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