



Own This! A Portfolio of Platform Cooperativism

Trebor Scholz, August 2018

The Digital Economy is Not Working for Most People

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

- The model has resulted in a **broken social contract** between workers and businesses, exacerbating income inequality. Platforms like Airbnb and Uber focus on short-term returns and rapid growth to please investors, externalizing the risk of business to workers, while offering few essential benefits. Contract work and automation are replacing direct employment at every turn. Precariousness abounds.
- Platform capitalism **exacerbates existing social inequities** given that many gigs are performed by people who are invisible to customers. Persons of color, especially women of color, are seeing less pay, fewer benefits, and hardly any opportunity for meaningful on-the-job skills training. Many non-white and disabled platform users remain unprotected against discrimination, too.
- We now live in an era of **surveillance capitalism**. Despite the fortunes of Silicon Valley investors and developers, the users who give actual value to platforms through their data do not co-govern them. The narrative that these platforms have ushered in a new era of “sharing” only obfuscates the real revolution: the monetization and capitalization of nearly every dimension of our lives, from dating to dishwashing.

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

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

A Humane Alternative to the Winner-Takes-All Economy

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

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

Platform Co-ops Are Already Here

The platform co-op movement has gained momentum in numerous sectors and in numerous countries around the globe. The ecosystem, some 240 projects currently, reaches from Brazil to Switzerland, India to Canada, East Asia to Africa, and places in between.

Various types of platform co-ops are developing and pushing into new markets: producer platform co-ops like [Stocksy](#), and [Resonate](#); worker platform co-ops like Green Taxi, Co-Rise, and [Up&Go](#); data platform co-ops like [MIDATA](#), and [Social.coop](#); and mutual risk co-ops like [SMart](#) are proving the sustainability and resiliency of the new business model. New projects like [Fairbnb](#) and [CoopCycle](#) are striking out into unexplored sectors too, like short-term rental and food delivery.

Strengthening Platform Co-ops Through The Platform Co-op Development Kit (PCDK)

The [Platform Co-op Development Kit](#) is a [\\$1 million project](#) that seeks to harness the momentum of these platform co-ops and expand their success. Homed at The New School in New York City, and in conjunction with the Inclusive Design Research Centre at OCAD University in Toronto, the Kit will:

- Introduce a co-written narrative that demonstrates the promise of the platform co-op model and documents the actual experiences of co-op workers worldwide
- Create a Wikipedia-style knowledge commons on platform cooperativism
- Refine an interactive map of the 240+ businesses in the platform co-op ecosystem

- Co-design customizable, online applications, tools, and governance mechanisms, and provide legal resources to existing co-ops to help them launch or improve their platform operations

[Through this set of activities and resources](#), the Kit will strengthen the growing platform co-op movement by offering essential templates, tools, and consulting to other platform co-ops. Its success will demonstrate a compelling alternative to the otherwise extractive and on-demand nature of the present digital economy. By building shareable tools for cooperatives' services, the Kit develops a new cooperative infrastructure. This infrastructure will allow other platform co-ops to develop without first needing to reinvent the wheel. [Explore our plan to expand the Development Kit and learn how you can help.](#)