

# Digital democracy?

## Options for the International Cooperative Alliance to advance Platform Coops<sup>1</sup>

This paper aims to locate platform coops – or cooperative platforms - within the cooperative sector and the wider digital economy, and explore how the International Cooperative Alliance can define and support the development of the model.

The paper is written by Ed Mayo, Secretary General of Cooperatives UK and Vice President of Cooperatives Europe at the request of the ICA and has been developed with input from a small number of international experts and innovators in the field.

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<sup>1</sup> Please note that parts of this paper draw extensively both on work by key writers in the field and on research in 2018 / 2019 by Cooperatives UK with NESTA, the UK-based science and innovation foundation. This was published as [https://media.nesta.org.uk/documents/Nesta\\_Platform\\_Report\\_AW\\_v4\\_3.pdf](https://media.nesta.org.uk/documents/Nesta_Platform_Report_AW_v4_3.pdf)

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# Executive Summary

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As technology shapes and reshapes how people interact, it shapes and reshapes economic activity, including how people work and trade. In line with this, there is a growing trend of work that is funnelled through digital platforms owned by just a few large corporations. These platforms offer flexibility and independence, but they can also be viewed as exploitative – extracting the value of the connections made by the 99% for the 1% of outside investors.

The network effects of scale in a digital economy has led to the dominance of these Big Tech companies, which in turn has made it harder for people to envisage an alternative future to the current model. However, alternative futures do exist and for now, it is the cooperative alternative in the form of platform coops in particular that is attracting interest.

After considering different ways of characterising platform coops, a working definition of a platform coop is proposed in this paper of “*an enterprise that operates primarily through digital platforms for interaction or the exchange of goods and/or services and is structured in line with the International Cooperative Alliance Statement on the Cooperative Identity.*”

Key facts on the current state of play are that:

- A series of events since 2015 have helped to promote the idea of ‘platform cooperativism’.
- There are estimated to be around 250 initiatives worldwide exploring the scope for platform coops.
- A set of categories and resources for platform coops has been compiled under the theme of the Internet of Ownership.
- The New School in New York has launched a Platform Cooperative Consortium, with initial development support for new ventures in five countries.
- Cooperatives UK and Stir to Action ran the world’s first Accelerator for Platform Coops in 2018.

In terms of practice though, there are cautionary points to stress. Trading platform coops are few in number and limited in scale and it is not straightforward for any one example to be an exemplar for all. More significantly, there are significant obstacles to their development, including four key barriers:

1. **Governance:** Good governance in terms of design and practice is important to all cooperatives and there are likely to be distinctive challenges, opportunities and points of learning across platform coops in the absence of a geographically-rooted community.
2. **Technology:** Platform cooperatives may be limited in adopting the technologies that underpin Big Tech, for both practical and principled reasons. For existing coops, including some platform coops, the technology is not always released on an open source basis, limiting the potential for wider collaboration.
3. **Growth:** Platform cooperatives are unlikely to follow the established growth strategies of incumbents and so will find it difficult to build the natural “network effects” that fuel market penetration and consolidation.
4. **Capital:** Start-up costs may be small, but scaling up, both in terms of customer acquisition and in terms of spreading operations across legal and regulatory jurisdictions, is resource-

intensive. Platform cooperatives will struggle to access the capital they need to grow given the entrenched financing landscape in the start-up tech sector predicated on venture capital.

In November 2017, a resolution calling on cooperatives to explore the potential of platform coops was passed at the General Assembly of the International Cooperative Alliance in Malaysia. In line with this resolution, the paper identifies options around three levels of activity that the ICA can take as part of its future strategy, recognising that it is uniquely placed to engage the existing cooperative sector worldwide:

- The first level of activity is information sharing, to build awareness of platform coops across the existing cooperative sector worldwide.
- The second level is promotion, which involves the coordination of efforts to promote a) the services and membership uptake of platform coops where these operate across borders or b) national or regional programmes for the business development of platform coops.
- The third level is to network new and existing coops, including at a leadership level, in order to broker appropriate finance and business partnerships.

The third level will require the ICA to have a good understanding of the commercial conditions and business case around which a compelling case for engagement with platform coops can be made to a number of today's leading cooperatives.

The benefit of setting a priority around the theme of technology and platform coops in the forward strategy of the ICA is twofold. It is not just that it helps to promote specific examples of cooperative innovation relevant to a changing world of technology. In doing so it through its networks and members, the ICA also helps to upgrade the capability of all cooperatives to flourish in that new world.

# The Origins of Platform Cooperativism

The public concept of "platform cooperativism" is an idea whose launch can be pinpointed to a specific time and place. In 2015, over 1,000 activists, entrepreneurs, lawyers, union officials, financiers, and academics gathered at the [New School](#), New York to conceptualize a movement and begin to work out the key challenges of creating a democratic alternative to Big Tech and investor owned companies.



Of course, there were roots. [The event](#) was a continuation of conferences at the New School on labour and digital infrastructure that started in 2009. The concept of platform cooperativism was first framed in a post by Trebor Scholz in December 2014, read by 58,000 people.<sup>2</sup> This was extended into a longer version, with the Rosa Luxemburg Foundation.<sup>3</sup> In line with this, other commentators, such as Janelle Orsi of the Sustainable Economies Law Center were calling for a “*real sharing economy*” based on cooperative ownership.

And so platform cooperativism was born. Two of the people who were key to this and what followed were Trebor Scholz, who coined the term and developed its theoretical framework, and Nathan Schneider, who documented the practical examples that were starting to develop. In their words:

- As Trebor Scholz puts it: “platform cooperativism insists that we will 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 reinvigorating solidarity.”<sup>4</sup>

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<sup>2</sup> <https://medium.com/@trebors/platform-cooperativism-vs-the-sharing-economy-2ea737f1b5ad>

<sup>3</sup> <http://www.rosalux-nyc.org/platform-cooperativism-2/>

<sup>4</sup> Ehmsen, S. and Scharenberg, A. (Eds.) (2016) ‘Building a Digital Economy We Own’ in Scholz, T. ‘Platform Cooperativism: Challenging the Corporate Sharing Economy’, Rosa Luxemburg Foundation, available at: <[http://passthrough.fw-notify.net/download/098743/http://www.rosalux-nyc.org/wp-content/files\\_mf/scholz\\_platformcoop\\_5.9.2016.pdf](http://passthrough.fw-notify.net/download/098743/http://www.rosalux-nyc.org/wp-content/files_mf/scholz_platformcoop_5.9.2016.pdf)>

- As Nathan Schneider writes, the promise is that “platform coops are a new breed of tech startups using the equity and accountability of user ownership as an alternative to the business models of Silicon Valley”.<sup>5</sup>

A book by Trebor Scholz, Uberworked and Underpaid<sup>6</sup> was published by Polity in 2016, followed a year later by Ours to Hack and to Own, edited by Scholz and Schneider.<sup>7</sup>

The ideas took wings. While entrepreneurs such as Brianna Wettlaufer set about starting practical initiatives, others saw the ideas as compelling in their wider context. Taking up the concept, Michel Bauwens’ work as president of the P2P Foundation, for example draws on this perspective - identifying that the platform cooperativism movement is informed by wider transitional forces that are arising to challenge the current socio-technical paradigm that has taken hold in the Information Age. In particular, he points to the existence of a “*netarchical economy*” in which the economy is increasingly characterised by “*a new type of capitalists, which are not based on the accumulation of knowledge assets or vectors of information, but on the enablement and ‘exploitation’ of the networks of participatory culture.*”

One phrase that caught the mood was by Neal Gorenflo, co-founder of Shareable, drawing in part on conversations with the venture capitalist Lisa Gansky who was an early advocate of cooperative platforms. Gorenflo characterised Big Tech companies as “*death star platforms*”. He attributed their dominance to their ability deftly to “*exploit today’s growing economic insecurity and political vacuum. Their business model relies on precarious 1099 contractors. They mix technology, ideology, design, public relations, community organizing, and lobbying in a powerful new formulation that’s conquering cities and attracting users around the world. They wrap themselves in the cloak of technological progress, free market inevitability, and even common good.*”

The two concerns combined in a global grassroots campaign focused on Twitter launched by an article of Nathan Schneider and coordinated by Danny Spitzberg.<sup>8</sup> The Buy This Platform campaign attracted widespread attention, with over 100 media articles worldwide and endorsements from a wide range of groups, including the International Cooperative Alliance. The campaign call was for the Board of Twitter to consider the option of a conversion to user ownership. A survey initiated by Cooperatives UK in 2017 suggested that two million active British Twitter users would invest in Twitter if it became user owned (equivalent today to seventeen million potential user investors worldwide). A resolution submitted to the Twitter AGM in San Francisco in May 2017 attracted support from smaller shareholders, with 36 million votes in favour, 4.9% of the total – well over the target threshold of 3%, necessary to be able to resubmit the proposal in future years.

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<sup>5</sup> Schneider, N. (2018) ‘What if employees co-owned the business where they work?’ in The Guardian, available at: <<https://www.theguardian.com/commentisfree/2018/sep/29/what-employees-co-owned-businesses>>

<sup>6</sup> Scholz, T. (2016) *Uberworked and Underpaid: How Workers Are Disrupting the Digital Economy*. New York City: Polity

<sup>7</sup> Scholz, T., Schneider, N. eds. (2016) *Ours to Hack and to Own. The Rise of Platform Cooperativism, a New Vision for the Future of Work and a Fairer Internet*. New York City: OR Books

<sup>8</sup> See <https://www.theguardian.com/commentisfree/2016/sep/29/save-twitter-buy-platform-shared-ownership>

# Platform Coops and Emerging Practice

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The idea of ‘platform cooperativism’ has given rise to the promise and the practice of ‘platform coops’ (or ‘platform cooperatives’) - trading businesses that, like the established tech platforms, use digital channels to enable people to meet their needs or solve a problem by connecting individuals or assets, but with the difference that they operate a more equitable model, with democratic control and collective ownership.

The promise is that, as Howard Brodsky, Chairman and CEO of CCA Global Partners, Chairman of [Cooperatives for a Better World](#), puts it *“the platform coop model helps cooperatives to participate in the digital economy. Platform ownership, high quality services, and fair work are powerful points of differentiation that matter to customers and that are not available to any other type of business in the digital economy.”*<sup>9</sup> As Danny Spitzberg comments *“#platformcoop struck a chord by pointing out that users, workers, and owners have common ground ... or a platform ... to build on. It showed how to put people at the centre of business.”*

In terms of practice though, it is an important caveat that these platform coops are few in number and limited in scale. No one case acts as a template for all others. Even so, the last three years has seen positive signs of developmental activity with both the "demand" of entrepreneurial interest and the "supply" of support interventions. In particular:

- a series of events around the world, starting with follow-up events in New York (2015-2017) and then including but not limited to Paris, London, Tokyo, Hong Kong (with a ‘Coopathon’ included)<sup>10</sup>, Barcelona, Berlin and Helsinki, have drawn active participants from the worlds of technology, social change and cooperation.
- Key to these events has been the Platform Cooperativism Consortium, in which a number of national chapters participate.<sup>11</sup>
- A global programme has been funded, led by Trebor Scholz, which is working across a range of countries. Alongside this, Scholz has founded the [Institute for the Cooperative Digital Economy](#) at The New School, launched in 2019.
- Experimentation has begun on national support programmes to assist the development of platform coops.

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<sup>9</sup> See <https://ww2.newschool.edu/pressroom/pressreleases/2018/treborscholz.htm>

<sup>10</sup> See <https://www.thenews.coop/133605/sector/platform-coop-movement-gathers-hong-kong-global-conference/>

<sup>11</sup> See <https://platform.coop/>



### Resolution on Platform Coops

In November 2017, a resolution calling on cooperatives to explore the potential of platform coops was passed at the General Assembly of the International Cooperative Alliance in Malaysia. The resolution, which was passed unanimously, indicated that *“a new generation of businesses are emerging online, and we are concerned that the extraordinary potential for cooperative models rooted in participation and equality is not being realised because of a narrow focus in these markets on investor-led models of business. We applaud pioneers of democratic business in digital markets, including emerging models of platform cooperatives operating in line with core international values and principles. We encourage and welcome efforts by cooperatives actively to support the risk-taking of this new generation of cooperative entrepreneurs, through information sharing, promotion and appropriate finance and business partnerships.”*

### Global support

The New School event in New York has been repeated in subsequent years, with the contribution of figures such as Camille Kerr, for instance, was a co-organizer of the 2017 conference. That event also included Alicia Garza, co-founder of Black Lives Matter, demonstrating the connection to social movements that had always been part of this effort. Involved too and offering a critique of what was needed for change was the distinguished socio-economist Juliet Schor.

In May 2018, following a helpful endorsement by the International Cooperative Alliance and led by Trebor Scholz, a global programme of support for platform coops was launched, coordinated by the New School, working with the Inclusive Design Research Center at OCAD University, with initial funding from Google.org Foundation. At the heart of the programme, under the auspices of the Platform Coop Consortium, is the development of a kit to make it easier to start and run platform coops. In line with the concerns that gave birth to the concept, the focus is on work, dignity and opportunity for people who are vulnerable and disadvantaged in the economy. The initial pilots are:

- child care professionals in Illinois organized by the Service Workers Union;
- women in Ahmedabad, India who are members of SEWA, the Self-Employed Women’s Association, looking to develop home beauty services with online booking;
- trash pickers currently operating in Sao Paolo and Recife, Brazil;
- refugee women in Germany, looking to offer child care services and elder care;
- homecare workers in rural Australia.

Linked to this will be an interactive map of the platform coop landscape and key community-edited resources, including open source technology for sharing. Melina Morrison, CEO of the [Business Council of Cooperatives and Mutuals](#), Australia commented at the launch that *“cooperatively owned platforms are needed urgently to address the power imbalance between the people who do the work on platforms and the owners of the platforms.”*<sup>12</sup>

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<sup>12</sup> For more on the programme, included the graphic Platform Coop Development Kit reproduced here, from this, see <https://ww2.newschool.edu/pressroom/pressreleases/2018/treborscholz.htm> and <https://platform.coop/stories/the-platform-coop-development-kit>



## PLATFORM CO-OP DEVELOPMENT KIT

Integrating Cooperatives Into The Digital Economy Globally

**Platform Co-op Development Kit includes items such as:**

- 📍 Introduction of the platform co-op model in multiple languages
- 📍 Legal templates
- 📍 Analysis of the digital economy
- 📍 Cooperative data commons
- 📍 Customizable open-source labor platform
- 📍 Interactive map of the platform co-op ecosystem
- 📍 Governance tool
- 📍 Finance tool
- 📍 Platform Co-op case studies
- 📍 Wikipedia-style resource pool

To learn more and get involved with our work visit <http://platform.coop> or contact [info@platform.coop](mailto:info@platform.coop)

### National support programmes

A range of initiatives on platform coops have been emerged across different countries and this paper does not aim to be comprehensive in outlining these. Instead, it focuses on countries in which there is an active and structured programme in support of platform coops, alongside the global programme described above.

## USA

[Start.coop](#) is a ten week accelerator programme for cooperatives, including but not limited to platform coops, which opened to applications in 2018. Over 80 applications were received and assessed from across the world. Six were chosen as the first cohort, with a programme of support, including an initial grant of US\$10,000 for each participant, starting in January 2019: [RedHen Collective](#), [Savvy Coop](#), [Arizmendi Roots & Returns Cooperative](#), [Core Staffing/The Staffing Coop](#), [Expert Collective](#) and [The Driver's Seat Data Coop](#).

The programme is designed to be open to investment from the wider coop sector; the first investor was CCA Global Partners. One distinctive feature is an equity accelerator, which asks participant coops to 'pay it forward' by contributing to future programme activity through revenue streams over ten years. Building on this, the digital coop [CoLab](#) has completed work for the International Cooperative Alliance on capital for growing cooperatives. The team explain that *"what began as a question of how capital and digital technology could support the coop movement has evolved into work that accelerates coops through an organizing effort with capital at the centre."*

## UK

Cooperatives UK teamed up in 2017/18 with Stir To Action for [UnFound](#), an accelerator programme for early stage coops. UnFound is the UK's first structured programme of support for platform coops. The programme is structured around a series of masterclasses covering a range of topics aimed at equipping them with the skills and discipline to navigate the complex start-up process. Topics covered include platform development, user acquisition, marketing, funding strategy and how to incorporate cooperative governance systems into their platforms. After an initial application phase, attracting over 20 groups, UnFound worked with eight teams - covering a range of sectors, from health and social care to commons data management. Coming out of the programme, a number of the coops are moving to a stage of attracting capital before moving to pilot or full business trading.



One example of the enterprises involved is Equal Care, which embeds a platform for social care within an ownership and service structure oriented around the needs of key stakeholder constituencies, including carers, care workers and users. Equal Care has run a community share issue – a proven form of capital raising for cooperatives in the UK - and attracted social investment from sources such as the Open Society Foundation.

Collaborative work by Cooperatives UK with the science and innovation foundation NESTA also identified a number of contexts in which platform cooperation can offer a competitive advantage, including:

1. Placing the creators in control. Technology platforms often adopt a business model based around reducing margins to prioritise profit extraction for third party investors. This means that revenues in these technology models are driven to become increasingly limited for producers and creators of value. Developing platform coops where the creators of value have more control of how revenues are generated and distributed could provide a more sustainable business model in which content is monetised without the need for extractive third parties.
2. Relational models. Increasing amounts of economic and social activity is facilitated by online platforms operating on a transactional basis - providing a marketplace for buyers and sellers to exchange across the types of economic and social value created in informal and formal settings. One good example is in caring for older and younger people in our society - an area that crosses from family and household into public and private sector markets and is currently facing a major crisis in terms of operating model costs.<sup>13</sup>

## Europe

Wider work by [Cooperatives Europe](#) on the collaborative economy has helped to identify and network a number of technology cooperatives and identified points of interface with state policy. In a [Cooperative Vision for the Collaborative Economy](#), a warning is set down...*“since its birth, the collaborative economy has been accompanied by conflicting positions among different social and economic actors, which have recently resulted in strikes and mobilizations in many European cities. Tensions mainly relate to the ways through which many platform businesses create and extract value, as well as to the different regulatory regimes that apply to traditional and collaborative economy businesses operating in similar markets. If not tackled in all their complexities, these aspects could seriously contribute to hamper the achievement of Europe 2020’s goals.”*<sup>14</sup>

Also at a European level is a focus in the [CECOP](#) network around freelancer and worker cooperatives in the context of the gig economy and the rise of contingent models of labour in a range of countries. A leading exemplar, that has spread across a number of countries, is [SMART](#), originally the mutual society of artists in Belgium and now a cooperative open to freelancers across all sectors.

In Finland, [ShareTribe](#) offers a support process for platform coops to accelerate key elements of functionality needed to get going. In Malta, the Prime Minister has endorsed the idea of the island becoming a centre for new platform coops, following work by Stephen Gill of [VME](#) on the concept, linked to development work around a possible capital exchange and the ‘Fairshares’ model of multi-stakeholder cooperatives.

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<sup>13</sup> See [https://media.nesta.org.uk/documents/Nesta\\_Platform\\_Report\\_AW\\_v4\\_3.pdf](https://media.nesta.org.uk/documents/Nesta_Platform_Report_AW_v4_3.pdf)

<sup>14</sup> See <https://coopseurope.coop/resources/news/vision-paper-released-cooperative-vision-collaborative-economy>

# A. How Do We Define Platform Coops?

## Key Boundaries

There are four introductory boundaries which may help to inform how to characterise the emerging practice.

1. Platform coops are inspired by the open source movements within the technology community but are not defined by them. Platform coops will often take an open approach but they are defined by their adherence to cooperative rather than open principles.<sup>15</sup>
2. They are more than digital tools to increase participation or improve governance, although such tools may form part of any platform to support their democratic nature.
3. Working conditions and labour rights are core to the ideas around platform coops, but they can also be of relevance to other stakeholders, including of course users.
4. They are more than coops using digital channels / offering digital services. There is an important and welcome field of digital cooperatives, often using the worker coop model, but this goes wider than the more focused arena of platform coops, which operate online platforms for people to come together, in which the platform is driving a business and/or creating significant dependencies.

With these boundary features in place, we can then note one widely used definition of platform coops:

*“A platform cooperative is a co-owned, democratically-governed business that uses a digital platform enable people to meet their needs or solve a problem by networking people and assets.”*<sup>16</sup>

This is an attractive formulation, but it doesn't necessarily build in the core principles of being a cooperative, or outline the features of being a platform. Any listed company can claim to be co-owned by shareholders and democratic in the sense that one share has one vote. In fact, many Big Tech companies today operate with an opaque, undemocratic and highly questionable ownership structure with different classes of shares, but the difference should not rest on that. Democracy in a cooperative means more than an exercise of financial power.

So, what *are* platform coops? Is the term simply a brand or a concept? Someone's view of what counts or what does not? Or is it a definition that offers a genuine insight into ways of organising cooperatives in a new space – part of a wider cooperative digital economy? The scope, type and therefore definition will inevitably change over time, but we need something tangible to work with. Using examples is helpful, arguing over examples is not, so on what basis is the term used? Above all, examples alone do not provide a dependable basis on which to build meaningful strategy and interventions. Before stepping forward therefore, to what the ICA can do, it may be helpful to explore this further both the understanding of a digital 'platform' and application of the term 'coop'.

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<sup>15</sup> Nathan Schneider, <https://ioo.coop/2016/05/21/platform-cooperativism-as-a-critique-of-open-source/>

<sup>16</sup> UnFound (2018) 'Making the digital economy our own', available at: <[www.unfound.coop](http://www.unfound.coop)>



## The World of Platforms

The entire Internet could be said to be a platform<sup>17</sup>, in that it operates as a foundation upon which a shared network with cohesive, programmed rules can operate. We can focus therefore by using the building block that has been the core to the extraordinary feats of cooperation achieved by the free, libre and open source software movement – code.

A seminal article by Marc Andreessen<sup>18</sup> focuses on the production of platforms and argues that platforms may be differentiated by ‘where the code lives’. For example, consider a word processing document. The program is downloaded on an individual machine, and may be shared by printing or emailing but a document resides a single run time environment. A Google Drive document ‘lives’ in the cloud; the code does not reside on one machine, but is accessed and accessible by any number of networked machines simultaneously. The run time environment is shared as a platform.

Many large platforms are essentially building blocks which provide an environment for exchanging goods and services which can be used, modified and connected by and to other programs and platforms. Examples include Amazon Web Services (AWS), Google Drive, Microsoft Azure and Salesforce. Beyond this, there’s a huge amount of overlap in software platforms, and confusion given the conflated use of terms in relation to software, cloud-based, applications, plug-ins, extensions etc. In addition, there are multi-level and multi-directional instances of platforms.

AWS is a huge cloud-based platform which hosts eCommerce, data warehousing, blockchain, web hosting etc. In turn, AirBnB uses AWS as the basis for its accommodation rental platform, and in addition its website and mobile apps contain a plug-in Google Maps API. Facebook has exploited the use of third-party plug-ins to become a multi-use platform with a marketplace, data harvesting, content distribution, interaction network, games and prevalence of apps which can plug into the platform as demonstrated by the common use of Facebook log-in and profile information.

What *is* being referred to then, are platforms which allow networked instances to occur with value embedded at some stage in the platform usage. These almost always have:

1. A fundamental ‘network’ element with interactions between *“interdependent groups of users”*<sup>19</sup>
2. A distinct end user<sup>20</sup>
3. A distinct value generated and/or distributed by the platform<sup>21</sup>
4. Often (but not always) network effects, or ‘network externality’, apply to platform usage, whereby the greater the number of existing users, the greater the draw for new users. For example, the sheer volume of individuals, businesses and groups present on Facebook, as

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<sup>17</sup> Goodner, S. (2018) ‘What is a platform?’, available at: <<https://www.lifewire.com/what-is-a-platform-4155653>>, Copyright Dotdash Publishing

<sup>18</sup> Andreessen, M. (2007) ‘The three kinds of platforms you meet on the Internet’, available at: <[https://pmarchive.com/three\\_kinds\\_of\\_platforms\\_you\\_meet\\_on\\_the\\_internet.html](https://pmarchive.com/three_kinds_of_platforms_you_meet_on_the_internet.html)>

<sup>19</sup> European Commission (2016) ‘Online Platforms and the Digital Single Market Opportunities and Challenges for Europe’, available at: <<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1466514160026&uri=CELEX:52016DC0288>>

<sup>20</sup> European Policy Information Center (EPICENTER) (no date) ‘Understanding online platforms’, available at: <<http://www.epicenternetwork.eu/wp-content/uploads/2015/12/EPICENTER-Briefing-Understanding-online-platforms-21st-December-2015-1.pdf>>

<sup>21</sup> Van Doorn, N. (2017) ‘Analysis: Platform cooperativism and the problem of the outside’, available at: <<http://culturedigitally.org/2017/02/platform-cooperativism-and-the-problem-of-the-outside/>>

well as the ubiquitous use of 'Facebook log-in' across other platforms, makes for a huge selling point for advertisers and users alike.

This comes closer to a classification of platforms by function. But even here, it is helpful still to recognise that functions sit within a context. It can still be argued that the language of platforms is opaque, designed to be acceptable to regulators - offering a promise of neutrality, flatness and openness while disguising the dominance of economic interests at work.<sup>22</sup>

As a functional account though, one comprehensive and informative typology is Platform Hunt<sup>23</sup>, which we can use to explore how cooperatives can connect with the digital economy (Appendix 1). These include:

- Technology Platforms
- Computing Platforms
- Utility Platforms
- Interaction Networks
- Marketplaces
- On-demand Service Platforms
- Content Crowdsourcing Platforms
- Data Harvesting Platforms
- Content Distribution Platforms.

From this, we are then able to consider in more detail to what extent can platforms be, support, or host cooperative activities... and what constitutes a platform *coop*.

### The 'collaborative' economy

Platform cooperativism must be viewed in the wider context of the 'collaborative' economy, of which it is part, but not fundamentally defined by. As part of a programme of work and member engagement led by Cooperatives Europe, the regional network of the ICA, Como defines this as:

*"a broad and varied group of practices and innovative models that use digital technologies to facilitate collaboration and exchange between peers, and to maximise the use of underutilised resources"*<sup>24</sup>

The authors go on to distinguish forms of digital collaboration within this economy: production, consumption, learning and governance. This clearly has *"something deeply in common with the cooperative movement: sharing and collaboration strongly belong to both their vocabularies"*<sup>25</sup>, as well as being generated through

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<sup>22</sup> Gillespie, T. (2017), "The Platform Metaphor, Revisited," Social Media Collective research blog (August 24, 2017). Perhaps for this reason, some approach platforms not from the technology but from the business model, contrasting a traditional 'pipeline' business with one that creates value by charging for connecting people who provide goods and services to each other. In that, it is not an entirely new kind of business, but one supercharged by online technology. See Parker, G., Alstyne, M., Choudary, S. (2016) Platform Revolution: How Networked Markets are Transforming the Economy--and How to Make Them Work for You, WW Norton

<sup>23</sup> Platform Hunt (2016) 'The 9 Types of Software Platforms', on *Medium*, available at: <<https://medium.com/platform-hunt/the-8-types-of-software-platforms-473c74f4536a>>

<sup>24</sup> Como, E. et al (2016) 'Cooperative platforms in a European landscape: an exploratory study' ISIRC Glasgow Conference paper, available at: <[https://coopseurope.coop/sites/default/files/Updated\\_Paper\\_Cooperatives%20Collab%20Economy.pdf](https://coopseurope.coop/sites/default/files/Updated_Paper_Cooperatives%20Collab%20Economy.pdf)>

<sup>25</sup> Cousin, L. and Martelloni, L. (2017) 'Cooperatives Europe Vision Paper: A cooperative vision for the collaborative economy, shaping a people-centred and democratic collaborative economy', Cooperatives



digital peer to peer elements. However, as discussed above, where the coding and cooperative elements 'live' and the value added by the digital network elements distinguish platform cooperatives. In short, all platform cooperatives are collaborative, but not all in the collaborative economy is a platform cooperative.

## The World of Cooperatives

There has been much discussion of how digital platforms are naturally aligned with the cooperative movement<sup>26</sup>. However, the shape and scope of this economy remains in flux.

The late Robin Murray, distinguished Associate of Cooperatives UK argued in his 2012 report *Cooperation in the Age of Google*: *"the informal information economy is open and global. It is driven by interest and enthusiasm rather than money. The bulk of its traffic is free. It is taking time to digest the implications of these changes, and for those involved to work out what rules are necessary to govern behaviour. Some have seen it as a new form of the commons, and looked at codes of behaviour that have been developed by those using common land or fishing grounds. But this informal economy is more than sharing a common resource, for with the web the resource is unlimited. It is a site for relationships, and where joint projects are involved, it requires the kind of qualities found in those pioneer communities where everyone worked together to raise the roof of a home. It is growing with the speed and diversity of a tropical forest. It is informal and astonishingly inventive. It shares many of the same values and practices of formal cooperatives, and opens up numerous possibilities for a meshing between them. William Morris's News from Nowhere depicted a world based on mutualism that for more than a century was seen as utopian. But in the last decade it has emerged as a reality not on the banks of the Thames but in the world of the web."*<sup>27</sup>

Nathan Schneider considers how a significant cohort of retiring business owners create space for cooperatives to 'emerge from the underground'.<sup>28</sup> Some claim that a generation of online businesses, from gaming to learning, could transition to cooperative form through mass user buyouts.<sup>29</sup> Others point to how the essential 'collaborative' nature of the sharing economy aligns with peer-to-peer

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Europe/LAMA Agency, available at:  
<[https://coopseurope.coop/sites/default/files/Cooperative%20Vision%20for%20Collaborative%20economy\\_CoopsEurope.pdf](https://coopseurope.coop/sites/default/files/Cooperative%20Vision%20for%20Collaborative%20economy_CoopsEurope.pdf)>

<sup>26</sup> For more information see:

Scholz, T. and Schneider, N. (Eds) (2017) *Ours to Hack and to Own: The rise of platform cooperativism, a new vision for the future of work and a fairer internet*, OR Books/Counterpoint Press

Schneider, N. (2018) 'What if employees co-owned the business where they work?' in The Guardian, available at: <https://www.theguardian.com/commentisfree/2018/sep/29/what-employees-co-owned-businesses>

Van Doorn, N. (2017) 'Analysis: Platform cooperativism and the problem of the outside', available at: <http://culturedigitally.org/2017/02/platform-cooperativism-and-the-problem-of-the-outside/>

Sundararajan, A. (2016) *The Sharing Economy*, The MIT Press

<sup>27</sup> Murray, R. (2012) *Cooperation in the Age of Google*, Cooperatives UK, available at: [https://www.uk.coop/sites/default/files/uploads/attachments/cooperation\\_in\\_the\\_age\\_of\\_google.pdf](https://www.uk.coop/sites/default/files/uploads/attachments/cooperation_in_the_age_of_google.pdf)

<sup>28</sup> Schneider, N. (2018) 'What if employees co-owned the business where they work?' in The Guardian, available at: <<https://www.theguardian.com/commentisfree/2018/sep/29/what-employees-co-owned-businesses>>

<sup>29</sup> Mayo, E. (2016) 'How to Save the Sharing Economy' in Positive News, available at <https://www.positive.news/economics/how-to-save-the-sharing-economys-soul/>

technologies.<sup>30</sup> For others, disrupting the unethical transfer of labour on mainstream digital platforms is a key driver for cooperativist principles.<sup>31</sup>

So how does a platform *be* cooperative? Does the cooperative element take place on the platform? Alongside it? Through, with, on or to create the platform? Formulating a typology to categorise ‘where’ the cooperation occurs, and what we mean by that, could be important. It is helpful therefore that, drawing on work by the Internet of Ownership<sup>32</sup>, the Platform Cooperativism Consortium (Platform.coop) uses categories in their collaborative directory.<sup>33</sup> This serves the need to differentiate cooperatives and other organisations active in this sphere. Organisations are defined as:

- 1. Platform coops** – examples include Gildedsplinters, Stocksy and Molenbike.
- 2. Coop run platform** – where the platform isn’t the primary mode of organisation of a cooperative (for example, through which ownership and governance flow) but where value is added to the cooperative. Examples include The CoMetrics, Digicoop, Loomio, Coop Cabs, and Bank of the Commons.
- 3. Shared platform** – A platform is used collaboratively, often in adherence to principles of open source software, but where ownership and control is not democratic. Examples include Open Collected, ScholarlyHub, GNU Social.
- 4. Supporter** - Organisations that work to develop and/or promote platform cooperatives. Examples include National Cooperative Business Association, Cooperatives and Mutuals Canada, Cooperative Educators Network, Domains.coop and the National Centre for Employee Ownership.

The approach is useful for understanding the ‘degrees’ of cooperation, and the variety of ways a cooperative and platform may interact. Across these, there will be different stakeholders that are the member owners of the enterprise. This includes multi-stakeholder cooperatives, which offer different constituents, workers and users, sometimes wider member investors. If the platform itself makes participation in governance easier to achieve, then the scope to engage more than one stakeholder group, such as in the proposed FairShares models, is widened.

On one estimate, there are around 290 platform coops active or emerging worldwide.<sup>34</sup> Initiatives presented at the 2018 Hong Kong event organised by the Platform Cooperativism Consortium included: Translate for Her, a service providing translation for ethnic minorities in Hong Kong, which is crowdsourced through Whatsapp; Needsmap in Turkey which matches schools in need of services

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<sup>30</sup> Alix, N. (2017) *Developing a Coop commons alliance towards a Collaborative Equitable and Participatory Economy: Cooperative digital platforms*, available at: < <http://confrontations.org/wp-content/uploads/2017/02/Lessons-from-Cooperative-platforms-conference-5-12-2016-ENG-clear.pdf?x46927>>

<sup>31</sup> McCann, D. (2018) ‘Disrupting Together: The challenges (and opportunities) for platform cooperatives’, New Economics Foundation/NESTA ShareLab

<sup>32</sup> The Internet of Ownership, available at: < <https://ioo.coop/>>

<sup>33</sup> The Platform Cooperativism Consortium, <<https://platform.coop/about/consortium>>

<sup>34</sup> Trebor Scholz, personal communication

with service providers; and PetaJakarta in Indonesia which transforms social media posts about disasters into actionable information for assistance.<sup>35</sup>

Even so, the caution remains, when looking at the diversity of these early efforts. Nathan Schneider comments that *“I have made numerous attempts to land on a useable definition for platform coops, especially in the work of developing the ioo.coop Directory... However I don't think it's really a clearly definable term. I've come to think of #platformcoop as primarily a time-bound brand, oriented around mobilizing a new generation of people to develop a new cooperative culture around the online economy. It creates visibility and solidarity, while enabling #platformcoop folks to create a culture somewhat distinct from previous cooperative cultures while they establish themselves. But increasingly, I hope that platform cooperativism will become, simply, cooperativism.”* The encouragement here, echoing perhaps the comments of Danny Spitzberg, are to encourage a focus on cooperative platforms as an evolving dynamic within a structured form (of cooperatives) rather than platform cooperatives as a structured form in a fast-evolving context (of technology).

### Emerging case studies

- [Resonate](#) is a “stream-to-own” music platform driven by blockchain technology. It is a multi-stakeholder cooperative giving democratic control to Artists (45%), Listeners (35%) and Workers (20%). Through its model, it pays up to 2.5 times more than other streaming services.
- [Stocksy United](#) is a platform-based producer cooperative that provides curated stock photography and video footage with almost 1,000 photographer member-owners, plus employees across 63 countries. The members license creative content and receive 50% royalties on standard license sales and 75% on extended license sales - they also receive dividends on sales.
- [Up&Go](#) is a platform that offers on-demand cleaning services at guaranteed fair wages launched by four women-run worker cooperatives, based in New York City. The worker-owned cleaning businesses, which are all majority women-owned, earn 95% of the cost of every Up & Go cleaning. The remaining 5% supports the costs to maintain the platform.
- [CU\\*Answers](#) is a coop run platform that offers a range of digital services to credit union members.

For further examples of platform coops in practice, see <https://platform.coop/about> and <https://www.shareable.net/blog/11-platform-cooperatives-creating-a-real-sharing-economy>

The Internet of Ownership site on <https://ioo.coop/connect/> offers links to a number of ways of practical networking, including:

- an email list for an international group of several hundred platform cooperativists [at Riseup.net](#)
- [#platformcoops](#)
- [Slack and subreddit channels.](#)

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<sup>35</sup> See <https://www.thenews.coop/133720/topic/technology/platform-coop-conference-steve-gill-writes-hong-kong/>

## Cooperative values

A separate way of looking at cooperative identity is through the norms rather than the structures of the enterprise. As tools for interaction, digital platforms are neutral in character. On the other hand, cooperatives are proudly values-driven, and indeed many of the proponents of platform cooperativism argue that the pressing need that is driving interest in platform coops is ethical in nature.<sup>36</sup> So, how important are ethical, values-based frameworks in defining and differentiating cooperatives in the digital economy?

Application of regulatory frameworks to the digital economy is complex given the global, rapidly changing, and varied nature of internet platforms. It is argued that this complexity arises as online platforms:

*“...link together interdependent groups of users who would otherwise not interact due to high transaction costs. Beyond that, there is little that platforms share with each other: they operate in a wide variety of sectors – retail, information services, advertising, transport, to name a few – which also means that their business models and pricing structures differ from one another”<sup>37</sup>*

At the same time, growing concerns over privacy, safety and the decent work agenda make such safeguards more critical than ever. It's self-evident that there cannot be one definition per country with regard to digital platforms, they inescapably present global opportunities and risks in the transfer of information, interaction, goods and services. Even the biggest of players aren't immune to this, and there is something of an ethical turn in ascendance.

*“You can't tell your advertisers that you can target users down to the tiniest pixel but then throw your hands up before the politicians and say your machines can't figure out if bad actors are using your platform.”<sup>38</sup>*

Where values are delivered through regulation, there can be a paradoxical effect that the costs of compliance encourage the very concentrations of power that can lead to abuse. In digital markets, with cross-border regulation, this is all the more likely. Where values are delivered through voluntary means, the challenge is to find an entrepreneurial way through that makes values a source of competitive advantage, saving or positive differentiation in the market rather than a source of complexity and cost.

The potential of cooperative values and principles is twofold. Values may shape the need to which a platform coop responds, so threats to privacy for example could encourage user control of data. After all, it is possible to map the international cooperative values and principles (almost) directly

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<sup>36</sup> See Coca, N. (2017) 'How Innovative Funding Models Could Usher in a New Era of Worker-Owned Platform Cooperatives', available at: <<https://blog.p2pfoundation.net/how-innovative-funding-models-could-usher-in-a-new-era-of-worker-owned-platform-cooperatives/2017/09/04>>

Sylvester-Bradley, O. (2016) 'What is a platform coop?' in *Cooperative News*, available at: <https://www.thenews.coop/111047/sector/community/platform-coop/>

Scholz, T. (2014) 'Platform Cooperativism vs. the Sharing Economy', available at: <<https://medium.com/@trebors/platform-cooperativism-vs-the-sharing-economy-2ea737f1b5ad>>

<sup>37</sup> European Policy Information Center (EPICENTER) (no date) 'Understanding online platforms', available at: <<http://www.epicenternetwork.eu/wp-content/uploads/2015/12/EPICENTER-Briefing-Understanding-online-platforms-21st-December-2015-1.pdf>>

<sup>38</sup> Powell, J. (2018) 'Why I Left My Big Fancy Tech Job and Wrote a Book' on Medium, available at: <<https://medium.com/s/the-big-disruption/why-i-left-my-big-fancy-tech-job-and-wrote-a-book-b64c40484774>>

onto the main ethical arguments and concerns around digital platforms: transparency, ownership, digital inclusion, data portability, privacy, fairness, online behaviour, safeguarding.

Or values may form an effective way of gathering and binding together users online or offline – this is what values do. The language of business and economics primes people to look at offers from an individualist perspective. The language of values can prime people to look at offers from an affiliative or universal point of view.

### Proposal for a working definition

The simplest way to characterise the field could be to step away from the centrality of a platform at the core of a cooperative, and instead talk of ‘cooperative platforms’ rather than ‘platform cooperatives’. Over time, as the diversity of different models grows, this is likely to be the simplest approach to definition. After all, we talk of coops using blockchain, without elevating all who do into a single form of ‘blockchain coops’.

Yet, there is also power and relevance to the idea of an emerging field of cooperation, diverse but linked to the new possibilities that organising through a platform can bring. For this reason, there is merit in defining platform coops as openly as possible for now. Drawing on the overview above, key characteristics of emerging platform cooperatives appear (not surprisingly) to be that they combine the participatory features of network interaction with the democratic rule bases of collective control. They:

- Are participative
- Are networked
- Have a clear end use
- Provide tangible member benefit
- Are democratically controlled
- Create or exchange value.

A simple working definition for use by the ICA might therefore be:

*an enterprise that operates primarily through digital platforms for interaction or the exchange of goods and/or services and is structured in line with the International Cooperative Alliance Statement on the Cooperative Identity.*

# How can the ICA help?

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A survey of its members by the International Cooperative Alliance in 2018 identified technology as a key driver for future work by the ICA, with knowledge sharing one way to achieve this.<sup>39</sup> Implicit in this is perhaps a recognition that technology might also enable and upgrade cooperation between cooperatives – ‘Principle 6’. To realise this, key questions are:

- How can the ICA broker relationships across its members which lead to practical benefits in terms of innovation and business development through platform coops?
- What mandate does the ICA have from its members to play a direct, facilitative role in relation to cross-border or global digital cooperatives?
- How can the ICA align itself with the values base of those engaged in the platform coop field, integrating the root practices of co-design and free, libre and open source software and acting as a campaign partner in challenging the dominance of Big Tech companies?

There are possible answers for each, but in approaching these questions, it is important to recognise one further challenge that, just as the cooperative sector is diverse, so there is a challenge of cultural difference between old and new.

By and large, it is possible to generalise the largest cooperative enterprises worldwide as older rather than younger businesses, analogue in their focus rather than digital and typically national rather than cross-border in their operations. There are many exceptions to this sketch, but the overall pattern is perhaps not a surprising one, as it tends to reflect the way in which people over time have organised democratically through cooperatives, typically to meet local or national need, and the pattern of patient growth characteristic of more restricted access to capital.

There is therefore a cultural distance from the community of platform coops, rooted in the possibilities of scalable and replicable technology and the formation of new services they might enable. Just as venture capital has engaged successfully in learning about new technology and enterprise opportunities, despite the costs of period tech bubbles and overvalued stock, and the high failure rate of new ventures, so those concerned with the development of the cooperative movement need to learn if the sector is to have a chance of not just of competing, using the cooperative difference as a source of potential commercial advantage, but if the sector is even to have the chance of participating – of being at the table. As an old saying puts it, in a variation of digital formulations on free content, if you are not sitting at the table, you may just be the lunch.

## Challenges

Among the most pressing issues to address for the development of platform coops are:

1. Governance: Good governance in terms of design and practice is important to all cooperatives and there are likely to be distinctive challenges, opportunities and points of learning across platform coops in the absence of a geographically-rooted community as

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<sup>39</sup> International Cooperative Alliance (2018), Member Needs and Expectations: analysis of the International Cooperative Alliance Member Survey carried out between 22 February 2018 and 7 May 2018.



well as multiple and potentially divergent stakeholder interests. Rooted in digital engagement with its members, platform coops may point to new answers in terms of participatory governance, but they may also raise new questions.

2. **Technology:** Platform cooperatives may be limited in adopting the technologies that underpin Big Tech, for both practical and principled reasons. For existing coops, including some platform coops, the technology is not always released on an open source basis, limiting the potential for wider collaboration.
3. **Growth:** Platform cooperatives are unlikely to follow the established growth strategies of incumbents and so will find it difficult to build the natural ‘network effects’ that fuel market penetration and consolidation.
4. **Capital:** Start-up costs may be small, but scaling up, both in terms of customer acquisition and in terms of spreading operations across legal and regulatory jurisdictions, is resource-intensive. Platform cooperatives will struggle to access the capital they need to grow given the entrenched financing landscape in the start-up tech sector predicated on venture capital, where capital appreciation and exit through public offerings can reward the costs of speculative financing and long periods of development before income or profits accrue.

## Options

The opportunities for the ICA to act on platform coops ought therefore to reflect these and related challenges and opportunities. This is a long list not of actions, but of possibilities. What they affirm is the scope for supportive action by the ICA. What matters is that any actions selected are carried through to full implementation, rather than that all actions are listed or set as aspirations for action in future. These options include:

### Governance:

- Extend previous work on cooperative governance published by the ICA with a more specific focus on approaches to multi-stakeholder and digital governance.
- Establish a network for learning on the legal and regulatory features of platform coops, with the aim of highlighting good practice that can be shared or a legal jurisdiction that is most conducive to new platform coops looking to operate across borders.

### Technology:

- Promote or broker the sharing technology and development, as for example in the emerging cooperative corporate ride-hail (taxi) platforms in development in localities across Europe and the United States.
- Engage with key staff across primary cooperatives with established innovation programmes around possible shared models of Innovation Challenges, Labs or Hackathons around key tech
- Promote education of the cooperative model through technology networks, in order to bridge gaps of understanding on the possibilities and scope of platform coops
- Research on the use of free, libre and open source software in the cooperative sector, with recommendations for widening this
- Engage with initiatives aimed at developing a digital ecosystem supportive of platform coops, such as possible work by the Platform Coop Consortium on technology standards

- Create with relevant partners an annual pop-up thinktank on cooperation and technology, open to all aspects of new technology development, including but also going beyond those focused on platform capabilities.

#### Growth:

- Broker relationships across leading primary coops with strong member or customer relationships for the collaborative development of platform coops, including scope for joint venturing and intra-preneuring.<sup>40</sup>
- Identify two or three platform coops that could credibly become global platforms and work with cooperatives, in particular consumer cooperatives, across different countries to champion and grow the model. This is relatively untested but has the potential to use the people power of a global movement as a replacement for the financial capital of external investors. The approach could include member discounts and trading links, or the platform being hosted or sponsored by coops in different countries.
- Support programmes such as the Platform Cooperative Kit, intended to be a \$10 million programme, or the replication overseas of models for accelerating platform coop growth tested at a national level.
- Establish a cooperative presence in Silicon Valley, working as appropriate with the NCBA in the USA, and other technology hubs in order to attract values-based entrepreneurs with an alternative to venture capital.

#### Capital:

- Advance work on cooperative capital and business development along the lines of the recommendations made by CoLab to the International Cooperative Alliance
- Create a pathway for the potential conversion of existing platforms into cooperative ownership through engagement with an appropriate and credible regulatory context for mass user buyouts.
- Explore the conversion option through a targeted approach to candidate platforms for whom the cooperative option could provide a competitive advantage
- Engage cooperative banks through the relevant sector network to explore the potential to develop an informed source of capital to put behind business opportunities around platform coops
- Engage existing worker coops through the relevant sector networks around options for development using platform coop models.

In addition are the following possible opportunities:

#### Promotion

- Promote platform coops in policy advocacy around:
  - the digital and wider collaborative economy, drawing on work such as that of Cooperatives Europe,

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<sup>40</sup> For example, this could be offering access to online healthcare records/preventive medicine to members of a credit union. At scale, credit unions will have the funds to develop this sort of service if it meets the need of its members – but by bringing the membership reach, the need for finance is significantly reduced. In North America, for example credit unions are developing online banking options for self-employed members and they also offer health insurance to such members, who are not able to tap into employer benefit programs.

- underlying themes such as tax transparency, drawing on work pioneered by coops in the UK of a Fair Tax Mark
- decent work and the eighth UN Sustainable Development Goal
- Map platform coops as part of wider work on cooperative data worldwide, in partnership with those leading efforts to do this at present
- Agree an international partnership with the Platform Cooperativism Consortium and find ways to support their development as a stable and inclusive cooperative network
- Active participation as a conference partner for a 2019 Platform Cooperative conference in New York
- Reach partnership agreements with global social partners, in particular key trade union networks, around the promotion of platform coops
- Work with municipal governments on the creation of platform coops, particularly on a multi-stakeholder basis, where there is concern about the impact of platforms such as Uber and AirBnB on cities.
- Integrate platform coops into the events programme of the ICA at global and regional level
- Develop collaborative approaches where possible with sector networks, such as CICOPA around digital labour, in order to promote the model
- Approach the ILO and FAO to identify member states willing to lead on national programmes for the development of platform coops.
- Nominate from across its members, people willing to be champions for platform coops
- Engage with key groups from across the Free, Libre and Open Source movement to build a shared agenda for a democratic and open internet
- Consider the potential for quality assurance or certification as a tool for platform coop development at a future stage
- Recruit a leader such as Trebor Scholz, of the New School, Brianna Wettlaufer, a founder of Stocksy United, Linus Torvalds, key originator of Linux, or Tim Berners-Lee, key founder of the World Wide Web, as an ICA Ambassador for Platform Coops
- Act as a promotional sponsor to key events at national or regional level around platform coops and wider open cooperation and democratic technology
- Make platform coops a key theme in the ongoing communication work of the ICA
- Promote the use of the International Cooperative Marque as an identity badge for platform cooperatives
- Consider the scope for a global campaign 'One User, One Vote' to create a cooperative digital economy
- Set platform coops as a key focus and enabler for global work by the ICA on young cooperators.

#### Learning

- Recruit existing primary cooperatives at a leadership (or young leadership) level willing to engage in an exchange with fledgling platform coops, either through events or a structured programme of learning with one of the key international partners on cooperative education, in which the latter are paid to support the learning and digital transformation of current cooperatives.
- Explore opportunities for promoting gender equality in technology through platform cooperatives, as part of wider work on women in cooperatives.

These are all options. The constraints, not surprisingly, are that platform coops are a relatively new business proposition, so that the resource costs of activity cannot reasonably be met by the emerging platform coops themselves, at least until they are at a stable point of development. The value for

members is therefore either direct, for example in terms of commercial development or strategic learning around new digital approaches online, or indirect in terms of support for the overall Strategy of the ICA, of which this is part.

Is the ICA able to develop a constituency of support among its members for innovation, whether through existing member services or through new forms of sponsorship or engagement?

### Levels of engagement by the ICA

One approach to considering levels of activity for the ICA in terms of future strategy emerges from the text of the 2017 General Assembly Resolution, which is to encourage *“efforts by cooperatives actively to support the risk-taking of this new generation of cooperative entrepreneurs, through information sharing, promotion and appropriate finance and business partnerships.”*

The first level of activity is therefore information sharing, to build awareness of platform coops across the existing cooperative sector worldwide.

The second level is promotion, which involves the coordination of efforts to promote a) the services and membership uptake of platform coops where these operate across borders or b) national or regional programmes for the business development of platform coops.

The third level is to network new and existing coops, including at a leadership level, in order to broker appropriate finance and business partnerships.

Key to the success of any work by the ICA is the need to keep a focus on using each level to progress to the next, rather than getting stuck, for example, on more promotion for its own sake. Platform coops cannot be viewed as simply a political project or gesture if what is critical for their success is for the ICA to play a different role, of adding value by engaging members around the business resources for their commercial development.

The third level will require the ICA to have a good understanding of the commercial conditions and business case around which a compelling case for engagement with platform coops can be made to a number of today's leading cooperatives, possibly in the form of a global secondary cooperative acting as a consortia for the business development of Platform Cooperatives. This could allow them to bring their existing strengths of member reach and cooperative values into play, overcoming the barriers that would otherwise limit the development of platform cooperatives.

### An overall strategy objective for the ICA

Whatever the practical options, with appropriate priorities shaped to fit the appropriate resources of the ICA and its members, a high level vision could be inform the wider future ICA strategy and form part of the next steps.

If needed, some possible high level, visionary objectives could, for illustration, be:

- Twenty four countries have built a development programme for platform coops within three years, sixty within five
- One million members of platform coops within three years, one hundred million within five
- Establishment of at least one specialist financing unit for platform coops through cooperative banks in each region of the world
- Ten platform coops operating through digital services in every country of the world within three years, fifty within five

- One global trade union network acting as a proactive and energetic champion for worker-led platform cooperatives
- At least one open-source technology emerges as a tool to enable decentralized collaboration among cooperatives, supporting in turn new ways of working by cooperative umbrella organizations, within 3 years
- Digital cooperatives have no less market share than the most successful traditional cooperatives in their markets
- The users of any major consumer platform have an alternative open to them that is cooperative.
- The contribution of platform coops to the achievement of the Sustainable Development Goal on Decent Work is celebrated by the United Nations.

# Appendix 1:

Typology of online platforms outlined by Platform Hunt, modified and with additional information

Platform type	Financing	Control (where the code 'lives')	Network effect	Scope for cooperation	Examples
Technology platforms	Significant start-up costs. Often monetized by selling services to developers who then use these 'building blocks' to create products and services to target users.	Controlled by developers. Uni-directional. May be open source.	No network effect. Does not require a critical mass of demand or supply as not reliant on interaction but linear growth driven by developers.	Start-up costs and developer-intense work. Open source models can work on the basis of collaboration across developers, but not formalised on a cooperative basis.	Amazon web services, Microsoft Azure
Computing platforms	The products and services are generated and often monetized through sales and/or advertising.	The platform is used to 'host' coded products which can then be transferred and monetized	Network effects between users and developers. e.g. App Store (users first) vs. Play Store (developers first)	Start-up costs and developer-intense work. Open source models work on the basis of collaboration across developers, but not formalised on a cooperative basis.	iOS, Google Android
Utility platforms	Often provision of services is free, followed by pay wall or supply and/or user side buy-in once a critical mass has been achieved.	Owned by the service provider	More and/or better services equals more users. More users drives more supply side and ad revenue potential	Start-up costs generally low so long as the service provided is good.	Google Search, Kayak, Skyscanner



Platform type	Financing	Control (where the code 'lives')	Network effect	Scope for cooperation	Examples
Interaction networks	Interactions and/or transactions may be monetized, membership may be monetized if strong user-value.	Identity, and therefore also security, are the foundation characteristics. Digital interactions can be in many forms (money, images, messages).	Primary network effect is between platform users. Platforms need to attract sufficient users which will in turn attract more.	Start-up costs are generally low and require a dedicated user group(s). Cooperatives are well placed for this as there is a unifying imperative.	Facebook, WeChat, Bitcoin
Marketplace platforms	Commission from sales, advertisers, buy-in from supply and/or demand	The value of the platform is in the ability to effectively transfer products and services	Network effect is derived from needing a critical mass of supply and demand, as well as quality of products	Start-up costs can be considerable, while growing to scale through customer acquisition is the main challenge. Consumer cooperatives could potentially use existing member bases as a route to scale.	AirBNB, eBay, Alibaba
On-demand service platforms	Delivery of the end service is what attracts users. Ensuring a steady and regulated supply as well as a user-friendly environment to do so is where value is added. Commission from supplier side and advertising are usually where these	Value of the platform is in availability and predictability (eg. Uber Surge pricing isn't aimed at increasing revenue, but maintaining a steady supply/demand balance.) Ownership lies in the platform, not the users.	Network effect relates to supply and demand but differently to a marketplace. Variety and choice is key for marketplace platforms, on-demand services are premised on consistency, availability	Ownership could potentially be shared among the service supply. This would require start-up capital for development and a proven demand for the service.	TaskRabbit, Uber, Just-Eat

Platform type	Financing	Control (where the code 'lives')	Network effect	Scope for cooperation	Examples
	platforms are monetised.		and timely delivery.		
Content crowdsourcing platforms	Content is collected from a subset of users and then disseminated using the platform. Usually monetized by ads.	Coding and control lies in the platform and anchored on the sharing of content (rather than identity or services).	Strong network effect in several directions.  The more content, the more users, the more contributors etc.	Sometimes content is seeded by the owners. In theory could be collaboratively owned but large critical mass required makes this tricky to set up. Content must be high quality generate engagement/transactions.	Yelp!, YouTube, Flickr, TripAdvisor
Data harvesting platforms	Often provide a service free of charge and then generate revenue from managing, transforming and selling data.	Content and value lies in data. Users either directly or indirectly contribute data via the platform (i.e. Google Reviews or smart phone location sharing).	Strong network effect based on data if there is value. This requires 'big data' and therefore enough users to generate scale.	Cooperatives may be a good fit with the theme of privacy, as members retain ultimate control of their own data. Start-up capital is needed, while growing to scale through customer acquisition is a challenge. Consumer cooperatives could potentially use existing member bases as a route to scale.	Waze, OpenSignal
Content distribution platforms	Targeted advertisements are built on top of user data and then applied to revenue generating services. Often payment is based on number of website 'clicks' or ad reach	Value lies in the usage of data to target advertising to specific interests or demographics. The more nuanced and high quality, the better the lead/sales generation.	Network effect lies in huge amounts of data and the scale of programming to execute the platforms.	Potential to be disruptive and while not necessarily cooperative, there is potential for a fit where there are groups that can be organised as members, supporting niche marketing and targeted advertising.	Outbrain, Smaato, Google AdSense

