

# PLATFORM COOPERATIVES IN LIGHT OF PECOL

Morshed Mannan, PhD candidate

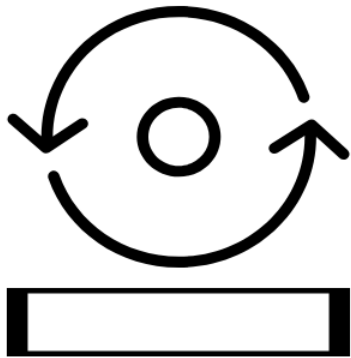
Friday, 27 September 2018



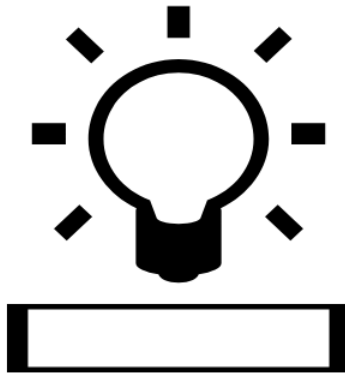
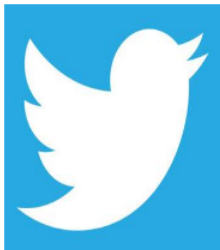
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# PLATFORMS



Transaction  
Platforms



Innovation  
Platforms

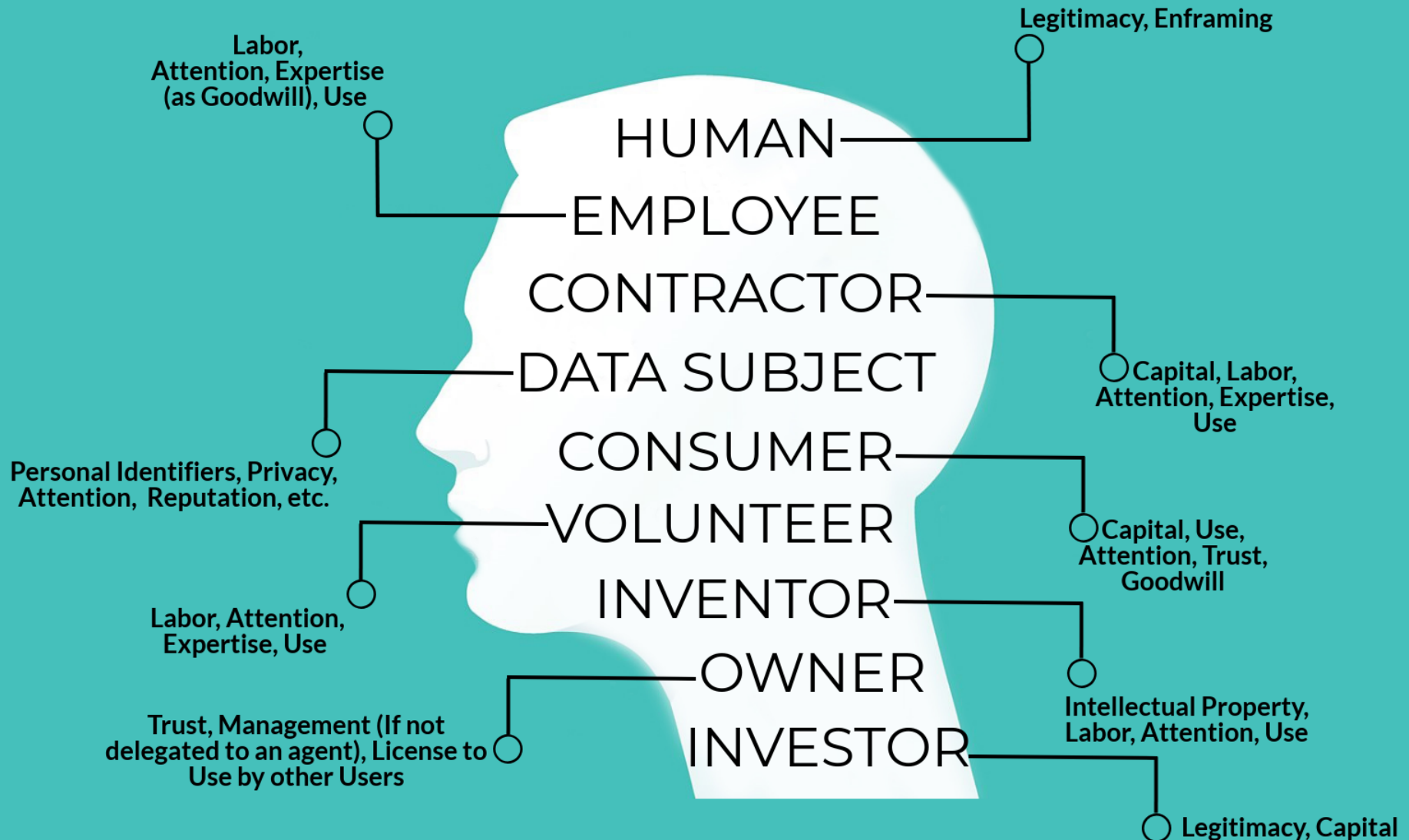
**GitHub**



Platforms understood as a business model predicated on technologically intermediating informational and value exchanges between user groups, which has grown in response to rising search costs

Rochet and Tirole's classic characterisation of platforms as two or multi-sided markets

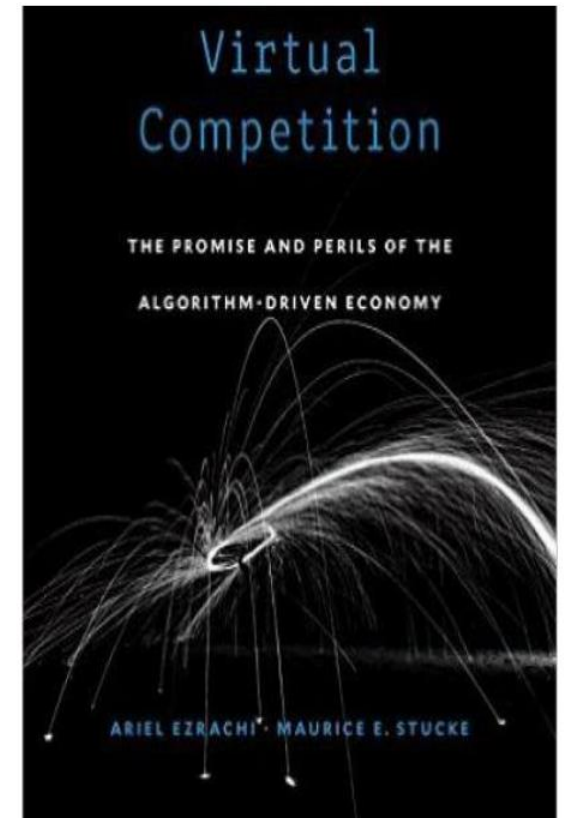
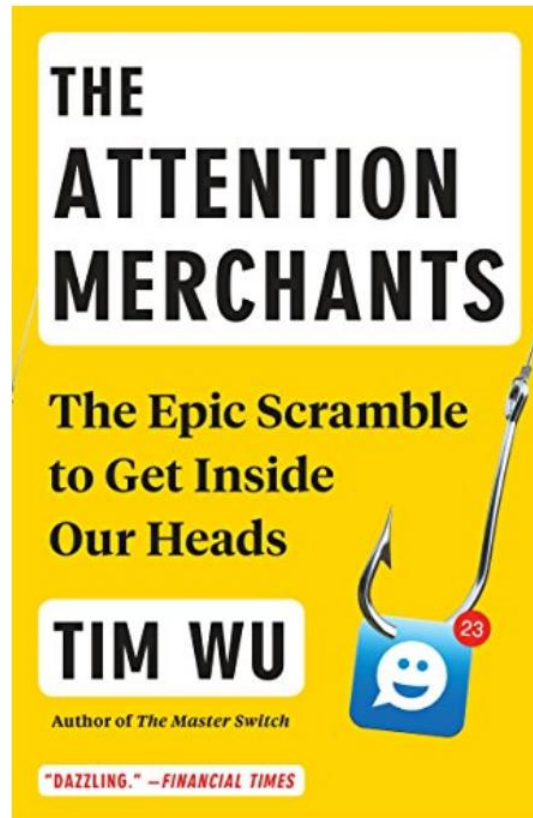
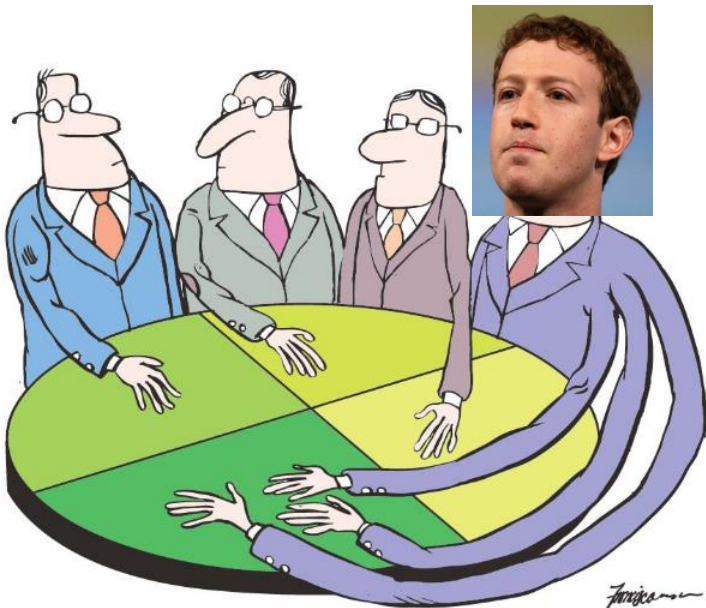
# COMMODIFICATION OF HUMAN ACTIONS AND BEHAVIOR



Disclaimer: Work in progress, figure is for illustrative purposes and is not exhaustive . Also see Crawford and Joler (2018)

# CONCENTRATIONS OF POWER

Competition:  
Datafication, Market  
Dominance and  
Abuse of Dominant  
Position



Corporate Governance: The Problem  
with Dual/Multi Class Shares

# The Effects of Platform Capitalism

Frank Pasquale's Counter-Narrative to Platform Capitalism (2016: 311)

Platforms reduce bargaining power and increase precarity

Platforms increase discrimination

Platforms may entrench themselves and further their interests through lobbying

Platforms have gained market share due to luck and by “moving fast and breaking things”, not least the law

Platforms undermine economic growth by reducing wages

Platforms requiring workers to be constantly on duty

Platforms may cause users to lose a sense of agency as they control the technological architecture that makes access to services and goods possible.

# LEGAL PROTECTIONS

## Entitlements and Rights as Employees

*International Law* (e.g. ILO Convention No. 87 on Freedom of Association and the Right to Organise, 1948)

*Regional Law* (e.g. Charter on the Fundamental Rights of Workers, 2009; Directive 2001/23/EC on Transfer of Undertakings)

National Constitution, Labor Laws, Collective Labor Agreements and Employment Contracts

## Rights to be informed, data portability, automated decision making, etc.

*Regional Law* (e.g. General Data Protection Regulation)  
National (personal) data protection and privacy laws

**Patchwork of protections covering volunteers and organizations that provide volunteering opportunities (e.g. charities), potentially unjust enrichment law if 'false' volunteer**  
e.g. Belgian Law on Volunteers, 2005 on insurance, reimbursements

## Freedom of Expression, Right to Private Life, Assembly and Association, etc.

*International Law* (e.g. International Covenant on Civil and Political Rights)  
*Regional Law* (e.g. European Convention on Human Rights)  
National Constitutions, Human Rights Laws

## Contractual and sector-specific protection

*Regional Law* (e.g. Directive 2002/15/EC on the working time of persons performing mobile road transport activities)

National contract, competition and commercial laws. If 'false' self-employed, then labor law

## Rights to information, withdrawal, delivery, etc.

*Regional Law* (e.g. Directive 2011/83/EU on consumer rights)

National laws on sale of goods, misleading advertising, etc.

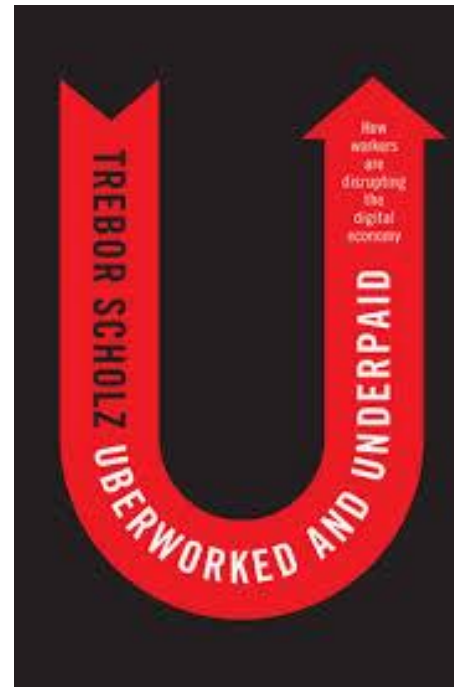


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# Principles of Platform Cooperatives

1. Ownership (collectively owned platform coops governed by its member-owners)
2. Decent pay and income security
3. Transparency and data portability
4. Appreciation and acknowledgment
5. Co-determined work (i.e. involve workers in platform design)
6. A protective legal framework (that given platform coops a chance to compete on the market)
7. Portable worker protections and benefits
8. Protection against arbitrary behavior
9. Rejection of excessive workplace surveillance
10. The right to log off



# Cooperatives in the Platform Economy

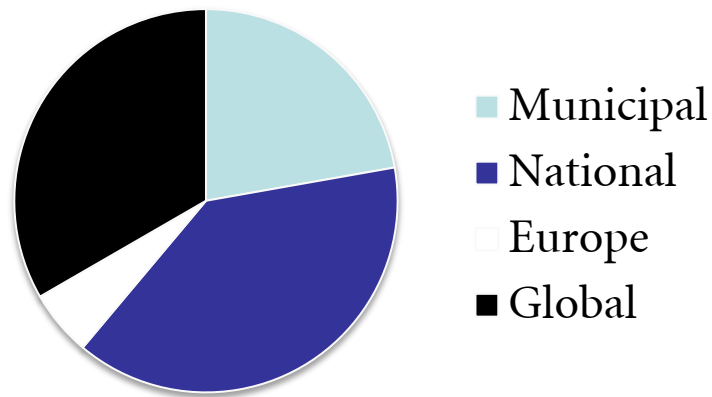
Work in Progress. Please do not cite or quote figures.

Legal Form of Business	Frequency	Economic Activities
PLATFORM COOPERATIVES		
Cooperative	14	Open source & free software development, marketplace, music streaming, ride-hailing, asset management, translation and communication services, data sharing, collaboration between self-employed creatives. <div></div>
Ltd.	5	
Association	3	
COOPERATIVES THAT USE PLATFORMS		
Cooperative	18	Ethical banks, taxi drivers' cooperatives, creative workers' cooperatives, citizens' cooperatives, web hosting cooperative. <div></div>

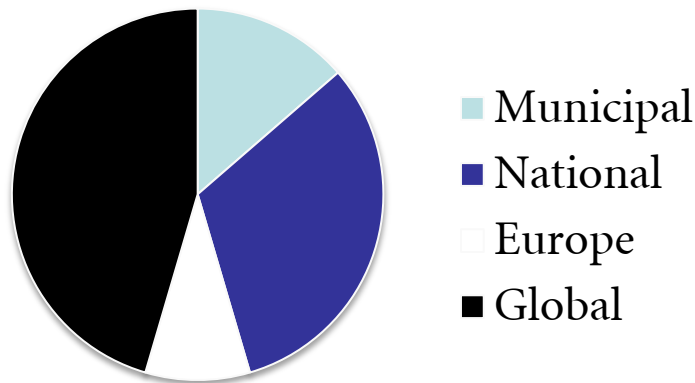


# Cooperatives in the Platform Economy

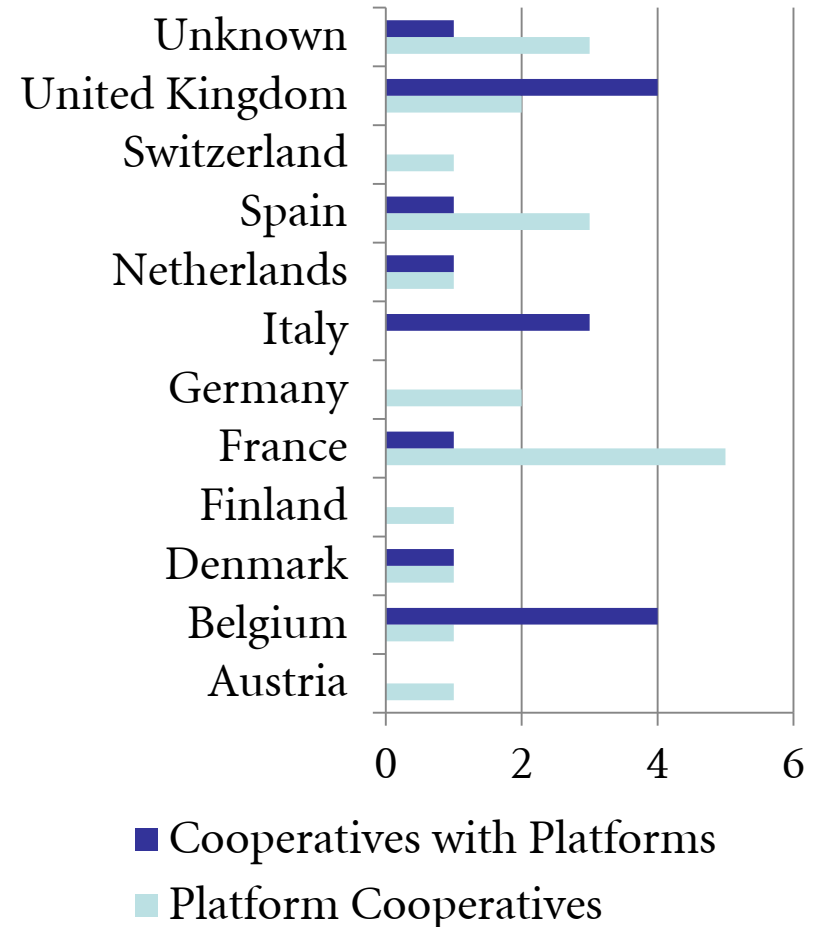
Relevant Geographic Market of Cooperatives with a Platform



Relevant Geographic Market of Platform Cooperatives



Registrations



# PECOL

## Cooperative Identity

- Section 1.1(5):  
“Cooperatives shall include in their registered name the word ‘cooperative’, ‘coop’, or similar. The words ‘cooperative’, ‘coop’, or similar, may not be included in the names of entities not formed and managed as cooperatives in accordance with cooperative law and universally recognised cooperative values and principles.”

## Cooperative Governance

- Section 2.1(1):  
“Cooperatives are directed and controlled by or on behalf of their members, who have ultimate democratic control through their governance system.”
- Section 2.1(5)  
“Cooperative governance structures must always ensure cooperative autonomy and member control.”

## Cooperative Transactions

- Section 1.4(1):  
“Cooperatives pursue their objectives mainly through cooperative transactions with their cooperator members for the provisions of goods, jobs and services.”
- Section 1.5(5):  
“Profits from non-member cooperative transactions are allocated to indivisible reserves.”

# Problems for Cooperatives in the Platform Economy to Address

- Intersectionality of movement and accessibility of membership.
- Viability of business model
- Issue of scale
  - R-chain cooperative and Resonate cooperative partnership.
  - Cooperative Federation with the platform provided by the 'parent' cooperative. ([New Economics Foundation 2018: 38](#))
- How to develop solidarity among a large number of stakeholders and stakeholder groups.

# UNIONS AND WORKS COUNCILS



Foodora couriers formed a Works Council in Austria in 2017 to negotiate working conditions with Foodora management

These unions help platform workers in litigation as well as lobby for industry-wide change in employment practices and working conditions



**Thank you for listening!**

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