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Platform cooperatives  
and employment: An  
alternative for platform work

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# Platform cooperatives and employment: An alternative for platform work

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OECD Global Action Promoting  
Social & Solidarity Economy Ecosystems

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**OECD**  
Global Action

Promoting  
Social & Solidarity  
Economy Ecosystems



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# Platform cooperatives and employment: An alternative for platform work

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Platform cooperatives refer to cooperatives that are directly owned and managed by their members and that use websites and/or mobile apps to sell goods and/or services. They have emerged in large part as alternatives to digital labour platforms to promote better working conditions with evidence of significant growth in recent years.

This paper provides an overview of employment in platform cooperatives and offers insights on their distinctive features. In particular, it provides i) insights on working conditions associated with such platforms; ii) an overview on the challenges they face in creating jobs as well as scaling up, developing and expanding their activity; and iii) policy recommendations and examples of policy actions that could help policy makers best support them to generate work opportunities and enhance job quality.

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# Acronyms

<b>AUD</b>	Australian dollar
<b>CAE</b>	Cooperative for Activity and Employment - <i>Coopérative d'Activité et d'Emploi</i>
<b>CFL</b>	Center for Family Life
<b>CPE</b>	Coopérer Pour Entreprendre
<b>ESOP</b>	Employee stock ownership plan
<b>EU</b>	European Union
<b>EuSEF</b>	European Social Entrepreneurship Fund label
<b>GDP</b>	Gross domestic product
<b>ICA</b>	International Cooperative Alliance
<b>ILO</b>	International Labour Organization
<b>KRW</b>	Korean won
<b>NDIS</b>	National Disability Insurance Scheme
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SCIC</b>	Cooperative Society of Collective Interest - <i>Société Coopérative d'Intérêt Collectif</i>
<b>SDG</b>	Sustainable Development Goal
<b>SEWA</b>	Self-Employed Women's Association
<b>SSE</b>	Social and solidarity economy
<b>TDC</b>	The Drivers Cooperative
<b>WCBDI</b>	Worker Cooperative Business Development Initiative

# Executive summary

**Online platforms across sectors (tourism and hospitality, retail, e-commerce, culture and creative industries, the medical industry, etc.) have deeply impacted how, where and when work is found and performed for many people.** Based on estimates from the European Council, in 2022, there were 28.3 million platform workers in the European Union, and the figure is expected to increase to 43 million in 2025. At the same time, the number of digital labour platforms that connect workers and entrepreneurs with clients significantly increased to over 777 globally in 2020, compared with 142 in 2010. Digital labour platforms can be categorised as online-based or location-based, depending on whether tasks are performed remotely or at a specific location. Between 2010 and 2020, the number of online web-based platforms saw a threefold growth, while location-based platforms, in the taxi and delivery sectors, grew almost tenfold over this period.

**While bringing benefits, digital labour platforms raise concerns about employment relationships and job quality for external workers.** Benefits can include flexibility and new income opportunities for some workers, or reduced costs and enhanced traceability and transparency for clients (e.g. businesses, individuals). Typically, from the platforms' perspective, external workers use the platform as a tool to provide services or goods, operating independently and relieving the platform of employer obligations and responsibilities. This situation poses multiple challenges for external platform workers in terms of earnings quality, labour market security and quality of the working environment. For example, the combination of limited work opportunities as well as the lack of access to unions and collective bargaining for digital platform workers can lead to lower earnings compared with their level in competitive markets. Furthermore, depending on local legislation governing platform work, workers using these platforms might lack formal contracts or be classified differently (e.g. self-employed, or independent contractors). Lastly, they also may experience limitations on their freedom and autonomy due to the algorithmic management techniques, which should not occur when workers are genuinely self-employed.

**Platform cooperatives have emerged around the world as alternatives to conventional platforms to help tackle challenges such as employment status, job quality and asymmetry in bargaining power.** In 2014, the New School's Platform Cooperativism Consortium in New York City first referred to platform cooperatives to describe organisations directly owned and democratically managed by workers that use websites and mobile apps to sell goods and/or services. They are most often focused on local communities, albeit some have a global reach. They started gaining traction in other countries, including through initiatives supporting their emergence and growth. For example, in 2015 in Spain, the Social Economy and Consumption Commission of Barcelona City Council started a programme to support platform cooperatives, including the provision of matched funding for training. In Brazil, they came to the fore as alternatives to other platforms following events such the 2020 countrywide riders' strike (strike of delivery workers) and debates around decent work and workers' rights in the delivery sector. In India, in 2021, the state of Kerala announced plans to help establish 4 000 platform cooperatives as part of the Comprehensive Programme for Employment of the Educated Unemployed, to create more equitable relationships between platform members and providers.

**Based on estimates from the Internet of Ownership Project, there over 500 platform cooperatives active in different sectors such as culture, catering, cleaning, delivery, home services, care, transportation and tourism.** For example, Smart (Belgium), a multi-stakeholder platform cooperative, is not engaged in matching customers and suppliers. It supports members who pursue entrepreneurial projects in various sectors, in their management, administrative, fiscal and legal tasks, and provides them with salaried employment. Being a member of the cooperative is mandatory and entails a contribution of 6.5% on turnover of activities of members to help set up services within the cooperative. Additional financing comes via the Belgian social security system. In the Drivers Cooperative in New York City, a worker-owned cooperative, driver-members are not formally employed by the platform, but they receive a minimum of USD 30 per hour when driving for the platform. They keep extra earnings and if not, the cooperative steps in to provide a "top-up payment" that bridges the gap between the actual earnings from a trip and the amount the drivers would have earned if they had been paid at the rate of USD 30 per hour. The Drivers Cooperative operates with a 15% commission rate to cover operational expenses, including driver onboarding, licensing, customer service and engineering costs. Some platform cooperatives focus on generating revenues rather than on job creation. For example, Stocksy United (Canada), an artist-owned photography and cinematography cooperative, has an international membership of over 1 000 photographer-members across 67 countries. Members receive 50% of royalties on standard licence sales. Fairbnb (Italy), an online cooperative marketplace, provides hospitality services by linking local hosts and guests seeking short-term rentals. The platform charges a 15% commission for every booking, 50% of which is dedicated to its functioning and maintenance; the remaining 50% is invested into communities in which it operates.

**Platform cooperatives prioritise the interests of their members and use democratic governance to operate their organisations.** Platform cooperatives may not always formally adopt the legal form of a cooperative and might register as limited liability corporations (e.g. Canada, the United Kingdom, the United States), for example. Irrespective of legal form, they have to conform to the principles of the International Cooperative Alliance to be identified as cooperative platforms. Depending on activity, membership and purpose, they can be categorised into four types: consumer/user, producer, worker and multi-stakeholder. All types prioritise members' needs, use democratic governance (one person, one vote) to conduct activities and also keep control on the technology. For example, a worker platform cooperative prioritises the provision of work/employment for its worker-members who also manage the platform. A producer platform cooperative focuses on negotiating better conditions for its supplier-members. A consumer/user platform cooperative focuses on price–quality for goods or services for client-members. A multi-stakeholder platform cooperative aims to connect various parties and minimise transaction costs for all stakeholders involved.

**Their approach to work differs compared with that of conventional platforms due to the member-owner principle.** Members in platform cooperatives are owners of their cooperatives and can work for them at the same time. The member-owner principle allows them to make decisions relative to how their organisations operate, including their working conditions, pay, training, working hours, wages, commission rates, surplus value and, depending on activity, equipment required for their activity. In principle, members could either work as self-employed (in a producer cooperative) or as an employee (in a worker cooperative). In Europe, an analysis by the European Confederation of Industrial and Service Cooperatives highlights that the status of worker-members has developed and, in some cases, can be an equivalent to salaried employment in many European countries as per specific legislation (such as in France, Italy and Spain).

**Platform cooperatives can bring multiple benefits to workers, such as a role in decisions affecting the work, better earnings, more flexible working conditions, and training and skills development opportunities.** Recent research suggests that fostering participation in governance among members is a priority for platform cooperatives and can help respond to concerns about working conditions as well as broader social and environmental issues. Studies also suggest that workers (high- and low-skilled) generally receive a larger share of revenue compared with other platforms. For example, Upandgo.coop, a New York city-based platform cooperative for housecleaning services, gives higher wages than the average local wage of the sector (USD 22.50 on average, which is about USD 5 higher). Resonate, a

music multi-stakeholder platform cooperative, gives democratic control to its various stakeholders: artists (45%), listeners (35%), employees (20%). Platform cooperatives across sectors and types typically provide education and training for their workers. They are required to do so in coherence with principles of the International Cooperative Alliance, cooperative legislation and bylaws. For example, the Drivers Cooperative offers courses through the Drivers Cooperative Academy aimed at ride-hailing and taxi workers, to equip them with the necessary tools to start new platform cooperatives.

**Platform cooperatives show alternative models are possible, but their small number and scale as well as legal, financial and organisational challenges hold back their job creation and revenue generation potential.** The major challenge for platform cooperatives is access to sufficient and patient capital and other forms of financial resources to start and sustain their activity. The lack of initial funding significantly threatens the actual development and survival of the platform cooperative and undermines their capacity to create jobs and attract talent they need to work for the platform, in particular tech talent. This situation is further complicated by the fact that they often have to use/comply with legislation not always adapted to the realities brought by digital technologies in the functioning of a cooperative. For example, in some jurisdictions, platform cooperatives are not allowed to hold online general assemblies, with members' physical presence being required to vote. There also might be nationality restrictions or residence requirements for membership or directorship of cooperatives. Another challenge is the prohibition in some jurisdictions of the contribution to capital of investor members in cooperatives.

**Policy action could help platform cooperatives overcome financial, legal and organisational challenges by primarily targeting the facilitation and improvement of access to funding and finance.** Legislation is another important area where policy action can help by easing conditions of establishment, for example, and recognising work arrangements that fit platform cooperatives' needs and that could help them attract tech talent. Finally, platform cooperatives could benefit from public support to access capacity-building and business support services to facilitate scalability and replicability of the model and enhance their capacity to attract funding and investment, in addition to raising their profile for potential partnerships with the private and public sectors.

#### ***Facilitate and improve access to funding and finance for platform cooperatives***

- **Support platform cooperative access to start-up funding at the needed scale**, including via partnerships, grants or innovative schemes such as match-funding, or investor-members direct participation in platform cooperatives, and through converting traditional firms via employee ownership models.
- **Promote collaboration between platform cooperatives and public and private entities including through funding, partnerships and knowledge-sharing events.** This could be achieved through joint programmes aimed at supporting their activity, as well as events designed to facilitate the dissemination of their work and impact. Partnerships could be established with private sector entities that similarly seek to create social, economic and/or environmental impact, such as those active in social service provision or in the circular economy for example, thus facilitating alignment in terms of principles and values. Partnerships with public institutions could focus on programmes that could help to raise the profile of and awareness around the work of platform cooperatives.
- **Use social procurement to help platform cooperatives generate income** by contracting with them for the provision of goods/services, not only to help create a market for them, but also to address societal challenges that potentially result in long-lasting positive impacts for the public sector. Some platform cooperatives (e.g. CoopCycle) have secured public procurement contracts with local authorities by pointing towards the very concrete benefits they bring such as job provision, service provision and serving local communities. Using social procurement could also be a way of acknowledging their efforts to actively address societal and environmental issues.

- **Consider using tax incentives to facilitate the growth of platform cooperatives, in particular investment in their capital and operations and to position them in strategic sectors such as green and other critical sectors (e.g., care).** A favourable tax policy has the potential to serve as an incentive for the creation of platform cooperatives, or the conversion of traditional cooperatives into the platform cooperative model (e.g., in the United States, business owners who sell their company to worker cooperatives benefit from a favourable tax treatment to support such conversion). Tax incentives could be used to target the emergence of platform cooperatives in green sectors or essential sectors such as care. Tax relief could also be used to stimulate private investment in disadvantaged communities, as it is the case in the United Kingdom, or tax deductions to encourage cooperative transactions and/or for cooperatives to invest in other cooperatives.

***Develop and adapt legislation for platform cooperatives to reflect realities brought by digital technologies***

- **Develop legal frameworks that can help platform cooperatives function in line with the digital economy.** This involves assessing the impacts of various existing legislations on platform cooperatives to identify regulatory impediments to their growth, such as cumbersome requirements for creating cooperatives (large member threshold or restrictions on sectors of activity, for example). It also entails revising and modernising legal texts that oversee cooperatives, for example, allowing them to conduct digital assembly votes or seamlessly admit members across various locations.
- **Explore including in the legislation alternative forms of work brought by cooperatives that could be suitable for platform cooperatives,** including through statuses such as “employee-entrepreneur”, to help individuals develop their business projects, while benefiting from labour rights and protections.

***Provide capacity-building and business support services for platform cooperatives***

- **Develop tailored capacity-building programmes focused on platform cooperatives** in the form of workshops, seminars, mentoring sessions, guides and training kits that could provide comprehensive knowledge transfer, skills development, and practical assistance on how to start and operate a platform cooperative.
- **Establish dedicated business support services for platform cooperatives and ease access to existing services,** such as legal advice, financial assistance, marketing support, and technical aid that can address the specific needs of platform cooperatives and promote the creation or transformation of businesses into the platform cooperative model.
- **Support platform cooperatives in attracting tech talent and qualified professionals** by implementing dedicated educational programmes tailored to social and solidarity economy organisations, along with initiatives that foster networking and connections between platform cooperatives and tech talent as well as experts. Access to tech talent could also be facilitated by creating platforms for collaboration among educational institutions, governmental agencies, associations and companies on the development of open-source software.



# 1 Setting the scene

## The world of work is changing with the adoption of new technologies and business models, such as online platforms

**Digital technologies are rapidly transforming how people, businesses and governments live, socialise, communicate, create, learn, travel and work** (Conseil d'Analyse Economique, 2020<sup>[1]</sup>; OECD, 2019<sup>[2]</sup>). The integration of digital technologies in economic activities has fostered new business models, such as online platforms,<sup>12</sup> which have brought benefits to consumers, businesses and governments by enabling easier and more efficient interactions among people, and have transformed how, where and when work is found and performed (OECD, 2019<sup>[3]</sup>). For example, in Australia, the National Disability Insurance Scheme (NDIS) supports more than 338 000 individuals, some of them through online platforms that match NDIS participants with support workers (Australia's National Disability Insurance Scheme, 2020<sup>[4]</sup>). In particular, digital labour platforms have disrupted traditional business models and employment relationships by using a digital interface to facilitate and mediate work between clients (e.g. businesses, people) and workers (OECD/ILO/European Union, 2023<sup>[5]</sup>). For example, in the delivery sector, platforms such as Deliveroo and Cornershop enable clients to conveniently access a diverse range of products by connecting them with delivery workers and businesses (such as restaurants and supermarkets) through an app.

**Digital labour platforms have introduced new approaches to and ways of organising work, such as an increasing reliance on technology and the division of work into micro-tasks.** Processes have transformed, shifting from human interaction to software and hardware tools that facilitate worker monitoring, enable client and platform worker communication, and evaluate and rate the performance of platform workers (ILO, 2021<sup>[6]</sup>). Simultaneously, digital labour platforms organise work in a novel manner by deconstructing tasks into smaller, distributable units that can be performed in multiple locations through the platform (Tan et al., 2021<sup>[7]</sup>). Consequently, work has become more flexible and short-term, with diverse working arrangements in place and people using digital labour platforms for different purposes. For example, some individuals seek gig work through digital labour platforms as an additional income source alongside their main job, while others rely on multiple gigs across one or several platforms as their primary source of income (Tran and Sokas, 2017<sup>[8]</sup>). Additionally, many workers can perform tasks online or remotely without being tied to a specific location (ILO, 2021<sup>[6]</sup>).

**As digital labour platforms are expanding, they are generating significant revenues, attracting substantial investment and expecting an increase in the number of platform workers.** Information compiled by the European Council indicates that in 2022, there were 28.3 million platform workers in the European Union, and the figure is expected to increase to 43 million in 2025 (Council of the European Union, 2022<sup>[9]</sup>). Similarly, the number of digital labour platforms significantly increased globally from 142 in 2010 to over 777 in 2020, with online web-based platforms experiencing a threefold growth, while taxi and delivery platforms grew almost tenfold over this period (ILO, 2021<sup>[6]</sup>). Furthermore, digital labour platforms generated USD 52 billion in revenues in 2019, with 49% originating from the United States, 23% from the People's Republic of China, and 11% from Europe. Moreover, data from 367 digital labour platforms reveals that as of January 2021, they received a total funding of USD 119 billion, 96% of which was allocated to platforms located in Asia, Europe and North America (ILO, 2021<sup>[6]</sup>).

### **The rise of digital labour platforms has potential benefits to workers, businesses and governments.**

In cases where freedom to organise one's work is ensured, digital labour platform models have the potential to bring greater flexibility to workers, allowing them to choose when and where to provide their labour services (OECD, 2019<sup>[10]</sup>; European Commission, 2021<sup>[11]</sup>). Furthermore, platform workers often benefit from low entry barriers in digital labour platforms, facilitating their access to new income generation opportunities and potentially integrating under-represented groups into the labour market (OECD, 2019<sup>[2]</sup>). Additionally, businesses utilise digital labour platforms for various reasons, including to simplify recruitment processes, reduce costs, improve efficiency, access knowledge and innovation, cope with increased competition, expand their market, and improve profitability (ILO, 2021<sup>[6]</sup>). Lastly, governments can also benefit from the rise of digital labour platforms. People are required to create digital accounts to use them, which in turn helps in keeping a record of activities. This enhances traceability, transparency and accountability of economic activities, all of which are relevant elements for labour formalisation (OECD, 2023<sup>[12]</sup>).

### **Despite their benefits, digital labour platforms pose challenges and risks to job quality**

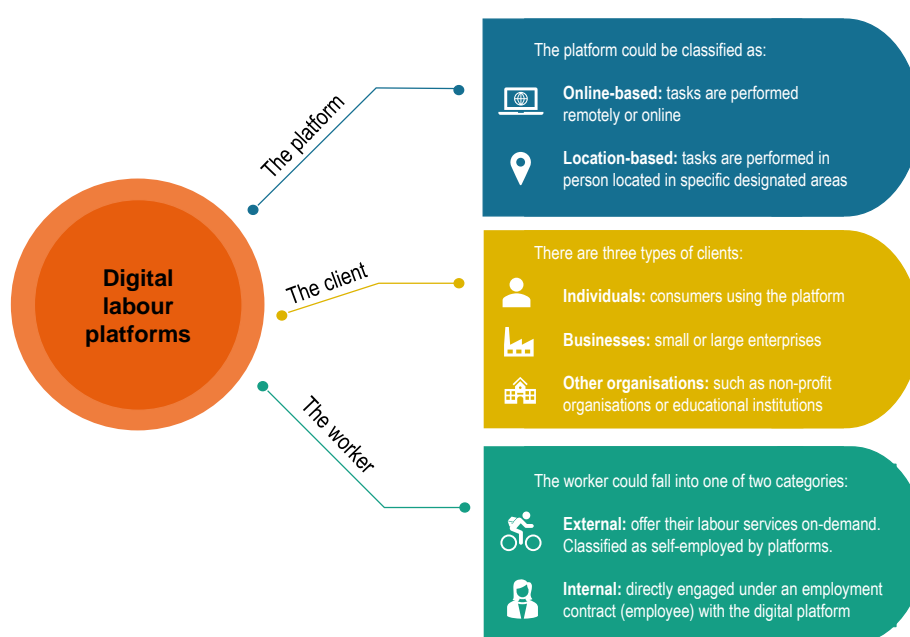
**Digital labour platforms can be categorised into online-based and location-based platforms, distinguished by whether tasks are performed remotely or at a specific location.** Online-based platforms are those where workers perform tasks or assignments remotely or online. For instance, this type includes translation services or data analysis in platforms such as Upwork and Amazon Mechanical Turk. Location-based platforms are those where workers perform tasks in person located in designated areas. This second type encompasses platforms such as Bolt, which provides taxi services, and UberEats, a food delivery platform (OECD, 2023<sup>[12]</sup>). The categorisations of digital labour platforms can have additional ramifications depending on their specific emphasis. Online-based platforms, for instance, can be classified into a range of types, such as freelance and contest-based, micro-task, competitive programming, and medical consultation platforms. On the other hand, location-based platforms can be divided into several sectors, such as taxi, delivery, home services, domestic work or care services platforms, among others (ILO, 2021<sup>[6]</sup>).

**Workers in such platforms may either be directly employed (internal) or have their work mediated through the platform (external).** Platform employment can be divided into external and internal (OECD/ILO/European Union, 2023<sup>[5]</sup>). External workers are classified as self-employed or independent contractors by the platforms and offer their labour services on demand (ILO, 2021<sup>[6]</sup>). The term "gig work" is often used to describe the work performed by these workers, reflecting a shift from long-term stable employment towards work that is temporary and centred around small "gigs" (Scholz et al., 2021<sup>[13]</sup>). From the platform's perspective, since these workers use the platform as a tool to provide their services or goods, they operate independently; the platform does not have the responsibilities and obligations that come with being an employer (OECD/ILO/European Union, 2023<sup>[5]</sup>). In contrast, internal employment refers to workers directly engaged under an employment contract with the platform, being subject to labour laws and social insurance. These workers could perform essential tasks required for the platform's day-to-day functioning and operations (e.g. a programmer developing the platform) or alternatively, they may be engaged as employees to carry out work on or through the platform, for instance, a driver hired by the platform in an employee capacity rather than as a self-employed contractor (OECD/ILO/European Union, 2023<sup>[5]</sup>). Internal employment often represents a small portion of the overall workforce (ILO, 2021<sup>[6]</sup>). For example, in 2022, Uber reported having an all-time high of almost 5.4 million drivers and couriers (self-employed or independent contractors), and only 32 800 internal employees (Uber, 2023<sup>[14]</sup>; Uber, 2023<sup>[15]</sup>).



**Work through digital labour platforms carries challenges and risks in terms of job quality for its external digital platform workers.** While digital labour platforms involve multiple parties and can bring benefits (Figure 1.1.), in practice, the implementation of such models has revealed issues with working conditions for external digital platform workers (henceforth, referred to as "platform workers"). Analysing the working conditions of these workers offers valuable insights into employment within digital labour platforms (also in other online platforms) and into issues such as work flexibilisation models. Table 1.1 shows the multiple challenges for platform workers' well-being against the three dimensions of the Organisation for Economic Co-operation and Development (OECD) Job Quality Framework: earnings quality, labour market security and quality of working environment (OECD, 2014<sub>[16]</sub>).

**Figure 1.1. Parties involved in digital labour platforms**



Source: Authors' elaboration

**Table 1.1. Assessing platform workers' conditions against the OECD Job Quality Framework**

Dimension	Definition & scope	Challenges
<b>Earnings quality</b>	This dimension refers to the contribution of income to worker well-being, encompassing both the absolute level of earnings and their distribution across the workforce (OECD, 2014 <sup>[16]</sup> ). This paper analyses the absolute level of earnings among platform workers to gain insights into their individual working conditions.	<ul style="list-style-type: none"> <li>• <b>Unbalanced power relationship:</b> digital labour platforms have more control over the relationship than platform workers, since the latter often possess limited outside options and lack access to unions and collective bargaining due to their classification as self-employed (Lane, 2020<sup>[17]</sup>). Consequently, this situation may lead to lower pay and working conditions than those that would prevail under perfect market conditions.</li> <li>• <b>Oversupply of workers reduces platform workers' earnings:</b> an excess supply of workers could lead to intensified competition for task assignments and put downward pressure on task prices (ILO, 2021<sup>[6]</sup>; Schor and Eddy, 2022<sup>[18]</sup>). For example, 62% of freelance platform workers accepted low-paying work to increase their exposure due to intense competition, while 60% lowered their bids and 13% worked for free for the same reason (ILO, 2021<sup>[6]</sup>).</li> <li>• <b>Platform workers' earnings decrease due to platform fees:</b> this includes various platform fees, such as service fees, subscription fees, bidding fees, withdrawing money fees, currency conversion fees and money transfer fees (ILO, 2021<sup>[6]</sup>).</li> <li>• <b>Earnings of platform workers are affected by deductions on their tips and non-payment of performed tasks:</b> these approaches are prevalent issues in gig work, adversely affecting workers' earnings (Tran and Sokas, 2017<sup>[9]</sup>; ILO, 2021<sup>[6]</sup>). For example, food delivery workers in New York City established Los Deliveristas Unidos to address concerns such as transparency in customer tips and the prevention of platforms deducting fees from workers' tips (The Verge, 2021<sup>[19]</sup>). Furthermore, some surveys have found that 29% of platform workers report having performed some work without receiving payment (Smith, 2016<sup>[20]</sup>).</li> </ul>
<b>Labour market security</b>	This dimension captures both the likelihood of becoming unemployed and the anticipated duration of unemployment (OECD, 2014 <sup>[16]</sup> ). This paper focuses on the likelihood of becoming unemployed since it better portrays the reality of platform workers in terms of job security.	<ul style="list-style-type: none"> <li>• <b>Absence of formal contracts:</b> platform workers frequently lack formal contracts and are instead governed by the terms of service unilaterally set by the digital labour platform. This arrangement significantly restricts workers' opportunities to have a say in shaping their working conditions and eliminates the need for formal termination procedures, as workers can be easily deactivated from the platform (Tran and Sokas, 2017<sup>[9]</sup>).</li> <li>• <b>Deactivation at the platform's discretion:</b> platforms could deactivate worker accounts at its own discretion based on reviews and rating systems that assess workers, disregarding the potential impact of external factors on the quality of service beyond the worker's individual performance (ILO, 2021<sup>[6]</sup>). For example, International Labour Organization (ILO) surveys reported that 19% of workers in app-based taxis and 15% in delivery sectors have experienced account deactivation, ranging from temporary restrictions on accessing platform work for up to seven days to permanent removal from the platform (ILO, 2021<sup>[6]</sup>).</li> <li>• <b>Limited access to social protection:</b> several platform workers, although sharing characteristics with employees, are classified as self-employed or independent contractors. This situation leads to them missing out or limiting their entitlement to social protection rights, including health coverage and pension benefits (Schor, 2020<sup>[21]</sup>; OECD, 2021<sup>[22]</sup>; OECD, 2018<sup>[23]</sup>).</li> <li>• <b>Exacerbated vulnerability in situations of unemployment:</b> the classification of platform workers as self-employed prevents them from accessing unemployment insurance, leaving them in a precarious position where they must bear the full financial consequences of unemployment without sufficient support (OECD, 2023<sup>[12]</sup>; ILO, 2021<sup>[6]</sup>; OECD, 2020<sup>[24]</sup>). This situation is particularly concerning during periods of crisis. For example, early evidence on the impact of COVID-19 on the self-employed suggested that they were more likely to be at risk of losing their job than employees (OECD/European Commission, 2021<sup>[25]</sup>).</li> </ul>

Dimension	Definition & scope	Challenges
Quality of the working environment	This dimension explores the nature and intensity of work, along with its organisation and the prevailing working atmosphere (OECD, 2014 <sup>[16]</sup> ). All the elements of this dimension are relevant to assess the individual well-being of platform workers.	<ul style="list-style-type: none"> <li>• <b>Algorithm management in digital labour platforms limits worker autonomy and feedback opportunities:</b> digital labour platforms use algorithmic management techniques to organise work, programming rules and routines into the platform to allocate tasks, track progress and assess performance, thus exerting significant control over platform workers (Rani and Furrer, 2020<sup>[26]</sup>; OECD, 2019<sup>[10]</sup>). These practices curtail workers' freedom and autonomy as rejecting work may result in lower ratings, which in turn can lead to reduced access to future work (OECD/ILO/European Union, 2023<sup>[5]</sup>). Furthermore, algorithmic management replaces human interaction with an automated system, depriving workers of feedback on how to improve their performance (Rani and Furrer, 2020<sup>[26]</sup>).</li> <li>• <b>Platform workers may work long hours driven by platform incentives:</b> platform workers are distinctly driven by platform incentives, such as increased earnings or bonuses, which prompt them to undertake these extended long hours. For example, ILO surveys reveal that 41% of app-based taxi workers work seven days a week, with 28% exceeding 12 hours per day (ILO, 2021<sup>[6]</sup>). Similarly, in the delivery sector, 38% work seven days a week, while 50% work over ten hours on three or more days weekly (ILO, 2021<sup>[6]</sup>).</li> <li>• <b>Fatigue, traffic violations and app distraction pose safety risks for platform workers:</b> gig workers work under fatigue, pressure to violate traffic regulations and distraction from their phones (Christie and Ward, 2019<sup>[27]</sup>). Furthermore, the outbreak of COVID-19 produced a strong negative impact on self-employment, including hours worked, income, mental health and overall well-being (OECD/European Commission, 2021<sup>[25]</sup>). Moreover, in a study on gig economy online platforms, drivers and riders reported experiencing significant safety risks. For instance, 16% of participants struggle to stay awake while driving or riding, nearly 50% admitted exceeding the speed limit, 33% had driven through a red light, and 40% acknowledged being distracted by the app while on the road (Christie and Ward, 2019<sup>[27]</sup>).</li> </ul>

Source: Authors' elaboration building on (OECD, 2014<sup>[28]</sup>)

**These challenges are being magnified with the growing number of workers experiencing them in platform work.** Different surveys and methods are used to estimate the number of digital platform workers. For example, in Canada in 2018, 8% of Internet users used it to earn income, among which 6.1% were via platform-based peer-to-peer services and 14.1% via online freelancing. In the United States, 7.6% of Internet users offered capital or labour services for sale via Internet in 2019 (OECD/ILO/European Union, 2023<sup>[5]</sup>). Furthermore, the COLLEEM<sup>3</sup> survey revealed that in 16 European countries, around 11% of the working age population had provided labour services through platforms. More than 41% of those who were identified as platform workers in 2017 remained in this category in 2018 (OECD/ILO/European Union, 2023<sup>[5]</sup>). As mentioned above, estimations of the European Council indicated that there were 28.3 million platform workers in only the European Union (Council of the European Union, 2022<sup>[9]</sup>).

### **Platform cooperatives, and the social and solidarity economy more generally, can help address some of the job quality challenges of platform work**

**The social and solidarity economy (SSE) offers new models with alternative solutions to some of the issues raised by conventional digital labour platforms.** Driven by societal objectives, values of solidarity, and democratic and participative governance, the SSE is gaining greater recognition globally (OECD, 2022<sup>[29]</sup>; OECD, 2023<sup>[30]</sup>) for fostering strong local communities and advancing sustainable economies and societies. The SSE (encompassing associations, cooperatives (Box 1.1), foundations, mutual societies and social enterprises), is also recognised for being a driver of social innovation, leading to the emergence of novel models in the broader economy and society (OECD, 2022<sup>[29]</sup>). Platform cooperatives are an innovative SSE-based model that offers alternative solutions to address some of the limitations of digital platform labour.

### Box 1.1. What is a cooperative?

**The International Cooperative Alliance (ICA) defines cooperatives 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.”** (International Cooperative Alliance, 1995<sup>[31]</sup>). The ICA also sets out principles that guide cooperatives’ governance and activity, namely voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among cooperatives; and concern for the community (International Cooperative Alliance, 1995<sup>[31]</sup>).

**The cooperative model brings multiple benefits for people and places.** For example, being member-based organisations, often embedded in local communities, they have better understanding of community needs (International Cooperative Alliance, n.d.<sup>[32]</sup>). They also provide services in remote areas and revitalise territories and have the ability to overcome difficulties during a crisis thanks to i) their inclusive and participatory governance structures; ii) their embeddedness in local communities; and iii) their mobilisation of diverse resources (OECD, 2020<sup>[33]</sup>). Additionally, cooperatives can achieve economies of scale as well as manage risks by pooling resources and reduce transaction costs (European Parliament, 2019<sup>[34]</sup>).

**However, the cooperative model also faces several challenges.** These challenges encompass a scarcity of information and data about cooperatives, insufficient education and awareness about cooperativism across various levels, and governance issues stemming from members’ lack of knowledge, capacity and skills within cooperatives themselves (OECD, 2022<sup>[35]</sup>). Additional barriers to cooperative growth may include limited access to finance and markets, as well as complex institutional and legal frameworks (OECD, 2022<sup>[29]</sup>).

**The cooperative model transforms itself through innovation, with platform cooperatives as an example.** The social economy, through cooperatives, plays a pivotal role in fostering social innovation and injecting fresh perspectives into both the economy and society. One notable manifestation of such innovation is the emergence of platform cooperatives (OECD, 2022<sup>[29]</sup>).

**Platform cooperatives are digital interfaces where members have democratic ownership and control, whereas conventional platforms are owned by a single entity or private investors.** Platform cooperatives<sup>4</sup> can be defined by two fundamental elements: the presence of a digital interface to intermediate the exchange of goods or services, and the principles of democratic ownership and control (Scholz et al., 2021<sup>[13]</sup>). Using comparable technologies, they offer similar services to conventional digital labour platforms with a major difference: their members (who are both owners and users) have control and participate in the development of the platform. They can collectively make decisions on the management and use of the platform and address members’ needs, such as improving working conditions. Their approach stands in contrast to conventional digital labour platforms, where ownership is typically reserved to a single entity or a group of private shareholders that concentrate the decision-making power.

**Platform cooperatives have the potential to address some of the shortcomings of conventional platforms, in particular improving working conditions** (Table 1.2). Platform cooperatives, through collective ownership and participatory governance, address asymmetries in bargaining power, and foster transparency and promote accountability towards their members and wider communities, distinguishing them from conventional digital labour platforms (ILO, 2021<sup>[6]</sup>; OECD, 2023 forthcoming<sup>[36]</sup>). This way of operating holds the potential to improve working conditions (International Cooperative Alliance, 2022<sup>[37]</sup>) while yielding additional benefits such as enhanced worker retention, worker well-being, improved productivity, better compensation and greater worker autonomy over labour conditions (Scholz et al., 2021<sup>[13]</sup>). Furthermore, platform cooperatives actively pursue positive impacts on working conditions by

mutualising costs or promoting equitable income distribution (European Commission, 2022<sup>[38]</sup>). Additionally, apart from their contribution to better working conditions, platform cooperatives can also provide greater control over data collection and privacy rights, also for workers (Scholz et al., 2021<sup>[13]</sup>), and contribute to local development (OECD, 2023 forthcoming<sup>[36]</sup>).

**Table 1.2. Platform cooperatives can help address job quality concerns of conventional platforms**

Workers active through digital labour platforms experience job quality challenges resulting from their dependence on the platforms and their operating approaches. The table below presents the main challenges experienced by individuals working for or through conventional platforms and how platform cooperatives help address them.

Issue	Conventional platform	Platform cooperative
Employment status	<ul style="list-style-type: none"> <li>Workers are often classified as self-employed while lacking the autonomy to determine their working time, pricing, pay rates and conditions of interaction with clients.</li> </ul>	<ul style="list-style-type: none"> <li>Workers are member-owners of the cooperative. They can actively participate in making decisions including on employment status (they can be employed or self-employed) and working conditions.</li> <li>They can decide how to use the platform's surpluses for improving their working conditions.</li> </ul>
Working conditions (wages, working hours)	<ul style="list-style-type: none"> <li>The platform determines how the digital tool can be used and elements of the contract between the workers and the clients (e.g. description of tasks and pay rates).</li> </ul>	<ul style="list-style-type: none"> <li>As members of the cooperative, workers can participate in the development of the digital tools to fit their needs and relationship with clients.</li> </ul>
Training and skills development	<ul style="list-style-type: none"> <li>Conventional platforms seldom provide trainings and invest in capacity building for their workers.</li> </ul>	<ul style="list-style-type: none"> <li>Platform cooperatives are required to provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives (principle 5 of the International Cooperative Alliance Statement (1995<sup>[31]</sup>), cooperative law and cooperative bylaws).</li> </ul>
Work security	<ul style="list-style-type: none"> <li>Platforms can sanction the lack of compliance with their terms of use through temporarily or permanently denying access to the platforms to workers.</li> <li>Workers are evaluated through rating systems, which can increase their work insecurity.</li> </ul>	<ul style="list-style-type: none"> <li>The member-owner principle clarifies/rebalances the employment relationship and increases work security.</li> <li>They favour practices such as the right to log off and greater worker appreciation and acknowledgement, which help increase the quality of working conditions.</li> </ul>
Access to social protection	<ul style="list-style-type: none"> <li>Employment classification (contractor/self-employed) might put workers at risk since they do not always benefit from the same level of employment protection, healthcare and social security benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Platform cooperatives can offer through specific statutes salaried employment to their members and provide access to social protection and other protections.</li> </ul>

Source: Authors' elaboration, informed by (Muszyński, Pulignano and Domecka, forthcoming<sup>[39]</sup>)

## Notes

<sup>1</sup> The terms "online platforms" and "digital platforms" are sometimes used interchangeably to designate a "digital interface" or an "online service provider" acting as an intermediary between providers of services or goods and their clients or customers (OECD/ILO/European Union, 2023<sup>[5]</sup>). In this paper, the term "online platform" is preferred since it refers to platforms that operate via the Internet while digital platforms can also include platforms that are not necessarily online, such as an operating system. However, when discussing "digital labour platforms," this paper will maintain this term, as it is widely employed in the literature.

<sup>2</sup> Digital/online platforms can be categorised into two types: those that offer digital services or products, such as search engines or social media platforms (e.g. Google Search or TikTok), and those that mediate and facilitate interactions among different users such as business-to-business/business-to-consumer (e.g. Amazon, Alibaba) and digital labour platforms (e.g. Uber, PeoplePerHour) (OECD/ILO/European Union, 2023<sup>[5]</sup>; ILO, 2021<sup>[6]</sup>).

<sup>3</sup> The JRC-COLLEEM (for COLLaborative Economy and Employment) survey is an online panel survey that collected 38 878 responses from frequent internet users aged 16-74 years old. The survey was conducted in 2017 and 2018 across Croatia, the Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, the Netherlands, Portugal, Romania, Spain, Sweden, Slovakia and the United Kingdom.

<sup>4</sup> In the framework of this paper, and as widely used by academia and in practice, the terms "platform cooperative(s)" and "cooperative platform(s)" are used interchangeably and thus mean the same. Both terms hold no designation as to the legal form of a cooperative as these terms can also refer to entities that adhere to the cooperative principles, irrespective of whether they formally adopt the legal form of a cooperative (Mannan, 2021<sup>[67]</sup>).



## 2 Work in platform cooperatives: How it is different from other platforms

### Platform cooperatives have emerged across countries and sectors as alternatives to investor-owned online platforms

**The platform cooperativism movement emerged in the late 2000s in reaction to the shortcomings of the sharing and gig economy.** The movement builds on the benefits of the free and open software movement<sup>1</sup> and on the long-standing experience of the cooperative movement<sup>2</sup> (OECD, 2023 forthcoming<sup>[36]</sup>). In 2014, the New School's Platform Cooperativism Consortium in New York City first coined the term "platform cooperative" to describe worker-owned platform cooperatives that are directly owned and managed by workers and that use websites and mobile apps to sell goods and/or services. The movement's main objective is to advocate for better working conditions and for a diversified digital labour landscape through the promotion of worker-owned online platforms as alternatives to digital labour platforms.

**Platform cooperatives are gaining traction in many countries, including through numerous initiatives to promote their development.** In France, La Coop des Communs, an association of researchers, social economy organisations and public agencies created in 2016, promotes a better understanding of platform cooperatives, in particular their collaborative mode of work and the value they bring to communities (Groupe Caisse des Dépôts Institut pour la recherche, 2020<sup>[40]</sup>). In Italy, the manifesto for the Cooperative Commons launched in 2012 by the Italian cooperative federation Legacoop called for using lessons from the cooperative movement to bring better control over use of online data (Cooperative commons, 2017<sup>[41]</sup>). In Spain, the Social Economy and Consumption Commission of Barcelona City Council started in 2015 a programme on platform cooperativism. Simultaneously, platform cooperatives started flourishing in Barcelona, in particular, in the delivery sector (e.g. Mensakas works with local businesses and promotes responsible consumption; 2GoDeliver provides riders with training and better working conditions) (Cañada, Izcarra and Zapata Campos, 2023<sup>[42]</sup>). In Korea, the growth of online platforms in service sectors such as alternate drivers,<sup>3</sup> food delivery and domestic work with workers experiencing poor working conditions led to the rise of alliances between labour unions and cooperatives to support workers' rights, including through the creation of platform cooperatives. This gave ground to the adoption in 2012 of the Framework Act on Cooperatives. This act lowered the minimum threshold to form a cooperative in Korea to only five persons or small businesses, thus facilitating the growth in number of cooperatives (ICDE, 2021<sup>[43]</sup>).

**In Brazil, platform cooperatives came to the fore as possible alternatives to conventional platforms following strikes and debates around decent work and workers' rights in the delivery sector.** Research by the Fairwork project<sup>4</sup> showed that in Brazil during the COVID-19 pandemic, while food delivery orders increased by 77% and demand for delivery home services spiked, delivery workers experienced difficult working conditions and lacked basic labour protections and benefits (Fairwork Project, 2020<sup>[44]</sup>). Events such as the 2020 countrywide rider strikes brought to the fore debates around decent work in online platforms and led to the emergence of collectives of riders. Projects such as the Platform

Cooperative Observatory and the businesses providing platform work in better conditions gained visibility (Grohmann, 2022<sup>[45]</sup>). In 2021, a study by Unisinos University highlighted that in Brazil, platform cooperatives are relatively new and are slowly emerging either out of institutionalised cooperativism, with the legal cooperative format or as projects that take on the values of platform cooperatives, while opting for different legal forms (Silveira, Wegner and Queiroz Silva, 2021<sup>[46]</sup>).

**In India, one of the priorities of the newly created Ministry of Cooperation is to support the development of cooperatives including, online platforms.** In India, the cooperative movement dates back to the early 1900s with a strong emphasis on agriculture. Today, cooperatives play a major role in India's economy, predominantly in sectors such as housing, dairy, savings and credit (Government of India, 2021<sup>[47]</sup>). In 2021, cooperative affairs were transferred to the newly established Ministry of Cooperation. The new ministry is working to develop a new National Cooperation Policy to bring transparency, modernisation and competitiveness to the cooperative sector. One of the priorities is the development of platform cooperatives, particularly in agriculture and education (ICDE, 2022<sup>[48]</sup>). At the subnational level, the southern state of Kerala announced in 2021 plans to establish 4 000 platform cooperatives as part of the Comprehensive Programme for Employment of the Educated Unemployed, to create more equitable relationships between platform members and providers (The Bastion, 2021<sup>[49]</sup>; Platform Cooperativism Consortium, 2022<sup>[50]</sup>).

**Based on estimates, there are over 500 platform cooperatives worldwide,<sup>5</sup> active in many sectors** (Scholz, 2020<sup>[51]</sup>). Their activity ranges from storage and management of data (Scholz and Calzada, 2021<sup>[52]</sup>) to sectors such as culture, catering, cleaning, delivery, home services, care, transportation and tourism. For example, in tourism, Fairbnb (Italy), an online cooperative marketplace, provides hospitality services. The platform invests 50% of its proceeds into the communities in which it operates. Stocksy United (Canada), an artist-owned platform cooperative, has an international membership of over 1 000 photographer-members across 67 countries (Stocksy United, 2023<sup>[53]</sup>). Resonate (Ireland), a music streaming app, is collectively owned by musicians, labels and users (Resonate, 2022<sup>[54]</sup>). Surpluses made are either reinvested in the platform or democratically distributed back to member artists/listeners/workers (Burnicka and Zygmuntowski, 2019<sup>[55]</sup>). Fairmondo (Germany), a cooperatively owned and managed online marketplace by local users (buyers, sellers, workers, investors), exchanges goods and services from sellers. Launched in 2012, it is now a federated model in which an affiliate can launch a cooperative in another country using the Fairmondo brand.

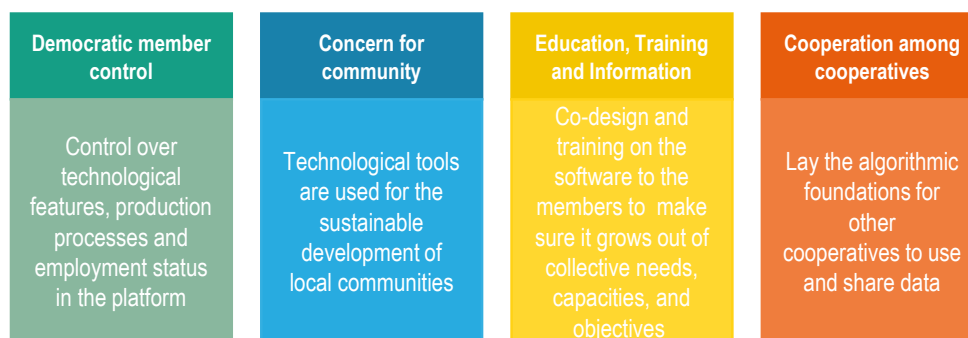
## **Platform cooperatives prioritise members' needs, use democratic governance and tend to favour value creation in local communities**

### *Members first*

**In platform cooperatives, members' needs are prioritised** (Scholz, 2017<sup>[56]</sup>). For example, a worker platform cooperative prioritises the provision of work/employment for its worker-members who also manage the platform. A producer platform cooperative focuses on negotiating better conditions for its supplier-members. A consumer/user platform cooperative focuses on price–quality for goods or services for client-members (Peredo and McLean, 2019<sup>[57]</sup>). Membership is open and voluntary and economic benefits are distributed proportionally to members' level of participation in the cooperative rather than according to capital invested. This allows them to grow in line with members' needs and capacities, keep control of the technology, and collectively define orientations for their activity, in coherence with the International Cooperative Alliance (ICA) principles (Figure 2.1.). The ICA lists seven principles for cooperative, among them i) democratic member control; ii) voluntary and open membership; and iii) member economic participation (International Cooperative Alliance, 1995<sup>[31]</sup>).



**Figure 2.1. Cooperative principles applied to platform cooperatives**



Note: Principles listed in this figure are part of the seven principles elaborated by the ICA (1995<sup>[31]</sup>).

Source: Authors' elaboration

### *Democratic governance*

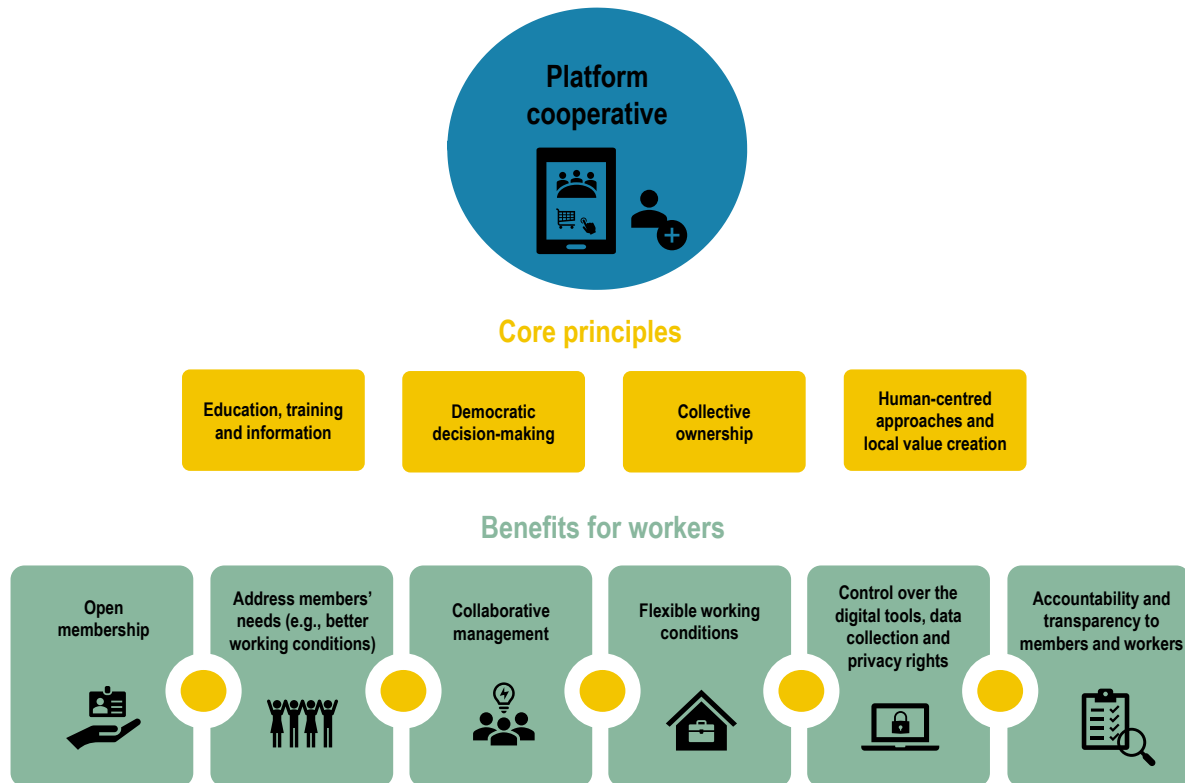
**Platform cooperatives offer members the advantage of being able to make decisions.** As stated in principle 2 of the statement of the ICA, cooperatives are democratic organisations controlled by their members. They actively participate in setting their policies and making decisions. For example, in France, members of *les Coursiers bordelais*, a delivery platform cooperative, report that “there is no leader, no director, just managers, a function imposed by law, held in turn by two of the seven employees (Sud Ouest, 2022<sup>[58]</sup>). Democratic governance generally means that each member usually has one vote, irrespective of the number of shares owned. Members use the right to vote at the general assembly to mediate their preferences through a democratic process (Spear, 2000<sup>[59]</sup>). The voting power can be limited, albeit not directly linked to the capital contribution. Members also might have shares in surpluses that the cooperative generates (McCann and Yazici, 2018<sup>[60]</sup>). However, the number of shares held by members is not central and has a limited impact on the rights and the distribution of benefits. In case a member withdraws from the cooperative, the member can receive compensation only for shares, either at nominal value or an added value linked to the growth of the cooperative (Mikami, 2016<sup>[61]</sup>). The non-transferability of ownership results in less danger for the cooperative of falling prey to dominant shareholders, at least not resulting from the size of ownership share (Billiet et al., 2021<sup>[62]</sup>).

### *Local value creation*

**Platform cooperatives tend to favour value creation in local communities and places** (OECD, 2023 forthcoming<sup>[36]</sup>). Platform cooperatives typically promote local provision of goods and services at the local level (OECD, 2003<sup>[63]</sup>). They also have a social vocation reflected in the fact that they devote part of their resources to providing education or serving communities (Roelants et al., 2020<sup>[64]</sup>). For example, Fairbnb (Bologna, Italy) uses 50% of its platform fee to maintain its operations and the other 50% to fund projects in the communities people visit, giving guests the choice of projects they would like to fund to participate towards a more equitable and sustainable tourism model (Travel tomorrow, 2023<sup>[65]</sup>). Mensakas (Barcelona, Spain) has developed strong connections with the social and solidarity economy business community to promote the local economy (Cañada, Izcara and Zapata Campos, 2023<sup>[42]</sup>). While conducting their activities, they try to minimise negative effects and nuisances, such as unfair conditions for formerly established operators, increased pressures on public space and reduced housing opportunities at affordable prices (OECD, 2023 forthcoming<sup>[36]</sup>). This is also reinforced by the cooperative membership, which is usually made up of local residents who usually would keep surplus in the community (Dubb, 2016<sup>[66]</sup>).

## Figure 2.2. What is a platform cooperative?

A platform cooperative is **collectively owned and managed** by its members. It uses a **website and/or mobile app** to intermediate the exchange of goods and/or services



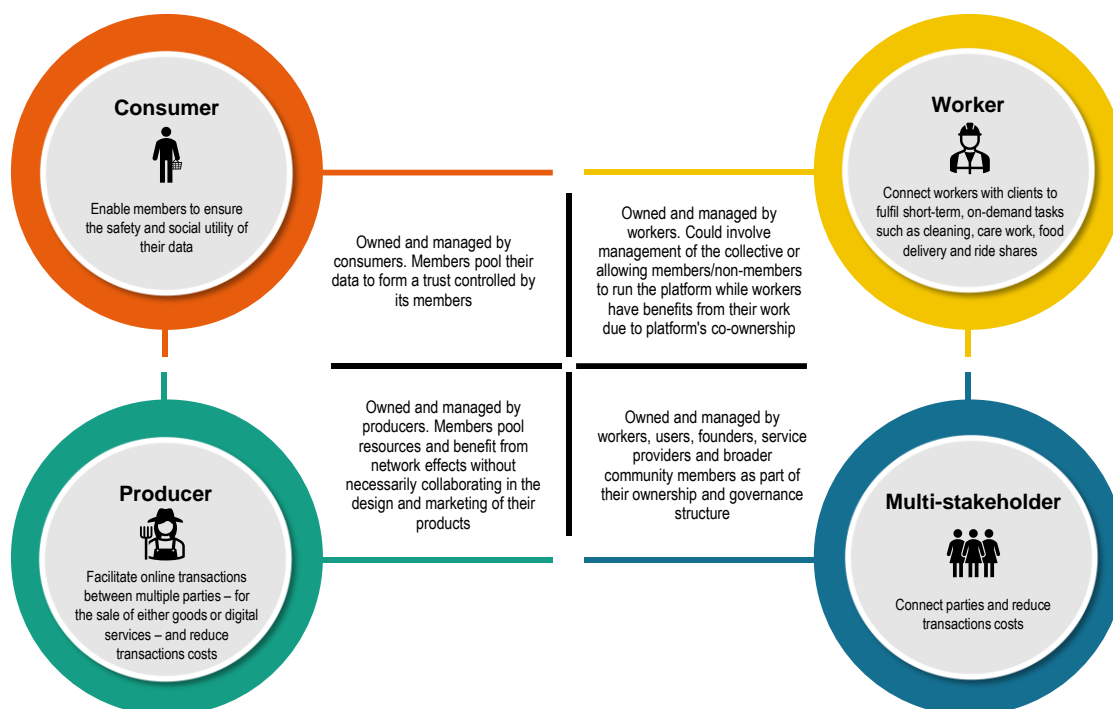
Note: The core principles of platform cooperatives should be in coherence with the principles outlined by the ICA. Please note that the benefits presented in the figure are not an exhaustive list.

Source: Authors' elaboration

## Platform cooperatives can be consumer/user, producer, worker and multi-stakeholder owned

Platform cooperatives can appear in different forms, including entities that adhere to the cooperative principles,<sup>6</sup> without formally adopting the legal form of a cooperative (Mannan, 2021<sup>[67]</sup>). For example, they might be registered as limited liability corporations, allowing for them to operate in different forms without being incorporated as a cooperative. Irrespective of legal form, they can be categorised into four types: consumer/user, producer, worker and multi-stakeholder. Figure 2.3. gives an overview of each type, their ownership and management structure as well as their main activity. Several authors highlight that cooperatives are two items in one: “a business enterprise and an association” (Côté, 2019<sup>[68]</sup>; Noya and Clarence, 2007<sup>[69]</sup>; Novkovic, Puusa and Miner, 2022<sup>[70]</sup>). Therefore, they have two structures: i) the *association* of people, which requires a democratic structure (general meeting, board of directors, other boards and committees), in which members or their representatives can participate directly or as delegates of groups or members; and ii) the *enterprise* structure, which is often shaped to fit the scale and nature of their activities (Bridault, 1998<sup>[71]</sup>).

Figure 2.3. Types of platform cooperatives



Source: Authors' elaboration based on (Calzada, 2020<sup>[72]</sup>), (Muldoon, 2020<sup>[73]</sup>)

**Many platform cooperatives have opted for multi-stakeholder models because they bring together different types of co-owners, such as employees, users and customers.** Cooperative literature highlights that grouping members around a common need creates a sense of solidarity and trust, including mutual understanding and “a feeling of community”. There is also a common philosophy, which contributes to a sense of solidarity and reduces conflict and transaction costs (Nilsson, 2001<sup>[74]</sup>). This has been observed in ride-hailing platforms or similar on-demand service platforms, where establishment options are between a worker cooperative where only the drivers (or other service providers) have the option to become members or a multi-stakeholder cooperative, where both drivers and users would be able to join the cooperative, although not necessarily with exactly the same roles and responsibilities.

### They bring alternative forms of work that are mostly shaped by the member-owner principle

**All types of platform cooperatives can offer direct employment to members or non-members.** They may hire administrative or technical non-member staff to run their activities. However, due to the member-owner principle and collective ownership, their approach to work differs compared with other online platforms (Cañada, Izcarra and Zapata Campos, 2023<sup>[42]</sup>). In principle, members could either work as self-employed (in a producer cooperative) or as employee (in a worker cooperative). As member-owners, they can make decisions relative to their working conditions, pay, training, working hours, wages, commission rates, surplus value and, depending on activity, equipment required for their activity (Bunders et al., 2022<sup>[75]</sup>).

**Worker platform cooperatives give worker-members the fruits of their labour in exchange for an equitable share of the work carried out, while also participating democratically in its decisions** (Roelants et al., 2020<sup>[64]</sup>). The World Declaration on Worker Cooperatives<sup>7</sup> approved by the ICA General Assembly in 2005 states that in worker cooperatives, the majority of workers are members, and the prime objective is “creating and maintaining sustainable jobs and generating wealth for their worker-members”. For example, in Europe and as documented by a report of the European Confederation of Industrial and Service Cooperatives, covering multiple countries (CECOP Europe, 2019<sup>[76]</sup>), the status of worker-member has developed as an equivalent to salaried employment, although worker-members are not subordinate to specific employers. It is considered that their work is subordinate to, and supervised by, their cooperative as a legal person. The status worker-member has been closely connected with the idea of standard employment, including with standard employment contract as shown by examples below.

- In Bulgaria, Denmark and Sweden, where there is no specific legal regulation on worker cooperatives, worker-members are assimilated to having employee status.
- In Poland and Romania, while worker-members have specific types of contracts with their cooperatives, these contracts are considered as being the same as work contracts.
- In the United Kingdom, although there is no legal definition of worker cooperative and worker-member, the standard employment relationship is the norm taken by the cooperative movement, which distinguishes worker cooperatives from freelancers’ cooperatives in which members are freelancers (self-employed).
- In France, worker cooperatives are defined and regulated by a specific law on worker cooperatives (law 78-763) which defines a worker-member as an “employee-member” (*associé employé*) who has an employment contract with the cooperative.
- In addition, in France, the introduction in 2014 of the Law on Social and Solidarity Economy of the Cooperative for Activity and Employment (*Coopérative d’Activité et d’Emploi* [CAE]) (Box 2.1), offered forms of employment status that could be suitable for platform cooperatives. Engagement around this form is slowly developing, reaching 155 CAE registered in 2020 (Fédération des CAE, 2023<sup>[77]</sup>).
- In Italy, the law 142/2001 on worker cooperatives states workers can choose one of three forms of employment relationship: salaried employment relationship (*forma subordinata*), two self-employment forms (*autonoma* or *rapporto di collaborazione coordinata non occasionale*). This legislation regulates specific working conditions for worker-members which should be considered in each form of employment relationship.
- In Spain, worker-members (*trabajo asociado*) are regarded as a specific type of employment form. The Spanish cooperative law specifically regulates working conditions of worker-members to ensure that worker-members are protected at the appropriate level. Worker cooperatives can choose one of two social security systems, one for employees (general regime), the other for self-employed (special regime).

### Box 2.1. The Cooperative for Activity and Employment, *Coopérative d'Activité et d'Emploi* (France), a legal form that could be suitable for platform cooperatives

In 2014, the Law on Social and Solidarity Economy (France) introduced the CAE. This innovative framework is designed for entrepreneurs seeking to share resources and pool administrative tasks while benefiting from social security and labour protections.

In the CAE, members are considered as “salaried entrepreneurs through the Associate Entrepreneur Salaried Contract (*Contrat Entrepreneur Salarie Associé*). Through this contract, member-entrepreneurs are salaried employees and member-owners in the cooperative. After a test period, the entrepreneur becomes an employee, benefiting from the legally attached protections and advantages. The CAE can be used by platforms interested in becoming cooperatives and platform cooperatives willing to provide social protection and better labour conditions to their workers and members. To date 155 CAEs are active, as multi-activity cooperatives, bringing together entrepreneurs from a wide range of sectors with an overall turnover of EUR 262 million. Based on estimates, in 2021 around 11 500 entrepreneurs joined CAEs, among which 6 000 have the status of associates.

Some networks such as *Coopérer Pour Entreprendre* (CPE) support CAEs in their daily activities. The CPE network has 66 members, among which 50 are CAEs. Since its inception 20 years ago, the network has implemented initiatives such as an impact measurement tool for CAEs or the Flashcoop programme, allowing marginalised groups to engage in entrepreneurship through the cooperative status. In 2020, the network became a cooperative group, and in 2022 created [enDI](#) a digital support tool for CAEs. The open-source platform helps CAEs in the management of invoices, expenses or human resources. The cooperative also leads research on the impact of cooperatives in rural areas or the CAE status in the social security system.

Source: [Fédération des CAE – Chiffres-clés \(les-cae.coop\)](#) | [Coopérer Pour Entreprendre \(cooperer.coop\)](#) | [Coopératives d'activités et d'emploi | Bpifrance Création \(bpifrance-creation.fr\)](#)

Research by Bunders et al. (2022<sup>[75]</sup>) also highlights the variety of employment situations in platform cooperative. **Some platform cooperatives prioritise ownership and involvement of workers in decision-making processes but do not offer formal employment.** For example, in the Drivers Cooperative (New York City), a worker-owned cooperative, the driver-members are not formally employed by the platform, but they receive a minimum of USD 30 per hour when driving for the platform. When drivers earn more, they retain the entirety of their earnings. If not, the cooperative steps in to provide a "top-up payment" that bridges the gap between the actual earnings from a trip and the amount the drivers would have earned if they had been paid at the rate of USD 30 per hour. The platform cooperative operates with a commission rate of 15%, directed towards covering various operational expenses, including a minimum wage, driver onboarding, licensing, customer service, and engineering costs (Box 2.2).

### Box 2.2. The Drivers Cooperative, New York City (US)

**The Drivers Cooperative (TDC) is a New York City ride-hailing platform cooperative which prioritises ownership and independence for drivers.** In 2020, a previous labour organiser, an immigrant and for-hire driver, and a former executive at Uber in East Africa came together to establish TDC. The co-founders shared a mutual understanding of collective ownership and took the initiative to create a drivers' platform cooperative. Each driver-member holds one voting share and can earn additional patronage points through various activities such as completing trips, recruiting other drivers, recruiting passengers and attending cooperative meetings. Patronage points are designed to reward and recognise the contributions of drivers within the cooperative.

**Profits generated are allocated among different causes and stakeholders:** 10% of the profits go to the cooperative's expansion and community grants, 20% to TDC staff members based on their hours worked and 70% to TDC drivers based on their patronage points.

**TDC acknowledges that most drivers appreciate the flexibility associated with their independent self-employment status.** However, the organisation believes that companies should assume more responsibility similar to federal standards for full-time workers. TDC also assists drivers in reducing their operating costs. They do so by eliminating the need to pay high commission fees or conform to stringent requirements imposed by conventional platforms, such as owning higher-end cars. They also increase leverage in negotiating with suppliers. For example, TDC has established a strategic partnership with the Lower East Side People's Federal Credit Union that enables drivers to access refinancing options for their car loans, providing them with an opportunity to potentially reduce their monthly payments and alleviate financial burdens associated with vehicle ownership.

Source: [Our Mission — The Drivers Cooperative](#) | [Patronage — The Drivers Cooperative](#) | [Uber, Lyft alternative raises nearly \\$1 million - Protocol](#) | [How the Drivers Cooperative built a worker-owned alternative to Uber a \(fastcompany.com\)](#) | ["Unions Raise the Floor, Co-ops Can Raise the Ceiling": Erik Forman » Bot Populi](#)

**Other platform cooperatives provide salaried employment to their members that fits a wide range of needs, sectors and situations.** For example, Smart (Belgium), a multi-stakeholder cooperative enterprise, supports entrepreneurs in various sectors in their management, administrative, fiscal and legal tasks, and provides them with employment contracts. First developed for artists, it expanded to any independent worker looking for administrative support and social protection, offering an online platform to manage daily administrative tasks for its members (Box 2.3).



### Box 2.3. Smart.be (Belgium)

Founded in 1998, Smart is a multi-stakeholder cooperative enterprise which supports entrepreneurs in various sectors in their management, administrative, fiscal and legal tasks, and provides them with employment contracts. First developed for artists, it expanded to any independent worker looking for administrative support and social protection, offering an online platform to manage daily administrative tasks for its members. Created as an association, Smart launched its transition towards a cooperative in 2015.

The cooperative offers salaried employment to its members through two schemes or so-called “tools” for a wide range of needs, sectors and situations. The two schemes provide insurance for work-related injuries and civil responsibility during the span of each contract on a national and international scale. Being a member of the cooperative is mandatory, with a minimum participation share of EUR 30 per working year. The members contribute 6.5% of their turnover to set up the services within the cooperative. Additional financing comes via the Belgian social security system.

- The **contract scheme** simplifies contract management and provides security to independent workers. The worker directly negotiates a contract with its client before sending to Smart. The cooperative then acts as a direct supplier towards the client, managing legal, administrative and tax matters, and employing the worker over the period defined through a temporary contract (*contrat à durée déterminée*). The worker-member is covered by Smart’s insurance and contributes to and benefits from the Belgian salaried status.
- The **activity scheme** allows recurrent Smart workers/users to have more flexibility. A micro-structure is created to host the activity, represented by an administrator, a counsellor and participants. The structure is a branch of Smart through which workers create invoices, issue bills for their work and get a short-term salaried contract for time worked. As in the contract scheme, Smart is the supplier of services or products towards clients and the worker is employed by Smart. The activity structure allows worker members to hire third parties, to associate with others or to manage their author rights.

Since 2015, Smart introduced the possibility to employ some of its worker members with a full-time or part-time permanent contract (*contrat à durée indéterminée*). Maintaining independence in their contracts, workers get a fixed salary rate (based on previous and budgeted income) with the possibility to benefit from bonuses. In addition, they have access to a wide range of social and labour protections and advantages, such as paid annual, sick and parental leave.

In 2022, the cooperative formally employed 20 031 independent workers (2 294 full-time equivalent) among its 34 163 members. The over 4 million hours contracted through Smart generated a turnover of EUR 189.5 million. Building on this success, the cooperative in Belgium collaborates currently with partners in other European countries, namely Austria, France, Germany, Italy and Sweden.

Source: [La Smart lance le contrat à durée indéterminée pour entrepreneur - Le Soir](#) | [Smart \(smartbe.be\)](#) | [SmartDocs](#)

Finally, some platform cooperatives own the digital interface and provide jobs. For example, CoopCycle,<sup>8</sup> a federation of 72 ride delivery cooperatives, proposes a free fleet management and food tech platform for restaurants and delivery drivers, as well as access to its food delivery application<sup>9</sup> to any food delivery cooperative that formally employs its riders. Member cooperatives of the CoopCycle federation benefit from further funding, counselling and payment guarantees. In the United Kingdom, the cooperative Equal Care<sup>10</sup> offers its workers the possibility to choose between an employee or a self-employed status, to better fit personal preferences and situations of workers. The employee status comes with a lower hourly wage, but includes sick leave, pension plans, paid holidays and compensation for the travel time between care visits.

**Stakeholder consultations and research suggest that existing cooperatives transforming into platform cooperatives have more capacity to create/provide jobs.** This is because their activity is well-established and capital requirements for transforming into platform cooperatives are lower since costs only concern the development of the software. Investment in the digital tools might not undermine their capacity to provide jobs and good working conditions (Bunders et al., 2022<sup>[75]</sup>). For start-up cooperatives, establishing a platform, which entails recruiting workers and clients as well as setting up the software and the organisation, comes with legal and administrative costs/fees. This might limit their capacity to create jobs at least until they reach financial sustainability.

## And also multiple benefits to workers

**Platform cooperatives can bring multiple benefits to workers,** namely:

- the possibility to have a voice and take part in decisions
- better earnings
- flexible working conditions
- training and skills development opportunities
- accountability and transparency
- better perception of work.

### *The possibility to have a voice and take part in decisions*

**In platform cooperatives, workers (employees or self-employed) have the possibility to have a voice and participate in decision-making processes.** Democratic governance allows workers to be involved in the decision-making processes, practices and policies (including human resources policies) of the platform cooperative (Bunders et al., 2022<sup>[75]</sup>). They can decide how the organisation is operated, managed and used by taking part in the general assembly and through the voting systems (Scholz, 2017<sup>[78]</sup>). Recent research suggests that the opportunity for members to participate in governance decisions is a key advantage and attraction of platform cooperatives in comparison to corporate platforms (Mannan and Pek, 2023<sup>[79]</sup>).<sup>11</sup> The research also highlights that fostering participation among members is a priority for platform worker cooperatives as it helps ensure responsiveness to concerns about working conditions and social and environmental issues. This study shows that participation helps infuse a broader array of voices into decision-making, notably those that are traditionally marginalised; improves the quality of decision-making; and fosters members' skill and capacity development. The need to have a voice holds particularly true for disadvantaged workers such as women (OECD, 2023<sup>[80]</sup>) and young people (OECD, 2022<sup>[81]</sup>). For example, in India, cooperatives, part of the Self-Employed Women's Association (SEWA),<sup>12</sup> operate in various locations, sometimes remote, where women are not always able to participate in the democratic decision-making. SEWA provides women with smartphones and trains them to use the application, thus helping give these women a voice in the governance of the cooperative and the umbrella association (Scholz, 2018<sup>[82]</sup>).

**Studies also show that cooperatives have lower levels of staff turnover, pay inequality and absenteeism than other businesses** (Mayo, 2015<sup>[83]</sup>). Additionally, they tend to be more productive, as workers are engaged as members; there are higher levels of trust among workers; and cooperatives put an emphasis on training and information (Pérotin, 2016<sup>[84]</sup>). If sustained with sufficient start-up funding and fitted policies, the number of financially sustainable platform cooperatives could continue growing and therefore also the number of worker-owners employed in high-quality jobs.



### **Better earnings**

**Studies suggest that workers in platform cooperatives generally receive a larger share of revenue than in conventional platforms** (Frenken and Schor, 2017<sup>[85]</sup>; Mannan and Pék, 2021<sup>[86]</sup>; Zhu and Marjanovic, 2021<sup>[87]</sup>). In platform cooperatives, the collective ownership structure implies that workers are granted the rights to residual control and earnings (Hansmann, 2000<sup>[88]</sup>). This applies to both high- and low-skilled workers. For example, Upandgo.coop,<sup>13</sup> a platform cooperative for housecleaning services located in New York City, gives 95% of its profits to workers, namely USD 22.5 on average, which is about USD 5 higher than the average wage of the sector in the area. Most conventional platforms take 25-50% fees (Scholz, 2017<sup>[78]</sup>). Resonate, a multi-stakeholder cooperative, gives democratic control to its various stakeholders – artists (45%), listeners (35%), employees (20%) – and pays musicians 200% more than other platforms on 100 000 plays (Scholz, 2017<sup>[78]</sup>).

**Platform cooperatives can also allocate surplus revenue to members under specific conditions outlined by cooperative legislation and/or cooperatives' bylaws.** For example, Fairmondo returns 25% of its yearly surplus to members (Scholz, 2017<sup>[78]</sup>). TDC, a New York City ride-hailing platform cooperative, allocates revenue surplus generated among different causes and stakeholders. This includes staff members who receive 20% based on hours worked and 70% to TDC drivers based on their patronage points (Box 2.2). At Stocksy United (Canada), an artist-owned platform cooperative, artists receive 50% of a standard licence purchase and 75% of an extended licence purchase as well as a share in the cooperative, which gives them a right to a portion of surplus revenue. Surplus revenue allocation/distribution is different across jurisdictions.

**As cooperatives, platform cooperatives can establish different types of shares and contributions according to their type and the applicable legislation.** Primary cooperatives, composed of members who are not cooperative societies, usually operate with equal voting rights (International Cooperative Alliance, n.d.<sup>[89]</sup>). The distribution of surplus in cooperative societies does not depend on the capital contribution of the members. Also the distribution of dividends is highly regulated and limited in cooperatives (ICA Statement on the Cooperative Identity, Values and Principles).

**Some cooperative legislation does not allow for the distribution of dividends to members, but only rebates.** For example, in the province of Quebec (Canada), only members' surplus (surplus created through transactions between the members and the cooperative) can be redistributed in the forms of rebates linked to the amount of operations and work provided by the member (Ministère du Travail, de l'Emploi, et de la Solidarité Sociale, Province du Québec (Canada), n.d.<sup>[90]</sup>). In Spain, surpluses are to be used, in accordance with the statutes or determined by the general assembly, for various purposes, including the granting of rebates to members. Furthermore, as established by law, rebates to members are given in proportion to the cooperative activities carried out by each member in the cooperative (Agencia Estatal Boletín Oficial del Estado, 1999<sup>[91]</sup>).

### **Flexible work conditions**

**Central to platform cooperatives are better working conditions and flexibility, as many of them were established to specifically address these concerns.** Grounded in the principles of collective work, platform cooperatives understand work differently from conventional platforms by stressing non-hierarchical organising (Kokkinidis, 2014<sup>[92]</sup>), autonomy, self-management and control (Cumbers et al., 2017<sup>[93]</sup>), democratic decision-making, and solidarity practices (Alvesson and Spicer, 2012<sup>[94]</sup>). They also perceive work not only as a matter of individual transformation and/or competition but also a practice of co-operation and social change (Sandoval, 2017<sup>[95]</sup>), leading to working environments that most workers consider better and equitable (Saner, Yiu and Nguyen, 2019<sup>[96]</sup>; Schor and Eddy, 2022<sup>[18]</sup>). For example, in Doc Servizi Soc. Coop<sup>14</sup> (Italy), a platform cooperative of artists, the artists are autonomous within the cooperative, while at the same time being hired as employees. This gives them the opportunity to access social protection and, at the same time, freely manage their activity. Smart (Belgium) provides the same services and flexibility to its members (Box 2.3). Mensakas<sup>15</sup> (Spain), a delivery platform cooperative

seeking to create workplaces with decent working conditions, pays female workers 5% more than their male peers as a symbolic gesture against the salary gap. Also, and unlike conventional companies, Mensakas charges less than a 20% commission to businesses and less than EUR 5 to the end user (Cañada, Izcarra and Zapata Campos, 2023<sup>[42]</sup>).

**Also, research suggests that worker cooperatives adapt to difficult market conditions and strive to maintain good labour/working conditions for members.** Based on estimates, during sustained periods of low revenue, worker cooperatives maintain on average about 45% more employees compared with conventional enterprises (Merrien et al., 2021<sup>[97]</sup>). In the aftermath of the 2008 global financial crisis, job losses and closures in cooperatives were lower than in conventional firms operating in the same industry and region, and having a similar size (Birchall, 2017<sup>[98]</sup>; CECOP-CICOPA, 2012<sup>[99]</sup>; Bajo and Roelants, 2011<sup>[100]</sup>).

### ***Training and skills development opportunities***

**To adhere to the principles of the ICA, platform cooperatives should provide education and training for their members, elected representatives, managers and employees** (International Cooperative Alliance, 1995<sup>[31]</sup>). Furthermore, joint ownership and democratic control imply that members can decide to allocate resources to the provision of training and skills development opportunities. For example, Stocksy United (Canada), an artist-owned platform cooperative, runs an online training to help photographers develop their talent and increase the value of the product. Rather than a race to the bottom with countless photographers competing with ever-lower price offerings and huge quantities of images, Stocksy United invests in its photographers (Scholz, 2017<sup>[78]</sup>). TDC launched the Drivers Cooperative Academy to equip taxi drivers with the necessary tools to start new platform cooperatives (Box 2.2).

### ***Accountability and transparency***

**Platform cooperatives provide more transparent data management systems in the workplace.** Cooperative business models may be especially well suited to building data economies that are both transparent and competitive (Schneider, 2018<sup>[101]</sup>). The ICA principles also call for transparency on cooperative operations. Platform cooperatives are therefore bound by cooperative legislation and bylaws to provide information regarding their constitution, functioning, and economic and social activity (Larrañaga Elorza, 2014<sup>[102]</sup>). Platform cooperatives also usually develop the algorithms/digital tools they need with their members and remain accountable to worker-owners for their use (Schor and Eddy, 2022<sup>[18]</sup>). This translates in practices such as the right to log off and greater worker appreciation and acknowledgement, which helps increase the quality of working conditions (Scholz, 2017<sup>[56]</sup>).

### ***Better perception of work***

**In some sectors (e.g. waste picking, domestic work, care, taxis) workers can be exposed to poor working conditions that don't recognise the value of their work** (OECD, 2022<sup>[35]</sup>). For example, in Korea, surrogate drivers work in difficult environments. They work at night, with low earnings, have difficulties getting back to the city centre and finding new clients, and sometimes deal with clients under the influence, who can be violent or give incoherent instructions. K-driver supports the recognition of their work, in the general public and in legislation (Box 2.4).

### Box 2.4. Buffering the negative externalities of conventional platforms, K-Drivers cooperative (Korea)

**Platform cooperatives can address some of the negative externalities created by conventional platforms.** In addition to ride-hailing and taxi services, surrogate driver services emerged in Korea in the 1990s. Surrogate drivers, also named K-drivers, drive the car on behalf of their clients to the desired location. This service is mostly used by drivers under the influence of alcohol at night to go back from the city centre to their houses. This sometimes creates an unsafe and emotionally demanding work environment for K-drivers. K-drivers bring clients back to residential areas where public transportation at night is limited if not non-existent and have to get back walking to the city centre to look for other clients. Furthermore, wages are very low, fixed by the platforms that link the clients to the drivers, and registration fees in some platforms are costly. Insurance costs are another high barrier to entry, as drivers must be insured in order to register on the platforms, and sometimes take multiple insurance policies to operate in different platforms.

**K-driver cooperative was created in 2012 to improve drivers' working conditions.** For a monthly fee of KRW 10 000 (Korean won) (around EUR 7), drivers can benefit from the advantages provided by the cooperative. These include shuttles at night to pick up drivers where they leave their clients and bring them back to the city centre, shelters in various locations of Seoul and other Korean cities for them to rest and eat in clean and safe environments, and a series of professional trainings and empowerment activities. The cooperative also launched the MyData for K-drivers initiative, aimed at gathering data from drivers to best attend to their needs and push for better regulation. The cooperative is linked to the Platform Drivers' Union, used to support better representation of the collective. It also developed a mutual insurance system, to improve the coverage of workers through the Platform Freelancer Workers' mutual.

**Based on estimates from K-driver cooperative, almost 10 000 workers use their services, among which 3 000 are also part of the Platform Drivers' Union.** The number of surrogate drivers in Korea is estimated between 160 000 and 230 000, the majority of which earn less than KRW 2 million a month (around EUR 1 400). The monthly average for insurance rises to KRW 118 000, and the costs of transport further lowers the real wage. The cooperative successfully raised public awareness on the working conditions of the drivers, with the Ministry of Land, Infrastructure and Transport launching a series of surveys and studies to support a change of their situation.

Source: <http://k-driver.org/>

## Platform cooperatives need to overcome interrelated legal, financial and organisational challenges to expand their job creation potential

**Platform cooperatives are still few in number and small in scale, but they show that alternative online platforms are possible.** For example, a recent European Union (EU) Parliament report<sup>16</sup> acknowledges that cooperatives could constitute an important instrument for the bottom-up organisation of platform work and could encourage competition between platforms. The European Parliament also encourages member states to promote cooperative undertakings by means that aim to safeguard employment and ensure their capacity for sustainable development and growth (European Parliament, 2022<sub>[103]</sub>). Platform cooperatives, although relatively new, few in number and small in scale, draw upon a robust history of cooperative business, building on their tradition to bring benefits such as greater resilience during economic crisis and reduced failure rate after start-up phases (Scholz et al., 2021<sub>[13]</sub>).

**However, the capacity of these platforms to create jobs is limited, due to interrelated, and sometimes mutually reinforcing, legal, financial and organisational challenges they face.** The central challenge for platform cooperatives is access to sufficient and patient capital and other financial resources to start and sustain their activity. The lack of initial funding has a negative effect on other aspects of their operations and activity, such as attracting tech talent and scaling up. This situation is compounded by the fact that they often have to use/comply with cooperative legislation that is not always in line with the realities brought by digital technologies such as the need to have online general assemblies and incorporation of members. Some of the challenges are also linked to their organisation and governance such as nationality restrictions or residence requirements for membership or directorship of a cooperative. Challenges can therefore be summed up as follows:

- access to adequate and fit-for-purpose funding/finance
- difficulty to scale up
- various and complex legal frameworks
- difficulty to attract and retain tech talent
- strategic direction and collective decision-making.

### ***Access to funding***

**Many platform cooperatives are still in an emergence phase and have great difficulties subsidising their early entry into the market and building a profile for themselves.** Platform cooperatives are largely self-financed by members who bear the brunt of start-up costs and struggle accessing start-up investment through conventional financial mechanisms (Schneider, 2021<sup>[104]</sup>). This is exacerbated for platform cooperatives operating in sectors involving low-income workers who have to raise the needed capital among members (van Doorn, 2017<sup>[105]</sup>). They are largely disadvantaged in comparison with conventional platforms, which typically have access and can rely on venture capital to fund their initial funding and development until they reach an established user base and also monetise data of users (Schneider, 2018<sup>[101]</sup>).

**Venture capital and investors are often reluctant to invest in platform cooperatives since they are perceived as high risk and lacking sufficient return on investment.** Platform cooperatives utilise other sources of capital (crowdfunding, cooperative banks and credit unions, or blockchain and alternative currencies). However, they are still not be able to match funds raised by conventional platforms. Not being able to access adequate funding puts enormous limitations on the capacity of platform cooperatives to create jobs and/or expand their workforce. Many cooperative platforms, which are still emerging, are mostly based on volunteer work (made possible by external income: side jobs, personal savings, unemployment social benefits,) which risks being exhausted if they do not manage to generate income and/or attract funders.

### ***Difficulty to scale up***

**Platform cooperatives are often small, which can limit their ability to attract a large user base and generate significant revenue to scale.** Providing a cost-competitive offering requires scaling up in an industry characterised by economies of scale and network effects (Srnicek, 2016<sup>[106]</sup>). Cooperative platforms are trying to differentiate themselves by building communities that are involved in how they operate. As a result, they grow more slowly and sometimes not at all, which affects their competitive positioning. User engagement is still low compared with conventional platforms, resulting in them struggling to gather the support they sorely need. Additionally, when scaling up, their perception in the eyes of consumers and legitimacy from stakeholders might also negatively change as organisational growth may be seen as a threat to their social and solidarity economy identity (Bretos, Díaz-Foncea and Marcuello, 2020<sup>[107]</sup>). They need to build alliances, consortia, networks and federations to scale. This is time-consuming and requires support from policy makers. For example, in Italy, social cooperatives have established consortia to leverage partnerships and collaborations to achieve economies of scale, access know-how and synergise with other cooperatives. Building consortia and partnerships takes time and effort and support from authorities.

### **Legal frameworks**

**Platform cooperatives are subject to different legislations and regulations that are not always suitable for their often multi-located and decentralised online activity and sometimes governance needs.** Legislation also might be complex for platform cooperatives' governance. For example, some cooperative laws state that cooperative assemblies must be held in person, with members' physical presence being required to vote. Furthermore, the contribution to capital of investor members in cooperatives might be prohibited in some jurisdictions. As digital entities, platform cooperatives can have a decentralised membership. Cooperative laws and bylaws might restrict participation and voting to in-person attendees, which is against the cooperative principle of "democratic member control" (Mannan, 2021<sup>[67]</sup>).

**Research by Mannan (2021<sup>[67]</sup>) also identifies other challenges arising from the fact that national cooperative laws rarely account for members residing in multiple jurisdictions.** Platform cooperatives can be multi-located and decentralised. Existing national or subnational cooperative laws applicable to platform cooperatives do not always include these elements (Pillado Arbide, Etxeberria Aranburu and Tokarski, 2021<sup>[108]</sup>). This poses a number of challenges such as nationality restrictions or residence requirements for membership or directorship of a cooperative (e.g. British Columbia's Cooperative Associations Act, 1999, requires "that a majority of the directors of the association must be individuals ordinarily resident in Canada" and "one of the directors of association must be an individual ordinarily resident in British Columbia-Canada"). In Europe, Regulation (EC) No. 1435/2003 tried to address these difficulties by providing a legal framework for the creation of a transnational secondary (or primary) cooperative to be recognised in all EU member states. However, uptake is very low.

**Additionally, as digital economic actors, platform cooperatives operate under data protection and management law, as well as employment, tax and social laws** (Mannan, 2021<sup>[67]</sup>). These laws might not be necessarily adapted to their model and activity and might sometimes compound difficulties for them. Many countries are creating or updating legal frameworks on online platforms. For example, regulations on platform work are increasing in various member and non-member countries of the Organisation for Economic Co-operation and Development (OECD) (Box 2.5).

### Box 2.5. Regulating platform work in OECD and non-OECD countries

The rapid growth of the gig economy has pushed policy makers, including at the subnational level, to adopt or adapt legislation on platform work to better protect workers and ensure they benefit from labour and social rights. The following recent examples highlight the potential ramifications of legislation designed for conventional platforms on platform cooperatives.

- **At the local level, in 2021, food delivery workers (*deliveristas*) in New York City created Los Deliveristas Unidos, a union-like group representing 65 000 workers, to amplify their complains and requests.** After discussions and negotiations with the City Council, it approved in November 2021 a set of bills improving the rights of *deliveristas* in the city. Platforms now have the legal obligation to detail how much the customers tip for every delivery and provide clear and daily payslips with weekly payments. Drivers can also better control their trips, setting boundaries and preferences, and have access to restaurant toilets when picking up orders. The package also included a minimum wage for platform workers. The USD 17.96 per hour or approximately USD 0.50 per minute minimum wage is effective since 12 July 2023. Los Deliveristas Unidos welcomed the news, while platforms and some workers raised concerns about the impacts it could have on the independence of the workers and the overall number of trips. The minimum wage will increase progressively up to USD 19.96 per hour on 1 April 2025, with further increases depending on inflation.
- **At the regional level, the state of Rajasthan (India) is working on the Registration and Welfare Bill to provide social security advantages to self-employed workers on platforms.** This regulation comes at a time of growing labour uncertainty and increased workload relative to pay for the estimated 300 000 gig workers in the state. The bill proposes the creation of a welfare board, where platforms would legally have to register any active worker. The board would manage the Rajasthan Platform-Based Gig Workers Social Security and Welfare Fund, financed through a tax on transactions made by customers with the platform. The state's government hopes this initiative can encourage other states and governments to implement similar policies.
- **At the supranational level, the European Commission has been working on a proposal for a directive on platform work since 2021.** The directive introduces a legal employment presumption if three out of seven criteria are met though the digital labour platform's terms and conditions or its actual practices. Compliance with national regulation or collective agreements are therefore not included in the criteria's fulfilment. In addition, the directive is expected to regulate the use of algorithms to manage work fleet, pushing for transparency and accountability. According to the European Commission, among the 26.3 million self-employed workers on platforms, 5 million are incorrectly classified and respond to employment criteria relative to the platform. After various attempts from the Czech and Swedish presidencies, the Council of the European Union approved a common approach to the regulation on 12 June 2023. Negotiations with the Commission and the Parliament will determine the exact final directive.

Source: [Spotlight on digital platform workers in the EU - Consilium \(europa.eu\)](#), [Rights for platform workers: Council agrees its position - Concilium \(europa.eu\)](#), [Mayor Adams, DCWP Commissioner Mayuga Announce Nation's First Minimum pay Rate for App-Based Restaur](#) | [City of New York \(nyc.gov\)](#), [DCWP NOA MPR \(cityofnewyork.us\)](#), [Promising Bill: The Hindu Editorial on the Rajasthan Platform-based Gig Workers \(Registration and Welfare\) Bill, 2023 - The Hindu](#)



### ***Difficulty to attract tech talent***

**Given the highly competitive labour market for technological skills, attracting and retaining tech talent is difficult for platform cooperatives.** In the online platform industry, the architecture within the value creation heavily relies on coders who master technology and whose talent is highly valued and hard to find in the market (Pillado Arbide, Etxeberria Aranburu and Tokarski, 2021<sup>[108]</sup>). Platform cooperatives need to attract and maintain this kind of tech talent. Technological skills are highly sought after in the labour market. In general, skills related to science, technology, engineering and mathematics are in critical shortage in most OECD member countries (OECD, 2017<sup>[109]</sup>), leading to wage premiums for workers equipped with such skills (Even, Yamashita and Cummins, 2023<sup>[110]</sup>). The lack of financial stability and access to funding faced by platform cooperatives prevents them from offering competitive salaries and stable working conditions and tech talent. Access to skilled tech talent might also be difficult, in countries where digital technology education is not as present and can be a big barrier (Pillado Arbide, Etxeberria Aranburu and Tokarski, 2021<sup>[108]</sup>). Stakeholder consultations highlighted that for example, the platform Coopcycle,<sup>17</sup> a federation of 72 bike delivery cooperatives in 12 countries, has difficulties attracting tech talent and has only two employees: one co-ordinator of the federation and one co-ordinator of the technical work.

### ***Strategic direction and collective decision-making***

**Platform cooperatives have to manage goals and aspirations of diverse opinions.** Processes of collective self-government are more feasible and frictionless when cooperatives are small, and relatively similar. In contrast, platform cooperatives looking to scale up will have to accommodate a wide range of members' needs and interests, which can be more difficult to align and may encumber the decision-making process (van Doorn, 2017<sup>[105]</sup>). There may be tensions and differences among workers themselves who may have different perspectives and priorities. For example, some workers may prioritise higher wages, while others may prioritise investment in the platform's growth and development. Co-ordination costs also increase as the member base grows larger. There might be an increased risk for costly conflicts if members have different goals (Hansmann, 2000<sup>[88]</sup>). Keeping the costs of democratic decision-making manageable could be at odds with the objectives of scaling and inclusion (Acquier, Daudigeos and Pinkse, 2017<sup>[111]</sup>; Schor et al., 2016<sup>[112]</sup>; Philipp et al., 2021<sup>[113]</sup>).

## **Notes**

<sup>1</sup> The free and open software movement promotes free exchange and collaborative approaches to software development (Raymond, 1999<sup>[150]</sup>), bringing large-scale projects such as Linux and Wikipedia that influenced people's perception of the viability of collective action in the digital world.

<sup>2</sup> The cooperative movement provides the identity, values and principles that rule platform cooperatives, bringing people together to address their common economic, social and cultural needs and aspirations through an organisation that is owned and controlled democratically by all members (International Cooperative Alliance, 1995<sup>[31]</sup>)

<sup>3</sup> An alternate driver is someone who drives on behalf of a car owner when they are unable to drive by themselves.

<sup>4</sup> Fairwork is a project based at the Oxford Internet Institute, University of Oxford and the WZB Berlin Social Science Center, financed by the German Development Agency (GIZ), commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ). The project also received funding from ESRC/GCRF, the ERC, Ox-Ber and the Ford Foundation, among others. Fairwork evaluates the working

conditions of digital labour platforms internationally, and scores individual platforms on how well, or poorly, they do. The project has developed five principles of fair work that platforms should comply with in order to be considered Fairwork compliant.

<sup>5</sup> PlatformCoop Directory, Internet of Ownership website, <https://ioo.coop/directory>, provides a directory of platform cooperatives around the world.

<sup>6</sup> The cooperative principles defined by the International Cooperative Alliance (1995<sup>[31]</sup>) include voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among cooperatives; and concern for the community.

<sup>7</sup> [World-declaration-on-Worker-coops\\_EN.pdf \(cicopa.coop\)](#)

<sup>8</sup> <https://coopcycle.org/en/>

<sup>9</sup> The food tech platform is on the side of the producers (restaurants) and the workers (delivery drivers), whereas the application refers to the customer.

<sup>10</sup> [www.equalcare.coop/](http://www.equalcare.coop/)

<sup>11</sup> This research involved 26 interviews with platform cooperatives workers focused on their governance structure and practices.

<sup>12</sup> SEWA is a national trade union, the largest such organisation in India, with 2.5 million members across 18 states of the country. It is also a movement of 150 membership-based organisations, mainly cooperatives, but also 181 rural producers' groups, 15 state-level federations, 7 social service organisations, 1 national federation, and 5 capacity development and research centres. Established as a union in 1972, it has become a movement of solidarity organisations promoting decentralised, inclusive and equitable growth. Women workers are organised through the joint action of union and cooperatives and collectives. All of these are solidarity organisations.

<sup>13</sup> [www.upandgo.coop](http://www.upandgo.coop)

<sup>14</sup> <https://docservizi.retedoc.net/en/home-english/>

<sup>15</sup> [www.mensakas.com/](http://www.mensakas.com/)

<sup>16</sup> The report was prepared in 2022 by the European Parliament's Committee on Employment and Social Affairs on the proposal for an EU directive on improving working conditions in platform work.

<sup>17</sup> <https://coopcycle.org/en/>



# 3 Expanding the local job creation potential of platform cooperatives

**Policy makers can help platform cooperatives to expand their reach, create jobs and strengthen their role in local value creation.** A wide range of policy measures can be considered and implemented to address the specific challenges faced by platform cooperatives and bolster the policy framework to help them be fully recognised as economic actors and drivers for job creation. Policy measures primarily could include the facilitation and improvement of access to funding and finance. Legislation is another area where policy action can help –by easing conditions of establishment, for example– and recognising work arrangements that fit platform cooperatives’ needs and help them attract tech talent. Finally, platform cooperatives could benefit from public support to access capacity-building and business support services to develop their activity.

## Facilitate and improve access to funding and finance for platform cooperatives

### *Support platform cooperatives’ access to adequate start-up funding at the needed scale*

**Policy makers can support platform cooperatives in accessing start-up funding through public funds.** Public authorities can provide funding through participation in the capital; partnerships that offer them infrastructure or the use of services such as land, buildings or knowledge; or directly through grants. For example, the county (département) of Seine-Saint-Denis in France decided to participate in a drivers’ platform cooperative by granting EUR 25 000 for its establishment (Le Département Seine-Saint-Denis, 2021<sup>[114]</sup>). The city of Bologna (Italy), in collaboration with other actors such as the Foundation for Urban Innovation, the University of Bologna, social economy actors and businesses, created Consegne Etiche, a platform cooperative that provides home delivery services while respecting workers’ rights and environmental sustainability (Consegne Etiche, n.d.<sup>[115]</sup>). CoopCycle, a European federation of bicycle delivery cooperatives, derives 12% of its funding from public subsidies, mostly from regional government grants (Eurofound, 2021<sup>[116]</sup>).

**Funding could also be facilitated through innovative solutions, including schemes such as match-funding, “investor-members”, or via public entities investing in platform cooperatives.** Targeted funding towards platform cooperatives can be provided through match-funding, where public institutions match donations made through a crowdfunding platform (Box 3.1). Another innovative solution would be to allow “investor-members” in platform cooperatives to help them access liquidity. These investor-members would have limitations on voting power, distribution of dividends, and interest rates in order to maintain the primacy of workers over an investment for profit. Investor-members can be included in the bylaws of the cooperative if the applicable legislation does not prohibit it (Mannan, 2021<sup>[67]</sup>). For example, in France, cooperative shares can be remunerated only with limited interest, and investor-members have their voting rights capped at one-third of the total in a members’ meeting (49% if the investors are cooperatives themselves) (Fajardo-García et al., 2017<sup>[117]</sup>).

**Public entities could directly participate in platform cooperatives.** In some countries, new cooperative legal forms have been established to allow cooperatives to pursue the general interest, beyond the mutual interest of their members and to enable multiple actors, including public authorities, to formally participate in cooperatives. For instance, France established in 2001 the “collective interest cooperative society”, which allows local authorities and public entities to become partners and hold up to 50% of the capital of the cooperative (Confédération générale des SCIC et des SCOP, 2023<sup>[118]</sup>). Another example is the “solidarity cooperative” form, created in 1997 in Quebec, Canada (OECD, 2022<sup>[119]</sup>). In 2017, Bill 122 introduced the possibility for municipalities to invest directly in certain enterprises, and particularly in solidarity cooperatives (Assemblée nationale du Québec, 2017<sup>[120]</sup>).

### Box 3.1. Goteo.org, crowdfunding opportunities for platform cooperatives (Spain)

**Goteo.org a Barcelona-based online platform provides crowdfunding opportunities to initiatives supporting the Sustainable Development Goals (SDGs).** The platform is an initiative of the Platoniq Foundation and is subsidised by Barcelona’s City Council and the Spanish government. The platform selects projects based on their environmental and social footprint, linked to the SDGs. When supporting a project, a contributor’s funds go through the Platoniq Foundation as a donation. Under the Spanish tax system, this set-up allows the donor to claim a tax reduction between 35% and 80% on the donation. In addition, Goteo.org has developed “match-funding” partnerships. Match-funding bases its principles on crowdfunding, adding public or private institutions to the equation. As the traditional crowdfunding campaign goes on, the institution matches each donation up to a certain amount, significantly increasing funding while maintaining the community-based selection process.

**Impact-targeted crowdfunding can help initiatives not only access funding, but also build and empower a community.** In 2022, Goteo.org increased by over 10% its already 300 000 users across Europe, among which 38 000 donated that year. Additionally, this large community is primarily SDG-oriented, more attentive to social, environmental, and democratic issues. As a nonprofit, Goteo.org has a 5% commission, relatively low compared with other crowdfunding platforms. In its 11 years of activity, the platform has distributed almost EUR 18 million, with a success rate for projects of 83.5%.

**Platform cooperatives such as Fairbnb.coop have launched campaigns on Goteo.org to raise start-up funding.** In May and June 2019, the rental house platform cooperative launched two crowdfunding campaigns, respectively on Indiegogo and Goteo.org. Jointly, they raised EUR 18 500 with over 300 backers. On Goteo.org, the reward for contributing went from a name mention on the page’s “Hall of Fame” (EUR 20) to an analysis of the vacation rental and tourism in the donor’s city for possible market developments there (EUR 400) and special discounts on the booking fees. Although the funding is limited, these campaigns helped Fairbnb.coop build a community and allowed for further fundraising opportunities. In 2021 Fairbnb.coop reported it had raised EUR 1 million through a 12-month fundraising campaign with supporters such as Fondo Sviluppo (Confcooperative), Coopfond, (Legacoop), SEFEA Impact, the CFI-Cooperation Finanza Impresa and Leonardo’s Poles.

Source: [Goteo.org :: Crowdfunding the commons](#) | [Fundraising year nets €1m for platform co-op Fairbnb - Co-operative News \(theneews.coop\)](#) | (Fuster Morell, Senabre Hidalgo and Rodríguez, 2020<sup>[121]</sup>)

**Another avenue for funding could be to facilitate the creation of new cooperative-type structures or convert traditional firms through employee ownership models.** Employee ownership is a broad concept that can take many forms, ranging from simple grants of shares to highly structured plans. It generally refers to arrangements in which employees own shares in their company or the right to the value of shares. Platform cooperatives, in particular worker cooperatives, could benefit from such schemes since they already implement collective ownership schemes (Harvard Business Review, 2021<sup>[122]</sup>). For example, in France, the 2014 Social

and Solidarity Economy Law granted employees the right to create transitional cooperatives that could take over a company even if employees do not own the majority of capital (Pentzien, 2020<sup>[123]</sup>). Furthermore, this law introduced the *Coopérative d'Activité et d'Emploi* (Box 2.1), which can inspire new cooperative models in other countries. In Italy, the Marcora Law (*Legge Marcora*) (L. 49/1985) established a policy framework and financing environment to facilitate business conversions of firms to cooperatives. In 2021, Italian cooperative apex organisations<sup>12</sup> signed an agreement with Italian trade union organisations<sup>3</sup> to promote the establishment and consolidation of cooperative worker buyouts (CICOPA, 2021<sup>[124]</sup>). In the state of Colorado (United States) in 2021, the Colorado Employee Ownership Office and its Commission approved a loan guarantee initiative aimed at facilitating employee ownership conversions (Box 3.2). This initiative established a framework for shared ownership comparable to that available to investors in the stock market. Under this programme, USD 10 million annually in tax credits is provided to fund professional service costs of the conversion, such as legal and accounting services (NPQ, 2023<sup>[125]</sup>).

### Box 3.2. Employee ownership models, Colorado (United States)

**Employee ownership refers to arrangements in which employees own shares in their company or the right to the value of shares.** Employee ownership is a broad concept that can take many forms, ranging from simple grants of shares to highly structured plans. The most common form of employee ownership in the United States (US) is the employee stock ownership plan (ESOP), a highly tax-advantaged plan in which employees own shares through a trust funded by the company. Other forms of employee ownership include stock options, stock grants, synthetic equity (granting the right to the value of shares but not the shares themselves), worker cooperatives and employee ownership trusts. In 2013, a meta-analysis of existing literature on the topic found that firms offering ESOPs significantly outperformed others and that as participation within the organisation increases, so does the firm's performance (NCEO, n.d.<sup>[126]</sup>).

**While many small business owners plan to retire, most of them are unaware of exit options.** Across the United States, nearly six out of ten business owners plan to retire or sell their business in the next decade (Project Equity, 2021<sup>[127]</sup>; OEDIT, n.d.<sup>[128]</sup>). In Colorado, 76% of small businesses are owned by people born between 1946 and 1964, and about 68% of them are unfamiliar with their exit options (Exit Planning Institute, 2022<sup>[129]</sup>). While employee ownership can take many forms, including worker cooperatives, in Colorado they are defined as:

- having at least 20% of equity owned by employees
- at least three full-time employees or members
- usage of specific structures to offer ownership to employees (e.g. ESOP or employee ownership trust, employee stock purchase plan, or limited liability corporation membership)
- being located in the state.

**Colorado addresses barriers to employee-ownership conversion through the Colorado Employee Ownership Office and its Commission to build a network of technical support for organisations wanting to adopt an employee-owned model.** The office promotes shared ownership by bringing together employee-owned businesses, attorneys, financial and accounting professionals, and other employee ownership organisations. It has a dedicated course to introduce the employee ownership, its benefits and structures while also proposing dedicated consultants and resources. The commission set up a loan and grant programme to reduce the transition costs. In 2021, the state legislature started providing USD 10 million annually in tax credits to fund professional service costs of the conversion (e.g. legal) (NPQ, 2023<sup>[125]</sup>).

Source: (NCEO, n.d.<sup>[126]</sup>; NPQ, 2023<sup>[125]</sup>; Exit Planning Institute, 2022<sup>[129]</sup>; OEDIT, n.d.<sup>[128]</sup>)

### ***Promote collaboration between platform cooperatives and public and private entities including through funding, partnerships and knowledge-sharing***

Encouraging collaboration between the public and private sectors and platform cooperatives can be achieved through diverse approaches, such as through funding, partnerships and knowledge-sharing events. The case of Up&Go in New York City illustrates how funding and support from both public and private entities can foster the development and growth of a platform cooperative (Box 3.3). In Spain, public institutions such as the Barcelona City Council, Barcelona Activa (the local development agency), and the Open University of Catalonia collaborated through the MatchImpulsa programme to promote and expand the social and solidarity economy. The programme operates through three strategic lines: platformisation of companies, implementing a self-diagnostic tool and facilitating training sessions. Moreover, the programme establishes strategic collaborations with other initiatives, such as MatchTech, MatchIguat, and Càtedra Oberta, resulting from similar collaborations; and establishes and nurtures local strategic ecosystems (MatchImpulsa, n.d.<sup>[130]</sup>). Lastly, collaborations could also include events, such as the Platform Cooperativism Consortium annual conference on platform cooperatives, which has established partnerships with local public institutions to gain support for their initiatives. For example, in 2022, the conference was held in Rio de Janeiro (Brazil) and had the support of the National Service for the Learning of Cooperativism in the State of Rio de Janeiro (Platform Cooperativism Consortium, 2022<sup>[131]</sup>). Likewise, the 2021 conference was held in Berlin and received financial support from the Mayor of Berlin and the Senate Chancellery for Higher Education and Research (Platform Cooperativism Consortium, 2021<sup>[132]</sup>).

#### **Box 3.3. Up&Go: A platform cooperative revolutionising New York City's cleaning service sector**

**Up&Go offers similar services as conventional platforms in the cleaning sector, while maintaining the cooperative approach and offering better working conditions.** Up&Go is a platform cooperative enabling users to book cleaning services with worker-owners from three different New York City-based cooperatives: Ecomundo Cleaning, Brightly Cleaning Cooperative and Cooperative Cleaning. Up&Go adopts a participative governance model, where worker-owners engage in decision-making processes, determining important aspects such as pricing, payment methods and cancellation policies, among others. Workers operate on a self-employment basis as owners and workers of cooperatives and receive 95% of their fees, and the remaining 5% is reinvested into the maintenance of the application. This leads to workers making an average USD 22.25 per hour, about USD 5 more than the New York area average. This stands in stark contrast to workers of other home-service apps, who receive between 50% and 80% of the fee.

**Securing the start-up resources posed a challenge for Up&Go. However, with funding and collaboration from both private and public stakeholders, it successfully developed its platform.** In 2017, Barclays and Robin Hood (a New York City-based anti-poverty organisation), provided initial funding of USD 500 000 to support the start-up and invested again in 2020. Up&Go also received support from the Center for Family Life (CFL), a New York City-based social service organisation. CFL has been implementing a cooperative development programme since 2006 to support worker cooperatives in the city. CFL provided various forms of support to Up&Go, including back-office services, model development, partnership, and capacity building and innovation, among others. From 2014, the support provided by CFL was financed by New York City, through the Workers Cooperative Business Development Initiative (WCBDI) (Box 3.5). Lastly, the development of the Up&Go website was undertaken by CoLab Cooperative, a worker-owned digital agency that designs and develops technology for social organisations, with the guidance provided by Cornell Tech.

Source: [Ethical House Cleaning Services - Up & Go Cooperative Cleaners \(upandgo.coop\) | Opinion | 'When Someone Hires Me, They Get the Boss Herself' - The New York Times \(nytimes.com\) | Cooperative Business Development - Center for Family Life | "Unions Raise the Floor, Co-ops Can Raise the Ceiling": Erik Forman » Bot Populi | Up & Go Is A Worker-Owned Alternative To On-Demand Home Cleaning Servi \(fastcompany.com\) | When Workers Control the Code | WIRED | Up & Go - a platform for fair work and liveable wages – Participedia](#)

### **Use social procurement to help platform cooperatives generate income**

**Procurement can offer platform cooperatives opportunities to both generate income and increase social impact.** Social procurement refers to public and private actors acquiring goods, services and works to create social value (OECD, 2023 forthcoming<sup>[133]</sup>). For instance, public entities can contract platform cooperatives to provide a range of services. This can provide a source of income that could help platform cooperatives create jobs and/or improve working conditions. This entails that platform cooperatives provide services in ways that incentivise public institutions to turn towards them instead of more traditional service providers; for example, providing goods and services for local communities (Pentzien, 2020<sup>[123]</sup>). In France, platform cooperatives that use the SCIC model (*Société coopérative d'intérêt collectif*) are already at an advantage because of their capacity to integrate both public institutions and local organisations. For example, some bike delivery cooperatives organised within the CoopCycle federation have managed to secure public procurement contracts with local authorities in recent years by pointing towards the very concrete benefits (concerning job provision as well as service provision) that their business models provide in communities in which they operate.

**Policy makers can build on positive results of policy initiatives for other types of cooperatives, namely social cooperatives.** For example, in 2011, in Italy, revenues from public contracts accounted for 65% of the total income of social cooperatives that provide social welfare or educational services (Borzaga, 2019<sup>[134]</sup>). Moreover, the incorporation of social objectives in public procurement could produce long-term savings for the public sector by effectively addressing social challenges while acquiring goods and services. Achieving this requires decisions on awarding contracts that go beyond short-term savings and prioritise considerations beyond financial aspects alone, avoiding the selection of bidding offers based solely on the lowest price (OECD, 2023 forthcoming<sup>[133]</sup>). Many countries have recognised this potential and have taken steps towards implementing such practices with actors pursuing positive social outcomes (Box 3.4), which could be replicated with platform cooperatives.

#### **Box 3.4. Countries implementing social procurement initiatives**

**Victoria's Social Procurement Framework (Australia):** Although cooperatives are not considered to be social benefit suppliers under this Framework, in April 2018, the Victorian government took a step forward introducing a Social Procurement Framework to broaden the scope of value-for-money considerations beyond mere pricing to achieve both social and sustainable outcomes. This framework categorises social procurement into two approaches: direct and indirect. The direct approach involves the procurement of goods, services or construction from "social benefit suppliers." Suppliers are validated Victorian social enterprises, Victorian Aboriginal businesses or Australian Disability Enterprises. The indirect approach refers to departments and agencies acquiring goods and services from "mainstream suppliers". This is achieved through invitations to tender and contractual clauses, which are strategically employed to steer the attainment of social and sustainable results. Examples of outcomes include the enhancement of recyclable/recovered content, reduction of waste and mitigation of greenhouse gas emissions. In the first full year of implementation, the aggregate expenditure amounted to AUD 135 million (Australian dollars) and engagement of 459 social benefit suppliers.

**Barcelona City Council Decree for Socially Responsible Public Procurement (Spain):** Barcelona introduced the Socially Responsible Public Procurement decree in 2013, which was subsequently replaced by the Sustainable Public Procurement Decree S1/D/2017-1271 in 2017. The aim was to leverage the city's extensive procurement activities to address rising unemployment rates, targeting vulnerable groups. This decree outlines specific social clauses for public procurement contracts across three areas: employment of workers facing exclusion, allocation of social reserves for social and solidarity economy (SSE) contracts, and engagement of SSE entities for subcontracting. In the first year



of implementation (2015), approximately 75% of contracted agreements incorporated these social clauses. This initiative had a positive impact, providing support to 770 individuals dealing with or at risk of social exclusion.

**Social Value Act (United Kingdom):** In 2020, the United Kingdom spent 16.1% of its gross domestic product (GDP) on public procurement. The potential of these public expenditures was acknowledged and oriented through the Public Services (Social Value) Act in 2012. The law requires public commissioners to consider the economic, environmental and social benefits, starting from the pre-procurement stage. The act was updated in 2021 to include an explicit evaluation of the social value when conducting public procurements. More precisely, 10% of the decision weighting is determined by the social value of commissioned services. The Social Value Act has gradually introduced social value in the commissioners' work, before formalising it into a mandatory step. It made the British public administration more accountable for its social and environmental impacts when procuring.

Source: adapted from (OECD, 2023 forthcoming<sup>[133]</sup>)

**Also, organisations associated with positive externalities, both socially and environmentally, such as platform cooperatives, need to be considered.** For example, *Consegne Etiche* is a home-delivery platform cooperative founded in 2020 in Bologna, which strives to generate economic, social and environmental impacts (Consegne Etiche, n.d.<sup>[115]</sup>). Unlike conventional platforms, it does not impose a fee on merchants (30% on average in other platforms), charging them nothing. Furthermore, it exclusively uses bicycles and cargo bikes, significantly reducing its environmental footprint and preventing the emission of approximately 100 grammes of carbon dioxide per kilometre per delivery, as seen with combustion vehicles (Consegne Etiche, n.d.<sup>[115]</sup>). This failure to consider the externalities of companies increases competition thresholds for organisations such as platform cooperatives addressing social and environmental challenges, often incurring additional costs (La Coop des Communs, 2020<sup>[135]</sup>). This could be also exacerbated by the limitations linked to the cooperative legal form compared with other online platforms, such as restrictions on cooperative activities and financing possibilities, thus reducing their ability to compete with traditional actors on the market. Also, data protection regulation could come with high costs, in particular for small organisations such as platform cooperatives. Policy makers could consider that cooperatives are disproportionately disadvantaged in comparison with other platforms (Pentzien, 2020<sup>[123]</sup>).

### **Consider using tax incentives to promote growth of platform cooperatives**

**Fiscal frameworks and tax incentives help platform cooperatives thrive and make them attractive to investors.** Granting tax incentives can be a way to position platform cooperatives in key sectors (e.g. green sectors or sectors with labour shortages such as care) or to acknowledge and foster the role they have in addressing societal challenges such as providing job opportunities and inclusion of disadvantaged groups (Mannan, 2021<sup>[67]</sup>). A favourable tax policy could incentivise the creation of platform cooperatives or the conversion of traditional cooperatives to the platform cooperative model. For example, in the United States, business owners who sell their company to worker cooperatives benefit from a favourable tax treatment, aiming to support business conversion into worker cooperatives (Phillips, 2018<sup>[136]</sup>). Similarly, cooperatives in Colombia benefit from a 20% income tax rate in comparison with 35% for conventional businesses (OECD, 2022<sup>[35]</sup>). The United Kingdom offers the Community Investment Tax Relief, which stimulates private investment in disadvantaged communities by providing a tax incentive to individuals and companies that invest in accredited Community Development Financial Institutions which in turn invest in enterprises located in or serving those communities. In 2020-21, the Community Investment Tax Relief raised £25 million of investment for social enterprises (UK Government, 2023<sup>[137]</sup>). These state-designed schemes help social economy organisations raise funds and support their trading activities. Similar approaches could be adopted to support the development of platform cooperatives through well-crafted tax policies that can stimulate the growth of platform cooperatives, creating jobs and improving conditions for workers.

## Develop and adapt legislation for platform cooperatives to reflect realities brought by digital technologies

### *Develop legal frameworks that can help platform cooperatives function in the digital economy*

**Policy makers could conduct evaluations and stakeholder consultations to assess the impacts of various legislations on platform cooperatives.** As cooperatives active in the digital economy, platform cooperatives are subject to numerous bodies of legislation, namely cooperative- or social economy-specific laws, in addition to regulations on digitalisation and data management and protection as online platforms, as well as tax, competition and labour laws as economic actors (Pentzien, 2020<sup>[123]</sup>). Conducting benchmarks and consulting stakeholders, including platform cooperatives themselves, can help identify regulatory obstacles, including for their contribution to job creation. For example, at a national level, the 2012 revision of the Act on Cooperatives in Korea simplified the requirements to establish a cooperative (e.g. reducing the number of founding members, limiting the involvement of public authorities, facilitating conversion of existing businesses into cooperatives) (Mannan, 2021<sup>[67]</sup>). This resulted in a significant increase in the number of cooperatives being registered (about 7 100 new cooperatives within the first 30 months of the revision enactment), a large part of which were freelancers' cooperatives active in the cultural and tech industries (Jang, 2016<sup>[138]</sup>). At the supranational level, the EU Regulation 346/2013 is an example of assessing the problems faced by private investment funds supporting social entrepreneurs, which could include those of platform cooperatives. This regulation creates the European Social Entrepreneurship Fund label (EuSEF), aiming to streamline the identification and selection of EuSEFs, help social businesses through easier access to finance, and reduce the cost and complexity faced by investment fund managers seeking to raise capital (Publications Office of the European Union, 2021<sup>[139]</sup>).

**In many countries, cooperative statutes have not yet been adapted to the particular context of the platform economy.** For example, there is a need to update/revise laws so that cooperatives can hold votes in digital assemblies and incorporate members without media discontinuity across locations. This might require adjusting cooperative laws to allow online voting systems and online registration of (platform) cooperatives for their constitution. This approach is reflected in Brazil's enactment of Law No. 14.030 of 2020. This law permits virtual general meetings and assemblies, effectively using digitalisation to lower democratic costs in the corporate and cooperative sectors. In 2020, Italy allowed cooperatives to held remote general assemblies during COVID-19. This measure was extended until 31 July 2023. Leveraging online tools for meetings and enabling remote voting can foster inclusivity while reducing the logistical and financial burdens associated with in-person meetings (Mannan, 2021<sup>[67]</sup>; Imprensa Nacional Governo Federal do Brasil, 2020<sup>[140]</sup>; Senadonoticias, 2020<sup>[141]</sup>). Reverting to online voting systems, incorporation and general assembly can also help reduce operating costs for platform cooperatives, as these can often pose challenges to scaling objectives (Acquier, Daudigeos and Pinkse, 2017<sup>[111]</sup>; Philipp et al., 2021<sup>[113]</sup>). Policy makers could also simplify y data privacy laws for platform cooperative to source, refine and use data (Pentzien, 2020<sup>[123]</sup>; Calzada, 2020<sup>[72]</sup>)

**Platform cooperatives might operate and have members across several countries** (Mannan, 2021<sup>[67]</sup>). Legal frameworks need to provide for flexible incorporation through legal forms and statuses which could accommodate multiple stakeholders (e.g. individuals, firms and public sector) (Sahan and Schneider, 2023<sup>[142]</sup>; OECD, 2023<sup>[143]</sup>). It might be helpful to assess whether existing regulations support international membership to facilitate platform cooperatives' expansion across jurisdictions.

### ***Explore including in the legislation, how alternative forms of work could be suitable for platform cooperatives***

**Some countries already recognise the new labour possibilities, respectful of labour law, brought by cooperatives that could be used by platform cooperatives.** One the main examples is the business and employment cooperative (*coopérative d'activité et d'emploi*) in France. Business and employment cooperatives are worker cooperatives which provide individuals wishing to develop their own business project with full-fledged rights and protection as employees during a test period (6-18 months), as well as various back-office services. The 2014 Law on Social and Solidarity Economy recognised them as a form of cooperative that provides labour rights and protection for individuals as employees and also as members of cooperatives. For this purpose, a new status of “employee-entrepreneur” (*entrepreneur-salarié*), which reflects the specificities of independent workers and applies only to business and employment cooperatives, was introduced in the French labour code. This legal status is characterised by a higher level of rights and protection, compared with similar legal statuses introduced for flexible forms of work, such as auto-entrepreneurs and umbrella companies (*portage salarial*) (Roelants et al., 2020<sup>[64]</sup>). Another example is Smart (Belgium), where all workers (both independent workers using the services provided and permanent staff) have the same legal status as employees but correspond to distinct member categories in order to balance votes in the governance structure. Along with exploring these and other alternative forms of work, mechanisms for ensuring compliance with the rules governing these new labour opportunities must be established to prevent misuse of the model.

### **Provide capacity-building and business support services for platform cooperatives**

#### ***Develop tailored capacity-building programmes focused on platform cooperatives***

**Capacity-building and training programmes tailored to platform cooperatives could contribute to their founding and/or scaling up.** These can include educational opportunities, such as workshops, seminars, mentoring programmes, guides and training kits, covering essential topics such as cooperative governance, business management and digital skills, among others. For example, Barcelona Activa, the local economic development agency of Barcelona, Spain, in collaboration with local associations and cooperatives (femProcomuns, LabCoop), implemented the programme La Comunicadora to support collaborative social economy projects, including platform cooperatives (Barcelona Economic Development Agency, n.d.<sup>[144]</sup>). The programme offered knowledge, skills and assistance for establishing and sustaining platform cooperatives. The programme also presented real-life examples and success stories that demonstrate the feasibility of platform cooperatives and highlight the tangible benefits they offer. The programme started in 2016 and concluded in 2021, engaging 149 individuals from 64 projects over five editions. In addition to public sector efforts, initiatives also emerged from social economy organisations, such as Mondragon University's Platform Co-ops Now programme in the Basque Country, Spain, and The Drivers Cooperative's Drivers Academy in New York. These capacity-building initiatives help individuals interested in starting platform cooperatives and play a major role in increasing awareness around their value, viability and positioning as credible and appealing alternatives.

#### ***Establish dedicated business support services for platform cooperatives and ease access to existing services***

**Establishing dedicated business support services could foster the creation or conversion of firms into cooperatives, including platform cooperatives** (Box 3.5). Addressing the unique needs of platform cooperatives through business support services could help them overcome operational and scalability challenges and lead to job creation and improved working conditions. Business support services can



include access to legal advice, financial services, marketing support and technical assistance, among others. For example, Co-operatives UK, the national apex body for cooperative enterprises in the United Kingdom, offers a specialised business support programme for cooperatives, including platform cooperatives. This programme provides up to six days of personalised one-to-one support with an expert on cooperatives, as well as half a day of peer support from an existing cooperative. Leveraging the expertise and experience of these cooperative experts and peers, platform cooperatives can receive valuable support to establish, operate and grow their businesses effectively, thereby contributing to job creation and economic development (Co-operatives UK, 2023<sup>[145]</sup>).

### **Box 3.5. Supporting the local cooperative ecosystem: The Worker Cooperative Business Development Initiative in New York City, US**

**The Worker Cooperative Business Development Initiative (WCBDI) was launched in 2014 to support the positive impact of cooperatives on New York City's workforce and economy.** The programme relies on an ecosystem of 12 non-profit partner organisations, including networks, clinics and assistance providers that focus on strengthening worker cooperatives locally. It is designed for the creation of worker-owned businesses and the conversion of existing firms towards the cooperative model. Through the partner organisations, the City Council provides technical support in the form of one-to-one services, educational services through workshops, intensive academies and networking events for current and prospective cooperative members, incubation solutions, and financing opportunities. The non-profit intermediaries allow for better local grounding of the initiative using the local networks of the partners to have a better reach in a metropolitan area with 20 million inhabitants.

**The WCBDI aims to provide quality employment to New Yorkers through the promotion of the cooperative model.** According to the city's Small Business Services, cooperatives support upstream mobility, especially for communities underrepresented in business. For example, in 2020, the initiative put forward a series of Black, Indigenous, People of Colour (BIPOC)-led cooperatives. The initiative also supported various platform cooperative such as Up&Go, providing cleaning services, or The Drivers Cooperative, a ride-hailing platform cooperative. Gaining access to funding, advice and incubation allows platform cooperatives to better compete against more conventional platforms, which usually turn to venture capital for initial funding. The WCBDI provides tailored financial advice and loan application building support, as well as a network of New York-based lenders for cooperatives. Small Business Services also helps cooperatives participate in public procurements through capacity building and additional loans for applicants.

**With a budget of USD 23.9 million between 2015 and 2022, the WCBDI created a stronger enabling environment for cooperatives in New York City, making it the metropolitan area with the highest number of worker cooperatives in the United States, nominally and per capita.** The WCBDI's one-to-one services supported large cooperatives in their development and digitalisation, such as Cooperative Home Care Associates, the largest cooperative in the United States. The home care provider now uses a platform to best allocate its care worker-members to its clients. Overall, the programme supported the creation of 799 jobs and 218 workers' cooperatives between 2017 and 2022. These cooperatives have mostly developed in three main sectors in NYC, namely cleaning services, professional services and manufacturing, with small structures involved in fashion, printing and specific products.

Source: [Publications & Reports - SBS \(nyc.gov\)](#), [Mayor-Adams-Economic-Recovery-Blueprint.pdf \(nyc.gov\)](#)

### ***Support platform cooperatives attract tech talent and qualified professionals***

**Specific educational programmes focused on SSE organisations can help the sector, including platform cooperatives, to improve their access to qualified professionals.** Under the support of the New School, New York, and Mondragon Unibersitatae, the Plataformas Cooperativas Digitales network brings together a large network of institutes and universities to promote the study of platform cooperatives and the creation of courses linked to the topic. These include the Institut Mines-Télécom in France; the Escuela Andaluza de Economía Social, Spain; the Universidad de Paraná, Brazil; Ibero Puebla, Mexico; and the Industree Foundation in India. Additionally, several universities have created SSE-oriented programmes, which can help bridge the talent gap faced by platform cooperatives. Since 1993, Florida Universitária, linked to the public University of Valencia (Spain), applies the cooperative principles to its educational methods and programmes, providing skills and knowledge suited for both the social economy organisations and other private actors to its students. Policy makers can also support the creation of matchmaking or tutoring programmes. In Brazil, the Programme for Promoting Access to Job Opportunities (Programa Acessuas Trabalho) provided workshops and services directly to vulnerable and at-risk groups, encouraging experience sharing between generations (Ministério do Desenvolvimento e Assistência Social, Família e Combate à Fome, 2023<sup>[146]</sup>).

**Promoting networks that connect platform cooperatives with experts could address the limited access to qualified professionals.** Many founders of platform cooperatives often lack the necessary contacts and time to tackle challenges around digitalisation, scalability or financing. In countries such as France and Spain, established ecosystems comprising various actors can serve as a valuable reference point and a potential source of resources for platform cooperatives. In Germany, Platform Cooperatives Germany has been receiving financial support from the Federal Ministry of Economics and Energy since 2020 to establish an innovation network for platform cooperatives. The main goal of this network is to enhance the cooperative digital economy by increasing its visibility, fostering co-operation, and engaging with other cooperative networks, particularly in Europe. Additionally, the initiative actively advocates for improving the cooperative framework conditions in Germany through the Geno Digital Jetzt campaign, which focuses on digitisation and international networking (Platform Cooperatives Germany, 2023<sup>[147]</sup>). Another example is Platform Coop Brussels, a collaborative effort led by Smart, SAW-B and Febecoop, with support from the Brussels-Capital Region's Small Business Act. The objective of the initiative is to strengthen and empower the growing platform cooperative ecosystem in Brussels. It brings together various stakeholders, including academia, politics, trade unions and entrepreneurs, to foster an inclusive and equitable digital economy by promoting cooperative principles and enabling platform work (Platform Coop Brussels, n.d.<sup>[148]</sup>).

**Table 3.1. Summary of policy recommendations to expand the local job creation potential of platform cooperatives**

Policy recommendation	Measures and examples
<b>Facilitate and improve access to funding and finance for platform cooperatives</b>	
<p><b>Support platform cooperatives' access to start-up funding at the needed scale</b></p>	<p><b>Provide funding</b> through investment, partnerships or grants.</p> <ul style="list-style-type: none"> <li>• <b>County of Seine-Saint-Denis (France):</b> invested EUR 25 000 in a platform cooperative.</li> <li>• <b>City of Bologna (Italy):</b> collaborated with various actors to launch a platform cooperative.</li> <li>• <b>CoopCycle (Europe):</b> obtains 12% of its funding through public subsidies.</li> </ul> <p><b>Encourage innovative solutions</b> such as match-funding, investor-members and investment from public entities.</p> <ul style="list-style-type: none"> <li>• <b>Goteo.org, crowdfunding opportunities for platform cooperatives (Spain):</b> Goteo.org has developed partnerships with private and public institutions to match donations made through its platform.</li> <li>• <b>Solidarity cooperative (Canada):</b> legal form that can receive investment from municipalities.</li> <li>• <b>Cooperative shares (France):</b> scheme through which cooperative shares are subject to limited interest remuneration, and voting rights for investor members are restricted to one-third of the total.</li> <li>• <b>Collective interest cooperative society (France):</b> legal form that allows public entities to become partners and hold up to 50% of the capital of the cooperative.</li> </ul> <p><b>Promote employee ownership schemes</b> to facilitate the transformation of companies into employee-owned businesses including cooperatives and platform cooperatives.</p> <ul style="list-style-type: none"> <li>• <b>Marcora Law (Italy):</b> implemented a policy framework and financing environment that effectively supports the transformation of businesses into cooperatives.</li> <li>• <b>Employee ownership in Colorado (United States):</b> approved a loan guarantee initiative to facilitate employee ownership conversions.</li> </ul>
<p><b>Promote collaboration between platform cooperatives and public and private entities including through funding, partnerships, and knowledge-sharing events</b></p>	<p><b>Engage in partnerships</b> through joint programmes and events aimed at promoting and supporting platform cooperatives.</p> <ul style="list-style-type: none"> <li>• <b>MatchImpulsa programme:</b> initiative involving public institutions to promote and expand the social economy organisations, including platform cooperatives.</li> <li>• <b>Platform Cooperativism Consortium annual conference (Brazil &amp; Germany):</b> benefited from support from public institutions to organise the events.</li> <li>• <b>Up&amp;Go: A New York City platform cooperative specialised in cleaning (United States):</b> benefited from funding and collaboration from private and public stakeholders for its development.</li> </ul>
<p><b>Use social procurement to help platform cooperatives generate income</b></p>	<p><b>Support the provision of goods/services from platform cooperatives:</b> could provide platform cooperatives a sustainable source of income that could stimulate their growth and enhance their job creation potential.</p> <ul style="list-style-type: none"> <li>• <b>Barcelona City Council Decree for Socially Responsible Public Procurement (Spain):</b> used procurement to address rising unemployment rates, targeting vulnerable groups.</li> <li>• <b>Social Value Act (United Kingdom):</b> includes an explicit evaluation of the social value when conducting public procurement.</li> </ul>
<p><b>Consider using tax incentives to promote growth of platform cooperatives</b></p>	<p><b>Develop fiscal frameworks and tax incentives</b> to help platform cooperatives thrive and make them attractive to investors.</p> <ul style="list-style-type: none"> <li>• <b>Special tax regime for cooperatives (Colombia):</b> income tax rate for cooperatives is 20% while it is 35% for conventional businesses.</li> <li>• <b>Community Investment Tax Relief (United Kingdom):</b> provides a tax incentive to individuals and companies that invest in accredited Community Development Financial Institutions which in turn invest in enterprises located in or serving those communities.</li> </ul>

## Develop and adapt legislation for platform cooperatives to reflect realities brought by digital technologies

Develop legal frameworks that can help platform cooperatives function in line with the digital economy	<p><b>Conduct evaluations and stakeholder consultations</b> to identify regulatory obstacles that hinder the development of platform cooperatives.</p> <ul style="list-style-type: none"> <li>• <b>Revision of the Act on Cooperatives (South Korea):</b> simplified the requirements to establish a cooperative, bringing about 7 100 new cooperatives within the first 30 months of the revision.</li> <li>• <b>EU Regulation 346/2013 (European Union):</b> helps social businesses through easier access to finance by introducing the EuSEF label.</li> </ul>
	<p><b>Revise and update cooperative regulations</b> to adapt them to the unique circumstances of the platform economy, such as digital voting in assembly and seamless admission of members in different locations.</p> <ul style="list-style-type: none"> <li>• <b>Law No. 14.030 of 2020 (Brazil)</b> allows cooperatives to hold virtual assemblies and general meetings.</li> </ul>
Explore including in the legislation alternative forms of work that could be suitable for platform cooperatives	<p><b>Consider including new forms of labour possibilities</b> that bring new statuses such as “employee-entrepreneur”.</p> <ul style="list-style-type: none"> <li>• <b>Smart (Belgium):</b> independent workers and permanent staff are employees.</li> <li>• <b>Business and employment cooperatives (France)</b> provide individuals developing their own business with full-fledged rights and protection as employees during a test period.</li> </ul>

## Provide capacity-building and business support services for platform cooperatives

Develop tailored capacity-building programmes focused on platform cooperatives	<p><b>Support individuals keen on launching and/or participating in platform cooperatives</b> through tailored capacity-building programmes, knowledge transfer and skills development.</p> <ul style="list-style-type: none"> <li>• <b>Programme La Comunicadora (Spain):</b> offered knowledge, skills and assistance for establishing and sustaining platform cooperatives.</li> </ul>
Establish dedicated business support services for platform cooperatives and ease access to existing services	<p><b>Provide business support services</b> for platform cooperatives to help them overcome scalability challenges.</p> <ul style="list-style-type: none"> <li>• <b>The WCBDI in New York City (United States):</b> the programme provides business support services such as one-to-one services, educational services through workshops, networking events, incubation solutions, and financing opportunities for the creation of worker-owned businesses and the conversion of existing firms towards the cooperative model.</li> </ul>
Help platform cooperatives attract tech talent and qualified professionals	<ul style="list-style-type: none"> <li>• <b>Put in place dedicated educational programmes tailored to social and solidarity organisations</b> to improve their access to qualified professionals.</li> <li>• <b>The Plataformas Cooperativas Digitales network (Spain – United States):</b> bring together a large network of institutes and universities to promote the study of platform cooperatives and the creation of courses linked to them.</li> </ul> <p><b>Facilitate platform cooperatives’ access to qualified talent.</b></p> <ul style="list-style-type: none"> <li>• <b>Platform Cooperatives Germany (Germany):</b> received financial support from the Federal Ministry of Economics and Energy since 2020 to establish an innovation network for platform cooperatives.</li> <li>• <b>Platform Coop Brussels (Belgium):</b> this initiative, which benefited from the support of the Brussels-Capital Region’s Small Business Act, gathers different stakeholders to strengthen and empower the growing platform cooperative ecosystem.</li> </ul>

## Notes

<sup>1</sup> Apex organisations refers to cooperatives coming together and forming larger, overarching bodies that can perform different functions, including promoting and supporting the development of cooperatives, mobilising them towards risk management frameworks or performing supervision activities (World Bank, 2020<sup>[149]</sup>).

<sup>2</sup> The apex organisations were the General Association of Italian Cooperatives (AGCI), the Confederation of Italian Cooperatives (Confcooperative) and the National League of Cooperatives and Mutual Societies (Legacoop).

<sup>3</sup> The agreement was signed with the Italian General Confederation of Labour (CGIL), the Italian Confederation of Workers' Unions (CISL) and the Italian Labour Union (UIL).

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