



**PLATFORM COOPERATIVES:
THE SOCIAL AND SOLIDARITY ECONOMY AND THE FUTURE OF WORK**
A Preliminary Assessment of Platform Capitalism and Platform
Cooperativism and their Effects on Workers' Satisfaction

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International Conference of the UNTFSSE
“Implementing the Sustainable Development Goals: What Role for
Social and Solidarity Economy?”
25 June 2019

The Sharing Economy – Platform Capitalism



- The sharing economy consists of businesses that act as **intermediaries** to facilitate the sales of goods and services
- A **platform** to connect users.
- “Logistics companies where all participants pay up the middleman” (Scholz 2016).
- **Exacerbates social and economic inequality**

The Social and Solidarity Economy - Platform Cooperativism



A cooperative is: “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 enterprises.” (International Alliance of Cooperatives)

Platform cooperatives offers a different way of organizing the internet enterprises: It can unite producers and users by committing to serve the well-being of all and striving for equitable distribution of benefits. The network of platform cooperatives emphasize collaboration between different cooperatives, based on a shared goal of contributing to the common good.

A directory of more than 100 platform cooperatives worldwide operating in various sectors (trade, transportation, art, music, IT, media, finance, etc.) is maintained by Internet of Ownership at <https://platform.coop/directory>



Research Question

How do the differences between the **engagement of workers** in platform cooperatives and in capitalist sharing economy enterprises impact **workers' satisfaction**?

Findings

The democratic practices of platform cooperatives in engaging workers through its joint ownership model, inclusive decision-making process, fair distribution of gains, and strong interpersonal relationships allow it to satisfy workers' needs better than platform capitalist enterprises.

Research Method

Framework: Herzberg's Two-Factor Theory



Hygiene factors	Motivators
Fair, clear, and flexible policies and administration	Sense of achievement
Effective and supportive supervision	Recognition for achievement
Positive interpersonal relationship	Meaningful work
Good working conditions and benefits	Sense of responsibility and ownership
Reasonable and competitive salary	Possibility for growth and advancement

Case Study 1



TaskRabbit



Founded	2008 (as RunMyErrand, name changed in 2010)
Company Type	Private
Website	https://www.taskrabbit.com
Headquarter	San Francisco, California, USA
Operating location	USA, Canada, and the UK
Number of service providers	140,000 (as of June 2019) – 60% are millennials
Types of services provided	Grocery Shopping, IKEA services, Hauling, Moving, Personal Assistant, Minor Home Repair, Painting, Yard Cleanup & Removal, Delivery, Laundry, Furniture Assembly & Disassembly, Closet Organizing,...

Case Study 1



TaskRabbit



1. Ownership

- **Since founding, owned by shareholders, mainly venture capitalists**
- **Since September 2017, acquired by IKEA**

2. Distribution of profits and benefits

- **15% commission taken from Taskers' earnings**
- **7.5% Trust & Support Fee taken from clients**
- **Taskers' average hourly pay rate \$32/hour; \$6,000-7,000/month**
- **Offers no benefits, but discounted access to transportation (e.g. car rental) and health insurance**

Case Study 1



TaskRabbit



3. Decision-making

- Done by executive board and shareholders
- Major backlash for lack of consultation with Taskers

4. Interpersonal Relationships

- Community Team to process Taskers' feedback
- Asymmetry in client-service provider relationship
- Engagement with the community: TaskRabbit For Good pilot program in San Francisco

Case Study 2



Founded	2012 (became a cooperative in 2014)
Company Type	Multi-stakeholder cooperative
Website	https://loconomics.com
Headquarter	San Francisco, California, USA
Operating location	USA and UK
Number of service providers	Undisclosed, less than 2000
Types of services provided	Home Care, Child Care, Pet Care, Self-Care, Transport, Office, Senior Care, Party Planning,...

Case Study 2



1. Ownership

- **Service providers make up the majority of owners.**
No acquisition
- **Low fees for cooperative membership**

2. Distribution of profits and benefits

- **Zero commission**
- **Profits are proportionately divided among owners based on contribution**
- **Offers little to no benefit**

Case Study 2



3. Decision-making

- **Democratic election of board of director and voting on policies**
- **Uses digital technology**
- **Clear disclosure of information**

4. Interpersonal Relationships

- **Collaboration is at the heart of the cooperative**

Comparison



		TaskRabbit	Loconomics
Hygiene factors	Policies and administration	low	high
	Supervision	low	medium
	Interpersonal relationships	low	high
	Working conditions and benefits	low	low
	Salary	med-high	low-med
Motivators	Achievement	medium	high
	Recognition	medium	high
	The work itself	-	-
	Responsibility and ownership	low	high
	Growth and advancement	low	high



Epilogue

TaskRabbit:

- **Take over by IKEA in 2017, integration into IKEA's world's largest furniture retailer since at least 2008. (As of 2018, IKEA has 313 stores, 208'000 employees, 27.05 billion EUR in revenue).**
- **Expansion of TaskRabbit to Canada.**
- **In 2018, it had 50'000 contractors and has increased to 140'000 but no change in benefits for workers**

Loconomics:

- **No reported change in terms of size or workers, still only 2000 service providers, limited market (caring field)**
- **Now offering people a 90 day free trial to attract people to the cooperative**
- **Could expand into growing Aging care market but no information as of now.**