

Position Paper

Towards a people and planet-oriented (digital) transition in Europe:

Platform cooperatives and their fundamental role in the context of recovery

Digital transition, platforms and the alternative model of platform coops

Digital transition figures high on the EU policy agenda and among the main priorities of policies and programmes to come – starting with Digital Europe and the digital single market, but including also others related to the EU Recovery Plan, Cohesion Policy, etc.

The COVID19 crisis further contributed to the fact that an increasing number of national governments, cities and regions put digitalisation - including the development of the platform economy - at the very top of their investment priorities.

At the same time, however, civil society and scientists, but also a number of local and regional policy makers, express concerns on how digital platforms have disrupted the way persons move, consume, travel... Gigantic players such as Amazon, Uber or AirBnb are about to monetize and “platformize” almost any aspect of people’s lives, including the most sensitive ones: personal opinions, daily activities, the functioning of democracies. Their practices transform access to resources (food, energy, transportation, local services, housing...), data and territories. At the same time, they contribute to a deterioration of working conditions and quality employment, bypassing rights such as access to social protection, social dialogue, training or equal opportunities. New monopolies emerge which threaten local economic tissues, SME development and a diversification of economic players and activities.

Other digital start-ups in the platform area follow their example.

Digitalisation – including the platform economy - has to serve territories!

To this purpose, a certain number of so-called platform cooperatives have emerged in different EU Member States to develop alternative models. They differentiate themselves through values and practices: democratic governance, cooperation and mutualization, territorial links, a fair sharing of the created value, a particular care for users’ wellbeing, ethical use of data, specific attention to enhancing social utility and environmental protection, inter-cooperation between projects. As economic actors, platform cooperatives are active in a variety of sectors (provision of food, mobility, care, support of SMEs, tourism, IT, ...). They contribute to the creation of jobs inside - but also outside - the digital sector : they have the potential and aim of reinforcing local and micro-enterprises rather than destroying them, hence promoting diversity of products and services rather than the homogeneity of big companies. Platform coops have an important capacity to foster community-based entrepreneurship involving also and in particular younger generations.

These alternative platforms have proven their value for the resilience of territories once again in the framework of the covid19 crisis. The lockdown of populations has brought new challenges for organizing local solidarity, re-organizing supply chains, identifying available housing for workers, local production of protection equipment, etc.

Dominant platforms have answered to this situation as an opportunity for their business model, but have not really taken part to the resilience of territories where they operate, whereas many platformcoops did - e.g. by enabling local plug-and-play bike delivering platforms, by organising local

solidarity between neighbours or by enabling decentralized local food systems, etc.¹ The replicability of the platforms makes them a key success factor for sustainable digital transition able to respond also to future crisis.

An increasing number of cities and regions have been and are developing partnerships with platform coop initiatives or are looking for instruments to set up or reinforce this cooperation. Moreover, platform cooperativism is also increasingly becoming a means to strengthen solidarity between local communities and territories within Member States or even at European level.

However, a lot remains to be done so that platform coops can compete on a level playing field with dominant platforms and are able to attain sustainable economic models.

Towards a platform economy that fosters the gender perspective

Moreover, according to different authors, platform economy until now reproduces gender, race, and social class hierarchies. Currently, gender inequality is exacerbated not only in the profit-oriented models, but also between the most open models and those associated with the social economy.

Policies and programmes around the platform economy should raise awareness about the negative impacts of algorithms used by the platform economy regarding race, gender and social-class hierarchies. They should underline the necessity of transparency and community ownership on these digital tools. More generally they should contribute to solve any kind of gender gaps in platform economy.

The EU Recovery Plan and related policies as an important lever of change also in the platform economy

A digital transition that is supposed to strengthen Europe, its territories and people first of all requires to enforce and/or reinforce regulation targeting mainly profit-driven platform companies that circumvent labor, tax and competition laws. The actual accounting tools and fiscal frames only take into consideration economic profits and loss. The current social and environmental challenges we are facing have pushed the EU to come up with a Just Transition and Green Deal. In order to achieve these objectives, it is necessary to adapt our fiscal approach in a way that actually promotes genuinely socially and ecologically sustainable economic activities and/or punishes those that create negative externalities, whatever their legal status. Today these different types of companies are considered as equals and meant to compete against each other. But not taking into account the externalities of companies means creating unfair competition between those who tackle social and environmental challenges (by undertaking extra cost) from those who simply externalise them (therefore only generating profit for themselves while letting public authorities to pay the social and environmental costs). Tackling this issue means also revising competition law in order to create a level playing field for truly fair competition. We believe that promoting such policies will undeniably have positive effects on the behaviour of digital platforms, be them cooperative or not.

Beyond regulation, however, Digital Europe and other (future) regional, national and EU policies and programmes related to the EU Recovery Plan could positively impact on the development of the

¹ Examples for such platform cooperatives (and their federations) are Coopcycle, Pwiic or Open Food Network. The contribution of the platformcoops to the local resilience in Europe has been documented in a webinar, hosted by the DG grow of the european commission in the following webinar : <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Online+session+2%3A+Platform+design+for+local+volunteers>

platform cooperative sector and therewith on sustainable digital transition with an added value for territories and citizens all over Europe.

We strongly recommend to integrate the following aspects into strategies, programmes and policies:

1. Visibility

Platform cooperatives, their values&principles and their added value for territorial development are still not very much known and visible in a number of European Member States and regions.

Their model – in Europe rather recent - could be spread and promoted through awareness-raising activities targeting potential communities willing to engage in platform coop initiatives, (potential) users (including social economy and other enterprises), policy-makers, civil society or citizens in general.

SMEs, social economy enterprises, civil society and other players should be *made aware of* and *be encouraged to use* and *cooperate with* platform cooperatives as a tool helping them develop their own activities, products and services, but also as a means to set up partnerships, create and mutualise knowledge and other type of resources.

The model of platform coops should be a topic to be further deepened in transnational exchange activities (for example in the framework of ESF+). Recent Covid-19-related experiences have shown the high interest and need for such exchange at European level.

Programmes and policies might also consider supporting the creation of any kind of acknowledgment of the platform coops' standards of quality (fair working conditions, fair wages, ethical use of data, positive impact on the local territory, consideration of aspects related to environmental protection, use of free software, open knowledge, transparency, democratic governance...).

2. Foster the development of platform cooperatives as new territorial collaboration infrastructures facilitating the transition of territories

In the 20th century, economically structured by the massive use of personal cars, public investments enabled the creation and maintenance of roads and mobility infrastructures, connecting every household to an economic center. The 21th century of information and collaboration demands new types of infrastructures. Networks hardware are crucial, but collaborative platforms facilitating the coordination among local stakeholders and accelerating the social and ecological transition of territories, through the promotion of local economy and the relocalisation of production, should also be supported by public programs.

Programmes and instruments under Next Generation EU and the related national recovery programmes, but also the ERDF, have a great potential to stimulate investments in the creation and further development of platform cooperatives as a key factor of success for sustainable digital transition.

Investments should help creating and/or strengthening dedicated financial mechanisms for platform coops (especially for seed funding). Moreover, they could provide incentives to mobilize additional

public funding and patient capital. The support to Social entrepreneurs funds and other forms of financial support from European institutions as EIF to increase the access to capital for enterprises should design strategies to support platform cooperatives. This measure must take in consideration that in contrast to other start-ups the platform coops early investments in many cases will make their exit to the community of users.

Policies and programmes under the EU Recovery Plan should also contribute to the creation of new support instruments to improve inter-cooperation such as engineering hubs, appropriate advice structures, promotion of peer-exchange at national and transnational level....

Already existing services in the field of (social economy) business support, social innovation support or digital transition-related programmes, including Digital Innovation Hubs under Digital Europe, would increase their potential if they were adapted to cater for the needs of communities wishing to *further develop* platform cooperatives.

In these fields, the *mapping of, involvement of and cooperation with* key partners (banks, alternative and ethical finance, public authorities, clients, suppliers...), will certainly enhance the success and sustainability of initiatives around platform cooperatives.

For this reason it might also be advisable to use Community-Led Local Development (CLLD) approaches (such as they are possible under Cohesion-Policy-related programmes).

As highlighted before, the integration of social rights- and participation-related aspects into a EU taxonomy would be welcomed also from this point of view.

Specific sectors :

Specific programmes and policies in tourism and culture – sectors for which the European Commission proposes a dedicated specific objective under the ERDF – should also consider strengthening and spreading models developed in Europe by platform cooperatives in cooperation with local communities, communities of artists, etc. The latter have, for example, shown to be able to develop fair and sustainable tourism in Europe that keeps and creates value in territories.

The ERDF for example could contribute to further exploring this model and stimulate cooperation between the platform cooperatives, on one hand, and cities and regions, on the other. Programmes promoting interregional cooperation regarding innovation in the tourism sector could stimulate transnational exchange and experimentation in the field of platform cooperatives.²

3. Education&Training/Capacity-building

Programmes such as ESF+, but also capacity-building elements under other Cohesion Policy-related funds should, on one hand, provide opportunities also for platform cooperatives and related (community) initiatives to increase their potential to access EU funding, and, on the other, enable policy-makers, administration and civil society to increase their understanding and set up more efficient partnerships with the sector.

² Fairbnb for example - could be a public-supported fair platform to develop tourism in Europe without exposing territories to surtourisms and keeping the value in territories (without extracting a substantial fee) ;

Investments and programmes should also stimulate integration of modules on platform cooperatives into programmes of universities, business schools and other educational institutions focusing on digital transition, sustainability, innovation and entrepreneurship.

These programmes should finally raise awareness about the negative impacts of algorithms used by the platform economy regarding race, gender and social-class hierarchies.

4. *Data policy*

In recent years, a growing public debate has taken place around personal data in the context of digital society. Digital platforms extract huge quantities of such data from billions of users, which corporations process to analyse or to try influencing social and personal life (e.g. the case of Cambridge Analytica's business practices). Thus, financing that will be made available in the upcoming years through the Recovery Plan and other programmes in the field of digital transition has also a great potential to contribute to the development of appropriate data policy. Indeed, data commons have grown as a potential alternative that aims to ensure people's rights over the data they generate, giving them more personal and collective control over and benefit from such data. Under that data commons approach, a core question is how to take into account a wide perspective of aspects that define the relation between users and data. This means advancing in needed awareness strategies and proposals about data ownership, citizens' digital rights protection and the socio-economic impact of its value. For these reasons, investments should encourage democratic governance in the collection and use of user data (e.g. around the promotion of data commons), support experimentation (e.g. regarding the creation of data cooperatives, as a tool to ensure the users ownership on the data they create), or stimulate further research and experimentation around practices of data interoperability facilitating inter-platform cooperations (including the application of new standards such as the [Solid](#) protocol).

These type of programmes focus on data policies can take advantage of the framework and technologies developed by EU projects such as Decentralized Citizen Owned Data Ecosystems (DECODE).

5. *Promotion of Partnerships*

Fully exploiting the potential of platform cooperatives for a (socially) sustainable digital transition of territories and tackling the challenges that all platform cooperatives face requires a collective work. The individual success of some – platforms *and* territories - will depend on the success of others. It is therefore of utmost importance to consolidate local ecosystems, encourage local and transnational alliances between the platforms themselves and with their partners, but also to stimulate cooperation between territories and countries around platform cooperatives.

At local and regional level, promoting CLLD approaches through operational programmes linked to Cohesion-policy would again be of great value here.

At the same time it appears vital to stimulate and support transnational exchange involving a variety of players (platforms, policy-makers and administration, academics, other organisations belonging to the social and solidarity economy , SMEs...).

With regard to *support by and partnership with* public authorities, European and national recovery policies should encourage and enable the latter to support ecosystems dedicated to platform cooperatives (encouraging cooperation between different players, knowledge production, creation of shared resources). The (co-)creation of incubators, cooperation in the framework of public

procurement or participation in equity (as in the case of French SCIC³s) are just some examples among many.

6. *Promoting research on the platform coop model*

Higher investments – for example in the framework of the Horizon programme - are needed also for research which investigates the models , practices and potential of platform cooperatives as pioneers of a digital transition which takes the active participation of people and territories as a point of departure and fosters cooperation. This would contribute to raise awareness, better understanding and knowledge of the sector, help the platforms enhancing their projects, and provide better evidence stimulating possible partnership with public authorities, investors, etc.

“Going digital” and “platformize” – not an end in itself!!

“Digitalise” and “Platformize” should not be considered as an end in itself. If the purpose of technological progress is not the wellbeing of humankind it should not be pursued, if it is creating an imbalance of power it must be regulated, accordingly to the benefit of the communities it affects. Beyond rules and regulations, interesting initiatives that counteract the negative effects of capital-cased digital platforms exist and should be supported.

Platform cooperatives such as they have been set up in Europe (and on other continents) today have the objective to respond to real needs of communities and territories. The digital infrastructure – platforms – they use are only an instrument here for communities of persons and organisations (including enterprises) to foster the creation of quality employment, exchange and mutualization among different players, joint creation of (social) innovation serving local territories, creation of clusters, but also to support – physical! - interactions and encounters between different players.

That’s why natural partnerships are multiplying between platform coops and “third places” (coworking spaces, fablabs, hackerspaces, etc.) as they share the objective to foster collaboration and innovation.

European, national and local policy-makers should thus encourage and monitor respect of the principle of proportionality, but also sustainability in digital transition-related elements of the future national recovery plans and cohesion-policy-related programmes.

In the EU, many of these projects are connected through Co-communs, a working group between commons activists, social economy networks and academics, acting as an emerging European Alliance. They are also in relation with the different movements supporting platform cooperativism worldwide, especially **with** the Platform Cooperativism Consortium, based in the New School (New York).

This paper has been written by the Co-communs working group (La Coop des Communs - France ; Smart - Belgium ; Internet Interdisciplinary Institute of the Universitat Oberta de Catalunya - Spain ; Réseau Européen des Villes et Régions de l’Économie Sociale (REVES) aisbl - European Network) and its partners (Coompanions - Sweden).

This paper is open to the signature of other organisations, you will find the list of organisations following

<https://coopdescommuns.org/fr/platform-cooperatives-and-their-role-in-the-context-of-recovery/>

³ Société coopérative d’intérêt collectif