Abstract

The sharing economy emerged with enthusiasm about its ability to provide economic opportunity, fairness, and autonomy for earners. Yet after a decade its results have been decidedly mixed, with many earners suffering from low wages and a lack of self-determination. Our findings suggest that while it is operating reasonably well for casual earners, the experience of dependent workers is much less positive. At the same time, non-profit sharing initiatives have failed to scale. For this reason, there has been growing interest in platform cooperatives, which are owned and governed by earners. We report on the first academic study of a platform cooperative, Stocksy United, a stock photography company. We find it has been able to offer better earnings for earners, robust governance, and satisfied members. We argue that platform cooperatives can be an important component of a just and democratic political economy.

Introduction

risky exchanges. Consumers reap benefits and individual providers can control their work lives in new and empowering ways. (Castillo, Knoepfle, and Weyl 2018; Einav, Farronato, and Levin 2016; Horton and Zeckhauser 2016; Sundararajan 2016; Schor 2020). In particular, the “sharing economy” offered the possibility of giving workers control over their schedules, total hours of work, and the labor process itself. The promise is that individuals can do it themselves by participating in this emergent, humane market (Fitzmaurice et al 2018).

Not everyone believed in the promise of the “sharing economy.” There has been widespread skepticism about some platform companies, particularly Uber, which has the largest labor force by a big margin. Some argued that the sharing sector represented the emergence of a hyper-predatory regime of labor control (Hill 2015; Scholz 2016b; Rosenblat 2018). Others foresaw a new frontier in the commodification and corporatization of everyday life and the destruction of urban quality of life (Slee 2015; Morozov 2013; and Stears, this volume) . A decade after its founding, many in the U.S. have written off the sharing economy as a malignant force degrading workers and neighborhoods. Others still see potential in the technologies and peer-to-peer structure. The experiences of some European countries, which have subjected platforms to more stringent regulation, suggests that policies and impacts are not pre-

2017; Collier, Dubal, and Carter 2018; Rahman 2016), the power of platforms is being reined in. If so, workers and urban residents will likely benefit.

But this familiar turn to regulation, welcome as it will be, may not exploit the more transformative possibilities of the new technologies used by platforms in the sharing economy (Benkler 2004, 2006, 2013; Schor 2010). That may require a less traditional approach. In particular, the peer-to-peer (hereafter P2P) structure enabled by technology may not only make transactions more efficient, it may also do the same for democratic governance. This is the contention of a small, but growing movement for platform cooperativism (Scholz and Schneider 2016; Scholz 2014, 2016a). Platform cooperatives borrow some of the features of worker cooperatives, in particular worker ownership and governance. But because platforms typically operate differently than conventional firms they also offer new opportunities and challenges. Platform coops raise the possibility that P2P marketplaces can support a new enterprise form that is capable of achieving greater economic justice and democracy than conventional firms.

Platform cooperatives are best understood as one type of firm within a larger, more pluralist economy. This vision counters the conceit of some twentieth century economic theory that the capitalist firm is optimal, and that economies should evolve toward a singular business form. Rather, it sees platform cooperatives as one type in a diverse eco-system of ownership and governance arrangements that include small and large scale commons, trusts, varied financial arrangements (public banks, crowd-sourcing, credit cooperatives), small and owner-run businesses, non-profits, networked enterprises and others (Benkler 2006; Piore and Sabel 2000; Ostrom 1990; Alperovitz 2011).

In this paper, I report on research from a project on the sharing economy conducted by me and a team of PhD. students in sociology. Our research, which spanned 2011-2018, covered thirteen cases of for profit and non-profit entities, including the first academic study of a platform cooperative.

oriented P2P entities of the three types discussed above (goods, space, and labor). Because that is the segment that we have focused on in our research, I will use that term. However, it is important to note that describing commercial entities such as Airbnb or Uber as “sharing” companies can serve to obscure their anti-social practices.

A disruptive innovation

Platform technology has been hailed as a disruptive innovation that will yield welfare for producers and consumers in these multi-sided markets buyers and sellers and reduce search, a previously costly activity in P2P markets on account of the heterogeneity of sellers. And third, the platforms gather crowdsourced reputational information to create trust among strangers. This enables a key feature of multi-sided markets, which is that they enable "stranger sharing" (Schor 2014).

monopolistic market, the platform can engage in predation and manipulation of users, thereby undermining the possibility for viable independent production (Rahman 2016; Calo and Rosenblat 2017). This is less of an issue in the sharing sector than in online tech markets. There are some genuine network effects, for example, on lodging sites, however, many of the services on offer (ride-hail, delivery, caring labor) are local (Horan 2016), which curtails network effects. Furthermore, these markets differ from Facebook and Google because those firms are selling their own products. Sharing platforms are intermediaries among independent producers and consumers. (Amazon is a hybrid in this respect.) Even if the platform is large, if it can facilitate an eco-system of small or independent producers and if it is democratically owned and/or governed it can serve their needs.

Labor outcomes on for-profit platforms

One decade in, have platforms met the promises of the sharing economy discourse? For consumers, there has been clear benefit, especially in ride-hail, lodging, and delivery, via lower prices and increased supply. For workers, the picture is mixed, although it is difficult to quantify outcomes, due to a lack of data from the platforms and the casualness of this type of employment. T three main areas: wages and compensation, autonomy and labor process, and governance/voice in the firm.

With respect to wages and compensation, the picture is mixed, with marked differences across skill level and between capital and labor platforms. In general, the relatively high wages of the early years have been reduced as more providers join platforms. However, on a number of platforms, earnings are comparatively good. For example, on TaskRabbit, the platform we have studied, hourly wages remain high and workers are generally satisfied (Schor et al. 2019). Similarly, we have found that earn earners have higher wages, safer conditions, and greater job satisfaction than those who are dependent on their platform earnings to pay their basic expenses.

On questions of autonomy, control over schedules, and conditions of work there is also mixed evidence. The opportunity to work without a boss, with control over one's schedule and conditions of work has been a major attraction for many

2015). In our analysis of outcomes on Airbnb across ten U.S. markets, we find that while residents of neighborhoods with more non-White households are more likely to list their properties, their outcomes are worse on nearly all dimensions than counterparts in areas with higher White populations. They get lower prices for their listings, book less frequently, and receive lower ratings

Rosenblat 2017; Collier et al. 2018; Rahman 2016; Stemler, Perry, and Haugh 2019; Thelen 2018). While the bulk of the regulatory change has benefited the platforms at the expense of legacy industries and worker protections, more recently that has been changing, with the institution of minimum wage guarantees (in the case of New York City ride-hail drivers), data sharing requirements, and stricter enforcement of limitations on short-term rentals. However, while regulatory action is to be welcomed, it is unlikely to fundamental change the political economy of the sector. Large platforms will remain dominant and will mainly operate in their own interests. A deeper transformation of power will require new enterprise structures. In the early days of the sharing economy, there was considerable enthusiasm and hope that non-profits were a dynamic form with a compelling economic model and the ability to scale rapidly. I turn now to those experiences.

Are non-profits the alternative?

In each of the three sub-segments of the “sharing eco haring ecshashar r o

would contribute to these goals (Fitzmaurice et al. 2018). While they held a “hostile worlds” (Zelizer 2000) view of the relation between the market and non-market society, they were optimistic that sharing platforms were capable of constructing an alternative, more humane and sustainable market. This suggests the possibilities of hybrid models, which have genuine commitments to the common good outcomes but which also offer instrumental value to users. Potential examples include TimeRepublik a for-profit online timebank with operates its own (time) currency that has been able to attract large numbers of users,[13] and the first decade-plus of etsy, an online marketplace for handmade goods that operated as a B-corporation with a small fee and a commitment to social benefit.[14] The lesson of these examples, however, is that in both, the need to meet investors’ profit expectations led to a re-orientation toward financial goals. That tension has led to a movement for a new digital form, the platform cooperative, which operates in the interest of its user-owners, rather than investors.

Platform cooperativism

The failures of the for-profit platforms to deliver good outcomes to workers on the three dimensions we identified above (compensation, autonomy, and voice), in combination with the lack of growth in the non-profit sector, have re

Stocksy was founded by Bruce Livingstone and Brianna Wettlaufer, two owners of a stock photo platform that they sold to Getty, the industry leader. The acquisition resulted in artists' dissatisfaction with pay and policies under the new regime. The former owners then decided to organize a new cooperative to foster creativity, provide higher returns to artists, and enable democratic governance. Founded in 2012, Stocksy is a multi-stakeholder[21] coop in which the staff and a governing board[22] also hold shares. The biggest obstacle to establishing cooperatives, financing, was not [illegible], as the founders offered a $1.5 million loan from the proceeds of the original sale. Stocksy also began with high levels of industry-specific knowledge and e0912 0 612 792 reW* n

10%. Demand to participate is a good metric for how well the cooperative is serving its members' interests. Total membership was capped at 1000 and expansion has been controversial. However, management would like to grow, and after a few proposals to add artists were rejected by members, they found a compromise which is enabling modest annual growth, with accountability to membership. More generally, balancing provider supply and consumer demand is a key question for platform cooperatives. Capping membership may reduce the flexibility to choose hours and schedules, however it also allows the cooperative to maintain a good balance between supply and demand. By contrast, freelancer cooperatives such as SMart do not maintain membership limits.

In our research we found that members were mostly satisfied with governance. Communication occurs via an online forum, which is also the mechanism for taking decisions. Approximately 200-300 of the 1000 members participate. Members come from 65 countries (spanning many time zones) and speak different languages. Therefore it is not possible to hold conventional real-time meetings, and decisions must be taken via non-synchronous participation. It is our impression that non-participation does not stem from dissatisfaction, but either low overall involvement with the platform and a general satisfaction with decisions and operational practices.

The success of Stocksy is especially impressive in view of a dynamic that we find endemic to most platforms in the sharing space: diversity of participant orientations. As we found in our other case studies, there is variation in the extent to which earners rely on platforms for income, with the co-existence of supplemental and dependent earners. This range is found on the labor and capital

Stocksy is an instructive example for advocates of the platform cooperatives, however, it is also in many ways a best case. Its founders had deep experience in the industry and ample financing. It also carved out an upscale, more profitable niche in a competitive market. Cheney et al. (2014) note that to be successful in global markets, cooperatives may now need to not merely respond to markets, but may have to create and lead them. Stocksy is a successful example of doing just this. Furthermore, it did not face issues that are central for consumer-oriented service labor cooperatives (in ride-hail, cleaning, and caring labor), such the "tyranny of the market," when consumers are not willing to pay living wages, or there is a sharp tradeoff between prices and demand. (For a discussion of this kinds of dilemmas, see (Sandoval 2019). Stocksy artists were generally insulated from these economic dilemmas.[24]

Envisioning a Pluralist Economy

It is too early to know wh(l)7(y)42cl 2019)

	Peer-to-Peer	Business-to-Consumer
For-profit		
Not-for-Profit		

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NOTES

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[1] Connected Consumption and Connected Economy website: https://www.bc.edu/bc-web/schools/mcas/departments/sociology/connected.html

with the social relations of exchange. This anti-monetary stance is also found in anarchist and left initiatives.

[13] On TimeRepublik, see https://timerepublik.com/. In 2017 the company pivoted toward a B2B orientation: https://www.startupticker.ch/en/news/january-2017/the-leading-banking-group-in-italy-to-test-the-b2b-timerepublik-platform

[14] https://www.nytimes.com/2017/11/25/business/etsy-josh-silverman.html

[15] Benkler's contributions (Benkler 2004, 2006) were formative. The concept was taken up simultaneously in 2014 by Janelle Orsi, Nathan Schneider, and Trebor Scholz. See also (Chase 2015 and Schor 2014).

[16]Worker preferences can also play a role in policies such as working hours or worker autonomy. Standard theory suggests that if there are significant differences in preferences workers will sort into firms that reflect those differences.

[17]Schneider maintains a list of platform cooperatives at his site entitled Internet of Ownership. http://ioo.coop/. For details on the coops, see: https://docs.google.com/spreadsheets/d/1RQTMhPJVVdmE7Yeop1iwYhvj46kgvVJQnn11EPGwzeY/edit#gid=674927682.

[18]Smart coop: https://smart.coop/ A hybrid cooperative which is not organized only online but