The People’s Uber: Why The Sharing Economy Must Share Ownership

Workers are often taken advantage of by the on-demand economy. What if they ran it instead?

WRITTEN BY Trebor Scholz and Nathan Schneider

Mayor Bill de Blasio recently discovered, during his short-lived campaign against Uber, that saying no to a popular, convenient new technology doesn’t tend to win many friends—or win much at all. In just a few years, New York City’s regulated yellow-taxi fleet has been outnumbered by a distant company with uncertain intentions. There are benefits to this, as well as mounting costs. But critics like Mr. De Blasio won’t get very far until they have something to say yes to.

Uber’s ascent came in the midst of an idealistic surge of companies that dubbed themselves as being part of the “sharing economy.” Through them, many of us have found new ways to share cars, apartments, toys, and time. For all the things that companies like Airbnb and TaskRabbit allow us to share with each other, however, ownership and governance are not on offer. This is what the democratic promise of the Internet has come to: a democracy of access, of “collaborative consumption,” but not of control, real accountability, or ownership.

Companies like Uber now tend to describe what they do as the “on-demand economy” rather than “sharing.” But there is also a movement underway to create a real sharing economy online, one in which people can truly co-own and cogovern the platforms they rely
on. This means bringing together new technology with the long history of democratic, cooperative enterprise. This movement, which we call “platform cooperativism,” is something to which Mr. De Blasio might say yes. And in New York this November, we’re gathering the movement’s leaders for the first time.

Taxi drivers in Denver and the suburbs of D.C., for instance, have set up cooperative companies and control their own hailing apps. In New Zealand, the worker-owners of Loomio produce a decision-making platform now being used by governments, schools, and communities around the world. With the help of Janelle Orsi of the Sustainable Economies Law Center, a company called Loconomics is building a worker-owned alternative to TaskRabbit. Home-care workers throughout the five boroughs, in an industry increasingly reliant on online platforms, are talking about creating fairer apps of their own. In none of these cases is technology the savior; what matters is how people organize around it.

The New York City Council has already made historic investments in developing sustainable, worker-owned businesses over the past few years. Perhaps Silicon Alley can show the world how to practice democracy online in ways Silicon Valley never has, connecting the city’s vibrant startup scene with experience from the worker-owned cooperatives already flourishing in Sunset Park and the Bronx.
This movement comes at a moment when ever more of the economy is moving away from the full-time, lifelong employment relationship, toward freelancing and independent contract work. Eighty percent of large American corporations are planning to substantially increase their use of flexible workers in coming years. A report by the Freelancers Union and Elance-oDesk found that there are currently about 53 million independent contract workers in the United States, and this number has been projected to rise to 60 million by the end of the decade.

Online platforms have shaped this reorganization of work underway, serving as bottlenecks for emerging labor markets. They grant workers new kinds of flexibility, but they also allow employers to act lawlessly and hire and fire much more freely—at great cost to people living paycheck to paycheck. Over the long term, whoever owns and controls these platforms will determine who benefits from the emerging future of work.

Revelations about the working conditions at Amazon.com—from its well-paid executives down to its warehouse workers and users of its Mechanical Turk platform—portend a troubling future. Google and Facebook may be famously generous with their engineers, but low-level contract workers don’t fare so well. And those who feed these companies’ profits with searches and status updates will have little say in what is done with their personal data now or years in the future.

Since the economic crisis in 2008, ever larger numbers of workers are
turning to online platforms for income. People who work through platforms like Uber, Taskrabbit, and Handy don’t enjoy the benefits and protections that have been bedrocks of employment for decades. Hourly rates below the federal minimum wage are common. “Flexibility” often means that people are working more than ever to keep up with insurance payments and equipment maintenance that employers used to cover. Surveillance of workers through such platforms is constant, forcing them to compete with one another to be rehired over and over. Ever-changing schedules make it difficult for families to find time together. Sixty-two percent of Americans have no substantial savings, which means that in case of emergency, they don’t have any recourse. Meanwhile, regulators have been slow to keep up, and much of the rollback in working standards online has proceeded without scrutiny.

Trying simply to reverse the spread of contingent work seems futile; we’re not headed back to the days of the ubiquitous 40-hour week. But if contingency is the new reality, how can we turn it into a good thing?

We can’t expect the depressing trend of platform labor to change unless we demand and create a different way of doing business. Platform cooperativism is a return to the ambition that the Internet can be a tool for developing better, deeper forms of democracy. It is starting to happen among innovative designers, labor organizers, and tech-savvy community groups. It is getting people thinking about new models of ownership, such as multi-stakeholder cooperatives, in which a platform’s developers and users can each have an appropriate stake. It draws lessons from the success of open-source software, which enables disparate enterprises to collaborate on building tools together.

For cooperative platforms to work, they will need more than clever ideas for apps. Uber and Airbnb have grown not just on their own merits, but thanks to an ecosystem of high-risk investors, incubators, coding schools, government incentives, and tech conferences. Platform cooperativism needs an ecosystem of its own. It needs investors willing to let other stakeholders retain ownership and control. It needs governments that recognize the promise of cooperative enterprise. It needs entrepreneurs, too, who want to see their idea turn into a sustainable commons, not simply an engine of exponential profits and the relentless pursuit of “scale.” New technologies, like the blockchain that underlies Bitcoin, offer fresh opportunities for cooperative enterprise—if we choose to use them.
that way.

Platform co-ops could set a new bar for fairness and democracy in the economy. Rather than permitting a race to the bottom, the Internet can be a means of introducing workplace standards and protections like we’ve never seen before. To get there, we’ll need to get better at recognizing that the people with whom we interact through algorithms are, in fact, people, worthy of dignity, a livelihood, and a say in their circumstances. Cooperative platforms can give a face to the cloud workers who have been, for all practical purposes, anonymous, isolated, and ignored.

The way future generations work need not be determined solely by the bottom line of Silicon Valley investors. It is still possible to create a future in which technology nurtures democracy and cooperation, rather than obscuring them. We need only say “yes” to it.

Get the latest Fast Company stories in your inbox daily

yes@email.com

SIGN UP

Yes, I would like to be notified about events and exclusive offers from Fast Company
TREBOR SCHOLZ AND NATHAN SCHNEIDER

Trebor Scholz, a professor at the New School, and Nathan Schneider, a professor at the University of Colorado Boulder, are co-organizers of "Platform Cooperativism: The Internet, Ownership, Democracy" at the New School on November 13-14. Continued

October 7, 2015 | 6:15 AM

ADD NEW COMMENT

Type your comment here.

2 COMMENTS

ABOUTCREATIVITY1 > TREBOR SCHOLZ AND NATHAN SCHNEIDER 4 HOURS AGO

Ok, next step.......

PLATFORM CO-OP > ABOUTCREATIVITY1 JUST NOW

Here's the next step: http://platformcoop.net/
Much of this article implies the need individuals have for “protection.” As an adult in a free country, I have all the protection I need. If I don’t like an offer, I can refuse. I can also create my own opportunities to present to others—who, in turn, can accept or refuse.

The flaw in this story is the notion that we must create something Mayor Bill De Blasio will say yes to. Plenty (obviously) of grown adults already said YES to Uber. They should be allowed that choice. (Aren’t democrats supposed to be pro-choice?)

I don’t need the government or a governing organization to take care of me. I’m an adult.

On the contrary, platform cooperativism is all about commoning and mutual reliance among people. It is about creating new choices, and relying neither on capital markets nor the state, but on the enterprises we can control. However, both states and markets can play a role in facilitating the emergence of a cooperative economy—at the least, by ensuring there is a level playing field with the extractive economy, which currently there is not. For more on this, consider the concept of the “partner state”: http://p2pfoundation.net/Partner_State