Platform Co-Ops

# Introduction

Trebor Scholz, a scholar-activist, Associate Professor at the New School in New York City did a Ted Talk discussing platform cooperatives. Trebor Scholz is a huge advocate of platform cooperatives because they bring democracy into the gig economy and give people a voice. Trebor Scholz thinks platform cooperatives could be a huge benefit to producers and consumers alike. We will examine platform cooperatives through a Rawlsian version of social contract theory, to see if they are as good as Trebor Scholz says they are.

Summary

So, what is a platform cooperative? A cooperative is when a “group of people with a shared interest come together to achieve a common goal” (Platform Cooperativism Consortium). This group is owned and governed by the people that make up the group. “A platform can be a website or application that connects users seeking a service to the service providers” (Platform Cooperativism Consortium). So, a platform cooperative is a “website or mobile app that is designed to provide a service or sell a product that is collectively owned and governed by the people who depend on and participate in it” (Sutton, 2016). Trebor Scholz is a huge supporter of platform cooperatives because they redistribute power from big corporations to the average person. With power comes freedom to do what you want with a platform. Which is the total opposite of the conventional “gig economy”. Most people have heard of the gig economy and don’t know what the term means. “The gig economy is a labor market that relies heavily on temporary and part-time positions filled by independent contractors and freelancers rather than full-time permanent employees” (Investopedia Team). This includes your food delivery and ride sharing services, some examples are Door Dash, Insta Cart, and Uber.

Explication Part 1

John Rawls was an American philosopher who “renewed the interest in the social contract theory in the twentieth century” (Quinn, 2020). Rawls claimed that people form societies because “social cooperation produces more benefits than a situation in which individuals are completely on their own” (Quinn, 2020). So, people, or in this case workers, are more inclined to be a part of a platform, to market goods or services they offer. This can be your conventional platform like Door Dash, Uber and Instacart. Or it can even be a platform cooperative such as Up and Go. People who join a platform will do so for their own personal gain. People at the top of these platforms will often take advantage of these people. Often workers are charged a fee to be associated with a platform and they are not even treated as real employees. Should corporations be allowed to treat people this way and is it morally acceptable to do so? John Rawls came up with a thought experiment and some rules to determine if it is indeed morally acceptable.

Explication Part 2

John Rawls proposed a thought experiment called the veil of ignorance. He knew human beings were greedy by nature, everyone will do what’s in their best interest. This is the exact reason why a person might join a platform and the same reason why a platform might exploit that person. This is where John Rawal’s veil of ignorance comes into play. John Rawls wants people to agree on principles before knowing anything about themselves. For example, a person would not know their race, sex, religion, intellectual capacity, physical or mental disabilities or even their own last name. In a scenario like this people would want things to be fair because they don’t know if they are going to be in the disadvantaged or advantaged part of society. John Rawls said rational people put behind a veil of ignorance would agree upon two rules, and he named those rules the principles of justice. The first principle gives rights and freedom to a person if they are consistent with everyone else’s rights. The second principle deals with social and economic inequalities. The second principle states that everyone has the “same opportunity to reach a position of higher standing and that social and economic inequalities must be justified” (Quinn, 2020).

Critique Part 1

Does democracy belong in the workplace and is the gig economy immoral? Let’s use Rawal’s version of social contract theory to determine if it is. If we were to put an employee and a CEO behind a veil of ignorance. They would both want to work in a democratic workplace. “Democracy provides an environment that respects human rights and fundamental freedoms, and in which the freely expressed will of people is exercised” (United Nations). “People have a say in decisions and can hold decision-makers to account” (United Nations). This lines up perfectly with John Rawls principles of justice. The first principle of justice focuses on people having equal rights and freedoms. In the gig economy workers are not given the same rights as the leaders of the company. Often, they are not given the same rights as employees outside of the gig economy. Some companies such as Door Dash don’t even refer to people as employees but as contractors. They willfully “misclassify their workers as independent contractors to avoid paying benefits or a minimum wage” (Spicer, 2021). The second principle of justice is called the difference principle. It states that “social and economic inequalities must be justified” (Quinn, 2020). The people in charge of the gig economy cannot justify how they treat their workers. They take money out of their pockets and don’t treat them as real employees. Therefore, according to Rawal’s version of social contract theory the gig economy is immoral and what they are doing to their workers is wrong.

Critique Part 2

Trebor Scholz’s claims that platforms cooperatives are a better alternative to the gig economy. If we examine platform cooperatives through the veil of ignorance, we can see how much better they actually are. Platform cooperatives are ran much more democratic then the gig economy. Everyone who works at a platform co-op has the right to voice their opinion. They can decide how much they want to get paid and how much they want to invest in the platform. Platform cooperatives eliminate the middleman in this case being the people in charge. This leads to the workers making more money and the consumers paying less. Platform cooperatives even line up well with the two principles of justice that Rawls defined. The first principle gives rights and freedoms to an individual as long as they are the same as other people’s rights and freedoms. In a platform cooperatives workers are free to do what they want with their platform. They are free to make more money or take a pay cut to benefit the platform itself. They are free from service fees they would have to pay to other platforms. Platform cooperatives give power back to the people and that’s why Trebor Scholz supports them so much. The second principle states that social and economic inequalities must be justified. In a platform cooperative the workers make the rules. If they want to make less but improve the platform, they have the right to do so. In the conventional gig economy social inequalities cannot be justified. CEOs and stockholders want more money, so they take it from the people at the bottom. Therefore, according to Rawal’s version of social contract theory platform cooperatives are a morally better alternative to the gig economy.

Conclusion

Trebor Scholz is a huge advocate of platform cooperatives and democracy. He wants people to be in control of their own futures. Platform cooperatives are the better alternative to the conventional gig economy. John Rawal’s version of social contract theory proves that through the veil of ignorance and the principles of justice. What the gig economy does to its employees is immoral and I expect to see platform cooperatives explode in popularity in the foreseeable future.

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