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. 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). We will examine platform cooperatives through a Rawlsian version of social contract theory to prove that platform cooperatives are the better alternative to the gig economy.

Summary

Trebor Scholz is a huge supporter of platform cooperatives because they are the better alternative to the gig economy. Platform cooperatives redistribute power from big corporations to the average person. With power comes freedom to do what you want with your platform. 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. 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. Companies in the gig economy are notorious for treating their workers unfairly. Some companies such as Door Dash willfully “misclassify their workers as independent contractors to avoid paying benefits or a minimum wage” (Spicer, 2021). Often big companies charge workers a fee to be associated with them. Companies in the gig economy should not be allowed to treat people this way as it is not morally acceptable. John Rawls an American Philosopher came up with a thought experiment and some rules that we will use to prove what these companies are doing is immoral.

Explication Part 1

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.

Explication Part 2

The first principle gives rights and freedom to a person if they are consistent with everyone else’s rights. In the gig economy workers are not given the same rights as the people in charge of the gig economy. 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, so they don’t have to pay them any benefits. The second principle, also known as the difference principle, deals with social and economic inequalities. The difference 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). People who work in the gig economy do not have the same opportunity to reach a position of higher standing. We live in a capitalist society where money talks. Often people who work in the gig economy make a little over minimum wage without any benefits. The second part of the difference principle states that social and economic inequalities must be justified. 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. They don’t do this for the greater good, they do it to please the stockholders so they can make more money in the long run. Therefore, by Rawls version of social contract theory the gig economy is immoral and platform cooperatives are by far the better alternative.

Critique Part 1

Some people may argue that platform cooperatives are not for everybody. Sometimes people don’t want the headache of being an employee and an owner of a platform. This is the reason that Door dash and Uber are so popular. People who work in the gig economy typically make their own hours which gives them much more freedom than a platform co-op. It may be true that platform co-ops are not for everybody, but they are still the better option. Platforms cooperatives can coexist with the gig economy and it’s better for everyone in the long run. Platform cooperatives are the much-needed competition that the gig economy needs. This might push companies in the gig economy to treat their employees better or they might end up leaving. The world is a better place with platform cooperatives as they give people a choice. People can choose to work harder and they will be rewarded with financial compensation and personal growth.

Conclusion

Trebor Scholz supports platform cooperatives so much because they are morally better than the gig economy. We used Rawls version of social contract theory to prove that using his principles of justice. Platform cooperatives give a voice to people that under normal circumstances would not have one. This enables people to make more money and grow as business owners. Platform cooperatives also benefit consumers in the long run. Platform cooperatives tend to provide services for a cheaper price as there are no stockholders to please. A platform co-op is a great business model and I expect others sectors to adopt it in the future.

References

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