

The 'uberisation' of work is driving people to co-operatives

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Workers aren't the only people worried about Uber's business practices. Credit: Aaron Parecki on Wikimedia Commons

Street protests against popular "sharing" economy firms Uber and

Airbnb have become commonplace around the world. Both these sector giants are succeeding in circumventing market regulations in many markets in areas including [tax](#) and [labour law](#), creating concerns not just among workers but the broader public.

Direct action against these companies has not been the only response. Co-operatives and new platforms that offer workers equity or customers a "purpose" are growing in number.

One example is Canadian firm [Stocksy](#), which brings together more than 900 [photographers](#) and redistributes 90% of profits to the artists. [Loconomics](#) adopts a similar approach. It is a co-operative owned by service professionals from massage therapists to dog walkers that operates with a strict principle of one member one vote.

These innovative co-operative startups are up against corporations with deep pockets. But they can build on the much [broader worker co-operative movement](#), which emerged in the mid to late 19th century as a response to increasing pressure from changing market structures. At that time, bigger companies undercut quality and used unfair labour practices, particularly low pay. They also restricted attempts by workers to organise better conditions – a situation that has obvious parallels in the platform-enabled economy.

[Co-operatives and mutuals](#) can also be customer and community owned. These organisations echo the increasing interest in social entrepreneurship and corresponding business models that enable the pursuit of both social and financial returns.

For instance, [Fairmondo](#) aims to change e-commerce by creating a global online marketplace based on a federation of national co-operatives. [Scaling](#) such models in order to compete globally is of course a challenge.

Co-operatives are also emerging as popular organisational structures for social entrepreneurs. For example, [Hepburn Wind Farm](#) is a locally owned co-operative in Daylesford, Victoria, that owns and operates two wind turbines. These provide enough clean energy for more than 2,000 homes in the community.

There are about 2,000 mutual businesses and co-operatives in Australia. The top 100 of these businesses represented a turnover of A\$28 billion in 2013/14, [growing at a yearly rate of 14%](#). This demonstrates the sustainability of such models.

There are also calls for co-operatives in Australia to be allowed to more readily access to funding opportunities beyond membership, including [crowdsourced equity platforms](#), as is occurring in [other countries](#).

This resurgence in interest in co-operatives reflects broader developments and trends in the ["social economy"](#). One growing trend impacting retail spending and the philanthropic sector is people turning from simply donating to a charitable cause to actively being members of purpose organisations and engaged in "purpose spending". Examples include [thankyou](#), new [Sydney café Gratia](#) and [TOMS](#) with their buy-one-give-one model.

Purpose spending goes further than ethical consumerism and "doing no harm", by enabling consumers to buy from organisations with a social purpose as their main function.

Our current research with [Chuffed](#), one of Australia's largest civic crowdfunding platforms, points to this emerging trend in purpose spending.

Chuffed users have raised A\$10 million in 3,000 campaigns across 20 countries over the past three years. One in five of these fundraisers have

been "value-exchange campaigns", where donors receive a reward/good/service in return.

It might well be that membership, crowdfunding and impact investing are not enough to provide the resources necessary to compete with giant global platforms. But in a world where the race to global market share and brand domination is key to success, mixed models hold some promise.

For instance, Juno, a recently created startup in the ride-sharing business, received its initial funding from classic investors – not workers or customers. However, its model promises fairer treatment of drivers by adopting an equity structure that will facilitate drivers' owning 50% of the business in coming years. The result is a hybrid between the usual startup model and the member-owned model.

Though still in its infancy, Juno has [signed up more than 8,500 drivers](#) since its launch seven months ago.

Co-operatives are an organisational and financial model at the interface of major technological, business and societal trends: the sharing economy, social entrepreneurship, impact investing and social purpose spending.

Although [not always living up to their ideals](#), co-operatives and other versions of [employee ownership](#) can offer alternatives to the "Uberisation" of work.

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