

## **Should We Certify Platform Cooperatives?**

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### ***Introduction***

Platform cooperativism is very much a movement in the making. It is expected to grow world-wide — more quickly than more established cooperative movements may expect and be able to react to. Most cooperative entrepreneurs taking steps towards generating projects that fall into new developed categories of “platform” or “data” cooperatives often find themselves with more questions than answers. At the same time, the academic community has been reflecting on the platform cooperative model, its governance, accompanying uses of data, and the impacts of work generated by such cooperatives. As such, this moment presents an ideal opportunity to identify principles and features that are specific to platform cooperatives (of which ‘data cooperatives’ may be considered a subset), and to help build a common lexicon of concepts that convey the core values of the movement.

One way in which to do this is the creation of platform cooperative ‘certifications’, with strong incentives for adoption, including but not limited to: access to a global network of platform cooperatives, guidance from practitioners and experts, and trust from businesses, clients, and consumers engaging with them. Even contributing to a general understanding of what ‘platform cooperatives’ mean, are, and could become would help more cooperatives generate and lead to policy / legal frames for them in the near future. Importantly, such certifications will only be made possible if a collective of theoreticians and academics is able to understand the needs of the practitioners and make sure that the certifying process becomes a value adding process not only for academic reflection but for everyday cooperative work.

## *Our Process*

Upon concluding our Sprint investigation into the question of certifying platform cooperatives, we found it valuable to reflect upon how our discussions as a group were shaped by our varying backgrounds — these discussions often mirrored broader dynamics that we see playing out in the platform cooperative movement. Therefore, we felt it would be valuable to recapture and relay these reflections. Within our group, we had varying levels of experience: participating within worker cooperatives, conducting research into social work and cooperative organization, experimenting with data models, studying legal structures relevant to cooperatives, and leading a worker cooperative in Spain. These backgrounds lent themselves to a diversity of perspectives and priorities, which ranged from a concern with workers' rights to an emphasis on the need for legal and technical standards for cooperatives to follow.

Initially, we found ourselves very much aligned on the general problem we hoped to tackle. We'd anecdotally observed that there were inconsistencies in how platform cooperatives were claiming qualities that were truly distinct from more standard types of organizational models — a problem sometimes described as 'co-op washing'. Indeterminacy around the meaning of 'platform cooperatives' presented an opportunity to create some standardization that would allow us and others to assess whether a business was a platform cooperative or not. Therefore, we decided to investigate the notion of *certifications*, drawing inspiration from efforts like the 'B-Corp Certification' and standards for software to qualify as 'open source'.

At first, we found ourselves gravitating towards questions about *what* such a platform cooperative's certification might look like. Would it include technical standards? Consistent legal forms? Prescribed organizational structures? Drawing upon our various backgrounds, we began

to enumerate a list of items that a certification should cover, such as identifying processes for equitable income distribution, including standard elements in a By-Laws document, and compliance with community-determined technical requirements for data sharing (akin to the SOC-2 framework for cybersecurity).

Shortly into these discussions, an intervention from a group member who leads a worker cooperative led us into a new direction — we were failing to consider *how* cooperatives would get certified and focusing too much on *what* a certification would look like. While enumerating a list of items a certification should cover, we'd lost sight of critical questions like: who gets to define a certification? Would certifications enable certain gatekeepers to decide what is a platform cooperative and what is not? Is that approach too 'top-down' for a movement that is inherently democratic in spirit? And what are the incentives for small, struggling cooperatives to get certified in the first place? By confronting these questions, we found that our group was mirroring dynamics we'd seen play out elsewhere — our excitement about the possibility of the platform (and data) cooperatives, and the technologies that could facilitate them, were leading us down a technocratic path divorced from the needs of real-world members who would be those primarily affected by the certifications.

With these questions in mind, our group recalibrated to focus on gathering information from *existing platform cooperatives*, with the intention of learning as much as we could about how they describe themselves and how they approach questions like whether to monetize data (which might inform solutions like the creation of technical standards). We conducted this research intending to develop a mosaic picture of various platform cooperatives to identify any common ground upon which certifications, principles, or standards might be developed. This was a breakthrough moment for the group, allowing each member to use their respective

expertise to develop targeted, diverse survey questions. Furthermore, group members had the opportunity to interview platform cooperatives and directly observe the heterogeneity among them. As will be discussed in our summary of findings, these interviews proved invaluable to us in understanding how unique and different platform cooperatives' goals and business models can be — lending the takeaway that rigid certifications could prove stifling to existing innovation within the platform cooperative movement.

More data generated more insights, and especially more questions. We leave our Sprint with an understanding of the following: there is a desire among platform cooperatives for models or standards, especially when it comes to matters like common legal documents that help them get up and running without having to reinvent the wheel; other perspectives indicate we should wait for the movement to grow before imposing exclusionary processes. Though this leaves us with even more questions than we began with, we know with certainty that without the diversity of lived experiences in our group that lead us to engage deeply with actual participants in the space, we would have continued with an abstracted discussion removed from the realities of the movement we intend to help build. Innovations like data cooperatives can lead us to a brighter future, but we must always ensure that they are grounded in deep connection with the people who make them work.

Moving forward, we find ourselves most interested in inquiries at a level more foundational to that of certifications or standards. Instead, we would like to learn about the *rights* important to different parties in the platform cooperative space. Rights such as the right to be forgotten, the right to compensation, the right to transparency, and more can be expressed through legal means and may find varied expression in different jurisdictions. We've found that determining which rights are most salient in the platform cooperative may be essential to

identifying any technical standards or certification requirements built on top of those rights. Rights may even form the basis for *aspirations* that cooperatives aim to meet, flexibly and in whichever form they determine best.

## ***Methods***

With the goal of gaining an understanding of commonalities and self-understandings among existing platform cooperatives, we turned to survey research with supplemental interviews. We conducted two surveys and three interviews. The details of our research are as follows:

### ***Survey 1: Data in Cooperatives***

Our first survey aimed to ask cooperatives who we might already expect to use data — such as platform cooperatives, data cooperatives, and technology cooperatives — about their data use. This survey was distributed via cold-email to 75 cooperatives. The recipients of the survey were collected from online directories: The first of these was the [Platform Co-op Directory](#) from the Platform Cooperative Consortium, where recipients were selected by running searches for the terms “Data” and “Platform Cooperative.” The second directory was the United States [Federation of Worker Cooperatives Directory](#), filtered by industry for “technology.” From both of these directories, every cooperative that had an email or functional contact page was contacted. Of the 75 cooperatives that were sent this survey, 16 responded, leaving us with a 21.3% response rate.

This survey has four sections, each containing questions grouped by theme. The first section collected basic information about the cooperative such as its name, the type of

cooperative (such as platform, worker, data, or consumer cooperative), the field in which the cooperative works, and the primary owners in the cooperative (such as workers, data owners, or consumers). The second section contained the bulk of the key questions about cooperatives' data use. Here we asked the following questions:

*If you identify as a data cooperative, why? Did you consider alternative models like data commons or data trusts?*

*Does your cooperative make use of data? If so, what kind of data, and why?*

*How does your cooperative collect data?*

*How does your cooperative manage data? What privacy protections are in place?*

*Do you monetize your data? If so, how? If not, are you interested in monetizing your data?*

*If your co-operative has an informal or formal specification of members' data 'rights', what are those rights?*

*What kinds of technical standards do you currently employ in your cooperative's use of data?*

In the third section, we asked two basic demographic questions. First, about the size of the cooperative, and second about the percentage of the cooperative membership made up of women. Finally, in the fourth section, we left optional spaces for the respondents to describe other relevant information about their cooperative, such as the governance structure, the ownership structure, and any legal issues that the cooperative has encountered.

### ***Survey 2: What Do Cooperatives Think About Data?***

Following the same logic we pursued in framing challenges of certification at the onset of our project, we realized there were insights to be taken from understanding how the broader cooperative movement felt about platform cooperatives, and whether the assumption that modeling of requirements and potential certifications were something that the cooperative

movement in general was ready to jump into. We thus also conducted a shorter second survey, targeted at cooperatives which are not explicitly branded as platform, data, or technology cooperatives, which served to gauge those cooperatives' interest in using data.

The number of responses (13) was below what was expected, but they gave us a glimpse into the reality of those cooperatives that were not born naturally platform or data oriented. The questionnaire was simple and short, aiming only to understand the predisposition and current status of the respondent cooperatives towards data.

The first question regarded whether the respondent cooperatives had ever considered incorporating data into their working and revenue model. Only 7.7% answered that they had never considered it, and up to 46.2% said they were already using data.

The other question asked about the biggest concerns or barriers that cooperatives face when deciding how or whether to work with data. There were concerns about data gathering, protection, and manipulation, but the two categories that were of the biggest concern were the monetization of data and the issue of which data to collect. These two major barriers are interesting because they underline the importance of—on the one hand—learning what data one should work with and—on the other hand—understanding how this data can be economically sustainable for the business.

### ***Interviews***

Members of our research team conducted three different interviews. Two of these interviews were with representatives from cooperatives making use of data; the third was with Mark Surman, an Open Internet activist and the Executive Director of the Mozilla Foundation. Descriptions of the contents and results of all three interviews can be found in the results section below.

The first interview was with [Troo](#), a social media company. This interview was secured via a personal connection with one of our researchers, and Troo did not participate in either of the surveys. The second interview was with a team member from Spoke. Spoke is a peer-to-peer texting service from the cooperative [Politics Rewired](#), and has been used by major left-wing political organizations in the United States. This interview came as a result of a representative of Spoke responding to our cold email about survey one. They expressed that they had more to share than was possible within the confines of the survey itself, and so we scheduled a 30-minute meeting with three members of our research team to gather more information. Finally, the third interview was with Mark Surman. Mark Surman was an assigned mentor for our research group as part of the Alternative Data Futures Research Sprint. Two members of our research team met with Mark.

### ***Limitations***

There are two notable limitations to our research methods. First, while our response rates as a percentage of total emails sent were not bad, the total number of respondents to either survey was too low to ensure any sort of generalizability. As a result, we treated our data not as objective truth about the state of the cooperative sector, but rather as interesting and potentially instructive anecdotes which can point to further question development and research.

Second, some of the questions in our first survey were not clear. We had at least one respondent decline to answer a question on the grounds that it was written vaguely and they could not discern what exactly it was asking. While other respondents did answer this and other questions, there remains the possibility that different respondents understood the questions differently, and thus their answers may not be directly comparable.

### ***Discussion of Results***



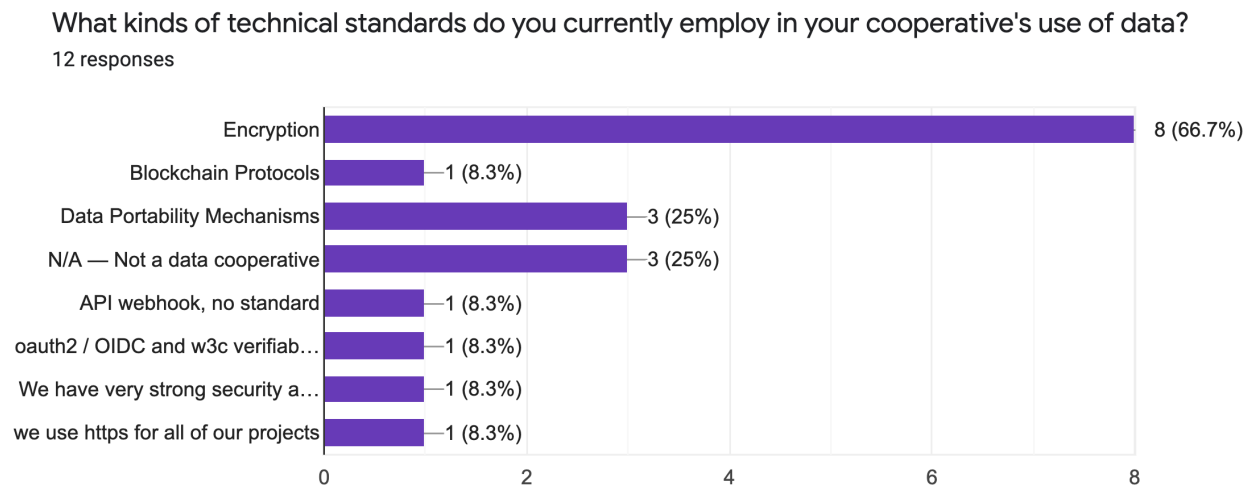
## Takeaway 1: Diversity

We observed considerable diversity in how cooperatives described themselves, reflecting the heterogeneity of platform cooperatives that may need to be covered by any kind of certification. These descriptions included: “research; professional services; sustainability; technical consultancy; digital infrastructure; qualitative medical research” and more. This variation extended to the ways in which different cooperatives were managing and collecting data as well. *See Responses Below* (‘N/A’ responses excluded):

<b>How does your cooperative collect data? (Write 'N/A' if this does not apply to you)</b>	<b>How does your cooperative manage data? What privacy protections are in place? (Write 'N/A' if this does not apply to you)</b>
We've been using data on our projects from the start	We have a data officer, data agreements in place with clients
We currently run a software as a service for our clients, which are political campaigns and movement organizations of various sizes, and treat the data that we store for them as our users data (not ours).	We follow industry standard data precautions for software as a service providers. Each of our clients' data is fully siloed.
Core banking platform, Loan Origination System	Manual system display, further filter by excel. Weak, simple data protection
Sales tools, online analytics, surveys,	NA yet
Each member inputs/records time used in conducting different activities	It is managed by a C.A.T. (Community Algorithmic Trust)
server metrics, google analytics	We don't really have data we're managing beyond internal business data and some basic website traffic data. The latter is typically held by Google via their Google Analytics platform. Would be happy to use something like Plausible Analytics instead, provided the client would be willing to pay for it.
website, player, community forum, APIs	GDPR compliance. Security policy incl future minimisation of data we hold, shifting more to the user => SSI
Qualitative research, often focus groups or asynchronous activity boards, also surveys	We manage data to satisfy GDPR practices, and our platform blinds clients to personally identifiable information.
Usually from public sources such as websites. Sometimes using a web scraper. Most of the data is not personal data.	We do not have a privacy policy yet because the data collected is not personal data.

For member data involving our internal governance, we generally collect info through surveys.	We have private folders accessible to our members who are empowered to have access (like our HR leader)
N/A - we collect as little as is possible	Security of the precious little data we do collect and co-manage is one of our highest priorities and focuses.
Our application allows entities to enter and edit their own data and we curate this to ensure basic accuracy. We also research and add entities ourselves.	We focus on publicly available information for now, but ensure privacy of contacts via a switch to let us know that the contact info is not public. Our data is stored in a private database with standard best practices for protection.

There was also notable diversity in the sorts of technical standards in use by cooperatives, as can be seen in the following chart.



The diversity we observed among even such a small subset of the platform cooperative movement poses a challenge for any certification scheme. How could a single certification accurately encompass a set of unique participants? This was a question that recurred throughout our research process, and one that any practitioner interested in the topic will need to address.

### Takeaway 2: Monetization

We also observed considerable differences in whether cooperatives sought to monetize their data. The split between pro- and anti-monetization cooperatives also illustrates an

interesting point: As the platform cooperative movement continues to grow, the ideological differences between sectors of the movement will become increasingly salient. Any certification would need to remain neutral in order to encompass platform cooperatives with diverse orientations towards monetization and profit. *See Responses Below:*

Do you monetize your data? If so, how? If not, are you interested in monetizing your data?

12 responses



### ***Interview Results***

Due to the limited nature of our survey results, we have included below significant discussion of our interviews, which, due to their long-form nature, were able to furnish significant insights into the questions of our research. We believe that these interviews, especially the first two, highlight another key takeaway from our research: The innovation carried out by platform cooperatives in the realm of not just cooperative data use but data use more generally. Each interview, in chronological order, is described below:

#### Troo.co Interview

Our interview with representatives from another platform cooperative, Troo.co, also provided us with insights to guide our questions around certification. Troo.co is a cooperative tackling issues around user data in the context of social media. They are tackling the problem of

user data being transferred to social media companies through acquisitions of smaller companies collecting that user data. Users, unaware that the data they may have provided to a smaller company with those values and terms of service they agreed to, may find that their data is now subject to different terms and values held by a social media company that acquired the smaller company.

This has created unique challenges for users, which Troo.co is aiming to solve through legal and technical innovations that would allow members of a data trust to control how their data is used, regardless of how it is obtained by a social media firm. Within the interview, the most relevant aspect to our inquiry was whether the existence of technical standards providing guidance to platform cooperatives on how to collect data in a way that aligns with Troo's mission would be helpful. The representatives felt that such guidance would definitely be helpful, both for technical aspects (such as data architectures that allow for shutting access off and on, even when data is transferred to an acquiring entity), as well as legal aspects (such as agreements that enable a data trust to cut off access to entities that misuse their data). The key insight was that a certification was not necessary to achieve this; given the range of projects that Troo.co and others are engaging in, even simple guidance from a centralized source on advisable technical or legal standards would be beneficial to the platform cooperative movement in unlocking more experimentation.

### Spoke Interview

Our interview with a representative from Spoke/Politics Rewired shed light on a variety of interesting issues, raising important questions. Spoke is unique in that it is the only cooperative (known to its members) which makes money through a Software as a Service (SaaS) model. This has led to interesting challenges for the cooperative which may be insightful for

cooperatives more broadly. For example, due to the long-term nature of programming work, Spoke doesn't issue dividends to worker-owners on a purely hours-per-year basis. Rather, they use a complex formula to determine compensation for past work that is producing revenue in the present.

Two elements of the interview are particularly relevant to our inquiry. First, the representative from Spoke talked extensively about the challenges that they faced in approaching data. In particular, they have struggled with the question of creating structures of shared data ownership—not just data sharing. This was not the only data-related question the cooperative faced. In fact, their representative said of their experience that “we don't know what the options are, other than making it up as we go along, which is what most cooperatives have to do.” Even in the face of this uncertainty, Spoke was able to build innovative solutions.

Second, and related to this, the representative from Spoke responded very positively to the idea of a certification or a set of standards for platform cooperatives. (Certification and standards were not properly distinguished in this conversation.) They noted that many cooperatives, platform and otherwise, go through the same questions and issues in their early stages, and that having a set of standards could enable cooperatives to skip these discussions and reduce the barrier to entry for those interested in forming cooperatives. The representative also noted that a *greater connection between cooperatives* could lead to shared best practices and work against the tendencies for self-exploitation inherent in cooperatives. However, they also noted that any certification or set of standards would need to be flexible enough to accommodate the various unique situations of the diverse cooperative movement and to change as the movement changes.

Interview with Mark Surman

The thesis of the conversation with Mark Surman was: *There needs to be an implicit goal behind platform cooperatives. It is about sharing the benefits with people, but there are so many other things that have to come in parallel or before the conversation around certification.*

Mark stressed the importance of value. Is the cooperative doing what it is supposed to do? Do its members see a value proposition in being a part of the organization? The main goal before certification is to understand how to be a part of a collaborative *along with* managing business practices. After the core value proposition of cooperatives working with data is determined, and assessed for whether it is actually helping those who are part of them and affected by them, certification could then be taken on with the right timing to help accelerate the progress of the movement through shared assets. In our discussion, we drew heavily upon learnings from movements like the open source software movement, where certifications around qualifying as ‘open source’ often served to provide a protective guardrail upon which greater innovation could be built.

This discussion led us to consider two themes to add to our inquiry: 1) focusing on *best practices*, given the nascency of platform and data cooperatives; and 2) defining what *rights* (i.e., right to be forgotten, right to compensation, etc.) that any attempt at standardization (through certifications, technical standards, or best practices) should be built upon. We also learned that we would have to distinguish between standards and specifications. By drawing upon web standards, such as those for working with native video on the internet, Mark helped us realize that specifications might provide guidance to cooperatives, but that it might take years to implement those specifications before they were to become a standard.

### ***Concluding Thoughts***

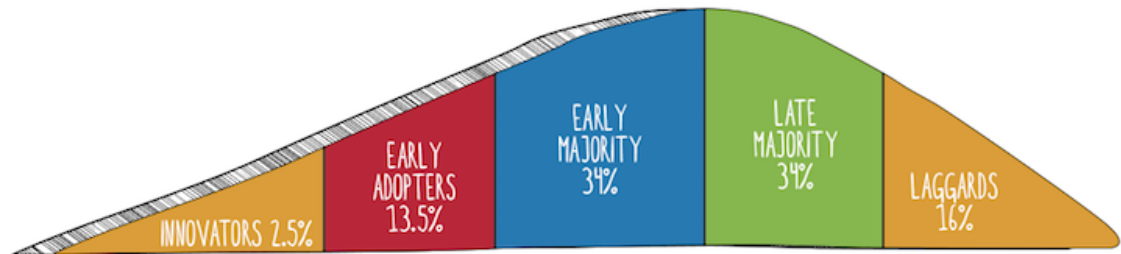
The platform cooperative movement is not new, but it truly has gained momentum in the last years as the world has forcefully transitioned to digital services. This momentum has raised questions about the main features of this new wave of cooperatives. Yet, there are significant gaps to bridge between various factions:

- The thinkers
- The implementers
- The frame builders

Despite the platform cooperative model appearing in more “cooperative mainstream” forums and even as part of the innovation of the social economy, it is still mainly an academic field. There are some great examples of companies using the platform cooperative model but most of them are in the phase of consolidation and growth. The academic community has made an effort to understand, theorize, and foster the creation of these projects as one of the main tools to socializing, revitalizing, and scaling the cooperative model. They have shown the world that the cooperative model remains cutting-edge, remains valid, and remains one of the most resilient organizational forms.

As in every trend, there are the early adopters, those minority of people that jump at the opportunity of creating something new, revolutionary and game changing.

# DIFFUSION OF INNOVATION MODEL



ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

The combination of early adopters and innovators makes up only 16% of the population. This leaves an enormous potential of growth for the platform cooperative movement in the upcoming years, but this will only be possible if the narrative and the skill development needed for this new cooperative model is enabled and adequate for the “average cooperator.” The language and the narrative needs to become *approachable, easy and manageable for all*.

The first step to start a journey of transformation is acknowledging the current state. The experience that our team has with the cooperative movement shows that the level of understanding that the “average cooperator” — operating in every sector but the digital sector — is rather low. Another major challenge to bridge in this regard is that the average cooperator is not young and in most cases is not necessarily a digital super-user. At the level of the international cooperative movement, digitalization is an ongoing transformation and many look at it from a perspective of precaution, skepticism, and, in some cases, fear. This directly impacts the perception that the cooperative movement has of platform cooperatives, which come as a



revolution to the well established and grounded cooperative movement, changing the rules of work, community and localization.

This implies that the current “thinkers” of the platform and data cooperative model need to overcome the resistance of a movement that does not trust them yet. There must be a remodeling and reframing of the playground and the rules of the game with the generation of a different kind of cooperative that requires rules and structures that have yet to be designed or regulated.

In this regard, as Antonio Canelo, one of the former presidents of Mondragon Corporation and founder of Eroski, said “the law appears to generate rules for situations that are happening in the present and need to be settled. It has never been created to prevent situations rather than settle them. It has always been behind and it will remain behind the innovators of society.” And this is the situation that the cooperative “thinkers” and the cooperative “early doers” are facing right now. The challenge of creating a cooperative business for which there is *no frame of legislation or support*.

Most cooperative entrepreneurs that are taking the steps towards generating projects that fall into the newly defined “platform or data cooperative” category find themselves with more questions than answers in practice. Yet, the academic and thinker community has been reflecting in this model, the governance, the use of data, the theorization of work and its impact. This shows once again the incredible potential of a closer “academic” and “practitioner” work from which both collectives could have a positive outcome for their work. The certification of a model in the raise will only be made possible if the collective of thinkers and frame builders is able to understand the needs of the practitioners and make sure that the certifying process becomes a value adding process not only for academic reflection but for everyday cooperative work.

Many questions emerge from all of this. The certification debate remains so with some of the topics to approach being:

- Who designs the features?
- Who certifies and audits?
- How does it benefit the cooperatives that decide to undergo the certification process?
- How does certification not become an elitist process only made for “rich”, “resourceful” or “big-enough” cooperatives that can afford to invest the time and resources on it?
- And the biggest of them all: “why do we need a certification?”

From a practitioner perspective, and after the conversations that this group has had, the state of the current cooperative movement requires one step back: “what are platform and data cooperatives really?” We believe that our inquiries, research, and internal discussions have taken us further towards illuminating this question. In the end, the certification process will only succeed and prove attractive if there is a *clear model* that it certifies.

***Appendix:***

**Survey 1: <https://forms.gle/rwghzKUpXDY1uFU57>**