

Platform Coops Now!: A team entrepreneurship capacity building program to create platform coops

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Abstract: Traditional labor relationships have been disrupted due to the digital platforms-based businesses. This article aims on the one hand to share the consequences the sharing economy has generated for workers, and how MONDRAGON's principles as one of the best examples of worker owned business group in the world, can be applied within the new digital era. On the other hand, this paper provides a literature review on how digital platforms can operate with fairer principles based on the framework that platform coops consist of. Last but not least, Mondragon University and The New School have set up a capacity building program on team entrepreneurship and an online incubation program that aims to support the creation of platform coops, whose results after two editions and future opportunities for research are shared.

Keywords: Platform Coops, Team Entrepreneurship, Cooperatives, Open Innovation, Incubation, Sharing Economy.

Econlit subject descriptors: B55 Social Economics; I24 Education and Inequality; L26 Entrepreneurship; L86 Information and Internet Services • Computer Software; O36 Open Innovation; P13 Cooperative Enterprises

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1. Introduction

Throughout history, technology has helped to improve the quality of human life and in particular within the working environment, where it has enabled the simplification of tasks for workers as well as increased the value delivery for users or customers. It has also been the source of some of the biggest social transformations, including the industrial revolution, which brought huge work optimization, security increase and a substantial decrease of production costs. These changes always generated certain conflicts around human rights, which always required profound dialogues and consciousness generation on how to accompany human development together with technology development.

In a more recent era, the early decade of 2010, technology has disrupted traditional labor relationships between workers and employers, especially driven by the way services started to be delivered to users by emerging digital platform-based businesses. Coined as «Sharing Economy»¹ intermediaries of different services (car driving, food delivery, travelling agencies...) have been substituted by digital platforms reducing the amount of people involved on the different steps of the value chain.

The Sharing Economy is quite a debated concept in academia, and the term is used interchangeably with platform economy, for example. Throughout this paper, the sharing economy is understood as “(1) the transaction or relationship comes about via network technologies, and in particular the Web 2.0; (2) the forms of consumption or production differ, even only in some empirical respects, from the traditional forms of the market economy” (Pais *et al.*, 2015, p. 2).

In practice, however, the sharing economy has shown to be a new way for companies to break rules. ““In the United States, illegality is a method of the «sharing economy,» and to show ‘lack of dignity for workers, and the elimination of worker rights and democratic values like accountability and consent’” (Scholz, 2016, p. 7).

Although technology has been historically very disruptive, it has failed to disrupt and democratize the governance models of businesses once again. In fact, since the advent of the digital economy, the disparity between employer and worker has dramatically increased.

One of the main consequences is that new and more flexible frameworks of relationships have started to emerge as digital technologies are able to perform many of the tasks previously performed by human power,

¹ In this paper we will use these terms interchangeably with platform economy, gig economy and sharing economy.

reducing the participation of the worker on different stages of the value chain. The introduction of digital platforms has started to change the way we live, socialize and trade and has profoundly affected our economies. The emergence of digital platforms has started to reshape society and it has been considered to be one of the most significant economic changes of the last decade (Koutsimpogiorgos, N., van Slageren, J., Herrmann, A., & Frenken, K. 2020).

In the digital platform industry, the architecture within the value creation is mainly built by two types of professionals: coders that master technology and whose talent is highly valued and hard to find in the market (Full Scale, 2019) and other professionals whose job was previously delivered by long established companies (taxi drivers, courier firms, cleaning services...). From the founders' and leaders' of the Digital Platform standpoint, the former employees are extremely well considered and taken care of, whereas the job developed by the latter is extremely poorly recognized and paid. It even breaks with the rights that workers and unions have accomplished throughout several decades of consciousness creation, claims and fight.

Beyond the recognition obtained by employees, the ethics of these digital platforms has also been questioned as in some cases the data generated by users has been unfairly obtained and managed, breaking the rights set up in the constitution and colliding with the principles that the World Wide Web was founded upon.

Digitalization is a core competitive advantage in this new era, but existing platform businesses are profitable for the owners while exploitative for the workers, suppliers and the environment. The work developed by Köbis, Soraperra and Shalvi "The Consequences of Participating in the Sharing Economy: A Transparency-Based Sharing Framework" (2021), demonstrates that platform businesses from the Sharing Economy generate some of the following consequences: employment disadvantages for providers, the line between work and leisure becomes increasingly blurry leading to precarious working conditions (Al-Ani & Stumpp, 2016; Cockayne, 2016) as well as bias and discrimination from the social/psychological perspective. It also mentions that platforms benefit from tax evasion and generate an increase in property prices affecting local citizens.

Some of the most well-known firms within this new industry called Sharing Economy are Airbnb and Uber, who simply connect strangers and provide legal framework for their collaborations. However, it has generated considerable consequences: unevenly distributed social and economic impact, racial bias, security or fairness troubles for previously established competitors. On top of that, it's been proved that these firms play from

a privileged position, controlling the experience users face and misleading their journey when logging in digital platforms that operate within the space of the sharing economy. Low-income, less skilled and marginalized people are more averse to these effects (Fairweather, 2017).

As it was mentioned before, platforms of the digital gig economy changed the relations between workers and companies and also generated different consequences in the labor market. Besides, these structures crashed with some legal frames in different countries while also raising a debate around these business models. Nowadays, different governments are trying to adapt their legal framework in order to permit digital platforms operate and compete in local markets. Because of this, different institutionalization processes are arising for the gig economy through different public entities (Thelen, 2018; Uzunca *et al.*, 2018).

Regarding labour rights, one of the key questions that has arisen is if gig workers should be considered employees or rather independent contractors (Aloisi, 2015; De Stefano, 2015; Prassl & Risak, 2015; Prassl, 2018; Taylor *et al.*, 2017). Collaborative economy on different areas of the world has developed itself taking advantage of the gaps in the laws (Aloisi 2016, 686), as technology developed faster than the measurements of politicians in terms of legal regulation (Maselli 2016, 1). However, the sustainability of these initiatives should go hand in hand with the law (Jourdain 2016, 15).

A clear example of this could be the change of the law produced in Spain in 2021, where the government decided to force delivery companies to hire the riders as employees, which lead these companies to decide to stop working in concrete cities of the country (Gig economy shifts: Spain makes delivery riders employees, 2021).

In other countries, such as the UK, other regulations are being implemented in order to adequate the tax raising from these platforms and increase the degree of control over the arrangements (Boyd, 2020). As De Stefano & Aloisi (2018, p. 53) point out in the case of food delivery workers, «a courier performing the same activity can be classified as a quasi-subordinate worker in Italy, as a self-employed worker in France, as an employee in Germany, as a «zero-hours» contract worker in the United Kingdom, or as an intermittent worker in Belgium.»

As it can be seen, there are big disparities in the way these platforms are regulated in different countries. Therefore, it is still to see how different governments act in the following years in order to adapt their legal framework and taxing system to this reality and this may determine the sustainability of many of these businesses.

2. Literature review: introduction to Platform Coops

Trebor Scholz and Nathan Schneider among others, have been some of the most acclaimed activists and writers that have raised awareness on the consequences of the Sharing Economy. Inspired by the legal framework that Cooperatives provide, where members democratically own the organization, they have supported the creation of digital platforms based on cooperative principles, naming them Platform Cooperatives (Scholz, 2014). A Platform Coop is a «Cooperatively owned, democratically governed business that establishes a computing platform, and uses a website, mobile app or a protocol to facilitate the sale of goods and services ... owned and governed by those who depend on them most—workers, users, and other relevant stakeholders» (Reid, 2020, p. 1).

In short, a Platform Cooperative is an online business platform that is managed democratically, and member owned that follows the principles and rules of a traditional cooperative. As a result, platform cooperatives differentiate themselves from traditional capitalistic business by being fairness centric rather than profit centric.

The term platform cooperatives derives from Trebor Scholz's paper «Platform Cooperativism vs. the Sharing Economy», published in 2014. In this paper, Scholz essentially presents platform cooperatives as an experimental business framework that could fit within the social economy, and possibly, a future competitor to platform capitalism. The latter is a perversion of the sharing economy in which only a small percentage of the population benefits from everyone's effort by aggressively positioning themselves at the center of the production or service chain through the power of money while holding a firm grasp over the benefits.

Scholz denounces platform companies such as Uber and Airbnb, as he argues that they are squeezing between the seller and the customer, taking all the benefits from someone else's labor, not providing any real value other than a platform, website or app which could be designed by many others. After all, their competitive advantage comes from an almost infinite amount of capital invested in marketing campaigns and having the first mover advantage.

Although being pessimistic, Scholz states that as the previously mentioned applications are not complicated to code, they could be designed by independent developers working with cooperatives. However, he also mentions the difficulties to dethrone the already established companies due to their strong position in the market.

Therefore, the possibility of having a cooperative alternative to those capitalistic giants, is slim but exists. Especially in the current climate, where companies are held accountable and publicly shamed for not res-

pecting workers' rights and not reflecting values through channels such as corporate social responsibility, change is possible.

Scholz published another academic work that has proven essential in popularizing internationally the concept of platform cooperatives in 2016: «Platform Cooperativism: Challenging the Corporate Sharing Economy».

In this work, Scholz reflects critically on what is known as the sharing economy, stating that behind all of the undeniable comfort and accessibility provided by many companies such as Amazon, it is hard not to acknowledge the exploitation, precarious job offering and rule breaking that has characterized such companies.

Scholz believes that a different type of governance is needed because “in terms of social wellbeing and environmental sustainability, for more and more people, capitalism is no longer working out” (Scholz, 2016, p. 10). As long as there is no structural change in the governmental system, no real improvement can be made in avoiding exploitations of many kinds. By implementing the cooperative model digitally, platform cooperatives can ensure job stability and fairness as cooperatives have historically been doing for marginalized groups, at a global level (Scholz, 2016).

Amid of COVID 19, new models are emerging. At this moment, platform co-ops have an opportunity to be a powerful response to this profoundly unequal system. Taking as an example the previously existing cooperative experience, digital cooperatives can provide fair work at scale and shift this type of «shared economy» to a just, participatory and democratically owned economy. Today more than ever, is a moment for worker ownership and platform cooperatives.

As another referent author shares, we are in a new production era where the interexchange of value and services is enabled via digital platforms (Fuster, 2021). If previously factories were the units of production, today digital platforms also took this role. And the COVID 19 pandemic has only accelerated this reality, extending and amplifying it to new sectors. These digital platforms even offer services that were previously provided and enabled by cities, like the ones related to mobility or accommodation. However, the problem remains in the aggressive approach some of the referent platforms wield, where the business model is based on abolishing labor rights and externalizing responsibilities and infrastructure to public institutions. This emergent reality requires more conscious capitalism.

Trebor Scholz establishes three building blocks for platform cooperatives to thrive and compete with platform capitalism (Scholz, 2016):

- Firstly, harvest the power of such technologies but do so by applying democratic values and structural ownership change.
- Secondly, put solidarity back at the core of every business.

—Finally, platform cooperatives should focus on technology and innovation geared towards benefitting all and not the few through practices like cream skimming.

A major contribution of this publication to the platform coops movement has been the establishment of 10 principles to which they should abide (Scholz, 2016). Those principles are:

1. *Ownership*: platform cooperatives should be owned by its members.
2. *Decent pay and income security*.
3. *Transparency & Data Portability*.
4. *Appreciation and Acknowledgement* which relates to working in a healthy and supportive environment.
5. *Co-determined Work*.
6. *A Protective Legal Framework*.
7. *Portable Worker Protections and Benefit*.
8. *Protection Against Arbitrary Behavior* aimed at protecting workers from being fired arbitrarily.
9. *Rejection of Excessive Workplace Surveillance*.
10. *The Right to Log Off*.

Alongside Scholz, another very influential figure in defining what platform cooperatives are today has certainly been Nathan Schneider. He wrote an important building block of academic literature on platform cooperatives “An Internet of ownership: Democratic design for the online economy”. In said paper, published in 2018, Schneider sheds light on the work that platform coops have been doing in generating new ownership structures within the internet.

Platform cooperatives are the first form of cooperative business within the platform economies, and as such they incorporate the 7 cooperative principles (International Cooperative Alliance, n.d.), similarly to any other more traditional cooperative. Although Schneider admits that some of those principles are already present in the platform economy, he claims that principle 2 and 3 in particular are completely missing “Online user-experience design often seeks to divert users’ attention from matters of governance and ownership, such as by rendering opaque the processes of revenue generation through apparently ‘free’ services” (Schneider, 2018, p. 324).

Another very valuable contribution of this paper to the existing literature has certainly been to discuss and present the “design patterns” that this new movement has introduced.

Firstly, the aforementioned disruption in ownership and governance “the people contributing value co-own the platforms and help decide to

what ends they operate” (Schneider, 2018, p.325). Secondly, platform coops have shown a notable increase in terms of transparency of data collection and ownership. Another aspect worth mentioning that platform coops have shown is the commitment to increasing open-source commons through incentive structures and financial support. With technologies such as Blockchain and DAO’s platform coops have also been prone to decentralization, however, to avoid the strengthening of existing society’s power dynamics, they are mainly focused on decentralization of governance to implement a more democratic structure.

Schneider also discusses the different forms of financing available for platform coops given that raising funds through traditional methods such as venture capital remains out of sight as work is what prevails in the ownership structure of cooperatives and adding investors will imply a loss of ownership for the members. This is a question that remains open and ever in progress. Some of the solutions used have been the purchase of nonvoting shares and crowdfunding has been tweaked to allow contributors to jointly own the project they invested in. Purpose Venture is a firm that invests in companies that seek sustainable growth in the long term rather than acquisition and quick exits from the market.

Schneider stressed the importance of education on and by platform cooperatives for the future. He also denounces some traditional coops that use the term of shared governance as a cover up rather than actually applying such principles, claiming that platform coops should not deviate from such principles while also not completely rejecting all practices that conventional platform businesses employ.

Expanding on the topic of the challenges faced by platform cooperativism as a movement, a different, more philosophical angle is taken by Sandoval in his paper “Entrepreneurial Activism? Platform Cooperativism Between Subversion and Co-optation”. His paper has to be understood as a constructive realistic critique of the movement rather than an opposition.

He argues that platform cooperatives operate in a “space where activism and business enterprise converge”. Adding that “the more radical a co-op’s resistance against market logics and competition is, the more challenging it will be for the co-op to generate income” (Sandoval, 2020, p. 808). Platform coops tread on a fine line between sticking to their principles and becoming a traditional capitalistic platform. Furthermore, Sandoval warns platform cooperatives on the risk of the entrepreneurial spirit that they seem to portray by not distancing themselves from the capitalist movement completely “Entrepreneurialism channels human activity into a particular mode of acting that is based on individualism, instrumental rationality and competition” (Sandoval, 2020, p. 813) all values that oppose those of the cooperative movement.

It is essential for platform cooperatives to unite together and to demand structural change in the current markets to allow them to flourish without having the risk of abandoning their values if they want to succeed.

According to Scholz, “the concept of platform cooperativism or at least part of it hit the wall. People understand the cooperative bit, but the «platform» part remained mysterious” (Scholz 2016, p.14).

3. Mondragon experience and its principles for the upcoming era

The Mondragon region in the Basque Country (Spain) and its Cooperative movement named MONDRAGON, has often been considered as one of the best examples of Social Innovation worldwide and a landmark in the social economy on a global scale (Goodman, 2021). Since the mid 1950s with the creation of the very first worker owned company, both the community and the company have transformed through the years constantly adapting to assure human centered business models committed to community development.

This statement does not merely refer to cooperatives. Beyond that particular legal structure, MONDRAGON has developed a particular way of understanding and doing business, a certain way of thinking and creating, understanding work and business to be the most important tool for the development of both, the individual and the community.

As an example of the local impact generated by these cooperatives, Deba Goiena, or the area where most of the cooperatives from MONDRAGON are located, showcases the best ratios in terms of employment (EUSTAT, 2019), investment in R&D (EUSTAT, 2019; EUSTAT, 2017) and inequality (Gobierno Vasco, 2017; Gorjón *et al.*, 2020) in Spain and Europe.

Besides, a clear example of the strength and resilience of the corporation is the way they faced the different economic crisis, supporting economically the different cooperatives of the group when they were facing economic problems and being able to generate quality employment during different economic crisis periods (Cinco Dias,2012). A key element is the so called «solidarity of result», which describes the way cooperation among groups of cooperatives works within the structure at monetary, structural, HR and social levels. A system of mutual support is in place so those cooperatives facing problems of some nature can rely on the system and keep quality employment.

MONDRAGON’s principles have had the need to evolve since its foundations in order to become what they are today. The corporation is nowadays a dedicated group of people with a cooperative identity forming

a business group that is profitable, competitive and entrepreneurial, capable of successfully operating in global markets (MONDRAGON corporation, 2021). MONDRAGON is a networked organization composed of 96 self-governing cooperatives providing employment to more than 81,000 people and owning 14 R&D centers.

This vision of the value of work MONDRAGON has undertaken is at the very heart of the transformation process that is already in place and must continue to be so in the future. MONDRAGON is currently in a reflection phase, honoring what has been accomplished since the mid 50's and how should the model evolve acknowledging where the world is at the moment. What should be happening in order to reinterpret work? What role should the company have in society from the perspective of the new century so that work continues to be the main [and most valued] tool to generate solutions to the challenges the world is currently facing at both social and environmental levels?

This is why MONDRAGON is working to connect and mobilize people, cooperatives and other socio-economic actors to co-create innovative solutions to the challenges of the green, digital and cultural transformations. MONDRAGON's end goal is: to ensure inclusive, meaningful and technology-enhanced work for all.

If applying democratic principles and shared ownership structures within the business environment has been the main success of MONDRAGON, one of the key questions that has raised in the reflection of MONDRAGON is the following:

What could work look like in the future if people could determine it for themselves?

One key reflection that has come up within the strategic envisioning of MONDRAGON is that «The future of work could be one in which advances in technology allow us to work in new, more productive, sustainable and fulfilling ways.» However, this statement should not follow the dominant current storytelling in which fear and foreboding is present, based on global trends that suggest that automation processes will supplant about 85 million jobs by 2025. At the moment, 30% of duties are performed by machines - manually the rest. Yet, predictions say that these percentages will shift to a 50-50 human-machine performance balance by the time the world hits the first quarter of the century. In addition, the future tech-driven economy will not only require the upskilling of current professionals, but it is also expected to create 97 million new jobs (Kelly, 2020). This data, on top of the impact of COVID-19, can

feel breathtaking. According to the International Labor Organization (ILO,2020), in 2020 there was an unprecedented global employment loss of 114 million jobs relative to 2019, affecting especially women (5% higher than men) and young workers (8.7% higher than for older workers).

Generally speaking, most of the effort provided by experts goes into analysis and prediction in order to prepare society for future scenarios, rather than to proactively shape them. Trade unions and employers could both be doing more to prepare workers for the future, but they are much more rooted in the day-to-day nature of work and jobs. The dominant narrative for the future of work is one of powerlessness in the face of inevitable change. Citizens have a feeling of not being able to shape the agenda and this brings popular backlash, lack of illusion and big amounts of frustration.

MONDRAGON wants to create models and tools that allow people to collectively shape a new approach to fight massive unemployment, the exploitation of workers in the gig economy, and the destruction of the environment for economic growth. Ideally Models and initiatives that should bring answers to the following questions:

- How can workers recover the lost power and regain control over the decisions of the company? How can workers find new tools to self-organize, manage the company and build economic alternatives?
- How can new jobs based in platform cooperatives be created in areas such as energy, health, lifelong learning and creative services? Or even in new fields that are yet to be discovered.
- How can MONDRAGON share and connect with other digital cooperative economies to gain scale and impact?
- How can regulatory framework for effective, legal interventions be created? How can cooperative platform models be incentivized? How can sharing economy firms be stopped in their power position-based abuse?

MONDRAGON cooperatives can inspire the world towards a more human and conscious business environment. It can set a new narrative line on the future of work that is not simply about greater economic productivity but greater human value, «Humanity At Work». Massively increasing the power of workers themselves—including those most disenfranchised—to proactively shape that story. Can MONDRAGON serve as the foundation for the new digital era and at the same time attract new digital platforms towards its ecosystem?

4. Platform Coops Now!: A team entrepreneurship online course to create platform cooperatives

Looking back to its origins, MONDRAGON has drawn a clear educational line of action, based in the Arizmendiarieta's reflection «to democratize power we need to socialize knowledge» (Pensamientos de Don José Maria Arizmendiarieta, 1999). In 2008 it defied the very structured and hard to move education system creating Mondragon Team Academy as a unit of entrepreneurship within Mondragon University.

Inspired by a pedagogical model developed by Tiimiakatemia and its founder Johannes Partanen since 1991 (Jyväskylä, Finland), MTA launched in 2009 the very first undergraduate program focused on entrepreneurship in Spain named LEINN (Entrepreneurial Leadership and Innovation) with the goal to reconnect with the original spirit of MONDRAGON and provide youth the chance to:

- Gain self-awareness & transform themselves.
- Learn to create spaces for profound team and community-based learning experiences through dialogue and democratic principles.
- Travel the world and develop a global citizen mindset.
- Create a cooperative from day one at the university as a vehicle for experimentation and learning, with the goal to develop the needed skill sets to become a cooperative entrepreneur.

The initial launching of LEINN in 2009 had 27 young adults enrolled at Mondragon University's campus in the municipality of Irun (Basque region of Spain). 12 years later:

- LEINN undergraduate program is being offered in several other locations globally: Madrid, Barcelona, Valencia, Bilbao, Oñati, Mexico, Corea... even in an international itinerary and today present in 4 continents.
- A «Train the trainers» program is being developed in order to train professionals with the skillset needed to educate within MTA's pedagogical framework.
- Master program in Open Innovation and Intrapreneurship is being offered with the goal to provide professionals the opportunity to experience what MTA strives for.
- It is a community home to over 2000 team entrepreneurs.

The companies that thrive from this environment are examples of the new era of cooperatives: young, experimental and defying the pre-shaped ideas of what worker owned cooperatives look like or work like. An example of this could be TAZEBAEZ S.Coop, the first cooperative

created within the undergraduate program. Currently it is operating as a decentralized, multi-located entity working on the fostering of the cooperative model among youth. On top of that they bring together a complementing expertise on the MTA methodology, the entrepreneurship experience of generating a worker owned cooperative and a representative within the network of the global youth cooperatives.

Parallel to that reality, Platform Coops as a movement started building some momentum during the second part of the 2010 decade. Several authors, Scholz and Schneider among others, started to voice out that digital platforms act as catalysts for social exclusion and economic inequality. Needless to say, the harm some of them have generated in events of respecting the privacy of citizens and practices they have pursued in the field of data management that are ethically questionable. On top of that, Scholz himself highlighted that people understood the cooperatives as such but had difficulties bringing the concept into a digital dimension. It's then when the need to create a capacity building program to create Platform Coops was identified. Also the reality was that the few existing Platform Cooperatives were in an experimental phase and most of them struggled with the business model.

During February 2020, leaders of MONDRAGON, Mondragon Team Academy and Trebor Scholz from the Platform Cooperative Consortium and Professor at the New School of New York got together in New York City in order to discuss the opportunity to collaborate. MONDRAGON needed to reconnect with the global community that applies XXI century cooperative principles within the digital era; Mondragon Team Academy had the opportunity to open up its pedagogical model to a large-scale capacity building program on Team entrepreneurship; and last but not least, Platform Cooperative Consortium from The New School had the chance to move beyond activism and conscious generation to citizen empowerment and capacity building.

Platform Coops NOW! takes off with the goal to provide a capacity building program on entrepreneurship. Based on Mondragon Team Academy's +10 years of experience on capacity building in team entrepreneurship and Platform Cooperative Consortium's work on consciousness creation towards Platform Cooperatives. Both units from Mondragon University and The New School decided to join forces to launch a 12 weeklong online capacity building program on Team-Entrepreneurship.

One month prior to the global expansion of the pandemic due to COVID, the launching of «Platform Coops NOW!» program was agreed between the three partners. The program had the following objectives:

- Socialize the effects digital platforms were generating globally, and how a more responsible framework was needed. Platform Coops representing that new possible framework.
- The importance of honoring MONDRAGON's work throughout history, but the need to connect with the digital era.
- Provide a team-based learning by doing experience based on Mondragon Team Academy's expertise on capacity building on Team Entrepreneurship.
- It needed to be accessible for everyone, with a registration fee of 130€ for participants from developed countries and 40€ for participants from the global south, based on United Nation's Human Development index (UNDP, 2020).

From the beginning, the program's aim was that participants would experience first-hand the creation of a concept of a platform cooperative the startup way. «A startup is a temporary organization that is in search of a scalable, repeatable and profitable business model» (Blank, 2010). It is not permanent due to the fact that its starting up phase is limited in time. Once the testing period is over, either it becomes a competitive company in the market or it will shut down. Another referent author in the field, suggest that «a startup is a human institution designed to create a new product or service in an environment of extreme uncertainty» (Ries, 2011).

Startups are usually organizations which main drive is to create value through a concept/solution. Generally speaking, they provide an answer to a pre identified challenge and are centered on scaling the product or service that has been generated. The more needs it can cover in more markets, the higher will be its value. And the more focused it will be on growing as a living organization.

When Ries mentions that the experience of creating a startup takes place in extreme uncertainty is due to the fact that usually the challenge is identified or widely known, but no one has been able to generate a solution that has a sustainable business model. That process usually englobes profound uncertainty.

The past decade, due to the rapid pace both society and business environments evolve, has required the creation of new frameworks of experimentation, with the goal to have clarity if the chosen paths are right. Usually, the decision making during the creation phase is done with little clarity (Cooremans, 2012), but it is highly important to go through steps that validate the solution in order to understand that customers' needs are met (Albers *et al.*, 2017). In fact, the solution that gets built needs to provide answer to the following principles: desirability, feasibility and

viability (Brown and Katz, 2009). If these three principles are met, it will mean that a business model will work, ensuring that the solution is going towards the right direction (Bland & Osterwalder, 2020).

5. Process & methodology of Platform Coops Now! Program

With all that in mind, in April 2020 a 12 week long program took off. The program consisted of two parts:

- Part 1: Consciousness creation around the effects digital platforms have generated, honor what MONDRAGON has accomplished since the 1950's and socialize as hypotheses how platform coops can help bridge both realities. This part of the program was spread out in 4 sessions.
- Part 2: The second part of the program consisted on 10 modules that based on Mondragon Team Academy's pedagogical model on Team Entrepreneurship, named as Falcon Model, aimed to take participants through a journey on the creation of a concept of a Platform Cooperative and its business models. The main purpose of this part was to have a learning by doing approach to platform coop creation. The modules were the following:
 - M1: Introduction & Basic Team Tools.
 - M2: The need, Opportunities & Idea Market.
 - M3: The Team Creation & Business Idea Generation.
 - M4: Analysis Business Idea Environment & Value Proposition.
 - M5: Customer Validation, Testing, Prototype & First Minimum Viable Product.
 - M6: Platform Co-op Business Model Generation.
 - M7: Technology Frame, User Stories & Technological Pathways.
 - M8: Financial Frame, Business Plan Feasibility & Impact Investment Strategy.
 - M9: Communication Strategy & Pitching.
 - M10: Public Online Presentation, Platform Coop Teams Challenge & Feedback.

Part 1 of the program had a purely global outreach, whereas Part 2 of the program remained global at the discussion and debate level but was mainly locally focused lead by a network of partners who guided the process locally. This was possible thanks to the good work and support of: BCCM/Incubator.coop (Australia), BOPHUB SDG Centre, FACTTIC

(Argentina), Centro emprendimiento e incubación de economía social de Universidad IBERO-MTA Puebla (Mexico), Confecoop and Fundación Confiar (Colombia), Conseil Québécois de la Coopération et de la Mutualité (Canada), Universidad Fundepos and Cooperativa Sulá Batsú (Costa Rica), Cooperatives UK and Cooperative College (United Kingdom), Florida Universitaria-MTA Valencia & Mondragon University-MTA Irun (Spain), Industree.org (India), Legacoop Liguria (Italy), MTA China (China), MTA Singapore (Singapore), PCC Hong Kong (China), Platform Cooperatives Germany (Germany), Start.coop (USA), Universidade Federal do Paraná and OCB (Brasil), Cooperative Support Services (Nigeria), RedRoot Artist (Philippines), Cooperative University and Zuhura Innovation Africa(Kenya), OCAD University (Canada), Institut Mines-Télécom (France), Plateformes en Communs (France) and as Global Partners: TAZEBAEZ, CICOPA and Diesis Network.

This program has been run twice, first during the spring of 2020 and the second edition during the autumn of 2020.

In parallel to the second edition of the program during the autumn of 2020, a new opportunity arose through a program funded by Climate-KIC, EU's main climate innovation initiative. The program was named Coopworks and was run in partnership between MONDRAGON, Mondragon University, Tazebaez S.Coop and Luvent Consulting. This new program aimed to tackle and provide support and resources in the next phase to the concepts generated through the Platform Coops NOW! program. CoopWorks was designed as a two-month long incubation program for early-stage platform cooperative startups, aiming to provide these initiatives tools, knowledge and mentorship during the phase of reaching the market and scale.

Based on Open Innovation principles an open call was launched in order to attract both, initiatives generated through the first edition of the Platform Coops NOW! program as well as other initiatives generated through other means. More than forty seven initiatives applied, out of which ten were selected. A key requirement was that, as it was supported by EU funds, at least one member of the team needed to be European or based in Europe.

During the program, different resources were provided to the entrepreneurs.

—TRAINING/CAPACITY BUILDING: There were weekly workshops where, as in other acceleration programs, different topics were covered to help the projects develop to a market stage. The topics were the following:

- Product/service: Customer interviews, identification of customer segment, MVP building, prototyping and growth of digital products with a cooperative model.

- **Team:** Introduction to leadership, decision-making and governance for start-ups. Also, the Mondragon Corporation governance model was explained.
- **Finance:** Introduction to monetization and scaling, deeper dive to financial modelling and business planning.
- **Legal:** Country-specific introductions to cooperative law.
- **Funding:** Introduction to funding options and mechanisms in the start-up world.
- **Marketing:** Introduction to digital marketing, branding, and sales channels.
- **Pitch:** Session about how to pitch a project in front of customers and investors.

—**MENTORSHIP:** project mentoring on the above mentioned topics through the hand of experts was provided to participants.

—**FORUMS:** Different online discussions were also organized to cover concrete topics.

—**COMMUNITY BUILDING:** An online community was built to create synergies between the different projects.

The 10 finalist teams were supported to launch their Platform Cooperative startup with the ultimate goal of creating resilient jobs and to shape the Future of Work towards a regenerative economy in Europe. The accelerator aimed to create jobs, shared wealth, protect workers labor rights and at the same time create positive social and environmental impact tackling climate change effects. It combined traditional business curriculum with cooperative principles to create more resilient jobs in Europe and address COVID-19 economic impacts.

6. Results obtained after 2 editions, conclusions and next steps/future opportunities

The first edition of the Platform Coops NOW! program had over 400 participants, whereas the latter had around 400, summing up a total of over 800 participants from 48 countries. Both editions have been run successfully and feedback from participants has been overwhelmingly positive. Another positive number is the completion percentage of around 50% of the participants compared to an average of 15% for other Massive Online Open Courses (MOOC). It is clear that in front of platform capitalism and the different problems related to it, new alternatives are emerging all over the world.

Connecting with the question raised in Part 3 of this article whether MONDRAGON can serve as the foundation for the new digital era and

at the same time attract new digital platforms towards its ecosystem, here are some of the relevant conclusions:

- Platform Coops NOW! program is enabling the creation of a global community of practitioners, entrepreneurs, researchers and policy makers. MONDRAGON's role has been crucial in driving partners in the field towards this space.
- It is unclear yet if MONDRAGON can be pioneering such a movement and shift to digital platforms. However, MONDRAGON, since the very beginning has been an active actor in generating resources and providing access to knowledge and network towards this movement.
- MONDRAGON is actively engaged in several strategic cooperativism related forums, from the ICA (International Cooperative Alliance), CECOP (European Confederation of Industrial and Service Cooperatives) to COCETA (Spanish Confederation of Associated Labour Cooperatives) in order to support the needs that may arise within the movement of Platform Cooperativism (Trainings, Legal Frameworks, Access to Funding...).

In regard to the literature review, the different models that have been launched show that platform cooperatives are arising as a possible solution or alternative that seek to disrupt in a fair way the relation between workers, platforms and users. The Platform Coops NOW! Program itself serves the purpose of popularizing a fairer and more equal platform economy. Observing both, the available literature, as well as the developed program, following conclusions come up:

- **Access to talent:** The cooperative principles are better understood, although there is a lack of skills when it comes to the tech and digital development dimension of the platforms. This may differ from Scholz's statement, where he takes for granted that access to talent is easy and that the work could be done by independent developers. Access to skilled people, especially in countries where digital technology education is not as present as it may be in the US or other referent countries, can be a big barrier. Therefore, there is a need to address the technical aspect and see how technical cooperatives can participate in the process of easing this aspect. Historically speaking, traditional cooperatives have kept under patents their products. However, either Open-Source frameworks become a norm in this space or it will be very hard in the future for Platform Cooperatives to overtake the market positioning existing digital platforms have. As the core element of Platform Coops are the

digital platforms and inspired by the sixth principle of Cooperative Alliance on cooperation among cooperatives, a friendlier and more open mindsets to open up the code platforms might be needed in order to run them successfully and sustainably.

- **Frameworks for Platform Coops Creation:** Generally speaking, there is no legal framework that supports and recognizes Platform Coops as legal figures. In fact, in many countries the law doesn't even allow for cooperatives to exist. It's been identified that the creation of a common legal framework internationally for platform cooperatives should be promoted so that they all respond to the same principles. CECOP, the European Confederation of Industrial and Service Cooperatives, in partnership with regional confederations is currently working on developing such frameworks. Existing literature does not highlight this, but it does coincide with the work developed through the Platform Coops NOW! in terms of the need of defining new participation frameworks as the main catalyst of change. As the amount of platform cooperatives rises, dialogue should take place whether a support system will be created to boost the platform cooperatives to become worker owned or otherwise they face the risk of turning into a consumer cooperative system. Throughout history, the way cooperatives have internationalized or gone multi located has been questioned. Platform Coops are naturally and intrinsically multi located, decentralized and online, so this will require rethinking the entire internationalization process, shared ownership and democratic management (governance).
- **Consumers' consciousness, business models and funding:** Business models of such initiatives are still in an experimental phase. It requires more time, resources and consciousness generation among users prior to these solutions to become sustainable. There is a global need to keep on generating consciousness around the effects of capitalism in general, more specifically around the sharing economy and parallel to that how consumers' purchase behavior can help leverage the sustainability of these initiatives. Connecting with the literature, new models of access to funding will be strategic and perhaps MONDRAGON's Venture Fund can be an inspiring lighthouse for new models.

Authors of this document suggest researchers that future studies around Platform Cooperatives could build on the topics mentioned above.

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