

In Search of Platform Cooperatives in South Africa

By Fazila Farouk

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Workshop17
17 Dock Road
V&A Waterfront
Cape Town, South Africa
Phone: +27 21 447 6332
www.researchictafrica.net

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Contents

Introduction	3
<i>Policy experimentation for better social outcomes in the platform economy</i>	3
<i>Outline of study and methodology</i>	4
Tech monopolies and the case for diversifying the platform economy	5
<i>The platform economy in South Africa</i>	6
<i>The need for alternative social enterprise development models in the platform economy</i>	7
Platform cooperativism: An alternative enterprise development model	7
Enabling platform cooperativism	9
<i>Global North</i>	9
<i>Global South</i>	10
What are the prospects for platform cooperativism in South Africa?	12
<i>The failure of the co-op sector in post-apartheid South Africa</i>	13
<i>A pro-business Startup Act Position Paper</i>	16
Diversification in South Africa's digital economy	21
Case Study 1: Abalobi	22
<i>From knowledge exchange to digital marketplace</i>	23
<i>A platform for collective action</i>	26
<i>A hybrid non-profit and for-profit institutional model</i>	28
<i>A multi-tenancy digital platform</i>	29
Case Study 2: The Digital Platform Cooperative Project	30
<i>Targeted partnerships</i>	32
<i>The platform cooperative as an advocacy tool</i>	33
<i>An open-ended solution</i>	34
Case Study 3: Trip Rider SA	35
<i>A platform co-op as an alternative to Uber</i>	36
<i>A franchise opportunity with Eva</i>	37
<i>An unsupportive environment</i>	38
Conclusion	39
References	43

Introduction

The decade following the 2008/9 financial crisis has been marked by two forces in tension with each other. On the one hand, there has been exponential growth in technological innovation, leading to the acceleration and mainstreaming of the digital economy (Brynjolfsson & McAfee, 2016). On the other hand, this technological revolution has also taken place in a context of growing inequality, characterised by the shrinking of the middle-class alongside growing strife for the poor (Bernstein & Raman, 2015; Ford, 2015; J. B. Schor et al., 2020). These mounting social struggles can be attributed to massive shifts in the global economy where both deindustrialisation and digitalisation are fuelling a surplus labour market vulnerable to exploitation (Berger & Frey, 2016). Meanwhile, the dominance of venture capital funded tech monopolies as well as the challenges associated with them, including excessive rent-seeking, constrained innovation diversity and labour exploitation (Frey, 2020; Olsen & Engen, 2007; Petit & Teece, 2021; J. B. Schor et al., 2020; Srnicek, 2017), signal the need to explore alternative social enterprise business models built on democratic principles to engender sustainable livelihoods in the platform economy, a rapidly growing subsector of the digital economy.

This study argues for the diversification of South Africa's digital economy, as it builds a case for the support of platform co-operatives, which are worker-owned and managed social enterprises that contribute to the diversification, decentralisation and democratisation of the digital economy by fostering structural change for fair social outcomes as a natural consequence of economic development (Cohen, 2017; Scholz, 2016; Sutton, 2016). Platform cooperatives represent an important counterbalance to the rent-seeking venture capital funded tech monopolies that currently dominate the platform economy (Cohen, 2017). This study views their emergence - as well as other social enterprise models - as a gauge for the diversification of South Africa's digital economy.

Policy experimentation for better social outcomes in the platform economy

Brazilian philosopher Roberto Unger's theory of the Knowledge Economy provides the conceptual framework for this study. It makes the case for building an inclusive digital economy through the identification of alternative strategies for radical reform within the existing system as 'living and influential idea(s)' and not just as future goals. Unger calls for systemic change via innovative pathways that reinvent the market economy. This includes experimentation with institutional arrangements for economic decentralisation. Unger's main critique of the digital economy is that it is confined to small sections of the population in distinctive locations, taking the form of a concentration of high-tech 'meta-

firms', which he refers to as an 'insular vanguard' surrounded by 'a periphery of start-ups'. He calls for a shift from 'insular vanguardism' to 'inclusive vanguardism', arguing that this can be achieved through "cumulative revision of the institutional arrangements of the market economy". (Unger, 2019, p. 3-24)

Unger's theoretical framework lends itself to Research ICT Africa's broad approach to some of the intractable policy issues facing us by experimenting with alternative strategies more suited to developing countries, and specifically African contexts. This is a response to policy outcomes over the past two decades that have left us as a region with the greatest digital inequalities. Thus, drawing on Unger with respect to the need for institutional innovation in the market economy, this study makes the case for promoting diversity in South Africa's tech start-up ecosystem by encouraging support for platform cooperatives. It is informed by the question: Do alternative enterprise development models, such as platform cooperatives, exist in South Africa's platform economy and what kind of policy frameworks support the diversification of the digital economy for inclusive economic development and fair social outcomes?

Outline of study and methodology

This is a qualitative study that explores key concepts in the development of platform cooperativism by drawing on local and international literature, case studies and expert interviews. This paper is thus divided between a literature review and three case studies.

The literature review provides a brief analysis of the need for the diversification of the digital economy in South Africa in addition to providing a synopsis of the development of platform cooperativism globally. By way of examining the prospects for platform cooperativism in South Africa, it offers a review of existing and forthcoming legislation. This includes an analysis of the existing policy and institutional frameworks that support cooperative development in South Africa. Moreover, as platform cooperatives will be affected by start-up legislation in the digital economy, the study also critiques a position paper drafted by a pro-business lobby group seeking to influence upcoming start-up legislation in South Africa.

Finally, the study investigates the emergence of platform cooperativism in South Africa through three case studies. Strictly speaking, the study did not uncover any functioning platform cooperatives in South Africa. What has been discovered is a successful social enterprise business that also functions as a platform for collective action. In addition, two platform co-operatives that are still in their launch phase, i.e., not yet operational, were

uncovered. These three examples have been written up as case studies based on interviews with representatives from each organisation to highlight the challenges and opportunities faced by platform cooperativism in South Africa. The case studies are:

- Abalobi, a social enterprise digital market platform that helps fishers reach buyers, such as restaurateurs, directly while circumventing traditional intermediaries.
- The University of Western Cape's 'Digital Platform Co-operative Project' created by the Social Law Project in the Centre for the Transformative Regulation of Work, to support the establishment of a domestic and care workers' platform cooperative.
- Trip Rider SA, an emerging ride-hailing platform cooperative that is still in its development phase with a franchise opportunity from Eva, a cooperatively owned Canadian ride-hailing platform launched as an alternative to Uber.

Tech monopolies and the case for diversifying the platform economy

Heralding the arrival of 'platform capitalism' (Srnicsek, 2017), a key feature of the platform economy is the dominance of tech companies such as Google, Facebook, Amazon, Uber and Airbnb that have grown into global monopolies commonly referred to as 'Big Tech' (Petit & Teece, 2021). While the issue of market concentration in the digital economy is recognised (World Bank, 2019), the mainstream neoliberal worldview holds that this as an inevitable outcome of technology's forward march. For example, the World Economic Forum (WEF) adopts a fatalistic attitude towards the proliferation of monopolies with its chairman, Klaus Schwab, reducing the digital economy to an ecosystem of 'winners and losers' (Schwab, 2017). On the other extreme, the Silicon Valley venture capitalist, Peter Thiel, is known to have argued that technology platforms should aim for and deserve monopoly (Thiel, 2014). Despite this indulgent perspective, scholars examining the platform economy find a number of problems associated with tech monopolies both from a political economy and a teleological¹ perspective.

From a political economy perspective, Big Tech deploys its market dominance as well as the considerable resources at its disposal to engage in corporate lobbying as well as to dictate the terms and conditions of engagement in the digital economy (Scholz et al., 2021). Dubbed 'regulatory entrepreneurship', the business model of many platforms is intended, effectively, to change the law (Pollman & Barry, 2017). Platform companies are thus responsible for introducing several complex challenges to regulators, covering the gamut of social, economic, political and environmental problems. These cross sectoral challenges are reflected in the following examples: AirBnb's distortion of the housing

¹ The underlying assumptions, purpose and motivation driving the development of technology where technological artefacts themselves are not viewed as benign objects free of intrinsic values.

market, Uber's significant contribution to precarious labour in the platform economy as well as an increase in carbon emissions, and Facebook's and Twitter's threat to democracy due to their power over content and free speech (Petit & Teece, 2021; J. Schor, 2020).

Meanwhile scholars examining the platform economy from a teleological perspective highlight a converse relationship between tech monopolies and innovation diversity. For example, drawing on Marxian analysis that highlights the tensions between capital, labour and innovation in the platform economy, Carl Frey, co-author of the seminal Frey and Osborne study on automation (2013), argues that innovation diversity is constrained by the expansion strategies of companies targeting market domination due to an obsession with automation technologies geared towards profit maximisation (Frey, 2020). This view is supported by social constructivist technology scholars who argue that new technological innovations are often introduced along established business development trajectories targeting labour reduction as a factor of production, thus resulting in pervasive automation as a dominant innovation model (Olsen & Engen, 2007). This lack of innovation diversity fuels challenges to labour in the platform economy and is further aggravated by the declining power of trade unions alongside an increase in corporate lobbying (Frey, 2020).

The platform economy in South Africa

Concerns have emerged that platform companies could exacerbate an already deep inequality gap in South Africa's labour market, signalling ominous prospects for the country's much needed social and economic transformation. A raft of local and international studies under the banner 'Future of Work' have already documented platform companies' dismantling of labour and social protections. This includes a Research ICT Africa (RIA) study on microwork, the only representative demand-side study in seven African countries, including South Africa, which, whilst cautiously optimistic about potential income generating opportunities for those at the bottom of the pyramid, issues a warning about the 'erosion of hard-won labour rights' in the platform economy (Mothobi et al., 2018). A more recent study by RIA, specifically focusing on South Africa (Ahmed et al., 2021), details the precariousness of gig work amongst three leading platform employers in the country drawing on the largest sample to date. It confirms widespread international findings about the inherent exploitative nature of the platform economy, including a lack of employment continuity due to the on-demand nature of platform work, irregular and insufficient earnings as well as the dismantling of labour protections.

While the connection between the growth of tech monopolies and the manifestation of negative social externalities is unambiguous (Frey, 2020; J. Schor, 2020), in South Africa's case, this also has implications for enduring structural inequalities related to the country's history of apartheid. These include racialised income inequality, crippling levels of unemployment in black communities and most glaring for a majority black country, a lack of broad-based black ownership of the economy (Anwar, 2017; Statistics South Africa, 2021; Terreblanche, 2018). Not only does the platform economy in its current form lack the conditions necessary to reverse these circumstances, but its prevailing market structure, in fact, represents a threat to South Africa's transformation project.

The need for alternative social enterprise development models in the platform economy

This situation highlights the need to support the development of alternative social enterprise development models that protect and enhance the rights of workers in the platform economy, as well as contribute to South Africa's transformation. One alternative to market concentration that has emerged in recent years is platform cooperativism, a concept coined by the activist scholar and founder of the Platform Cooperativism Consortium (PCC) at The New School in New York, Trebor Scholz (2014). Platform cooperativism is an alternative enterprise development model that emerged in the aftermath of the 2008/9 financial crisis following widespread dissatisfaction with the dominant economic paradigm (Cohen, 2017). The model, which is premised on democratised worker-owned and managed companies supporting sustainable livelihoods in the platform economy, is seen as an important constituent in the mix for a more inclusive digital economy—firstly, as a response to the challenges presented by Big Tech promoting the winner-take-all approach to business expansion and secondly, to overcome the problem of precarious work in the platform economy (Scholz, 2016; Sutton, 2016).

Platform cooperativism: An alternative enterprise development model

The co-operative (co-op) model, which comprises of voluntary associations of people that come together to form worker-owned and managed businesses, has been in existence since the 19th Century as a laboratory for social innovation based on values of co-operation and profit sharing (Altman, 2009; Chhiber, 2019; Fairbairn, 2004; Zeuli & Cropp, 2004). The idea of cooperativism has always been associated with the notion of economic transformation (Fairbairn, 2004). As such, co-ops contribute “to fair income distribution (whilst promoting) economic democracy” (Novkovic, 2021). Under favourable conditions, they have the potential to achieve scale (Chhiber, 2019). One obvious example of their

impressive growth is the Mondragón Corporation based in the Basque region of Spain. In approximately six decades, it has developed into the largest worker-controlled co-op in the world, operating in several advanced sectors of the economy (Gasper, 2014).

Building on the traditional co-op model, a platform cooperative is a digital platform, either a website or an app, designed to provide a service or sell a product (Sutton, 2016). It is collectively owned and democratically governed by the workforce whose livelihood it sustains (Scholz, 2016; Sutton, 2016). Examples of platform co-ops include, but are not limited to cooperatively owned online labour brokerages and marketplaces (e.g., freelancer-owned cooperatives); city-owned platform cooperatives (e.g., city designed software enterprises based on sharing economy principles) and the platform as a protocol (e.g., a distributed peer-to-peer rental ride network) (Scholz, 2016).

Globally, the platform cooperativism movement is relatively small with roughly 500 platform co-ops in over 40 countries (Bergruen Institute, 2021). Examples of successful platform cooperatives include:

Eva: A Montreal-based cooperatively owned ride-hailing app developed on a blockchain protocol and launched in 2019 as an alternative to Uber by two young political science and computer science graduates who were seed funded by Canada's biggest credit union and an IT company (Tomesco, 2019). Eva has expanded globally and hopes to establish a franchise in South Africa as the Trip Rider SA case study suggests.

Fairmondo: A cooperatively owned, and democratically governed e-commerce platform launched in 2012 as an ethical alternative to Amazon by an anti-corruption activist in Germany. Fairmondo is largely crowdfunded. It has a lean and modestly remunerated core team who work in pursuit of broader social goals. (Cooperative Journal, 2021)

Stocksy: Perhaps the most famous of all platform co-ops is Stocksy, a stock photography business that is cooperatively owned and operated by the photographers in its community. Participation in this co-op is by invitation only. Interestingly, Stocksy's founder owned an earlier stock photography business, which he sold to Getty Images for \$50 million, thereby freeing him to launch the platform co-op. (Winchell, 2017)

Enabling platform cooperativism

A global study (Scholz et al., 2021) investigating what kind of enabling policy environment is needed for the emergence of platform cooperatives indicates that the regions with the most dynamic sectors are: California (US), Kerala (India), Barcelona (Spain), Bologna (Italy), Berlin (Germany), Paris (France) and Preston (UK).

The study broadly attributes the successful emergence of platform co-ops to an enabling environment, which it suggests is characterised by two experiences: 1) An enabling environment facilitated by the endorsement of mainstream left leaning political parties that support the democratisation of the digital economy, as appears to be the case in Europe and Kerala. 2) An established track record of successful co-op development in spite of an incompatible socio-political policy framework, which appears to be the case in the US. Some examples are presented below.

Global North

The US has a long tradition of co-op development that goes back more than a century with a diverse co-op sector producing 'consistent social benefits' (Scholz et al., 2021). For example, the state of California has a history of alternative ideas rooted in 1960's counterculture that has scaffolded a co-op movement, which has survived for better or worse in the face of rampant neoliberalism, ultimately providing fertile ground for the emergence and growth of 21st century platform co-ops (Scholz et al., 2021). Looking beyond California's counterculture context, support from the federal state in other parts of the U.S. also seems to have played a role in the establishment of the co-op sector in the country. Gillwald (2005) argues that on the back of rural electrification through state supported cooperatives, roll out of the rural telephone network in 1950's America was accomplished by a co-op sector mobilised by the state to deliver telecoms services through financial, institutional and legislative support in parts of the country ignored and underserved by the private sector.

Across the Atlantic one finds examples of political support for platform cooperativism in the party manifestos of Europe's left leaning political parties. For example, the Scholz et al study (2021) reports that the former chair of Germany's social democratic SPD Party, Andrea Nahles, emphasised the significance of 'solidarity and cooperation' in the digital economy in a publicly released statement. In the UK, the Labour Party under Jeremy Corbyn highlighted platform cooperativism in its Digital Democracy Manifesto, while the issue continues to receive support under Keir Starmer's leadership (Scholz et al., 2021).

Both examples demonstrate efforts to elevate platform cooperativism in mainstream politics, which is vital for raising public awareness and generating support. Nevertheless, both the UK and Germany already have active and vibrant cooperative sectors across a variety of industries (International Cooperatives Alliance, 2020), which undoubtedly also supports the establishment of a solidarity economy within the digital economy.

In general, the socio-political orientation of elected leaders appears to matter for creating an enabling environment to support the emergence of alternative models in the platform economy. For example, the city of Barcelona that elected an anti-eviction housing activist as mayor in 2015 - Ada Colau, who was part of the Spanish Indignados movement that emerged as an upshot of the 2008/9 financial crash - treats its residents' data as a public good, eschewing ownership by Big Tech whilst nurturing platform cooperativism through support for 'social economy' enterprise development. The city of Barcelona has also included platform cooperativism in its innovation and development strategy, thereby also creating a funding mechanism. (Scholz et al., 2021)

Global South

With few exceptions, platform cooperativism has barely made a mark as an enterprise development model in the platform economies of the Global South. The state of Kerala on the southwestern tip of India - also the world's first 'democratically elected communist government' (Nossiter, 1982) - offers one such exception. Kerala has remained under communist rule through democratic electoral processes since 1957 (Jaffe & Doshi, 2017). The cultural orientation of the Keralan population is thus strongly aligned to leftist traditions, which also creates grassroots pressure for social impact policies rooted in principles of social justice (Scholz et al., 2021). As a result, the government of Kerala presides over a population with excellent human development indicators, two thirds of whom belong to co-ops (Bergruen Institute, 2021).

According to Dr PV Unnikrishnan, Member Secretary of the Kerala Development Innovation Strategic Council, Kerala boasts the largest governmental open source and free software facility in the world. In November 2019, Kerala declared the internet a basic human right with plans to provide high speed access to all citizens. Kerala has also taken a policy decision to bring platform cooperatives into focus as it builds a knowledge society. To this end, the state aims to develop 4 000 platform co-ops over five years and has also undertaken to position the issue as a focal point in innovation democratisation discourse in colleges and schools where it has introduced a new topic, 'innovation collectives and platform cooperatives'. Finally, Kerala is supporting the creation of a platform

cooperative investment fund and will offer preferential venture fund treatment to platform cooperatives. (Bergruen Institute, 2021)

The tiny state of Kerala is an anomaly in the vast country of India where there is scant evidence of similar efforts. Instead, the national government of India has announced a plan to digitise just one, albeit large co-op sector. India plans to ‘computerise so-called primary agricultural credit societies (PACS)’ (Haq, 2021). Billed as a ‘digitised platform for cooperatives’ (Haq, 2021), this national software platform will essentially digitalise PACS and district cooperative banks historically established to extend credit to small scale farmers ignored by commercial banks. India’s government plans to use this digital initiative to streamline value chain linkages in support of the agricultural sector (Haq, 2021). This national initiative, however, is not comparable to Kerala’s, which while casting its net wider across a variety of economic sectors also approaches platform cooperativism from an alternative socio-political perspective deeply rooted in left-wing consciousness.

Given its significance in the Global South, Brazil is another country that deserves mention. Brazil has an established traditional cooperative sector dominated by agricultural co-ops that are responsible for almost half the country’s agricultural production. This is followed by transport co-ops. Given the prevalence of community banks and local savings groups in large parts of the developing world, it is interesting to note that Brazil has more co-ops involved in professional scientific and technical activities than it does in banking. (International Cooperative Alliance, n.d.; International Labour Organisation, 2019).

Platform cooperativism is still nascent in Brazil. However, the Rosa Luxemburg Foundation has supported the launch of a Platform Cooperativism Observatory, which provides news, research and other resources to those interested in developing or learning more about platform cooperativism in Brazil. Meanwhile a number of Brazil’s platform co-ops, which are still in the development phase, appear to be efforts originating from researchers and universities (Digi Labour, 2021).

Global expert on platform cooperatives, Trebor Scholz, told RIA that depending on the context, platform co-ops could take many different forms (T. Scholz, personal communication, March 11, 2022). We see evidence of this in Brazil where active platform co-ops are dominated by delivery service enterprises, many which use low tech solutions and appear to have roots in Brazil’s vibrant social movements. One example being, Señoritas Courier, a ‘collective of women and LGBTQIA+ delivery workers from São Paulo’, which simply operates with an automated order form as opposed to a fully-fledged platform app (Digi Labour, 2021). Indeed, tech expert Luke Jordan, founder of Grassroot, a low-tech mobile organising platform in South Africa, who was also interviewed by RIA for

this study, argues that members can get away with little more than a WhatsApp group and an Excel spreadsheet to run a basic platform co-op (L. Jordan, personal communication, March 11, 2021).

The examples above demonstrate that platform cooperativism enjoys greater success in the Global North relative to the Global South with the exception of the Indian state of Kerala. Nevertheless, while platform co-ops are more successful in the Global North, they are still a minority and their success is nowhere near the levels required to mount a challenge to the hegemonic and extractive rent-seeking investor funded model in the start-up ecosystem sustained by the deep pockets of venture capital (Qualtrough, 2021). Platform co-ops do, however, represent an important alternative that may capture people's imagination by the very fact of their existence in a rapidly changing world.

What are the prospects for platform cooperativism in South Africa?

Platform co-ops face a constrained policy environment in South Africa not least of all due to the neoliberal orientation of the country's macroeconomic policy framework. In this respect, the International Labour Organisation (ILO), which sees an important role for cooperativism in the solidarity economy, points out that one of the factors inhibiting the development of a solidarity economy in South Africa is its adoption of the five-year neoliberal Growth, Employment and Redistribution (GEAR) macroeconomic plan, which jettisoned the ANC's Reconstruction and Development Programme (RDP) in 1996 (Steinman, 2017). GEAR, which has been described as a 'self-imposed structural adjustment programme' (Tomlinson, 2003), focused macroeconomic policy on privatisation and investment-led economic growth (Gomersall, 2004). Its ability to rise to South Africa's inequality challenge is widely debated (Forslund, 2019; Streak, 2004). Nevertheless, its financial liberalisation and investment led growth paradigm, continues to inspire policymaking in the state's economic cluster amidst strong support from the business community. We see evidence of this in the digital development space, where a lobby group, dominated by venture capitalist friendly organisations, has already taken the lead in promoting a neoliberal agenda by tabling a 'Startup Act Position Paper' (2021) that is being used as a lobbying platform for pro-business interests. This is a clear demonstration of regulatory entrepreneurship, which as discussed below, presents a challenge to the diversification of the digital economy.

At the same time, the overriding impact of GEAR's influence in South Africa is dualistic social and economic policymaking, as the state endorses a neoliberal economic expansion policy agenda alongside a massive though somewhat beleaguered welfare program targeting poverty alleviation. This has filtered into how the post-apartheid state

appraises co-op development as a policy instrument—its primary objective being job creation and poverty alleviation amongst the poor in black townships and in rural areas in resource strapped and demand constrained economic contexts with weak to non-existent links to the mainstream economy, broadly described as South Africa’s second economy.² This approach, as described below, has resulted in the failure of the co-op sector in post-apartheid South Africa.

It also suggests that prospects for sowing the seeds of cooperativism in the digital economy through existing state sponsored programmes are weak. Indeed, as demonstrated below, platform cooperativism in South Africa is located in a dichotomous policy space where on the one hand, the state is sponsoring a minimalist welfare programme aimed at distributed ownership in the second economy. While on the other hand, the private sector buoyed by a neoliberal policy framework, is driving the development of a tech start-up ecosystem built on deregulation and flexible labour policies in the digital economy, which is integrated into the global economy. Platform cooperativism in South Africa thus navigates an awkward policy space with divergent and competing objectives.

The failure of the co-op sector in post-apartheid South Africa

Co-ops have been in existence in South Africa for more than a century (Greenberg, 2013; Rena, 2017). Their success has waxed and waned in line with the changes South Africa has experienced over the course of the past century as the country transitioned from a colonial to an apartheid to a democratic state.

The co-op sector achieved great success during the apartheid era. At the time, however, support for co-op development was targeted at white commercial farmers who received financial support from the Land Bank as well as other forms of assistance from the state, including but not limited to market access to achieve scale and commercial success (Greenberg, 2013; Rena, 2017). White farming co-ops were also supported by “a privileged caste of officials drawn from the agricultural sector representing (their) interests...deep in the state” (Greenberg, 2013, p. 5). Furthermore, these farming co-ops were not survivalist and possessed the skills and resources to successfully capitalise on the enabling environment created by the state. A year before the apartheid state relinquished power, it promulgated new legislation enabling the privatisation of co-ops, which 90% of white agricultural co-ops opted for (Sikuka cited in Greenberg, 2013). Many large white

² The second economy in South Africa refers to the economy in marginalised and depressed areas, such as poor urban townships and underdeveloped rural areas that are structurally disconnected from the productive and globally connected mainstream economy.

agricultural co-ops thus emerged from the apartheid era as investor-oriented firms (King & Ortmann, 2007). Flush with private equity funding, mergers and acquisitions along the entire co-op's value chain soon followed, resulting in massive agri-food monopolies that persist in South Africa today (Greenberg, 2013).

In contrast to the apartheid regime whose support of the co-op sector was aimed at restructuring agricultural constituencies for commercial success in the mainstream economy, the post-apartheid state reconceptualised the objectives of co-op development to address job creation and poverty alleviation amongst black communities in townships and rural areas located in the second economy. Despite this noble objective, the conceptualisation and implementation of the post-apartheid co-op development programme, as discussed below, has produced abysmal results. Overall, South African co-ops have a staggering failure rate of 88% across all sectors (PMG, 2018; Rena, 2017).

Cooperatives in South Africa are regulated by the Cooperative Act of 2005 (amended in 2013). According to legal expert, Jan Theron (2021), who was involved with the initial drafting of the legislation and recently reviewed it, the Act is by no means perfect; however, government has adopted a 'light handed' approach with respect to giving it effect. This, he argues, diminishes its role as a major contributor to the failure of the co-op sector, which instead is beleaguered by the social and economic context within which co-ops are developed.

In this respect, South Africa's co-op sector is dominated by black, survivalist farmers and low-income small businesses trapped in the second economy (PMG, 2018; Rena, 2017). The challenges faced by these co-ops include poverty, low literacy levels, a lack of skills, internal conflicts over limited resources, as well as a localised focus in demand constrained communities with poor to non-existent value chain linkages to the mainstream economy (Shava & Hofisi, 2019; Steinman, 2017). This situation is exacerbated by a general lack of understanding of the principle of collectivism as an instrument of democratic ownership that promotes social objectives in enterprise development. Many co-op members from impoverished communities simply see co-ops as government extension projects and self-help groups (PMG, 2018).

With policy driven by the National Department of Small Business Development, co-op development is implemented by municipalities under the aegis of local economic development (LED) programmes. However, this enabling environment is seriously hampered by poor institutional and funding support due to a lack of coordination in government programs and resources (Bhengu, 2021; PMG, 2018; Shava & Hofisi, 2019). This is notwithstanding the fact that micro enterprise development targeting black

ownership is treated as a welfare issue within broader neoliberally oriented LED programmes (Tomlinson, 2003). Thus, indicating an inferior role for cooperativism due to the fact that it is relegated to an obligatory side issue to be accommodated within broader neoliberal economic development plans.

Be that as it may, the South African government has also sought to create an enabling environment for cooperative development by establishing a Cooperative Incentive Scheme, which is a fund that provides grants of up to R350 000 to registered co-ops that satisfy prescribed criteria targeting 'majority black ownership' specifically in relation to 'historically disadvantaged individuals' with a 'bias towards women, youth and people with disabilities' (Department of Small Business Development, n.d.).

However, as a result of the extreme levels of poverty in South Africa and the complexities this introduces into survivalist communities, the scheme has unfortunately been abused. According to Theron (2021, p. 14), "Government has been powerless to prevent applications being made to register cooperatives for no other reason than to access the grant and divide the money amongst the members". This has resulted in an inflated number of registered co-ops in South Africa, which 'exist in name only and not by nature and purpose' (PMG, 2018). As a result, there are somewhere in the region of '140 000 registered co-ops on government's books', most which are non-operational (Theron, 2021).

There is a clear pattern of abuse of state funds in South Africa's co-op sector, which Theron (2021) argues is exacerbated by the lack of a co-op movement. In this respect, apex cooperatives are umbrella organisations responsible for supporting the development of the co-op sector as well as building a movement. In South Africa, they achieve these objectives with the support of significant state funding. However, the motives driving the formation of apex co-ops in South Africa are also open to question, as they too appear to be either non-functioning and/or unable to account for expenditure. For example, a parliamentary committee has questioned the very existence of the National Apex Cooperative of South Africa (NACSA) due to its lack of visibility (PMG, 2018). Meanwhile, the Special Investigations Unit (SIU), the state's forensic investigation and litigation agency, conducted a probe into the South African National Apex Cooperative (SANACO), which accessed R39 million worth of state funds for cooperative development that appears to have evaporated without trace (Dlamini, 2018).

The abuse of the Cooperative Incentive Scheme as well as the channelling of state funds through apex co-ops with highly questionable results, raises questions about the values driving co-op development in South Africa. Clearly, the South African co-op experience is

not grounded in values that can be compared to California's counterculture, Barcelona's social movements or Kerala's grassroots socio-political consciousness. This, coupled with the location of cooperative development within an overarching government programme underwritten by a neoliberal policy framework, which perceives cooperativism as a welfarist issue to be accommodated as obligatory outreach in survivalist communities, is a recipe for failure. In this regard, the results of co-op development in post-apartheid South Africa speak for themselves.

While the international experience highlights the socio-political orientation of government programmes as well as the track record of traditional cooperativism as important factors contributing to an enabling environment for platform cooperativism; in South Africa's case, the inferior status assigned to co-op development in government's programmes and resultant failure of the sector, bodes ominously for the development of 21st Century platform cooperativism in the country. The emergence of a Start-up Act Position Paper formulated by a pro-business lobby group as an attempt to shape start-up legislation in South Africa, adds to the dilemma.

A pro-business Startup Act Position Paper

As start-ups, platform cooperatives would not only fall under the purview of co-op legislation, but also under forthcoming start-up legislation in the digital/platform economy. In this respect, the emergence of a Startup Act Position Paper³ developed by a pro-business lobby group promoting neoliberal proposals, is of some concern. This initiative enjoys support from the British High Commission in South Africa and the World Bank. As evidenced by some of its proposals discussed below, it is a clear demonstration of regulatory entrepreneurship by a labour-hostile lobby group aiming to influence start-up legislation in South Africa. In this respect, the influential group has already met with the President of South Africa to discuss their proposals (Dihoko, 2021).

This initiative is co-ordinated by a steering committee that includes the Southern Africa Venture Capital and Private Equity Association (SAVCA), Silicon Cape, Endeavour South Africa, SiMODiSA, the Innovation for Policy Foundation (i4Policy), Loud Hailer, Digital Collective Africa and Wesgro—which is the Western Cape's tourism, trade and investment initiative. An immediate issue that emerges is the regional bias towards the Western Cape in the composition of the steering committee, which raises concerns about representation given that the initiative targets national legislation.

³ A website (<https://www.startupact.co.za>) has been developed to promote the Startup Act Position Paper. The position paper can be downloaded from the website.

The thrust of the position paper is an unimaginative business as usual approach informed by the neoliberal tenets of financial liberalisation and deregulation. Recycling a familiar refrain, the position paper calls for the elimination of red tape, which it argues ‘constrains growth and job creation’ (Startup Act Position Paper, 2021). On the whole, the paper is characterised by appeals for a reduced and flexible regulatory environment to encourage foreign investment as well as facilitate the easy hiring and firing of staff.

The position paper outlines two approaches to insert its proposals into national legislation. Firstly, it proposes developing a Startup Act as ‘omnibus legislation’ that targets wide ranging policies and legislation (Startup Act Position Paper, 2021). This is a worrying proposition given that the types of proposals being tabled are devoid of labour protections and also geared towards extracting value from society.

Secondly, the position paper suggests the possibility of incorporating its proposals as amendments to existing legislation as an alternative option. In this respect, the steering committee has the National Small Enterprises Act, which is under review, in its sights. This option seems to be favoured as it is argued that this would likely “reduce efforts needed for public consultation and stakeholder buy-in” (Startup Act Position Paper, 2021). This signals the steering committee’s intention to ram through amendments to existing legislation with limited public oversight, which is problematic to say the least because democratic law making is a necessarily lengthy and ponderous process to ensure that stakeholder engagement results in the formulation of good laws in the public interest.

The following discussion highlights specific proposals from the position paper, which are related to the discussion on platform cooperativism. However, it should be noted that the position paper, while mentioning cooperatives as a typology, makes no further mention of co-ops. Furthermore, the proposals contained in the position paper do not support an enabling environment for platform cooperativism. If anything, they present a threat to the establishment of platform co-ops.

Foreign investor-driven innovation: A primary concern about the position paper is the neoliberal bias of the proposals. For example, the position paper calls for the need to free “qualifying start-ups from...compliance costs, inhibiting policies, and bureaucratic practices that prohibit South African domiciled start-ups from attracting foreign investment” (Startup Act Position Paper, 2021).

Scholarly literature on the financialization of the tech industry already identified investor-driven tech innovation as a problem two decades ago due to its propensity to extract value from society. In her book, *Technological Revolutions and Financial Capital*, the British Venezuelan scholar, Carlota Perez (2003) demonstrates the connection between ‘idle financial capital’, new innovations and tech bubbles, highlighting a propensity for excessive financial speculation given that the primary motivation for venture capital investments in the start-up ecosystem is the extraction of maximum profit through planned exit strategies. For example, Silicon Valley start-ups are given as little as two years to return value to their investors, thus, destroying social value as entrepreneurs immediately become focused on profit maximisation to produce financial returns for investors (Truijen, 2016). Any platform co-op emerging in such an ecosystem would struggle to survive, given the need for dedicated and long-term support for experimentation with social innovation. Thus, the position paper’s focus on creating an international investor friendly environment uninhibited by regulatory concerns, detracts from dedicating attention to social impact venture capital investment, which of course comes with lots of strings attached to ensure positive social and environmental outcomes, notwithstanding the need to concede high returns on investments in return for social stability and shared prosperity.

However, the thorniest problem associated with venture capital and private equity investments in the start-up ecosystem is culture fit. For example, business school literature draws on Agency Theory to demonstrate that the individual identity traits of investors and founders have a significant impact on investment decision-making (Murnieks et al., 2011). With a significant amount of foreign investment funds originating in the West, black entrepreneurs on the African continent, including South Africa, report widespread racial discrimination in investment decision-making (Madowo, 2020). As one media report put it, ‘Silicon Valley has deep pockets for Africa – if you’re not African’ (Madowo, 2020). The problem, however, is not unique to Africa, black entrepreneurs in the U.S. are also overlooked by investors. Amongst other issues, the Harvard Business Review (HBR) cites ‘unconscious bias’ for the fact that black founders received less than 1% of venture capital funding in Silicon Valley in 2020 (Norman, 2020). The HBR argues that ‘venture capital investors, who are largely white, aren’t good at recognizing and developing black entrepreneurs’ (Norman, 2020). In South Africa, this translates to white founders receiving the lion’s share of investment funding in the start-up ecosystem due to their cultural alignment with foreign investors from the West. Pivoting to local investors in South Africa is unlikely to resolve the situation where racial bias in start-up investing is exacerbated by the supremacy of an angel investor class dominated by high-net-worth individuals that are white. Personal networks are of utmost importance in angel investing and, in this regard, historic wealth inequality is the biggest contributor to a lack of investment in black founders. Ironically, it is SiMODiSA, a participant in the position paper’s steering committee, that has highlighted the fact that “the number of black high-

net-worth individuals that have some disposable money to invest, does not compare to that of white people in South Africa” (Timm, 2017). Without interventions to address demographic imbalances, it’s hard to imagine how the non-interventionist regulatory framework being called for by the position paper can foster racial transformation in the start-up ecosystem, which is much needed in South Africa.

High-growth start-ups: While limiting the size of enterprises that would fall under the purview of the proposed Startup Act to those valued at R100 million or less, the position paper specifically targets high growth enterprises, which it defines as “fast-growing and dynamic businesses that have the potential of significant job creation and economic development” (Startup Act Position Paper, 2021). While the position paper caps the value of start-ups at an upper limit, its focus on high growth indicates a desire for rapid development. In this regard, the World Bank (2019, p. 42) cautions that the "ascent of platform firms raises issues related to market power...resulting in market concentration and facilitating the emergence of monopolies".

Market concentration, as pointed out by Frey (2020), constrains innovation diversity. In this respect, despite the high growth/job creating objectives of the position paper, there is, in fact, a direct link between market concentration and constrained innovation diversity in South Africa’s digital economy where successful start-ups have a track record of developing lean labour broking platforms that create low skilled, low paying jobs that do not support sustainable livelihoods. For example, there were already 14 food delivery start-ups operating in pre-pandemic South Africa (De Greef, 2019), and this number has likely increased in the post-pandemic era of social distancing. So, while the position paper may favour supporting high growth start-ups with ‘the potential of significant job creation’, a more nuanced understanding of the dynamics in the digital economy would question the quality of the jobs that are being created and their ability to transform the lives of the millions of South Africans trapped in low wage jobs, notwithstanding the millions more that are unemployed.

Innovation diversity, or lack thereof, is also influenced by venture capital-driven investments, which this paper, as noted earlier, seeks to increase in terms of its focus on international investors. Globally, the start-up ecosystem is dominated by Fintech. In the first quarter of 2021, fintechs ‘took home more than half of (all) funding within the tech sphere’ globally (Savoy, 2021). The start-up ecosystem in South Africa mirrors this trend with Fintech accounting for more than a third of the country’s start-up investments in the first half of 2019 (Timm, 2019). In this respect, fintech start-ups have also been singled out for the impact that they are having on job losses (Weeks, 2017).

Overall, the position paper's focus on foreign investor-driven innovation as well as on high growth enterprises, highlights concerns around the ability of its proposals to foster innovation diversity linked to sustainable livelihoods. More specifically, its proposals do not support the cultivation of the right kind of investment culture for the support of social impact enterprises and certainly not for platform cooperativism.

Flexible employment regime: Finally, the position paper calls for “a more flexible employment regime that underpins the ability to appoint and dismiss without fear of CCMA⁴ penalties and pro-labour rulings” (Startup Act Position Paper, 2021). In essence, the paper is arguing for start-ups to be able to hire and fire without recourse. This is amongst the most problematic of the proposals contained in the position paper given its potential to further entrench, if not worsen, existing structural inequalities in the South African labour market. This is not withstanding the fact that a flexible employment regime is undeniably open to abuse given the unequal power dynamic in employer-employee relations.

The problem is further characterised by an extreme division of labour in start-ups between a small cohort of highly skilled and highly paid workers who develop and manage the technology and a much larger group of precarious workers who interface on the margins of platforms to perform gig work (Pais, 2020; Srnicek, 2017). In this respect, the persistence of apartheid-era social and economic conditions results in a racial fault line in the division of labour in South Africa with poor black workers comprising the majority, if not all of those engaged in marginal platform work. There is nothing in the position paper to indicate a reversal of this trend. The position paper does not in any way engage with or respond to the vast literature on the problems identified by ‘Future of Work’ research regarding precarious work in the platform economy, including in South Africa. Its proposals, in fact, will likely worsen the problems identified by this research.

The position paper also contains a contradiction in terms of its employment objectives regarding youth development. On the one hand, it talks about unleashing “the growth and innovation embedded in our youth and entrepreneurs” (Startup Act Position Paper, 2021). While on the other, it calls for ‘flexible immigration’ and ‘continued retention of foreign talent’ (Startup Act Position Paper, 2021). Surely a commitment to unleashing the potential of South Africa's youth would also include skills transfer as an important component of any scarce skills immigration programme.

⁴ CCMA refers to South Africa's Commission for Conciliation Mediation and Arbitration.

Overall and in concluding the discussion on South Africa's pro-business Startup Act Position Paper. Its proposals promote a neoliberal market-led approach to developing South Africa's digital economy against a backdrop of minimal regulatory oversight. This is hugely problematic given that unfettered market-led growth has resulted in a global platform economy characterised by market concentration, monopolies, excessive rent-seeking, pervasive labour-constraining automation, and a lack of innovation diversity (Frey, 2020; J. Schor, 2020; Srnicek, 2017; World Bank, 2019). In this regard, perhaps the last word should be given to futurist Martin Ford who offers this penetrating critique of unfettered market-led growth: "As information technology continues its relentless progress, we can be certain that financial innovators, in the absence of regulations that constrain them, will find ways to leverage all those new capabilities – and if history is any guide, it won't necessarily be in ways that benefit society as a whole" (Ford, 2015).

Diversification in South Africa's digital economy

The fact that the mainstream tech start-up ecosystem is dominated by a neoliberal policy agenda, alongside the fact that South Africa's fragile co-op sector is confined to the second economy, has done little to promote the cause of social enterprise business models in the digital economy. This has resulted in a lack of diversification in South Africa's digital economy, highlighting concerns about a lack of structural change for social good. It has also resulted in this study not finding a single established platform cooperative in South Africa.

What has been discovered are two examples of early-stage platform co-ops still in development (see the Digital Platform Cooperative Project and Trip Rider SA case studies below). The only successfully established alternative start-up model uncovered by this study is a social enterprise business that strictly speaking can't be described as a platform co-op, but has instead been described as a platform for collective action (see the Abalobi case study below).

Not dissimilar to the Brazilian experience, two of the three case studies below have their origins in academia, indicating that exploring alternatives to neoliberalism remains a niche issue in South Africa. This is symptomatic of a general economic conservatism in the country, which bodes poorly for the diversification of the digital economy towards the objective of achieving social impact. While the case studies offer hope, they also indicate that much remains to be done towards achieving this goal.

Case Study 1: Abalobi

Abalobi is a two-sided social enterprise marketplace that connects fishers to restaurateurs via a digital platform that eliminates the need for traditional intermediaries in the relationship between fishers and buyers. Abalobi is not a platform co-op, but a hybrid non-profit/for-profit enterprise, governed by a non-profit board. The data produced by the Abalobi platform belongs to the fishers who are registered to use the app. This case study has been drafted from information gathered in an interview conducted with Dr Serge Raemaekers (S. Raemaekers, personal communication, May 26, 2021), a Belgian national living in South Africa (SA), who is a founding co-director of Abalobi.

The roots of the Abalobi platform can be traced back to policy work on small-scale fishing rights that Raemaekers was involved in. Given that post-apartheid fisheries transformation had failed to recognize the rights and customary practices of small-scale fishing communities, as well as the issue of fishing quotas, South Africa's Equality Court ordered the fisheries authority to go back to the drawing board in 2007 to recognize the rights of small-scale fishers excluded by the extant policy framework.

Having completed a PhD in fisheries governance with a focus on customary practices along South Africa's Wild Coast, Raemaekers was part of a task team that worked on developing a new policy framework to recognize the rights of small-scale fishers. The process included giving coastal communities the opportunity to contribute information about their challenges and needs, and share their vision for the recognition of small-scale fishers from a human rights, conservation, fisheries management and market perspective. Gazetted in 2012, the policy was never implemented. Instead in 2021, the Minister in the Department of Forestry, Fisheries and Environment (DFFE), Barbara Creecy, appealed to the High Court to scrap the process of awarding small-scale fishing rights in the Western Cape, initiating a new policy process.

This backstory is important to understand the genesis of Abalobi as a platform for collective action in an addition to being an e-commerce platform, as the enterprise's development is interwoven with the ongoing struggle for recognition by small-scale fishers in South Africa. Helpful in understanding this, Raemaekers' research at the University of Cape Town (UCT), funded by the National Research Foundation (NRF), focused on grappling with the policy framework and how it could respond to fisher communities' experiences on the ground, whilst connecting these to government implementation processes. One of the main obstacles identified by Raemaekers was the epistemological gap between local traditional ecological knowledge and mainstream scientific knowledge. In general, fisheries tend to be managed along scientific parameters

with managers and researchers operating according to methodologies that diverge from the expertise of small-scale fishers. In addition, Raemaekers argues that scientists and small-scale fishers don't connect on a level playing field - not only are there language barriers, but in South Africa, this is also interwoven with race and class.

By way of addressing this issue, in 2015 Raemaekers found himself working with fishers on the question of how to map local knowledge for it to be recognised and respected. Key to this process was how fishers could share their understanding of natural resources in a manner that disrupts fisheries management because fishers have an amazing resolution of local knowledge that demonstrates an awareness of the ecosystem far beyond mainstream science. For example, he discovered that fishers have 11 different names for one species based on the fact that the species has eleven different roles in the ecosystem at various points in its life cycle from a juvenile to an adult depending not only on the season, but also on the spawning population.

Thus, building on local knowledge emerged as a vital consideration to achieve a framework regarded as legitimate by the resource users. This demanded going beyond simply building trust between fishers and fishery scientists and instead developing a focus on scaling local ecological knowledge to build a grassroots movement that would put a different picture on the table. The opportunity to do this arrived in 2015 when Raemaekers received another grant from the NRF to supervise students to experiment with how ICTs could be co-designed with resource users, which in essence, marked Abalobi's inception. Thus, motivated by human rights and sustainable development goals, Abalobi was launched by researchers at UCT's Marine Research Institute as a participatory action research project that acts as a "transdisciplinary and social learning endeavour, bringing together various stakeholders, with traditional fishers taking centre stage" (Abalobi, 2020).

From knowledge exchange to digital marketplace

For about two years between 2015 and 2017, as part of his study, Raemaekers co-ordinated a team that explored mobile and cloud-based technology in an effort to develop a mobile app that would allow fishers to record information on the platform regarding their indigenous knowledge and other issues that interested them. This resulted in the building of a platform which, over time, the fishers started calling 'Abalobi', meaning 'fisher' in isiXhosa.

The upshot is that this university-based research project, took off in a manner that exceeded expectations. Not only were officials excited about the project, but some fishers also started using their data in court cases and in appeals processes with government to validate their status as small-scale fishers.

It was at this point that Raemaekers, one of his students (who went on to work at the fisheries authority) and one of the fisher leaders, decided that while it was important that there was a link to UCT, Abalobi needed its own identity and a home beyond the confines of a university-based research unit. This resulted in the registration of Abalobi as a legal entity, leading to its official establishment as a registered non-profit company, an NPO under the Department of Social Development as well as a public Benefit Organisation (PBO) with the South African Revenue Services.

As the platform was built to support and mobilise a grassroots movement, the founding members focused on developing mechanisms to establish community-based processes. Thus, fishers were not just invited to be part of governance processes, but also part of governance structures at different levels of Abalobi.

By 2017, the platform functioned as a tool for fishers, working primarily as an accounting and electronic logbook for them to record information and visualize data at a group level while using data products, services, and visualizations to change their conversation with government. Thus, Abalobi's foundational role was as a platform for knowledge exchange and empowerment.

However, the founders also built the platform with some flexibility to allow for the potential to consider other possibilities regarding its future direction - and in this regard, two burning questions that emerged were around the growth of the platform in South Africa as well as its ongoing sustainability.

This, of course, spurred the team to raise grant funding from local and international philanthropic foundations as well as smaller funders to keep it going. But, in what Raemaekers describes as a breakthrough moment, there was also the realisation that Abalobi had the potential to demonstrate how the implementation of the small-scale fishing policy, seemingly abandoned by government, could work.

In this regard, Abalobi had the potential to practicably demonstrate how the concept of collaborative fisheries management as distinguishable from top-down fisheries

management, could be mainstreamed – thereby facilitating government’s understanding of how to restructure the sector as well as put the resources in place to mobilize the implementation of the policy at a national scale.

But such an endeavour would require an extended process and long-term commitment, not least because it demands a significant change of mindset. Raemaekers argues that Abalobi was certainly chipping away at the problem. However, for small-scale fishers, matters transcend the mere recognition of customary practices, bringing other issues into focus. In this regard, the main concern raised by fishers was that they’re completely invisible in the market.

Fishers are price takers stuck in a system of servitude, resulting in and exacerbating a range of social ills as well as creating perverse incentives, including overfishing to make ends meet. While this is a global supply chain problem amongst small-scale fishers, Raemaekers argues that it is extremely acute in South Africa and “completely interwoven with racial dynamics, with legacy, with power dynamics and with neoliberalism and capitalism” (S. Raemaekers, personal communication, May 26, 2021).

It occurred to Abalobi’s founders that they had hundreds of fishers on their platform using the logbook daily whilst recording their fishing activities in a digital format. And while the data belonged to the fishers, some of it could be channelled to a digital supply chain. So, in mid 2017, with some additional funding in hand, a prototype marketplace was developed as a digital supply chain to connect fishers directly to consumers.

To get the ball rolling, Raemaekers approached a chef friend of his wife, inquiring if she would be interested in getting an alert on her phone notifying her of what fishers had caught on any given day, following which she could place an order and depending on her location, receive the fish either that same day or the next morning. She agreed to test the service, which turned out to be a ‘game changer’ for her due to the exceptional quality of the fish, the species variety as well as the story behind the catch, as buyers also receive a QR code that links directly to the story of the fisher that logged the catch. From there, Abalobi grew from strength to strength.

Fast forward three years and Abalobi was working with 2 000 fishers and about 5 000 buyers. By February 2021, fishers had sold 150 tons in response to roughly 10 000 orders via the Abalobi marketplace, resulting in R12 million being paid directly to fisher communities by chefs and other consumers. Overall Abalobi enables fishers to bypass many layers in the supply chain obtaining a fair return for their catches.

A platform for collective action

Abalobi is not a platform co-operative. Instead, it is a tool for collective action to advocate for the rights of small-scale fishers. Abalobi works collaboratively with fishers to foster community development amongst fishers who are struggling and who lack adequate market access. In this regard, Abalobi is not open to all fishers in South Africa as one might expect in an open two-sided marketplace. As a tool for collective action, it allows both for value risk and value retention within marginalised fishing communities. This enables the fishing community to retain the maximum value of catches such that opportunities for job creation are captured at local level. As a result, there is a careful onboarding strategy with an official advisory that navigates the process of bringing new fishers as well as their communities into the system. In this way, Abalobi functions as an umbrella corporate in that participants subscribe to the principles and practises of the organisation, whilst retaining their autonomy as independent fishers.

Another reason Abalobi is not an open marketplace relates to the issue of achieving price stability, which is a major concern in fisheries. In open marketplaces, competitive market dynamics lead to fishers undercutting each other's prices. This not only undermines price stability in fisheries, but also subverts systemic change. This situation has led to Abalobi pursuing a different strategy, which is not an open marketplace. Abalobi's marketplace is instead a tool that fisher groups use to drive change in the supply chain. In this respect, the supply chain is not influenced by demand, but by environmental factors, such as the availability and sustainability of species. This introduces diversity, for example, to restaurant menus, thereby reducing the practise of overfishing species that are popular culinary choices.

According to Raemaekers, the small-scale fisheries policy that was not implemented in South Africa recognises similar ideas of collective action. However, government now seems to be aiming for the fisheries authority to formalise cooperatives linked to initiatives by the Department of Trade and Industry (DTI) and broader narratives around agriculture and fisheries regarding the stimulation of community development. In this regard, Raemaekers contends, "South Africa jumped on the co-op bandwagon and has looked at the small-scale policy and its implementation as a way to formalize cooperatives in fisher communities and issue them with community rights" (S. Raemaekers, personal communication, May 26, 2021). Thus, what appears to be permeating within official spaces is some kind of thinking around linking co-ops to community fishing rights.

Raemaekers has mixed feelings about this on the grounds that there are both advantages and disadvantages to co-op development. In his view, co-ops can be quite expensive to run while the cooperative model itself could be quite prescriptive. Moreover, while government is following the co-op route, Raemaekers also noted in our interview that by early 2021 when government reopened the policy process, there were no cooperatives in place, leading him to argue that it could be a few years before fisher cooperatives with fishing rights are established. Meanwhile, other forms of collective action amongst small producing communities have been 'severely eroded' and 'muscled out' by the market and market powers. Noting that there may be other types of community associations that could be more relevant in some fisheries contexts along the coastline, Raemaekers argues that there should be "a bit more of a spectrum and a few more options when it comes to the kind of legal entity that can obtain fishing rights" (S. Raemaekers, personal communication, May 26, 2021).

There are also other layers of complexity encountered by Abalobi with respect to the idea of collective action when it is introduced to fishers. According to Raemaekers, while fishers in some instances support the idea of collective association because they recognise the need to work as a community, there's also a lot of apprehension about working as a group because people are working on their own and their families' lives while trying to survive. In this respect, working as a group does represent a daunting challenge to fishers. Raemaekers thus views the Abalobi marketplace as a "pragmatic learning by doing approach" for groups in communities that show interest in partnering with the initiative to progressively figure out their roles and responsibilities as well as the kind of structure they would like to form. Consequently, the Abalobi marketplace serves as an incubator that can be described as a community enterprise development program because it also provides a significant amount of community development training and organisational learning.

Interestingly, while it was largely men that initially engaged with the platform, it became clear that there was an invisible workforce supporting them in the communities, made up of women that scaled and packaged the fish and whose role became increasingly important to fishers whose businesses were growing due to their use of the Abalobi marketplace. This invisible workforce was, however, unrecognised and unregulated. Abalobi felt quite strongly, as part of their mission, that it would be important to find ways to recognise and remunerate the women, thus, ensuring fair remuneration and elevating their role.

Two years after taking that decision, Abalobi found that in every single coastal community that it works in, there was a strong group of women running the program. While the fishermen fish, it is the women that are co-ordinating operations and creating hubs in the fisher communities to maximize the potential benefits of utilising the platform. According to Raemaekers, from a collective action point of view, this represents an organic collective action that is connecting with the market in a different way.

A hybrid non-profit and for-profit institutional model

The current legal status of Abalobi is that it is a hybrid income generating non-profit company that has spawned a special purpose for-profit entity housed under the non-profit. Raemaekers is the managing director of the for-profit entity known as ABALOB I CT4FISHERIES. The need for a hybrid institutional model arose because Abalobi adopted a blended financing model, which necessitated the establishment of a special purpose for-profit entity to take advantage of impact investing, as another source of finance to support the expansion of its tech platform. Impact investing refers to the kind of investing where investors 'seek opportunities for financial investments that produce social (and/or) environmental benefits' (Brest & Born, 2013).

Abalobi's board thus opened the door to a carefully selected impact investor to explore where that relationship could go. This resulted in an interest free convertible loan for the for-profit entity to further develop the software platform to see how it can be used by fisher groups outside of South Africa. The for-profit works exclusively on developing the backend of the technology delivery system ensuring that technological improvements further advance the platform, while allowing for different configurations by different partners.

According to Raemaekers, there was a role for grant funding to play in building the initial tech platform when the organisation was working towards a minimum viable proof of concept product. However, at a later stage, Abalobi felt that other kinds of capital were needed to expand the technology and skills. The organisation decided that grant funding should be dedicated to driving community and social development while impact investing should focus on expanding the tech platform, especially to explore what role Abalobi could have as a South African social enterprise at a global scale.

The technology, which is located in the for-profit entity, is licensed to partners. However, the distribution arm remains the non-profit as all Abalobi's clients are not just looking at licensing the software, but are also interested in partnering with the organisation on the

model with respect to e-learning, impact assessment and fisheries improvement. Thus, selling the platform internationally takes place through the non-profit. In fact, the entire marketplace is run within the non-profit, which is a social enterprise with a revenue model that is fully transparent to the fishers. The social enterprise also charges a fee for cold chain logistics and onboarding, which takes place through the non-profit. It is the logistics fee at scale that allows the non-profit to be self-sustainable and not completely reliant on grant funding.

Elaborating on the difference between Abalobi and other hybrid models, Raemaekers argued that it's not uncommon for the founder of a trust to start getting anxious about their retirement, leading to the launch of an independent for-profit entity as a spinoff through which they continue offering services to the trust, thus earning an income. However, this is not the case with ABALOB I CT4FISHERIES. In this case, fishers codesigned the platform, making the establishment of an independent for-profit company inappropriate. Thus, Abalobi's founders deliberately set out to establish a special purpose vehicle that fell under the non-profit and was accountable to its board, making ABALOB I CT4FISHERIES an atypical tech start-up. In this regard, Raemaekers argued, "Abalobi's for-profit tech start-up is in it for the long run and unlike typical tech start-ups, is not looking for an exit in a couple of years" (S. Raemaekers, personal communication, May 26, 2021).

A multi-tenancy digital platform

Abalobi's technical platform, which has a robust design that evolved through a significant R&D phase, is based on a traceability model that connects an electronic logbook to a range of other pieces, including a digital marketplace. As there are many components to the platform, different configurations allow it to be used in various ways.

As the platform was co-designed by local fishers, it has a homegrown flavour. While this has advantages for South Africans, thinking about the self-sustainability of the non-profit, including its scalability and impact, Abalobi also felt that they had a role to play outside of the country. This was largely in response to the fact that the organisation received many inquiries via their website from foreign fisher groups and engineers about whether the platform was available outside South Africa. Consequently, from about 2020, Abalobi increased focus on a multi-tenancy configuration of the platform as well as interoperability. In this respect, the platform has been expanded such that any fisher group can use it. This includes developing the platform in different languages with different features.

According to Raemaekers, Abalobi operates in 10 countries with fisher cooperatives, fisher groups and fisher associations that are testing and shaping the platform to explore how they can organise the market differently from a position of power. Thus, while Abalobi does not function as a fisher co-op in South Africa, it seemingly is being used by fisher cooperatives in other parts of the world.

Case Study 2: The Digital Platform Cooperative Project

Still in its design and planning phase, a domestic and care workers' platform co-op is being co-created by the Social Law Project (SLP), a research and training unit currently located in the Centre for the Transformation of Work (CENTROW) in the University of Western Cape (UWC).

This case study is largely developed from interviews with the co-ordinator of the SLP, Fairuz Mullagee, amongst others, including domestic workers involved in co-designing the project. The SLP has a history of working on labour issues, which, as the discussion below will demonstrate, led to the unit embracing the role of “development facilitator” and setting the wheels in motion to support the launch of a domestic and care workers' platform cooperative.

This initiative, known within CENTROW/SLP as the Digital Platform Cooperative Project (DPCP), is being launched to promote sustainable workplace democracy in support of a rights-based culture. It is being developed as a distributed ownership model that was conceived as an alternative to two conventional private sector labour broking domestic worker platforms, SweepSouth, (South Africa's pre-eminent domestic worker platform, which is expanding on the African continent) and Domestly (which has shut down since the initiation of the DPCP).

Initiated in 2019, the DPCP is one of few examples of alternative enterprise development in South Africa's tech start-up ecosystem, albeit still in its launch phase. It emerged somewhat organically out of the various projects that the SLP was involved in over the years, in support of domestic and other vulnerable workers. Thus, the changing industrial landscape coupled with the SLP's deep understanding of vulnerable workers in the domestic workers' sector, influenced the research unit's decision to support the establishment of a platform cooperative.

The SLP has been involved in domestic workers' research for more than a decade going back to 2009, when, with the financial support of the Netherlands Trade Union Confederation (FNV), the unit embarked on a study to examine the impact of labour legislation on domestic workers and their lives. In addition, as a country, South Africa is active in the adoption of the ILO's Convention 189, 'Decent Work for Domestic Workers', which establishes labour standards for domestic workers around the world. The SLP, which has provided research support to ILO processes, discovered that the impact of domestic workers' legislation is weak because the sector is difficult to organize. As a result, domestic workers remain undervalued and exploited.

Over the years, the SLP has also worked in support of the domestic workers' trade union, the South African Domestic Service and Allied Workers Union (SADSAWU). Whilst the SLP has worked with SADSAWU and interacted with its members since 2009, at some point, the SLP also came to the realisation that the two organisations would not always be in agreement. Nevertheless, the SLP's engagement with SADSAWU remains supportive despite areas of divergence. For example, the SLP continues to provide support to the trade union with respect to its efforts to extend the Compensation for Occupational Injuries and Diseases Act to domestic workers. However, as Mullagee argued, the SLP is also of the view that the trade union model is unsuitable for organising domestic workers given the disparate nature of the work, i.e., "one worker, one work site" (F. Mullagee, personal communication, May 27, 2021).

The SLP's earlier work with domestic workers provides some context for the launch of the platform co-op. However, more recently, the research unit was also involved with a court case against Uber in South Africa, providing legal support to seven drivers who challenged the working conditions on the ride-hailing platform. SLP discovered that the Uber drivers were attracted to the idea of establishing a platform cooperative. The next case study elaborates on the platform cooperative established by the former Uber drivers.

Meanwhile, as a result of the SLP's interactions with the Uber drivers, the idea of establishing a domestic workers' platform co-op also took root in the research unit. Mullagee said: "We thought that this is probably a way for vulnerable workers' issues that we've been working with over the years to be addressed by tech, which has now become so prominent as a tool for organizing and a whole range of issues" (F. Mullagee, personal communication, May 27, 2021).

Another push towards the platform cooperative model came from an empowerment project for domestic workers that the SLP was involved in around 2016. At the time, the

SLP was funded by the Services Sector Education and Training Authority (SETA) to implement an empowerment program for domestic workers. However, the project “fell flat” because it was difficult to comply with the bureaucratic requirements of the SETA. According to Mullagee, the empowerment project “just became a complete nightmare”, because domestic workers found it difficult to comply with bureaucratic requirements, including filling in forms (F. Mullagee, personal communication, May 27, 2021).

The empowerment project had been modelled on the concept of building cells of workers. To do this, the SLP worked with 25 workers in Cape Town and 25 workers in Johannesburg. The requirement for each worker was to engage ten other workers. As a result, the research unit had access to a network of about 500 domestic workers in the field. And while the SLP didn’t see the empowerment programme through to its end, what the initiative did achieve was to expose the unit to the possibility of doing things differently. Thus, the experience of engaging with the ‘cell model’ (where each active worker on the project represented a cell of 10 or more potential new workers), also fed into the idea of developing a platform cooperative for domestic workers.

Targeted partnerships

The SLP started off by approaching Domestly, a privately owned domestic work platform to see if there was potential for a partnership. The proposal for the partnership was that Domestly would continue connecting workers to households via their app, while the SLP would enter as a labour support partner to elevate and support social security issues on the platform. This would also support individual employers of domestic workers to become more compliant with labour legislation because, according to Mullagee, individual employers also struggle, for example, with issues like paying their unemployment insurance dues. At the time, Domestly was quite open to the idea of collaboration, but eventually the partnership didn’t materialise. In the interim, Domestly has closed down ostensibly due to its inability to compete against SweepSouth.

The SLP received seed funding for the establishment of the DPCP from the German workers’ education training council *DGB Bildungswerk*. Mullagee offered some insights into why *DGB Bildungswerk* supports SLP’s platform co-op, arguing that while the Germans are not opposed to platforms, they are quite wary of the problems associated with mainstream digital platforms. For example, Berlin is known for its strict restrictions on Airbnb (Simon, 2020). In this light, *DGB Bildungswerk* is supporting SLP’s domestic and care workers’ platform as an alternative enterprise development model in the platform economy. Arguing that entrepreneurs usually founded businesses only to “sell

them off”, Mullagee noted that the funder also had concerns about the sustainability model of conventional start-ups (F. Mullagee, personal communication, May 27, 2021).

The platform cooperative as an advocacy tool

The momentum around the design, development and launch of the DPCP slowed down around mid-2020, firstly due to the coronavirus pandemic, which made it difficult to organise meetings with domestic workers. And secondly due to somewhat protracted negotiations between UWC and *DGB Bildungswerk* regarding the intellectual property of the platform co-op. This was amicably resolved with both parties agreeing that the data generated by the platform would become part of the commons.

During the lockdown, the SLP communicated with domestic workers predominantly via a Facebook page that had been established to facilitate communication and networking in support of the DPCP. These communications which took place on a daily basis revealed that all the domestic workers were looking for work, emphasising the livelihoods challenges faced by domestic workers. Consequently, at the time, the SLP felt that it was insensitive to engage with the domestic workers around DPCP issues, as they were experiencing significant hardships. However, the lockdown period did give the SLP time to reflect on the true value of the platform co-op for its members. In this regard, the systemic nature of the hardships experienced by the domestic workers served only to elevate the importance of the platform as a tool for collective bargaining.

Linked to this, Mullagee highlighted the existence of a domestic workers’ WhatsApp group lobbying for the inclusion of domestic workers in the Compensation for Occupational Injuries and Diseases Act—their exclusion from this Act has been found to be unconstitutional. According to Mullagee, the fact that domestic workers were already using an app to mobilise for legislative reform, further highlighted the significance of technology as a tool to improve the collective bargaining environment.

Thus, SLP’s platform cooperative is developing as a prototype that is transcending the narrow worker-owned business model to become a space that also holds, protects and supports domestic workers, simultaneously developing their capacity to mobilise technology as a tool for advocacy. The exact institutional form that this will take is still open to question. Mullagee is wary of South Africa’s co-op legislation citing similar concerns to Raemaekers. While still committed to the idea of collective ownership, the DPCP, is nonetheless exploring alternative institutional frameworks.

An open-ended solution

As things currently stand, the SLP is overseeing the development of the DPCP's technical platform as an information exchange and advocacy tool that includes a marketplace component for domestic work as well as care services. According to Mullagee, CENTROW and the SLP in conjunction with the domestic workers involved in co-designing the platform will take a decision later this year "about which business entities to launch" (F. Mullagee, personal communication, May 27, 2021). For their part, the domestic workers have expressed enthusiasm about launching the marketplace component of the platform, which they favour naming 'We Care'.

However, it can be argued that there are some challenges that need to be overcome before the marketplace component of this project can be launched. The first challenge is the capacity of the domestic workers to run the business, as co-ops are conventionally worker-owned and managed. In this regard, while the SLP has provided training to develop the technical skills of the domestic workers as well as expose them to the governance and management model of cooperatives. In RIA's assessment, it will be some time before they are ready to completely take over the management and day-to-day running of a platform co-op themselves.

This is neither a unique nor an insurmountable problem, as demonstrated by the ride-sharing platform, Riders Cooperative. This platform co-op is led by its self-appointed founders, not all of whom are drivers, and a governing body made up of staff and drivers who were also appointed without election and who will lead the co-op for a two-year term before it hosts its first election (Toussaint, 2021). This example highlights the possibility of appointing an interim management and governance team for the DPCP that is not initially entirely drawn from the domestic worker cohort.

This leads to the second challenge associated with this initiative, which is that the SLP is a development facilitator and not an implementor. This is one way in which the DPCP case diverges from Abalobi, as the SLP does not see a role for itself in the day-to-day running of the platform. In the case of Abalobi, which also has roots in academia, a researcher left his job at a university to take on the responsibility of driving the project, which included a significant amount of fundraising to expand the platform, develop the governance and management frameworks, as well as employ and lead a team responsible for the day-to-day running of the platform. It's a massive undertaking that requires a skilled, well-resourced and dedicated team. Thus, should the DPCP decide to

initiate the marketplace component of its platform, its biggest challenge would then be finding an enterprise development driver to take responsibility for its institutional development and financial sustainability.

There is nothing to suggest that the DPCP cannot achieve its most ambitious goals. However, this will require alternate institutional support (as the SLP withdraws from the project) as well as significant financial resources. The DPCP represents a systemic response to structural inequality amongst one of the most vulnerable groups in South Africa. While it may initially offer a circumscribed platform, this can always be expanded. It remains a much-needed intervention in South Africa's start-up ecosystem.

Case Study 3: Trip Rider SA

Trip Rider SA is an emerging platform cooperative that has a franchise opportunity with Eva, the Canadian ride-sharing co-op. This case study largely draws on data from an interview with Faiza Haupt, a former Uber driver, co-founder and current chair of Trip Rider SA (F. Haupt, personal communication, March 16, 2022) and to a lesser extent from Derick Ongansie, one of seven drivers that brought a court case against Uber (D. Ongansie, personal communication, March 16, 2022). Trebor Scholz of the Platform Cooperative Consortium who has met members of the Trip Rider SA team was also interviewed. He shared his "drive by" impressions of the initiative with RIA (T. Scholz, personal communication, March 11, 2022). Trip Rider SA is the only case study in our investigation that does not have roots in a university. It was launched after seven Uber drivers in Cape Town, who came to be known as the 'Uber Seven', were deactivated by the tech company, effectively blocking them from using the Uber app and resulting in the loss of their jobs.

Uber is notorious for introducing unfair working conditions to the platform economy, resulting in the phrase 'the *uberisation* of work' (Kaine et al., 2016) entering labour market discourse as a pejorative term describing precarity in the platform economy. As a tech giant with global reach, Uber has redefined labour relations to effectively operate outside the law in many parts of the world. At the core of its labour practice is its refusal to recognise Uber drivers as employees of the company, instead referring to them as independent contractors, leading to widespread abuse of drivers who have no recourse to the protections enshrined in labour legislation (Drahokoupil & Piasna, 2017; Graham et al., 2017).

There are a wide variety of local and international studies, including studies conducted by RIA, detailing Uber's unfair labour practices. See, for example, Ahmed et al (2021). These

practices influenced some drivers to attempt establishing an organisation to negotiate better working conditions in South Africa. When Uber learnt about the drivers' organising activities, they were deactivated from the app (D. Ongansie, personal communication, March 16, 2022). The drivers went on to lodge a case against Uber with legal support from the University of Western Cape's Social Law Project (SLP), which they lost on a technicality aided by the company's complicated corporate structure. Whereas the drivers lodged their case against Uber South Africa, the app that they were deactivated from is owned by Uber BV, which is registered in the Netherlands and unbeknownst to the drivers, also happened to be the entity that they were legally contracted to. (D. Ongansie, personal communication, March 16, 2022). It's an opaque system that came to light during the court proceedings, which essentially led to the drivers losing because they had no contractual relationship with the entity against whom they had lodged their case.

A platform co-op as an alternative to Uber

Kaine and colleagues (2016) argue that "the 'Uberisation' of work is driving people to platform co-operatives". This is exactly what happened in South Africa. Following their disastrous experience with Uber, the drivers decided to establish a platform co-op as an alternative to Uber in South Africa, which led to the establishment of Trip Rider SA. While Haupt was not part of the original group of drivers deactivated by Uber, she supported their cause and became one of the founding members of the co-op.

Nevertheless, Haupt's journey to co-founding Trip Rider SA can also be traced to her own deactivation from the Uber app in a separate incident. Haupt was Uber's first female driver in South Africa and reports being exploited by the company for marketing purposes. As the owner of a luxury German sedan, Haupt started working on the app as an Uber Black driver, which she reports was lucrative in Uber's early days. However, the situation changed when Uber started introducing cheaper services while also hiking its commission, resulting in markedly dwindling income for her. However, Haupt's departure from Uber came as a result of deactivation from the app following an altercation with a passenger. In an unprovoked attack, Haupt was physically assaulted by a passenger who also lodged a complaint against her via the Uber app. Uber sided with the passenger, summarily deactivating Haupt. This outcome corresponds with other research undertaken by RIA, which finds that platform companies have adopted "customer first" or "customer is always right" policies (Ahmed et al., 2021).

While her deactivation from the app disqualifies her from driving for Uber, Haupt nonetheless continues to engage with the company as an Uber partner. Uber partners are people who own fleets of vehicles that are rented to Uber drivers. In this respect, Haupt

owns a small fleet of cars from which she draws a modest monthly income. Her material conditions are nonetheless better than any of the other drivers that she partnered with to launch Trip Rider SA, resulting in her funding its basic set up costs as well as playing a leading role in the registration of the co-op.

Since its registration, Trip Rider SA has become an affiliate of the International Alliance of App-Based Transport Workers (IAATW), a global alliance of app-based drivers that seeks to elevate transport workers' voices in their struggle for justice and fairness. Haupt travelled to London in January 2020 to participate in the IAATW's founding convention where the Alliance's founding manifesto was endorsed by affiliates from nearly 20 countries.

Following a public announcement, Trip Rider SA looked set to launch in the second half of 2020. However, according to Haupt, confusion over the roles and responsibilities of the founding members fuelled internal divisions, resulting in its failure to launch and some of the co-op members exiting. Meanwhile Trip Rider SA's website was taken down.⁵

A franchise opportunity with Eva

Despite Trip Rider SA's failed launch in 2020, as an idealist driven by the vision of an authentic sharing economy and values of solidarity, Haupt remained committed to the idea of establishing a platform co-op. With some assistance, she mobilised an all-female group to reconstitute the membership of the co-op board. She also remained active on social media talking about her hopes for the relaunch of Trip Rider SA.

Due to Haupt's ongoing engagement on social media, Trip Rider SA caught the attention of Eva, a Canadian ride sharing platform co-op that reached out to her via Facebook to explore the possibility of a franchise partnership. Trip Rider SA has since been in talks with Eva, and is currently in receipt of a draft franchise agreement, which it is reviewing. The franchise opportunity comes with a readymade digital platform as well as marketing support valued at R3.5 million. According to Scholz, the prospect of receiving a functioning digital platform from Eva would remove a major hurdle for Trip Rider SA in its quest to launch a platform co-op.

⁵ RIA contacted one of the exiting members who is associated with the Democratic Socialists of Africa and is also a software developer that worked on Trip Rider SA's digital platform. However, he declined to be interviewed.

But while the Eva franchise represents a good opportunity, there are still challenges that must be overcome before any decision to go ahead with the partnership is taken. For one, Haupt, who holds Trip Rider SA's institutional knowledge and funds its expenses, does all the heavy lifting in the co-op, while the contribution of the other members remains unclear. It is clear that the absence of appropriate levels of internal and external support, have constrained Trip Rider SA's ability to move forward with the franchise opportunity.

An unsupportive environment

Trip Rider SA is an initiative that has been trying to get off the ground for at least three years as a platform cooperative. The divisive internal dynamics of the co-op's original members proved to be an obstacle resulting in its failure to launch in 2020. Meanwhile the internal dynamics of the newly constituted co-op board suggests a general lack of co-op management experience resulting in a simplistic interpretation of South Africa's co-op legislation, which is undermining progress in the organisation. However, in this respect, Trip Rider SA must also be appraised against the backdrop of a dearth of successful models in South Africa whose experience can be drawn on. This is compounded by the fact that South Africa's co-op legislation, which essentially focuses on the regulation of form and function within a broader policy framework of poverty alleviation, has an awkward fit with the dynamism required in the digital economy.

Consequently, it can be argued that Trip Rider SA's early registration as a co-op as its launch pad, without exploring other institutional models as well as its naïve application of South Africa's co-op legislation, has resulted in the legislation's undue influence over the start-up's form and function, which may be contributing to its difficulties. For example, Trip Rider SA's members seem to be applying a narrow interpretation of the legislation to inform their collective decision-making processes, which is hampering progress.

Meanwhile, early-stage start-ups are fragile entities that need a firm guiding hand as well as agility. This makes prescriptive and sluggish collective decision-making processes risky in a context that demands dynamism and flexibility. In this regard, both Abalobi's Raemaekers and the DPCP's Mullagee expressed reservations about registering their initiatives as co-ops citing concerns about prescriptive legislation, even though both start-ups are examples of collective action. Ultimately though, it can be argued that not unlike diplomacy, collective decision-making is an artform. As a practise, this hasn't developed and evolved in South Africa due to the abysmal failure of the co-op sector in general. This has resulted in no visible examples from which inspiration can be drawn.

Moreover, the crucial difference between Trip Rider SA and the case studies presented earlier is that both Abalobi and the DPCP have roots in universities, which represents significant institutional support that has added enormous weight to their initiatives at different stages of their respective journeys. In contrast, in Trip Rider SA's case, a disparate group of Uber drivers with no institutional backing, but significant motivation and commitment have struggled to launch their start-up while feeling their way through a generally unsupportive environment.

What emerges from Trip Rider SA's trials and tribulations is that it is also being failed by the lack of dedicated incubator support for social impact start-ups in South Africa to assist with institutional development, management and mentoring support as well as investment leads. Had proper incubator support been in place for Trip Rider SA, given the Uber drivers' vision for an alternative enterprise model to deliver better social outcomes, Haupt's commitment to that vision, her experience and leadership role in South Africa's app-based drivers sector, the goodwill of people with significant skills - including software development - that have come and gone over the years, as well as the organisation's trade union networks and international links, there is no reason to believe that it could not have been up and running by now or been in a better position to exploit the opportunity presented by Eva.

As things stand, Trip Rider SA has been failed, on the one hand, by the policy and legislative framework driving co-op development in South Africa, which has not produced a foundation for platform cooperativism to build upon, and on the other hand, by a lack of targeted institutional support for social impact start-ups.

Conclusion

This study was informed by the question: Do alternative enterprise development models, such as platform cooperatives, exist in South Africa's platform economy and what kind of policy frameworks support the diversification of the digital economy for inclusive economic development and fair social outcomes?

The study found a weak policy environment to support the establishment of alternative enterprise development models in South Africa's digital economy, including platform cooperatives. This is exacerbated by a lack of institutional support for social impact innovation in South Africa's start-up ecosystem. This anaemic environment resulted in the

identification of just three alternative enterprise development models in South Africa's digital economy: Abalobi, the DPCP and Trip Rider SA.

Abalobi and the DPCP are distinctive for originating in universities, which does bestow certain privileges and protection to them. These start-ups are also driven by skilled individuals from privileged backgrounds, which undoubtedly has contributed to their development. However, it is Trip Rider SA that lays bare the weaknesses of South Africa's flawed policies and non-existent institutional support for platform cooperativism. This case study demonstrates that ordinary working South Africans with no institutional affiliation who initiate organic social enterprise initiatives in the digital economy, are forced to fumble along unattended and unsupported.

Drawing on lessons from abroad, the success of platform cooperativism is highly dependent on a nurturing environment supported by a sympathetic socio-political framework and targeted policy support that includes financial assistance, as highlighted by the examples of Kerala and Barcelona. However, even in cases where the socio-political framework is incompatible, such as in the US, a proven tradition of cooperativism nevertheless establishes a foundation to catalyse 21st Century platform cooperativism.

Neither of these conditions exist in South Africa. Instead, what the study found is a bifurcated policy environment frustrating the emergence of platform cooperativism. In the current context, platform cooperatives are forced to straddle the divide between ineffective welfarist policies driving co-op development in the second economy and exploitative neoliberal policies driving start-up development in the digital economy.

The fact that co-op legislation in this country focuses exclusively on the regulation of form and function, means that the focus of cooperativism is subject to broader government policies and programmes, which in South Africa's case narrowly confines it to poverty alleviation and job creation within a neoliberal policy framework. Cooperativism is thus not viewed as a catalyst for economic transformation. In fact, an inferior status is conferred on cooperativism as welfarist, resulting in its containment in the second economy where it forms part of an obligatory though superficial solidarity response. As a result, the idea of cooperativism as an economic development model in advanced sectors of the economy simply does not receive attention.

The impact that this has had on the digital economy is that young entrepreneurs from advantaged backgrounds who dominate the start-up sector, remain unexposed to ideas about collective ownership and other models that foster better social outcomes.

Meanwhile, the start-up ecosystem in South Africa is dominated by white founders - firstly due to the racialised nature of economic inequality and opportunity in South Africa, which enables the advantaged to flourish in competitive environments and secondly as a result of the discriminatory investment practises of venture capitalists. Ultimately though the upshot of venture capital's influence in the start-up ecosystem is that innovation is skewed towards value extraction for profit maximisation, resulting in a lack of social impact technologies as well as an absence of social impact start-ups, including collective ownership models.

This situation threatens to deteriorate further if the Start-up Act Position Paper being proposed by business interests in South Africa is allowed to hold sway in policy discourse. As noted by this study, an unregulated start-up sector, which the business lobby favours, fosters both market concentration and a lack of innovation diversity, while threatening to unravel labour protections as well as deepen social and economic inequality. Overall, the general tone of the proposals contained in the Start-up Act Position Paper represent a threat to South Africa's transformation project.

Given the dominance of and ongoing campaigning for a venture capital and market-driven policy approach in South Africa's start-up ecosystem, clearly the issue of social enterprise development models, including platform cooperativism and other forms of collectivism, needs greater exposure in mainstream policy debates for better public interest outcomes in the digital economy. In this regard, the fact that the digital economy is the new frontier for economic development also identifies it as a new terrain for social struggle. This stresses the significance of getting the right policy mix, which requires experimentation if different outcomes are being sought, as well as the importance of establishing appropriate institutional support (financing; entrepreneurial, financial and management training and support; human resource management; affordable highspeed and quality bandwidth).

Beyond just getting the policy mix right, the fact that South Africa has few examples of successful social enterprise models to draw inspiration from, whether in the digital economy or other parts of the economy, highlights the importance of developing strong proof-of-concept models for new alternatives. In this respect, this study has drawn on Unger's (2019) theory of the Knowledge Economy that calls for the identification of pathways that reinvent the market through innovation in the 'legal regimes of property and employment', whilst emphasising the need for experimentation with economic decentralisation. Ultimately this is about identifying new pathways for policy whilst experimenting with collectivist and other models that not just democratise the digital economy but also result in socially impactful solutions.

In this respect and in conclusion, this study makes the following policy recommendations:

- A counter argument to the Startup Act Position Paper. The digital economy represents a new terrain of struggle for policies that produce better social and economic outcomes. In this respect, it is vital for progressively oriented organisations to develop a position paper that will act as a counter argument to the private sector's neoliberally oriented Startup Act Position Paper, which will also affect platform cooperatives as well as other social enterprise start-ups.
- Develop proof-of-concept models for alternative social enterprise businesses in the digital economy. The absence of a vibrant co-op sector that presents a viable model for simulation in the digital economy, as well as the generally anaemic environment to support social enterprise models in the digital economy, highlights the need for South Africa to develop proof-of-concept models that provide inspiration beyond the current business as usual models. This calls for targeted measures that are purposefully designed to promote alternative models for success, highlighting the need for significant institutional support as well as financial investment for proof-of-concept models to take hold and become both visible and viable.
- Social impact incubators. In terms of institutional support to enable the diversification of the digital economy, there is a need to establish social impact incubators specifically aimed at launching platform co-ops and other social enterprise models in the digital economy. The location of these incubators is important for sustainability. In this regard, institutions such as universities and trade unions represent opportunities to link incubators to established entities that can provide the required institutional backing. Universities also have the added benefit of being able to attract skilled individuals from a diversity of backgrounds to incubators. Moreover, Kerala's example of introducing the new topic of 'innovation collectives and platform cooperatives' to schools and universities can also be adapted for application in South Africa where university-based incubators could have backward linkages to other academic programmes that explore the issue of diversity in the digital economy.

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