



Platform Cooperatives – A More Sustainable and Equitable Business Model

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Are current ride-hailing business models sustainable?

- Ride-hailing and delivery platform companies have **brought benefits but also many problems**
- Built on low-wage unprotected contractor workforce
- Companies have vast majority of power and control over workers and network participants
- Not clear if this business model is profitable
- COVID-19 crisis has magnified many of these issues

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Study finds Uber drivers make less than minimum wage
-Chicago Tribune, 2018

Gig driver or Uber/Lyft employee? It affects unemployment benefits
-SF Chronicle, 2020

Alternative models with long-term sustainability potential

- Some states pursuing labor regulations, but companies' track record suggests legal battles will continue
- **Platform cooperatives / P2P platforms / Decentralized organizations** are emerging potentially more sustainable alternatives
- Bottom-up vs. top-down approach. Platform workers given ownership and governance stake.
- Few large-scale examples at present, but growing movement



Recent study of Arcade City

- Ride-hailing/delivery platform in Austin, TX that is ***entirely operated and governed by its drivers***
- Public Facebook page, ~150 requests per day, 80%+ match success rate, 15 min avg wait time (pre-COVID)
- Majority of drivers AND riders surveyed prefer over Uber/Lyft
- Local decision-making and greater sense of community/ownership

EVALUATING THE POTENTIAL OF COOPERATIVE RIDESOURCING:
A CASE STUDY OF ARCADE CITY IN AUSTIN, TEXAS



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Closing thoughts

- Arcade City Austin shows that **P2P ride-hailing groups can sustain operations**, given the right resources and environment
- Bringing cooperative principles to sharing platforms could **improve long-term economic sustainability** over extractive profit-driven models
- COVID-19 crisis has highlighted the need for gig work reform



Resources

Full Arcade City study:

bit.ly/366AYH9

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Organizations



Rideshare Drivers United

drivers-united.org



gigworkersrising.org



**Platform
Cooperativism
Consortium**

platform.coop

Ride-hailing platforms



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