



**Platform  
Cooperativism  
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INSTITUTE  
FOR THE  
COOPERATIVE  
DIGITAL  
ECONOMY

# PLATFORM CO-OPS IN INDIA

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## CASES OF GUJARAT AND KERALA

*A Report by*

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*A training session underway at Jeevanirth Cooperative in Gujarat, India. (Source: Jeevanirth Foundation, 2022)*



# EXECUTIVE SUMMARY

## INTRODUCTION

India has been witnessing one of the largest increases in privately-held wealth relative to public wealth in the world throughout history. According to the most recent World Inequality Report, India is one of the most unequal countries, in terms of wealth and income, in the world. This concerning trend is accelerating in the push towards platformization of everyday life. From communications to transportation to doing groceries, domestic and international corporations have been heavily invested in monopolizing the markets—a dynamic that induces greater concentration of wealth and income in fewer hands, and decreases democratic accountability of platform-based services, which are rapidly becoming essential.

India also has one of the largest cooperative networks in the world. Cooperativism carves out an opening within capitalist dominated markets for workers (and users and other stakeholders) to democratically control their conditions of work, and enforce equitable distribution of the wealth and income resulting from their labor. India's cooperatives, initially a product of British colonialists and mired in contestations over state and political stewardship, are heavily concentrated in the largest sectors of its unequal economy—agriculture, credit provision, and the dominant informal sector at large. With platformization, these sectors are undoing a massive overhaul as more and more sectors become increasing informalized (free from the already weak labor regulations), increasing worker precarity, and as the unequal dynamics of these sectors are crystallized in through the algorithmic control of these newly introduced digital platforms.

Within this context, there are also a number of initiatives that are challenging this concerning status quo and channelling the platformization in a cooperative direction, where the workers and users can democratically own and govern the platforms through which their lives are becoming more dependent on. 'Platform cooperatives' bring the cooperative model to the digital platform, and provide a democratic alternative to the authoritarian dynamics of corporate-run digital infrastructure. From think tanks to government initiatives to platform co-op start-ups mushrooming across the country, there is an incipient and growing movement in this direction.

This report is a preliminary look into the growing threads of this movement. While the actual application of democratic principles is not as prevalent as the cooperatives themselves, this familiarity is beneficial for future development and experimentation. Second, these sectors have been the focus of an intensive digitization drive spearheaded by the Indian government, as evidenced by the

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proliferation of various projects aimed at this end across the country. These industries will undergo significant digitization in the coming years, and it is at this early stage of change that platform cooperatives can take the lead.

Platforms for external marketplaces and internal information sharing that could be aimed at product aggregation appear to be particularly high in this regard. In India, the services sector has been on an economic ascension that is likely to continue. With the manufacturing and agricultural sectors in relative decline; the rise of the gig economy, particularly through platform-based work; and the rise in collective organizing in the latter; these three factors have combined to highlight certain sectors within the broader services sector in terms of their potential for platform cooperative development. In this context, three areas have seen widespread activity in terms of worker-collectivization efforts and a push for worker rights:

1. Ride-hailing app-based workers, 2. Carework, 3. Delivery service workers

Banking (particularly with access to credit and loan management) and communications are two other sectors that will be critical in fostering conducive conditions for platform cooperativism but have not seen significant organizing efforts (for developing platforms for internal organization and coalitional channels).

Agriculture and related industries, services, banking, and communications will all provide fertile ground for sowing the seeds of a platform cooperative ecosystem in India. Based on our preliminary findings, the increasing corporatization of the economy, informalization of work, and digitization of the workplace appear to be a growing behemoth. Because digitization is still in its early stages for a large portion of the economy, introducing collective ownership practices over platforms provides an opportunity to ensure a democratic and dignified life for an increasing number of platform workers. Platform cooperatives offer a set of approaches for tipping the scales.

1.

# INTRODUCTION

## INTRODUCTION

India is one of the world's largest informal economies, with more than the entire population of the United States, 384 million people, working without a legal contract, paid leave, or social security. Workers on formal contracts face a 'race to the bottom' in terms of working conditions. And, since the onset of the COVID-19 pandemic, approximately 234 million people, more than the population of Brazil, have fallen below the poverty line as a result of significant real income losses.<sup>1,2,3</sup>

Over 40 Indians became billionaires at the same time. Gautam Adani, the industrialist, increased his wealth by more than \$50 billion during this time period, becoming Asia's richest person. Profits on corporate digital platforms increased dramatically as well, from online grocers to delivery services, and payment portals to home services.<sup>4,5,6,7</sup>

But there are novel challenges to the status quo as a result of the squeezing of working people's lives, the rise of the mega-rich, and the rise of digital platforms. For more than a year, over 500,000 farmers have been protesting corporate-friendly agrarian reforms outside the national capital, in what was the world's largest general strike in 2020. Workers in the platform economy have also gone on strike for better working conditions, from delivery to ride-hailing, from home services to logistics.<sup>8,9,10,11,12,13</sup>

Arguably the largest general strike in the world took place across the country in November 2020, more than half a million farmers camped outside the national capital for longer than a year protesting corporate-friendly agrarian reforms, and the platform-based economy has been ridden with workers striking for better conditions from delivery to ride-hailing, from home services to logistics sectors.

India is at a crossroads. Digital platforms are transforming the economy at a pace only second to Indonesia, and next to China, it has the largest number of Internet subscribers in the world.<sup>14</sup> The growth of the platform economy in India, dominated by profit-driven corporations, would contribute to the exacerbation of gross inequality and worsen living conditions for the majority of its working people. This state of affairs is hotly debated, and the purpose of this report is to untangle one such debate—the rise of platform cooperatives in India.

This report investigates the potential of platform co-ops in India, both in terms of their ability to facilitate economic activity and as a democratic alternative to the capitalist-dominated platform economy. The report, which was researched

and written during the Covid-19 pandemic, poses the question, “What are the main challenges and opportunities that platform cooperatives face in India?” This research concentrates on the coop-dense states of Gujarat and Kerala, focusing on cooperative and coop-adjacent digital platform projects.<sup>15</sup> Rather than focusing solely on a single project, we take a systems-thinking approach. While the report does not propose platform cooperatives as the best or only way to solve India’s most pressing problems, it does acknowledge their potential benefits in industries such as agriculture, dairy, transportation, internet infrastructure, domestic work, e-commerce, and care work in geographies such as Gujarat and Kerala. This report is intended for workers, cooperators, tech innovators, policymakers, and anyone interested in constructing a democratic digital future.

As the introduction and proliferation of the digital economy has been led by large profit-driven companies, with state sponsorship; there is another set of lineages that challenge this status-quo to build community-led and -owned enterprises and programs. This space may differ from that of other countries and even that of various other regions of India. Based on the findings of several case studies in Gujarat and Kerala, we show that platform cooperatives can thrive, especially now. Aggregation of agricultural products, such as dairy and fisheries, through a platform marketplace, as well as the formation of communication platforms to share information internally among producers; cooperative incubation in ride-hailing, care, domestic service apps, and delivery platforms; and a broader strategic intervention across state lines to train and fund digital literacy programs, would all be beneficial.

### Introducing Platform Cooperatives

The ‘gig economy,’ or of service sector jobs performed by contingent workers via digital platforms, has emerged over the last decade. Uber, TaskRabbit, and GrubHub have all established themselves as two-way intermediaries between workers and customers, promising to revolutionize the very nature of work. While the gig economy has benefited both customers and workers by providing convenience and savings, its rise has also been destructive. By exploiting legal loopholes, well-funded lobbying efforts, and public relations campaigns, platform companies have eroded labor protections, deteriorated environmental conditions, and undermined public services. Unlike early, noble visions of a “sharing economy,” the gig economy is characterized by precariousness and exploitation. On the one hand, the Covid-19

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crisis has heightened these concerns. Gig workers were on the front lines, delivering groceries, cleaning supplies, and cooking meals. These were the workers who were most vulnerable to the economic disruption caused by the pandemic.

Companies in the technology sector promised to achieve hegemonic status as service providers, justifying their losses with long-term profits. This report introduces the various organizational models associated with platform cooperatives at this critical juncture.

For the purposes of this report, a digital platform is a website or online application that connects people and groups. A cooperative is defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Platform cooperatives sell products and services primarily through a website, a mobile app, or a protocol; they are democratic in decision-making and worker and user ownership of digital platforms. They prioritize the digital aspect of their operations while adhering to the International Cooperative Alliance's cooperative principles.

The Platform Cooperativism Consortium at The New School documents 550 digital coop projects in over 30 countries, but the true scope is likely much larger because platform coops do not have to register with governments to operate. As a result, there are many projects that we are unaware of, or that do not self-identify as platform coops, or that are unaware of the movement but are, nonetheless, digital cooperatives.

Connecting workers and customers, platform cooperatives frequently redistribute a larger portion of income to workers, thereby enhancing worker protections, dignity at work, and community development. Platform cooperatives, a small but growing sector, use the cooperative business model to create alternatives to the venture-backed gig economy. Incorporating the best of both models, platform co-ops create a new approach that builds on cooperatives' nearly 200-year history and the powerful digital platform model.

Cooperatives are often overlooked. They now employ more people around the world than all multinational corporations put together, indicating a thriving global solidarity economy. In the United States alone, cooperatives employ nearly 900,000 people. Mondragon, Spain's seventh largest industrial corporation, is a

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cooperative network with over 81,000 employees worldwide. Emilia Romagna has lower unemployment than the rest of Italy because it promotes worker ownership, consumer cooperatives, and agricultural cooperatives. Cooperatives produce 40% of Brazilian agricultural output and 36% of retail markets in Denmark. Cooperatives account for 45 percent of Kenya's GDP, compared to 22 percent in New Zealand. Despite numerous setbacks, the cooperative model remains undeniably viable.

The majority of Indian cooperatives have neglected the Internet as a vital aspect of their operations thus far. Few large cooperatives have integrated a digital platform into their core operations, as opposed to merely having a website. This is still the case despite the fact that digital platforms have the potential to connect customers directly to credit cooperatives, agricultural cooperatives, and dairy cooperatives like Amul. Regrettably, the majority of cooperatives in India are bound by tradition and do not always adhere to democratic principles. Numerous of these cooperatives are also dominated by a small group of members elected to the Board of Directors through the use of legal loopholes.

With the advent of the Internet, Indian cooperatives now have the opportunity to reinvent themselves as democratic, scalable, and socially responsible businesses. As demonstrated by a few early examples, the platform coop model has the potential to revitalize cooperative economic and participatory structures.



*A session on Platform Cooperatives hosted by Trebor Scholz underway at the Legislative Assembly of Kerala, Thiruvananthapuram, Kerala. (Source: Aman Bardia, 2019).*

2.

# INDIA'S COOPERATIVES

## 2. INDIA'S COOPERATIVES

This section provides a brief historical overview of the history of cooperatives in India as well as recent developments in this sector. To begin with, India has the world's largest cooperative sector. It encompasses nearly 98% of the rural area. There are over 860,000 cooperatives registered in the United States, 63,000 primary agricultural credit societies (PACs) in operation, and approximately 290 million cooperative members.<sup>16</sup>

During British colonial rule, rural India experienced a steady and drastic economic decline. The colonizers exploited Indians for raw materials, oriented their agricultural and manufacturing practices toward export, and then compelled them to import British manufactured goods. Similarly, local moneylenders charged high interest rates and were the primary source of credit for farmers. India's industry and agriculture suffered catastrophic losses as a result. Nevertheless, the colonial government promoted cooperatives as a means of protecting peasants from predatory moneylenders who capitalized on the hardships caused by frequent famines.

Following the Imperial Legislative Council of British India's passage of a bill authorizing the formation of credit cooperative societies, the Cooperative Societies Act of India was enacted in 1904 to protect rural farmers. During this time, India's legal framework for cooperatives was established, but the colonial government provided very little actual support.

The government lacked the vast resources required to economically empower its citizens, especially the poor rural population. The trickle-down effect of a growing economy never materialized due to a web of intermediaries gobbling up development profits. The cooperative sector has been growing in importance and popularity in this environment. It made pooling resources easier and gave poor and marginalized people more bargaining power in the market. Within the context of agriculture and the unorganized informal sector forming more than 70% of India's economy, cooperatives played a significant role in extending credit to the informal sector in agriculture and allied sectors in the rural areas. Petty commodity production—family units producing handicrafts, grocery items, etc. as a small enterprise—forms a large portion of the livelihood in rural areas, and cooperative banks provided much-needed financial assistance to support this section. With cooperative intervention in these largest sections of the Indian economy—agriculture and petty commodity production in rural areas, the movement to form and sustain cooperativism rapidly grew across the country.<sup>17</sup>

## 2. INDIA'S COOPERATIVES

In India, the cooperative movement is most visible in the dairy and banking industries. Examples include the Indian Coffee House, Amul, and the Horticultural Producers' Cooperative Marketing and Processing Society.

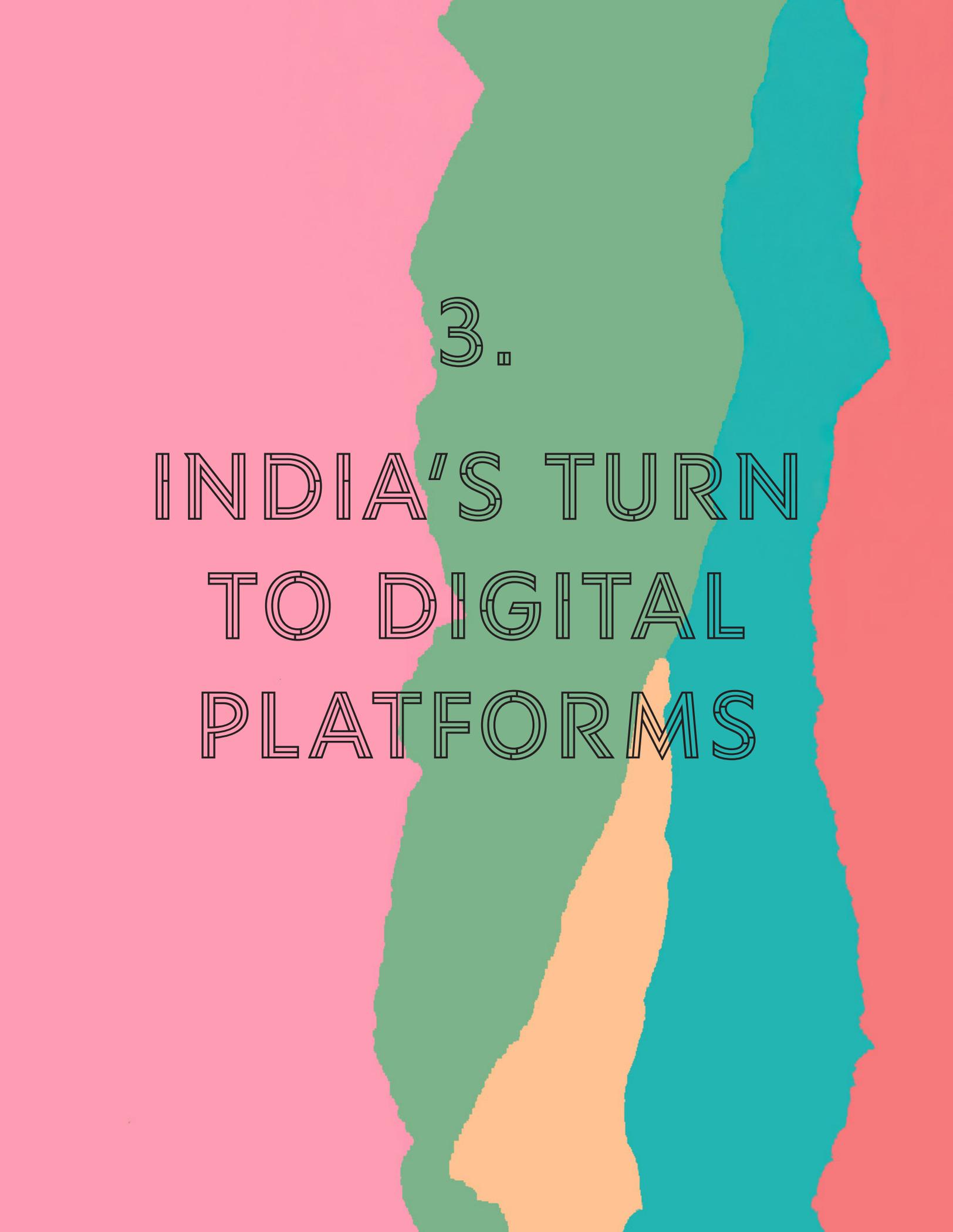
Cooperativism is critical for India because its social and bureaucratic structures are hegemonic, and income and resource disparities between social and demographic groups are vast. The agricultural sector was the first in the country to establish cooperatives. Poor farmers, who make up the majority of the agricultural community, discovered cooperatives as a way to address a lack of credit, supplies, and markets. The cooperative movement has remained one of India's most popular organizational forms for grassroots and collective economic interventions since then. But excessive government control and a lack of professional management frequently jeopardize the sustainability of cooperatives. Another recurring issue is political meddling and control of cooperatives for electoral gain.<sup>18</sup> Despite their widespread presence, the qualitative value and actual empowerment of cooperatives is a complex and, in some cases, contested discussion.

The cooperative sector in India has been undergoing a major overhaul since the Ministry of Cooperation was created in July 2021. Previously, the sector was designated as one of the 'Departments' presided over by the Ministry of Agriculture. The new Ministry has been designed with a strong emphasis on rural India, specifically agriculture and allied sectors, ranging from agricultural inputs to access to credit. Since March 2021, the cooperative sector has also been placed under the supervision of India's central bank, the Reserve Bank of India. In its annual budget for 2022, the central government allocated the newly formed Ministry ₹9,000,000,000 (about \$120 million), out of which, ₹2,740,000,000 (\$36 million) has been sub-allocated for an umbrella scheme to develop cooperatives by "providing them necessary support in terms of finance, technology and infrastructure to transform them into successful entities," and ₹300,000,000 (\$4 million) for "introducing cooperative education as a course curriculum and as an independent degree or diploma courses in schools and universities." The central government is currently underway to develop a new "National Cooperation Policy" for "strength[ening] cooperatives by bringing transparency, modernization and creating competitiveness." Needless to say, the central government's priority for cooperatives is the development of digital platforms (particularly in agriculture and allied sectors) and education.<sup>19, 20, 21</sup>

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*Childcare services are provided at SEWA Federation offices in Ahmedabad, Gujarat. (Source: Trebor Scholz, July 2018).*



3.

INDIA'S TURN  
TO DIGITAL  
PLATFORMS

### 3. INDIA'S TURN TO DIGITAL PLATFORMS

Digital platforms do not appear out of nowhere, transforming all digitally transformable processes and activities. They emerge in unexpected ways as a result of the social and historical contexts of the time and place. Similarly, India's growing platformization is gaining traction, thanks in part to the country's trajectory of scientific and technological development, which makes the country's current digital advancements possible.

The Scientific Policy Resolution,<sup>22</sup> drafted in 1958 by one of India's most prominent scientists and nuclear physicists, Homi J. Bhabha, was a watershed moment for India. India's first Prime Minister, Jawaharlal Nehru, spearheaded this policy effort and imbued the drive toward 'secular' modernization with a 'scientific temper.' The Resolution defined and directed the purpose, development, and role of technology in the country, which had a very underdeveloped economy and was heavily reliant on costly imports for everything from factory machinery to basic subsistence needs. The first paragraph stated audaciously:

The key to national prosperity, apart from the spirit of the people, lies, in the modern age, in the effective combination of three factors, technology, raw materials and capital, of which the first is perhaps the most important, since the creation and adoption of new scientific techniques can, in fact, make up for a deficiency in natural resources, and reduce the demands on capital. But technology can only grow out of the study of science and its applications.

The emphasis was on allocating funds for scientific research and technological development. The authors of the Resolution recognized the importance of technological advancement in India's industrialization, which was widely accepted as a necessary step toward modernization for a previously colonized country. This Resolution was significant because, as a Statement of Government Policy, it held government agencies accountable to a vision that was not simply a personal one shared by a few men, but "represented a collective view of science's role in the developmental process."<sup>23</sup>

Today's context has also been referred to as platform capitalism, with digital platforms playing an increasing role in how capitalism operates in India. Platformization in India must be viewed in the context of "long-term trends in media markets, state policy, and the central pursuit of a technocratic solution to India's development goals." Platform capitalism's emergence in India is not novel in terms of how it concentrates wealth and redistributes it inevitably to those who create

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it. It is also not unusual in terms of how the Indian government has approached technological development over the last seven decades. Tracing these lineages is critical for understanding the present. As we focus on the challenges to the status quo manifested as alternative and collective forms of platform economy organization, this helps us contextualize the cracks and contradictions it creates, as mentioned in the Introduction. One of these forms is platform cooperativism, which points to a more democratic and accountable future for the Internet in India.

#### **From Bricks to Bytes: How India's Government Developed 'Digital India'**

Since taking office in 2014, India's current government has maintained close ties with Silicon Valley firms. India is widely regarded as the world's largest market for "the next billion users." Only in 2020, major Silicon Valley firms invested approximately \$17 billion in only seven months. More recently, in 2021, there was a systemic government crackdown on major companies including social media, messaging apps, and news websites, as demonstrated by a new policy governing these platforms enacted by the government in February 2021. One of the policy's key points is a mandate for full-time liaison with law enforcement agencies, as well as monthly compliance reports and content moderation through a government committee.<sup>24,25,26,27</sup> Recognizing that India is an important market for platform companies, the government has been leveraging its way to ensure that it can tighten the reins on its own politically charged oversight. At the same time, it has established strong ties with domestic firms by constructing data centers, fiber-optic networks, satellite broadband networks, and payment portals.. The influx of Silicon Valley investment also greatly benefits the major platform firms in the country.<sup>28,29</sup> In sum, the government is closely associated with domestic platform firms, monitoring and regulating massive investments from Silicon Valley firms that are assisting the expansion of the major domestic counterparts, and essential digital infrastructure is being developed and purchased by these major domestic platform firms. Under the liberalization process in India, the government has essentially redesigned its traditional function as "an orchestrator and instrument for setting market standards, a seller of bandwidth, and a buyer of infrastructure development."<sup>30,31</sup>

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This dynamic is well captured by the Indian government's numerous projects, particularly Digital India, Smart Cities, Startup India, and Make in India. It also aligns with the global push toward platformization under capitalist production dominance, with the digital economy growing on the backs of state-led policies to accumulate its benefits within big tech, both nationally and internationally.<sup>32</sup>

#### Digital India

In July 2015, the Indian government gathered the country's wealthiest industrialists to woo them with incentives for investment in their latest initiative, Digital India. The main objectives of this government-led project are to bridge India's digital divide, promote 'e-governance,' and make it easier for (especially, big-) businesses to invest and operate in the digital economy.<sup>33</sup> The goal is to "transform India into a digitally empowered society and knowledge economy." This government, led by Narendra Modi and the right-wing Bharatiya Janata Party (BJP), was elected to national power in New Delhi in 2014 on the key platform of (economic) development. The drive towards economic progress through technocratic means has been the hallmark of successive governments since the formation of the Indian state in 1947. Elite technology education institutions, combined with large, private technology firms, have consistently dominated the country's technological progress. Numerous studies have revealed that the Information Technology (IT) industry in India that has resulted from this has been dominated by people from upper-caste Hindu and upper-class backgrounds.<sup>34</sup> Within this context, Digital India both exacerbates and reforms this historical and social continuity. Cyrus Mistry, chairman of Tata Sons, pledged 60,000 IT professionals at the mentioned Digital India event in July 2015; Mukesh Ambani, chairman of Reliance Industries, committed to a \$3 billion investment along with an in-house startup incubator specifically geared towards Digital India; Kumar Birla, chairman of Aditya Birla group, committed to a \$2 billion investment; and Sunil Mittal, chairman of Bharti Enterprises, committed to a \$1.3 billion investment. Reliance, Birla, Tata, Vedanta, and Bharti are some of the largest companies in India, and the world, in terms of their market capitalization.<sup>35,36</sup>

After courting domestic capitalists, two months later, Prime Minister Narendra Modi personally visited Silicon Valley in California, USA, and met with the major technology companies to draw in investment for the Digital India project. Mark Zuckerberg, the CEO of then-Facebook Inc., changed his profile picture on Facebook, commenting on the importance "to support Digital India, the Indian government's

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effort to connect rural communities to the internet and give people access to more services online.” Following their meeting with the Prime Minister, executives from Google, Facebook, Microsoft, Apple, Qualcomm, Cisco, and Tesla all agreed to invest in the Digital India project.<sup>37,38</sup>

The Digital India program, which is now worth billions of dollars, was made possible not only by the growth of large technology companies in India, but also by the tech boom, which resulted in the emergence of massive, international technology companies. It came about as a result of the dominance of domestic and international capital in the technology sector.

This capital dominance in the technology sector has completely altered critical sectors. For example, Reliance Industries Limited, India’s largest diversified industrial conglomerate, entered the mobile data sector in 2016 and has driven market consolidation to the point where only three operators remain. Reliance Jio, the subsidiary which it operates here, has seen its largest average-revenue-per-user in January of 2022, marking record profits.

Global technology companies, on the other hand, have been receptive to Digital India’s broader ambitions precisely because its core initiatives aim to establish the necessary ecosystem for a massive platform economy centered on digital goods and services.

WhatsApp is currently the most popular service in India. Facebook, now Meta Platforms, which owns WhatsApp, attempted (and failed) to establish proprietary systems through their Free Basics initiative in 2016, but this did not prevent India from becoming the world’s largest user base for this platform. The battle between Amazon and Walmart for a controlling stake in India’s e-commerce markets was followed by the announcement in 2019 that India would be the test market for Meta Platform’s Libra currency experiment. In 2016, the Indian government amended the law to entirely deregulate the e-commerce sector by allowing for 100% Foreign Direct Investment in this sector, which provides further tax-cutting incentives for some of the largest companies on the planet. Prime Minister Narendra Modi and Amazon CEO Jeff Bezos met that year towards expanding Amazon’s business in India.<sup>39,40,41,42</sup>

Google controls 75 percent of the Indian digital advertising market, with Walmart-owned Flipkart and Amazon accounting for an additional 10 percent each.<sup>43</sup>

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Microsoft invested \$2 billion in the Reliance Jio platform in 2020 as part of a 10-year partnership to build an extensive network of data centers.

Many domestic entrepreneurs have established digital startups and platform brands in a variety of markets and services. Ola, Flipkart, and PayTM have all received multiple rounds of funding in India, first from Asian 'technology banks' like Ali Baba, Softbank, and Mediatek, and then from major US players like Amazon, Walmart, and Microsoft. Apart from global behemoths, India's slew of start-ups must deal with the fallout from domestic conglomerates expanding into content and service provision in order to fund their own data infrastructure expansion. This is demonstrated by Reliance's introduction of the Jio mobile network, Jio TV, and Jio Music. One of the distinguishing features of this growing number of platform offerings is promotions, which manifest as a vast network of brand partnerships, cross-platform cashback, and novel forms of credit that can be accumulated and spent across the internet.



*Alvin George, co-founder of Vehicle ST, at the assembly unit based out of Kerala Startup Mission, Kochi, Kerala. (Source: Aman Bardia, 2019).*

4.

HOLISTIC  
APPROACHES TO  
PLATFORMIZATION

—

THE FRAME  
OF PLATFORM  
CAPITALISM

#### 4. HOLISTIC APPROACHES TO PLATFORMIZATION

In India, the implications of digital consolidation for daily commerce, culture, and politics are becoming increasingly important. From agriculture to delivery services to banking, platformization has upended everyone's lives. Often, the literature and social projects dealing with understanding this phenomena and channelling it towards social good has focused on one or few of these aspects, but a systemic approach is necessary to address the growing platform economy as an interconnected ecosystem. It is interconnected both in the digital realm through cloud computing, etc. and through the physical and social world—shaped by the practices and laws of the actual regions they grow in. In this regard, notably, platformization reshaped previously unstructured sectors and activities. In a depressed economy, platformization is a significant shift. What are the consequences of this process? What is gained, at what cost, who benefits, and how does this differ in the Indian context?

In this respect, it is important to consider the specificity of implementing digital infrastructure in India, a region already deeply diverse—in the ways they shape and reshape the social, political and economic dynamics in the activities they take hold. This is especially important considering a historic slump in India's economy, with the rise of the emphasis on platformizing it. Significantly, employment has reached its lowest level in more than three decades.<sup>44</sup>

Despite affecting all sectors of the population, the platform economy is not immune from class-based dynamics. The growth of digitization in India has been on the backs of what the urban middle classes can afford. According to projections by World Economic Forum, India will be adding about 140 million middle-income and 21 million high-income households by 2030, making it one of the largest markets for digitization in the world.<sup>45</sup> Non-urban populations have faced a more dire economic crises with migration to urban areas becoming the norm, and the intensification of poverty in urban areas has been simultaneously on a steep rise. To what extent they benefit from digitization, and not find their current precarity remoulded on algorithms remains to be seen.

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A guiding line to evaluate these benefits is the analysis of the platform economy as not a novel twenty first century product, but an economy that emerged before the formation of India in 1947 itself, and has been path-dependent on continuing shifts in the development of technology, information services, popular culture, trade and government priorities.

Within this analysis, it is also significant to consider the operability of platform across regions—Indian-based platform companies operating outside India.<sup>46</sup> Their revenue generated elsewhere can feed back to sustain platforms back in the country, just as their growth in certain regions in India can correspondingly inform its expansion in other regions in India and internationally. This trans-regional, trans-national approach to understanding its growth can be useful in seeding and growing community-centered initiatives that would otherwise require significant capital to incubate. According to a 2021 International Labour Organization report, India has the largest number of workers worldwide for ‘online platform jobs,’ and this trend has seen the fastest growth in recent years.<sup>47</sup>

We are witnessing the subsumption of what was once known as “media industries” under the dominion of digital infrastructure providers across all media domains, such as journalism, cinema, and television.

The platformization of the economy in India can be understood through the lens of three dynamics:

1. Platformization is becoming more important as a means of coordinating economic processes.
2. The scope for privatization has grown as a result of the rise of platformization and the neoliberal imperatives of a modernizing state.
3. Platformization has profoundly different effects on the lives of people from various social strata. This prompts an examination of a platform capitalism counter-development that advocates for a different perspective on platformization.<sup>48</sup>

#### 4. HOLISTIC APPROACHES TO PLATFORMIZATION

A key aspect of platformization in India has been the focus on channels of media, data and algorithms; which are driven primarily through mobile phones as its core infrastructure. The spread of Internet across the country, boosted especially by Reliance Jio by offering it for free for a limited period of time over its telecommunications network, has played a huge responsibility in rapidly introducing digital platforms as an important part of people's lives. This quick consolidation, channeled through huge corporations like Reliance, has driven the market logics of this emergent digital market—as one already in the hands of a few large corporations, both domestic and international. The important infrastructure of the platform economy is owned by major corporations like Reliance, Wipro, Tata, Google and Meta. With the current government's pro-neoliberal policies, these consolidations have only begun to be compounded in the more emerging sectors of the economy on the cusp of digitization. As Athique and Paarthasarathi<sup>49</sup> succinctly describe this scenario:

*“The apparent benefits of platformization across the economy are linked to significant logistics changes. Urban logistics automation, like in other countries, is happening in more fragmented ways in pre-existing urban spaces. The rapid growth of smartphone-enabled ride-hailing platforms has been the most visible and popular innovation in this space. Despite making no significant contribution to reducing horrendous levels of traffic congestion and pollution, Uber and its Indian competitor, Ola, have transformed the transportation economies of Indian cities in terms of availability and pricing. Urban India's congested streets have boosted demand for food delivery services like Zomato and Swiggy, as well as the overall growth of online shopping.*

*Besides that, the officially sanctioned 'cashless India' initiative is being prioritized, as digital transactions are a functional requirement for India's platform economy to grow. Due to various mobile money services, platform business models can become more cost-effective and, to a large extent, financialized. When platforms become the banking channel for large money transfers between users, their newfound financial entity status is almost unavoidable. Consider how ride-hailing platforms (RHPs) collect daily transportation fares in a densely populated city like New Delhi. Digital currencies, in this broad sense, interact with and finance network*

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*infrastructure, serving as the platform economy's logistics, resources, and commodities. However, it is critical to note that the platform economy's primary resources are fundamentally social and cultural. Consider how the monetization of various types of user data necessitates the simultaneous integration of the nooks and crannies of everyday speech in platform algorithmic logic."*

The "sharing economy" is most prevalent and developed in India's informal sector, which is fundamentally different from that of countries such as the United States not only because it employs the lion's share of the workforce—over 90% of total employment—but also because of fundamentally different social relations of production, particularly along the lines of caste, petty commodity production, slum economies, and rural-urban migration trajectories.

Social data, speech analytics, and social economy automation are all part of Digital India's larger push into the country's massive informal sector. As a result, the task of examining India's current market relations is reframed as both platformizing and potentially platformable. When a market is restructured, the landscape quickly becomes contested, with everyone who sees a business opportunity and believes they can compete for it vying for a piece of the pie. Different ownership models can be tested in order to consolidate a larger market share of emerging economic relations because platformization introduces a novel element. This also allows cooperative economic organization models to scale and expand beyond their traditional sectors.

The government's support for India's platform economy has benefited large technology companies. While the Indian government has wavered between protecting Indian producers and allowing WalMart and Amazon to dominate online distribution, Indian retailers have shown their ability to market their products globally through the use of global platform outlets.<sup>50</sup>

As stated, India's vast informal economy serves as a key entry point for the platform economy. As an informal worker, one has little to no access to workplace protections. Platformization has been presented as a "solution" to the extreme poverty and misery that such jobs entail. One of the risks associated with the increasing formalization of India's informal sector is the grave threat of state surveillance. Also, major policy changes in a push towards digitization, like the demonitization of 2016 have resulted in suffering on a massive scale. A subheading

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of an article accurately read: “While the costs of demonetisation have been socialised by India’s poor, the benefits have been privatised.”<sup>51</sup> The massive revenue increases that few platform companies have seen in recent years demonstrate the path that will be well-tread in the years to come, with little difficulty, thanks to tight government regulation of the digital economy’s “free market,” as well as data monitoring and mandates for government oversight of digital platforms. The dominance of big tech is alluring; they regularly set the rules of market relations with their capital resources and political clout. Concomitantly, platformization conditions promote the emergence of stakeholder-run enterprises, with the cooperative model serving as a beacon of inspiration.



*Sanitary pad distribution in women-run Jeevanti Cooperative (Source: Jeevanti Foundation, 2022).*

5.

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Gujarat, India, is home to the country's largest cooperative federation. Gujarat declared its independence from the former state of Bombay in 1960. Until 1991, the centrist Indian National Congress won the majority of state and national elections. The right-wing Bharatiya Janata Party (BJP) has won every election since 1998. Gujarat has long been regarded as the epicenter of BJP politics in India, with the party's top leadership hailing from the state. Narendra Modi, the current Prime Minister, served as Gujarat's Chief Minister for three consecutive terms from 2001 to 2014.

During that time period, Gujarat gained a reputation as a business-friendly state as a result of systematic privatization of state assets, general relaxation of environmental and labor regulations, and the establishment of Special Economic Zones, which are more private-capital friendly territories. At the same time, religious polarization increased between Hindus and Muslims, as well as between Dalits and Hindu upper castes. The latter is exemplified by the riots in Ahmedabad in 2002, which were sparked by the BJP's — and thus Gujarat state's — support for rioting Hindus. The latter was exemplified by an increase in anti-Dalit violence in Gujarat, which culminated in one of the largest Dalit-led protests in history.

It is critical to highlight organizations and initiatives that have developed and contributed to an alternative way of organizing social relations in such a context of conflict-driven social and political trajectories. This is especially true for organizations run and owned democratically by workers and members. The world's largest informal worker organization was founded in Ahmedabad, Gujarat, and is headquartered there. We will look at its efforts and potential for developing a digital cooperative economy in Gujarat in this section.

### **SEWA Co-operative Federation**

The Self-Employed Women's Association (SEWA) is a 1.5 million-member union as well as a federation of cooperatives with over 300,000 members that provides services ranging from child care to insurance. SEWA is based in Gujarat but works throughout India to organize poor women workers in the informal economy.<sup>52</sup>

SEWA was founded in 1972 by a small group of women seeking micro-loans to start their own businesses. After being told by nationalized state banks that they were "not bankable" at the time, founder Ela Bhatt assisted them in learning how to start

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a bank. SEWA established its cooperative bank in 1974 with ₹100,000, or slightly more than \$1377, by pooling their resources. Contributions were as small as ₹10 from many women. Bhatt is famously quoted as saying, “We are poor, but we are very many,” also the title of her book on SEWA.<sup>53</sup> Through the establishment of a cooperative bank, with all women directly involved in contributing to and running it, they began to understand the power this can hold.

Next, the women concentrated on lowering medical expenses, which kept them from repaying their loans. SEWA established a healthcare cooperative that provides low-cost medicine within the next few years.

As a result of the vision of a cooperative ecosystem, a growing number of co-ops were started and added to the federation. While SEWA initially focused on organizing urban women, they eventually expanded into rural areas. Three peak organizations comprise the broader SEWA movement: SEWA Bharat, a broader federation of women-led institutions that provide economic and social service support; SEWA Federation or SEWA Co-operative Federation, which serves as a federation of all of SEWA’s cooperatives; and just ‘SEWA,’ which is the union.<sup>54,55,56</sup>

SEWA Federation is an institutional and technical capacity support organization for primary cooperatives to facilitate scalability, viability and innovation among them, such that they remain financially sustainable and are able to provide livelihood to their members. The Federation now consists of 106 cooperatives operating in various sectors, ranging from milk production to financial services, prescription medication manufacturing, and garment manufacturing. Notably, SEWA Federation is a multi-denominational organization comprised of women representing a variety of religious backgrounds, including Muslim, Hindu, Christian, Jain, and Buddhist. It offers a range of services, including education, catering, child care, and other ancillary services, to all its members. One major focus of the Federation’s work today has been digital inclusion, where they have been actively seeking out initiatives to increase digital literacy of the members of its cooperatives, together with spending considerable energy on digital innovation—to research and develop digital platforms as enhancing or extending the services of the cooperatives.

The success of the SEWA movement has been attributed to its integrative approach, which has focused an entire ecosystem of co-ops on the needs of poor self-employed women in the informal economy. All SEWA Federation cooperatives are independent. For example, one of its leaders, Mirai Chatterjee, states, “We are

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committed to putting technology in the hands of India's working-class women."<sup>57</sup> But, the cooperatives individually have distinct objectives and aspirations. For instance, unlike the rest of the country's SEWA cooperatives, SEWA in Kerala has not emphasized the offering of its services through digital platforms, for reasons specific to their particular context.<sup>58</sup>

SEWA started as a labor union. It is now a union and a cooperative federation. All organizations affiliated with the broader SEWA movement are autonomous, with democratically elected boards made up of roughly 80% blue-collar workers and 20% white-collar professionals. The majority of the women in these SEWA organizations join co-ops. Chatterjee observes that organizing women for economic empowerment and self-sufficiency is nearly impossible without the union and cooperative, which he refers to as the "duo of development and struggle." The cooperative is concerned with economic development, whereas the union is concerned with the larger labor struggle. One reason for this is that traditional union organizing faces significant obstacles that have a negative impact on the livelihoods of its members. Another reason is that women workers, in particular, require child care and healthcare and cannot rely on the traditional trade union struggle to provide these benefits. According to Chatterjee, when new technology is introduced, women are the first to be laid off:

"We need them to run these co-ops, men in the co-ops claim, because women can't use technology.(sic) As a result, once the hard work is done, men come and take over the co-ops. Women have petitioned SEWA to return power to them. Women purchase smartphones, enter member data, and accept money. Every family has one smartphone, which is usually owned by a man."<sup>59</sup>



Meeting at the head office of SEWA Federation in Ahmedabad, Gujarat (Source: Trebor Scholz, July 2018).

In Gujarat, SEWA Federation has been at the forefront of efforts to expand digital literacy and incorporate it into cooperatively run services — to establish platform co-ops. One such example is a pilot project they led to provide beauty services in Ahmedabad. The section that follows examines this development in detail.

### **SEWA's Platform Co-op for Beauty Services in Ahmedabad**

In a modest way, the Platform Cooperativism Consortium (PCC) and the Inclusive Research Design Centre (IDRC) helped to envision the SEWA Federation's platform co-op for beauty services. The goal of the beauty services platform co-op was to allow users to have a worker-owner come to their home and perform services from makeup, and threading, to waxing, haircuts, and massages. The platform was created in response to the growing demand for beauty services at home in Ahmedabad and other Indian cities, as evidenced by the growth of platforms like UrbanClap and VLCC. PCC participated in one of the workers' first training sessions, where they learned how to greet a client at their home by stating their name, which was unusual for them because low-caste women do not usually state their names.

Surprisingly, the majority of women at that workshop owned or had access to smartphones.<sup>61</sup> Many of them had used Facebook or WhatsApp in the past. Using a platform co-op to schedule their work, on the other hand, was something they had never done before. The young women expressed safety concerns when traveling to clients and working in their private homes when discussing what they would like to see in the platform co-op. They asked that a panic button for workers be added to the app, allowing them to quickly alert two friends and the police in the event of an emergency. They were also looking for a GPS feature that would allow their location to be tracked by a co-op manager. Such meetings reflect a fundamental shift in how such an app is developed—the workers who coordinate their work through the app, in this case, the women through the potential beauty services app, were actively co-designing the features that would be comfortable and work for them. The alienating experience of having digital platforms imposed from without as necessary in mediating work is reversed here: the principle of app development is the workers' agency in deciding the conditions of their digital mediation.

According to one of the beauty workers, customers should not be able to see individual worker profiles. The app's users should have no say in which co-op member provides a specific service to protect women from assault and sexual

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harassment. A prototype had been completed by December 2018, and work on the platform had begun with 25 women. Following that, a second group of 50 women was trained in preparation for their arrival on the platform in March 2019. The platform was intended to be expanded to 500 to 1000 users, which is the average size of a SEWA cooperative. Unlike traditional platforms, which take 30% of worker revenue, SEWA Federation planned to take only 15% to cover administrative and educational costs. If the platform co-op proved successful, it was intended to expand to major cities like Patna, Chandigarh, and Delhi. Finally, because the women worked in the clients' homes, the platform could have grown to include additional household services like cleaning, child care, painting, plumbing, electrical work, pet care, carpentry, cooking, and waste collection. Unfortunately, the experiment failed because the coop was forced to close due to a large number of complaints; the women were unable to provide the coop's advertised services.

SEWA has directed some of its larger digital activities toward financial inclusion of people in the informal sector. Many households have very low income levels, little to no asset ownership, and a lot of debt. SEWA is working to improve digital access to financial services in order to reduce poverty and promote shared prosperity. This effort builds on two major developments: the Indian government's schemes to increase bank account ownership, biometric identification to provide access to basic financial schemes via the contentious Aadhar card, and corporate-led efforts to increase ATM and bank branch density, as well as the massive increase in wireless subscribers (especially in the rural areas). According to SEWA's report, there is a significant gender gap in not only financial inclusion but also mobile phone ownership and usage. Women in India are 23% less likely than men to own a mobile phone, and 26% of men who own a mobile phone use the Internet, compared to 8% of women. This disparity is even more pronounced in rural areas. SEWA's project aims to close this gap, primarily for the purposes of financial inclusion. It is intended to make women "proficient in mobile technology and strengthen [sic] their access to digital financial products / services" in the process. The goal is to convert key SEWA economic activities, which are mostly cash-based, into digital transactions. Furthermore, blockchain technology is being investigated for use in SEWA's internal electoral processes. SEWA has been collaborating with corporate digital payment providers for these purposes, and their proposal calls for collaboration with corporate telecom companies, financial institutions, credit card services, small loan providers, and Fintech think tanks. SEWA is also spearheading a number of other projects that directly contribute to the development of platform cooperatives. One such venture is "Farm2Table." It allows the sale of vegetables through the use

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of a WhatsApp business account as the platform, where they provide daily price listings and route orders from the women working at the SEWA Federation office in Ahmedabad. Another venture, Abodana, is a cooperative that collaborates on block prints with 'Kalakruti,' SEWA's apparel cooperative. Both of these co-ops sell their products through the GeM platform and Amazon Saheli. Aside from the sale of agricultural and artisanal products, the domestic care sector is another area of SEWA's ventures that is active in digital modes. The SEWA cooperative Home Care connects women with the domestic care industry in Ahmedabad, marketing itself through available corporate digital platforms such as JustDial, though non-digital networking is where they find the majority of their business. In this regard, SEWA is also running a pilot program in Jahangirpuri, Delhi, called 'Helpers Near Me,' which uses a mobile application to onboard women who aren't members of collectives and then finds them work as domestic helpers and care workers.<sup>62</sup>

In addition to SEWA, several other cooperative and cooperative-aligned organizations in Gujarat were surveyed. The following case study of Jeevantirth Cooperative examines digitization prospects through the lens of several critical questions: How did the cooperative come to be? What issues does it address, and how does it do so? How does it maintain material relevance while fostering trust among its members? What is its members' level of digital literacy, and how and to what extent is digitization used for cooperative purposes? What are some of the issues that digitization could address for the cooperative? What are its members' thoughts on further digitization?

### **Jeevantirth Cooperative**

The cooperative was founded in 2011 with the support of 35 women. It operates in 'Rampirno Tekro,' one of Ahmedabad's largest slums, where nearly 7000 women work as rag pickers. These women had no access to collectives, so this cooperative allowed them to address their collective needs for the first time. They began with a Rs. 100 (\$1.5) savings account each, under the name "Jeevantirth Mahila Bachat Mandal" (Jeevantirth). Jeevantirth currently operates as a registered foundation and has led the development of the cooperative. Within the first two years, the initial cooperative group grew from 35 to 100 women. Currently, it has around 2000 women member-owners.

## 7. CONCLUSION AND FURTHER SCOPE

To summarize, this cooperative was successful in organizing low-wage women in a precarious occupation.<sup>63</sup> The women developed a strong sense of ownership over their work environment and site. The co-op incorporated and materially improved the women's lives. It also instilled in the community a sense of responsibility for one another's lives. It provided members with employment and obtained additional opportunities in other locations. It has financially secured the needs of its members.



*A training session underway at Jeevantirth Cooperative in Gujarat, India. (Source: Jeevantirth Foundation, 2022)*

The cooperative model was deemed the most reliable way for women to save. It has led a number of initiatives that directly address their needs, in addition to managing their savings. They couldn't buy enough wheat because they didn't have enough storage space. This was raised by several women. The coop ensured a year's supply of wheat; the Jeevantirth foundation lent the cooperative money, which was repaid in installments. It also allowed the women to store and retrieve wheat as needed. They bought edible oil in bulk at below-market prices, stored it, and distributed it to the women. The Jeevantirth foundation coordinates the cooperative's governance and acts as a guarantor for larger loans when needed. Each leader reports to the president. These leadership roles rotate every three months to encourage member participation. They hold monthly general meetings and more frequent meetings to address issues like wheat procurement and internal grievances. Another issue raised was the lack of safe storage facilities for important documents and valuables such as gold jewelry. The cooperative decided to buy cabinets in bulk at low prices and distribute them to members on a sliding scale. They also gave the women gas cylinders, stoves, refrigerators, and flour milling machines. The cooperative provided a reliable, cost-effective, and easily accessible channel to address these needs collectively. So the co-op opened a health center with free or low-cost sanitary pads. For example, it managed the production and distribution of tamarind paste

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candies, and connected women members to jobs as housekeepers or nannies. The cooperative was founded with a Rs. 50,000 (\$800) loan from the Jeevantirth Foundation. The cooperative is now self-sufficient.

The applicability and necessity of digital platforms in the daily operations of the co-op has become inescapable. The management of their savings account records, for example, has been the most significant change. But one of the most significant barriers to further digitization is the cooperative members' lack of digital literacy. Around 300 women have to travel to the cooperative's offices to make phone-based installment payments. They have also trained several cooperative members to lead WhatsApp groups that improve communication efficiency. Managing their loan schedules and payments via a phone-based application, as well as improving communication, would be extremely beneficial.

### Possible Interventions in Gujarat

Amul, India's largest dairy cooperative, has assisted Bhumei Cooperative, one of the rural Gujarat village cooperatives we interviewed, in realizing the benefits of digitalization, demonstrating how mandating digitalization for all members may be a necessary first step toward assisting people in overcoming digital inertia.

This insight may persuade the Gujarat Cooperative Federation to adopt Amul's development strategy for all of its Milk Supply Cooperatives. The Pochabhai Foundation, a social justice organization focused on marginalized groups that works closely with cooperatives, could conduct a study of the shift that the Jeevantirth Foundation-led cooperative intends to make in order to identify gaps that can be addressed as the two agricultural cooperatives strengthen their formative years. Other cooperatives, such as the Solar Cooperative, could use digitalization as a proof-of-concept and, if successful, as a case study for other solar cooperatives/technology-based cooperatives considering the transition. Cooped, a technology-based organization that we interviewed in Ahmedabad, has technological expertise, an organizational structure, and a successful market entry strategy that could be studied further to provide deeper technological insights for any platform cooperative seeking to make a scalable social impact.

Some of the issues that we encountered and those that they mentioned involve several major clusters:

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Government bureaucracy and regulation burden cooperatives. In light of this, co-ops are sometimes motivated to not be legally registered as co-ops while effectively operating as one, because obtaining and maintaining this status requires significant resources. New cooperatives, particularly those working with people in the informal sector or with very low incomes, face challenges in gathering documentation, taking advantage of the benefits provided by legislation for registered cooperatives, and dealing with government bureaucracy along the way. Furthermore, the allocation of funds for cooperatives by the government varies by district, depending on the wealth generated by the cooperatives themselves. This benefits those who are already successful while creating a significant barrier to entry for districts where cooperatives have yet to establish a foothold in the market.

Co-op members in many areas, particularly in rural Gujarat, do not have continuous internet access. In some cases, the costs of setting up WiFi are prohibitively expensive for the cooperative, or cell phone data-internet plans are extremely expensive.

For co-op members across the region, there is a lack of digital literacy training for using smartphones and computers.



*Posters for literacy training in SEWA Federation's offices in Ahmedabad, Gujarat. (Source: Trebor Scholz, July 2018)*

Communications are ineffective between co-op members, between co-ops that join forces, and across the supply chain. The same can be said for data storage. Due to a lack of systemization, their work is frequently inefficient in comparison to emerging market competitors backed by venture capital or as subsidiaries of major corporations, which could be more easily facilitated through digital portals.

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An ecosystem approach is helpful. SEWA Federation, discussed previously in this report, has pioneered a very effective model of providing for the development of nascent and existing cooperatives—which can provide crucial insight into addressing some of these challenges. As their support becomes robust through incorporating the SEWA Union, SEWA Federation and SEWA Bharat—facilitating economic struggle, technical support and social services respectively—the primary cooperatives linked with them have a greater likelihood of attempting a fully-integrated digital approach (oriented towards platform cooperativism) and experimenting with platform-based tools to facilitate their operations. They can take that risk because they have a strong foundation, and also access to an established reputation which significantly helps in accessing funds needed to get digital tools off the ground.

The organizations considered here represent a small subset of the larger ecosystem that is already in place, albeit dispersed, for platform cooperatives to develop. The most difficult challenge is facilitating institutional cross-pollination and collaboration in resource and knowledge sharing, which would allow such an ecosystem to consolidate an already shared vision in their practices.

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Kerala became an independent state in 1956, when three princely kingdoms merged. The first government was formed by the Communist Party of India, the world's first elected communist party at the time. Kerala has been governed by coalitions that alternate every five years between the communist-led Left Front and the Indian National Congress-led United Front. Kerala, a newly formed state, has instituted the most extensive land reforms, resulting in almost no large landholdings today. It performed better than the majority of national social indicators, such as literacy rates, life expectancy, gender ratios, and the human development index. Keralites working in the Gulf region and sending remittances home are the most significant contributors to the economy, as is trade in the service sector. Tourism, agriculture, and manufacturing are the three industries that contribute the most to the state's economy after remittances.



*A street in Thiruvananthapuram, Kerala, with the Communist Party of India (Marxist) / CPI-M plaque. (Source: Aman Bardia, November 2019)*

The Kerala Co-operative Societies Act 1969 established cooperative societies with limited liability in the newly formed state. Following that, on January 1, 2000, the Kerala government enacted the Kerala Cooperative (Amendment) Act 1999, the state's most recent major legislation defining cooperative status and incorporation.<sup>64</sup>

In comparison to other states, Kerala stands out for its progressive social indicators and high intensity of collective organizing among women, workers, farmers, and fishers, making it an especially fertile ground for the development and experimentation with worker ownership models. In the following pages, we look at some areas that have shown potential for platform cooperative development based on this indicator. The first section looks at how one of the world's largest collective women's organizations, Kudumbashree, based in Kerala, has experimented with cooperatively run platforms for the sale of products produced by women collectives

under its umbrella. Platform cooperatives will not appear out of nowhere, and mass worker collectives like Kudumbashree, which are rooted in the spirit of cooperation and worker-ownership but are not legally registered as cooperatives, are important anchors that can sow the seeds of platform co-op development. Based on this approach, this section is a close examination of the platformization process in a cooperative-adjacent mass organization, including its successes, challenges, and reflective insights. Our research affiliates Simy Joy and Priya Nair have extensively contributed to the text in this section. The second section delves into initiatives that are explicitly designed to function as platform co-ops in the food delivery and transportation sectors. Our research affiliate Deepa VM has contributed for the majority of this section. Such experiences do not represent the state of all cooperatives in the state, but they do show the paths that have been taken for the development of platform cooperatives in the state.

### **Can Platform Co-ops Level the Playing Field for Kudumbashree's Micro-Entrepreneurs to Gain Market Access?**

Kudumbashree is a state-led initiative for the eradication of poverty that encourages economically disadvantaged women to engage in micro-entrepreneurship. It currently represents over 42000 micro-enterprises. In this section, in addition to our own interviews, we draw on a PCC report titled "Platform Co-op Markets? Insights From Kudumbashree in Kerala" by Simy Joy and Priya Nair.<sup>65</sup> We selected Kudumbashree because it experimented with a variety of digital platforms, including their own online retail portal, a market-leading retail platform, and a hyperlocal app, after recognizing that market access was a barrier for many of these micro-enterprises. Using the knowledge gained from various experiments, Kudumbashree hopes to develop a digital platform model that meets the needs of its micro-entrepreneurs. Kerala, with its long and rich history of cooperative movements, is an ideal setting for investigating the viability of implementing a platform cooperative model. Cooperative movements have existed in Kerala since the early twentieth century. They are common in banking, but they can also be found in agriculture, dairy, handloom, and fisheries.

The Covid-19 pandemic hit the world just as the Kudumbashree Mission was experimenting with digital platforms, bringing a slew of unexpected challenges with it. Fearing the pandemic's rapid spread, the Indian government imposed a 21-day lockdown beginning March 24, 2020, followed by two additional extensions

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until May 31, 2020. Local containment measures included the temporary closure of marketplaces and the closure of fairs and weekly markets. These measures had a significant impact on raw material supply and disrupted existing marketing channels. With the pandemic and subsequent lockdown, Micro-enterprise Consultants found it increasingly difficult to visit micro-enterprises and provide market intelligence, exacerbating the enterprises' problems. Much of the progress made by women micro-entrepreneurs through micro-entrepreneurship was jeopardized as a result of these changes. After their livelihoods were jeopardized, several women micro-entrepreneurs were forced to work to supplement their income.



*In the Kudumbashree main office building in Thiruvananthapuram, Kerala. (Source: Aman Bardia, November 2019)*

While Kudumbashree Mission attempted to address this slump by capitalizing on pandemic opportunities such as mass production of masks and sanitizers, sale of essential supplies and food kits, and so on, it felt critical that micro-enterprises develop more versatile market access channels in order for their businesses to be more resilient.

This convinced the Kudumbashree Mission to continue with the pilots of the three different digital platforms they had started, namely:

1. Kudumbashree Bazaar, the in-house online portal,
2. E-Commerce platform of a market-leading online retailer, and
3. Annasree, a hyper-local app.

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In 2020-21, a comparison of sales revenues from all channels revealed that digital platforms contributed only 1%. Although the Mission is eager for Kudumbashree micro-enterprises to have a presence in digital marketplaces, it is unclear whether the current models are completely appropriate for the purpose. It is past time for the Mission to weigh the pros and cons of the models it has tested and to introduce a model that retains the benefits while effectively addressing the drawbacks. In this context, an investigation into the appropriateness and feasibility of a platform co-op model becomes especially important.

While a platform cooperative model appears to be appropriate for addressing the unmet needs of Kudumbashree micro-enterprises, it is also necessary to investigate whether such a model is feasible in the current Kudumbashree context.

Gaining support for the idea of forming a co-op and recruiting micro-entrepreneurs may not be difficult, given Kerala's long history and tradition of cooperative societies. Furthermore, Kudumbashree women have advanced knowledge and experience participating in governance processes. The Kudumbashree community network, of which they are all members, is governed by by-laws that are based on a participatory and democratic approach to governance. Furthermore, Kerala has a policy that requires 50 percent of elected members in local self-government to be women. Despite coming from the most disadvantaged socioeconomic strata, Kudumbashree women hold 60% of these positions!

Instead of limiting their participation to ownership and governance, Kudumbashree may be able to include micro-entrepreneurs (and other Kudumbashree members) in day-to-day management and operations. This aspect will also be familiar to Kudumbashree women, as they have been involved in program management in Kudumbashree since its inception through the community network of Neighborhood Groups (NHGs), Area Development Societies (ADSs), and Community Development Societies (CDSs). The elected representatives in the ADSs and CDSs have always played critical roles in Kudumbashree's planning, budgeting, implementation, and monitoring processes.

Occasionally, the Mission has considered entrusting the day-to-day management and operations of the digital platforms to Kudumbashree members. Every time, it refrained because it was unsure how to structure the business and revenue models so that the costs involved do not become a disproportionate overhead that eats into the meager profits that micro-entrepreneurs currently receive. The Mission currently

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provides managerial and operational support, and their salaries and other costs are borne by the Mission. Many participants in our interviews expressed a willingness to pay a fee for centralized managerial and operational support. It may be possible to create a starting business and revenue model by combining the fee from the micro-entrepreneurs and the amounts that the Mission is already bearing. As the model matures and sales volumes increase, the Mission may be able to withdraw all financial support and allow the platform co-op model to operate as a financially self-sustaining entity.

Platform co-op models bestow their members with the opportunity to co-create structures, processes and technologies that best suit them. The designs they generate are meant to promote economic participation of members albeit in varied ways.



*Amazon Saheli and Kudumbashree linkup placard at Kudumbashree offices in Thiruvananthapuram, Kerala. (Source: Aman Bardia, November 2019)*

Platform co-op model may permit the Kudumbashree micro-entrepreneurs to co-design the operating models in ways that balance their needs for autonomy and collectivization. For instance, by tweaking the operating model to include individual logins on the platform, they may be able to independently track their sales and engage with customers directly, which may make them feel more in control. Similarly, they may be able to collectivize the marketing activities in ways that benefit all members. This could include: pushing for common branding and packaging with professional help, designing promotional campaigns, introducing product strategies that provide economies of scale while pre-empting cannibalization, streamlining logistics by engaging economical and reliable partners, adopting pricing policies that do not eat into profits, and devising faster payment processes.

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This allows them to organize their business activities differently, thereby reducing their risk exposure and creating opportunities for other members' economic participation. Efforts in this direction have begun to emerge. Having recognized the collective harm that fragmentation can cause, for instance, a number of microentrepreneurs have already taken the initiative to organize themselves into a production cluster. Others see the possibility of transforming Home Shop, which is essentially a distribution channel, into a fully-fledged logistics arm. With 4.5 million members in a state with a total population of 35 million, Kudumbashree has greater reach and penetration at the grassroots level than any other company. Kerala has seen Kudumbashree members that carry out most of the state projects that require grass-roots access for years now. The app Annasree is moving in this direction.

Co-designing and operating digital platforms requires technological knowledge, which the majority of Kudumbashree members lack. In the past, they have demonstrated the ability to acquire new skills, but mass upskilling will require substantial effort and resources. Notably, there is a second generation of well-educated young adults who are the children of Kudumbashree members. This group, which would otherwise be required to seek employment elsewhere, may possess the necessary technical skills and knowledge to create and maintain the platform. As many of the first-generation members who joined Kudumbashree when they were in their forties twenty years ago begin to contemplate retirement, this will also be a way for Kudumbashree to remain relevant to the next generation.

Platform co-ops can indeed work in the product sector in a manner that helps micro-entrepreneurs to enhance their market access, provided the platform meets their autonomy needs and makes collectivized support available.

Nonetheless, we must emphasize that the organizational structure and operating model underlying platform co-ops must be tailored to the membership. In the case of Kudumbashree micro-entrepreneurs, a number of favorable contextual conditions may facilitate a smoother transition to platform co-op status. As members of Kudumbashree, they are already united under a shared identity to which they feel a sense of belonging and which the public respects. They have extensive experience facilitating the success of multi-party organizational arrangements and are conversant with cooperative philosophies. Nevertheless, their lack of digital skills may prove to be an impediment. Existing conditions may facilitate the formation of platform cooperatives. The initial groundwork must be directed toward their creation if they do not already exist.

### SEWA in Kerala

Following on from their experiences with Kudumbashree, SEWA in Kerala operates as a cooperative, one of the few that is not politically supported by either of the major political parties: the CPI(M) or the INC. This is also one of the main reasons they are struggling to survive, but it protects them from corruption and the volatility of government change, both of which other cooperatives face on a regular basis. The Kerala affiliate is India's smallest SEWA, with 25,000 members. SEWA assists 8,000-9,000 people in finding work in this region.

Nalini Nayak founded SEWA Kerala in 1983, inspired by the Gujarat SEWA movement. It began primarily in the fishing, bamboo cultivation, and agricultural sectors. The Indian economy was in recession from the late 1960s to the early 1990s, and women were particularly hard hit. During this time, SEWA also ventured into nursing assistance, one of the professions with a higher concentration in Kerala than the rest of the country.

Every district in Kerala has domestic service committees for the internal governance of a SEWA cooperative. District meetings are held once a month, and general body meetings take place once a year. The state labor department created the Skill Registry app, through which workers could register and clients could hire workers. This app, however, was created without the involvement of workers or unions.

A 'Smart' card for every domestic worker is a popular demand among SEWA members. The hope is that everyone will have a number and will be able to deposit funds for personal insurance. Keralites often think that "everything comes from the top" when it comes to fixing the systemic problems that cause people not to know how to use technology and make traditional cooperative sectors less competitive.

To comprehend the situation in Kerala, it is also critical to clarify that the state has approximately 4,000,000 migrant workers. The government has announced PDS (public distribution system) ration cards for migrant workers, but there is no centralized system in place to implement them.

Domestic SEWA workers in Kerala are particularly precarious, as they put it: "Somebody else's home is our workplace." They train their workers, but they also form attachments to specific clients. SEWA operates on a three-month rotational

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system. Some women leave SEWA because they prefer to work for their clients, who often pay better than SEWA.

A few projects, similar to SEWA's experiences, provide a glimpse into the cooperative and aligned sectors' digitization efforts. Following are a few pioneering case studies of traditional and local cooperative sector players in Kerala who have migrated to digital platforms, particularly in the hotel and transportation industries. Government agencies and stakeholder organizations are joining forces to establish new food delivery and transportation platform cooperatives.<sup>66</sup>



Headquarters of SEWA in Thiruvananthapuram, Kerala. (Source: Aman Bardia, November 2019)

### Where Kerala is Leading the Way

The reasons for this unique growth (though with many inherent contradictions) are often attributed to a number of factors, including land reforms implemented by the communist government in the 1960s, migration of a large portion of the labor force to Gulf countries, which resulted in a 'pay cheque' economy, the emphasis placed by successive governments (again under the influence of a strongly Left-leaning society) on education and health sectors, and the strengthening of the public sector in both, and the social reform movements that addressed head on the inequalities of a caste-ridden society. Despite its many shortcomings, the 'Kerala Model' sustains a well-educated and comparatively well-off society, its offshoot being affluence and affordability of new ideas and technologies. As a result, Kerala has become one of the major suppliers of software engineers to the rest of India and the rest of the world. Almost every middle-class Kerala family has an IT professional as a member

or a close relative. As a result, it is not surprising that, in comparison to the rest of the country, Kerala has taken the lead in integrating the traditional cooperative model with the digital platform.

For this section, we thank Deepa VM for her research contributions.

In Ernakulam, Kerala's commercial capital, a number of intriguing digital platform cooperatives in the food delivery and transportation sectors are emerging. Collaboration between private organizations, labor unions, small and medium-sized businesses, and government agencies is encouraged through these initiatives. The Kerala Metropolitan Transport Authority, a newly formed city transportation authority, is also supporting and initiating some of these initiatives. This research looks at three of these platform cooperatives.

### **Rezoy: The Cooperative Model Food Delivery App Run by Kerala Hotel and Restaurant Association**

Rezoy is a food delivery app that is owned and operated by the Kerala Hotel and Restaurant Association (KHRA), a statewide organization of hotel and restaurant owners. This case study looks at how an existing organization of small and medium-sized dine-in hotels and restaurants, which has traditionally served only as a bargaining platform against state control, rises to meet the competition posed by the recent entry of food delivery apps such as Zomato and Swiggy.

Muhammed Mustafa, a hotel owner and KHRA member, proposed the idea of creating a food delivery app for the organization and its members. He also worked in the IT field in Dubai before returning to Kerala and opening his own hotel. Muhammed Mustafa, like many non-resident Keralites, had returned to Kerala with the intention of settling down in his village with his family and running a successful business with whatever savings he could save from his years in Dubai. His personal experience as a hotel owner in a market where private aggregators were stealing business from him, combined with the desperation of the entire hotel business community facing a sudden loss of control, forcing them to do business through Zomato and Swiggy. Muhammed Mustafa's personal journey thus played a significant role in this story and fueled the organization's attempt to migrate to a digital platform that can compete with Swiggy and Zomato. The entire community of small and medium hotel owners has also shifted away from dining-in and toward

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door-step food delivery.

Muhammed Mustafa is currently the CEO of Rezoy. He briefly described the trajectory of engagement that Kerala hotel owners had with Swiggy and Zomato to this researcher. These are the food delivery apps that have grown in popularity in Kerala, as well as in many other parts of the world, in recent years. Initially, what these private aggregators offered to small and medium-sized hotels appeared to be very appealing. The hotel and restaurant owners' food delivery agreement with private food delivery aggregators began with the hotel and restaurant owners paying no commission to the aggregator. When the market gradually opened up to the door-step delivery trend, the aggregators demanded a 10% commission, which the hotel owners were willing to pay. Customers gradually shifted away from dining out in favor of these online food delivery apps, a trend that peaked when Covid 19 lockdowns became the norm.

As their business expanded and hotels became more reliant on them, private aggregators increased their commission from 10% to 30%. As a result, many hoteliers began to lose money, and many even closed their doors. This was the circumstance in which Rezoy was conceived. Rezoy used a cooperative society model that included all of the Kerala Hotel and Restaurant Owners Association members. The members of this association own the digital platform collectively. Muhamemd Mustafa believes that the restaurant and hotel owners' sense of ownership in Rezoy will help their venture survive the ferocious competition from Zwiggy and Zomato. Rezoy's current operating area is Ernakulam district, particularly Ernakulam town, the district capital.

We met and spoke with Ernakulam restaurant owners. Hotel Empire Plaza and Nandanam are two restaurants that offer food delivery through Rezoy, Swiggy, and Zomato. The owners of both of these hotels expressed reluctance to completely abandon Swiggy and Zomato and commit to delivering food solely through Rezoy at this time. They believe that the Rezoy app and its delivery network are in their early stages and that they lack professionalism, sales volume, reach, and service delivery. Their words revealed that the sense of ownership that their organization expected of them in relation to Rezoy had not yet materialized.

The hoteliers believe that, despite the high commissions paid to Swiggy and Zomato, the volume of sales compensates for this disadvantage. Swiggy and Zomato pay them once a week. Rezoy's hotel payments are also made on time every

two days. Not to mention that RezoY charges only a 10% commission. And this commission is returned to the association, which is made up of hotel and restaurant owners. Still, restaurant owners are skeptical of the venture's success, believing that without a significant investment in advertising, RezoY will struggle to reach customers directly and compete with private food delivery aggregators. The RezoY app is not as user-friendly or sophisticated as the private aggregator apps, but the food delivery is prompt and the prices are lower than what the private aggregators charge. The RezoY team claims that they are only charging the customer the Maximum Retail Price (MRP) as required by law, and that private aggregators frequently violate these standards.

RezoY is a cooperative model, but it still lacks the spirit of cooperation and participation. Even though it arose from a perceived need shared by all members of the organization, ordinary members were rarely involved in its conception and implementation. It started with one person's idea and vision of a digital start-up, which was later reluctantly but hurriedly adopted by the association. During a strategy planning session in Ernakulam town, we discovered the organization's leadership attempting to marry the cooperative model with some kind of public-private partnership model. Members appeared concerned about frequently expressed doubts about the success of cooperativism—the potential threat of politicization and excessive government intervention. It appears that the day will come when all members of the organization decide to exclusively deliver their food via RezoY and refuse to work with the exploitative private aggregators in the field. RezoY is receiving inquiries from hoteliers in neighboring districts and intends to expand to Thrissur and Kottayam, both of which are relatively close to Ernakulam.

### **Interventions by the Kerala Government**

Kerala has only one metro rail service, which is the Kochi metro. Kochi Metro connects various parts of Ernakulam. Kochi Metro began operations in 2012. According to the rules established by the Indian government, any metro rail project must be accompanied by the formation of a unified metropolitan transport authority.

In Kerala, the plan was to integrate road transportation (including the state government-owned Kerala State Road Transport Corporation, metro, auto rickshaws, privately owned buses, and taxi services already beginning in 2006. Kerala's Unified

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Metropolitan Transport Authority (UMTA) was established by government order in 2013. UMTA began its efforts in 2014-15 to bring all private buses (around 800) into a common digital transportation platform, and bus owners were persuaded to form seven companies because there were many bus owner organizations with varying political affiliations.

All seven bus owner companies merged in 2017 to form a single bus operator company. That company's app enables bus owners to track ticket sales and take advantage of group discounts. The digital bus transportation platform operates as follows. A bus ticketing app has been created for bus owners. This app allows bus owners to access real-time ticketing data on their mobile phones. Previously, bus employees would steal a portion of the money collected from ticketing. Following the implementation of the app, bus owners' earnings have increased from Rs.1000 (\$13) to Rs.2000 (\$26) per day. Riders of the metro and buses receive a single card as part of this digital platform. This card can be used to ride the bus, make internet payments in stores, hire a taxi, and travel by metro rail. The one-cards are compatible with the bus ticketing machines.

Owners of private buses operating in Ernakulam are already reaping the benefits of this aggregation. The app allows bus owners to pool their spare part purchases and thus receive discounts. The oil companies have also been giving them discounts when they use the bank transaction card issued in their aggregate company's name. The bus owners' companies own 51% of the shares in the public limited company they formed, the government owns 20%, and the public owns the remaining 23%. Twenty percent of the 23 percent public shares are reserved for non-resident Keralites. This is critical in ensuring the project's sustainability in Kerala, where the influx of foreign money from Gulf countries is a major driver of development. Even though this venture is not a cooperative platform in and of itself, it is linked to the digital cooperative platforms that are already in place for taxi and auto rickshaw services in the city.

### **Yatri and AuSa Apps: Two Digital Cooperative Models Promoted by Kochi Metropolitan Transport Authority**

Effective 2020, the UMTA Kochi Metropolitan Transport Authority, was responsible for integrating Kochi's various modes of transport.

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Early in February 2021, the authority decided to launch the 'Yatri' app for taxi services and the 'AuSa' app for auto rickshaws. Both the 'Yatri' and 'AuSa' apps have adopted the cooperative organizational model. These models of cooperative societies are directly proposed by the government agency KMTA. The overarching objective has been to address the social inequality that prevents auto-taxi drivers from receiving a monthly wage, pension, etc., in contrast to government workers and other more privileged worker groups.

The idea is that taxi and automobile drivers should enjoy the same job security as government employees. Hari, a former UMTA member, believes that there should be pay stubs with which they can obtain loans, and that they should be able to wear their uniforms with dignity. Currently, a car or taxi driver is susceptible to the income-inconsistencies of whichever trips they are able to secure or risk losing when competing with one another. There are 2500 taxis in the city of Ernakulam, but only 1000 are affiliated with various trade unions. The remaining drivers are unorganized and, as a result, are exploited by travel agencies and private aggregators such as Uber and Ola, who take a hefty commission from their earnings. These private aggregators share a small portion of their aggregation profits with their customers in order to gain their loyalty, whereas drivers receive no such benefit. The result is that customers migrate to the aggregators, leaving the traditional taxi and car drivers unemployed.

Yatri is a platform cooperative for taxi drivers that operates as part of the Kochi Open Mobility Network project. The taxi and auto drivers who join the newly formed cooperative society are given access to this digital platform. There are 250,000 auto rickshaws operating in the Ernakulam district, and 10,000 in the city area. As this report is being written, the project has completed its first thousand trips. Already 2200 auto rickshaw drivers have joined the cooperative society.

What is envisioned is a one-of-a-kind model with significant benefits for members. The majority of taxis and autos that operate in Kerala are owned and operated by their driver. By joining the digital platform, each taxi/auto owner or driver will receive a double benefit. They will be members of a cooperative society that will share the profits of the digital platform. When they drive their vehicles, they will also be members of the cooperative society. There will be three shifts for each vehicle (if the owner wishes), and they can work one shift while receiving rent for the other shifts ridden by other drivers. As a result, the vehicle is used to its full potential, and the owner earns an additional income. The customer's payment for the ride will be

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credited directly to the cooperative society fund. The drivers' salaries will be paid from this fund, with a set minimum wage. Each driver will have a one-day week off during the six-day work week. As a society employee, you will also receive other perks and benefits, such as a provident fund. Even students who do not own taxis or auto rickshaws but want to supplement their income can work evening shifts. 'Yatri' takes no commission from the drivers. The drivers/owners can buy fuel at the fuel stations simply by showing their ID cards as members of the cooperative society. The fuel vendor will be paid directly by the cooperative society.

To ensure passenger safety and accountability, each driver must obtain a police clearance certificate. They also sign an agreement to abide by all of the rules of the cooperative society in which they are members. Any violation will result in the membership being canceled. Many drivers, when approached in person, welcome the move because they believe private aggregators such as Uber and Ola overcharge them for commission, which can amount to up to 25%.

The digital platform for auto rickshaws has yet to take off. The restrictions imposed in the aftermath of the Covid 19 pandemic had a significant impact on this vertical of the project. The general body meetings scheduled to explain the project details to the auto drivers could not take place as planned. One KMTA member who was instrumental in organizing bus owners into the KMTA digital platform expressed reservations about adopting the cooperative society model in the Kochi Open Mobility Network (KOMN), the agency formed to integrate various modes of transportation using technology. He claims that political parties and labor unions support the cooperative society model for a variety of reasons. According to him, the cooperative society laws in India require that the board of directors of a cooperative society be entirely elected by the members. This allows political parties and trade unions affiliated with them to exert undue influence over the functioning of society. Each cooperative society has one vote in the Taluk credit cooperatives of their geographical location's board. This vote is extremely valuable to political parties in order for them to maintain control over these cooperative banks. Because of the existing legal loopholes in the cooperative society model, the board of directors of any cooperative society is likely to be made up of non-experts. This could lead to a considerable lack of professionalism.

In order to sustain the digital platforms for the auto rickshaws and taxis integrated into the KOMN, KMTA is paying the cloud rent to server providers such as Amazon. In this digital cooperative model, at least at this early stage, this cost is not much

compensated by the ride profits. Instead, this expenditure is expected to be covered by the operational savings such as when the drivers/owners collectively purchase tyres, spare parts, and so on. There are also provisions where the auto/taxi drivers can have bulk insurance coverage where they will get 10% of their money back. However, this can happen only when the drivers/owners are enlisted in this project en-masse.

Many auto rickshaw and taxi drivers and owners are still hesitant to participate in the project. They are unaware of the benefits of platform cooperatives because the KMTA's awareness campaigns have been stifled by the pandemic. Even the CITU taxi union, the strongest trade union in Kerala and a Communist Party of India (Marxist) affiliated trade union, is having difficulty enlisting its own members. Mr. Harilal K.J., the leader of the CITU Ernakulam city car drivers union, who is working with KMTA to make this project a reality, remains optimistic. He claims that the delays and missed deadlines are due to Covid 19 restrictions. He also admits that city-wide meetings should be held to raise awareness among auto/taxi drivers.

### **Kerala's Unique Networks of Cooperation**

It is difficult for local competitors to succeed through the platform cooperative model in a market where private aggregators such as Swiggy and Zomato can promote brand recognition over profits — at least temporarily — and where they command access to funds given with the sole purpose of building brand recognition and network effects. The observations made by the various stakeholders with whom we interacted reflect this. They also believe that government control over cooperative societies is overbearing. Despite these reservations, preliminary data from Ernakulam platform cooperatives' experiences show that these ventures are growing slowly and steadily. For stakeholders, the most significant advantage of the platform cooperative model is that they own the technology, eliminating the exploitative presence of any intermediary. Customers' interest in adopting these new technologies is also growing, as evidenced by the growing number of Kochi Metro one-card holders. Metro, taxi, and bus rides are currently partially integrated into the Kochi Open Mobility Network and its one-card. This project has also included small and local private cab aggregators like Yellow Taxi. A user who books a taxi through the 'Yatri' app can select from a variety of cab services in the city. Local drivers can also join the platform by downloading the 'Yatri Partner' app. In addition, there is no third party involved who charges a commission on the ride.

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The platform network plans to include ferries and rental bicycles, as well as services such as electric vehicle charging stations and parking spots. Efforts are being made to launch the 'AuSa' platform and add auto rickshaws to this network as soon as possible. All of the apps are designed to communicate with one another in real time and in the same language.

It is becoming clear that once the 'Yatri' and 'AuSa' platforms are fully operational, this network of platform cooperatives could pose serious competition to the field's dominant private players. Rezo's case study demonstrates how stakeholders in any sector can limit the exploitation of intermediate aggregators by collectively commanding the technology involved. This initiative has been successful in providing hotel and restaurant owners with an alternative, a different (and even better in the near future) option. Crossing the private-public divide and empowering local communities are two other distinct features of all three platform cooperative initiatives. The KMTA experiment demonstrates that a government agency's role as a facilitator of platform cooperative networking places vast infrastructural resources at the disposal of the stakeholders involved. These hybrid models are evolving, and there will inevitably be unexpected challenges. However, these experiments are worth taking those risks because they present the possibility of long-term socioeconomic empowerment to the local communities and customers involved.



*Trebor Scholz, together with Kerala Minister of Cooperatives and the Kerala Minister of Finance, leading a presentation on Platform Cooperatives in the Legislative Assembly of the State of Kerala, Thiruvananthapuram, Kerala. (Source: Aman Bardia, November 2019)*

7.

CONCLUSION  
AND FURTHER  
SCOPE

## 7. CONCLUSION AND FURTHER SCOPE

There is a growing need and opportunity for platform cooperative incubation and growth, according to a summary review of the platform and cooperative economy in Gujarat and Kerala, as well as subsequent developments in the rest of India. Some industries lend themselves better to platformization than others. Below, we parse through some of the sectors covered in the report that we believe are especially suited to platform co-op development, and attempt a summary evaluation of where it might fit in and its prospects. It should go without saying that the generalized nature of such recommendations makes them useful for indicating areas where further investigation may likely yield fruit, but that they are heavily dependent on the regional context of social, economic, and political forces and are not intended to be perspective. Other Indian states that were not included in the scope of this study but should be given special consideration for future expansion in terms of cooperative density and tech sector development are Maharashtra, Karnataka, West Bengal, Telengana, and the Union Territory of Delhi. The recommendations that follow are based on this research as well as two field trips to Kerala and Gujarat before and during the COVID-19 pandemic.

Agriculture, dairy, and agriculture-related industries account for roughly one-third of all cooperatives in India. They are the most promising candidates for developing platform cooperatives for two reasons: To begin with, the presence of a large proportion of cooperatives indicates that people involved in these sectors are already familiar with, if not members of, cooperatives and the fundamentally different model of ownership and governance they contain when compared to other workplaces.

While the actual application of democratic principles is not as prevalent as the cooperatives themselves, this familiarity is beneficial for future development and experimentation. Second, these sectors have been the focus of an intensive digitization drive spearheaded by the Indian government, as evidenced by the proliferation of various projects aimed at this end across the country. These industries will undergo significant digitization in the coming years, and it is at this early stage of change that platform cooperatives can take the lead.

Platforms for external marketplaces and internal information sharing that could be aimed at product aggregation appear to be particularly high in this regard. In India, the services sector has been on an economic ascension that is likely to continue. With the manufacturing and agricultural sectors in relative decline; the rise of the gig economy, particularly through platform-based work; and the rise in collective

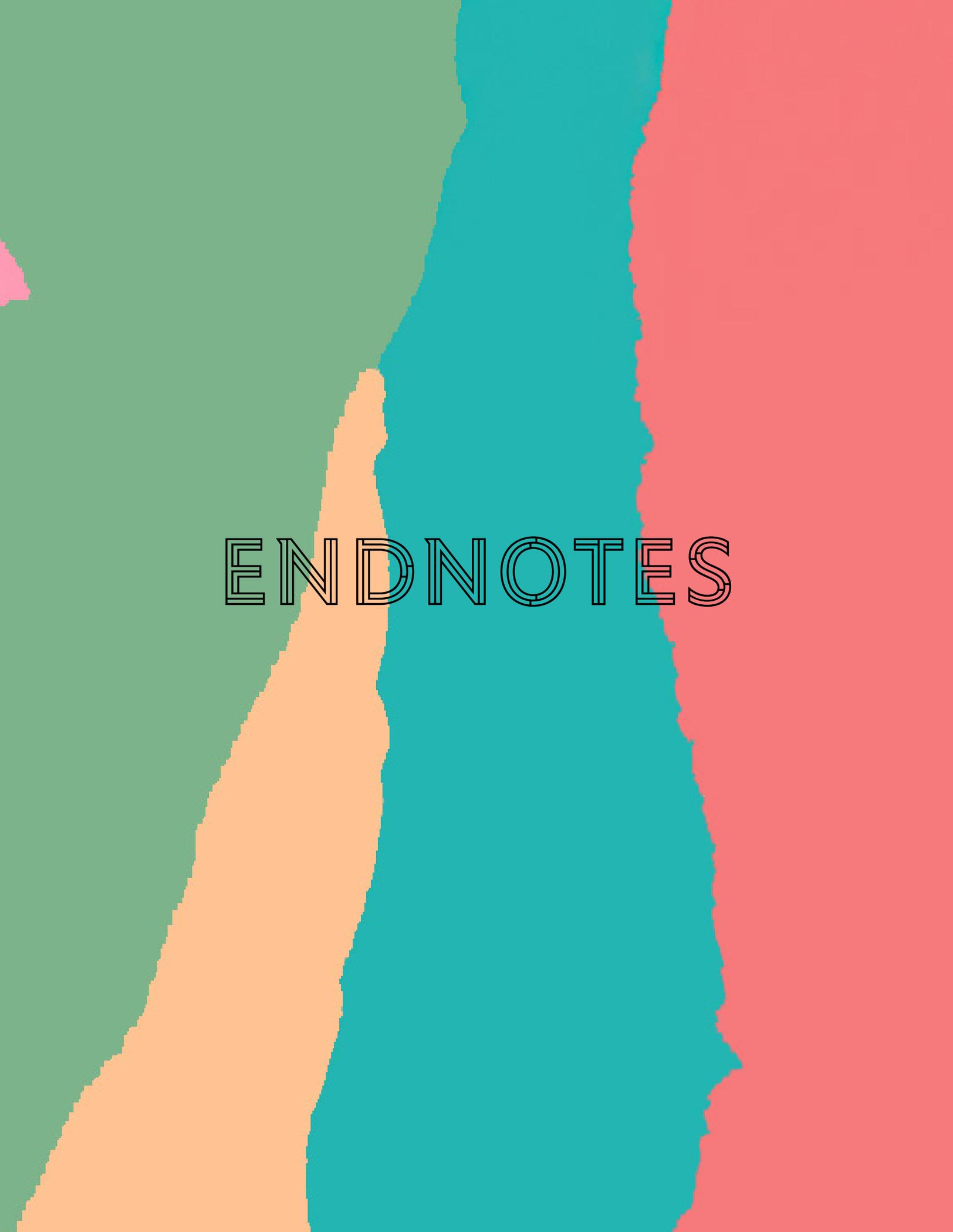
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organizing in the latter; these three factors have combined to highlight certain sectors within the broader services sector in terms of their potential for platform cooperative development. In this context, three areas have seen widespread activity in terms of worker-collectivization efforts and a push for worker rights:

1. Ride-hailing app-based workers
2. Carework
3. Delivery service workers

Banking (particularly with access to credit and loan management) and communications are two other sectors that will be critical in fostering conducive conditions for platform cooperativism but have not seen significant organizing efforts (for developing platforms for internal organization and coalitional channels).

Agriculture and related industries, services, banking, and communications will all provide fertile ground for sowing the seeds of a platform cooperative ecosystem in India. Based on our preliminary findings, the increasing corporatization of the economy, informalization of work, and digitization of the workplace appear to be a growing behemoth. Because digitization is still in its early stages for a large portion of the economy, introducing collective ownership practices over platforms provides an opportunity to ensure a democratic and dignified life for an increasing number of platform workers. Platform cooperatives offer a set of approaches for tipping the scales.



# ENDNOTES

## ENDNOTES

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67. Our research investigator, Deepa VM has contributed significantly to this section based on her fieldwork in Kerala.

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