

Platform cooperatives key to greater involvement of youth in movement

Tuesday, February 15, 2022



Hart the Band perform at their fellow Kenyan musician Ivlyn Mutua's album launch at The Alchemist, Nairobi, in December 2019. Local artistes can benefit from a platform cooperative.
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What you need to know:

- Platform cooperatives have the potential to radically transform cooperative enterprises.
- Lessons from emerging experiments in the cooperative platform economy across the world should be taken seriously.

The requirements for joining cooperatives are often a hurdle in the path of the youth. For example, most of them do not own land, hence difficult for them to join agricultural cooperatives.

The solution to these challenges lies in platform cooperatives — advocated through ‘platform cooperativism’, a term coined and used by The New School’s Prof Trebor Scholz in 2014. Notably, that calls for a new kind of online economy, free from the economics of monopoly, exploitation and surveillance.

A platform cooperative is a cooperatively owned, democratically governed business that establishes a digital platform and uses a website, mobile app or protocol to facilitate the sale of goods and services to meet the common economic, social and cultural needs of members, including those who deliver services in form of labour, time, skills and assets. They bring a long-standing tradition to online economies and social enterprises.

Platform cooperatives — such as driver-owned taxi apps or food distribution services that allow customers to hail services — have the potential to radically transform cooperative enterprises. Though not cooperatives, imagine if Uber and Bolt were owned by a large group of member-drivers each subscribing to cooperative principles.

Favourite launchpad

Imagine the local artistes organised themselves into a platform cooperative! It would create a big leap towards Kenya’s creation of worker cooperatives, providing a viable solution to unemployment, lowly paid high-labour jobs and grow reeling economies exponentially.

Using data mined from their operations and advanced data analytics would help platform cooperatives to gainfully align services with customer preferences.

Platform cooperatives should particularly interest the youth because of their comparative advantage in digital literacy compared to their parents’ generation. Besides their technological edge, Kenya offers them the second-most developed (after South Africa) start-up ecosystem in Africa.

Coupled with high mobile phone penetration (which Communication Authority of Kenya put at 119 per cent in 2020), our youth have a head start over their contemporaries elsewhere in Africa. Affordable smartphones and a relatively young and internet-active population has made Kenya a favourite launchpad for mobile-based services.

Setting up a platform does not follow a similar path every time but there are general steps that one can follow. The first is exploration. Start by defining your business idea. Once this is concretised, the next step is to get platform stakeholders, put co-founders in place and then build a media presence. This stage will require some limited resources.

Platform cooperativism

The second step is a set-up stage. Here, one should be refining the business idea and deciding an appropriate cooperative structure. You must then put in place (interim) officials, register the cooperative and build a microsite. Additional resources are needed at this stage to do all that and pay for services.

The third step is the testing stage. Build your prototypes and find users to carry out testing. Plan a funding pathway even as you secure a core team that will help you to define internal processes and in applying for funding.

At the fourth step, build a viable product with which you can sign up members. With the product out in the market, you should get some revenue. You can then work on growing their profile and allow shares purchase.

You are now ready to launch your platform cooperative, which will allow you to bring in more members, increase revenue, hire additional staff and start scale-up plans. Always evaluate your risks and rewards for scaling and plan to release new versions of the platform that give customers a better experience.

For our youth and the cooperative movement to reap the benefits of platform cooperativism, lessons from emerging experiments in the cooperative platform economy across the world should be taken seriously, nurtured and grown. Kenya's favourable start-up ecosystem should easily make the country Africa's platform cooperativism hub.

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