

TURNING
FAIRBNB
COOP INTO
A MULTI-
STAKEHOLDER
COOPERATIVE

A Report by

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1.

INTRODUCTION

INTRODUCTION

The idea of platform cooperatives, like any cooperative project, is to radically rethink the power relations related to platforms. Who owns it, controls it, benefits from it, and is impacted by it are the key questions driving the initial proposal of using the cooperative form for platforms. Large corporate platforms are managed and owned by a few number of founders and investors, rather than by the individuals who use, are impacted by, and ostensibly benefit from them. Platform cooperatives strive to address these disparities. These should be “collectively owned platform cooperatives, owned by the people who generate most of the value on those platforms” (Scholz, 2016, p.18).

But who are the people generating most of such value? If the initial proposal of platform cooperativism was primarily understood as beneficial for the platform workers, the idea for platform cooperatives to consider being multi-stakeholder is gaining traction. Multi-stakeholder cooperatives are “are co-ops that formally allow for governance by representatives of two or more “stakeholder” groups within the same organization, including consumers, producers, workers, volunteers or general community supporters.” (Lund, 2010, p1). According to Freeman, a stakeholder of an organization is “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (1984, p.46).

Their mission is usually broader than the one of a single stakeholder cooperative, “capturing a range of types of interests and impacts [of] an organization ..., while recognizing the interdependency between them” (Lund, 2010, p.3). They can thus help articulate, distribute and decentralize power and voice between the many stakeholders participating in the activity of the cooperative. For platforms, the stakeholders would entail users of the platform, whether they use it to work, produce, buy, sell, consume, but also the founders and team supporting the platform development and deployment, whether they are hired as employees, freelancers or volunteers, and last, all types of supporters: funders, partners, public administrations, communities impacted by the platform’s activity, etc.

Despite their formalization as a relatively recent phenomena, multi-stakeholder cooperatives are not a novel concept (Münkner, 2004). Both philosophy and practice bear witness to the cooperative movement’s origins (Bibby, 2015). Borzaga and Depedri (2015) attribute the renewed interest to the 1980s and 1990s. In the context of neoliberal policies and the state’s disengagement from providing social services, civil society actors rallied to make up for this deficiency (Vézina & Girard, 2014). On the one hand, non-profit organizations appeared inadequate to fill the state’s gap

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for the economic nature of the transaction, while single-stakeholder cooperatives served an insufficiently limited population. The model of the multi-stakeholder cooperative provided an answer to these problems. Particularly in Europe, but also in Canada, this resulted in the establishment of new legal frameworks, such as the establishment of social cooperatives in 1991 in Italy, solidarity cooperatives in 1997 in Quebec, social solidarity co-operatives in 1998 in Portugal, and the Société coopérative d'intérêt collectif (SCIC) in 2001 in France (Münkner, 2004). Healthcare and social services have been a part of their work for a long time. They have also shown an interest in the sustainable food industry, with the United States being an example.

By collaborating on a shared project, a multi-stakeholder platform cooperative may be able to empower stakeholders while preventing the profit-maximizing extraction and capture of value generated on the platform. To achieve their value-democratizing mission, some platform cooperatives have shared ownership and governance among their various stakeholders. This includes platform coops such as Fairmondo, a German online marketplace; Stocksy United, a Canadian stock media agency; Open Food Network nodes such as CoopCircuits in France and Katuma in the Iberian peninsula; CoopCycle, a federation of courier cooperatives using a shared platform; Mobicoop, a French ridesharing platform; Les Oiseaux de Passage, a French platform dedicated to travel or Smart, a Belgian-born cooperative of freelance workers. Nonetheless, this is not an easy process: while some of these coops, such as CoopCycle, Mobicoop, and Smart, transitioned or are transitioning from non-profits to multi-stakeholder cooperatives, others, such as Stocksy, or recently Smart, have added new member categories to better account for the various stakeholders.

So, how do you go from a single-stakeholder organization to a multi-stakeholder platform cooperative? What aspects and challenges should be taken into account when designing a multi-stakeholder path?. Fairbnb.coop is a global network and cooperative accommodation booking platform that connects hosts and tourists in order to crowdfund social initiatives that benefit the local community. This platform coop that is currently an Italian worker coop is the subject of this study. This report is based on my observations of Fairbnb.coop's activities as a Ph.D. candidate over the past year and a half, where I was involved in the weekly activities of the multi-stakeholder working group. We collectively interviewed other platform cooperatives and experts to help craft possible models.

INTRODUCTION

This report is organized in the following manner. After a brief review of the literature on multi-stakeholder cooperative governance, the report delves into Fairbnb.coop and its current assessment to determine why the company wishes to transition to multi-stakeholder cooperative governance. It then discusses the process by which Fairbnb.coop conceptualized and designed the transition, ending with a discussion of the main insights from the internal research phase. Finally, the central current Fairbnb.coop debates are outlined, followed by the conclusion.



2.

GOVERNING
MULTI-
STAKEHOLDER
COOPERATIVES

Making a case for the multi-stakeholder cooperative

The literature on multi-stakeholder cooperatives (MSCs) recognizes that they are a complex organizational form (Birchall & Sacchetti, 2017). Indeed, as Levi points out, MSCs call into question two fundamental principles of traditional cooperativism: “membership homogeneity” and a “monistic stakeholder structure” (Levi, 1998, p.54-55).

When many researchers first used the “cost of decision approach” to assess the potential of MSCs, this heterogeneity of members and ostensibly economic interests¹ was seen as only increasing transaction costs compared to a single-stakeholder cooperative (see Leviten-Reid and Fairbairn, 2011 for an analysis of this perspective).

Through this lens, their differences and the size of the cooperative would make it hard for different stakeholders to work together and increase the likelihood of conflict of interests. Each group of members would be seen as only concerned with its own self-interest, which would make conflict resolution more difficult and put the cooperative’s long-term survival at risk (Ajates, 2021).

Overcoming such challenges entails reaffirming the common goal and balancing interests: “One of the central problems of [multi-stakeholder cooperatives] is to focus the interests of the different members on the common objective and to avoid that one group of members dominates the organization. The usually applied rule of ‘one member – one vote’ is not applicable, because it would give the most numerous group a dominating position” (Münkner, 2004, p.57).

Nonetheless, this viewpoint overlooks the fact that heterogeneity and plurality of interests is a well-known issue in single-stakeholder cooperatives of a certain size, and is integral in any democratic endeavor. Empirical studies show that heterogeneity can be seen as a source of strength through the development of a shared long-term project. According to Vézina and Girard, “it seems that [...] [multi-stakeholder cooperatives have the] capacity to adapt around a strong general-interest purpose that contributes to unification rather than to partition of multiple and complementary interests.” (Vézina & Girard, 2014, p.76). Ajates adds that “the recognition and integration of stakeholder groups within the cooperative structure, legal governance and practice seems to overcome the negative impact of heterogeneity of actors who normally find themselves as contraries.” (Ajates, 2021,

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p.15). Moreover, empirical studies have shown high levels of satisfaction with governance processes of MSCs and generally minimal conflicts among directors at the board level (Leviten-Reid and Fairbairn, 2011).

This is accomplished by “building a long term relationship based [...] on a stable foundation of fair pricing, fair wages and fair treatment for all parties. It requires all members to look beyond their immediate short-term interests and join with their business partners to envision a system where everyone’s interests will be met in different ways over the short-term and the long.” (Lund, 2010, p.5) Münkner’s emphasis on interest alignment is inherent in the advancement of the MSC project, but attention to how conflicting priorities are balanced is important. Regulations governing dispute settlement should also be considered. Correspondingly, bringing together this diverse group of stakeholders can help reduce information asymmetries and better account for the project’s numerous stakes and challenges (Vercher-Chaptal et al., 2021), while also serving as a tool for individual and collective empowerment, engagement, and skill development (Bacqué, Rey, & Sintomer, 2005) and social capital strengthening (Ajates, 2021).

Even though there are advantages to MSCs’ governance structure, the involvement of numerous stakeholders may pose some challenges. A central issue in an MSC is the attempt to balance interests, one added layer of complexity being the introduction of the supporter member category, absent from single-stakeholder cooperatives. Their internal-external position in the cooperative calls for innovative responses (Michaud & Audebrand, 2019). To better understand this complexity, we must break it down into its constituent parts. Borzaga and Depedri (2015) identify three distinct strategies for multi-stakeholder organizations:

- multi-stakeholder ownership: the stakeholders become members of the cooperative, they support the constitution of the organization, its activity, and participate in the general assembly
- multi-stakeholder governance: the stakeholders are members of the board of directors, thus effectively influencing decision-making process
- other involvement strategies: stakeholders are involved in some decision-making processes but without becoming members, additionally they can join networks with other organizations to solve a shared problem.

Their analysis highlights the importance of first understanding how ownership rights are related to voting rights, and second, distinguishing formal processes of participation, as documented in bylaws, from informal ones that exist in practice.

Ownership rights

In MSCs, ownership and decision rights can be separated and articulated in a variety of ways. They can be completely decorrelated, as in preferred shares, which give ownership but have no voting rights and pay below-market interest rates. Shares in some membership classes may allow you to vote in the general assembly but not on the board of directors, or you may be able to vote in both. Some stakeholders may not have shares or voting rights, but they are invited to participate in committees or advisory boards in order to provide their perspective.

A multi-stakeholder cooperative can thus come up with a number of different ways for each stakeholder to get involved, depending on what role and weight the cooperative wishes to give them.

This means that they need to think very carefully about how voting rights and representation on the governing bodies of different members' classes are divided up.

Voting rights

Cooperatives have traditionally operated under the "one member, one vote" principle.

In MSCs, "This structuring of voting rights can be a delicate question, but it is an important one and centers around the issue of what, exactly, is the 'stake' of each stakeholder in the cooperative"(Lund, 2010, p.11). This means that the different stakeholders contribute to the organization in different ways and have a multiplicity

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of interests in the same way, which has to guide how to distribute the voting rights between classes in the General Assembly and the number of seats allocated to each class for the board of directors. The “one member, one vote” rule can be maintained or votes can be weighted into an “equal number of votes (between different member categories), or votes in proportion to their group size, economic weight, contributions or geographical area, provided that there is a ceiling for the number of votes, which each category of members may have and a minimum number of votes securing that each group is in fact represented.” (Münkner, 2004, p.58). This can be translated into electoral colleges with a representative for each member class. Supporter members, or those who do not directly use or work for the cooperative, “often take a back seat to the other member classes in terms of governance seats and surplus distribution rights etc.” (Lund, 2010, p.9). Lund (2010) suggests that the board of directors maintain some flexibility by having a couple of unattributed seats available to any class.

Engagement beyond voting rights

Beyond the legally required General Assembly and Board of Directors, other spaces can complement and enhance the democratic life of the cooperative. “Advisory boards and subcommittees are needed to provide venues for meaningful active participation of users, beneficiaries and employees.” (Münkner, 2004, p.60) But participating in such spaces, as Vercher-Chaptal and her co-authors (2021) point out, necessitates sufficient time and the necessary skills. Not all stakeholders and members are equally capable of public speaking and participating in the various areas for debate and decision-making. This limits some people’s ability to participate. Participation also requires access to information. The management team is in charge of ensuring transparency and the dissemination of information to all stakeholders.

Distribution of surplus

In traditional cooperatives, surplus is generally distributed according to patronage: the more you sell or buy, the more surplus you receive. In an MSC, distribution of surplus, whether in stock or in cash, and allocation of voting rights may be

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decorelated: you may have preferred dividend but limited governance rights for financial supporters for example. Bibby (2015) points out to the need of resolving issues of establishing a fair rate of return for investors that is not prejudicial to the cooperative and of deciding how the profits generated should be shared between different stakeholder groups, notably to protect workers and avoid for external investors having too strong a say (Bibby, 2015).

Becoming an MSCs thus requires careful consideration and debate on how to balance the interests of the different stakeholders. How to articulate ownership and its associated distribution of surplus and voting rights, how to create fair formal and informal participatory and decision-making processes and how to enable participation, engagement and transparency are some key questions any creation or transition process needs to ask.

3.

FAIRBNB.COOP

3. FAIRBNB.COOP

The project started in 2016 as a collaboration between various groups across Europe concerned about the effects of short-term rental platforms like Airbnb in their cities.² The first group, based in Amsterdam, “aimed to create a cooperative that would support municipalities in pushing for better regulation of short-term rentals”. (Foramitti et al., 2020, p.5). Through a Guardian article about the nascent Fairbnb. coop initiative, three other groups connected to form what is now the platform. These, according to Foramitti (2020, p.5), were:

- “a group of activists from Bologna, who thought about ways to use the revenues from platforms to empower local people and fund social projects;
- a group from Barcelona that tried to create an accommodation sharing platform that could be owned and managed collectively;
- a collective from Venice who, based on earlier social movements against municipal tourism plans,³ wanted to create a business alternative to Airbnb that would keep the revenues in the local economy.”

From the start, the project was based on people working remotely and attempting to strike a balance between each group’s disparate priorities. In 2018, the project evolved in two distinct directions. Working as unpaid volunteers, the founders decided to seek funds and form a cooperative, based in Italy. They established a board of six members from the founding groups. Meanwhile, they invited other collectives and networks to participate in the initiative. They built working groups and a weekly assembly to counter the centralization of power resulting from the creation of the board, but few people attended. The Italian workers’ cooperative, founded at the end of 2018, is legally formed as a workers cooperative according to the Title VI of Book V of the Italian Civil Code and as an “innovative start-up” according to the Italian law decree 179/2012. The initial investment was 35,000 Euros from one of the cofounders. By January 2022, they had raised over a million euros in capital and loans. The beta version of the platform was launched at the start of 2020. The new platform was scheduled to be released in early 2021 but was postponed until late June 2021, resulting in delays in platform deployment.

To alleviate the negative effects of Airbnb’s practices and to provide an alternative model, Fairbnb.coop seeks to establish a lawful market that benefits local

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communities. The funds would be reinvested in the local community, promoting a more equitable relationship between travelers and locals.

To do this, Fairbnb implements three platform policies:

- the “one host one home” rule, where hosts can only list one property to avoid the cases of multi-property listings, which is common on Airbnb. It represents a loss for the housing market, and they derive a large share of revenues on that platform.
- the data is protected and shared with local administrations when necessary to ensure compliance with local regulations. This ensures lawful and checked hosts and projects.⁴
- a community-driven platform, where local communities are the ones driving the project locally.

Fairbnb.coop is backed by a diverse ecosystem of stakeholders. The platform brings together two types of users: guests and hosts. Fairbnb.coop charges a 15% commission on the booking price. To ensure that as much money as possible stays in the community, this fee is divided equally; half of the fee goes to fund a local social project defined by local communities, and the other half goes to Fairbnb.coop and the local partner.

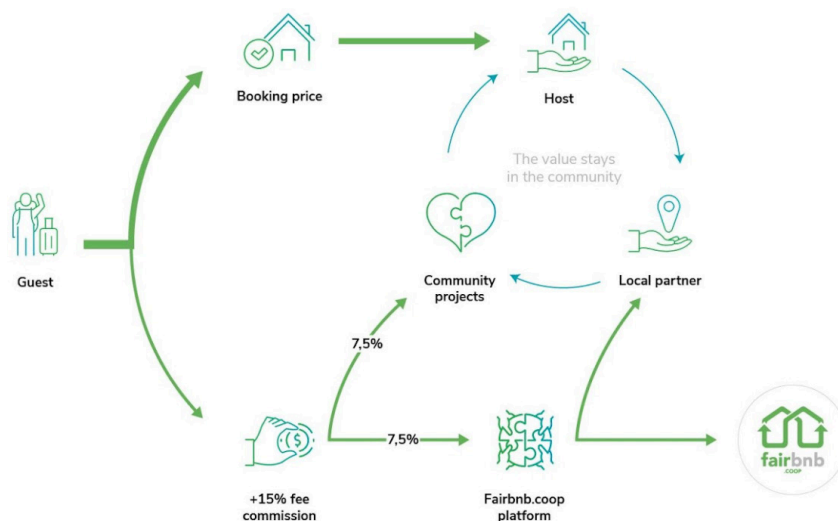


Image 1. Revenue distribution in Fairbnb.coop. Source: Fairbnb.coop

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The cooperative's employees are currently divided into six areas:

- legal and financial,
- marketing,
- product, which is responsible for platform development,
- community, which is fully accountable for platform deployment coordination,
- cooperative ecosystem and growth, which takes responsibility for partnerships and platform growth,
- Fairlab, an internal unit tasked with determining the cooperative's identity, impact, and sustainable methods.

All areas, except for the Fairlab with two workers, have between 5 and 6 workers.

Outside of the aforementioned structure are local partners. Local partners play a critical role: they are responsible for deploying the platform on a local level. This includes ensuring that Fairbnb.coop maintains touch with local governments and adheres to local legislation. Notwithstanding, it entails analyzing the market, identifying social projects to support, proposing additional policies to customize the platform to local needs, and seeking out lawful hosts that share Fairbnb.coop's purpose. So far, two distinct models exist. The first is the ambassadorial role. Local ambassadors are typically professionals with experience in tourism and/or the social economy. They entered into a contract with the cooperative to deploy the platform in the city in which they live; they are not hired as employees. They are compensated based on the charge associated with each transaction. The ambassador receives a percentage of the charge based on the number of hosts in their location. The second is what Fairbnb.coop coined as "key partner". "Key partners" invest in Fairbnb.coop, granting them exclusive rights to develop Fairbnb's operations within a specified territory, typically a region or a country. There are 23 ambassadors and a few key partners as of February 2022. These are coordinated by the cooperative's community area.

The current version of the platform allows booking in seventeen European cities:

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Amsterdam, Barcelona, Berlin, Bologna, Florence, Genova, Girona, Granada, Malaga, Marseille, Naples, Paris, Pisa, Rome, Venice, Vienna, and Porto as well as the regions of Flanders, Istria, Serra de São Mamede and the Western Italian Riviera. They are currently activating many other cities and establishing the first four national nodes, which will connect all activated cities within a single country.

An assessment of the aspiration to transition

As previously stated, the cooperative is currently a Bologna-based⁵ Italian start-up worker cooperative, but with most of its team working remotely and spread throughout Europe. The desire to transition to an MSC is motivated by two major factors: who the cooperative serves and how the cooperative operates.

There are currently only two membership classes: cooperative workers and investors, both of whom have ownership and voting rights. In the current configuration, each worker member has one vote in the assembly, regardless of the amount of capital they own. Workers receive two-thirds of the votes cast, regardless of the number of people in the assembly. Workers must have 4,000 Euros in capital to join, which can be a barrier for potential members to join. Financing partners can cast one vote for each share they own (of a value of 200 Euros), but they cannot express more than one-third of the assembly's votes combined. Votes within that third are counted as a percentage of the capital invested. In February 2022, Fairbnb.coop currently had 25 staff and 34 cooperative members, including seven funders.

Most importantly, the cooperative intends to serve a broader range of stakeholders than just workers and financing partners, particularly local communities, and thus to be of general interest rather than solely of mutual interest. The current membership categories do not reflect this orientation. But becoming a multi-stakeholder cooperative would help to address this issue and redistribute power.

At the same time, the current organizational structure, as a single cooperative under Italian law managing international operations, is proving to be constraining. So far, the platform has only been successfully deployed in cities where ambassadors rather than key partners have been employed by Fairbnb.coop, with the exception of a few cases where key partners are also employed by the cooperative as workers in various areas. Only two of the currently active local nodes are coordinated by Key Partners. However, even when ambassadors are successful in activating operations, the process is quite slow. Aside from that, some of the reasons for this slow

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deployment identified by the cooperative are related to a lack of human resources and a coordinated strategy. Ambassadors must bear the initial cost of deploying the platform because they are only compensated when bookings are made through the platform.

However, this local scale is proving to be very limiting. Ambassadors' contracts limit them to deploying the platform in a single city, but they frequently request to operate at a regional level because the work they are doing could be useful in activating larger territories (same market, same legal framework, etc.), which is currently difficult with the existing legal agreements in place. Furthermore, there is no national level for hands-on deployment by ambassadors in the current organizational structure, only a "country desk" led by workers from the cooperative's community area. Nonetheless, ambassadors are realizing that many of the tasks they must perform when operating in the same country overlap: communication, for example. They could benefit from a coordination space. Aside from organizational needs, having a national entity could aid in the resolution of various issues. Funding is proving difficult: non-Italian entities, whether foundations or investors, are unable or unwilling to fund an Italian cooperative for operations taking place outside of Italy. Similarly, national or local government administrations have been wary of working with an entity that is not legally incorporated in their home country.

To summarize, Fairbnb.coop is thus confronted with several challenges: a membership limited to workers and financing partners while other stakeholders are participating in or impacted by the platform. Furthermore, the current model of articulating the international platform directly to local nodes is proving insufficient to meet the challenges of growth, necessitating a different approach to articulating national/regional levels.

But what is the relationship between the cooperative's organizational structure and its governance model? If Fairbnb.coop allows the formation of formal national entities, the power distribution between these entities and the platform developed by Fairbnb.coop must be considered, as well as how this translates into the membership classes that exist in each. The two topics must be considered concurrently.



4.

DEVISING A
TRANSITION
PROCESS

4. DEVISING A TRANSITION PROCESS

Fairbnb.coop designed a participatory process, allowing for the inclusion of all concerned stakeholders, whether they are already members of the cooperative or not, as well as anyone else interested in advancing the project. I was directly involved in the internal research phase, by helping identify questions, co-leading most interviews and analyzing them, and participated in the FutureCoop online workshops. I was unable to attend the in-person workshop in Bologna. The different possible ensuing models have been elaborated by Fairbnb.coop members.

This process has consisted of the following steps:

Research phase

1. Internal research

The first step, led by the cooperative ecosystem area and in collaboration with the legal and financial areas, was to conduct desk research and conduct conversations with experts and digital cooperatives, primarily from Europe, to help map key questions and practices. Bylaws aided in identifying the various member categories, the conditions for membership and their weight in the governance bodies, and how the various governance bodies were organized. During the interviews, projects were asked questions about their organizational structure and governance, such as the reasons for member categories and weight in voting rights, informal participatory processes and ways of engaging members, and so on.

The list of interviewees is the following. The * symbol indicates interviews in which I directly participated:

Experts: Trebor Scholz, Morshed Mannan*, Klaus Nederlander, Jose Mari Luzarraga

Cooperatives articulating a federated system: CoopCycle*, Open Food Network*, The Mobility Factory*

Cooperatives with different types of stakeholders: Eva*, Fairmondo, Smart*, Stocksy United*

Organization with steward ownership mechanism: Moonback

4. DEVISING A TRANSITION PROCESS

Weekly meetings to follow-up on the evolution of the process between the two areas and researchers, such as Aingeru Ruiz or myself were held.

2. Legal models

A parallel step was to map potential legal forms, as well as their benefits and drawbacks. In the context of some consulting hours with the project Legacoop; this was accomplished with the assistance of specialist lawyers such as Marco Palma.

Participatory phase

3. Futurecoop online workshops: participative process at the cooperative levels

The process was then opened to the rest of workers and stakeholders of the platform to discuss the main challenges, concerns and opportunities for the future developments of the cooperative. Over 6 weeks in June and July of 2021, each week was dedicated to a different topic.

The thematic discussions were organized across different channels and formats to enable both live and asynchronous participation of the different stakeholders. The topic would be briefly explained in a post on the platform's intranet to allow for discussion during a week. At the end of that week, a videoconference session was organized to further the debate and collect opinions and insights, documented on a board.

The following topics were discussed:

1. Corporate culture. What is an open and coop for us?
2. Shaping the ecosystem. Member categories, roles and governance bodies
3. Ensuring the bond. Ecosystemic dynamics and positive codependency
4. Beyond legal structures. Distributed governance through Blockchain

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5. Platforms for the future Aligning our product and multi-stakeholder structure
6. From theory to (legal) practice Legal forms and configurations at every level

4. Collaborative workshop in Bologna

In October, as part of the cooperative's efforts to expand participation and co-creation opportunities, as well as to nurture the community, an in-person workshop was held in Bologna. Over the course of a weekend, Local Ambassadors, workers, collaborators, and investors convened to discuss the cooperative's difficulties and prospects.

The phase of organizational modeling

5. Coming up with a plan and beta-testing

An initial plan has been devised for the transition, focusing on the change in organizational structure. With numerous unresolved issues and a lack of consensus, it is still a work in progress.

5.

LEARNING FROM
OTHER PLATFORM
COOPS: INSIGHTS
FROM THE RESEARCH
PHASE

The following considerations are based on my analysis of the jointly-led interviews with the aforementioned platform cooperatives.

Organizational structures

The platform's organizational structure will be influenced by whether or not it is location-based. Non-location-based platforms, such as those that provide access to media content, such as Stocksy United, can do well with a single entity in charge of platform development and deployment. The photographers from more than 70 countries are all members of the same organization, Stocksy United. They do not work for the platform. When we interviewed location-based platforms, we discovered that when they are based in multiple locations, they are more likely to have separate entities, one for platform development and maintenance and several for the platform deployment, depending on the relevant scale, similar to the findings of Mello Rose regarding non-corporate platforms (2021).

The entity responsible for the platform development also ensures tasks of onboarding, training and knowledge coordination between the entities deploying the platform. According to Morshed Mannan (2020), this is a shared-services platform entity, for the organization in charge of platform development and primary cooperatives for those deploying the platform on the ground. This allows them to keep governance embedded in deployment territories.

The activity and sector, and their associated network effects can help us understand the organizational structure. When focused on providing employment related to urban logistics or delivery, the primary organizations are usually based in cities. The structuration of the activity and needed network effects are local. We can think of the ride-hailing cooperative Drivers.coop in New York City (see Forman, 2022). CoopCycle, a platform for bike-delivery (see Kasparian, 2022), works with 71 local cooperatives across the globe.

For activities that rely heavily on labor law, intermediating transactions or enabling the creation of a network around shared goods across a wider territory, primary organizations are usually regional or national. This is the case with Eva, a ride-hailing and delivery platform with two cooperatives in Quebec and Alberta. The cooperative in Quebec is then subdivided into different communities, depending

on the geofence in the application, such as the greater area of Montreal, the city of Quebec or Saguenay (see Mannan, 2020). The Mobility Factory, an e-carsharing second-degree cooperative, has 14 cooperative members operating regionally or locally. The Open Food Network, a platform for the food supply chain where farmers can sell their product, has primary organizations operating at the national level, such as Katuma, for Spain and Portugal.

Given Fairbnb.coop location-based activity in tourism with a need for both local and global network effects (Krell, 2021) and the detected need to structure operations at a national level, it would seem relevant to consider evolving towards a model of one shared-services platform cooperative and several primary cooperatives, whether at the regional or national scale depending on the legal frameworks of each territory.

Legal forms

This shared-services platform entity may be a cooperative (The Mobility Factory), a regular company (Eva Global Corp), a not-for-profit (CoopCycle) or even be unincorporated if the software is fully open-source (Open Food Network). The members, participants or franchisees of this entity are mostly the primary cooperatives using and deploying the software.

The legal status adopted by the shared-services organizations and the primary organizations depends on where the decision-making power resides between them, the type of license for the software, funding possibilities and the constraints and possibilities of the legal framework in the countries of operation.

The network is unincorporated because the software developed by the Open Food Network is completely open source. Only national primary organizations have been established as cooperatives or non-profits. The development of the platform is based on some norms to enable trust and collaboration. Eva Global Corp, incorporated as a for-profit corporation, owns and develops the platform on the other end of the spectrum. This decision was made to make it easier to obtain funding, as finding investors for a cooperative can be difficult. A social franchising agreement allows drivers to use the software cooperatively (see Mannan, 2020). They are in constant communication with Eva Global Corp about the software, but they do not own it.

Other platform cooperatives, such as CoopCycle or The Mobility Factory, have opted for an open source license with restrictive clauses regarding its use: only cooperatives or entities from the social and solidarity economy can use the software. CoopCycle is incorporated as a French: “association de préfiguration”, or prefigurative non-profit, a specific legal frame in France for organizations that want to become cooperatives but find it easier to operate as a non-profit in the initial phase. It will become a French multi-stakeholder cooperative, a SCIC and only licenses its software to couriers’ cooperatives. The Mobility Factory is a cooperative of cooperatives, a Societas Cooperativa Europaea or SCE.

Despite its potential symbolic, political and branding strength to develop a platform throughout the EU, the SCE has been discarded by several platform cooperatives based in Europe. They avoided it due to a lack of practical knowledge among experts on the ground. Platform cooperatives do not operate in a vacuum; instead, they rely on the advice of legal experts in national cooperative law and, in the event of a dispute, the national court. The fact that there is no one who can give you good legal advice or judges who are familiar with the form is a deterrent to using it for platform cooperatives. Additionally, a platform coop centered on work such as CoopCycle found it too complex, since the status refers to the different national laws of where it operates, making it more difficult to hire platform workers across many different countries (Vercher-Chaptal et al. 2021, p117).

The primary cooperative’s legal form depends on their activity. Those are mostly worker cooperatives (for instance for some primary cooperatives using the CoopCycle software), consumer cooperatives (for instance for some of the primary cooperatives deploying The Mobility Factory’s software, like Som Mobilitat in Spain) or multi-stakeholder cooperatives (for instance for some primary cooperatives using the Open Food software or the Eva software).

There is thus a continuum of where the power lies between the shared-services platform entity and the primary cooperatives. Primary cooperatives in the case of Eva do not own the software that could be sold but they own the data. Development and maintenance of the software is made according to their needs but they are more vulnerable than if they had the ownership of the software. A different way of ensuring conforming to the vision of the “mother company” is that of Smart. The initial organization was created in Belgium and has since been replicated in other European countries. Each country is quite autonomous in its organization. SmartBe has some financial contributions and voting rights in the

different European companies. This participation is not reciprocal at the moment, meaning the different European companies do not have ways of voting in SmartBe.

More power is given to the primary cooperatives when they are members of the shared-services platform cooperative and represent the majority of the votes, notably when the primary coops founded this entity themselves (like The Mobility Factory) or when they belong to an incorporated network (such as Open Food Network). They are more central to defining the vision of the shared-services platform cooperative, its values and boundaries, meaning who can use the software and who cannot. Even in this case, power is unequally distributed between primary cooperatives. Their different sizes, volume of activity and funding, number of workers and volunteers impact their material possibility to participate in the decision-making processes.

Given that the platform operated by Fairbnb.coop is currently not open source, being unincorporated is not an option. The legal form will depend on the organizational structure they choose, whether they remain one global single cooperative or aim at separating the platform development and maintenance in a shared-services platform entity, from the platform deployment in several primary cooperatives. How they want to articulate mechanisms of control will influence their legal form and who owns what. If some power is devolved to primary cooperatives, then they should be members of the shared-services platform cooperative and contribute to defining its vision, values and boundaries.

Being a multi-stakeholder cooperative

“For what purpose, and for whose benefit, is the business ultimately being run?” (Bibby, 2015, p18). This sentence resonates with the claims of interviewees. As stated by many cooperatives, the aim of the project has to guide the process: who is at the center of the project should be key in the governance. Depending on who the project wants to serve, they should be at the core of the decision-making by having a member-class. That meant for instance for Stocksy creating a cooperative serving photographers since they are on the weak end of the bargaining power, for Smart serving the artists.

Multi-stakeholdership can thus be found at the two levels: in the shared-services platform cooperative or in the primary cooperatives. For shared-services platform cooperatives, the closest examples we can find is that of The Mobility Factory and

the future model of CoopCycle. The Mobility Factory is a second-degree cooperative with a more classic dual-membership model, closer to single-stakeholdership. Only organizations can become members, whether these are cooperatives using the software or supporting investor organizations. REScoop, their supporting investor member, fulfills an interesting function of controlling that new cooperative members comply with some democratic cooperative standard, liberating The Mobility Factory from this task. CoopCycle intends on becoming a French SCIC. Future member classes will include one for the couriers' cooperatives using the software, the worker of CoopCycle and supporter members like the ones currently participating in the non-profit. This will allow for courier cooperatives to have a direct say. It is worth noting that the primary cooperatives using the software in both cases are not MSCs in their majority.

Stocksy and Smart offer other examples for memberships of mainly individuals rather than cooperatives. Membership can be centered on users and workers or also include supporter members, depending on the project and the legal frameworks. Stocksy has three member classes: one for executive level advisors, limited to 5 members, one for the staff of the cooperative (employees and contractors) and one for the contributing artists using the platform, having recently added the class for staff. Smart is a multi-stakeholder cooperative in France and Belgium. The Belgian one has three classes: one for the users, the "employed-entrepreneurs", one for the permanent staff of Smart—that is those who work to support the "employed-entrepreneurs" and one for partners. The French Smart is a SCIC with 9 different classes: 3 are for the "users" of the service, 1 for the permanent staff, 1 for clients and 4 for the different types of partners.

Multi-stakeholdership can also be found at the level of the primary cooperatives, which can gather users, workers and supporters of the platform at a local level. Eva Quebec has 5 classes, 2 for users: one for drivers and for riders, one for the workers and two for supporters, one for individuals and one for organizations. The French CoopCircuits of the Open Food Network has 5 classes of members: one for the users of the platform, one for the workers and three for partners and supporters, depending on the depth and type of partnership. When having both workers and users as members, interviewees insist on protecting both sides and respecting their vision.

To make sure potential members can access membership, these cooperatives make sure to keep the barrier to entry low, by making shares affordable, notably to

individuals, with prices usually between 1 to 50 euros or dollars, or by withdrawing on each transaction a very small sum such as 50 cents to go fund the share over a determined amount of transaction.

Redistributing the benefits to members is far from automatic. Some cooperatives simply do not allow it. Others, when they allow some patronage return capped to a certain percentage, distribute it differently depending on the classes. Stocksy uses different mechanisms depending on the class and privileges the user members of the platform: 90% of this return goes to them. Each user receives a different amount based on a formula depending on their royalties. The other two classes, the executive level advisors and the workers, receive 5 % of the remaining return. The return is divided equally between the advisors members, but for workers it is calculated as a proportion of their years of service.

Depending on the organizational structure Fairbnb.coop chooses, they will have to consider whether it is relevant for the shared-services platform cooperative, the primary cooperatives or both to be MSCs, and which classes should be represented where. On top of the workers of the cooperative and the current investors, representation for its beneficiaries could be included as well as external partners that may not be investors.

Voting rights

Voting rights are distributed in different ways depending on each project, to give different weight to the different class of members. Some have adopted a determined percentage of total votes at the general assembly for different classes, others opt for the “one person one vote” rule at general assembly, with some adding a quorum for certain large classes to pass a resolution. This is also reflected in the board of directors, where the weight is distributed differently, either reinforcing the dynamic of the general assembly or offering a balance by privileging other classes. A cooperative like Ampled has even a class with voting rights without ownership: community class members can vote in the general assembly and have seats in the board of directors but can’t receive any redistribution of the surplus compared to the other classes of the cooperative.

Smart is an interesting case as it shows how voting rights are distributed differently depending on the history of the structure. The Belgian cooperative has oriented its governance more towards the “employed-entrepreneurs” using the services of

the cooperative. In the general assembly, the principle of one member one vote is applied, meaning that the “employed-entrepreneurs” class, which has the most members, represents the majority over the other classes. This class also represents of the board of directors, while the other two classes have the remaining seats. In France, Smart’s governance leans more towards the partners who played a key role in deploying the cooperative throughout the country. In the general assembly, the users classes have 25% of the votes, the permanent staff class has 25% of the votes, the partners and clients classes have 40% of the votes and the funders and public administration class have 10% of the votes. In the board of directors, every class has at least one director except for two classes: neither the client class nor the occasional beneficiary class are eligible.

Stocksy United offers an interesting example of balancing weights differently in the general assembly and in the board of directors. The general assembly functions with the one member one vote, meaning the majority of voices will be that of the contributing artists using the platform, and not the 5 members of the executive level advisor class, nor the staff of the cooperative. This is counterbalanced in the board of directors, where the advisors class has 5 seats, the worker class has 2 and the contributing artists class has also 2.

Eva Quebec has an interesting mechanism, that of the community assembly. Each “community” represents a specific area with geofence in the app, such as Greater Montreal, Quebec City or Saguenay. The community assembly is the space for the user members, that is the drivers and the riders, of each specific territory. Each community assembly has two representatives, one for the riders and one for drivers. They are the ones voting in the general assembly rather than the user members directly. As one can imagine, the number of driver members between the Montreal community assembly, which represents 32 municipalities and Saguenay, with only one municipality is very different. But rather than having a proportional representation, which would favor Montreal, the community assembly was chosen as a way to be more equitable towards other areas to redistribute this historical power.

A well-known challenge is the potentially low participation of the user classes when they have many members, which is common for instance in traditional consumer cooperatives. Beyond finding ways of engaging them to increase participation (see section below on engagement), this consideration is relevant in two ways. First, should the cooperative decide to have a quorum, it should be low enough to

not block decisions because of a lack of participation. Second, in a space such as the general assembly, this means that what apparently seems to be a large class because of the potential number of votes is actually much smaller in practice, which changes the apparent balance between classes with many members and classes with fewer members.

For shared-services platform cooperatives with members being organizations, rather than individuals, there will be some imbalance in the participation and thus weight of the different entities. Some have bigger teams or more resources than others and can thus dedicate more time to participatory processes and decision-making. It is then essential to ensure the participation and engagement of the smaller entities with limited resources.

For Fairbnb.coop, this entails deciding if the vote of the different classes is weighted in the general assembly or not, which classes should be able to vote for a director and if so, how many. Consideration will also have to be given to the possibility of balancing the weights between the general assembly and the board of directors

Engagement

There are ways beyond the general assembly to engage the different classes of member-owners and other stakeholders. As stated by one of our interviewees, inviting to participate in the general assembly is not sufficient and not necessarily the most engaging way to participate in the governance of the cooperative. To ensure it, the cooperative has to find other tools, spaces and processes to create and maintain it over time. One can always go beyond bylaws to advance participatory processes through mutually agreed upon processes.

A fascinating example is Smart, which has established a sort of “school of cooperation.” To begin, this entails updating members about the cooperative’s activities throughout the year and ensuring they have the skills and knowledge necessary to comprehend the information presented. This is accomplished through a variety of channels in order to increase engagement opportunities: newsletters with information about participatory processes, but also through fundamental cooperative culture training for members. On a regular basis, dedicated workshops for the cooperative governance, economic models, and so on are presented. Prior to the general assembly, seminars are held to discuss the general assembly’s purpose and the various decisions that will need to be made. Articles supplement them.

Second, it requires providing avenues for participation and ensuring that they are beneficial. Smart Belgium, followed by Smart France, established internal working groups dubbed Smart in Progress. These working groups do study and provide suggestions on certain themes agreed at the preceding general assembly from fall to spring. Each of Smart's offices in France and Belgium has its own working group. Working groups are led by two individuals: one from the cooperative's workforce, whose schedules are adjusted to allow for participation during normal working hours, and a member who receives a standardized monetary reward. At the conclusion of the process, representatives from the several groups that worked on the same topic convene to collate and synthesize the recommendations. These recommendations are forwarded to the board of directors, who will verify that they align with Smart's strategy and, in the event of conflicting recommendations, will pick between them. They are then presented to the general assembly for adoption. Given the cooperative's limited people and financial resources, not all recommendations have been implemented since the process began. This might cause irritation and necessitates open communication between the cooperative's workers and members in order to explain the implementation limits. Thirdly, participation in the general assembly and board of directors is important. Participating in workshops and working groups increases participants' chances of participating in formal spaces, as they gain familiarity with the cooperative and the legitimacy of having a voice in it. Members who participated in Smart in Progress were more likely to become board candidates. The fourth component is continual education on pertinent current events, which encourages members to reflect on their position in society. Videoconferences have been held on topics such as the future of work and social business.

A key factor for Fairbnb.coop's success will thus be the training and education in cooperative life offered to its cooperative members. It is crucial when creating new categories to help onboard new members. Helping the creation of national cooperatives will also need to include this dimension.



6.

FAIRBNB.COOP'S
KEY DEBATES

What are Fairbnb.coop's core values and mission?

As previously stated, there is a tension between the cooperative's current legal structure, in which only workers and investors are represented, and its organizational structure, which is based on the ambassador figure, as well as its initial mission of serving differently situated local communities through sustainable tourism. This objective has lately been crystallized through the work of the Fairlab. It is currently known as FAIR, which stands for "Future of tourism (or Places), Active communities (or People), Innovation (or Platform), and Resilience (or Planet)." The Future of Tourism highlights the importance of place-based tourism, implying a need to redistribute some of the cooperative's power back to its operational territorial units. Active communities emphasizes the need of integrating local communities into the initiative.

This power redistribution directly affects current workers, who would see their weight lessened in governance bodies. Some workers have expressed concern at what broadening the governance to other types of stakeholders will imply for where the cooperative is headed and how this will affect them in terms of working conditions and security of their position.

Who are the stakeholders to consider, and what types of membership should be created?

A critical point of contention is who should become a member of the cooperative. As previously stated, Fairbnb.coop is supported by a diverse range of stakeholders, including employees, ambassadors, "key partners", hosts, guests, social projects, investors, tourism ecosystems, and public agencies. Current disputes center on who should own the company with voting rights and who should simply participate in various consultative processes without voting rights. At the moment, workers and investors are the sole owners with voting rights.

Ambassadors are the most likely new type of members, as they are crucial for the platform, effectively deploying it locally. Nonetheless, their legal relationship is not that of a worker of the company. The fact that ambassadors should be members of the cooperative has not been agreed on yet. Another difficulty resides

in understanding who specifically would embody the tourism ecosystems and impacted local communities.

Which governance bodies should be established?

Related to the former debate is the need to consider creating other governance bodies besides the general assembly and the board of directors. If not all stakeholders become formal members of the cooperative, other spaces and processes may then be created to ensure their participation in deliberations and their concerns to be heard. Additionally, such specific bodies could help guarantee some principles such as that of diversity and inclusiveness in the cooperative.

Which organizational structure and governance proposal enable global expansion and democratic participation?

Much efforts have been put so far on rethinking specifically the organizational structure, by introducing a new unit: the national node. This national entity would assume some of the functions now performed by the workers of the cooperative or not currently existing. National nodes would take care of national implementation of the platform (translation, specific features, etc.) ensure fundraising and legal compliance at a national level as well as legal and tax issues, coordinate national marketing campaigns and customer care, promote and coordinate local nodes and help their local ambassadors, and evaluate the impact at a national level. In this scenario, Fairbnb.coop would thus delegate the direct contact with local nodes to national nodes. Fairbnb.coop would still be in charge of the platform development, coordinate fundraising, marketing, impact evaluation, partnerships and customer care at an international level, and support the creation, training and coordination of national nodes.

This would be translated by the creation of national or regional entities, depending on the existing regulation, administrative landscape and territorial identities. These would likely be cooperatives but could take other forms depending on the context. How they would integrate local nodes and if these need a separate entity of their own is still being discussed. The first pilots are in Italy, France, Spain and Portugal, involving all the current ambassadors. In France a SCIC has been created with 6 classes: one for founders that is Fairbnb.coop, one for the workers of the SCIC, one for users, one for ambassadors, and two for partners.

6. FAIRBNB.COOP'S KEY DEBATES

Three possible future scenarios are currently explored to rearticulate the governance and ownership of Fairbnb.coop: the territorial ecosystems model, the colleges model and a hybrid model.

In the territorial ecosystems model, the governance and ownership model would be organized around territorial ecosystems which then integrate different stakeholders at a local level. The shared-services platform entity could have three membership classes: the national cooperatives, the workers of the global entity, and the financing members. Democracy is pushed at a local level so the different stakeholders of the platform participate in the democracy and ownership of the national cooperatives who then represent the territorial voices at a global level.

In the colleges model, governance and ownership are not organized around territories, but around the main stakeholders of the platform. The focus is on ensuring the direct participation of the main stakeholders of the platform in the ownership and governance of the cooperative, independently of their geographical operations scope. This would mean that there are no national nodes. The platform cooperative could have membership classes such as one for the hosts, one for the guests, one gathering the different types of workers (cooperative workers, ambassadors, etc.) and one for investors.

In the hybrid model, governance and ownership are organized combining both previous scenarios ensuring the participation of territorial ecosystems in the ownership and democracy of the company, while guaranteeing also the participation of the main stakeholders both at a local (national/regional) and global level through a double membership scheme where local stakeholders. The shared-services platform cooperative could have a class for users, with both guests and hosts, a class for the different workers, a class for the national primary cooperatives and a class for the investors. An increased level of complexity would be that some workers like ambassadors, hosts and guests could also be represented in the national primary cooperatives.

Which legal structure could be used?

Being a multi-stakeholder cooperative can be translated into different legal forms for Fairbnb.coop, which were analyzed.

One option could be becoming an SCE (Societas Cooperativa Europaea), either by transforming the Italian cooperative or creating it from scratch. It would be the owner of the software and the brand. An SCE enables cross-border and transnational activity in Europe. Nonetheless, it presents several challenges. There is a lack of practical knowledge about this form, notably from Italian lawyers specialized in cooperatives since the main structure is likely to still be incorporated in Italy. It has been barely adopted: in November 2011 eight years after being created, there were only 24 SCEs registered in the 30 EU/EEA Member States (European Commission, 2012).

Another possibility could be to become an Limited Liability Company (LLC) combined with a steward-ownership model.⁶ Such a model could allow the creation of different classes separating voting rights from rights to a distribution of surplus. Investors could be entitled to receive some percentage of the surplus while having no voting rights. Additionally a veto right could be given to a member to prevent the company from changing its purpose and being sold for profit. Such a formula might help to attract investors more easily. But it could also be criticized within the cooperative world. This would also entail being incorporated in the United States which may not be seen as the most coherent choice for a company mainly based in Europe. Additionally, any profit of an LLC has to be distributed between members, not allowing for any surplus to be kept for the ongoing use of the company.

Another possible option could be to combine two Italian legal forms: the cooperative consortium and rete di imprese or enterprises network. The Cooperative Consortium would own the technology and the brand and be responsible for strategic planning and managing operations. Consolidated National Nodes would be part of this consortium. The network of enterprises would act as a laboratory to incubate new national organizations. This would allow to maintain a degree of flexibility and autonomy between the different entities while potentially making it difficult to obtain funding by remaining cooperatives.

Choosing the legal structure represents another layer of complexity: if the vision for the future cooperative is unclear, the possibilities and restrictions of existing forms

might shape the cooperative's vision.

How to ensure stakeholders' long-term engagement and commitment?

Since the start of the process, one of the primary concerns has been how to maintain relationships with national nodes and stakeholders while transitioning to a decentralized federated structure. How can we ensure that if their activity grows and becomes profitable, they will continue to collaborate with Fairbnb.coop rather than creating their own platform or partnering with another current one? Fairbnb.coop has already established a working group and a culture of participation, most notably in the development of their business plan. Internal transparency and information circulation have the potential to be improved, as well as clearer processes for conflict resolution.

7.

CONCLUSION

7. CONCLUSION

Being a multi-stakeholder cooperative offers many advantages. By including in its governance, users, workers and supporters of the platform, such a cooperative can take into account their voices and needs, while creating a project that serves the general interest. But they're a complex endeavor that are built gradually. Multi-stakeholder cooperatives invite us to rethink some key principles of cooperative governance: the relation between ownership and voting rights of each class of members has to be carefully considered and decided. Being an owner of the cooperative with a right to some percentage of the surplus and being able to vote for the different decisions the cooperative makes can be articulated in many ways, and even be dissociated. Building a common project while balancing the interests of the different members' classes is one of the main stakes of such an organization.

To become a multi-stakeholder cooperative for a digital platform, first understand how the platform's organizational structure and governance are associated with a shared project. As a platform, it allows numerous collectives and entities from all over the world to pool their resources around a single shared project. They are capable of putting the sixth ICA principle, constructive cooperation among cooperatives, into practice.

This means clarifying who this project and tool aim at serving, and which are the stakeholders involved around it, and how to incorporate them in the cooperative.

This includes determining who owns the cooperative, what benefits and voting rights they receive, as well as the processes and training required to ensure that those who work with the cooperative have the knowledge and skills required to be a part of it. These discussions and deliberations should be collective, involving the different stakeholders

As importantly, it entails understanding how operations are distributed in the often complex organizational structure, either through a single organization or a shared-services platform entity articulated to territorialized primary cooperatives, and how power will be distributed through ownership and decision-making. Will it be in the hands of the primary organizations and their members or the shared-services platform organization?



ENDNOTES

ENDNOTES

1. For instance, workers are thought to be likely to want to increase prices of goods or services to obtain a better salary, while consumers would want the cheapest possible price.
2. Research has shown that short-term rentals platforms, and particularly Airbnb, represent a loss of revenue for the hotel industry (Zervas, Proserpio & Byers, 2014), contribute to the over-tourism of some cities (Arias Sans & Quagliari Dominguez, 2016), drive up rents (Horn & Merante, 2017; Segú 2018), can create disruptions and diminish the quality of life in neighborhoods (Cocola-Gant, 2016), which leads to displacement of residents and flout regulations. In some cities, this has resulted in social movements protesting against the platform.
3. This highlights a pre-existing political affirmation in other struggles, such as the movements against the unrestrained expansion of tourism in cities. The organizations in Venice were 40xVenezia and RESET Venezia. 40xVenezia was a grassroots initiative founded around 2007/2008 that worked on bringing attention to the housing crisis in Venice and promoting sustainable tourism. It made some proposals to amend the regional law on tourism as they considered it was transforming the city into a hotel. RESET Venezia is a spin-off of the former initiative. They called for regulation of short-term rentals in Venice and collaborated with InsideAirbnb to produce data on the impact of Airbnb in Venice. More information can be found here: <https://venicewiki.org/wiki/40xVenezia> and <http://resetvenezia.it/2015/08/23/affitti-turistici-a-venezia-una-economia-da-far-emergere-e-regolamentare/>
4. This decision on data to strictly comply with legislation and share data when required is the opposite of Airbnb's stance, which had major legal disputes over privacy issues in several cities, such as New York. They argue that they have stricter privacy and data protection policies to prevent free sharing with municipalities. I thank Rafael Zanatta for bringing my attention to this point.
5. One may think that the enabling factors for this formation of the cooperative may have to do with the political roots of social movements in the Bologna region, and thus be limiting for its expansion to regions with a different history. The Bologna region has a past of anti-fascist struggle and communist campaigns as well as a long history of cooperativism. Having the headquarter in Bologna enabled Fairbnb.coop to build strong ties with some key organizations of cooperativism and have access to certain resources. Nonetheless as previously mentioned, the different founding groups came from cities all affected by mass tourism and the impact of STRs but with varying histories of cooperativism and social movement struggles. Their mission has echoed with people all over Europe and beyond, to become workers, ambassadors, hosts, guests, and so on.

ENDNOTES

6. Steward-ownership mechanisms enables for-profit companies to be self-governed rather than being governed by external shareholders and preventing the privatization of the generated wealth. Investors' compensations are capped.

The background features a light blue base with three large, irregularly shaped areas that look like torn pieces of paper. A yellow piece is at the top, a red piece is on the left side, and a blue piece is at the bottom. The word 'BIBLIOGRAPHY' is centered in a black, outlined, sans-serif font.

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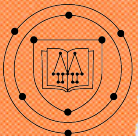
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