Commonifying from inside the State? The case of "La Comunificadora" and the promotion of alternatives to capitalism

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Abstract. This paper offers to reflect on how, in the context of municipalism, the State is trying to channel sharing economy initiatives to promote alternative social economies. An example may be Barcelona's La Comunificadora support program. Now in its third edition, the program is led by Barcelona's economic promotion public agency Barcelona Activa, to "commonify" sharing economy platform initiatives whatever their development stage (i.e. ideas, prototypes or already running). Through fostering normalization of cooperativism and open technology and knowledge, providing technical support and encouraging intercooperation, the program helped place the community at the core of the projects development. Those that managed to move forward are the ones securing initial public funding, and may favor legal forms that can benefit form subsidies, such as non-profits.

1. Introduction

> "What we are trying to do is promoting a sharing economy closer to the social and solidarity economy, more oriented towards the commons."

In a room of *Barcelona Activa*, the economic promotion agency of the city of Barcelona, around a dozen prospective participants, wearing a name tag and sitting in a circle, are listening to the project manager of *La Comunificadora*. He is presenting the third edition of the program, created in 2016. All the prospects came that evening because they are developing a sharing economy project and are considering applying to *La Comunificadora*, a program aimed at "commonifying" sharing economy initiatives. The different presentations made its ideological standpoint pretty clear: against an extractive platform economy, the program brings together the social and solidarity economy and the digital commons to promote other values for the sharing economy. Beyond this clear agenda, what is worth noting is that *La Comunificadora* is one of the few examples of a

municipality-led training for sharing economy project holders, which was initiated under the leadership of the municipalist confluence *Barcelona en Comù*.

This paper tries to examine how the municipalist context facilitated the emergence of democratic models for the sharing economy. To do so, it focuses on *La Comunificadora*, through an ethnographic research of the third edition and a series of interviews conducted with former participants.

2. Theoretical contextualisation

Municipalism understands the municipality as "a strategic entry point for developing broader practices and theories of transformative social change" and prefigurative politics (Russell, 2019, p.991). The different examples emerging around the world, whether or not they engage with municipal electoral politics, share the following perspectives: "the reframing of the local as politics of proximity, the attempt to transform institutions and (re)distribute power, and its manifestation as a "becoming common of the public" " (Rusell, 2019, p.1000). Municipalism was viewed as having the potential to mobilize social forces to "turn institutions into infrastructures for the common good" (Rubio-Pueyo, 2017 p.21) by "democratiz[ing] institutions such that decision-making and power are distributed outward" (Russell, 2019, p. 991). Nonetheless, this process is not confined to political institutions.

Cooperatives, with their shared ownership model of 'one person, one vote', is able to apply this idea of power redistribution to the economy: the animating logic of these democratic enterprises is not based on profit maximization, but on a shared solidarity to pursue other goals such as sustainability or the reduction of inequalities (Spicer, 2018). The municipalist push towards social and solidarity economy (SSE) and cooperatives, then, reflects a twofold logic: on the one hand, it aims at reappropriating the economic governance of the city by redistributing economic power outward of multinational companies. On the other hand, it is a strategy for the public administration to boost other economic forces with which the municipality could eventually work.

An incipient form of cooperativism is platform cooperativism, to reclaim a fairer sharing economy (Scholz, 2016). It has emerged as a counter-model to Silicon Valley platforms, which activities generated, among other negative outcomes, increasing labor precariousness and algorithmic control over workers and users due to their hyper-externalised model (Srnicek, 2016). Platform cooperatives would combine collective ownership and decision-making, protection of workers, decent pay and security of income, transparency and portability of data. Workers would own, govern and operate such platforms. Complementarily, open cooperativism promotes synergies between the commons-

based peer production movement and the cooperative and solidarity economy movements, through a multi-constituent governance, with active production of commons and a transnational orientation (Paizaitis *et al.*, 2017).

3. Background to the case study

The victory of *Barcelona en Comù* in the 2015 municipal elections put high on the city's agenda the fostering of the SSE and cooperatives. Born out of the confluence of left-wing parties and social movements – such as 15-M and *Plataforma de Afectados por la Hipoteca* ("Affected by Mortgage" Platform) – fighting against the financial crisis and the ensuing austerity measures, *Barcelona en Comù* was seen as a progressive social and political force. The city quickly became the flagship of a "new municipalist movement" (Russell, 2019). Although it had already been included in previous political agendas, for *Barcelona en Comù*, the promotion of SSE represented a "critique of the so-called Barcelona Model of urban transformation" (Blanco *et al.*, 2019, p. 10) to reassert "public leadership in the field of urban economy and contain the influence of the private sector in economic governance" (Cid & Goma`, 2016). To try to achieve this, the priorities of Barcelona's economic promotion agency, *Barcelona Activa*, were partially shifted towards "the cooperative economy and its technological actualization" (Barcelona en Comù, 2015, p.19), collective entrepreneurship and local intercooperation. Additionally, a dedicated *Comisionat* (department) was created within the city hall, with personnel coming from social movements and the SSE sector itself.

Such political vision also guided *Barcelona en Comù*'s reaction to the challenges presented by sharing economy platforms. Barcelona tried to regulate global multinational platforms, notably Airbnb – Barcelona is its fifth market worldwide – whose impact reinforces mass tourism, gentrification (Arias Sans & Quaglieri Dominguez, 2016) and increasing rents (Sheppard *et al*., 2016, Horn and Merante, 2017). The municipality also decided to support local commons-oriented models, such as platform cooperativism (Scholz, 2016). To study such models and make further recommendations, a working group was created in 2016: *BarCola* (Rodriguez Rivera & Fuster Morell, 2018). Its constitution tried to reflect the principles of redistribution and decentralization of power conceived under the municipalist movement: it included academics, entrepreneurs and collectives from the SSE, the sharing economy or the commons and the public administration. Following on *BarCola*'s activities, in March 2016, the city hosted the first encounter of the Commons Sharing Economies. 300 people gathered in 90 sessions and 30 talks to elaborate a Commons Declaration and 120 proposals for a commons-oriented sharing economy. The proposals were then posted on *Decidim* - a citizen participation platform – to craft the 2016 municipal action

plan. Some of the proposals asked for a training in socio-economic innovation and technological sovereignty for sharing economy projects, through *Barcelona Activa*. *La Comunificadora* was born.

Finally, it is worth mentioning there is historical precedent of the state playing different facilitation roles to support alternative economic projects. The Catalan Provincial Government offered funding and technical support to winemaking cooperatives in the early 20th century (Planas, 2016). Similarly, the current city hall has invested in "a decided support for the social economy by providing public advisory and financial resources for the foundation of new social and cooperative initiatives" (Rubio-Peyo, 2017). So we ask: In the context of a municipalist agenda, what does the facilitation of alternative social economies by public administration consist in? What models are emerging from *La Comunificadora*?

4. Methodology

This study was carried out using a combination of qualitative methods, that is: participant observation during the 6-month incubation program, 18 in-depth interviews with project holders and the supervising team from *Barcelona Activa*. In an effort to triangulate multiple data sources, the interviews and fieldwork were combined with the analysis of notes and content produced by the participants in each session through *La Teixidora*, a collaborative documentation tool.

5. Findings

I will first detail the organization and aims of *La Comunificadora* program and how the mechanisms of the facilitation, notably through promoting *normalization* and fostering *intercooperation*. I will then explore the types of emerging models.

The third edition of La Comunificadora gathered a cohort of 10 projects. The program gathers a rather heterogeneous crowd:
- a diversity of participants profiles: some participants had an activist background in the open source community with coding skills, while others have been employed in the SSE or belonged to the sharing economy network of the city.
- a diversity of development stage: while some projects were mere ideas, others had elaborate proposals. Few had run a pilot or were already operating.

The 6-month program offered bi-weekly classes and workshops. Each selected project was followed by a tutor and benefitted from personalized mentorship to respond to the project specific needs. The organizing team who won the public tender to run the program was part of the aforementioned *BarCola* and *Procomuns* groups. Projects were selected through an application process, graded by the teaching team, *Barcelona Activa*'s staff and some members from *BarCola*.

Considering the scope of the program, I argue the three main goals for *La Comunificadora* are:

- **Harmonization and Normalization**: to transmit the values, vocabulary, and tools of the commons and SSE so participants share a common framework and understanding

The first important step is raising awareness among students of the difference between an "extractivist" model, emblematically represented by Airbnb, Deliveroo and Uber, and a "commons" oriented one. The teching is centered on the 5 pillars of the commons defined by the creators of the program as following:
- the community and shared resources
- co-governance
- economic viability
- open source technology and knowledge
- co-production

Cooperatives are presented as another legitimate organizational and legal framework, displayed on equal footing to the other ones. For many participants, it is either one of their first encounters with the model, or a possibility to overcome certain prejudices against the cooperative paradigm, which some described in the interviews as outdated, conservative or "hippie". Cooperatives thus become a feasible option in participants' minds. This shift is partially reflected in projects changing their name during the program, either by clearly identifying them as a cooperative or to the SSE (by using "coop", or "ESS" in the name) or as part of a collective Catalan cooperative identity ("som", i.e. we are; "fem", i.e. we make).

Adopting this framework means adopting a new vocabulary, which can prove challenging for some participants. One of the difficulties is to stop referring to the "business-client" relationship, and to users as clients, as shown during a workshop on business models:

"Teacher : You have used the words client and community, those are two different things.

Participant 1: They are the same for me?

Teacher: The client is not the community, marketing makes us misuse concepts.

Participant 2: It's a subtle difference, you are a client of *SomEnergia*.

Teacher: Before being a client, you are member, you need a 'godfather'. A community is not a bunch of clients. It matters to know to what extent we are willing to hack the classical model of selling a service or use a community one, centered on the commons, where there's a shared resource." (*La Comunificadora* ,10/01/2019)

- **Technical Support**: to help accelerate the projects under alternative values

The practical classes, workshops, mentoring sessions with the team, experts and professionals help projects move forward under the shared political economic values. Projects define the legal form, economic model, governance model or license types which better suit them depending on their development.

The model presented is opposite to that of start-up platforms, a word that is never used in the program. Instead of first developing the platform to then conquer the maximum number of users in the maximum number of cities across the world without adapting to local regulations or taking into account negative externalities (Ganapati & Reddick, 2018), projects are encouraged to first identify and/or build their community. By trying to understand the community's needs and wants, the projects will aim at building with them a platform that allows to share a resource, rather than considering users as beta-testers there to help improve a final product. Moreover, they need to find economic viability at the regional scale: their primary development strategy is to focus on a small number of places to break even, setting aside ambitions to expand very quickly at the cost of massive losses. Following such paradigm, many projects in the third edition ended up postponing the strictly technological development to focus on building the community through meetings, co-creation workshops or running low-tech pilots. During their final meeting with their tutor, one of the participants stated that the program had helped them stop positioning themselves as a profit-oriented economic agent. They wanted to become a technical team trying to guarantee that the community, rather than themselves, benefits from the project.

- **Intercooperation**: to strengthen the local ecosystem and facilitate cooptation of the projects by other established ones. Intercooperation is crucial for the success of cooperatives (Bretos & Marcuello, 2016).

With half the sessions being collective workshops or led by experts, and 2 sessions being open to the local ecosystem, participants had many occasions to interact with fellow projects or professional experts in areas of interest. This is made possible thanks to the teaching team's preexisting networks and contacts with the commons and SSE community in Barcelona. This leads to intercooperation in multiple forms:

- support and information networks: projects from the second edition created their own WhatsApp group to keep in touch. Some participants became members of other participating projects.
- informal advice: projects shared among each other their experience about adopting certain legal status, particularly to become a non-profit. Mentors can also provide useful advice beyond the program.
- formal counseling: especially for the technological aspect of the platforms, since most project lack expertise within their team. In the second edition, a project led by two software developers helped a few other projects drafting the budget for the coding of their platforms.
- collaboration: in the third edition, one project dedicated to sustainable tourism is recruiting other projects to elaborate pilots.
- hiring: especially of software developers that participated in the program.

Almost half of the projects of the first two editions were confirmed to still be active – that is, a third of projects from the first edition (2017), and two third of projects from the second edition (2018). They cover a diversity of areas: urban agriculture, green mobility, sustainable tourism, food delivery, tool exchange, distribution of citizen-produced energy, evaluation of a company's social impact, promotion of open software, transformation of educational spaces or even use of drones.

All these projects are still looking for a viable business model and expect to become viable on average four to five years after their launch. This difficulty is not specific to commons-oriented projects: it is one of the major challenges for the platform economy. Nonetheless, as these models try to bypass relying on ads or selling data to achieve profits, they face an added difficulty. Emerging business models combine some of the following elements: monthly subscription fees, commission per use, personalized services (such as consulting), training and workshops, and personalized versions of the platform for companies or public administration.

Initial funding is crucial, and with few options when Venture Capital is not an option, there is a high dependence on public funding. All the surviving projects depend on public subsidies, whether local, regional or European, representing from a third up to the totality of their budget. The teaching team often played a role in orienting projects toward certain public subsidies, due to the lack of other funding opportunities. Nonetheless, subsidies are a rather inadequate long-term funding source. The local ones usually last for a year, a timeframe too short for projects to develop a revenue stable enough which would allow them from doing without these subsidies. A project went from hiring five employees to one after

failing to renew part of its subsidies. Crowdfunding is another means to secure initial funding, linked to the premise of building a community. Five projects had a crowdfunding campaign, three used the "*Conjuntament*" match-funding program created by the municipality with the *Goteo* foundation to specifically help fund social and collaborative economy enterprises.

This dependency on public funding is reflected in terms of legal status. Out of the 13 operating projects, ⅓ are cooperatives, ½ are non-profits, one is a for-profit company, and the remaining case is a collective made of two non-profits, one for-profit and freelancers. If cooperatives are rather well represented, with the program having played a direct role to promote that option, it is relevant to highlight some chose to become a non-profit rather than a cooperative because there are more possibilities to benefit from subsidies in a development stage, since most tenders do not allow cooperatives to receive subsidies. Some projects also got discouraged from creating a cooperative by external consultants, as they are still seen as too complex legal models.

Nonetheless, both cooperatives and non-profit are organizational forms which enable community members to participate in the decision-making. Most projects are at too young to already share their governance. In the couple of cases of cooperatives that are operating, we observe the emergence of a multi-scalar governance model. These local cooperatives use softwares developed by collectives abroad and implement a three-level governance: the local level of a user group, the regional/national level of the platform and the international level of all communities using the software. *Katuma*, a platform that connects consumer groups to local farmers, uses the software developed by the Open Food Network. At the local level, consumer groups decide how to organize their collective. At the national level, the team alongside producers and consumer groups that are members of the platform, decide on the strategy of *Katuma*. The yearly assemblies – prepared by bi-yearly working groups and an online forum –
are a moment to debate and vote on the development strategy, approve the budget and the business model or the internal rules, decide on how to improve the platform, and discuss on recruiting. At the international level, the different national units exchange information about the challenges they face and decide on the general evolution of the platform.

This is made possible by the adoption by most projects of free software and open knowledge, encouraged during the program. Nonetheless, most projects are choosing copyfair licenses, rather than copyleft one. Some projects either decide to open the software only to other cooperatives, to avoid the reappropriation for commercial use by for-profit companies in a competitive market. Others consider

that the part of the code funded publicly should be open whereas the one developed through their own contribution should remain closed.

Most projects, however, had to pause or stop. The most common reasons are either personal or related to the development of the project. Personal circumstances, mainly paternity or lack of time, are common, when project holders have steady professional careers. When it comes to the project itself the inability to secure initial funding is a common reason for projects to stall: as we have seen, sources of initial funding are few and most projects rely on public subsidies to kick off. Projects whose bids for public subsidies all failed could not afford to pay the team to keep on developing the platform, who often went on to work on other projects. Without funding, it is hard to recruit more team members whose skills are lacking to keep on developing the project, particularly in software development. Other less common reasons are the fulfillment of the objective with some low-tech pilots or meetings, making the development of a platform unnecessary; the lack of support from institutions such as the public administration or academia, deemed as necessary by the project leaders or, when developing internationally, the stalling of the leading foreign team.

6. Conclusion

Within the context of the new municipalism movement, the support to cooperativism and democratic models of governance is a tentative redistribution of economic power. If the literature had already established the key roles the state can play in terms of funding and technical support to help develop these models, this paper shows how the municipalistic confluence, when working hand in hand with professionals from the sector, can foster normalization and intercooperation.

Even with the state's support, the projects still face multiple challenges to find economic viability under the values and models shared, in a context of high competition, forcing some to adopt a more restrictive take on the commons. In their initial years, the models emerging are heavily dependent on public subsidies and opt for non-profits or cooperatives forms of democratic enterprises. Such economic projects and networks offer a future research agenda beyond platform cooperativism, encompassing open cooperativism, and including multiple democratic models of governance underexplored by the literature.

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