



RSA

Action and Research Centre

The Self-Organising Self-Employed

Empowering grassroots
collaboration in the new
economy

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fsb⁰³

Experts in Business

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About the RSA

The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) believes that everyone should have the freedom and power to turn their ideas into reality – we call this the Power to Create. Through our ideas, research and 27,000-strong Fellowship, we seek to realise a society where creative power is distributed, where concentrations of power are confronted, and where creative values are nurtured. The RSA Action and Research Centre combines practical experimentation with rigorous research to achieve these goals.

About FSB

FSB's mission is to help smaller businesses achieve their ambitions. As experts in business, we are a non-profit campaigning organisation that is led by our members, for our members. Established over 40 years ago, we offer vital business services to our members, and provide a powerful voice in Government. We ensure the voice of small business and the self-employed is heard by policymakers in every major political party, decision-makers at every level of Government and representatives in every Parliament, Assembly and local authority. We support our members at every stage of their business journey. By providing market-leading business services and advice, from free business banking and a legal 24/7 helpline, through to workplace pensions, crisis PR management, and tax advice.

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Summary

More people than ever before work for themselves. The self-employed today account for 1 in 7 of the workforce, and their number is expected to swell further as cultural, demographic and technological trends take hold. While some view this as a worrying development, the RSA and FSB are more inclined to welcome the surge in self-employment. A large body of evidence shows that the vast majority of the self-employed are happier than they would be as an employee, and that most start up in business of their own accord in search of more flexibility and meaning at work.

Yet this shouldn't blind us to the challenges that face those who strike out alone, particularly the personal issues which affect them as individuals. The rollcall will now be familiar to some readers: the self-employed have no access to Statutory Sick Pay should they fall ill, they have no right to Paternity or Adoption Pay should they become a new parent, they have no equivalent of an employer topping up their private pension, and the introduction of a National Living Wage has passed them by. Their income can also be characterised by periods of feast and famine as client demand changes – circumstances not helped by late payments.

But how might these risks be managed? Two solutions usually present themselves. First, the state could step in and extend social security protections to the self-employed. The RSA and FSB have called upon the government to, for example, give the self-employed full access to Statutory Maternity Pay, as well as a fairer deal under Universal Credit. Yet we must acknowledge the limits to what the state can achieve alone, not least with ongoing and stringent cuts to public sector spending. There are also certain domains, such as with sick pay, where the state no longer has any involvement and therefore no precedent to intervene.

The second solution is to turn to the market. Today there is a plentiful supply of financial products that the self-employed could draw upon to help them manage risks, including income protection (IP) insurance, private pension plans, invoice factoring services and personal accident cover. Yet the market, too, is constrained in what it can do. Many of these financial products have strict eligibility criteria, and can be prohibitively expensive to particular groups seen as riskier in the eyes of underwriters. This may explain why only 9 percent of self-employed FSB members are currently policyholders of IP insurance.

Against this backdrop, the self-employed have begun turning to a third source of support: one another. Longstanding institutions including cooperatives and unions are being remodelled as sites of collaboration for people who work alone. More novel bottom-up solutions are also emerging, including collective sick pay funds to manage ill health, salary guarantee schemes to deal with late payments, time sharing initiatives to spread workloads, and micro loan services to plug gaps in bank finance. We call these 'grassroots' initiatives, or models of 'self-organising'.

Despite simmering interest in these schemes, there is little documented knowledge about their strengths and limitations. Few people understand how they operate in practice, how they recruit members and what they charge, whether their business models have long term viability, how they deal with the potential threat of free-riding, and the extent to which they appeal to the self-employed community. As a result, they have remained in the margins of our economy and are seldom on the radar of policymakers, opinion formers and economic commentators.

One could argue this does not matter; surely the point of bottom-up interventions is to be self-reliant and work in isolation, in the face of limited top-down support. But this is a short sighted view. A public presence would give self-organising schemes more credibility, increase their recruitment potential, enable them to learn from the work of other initiatives, and put pressure on policymakers, regulators and potential funders to create the wider conditions in which they can succeed. This report is therefore an attempt to critically appraise the self-organising community, with a view to raising awareness of its most promising initiatives and removing blockages to progress.

We home in on nine case studies to give us a richer understanding of why these schemes have emerged and what they do in practice:

- **Broodfondsen, Holland** – A collective sick pay fund which the self-employed contribute to in small groups of up to 50. Money can be drawn upon when members fall ill, and practical support is also offered to help sick members share workloads.
- **SMart, Belgium** – A one-stop shop service for the self-employed that includes a ‘salary guarantee fund’ made up of contributions from individual members. This can be used to settle invoices within 7 days in the event of late payments from clients.
- **RICOL, UK** – A London-based language co-operative run by and for self-employed language professionals (interpreters, translators and language teachers). RICOL markets the services of its members and connects them to clients, but at a fraction of the cost of a typical agency.
- **Coopaname, France** – A cooperative that technically employ its self-employed members, thereby giving them access to social security protections usually reserved for employees. It also encourages project collaboration and co-tendering among its members.
- **Swindon Music Cooperative, UK** – A group of independent music teachers who have clubbed together to pool the costs of marketing, administration and debt collection. It also coordinates peer-to-peer learning among teachers and arranges professional development training.
- **Outlandish and CoTech, UK** – Outlandish is a worker coop where tech developers pool all their assets into one organization, with each person’s pay set according to their experiences and needs (to a maximum pay differential of 1:3).” CoTech is a collective of coops’ that allows tech coops like Outlandish to share staff time.

- **Loconomics, US** – A platform for booking local services (akin to TaskRabbit), which is cooperatively owned and governed by the same service professionals that use it, including personal trainers, child carers and therapists.
- **IndyCube and Community Union, UK** – Community Union has teamed up with IndyCube co-working space network to give their self-employed members access to a package of affordable invoice factoring and legal advice services.
- **East End Trades Guild, UK** – A community of small, independent businesses in East London that use community organising methods to hold the government and local landlords to account. Wins include protecting tenants from eviction and controlling rent increases.

Each of these schemes has had a tangible impact on the self-employed communities it serves. Freelancers in Holland have been offered a lifeline in the face of sickness that would otherwise have left them impoverished, business owners in Belgium have seen their volatile incomes smoothed out thanks to a salary guarantee fund, and music teachers in the UK have been able to concentrate on their profession without having to worry about marketing their services or chasing clients for late payments. In isolation, these acts may appear insignificant. But the collective outcome of thousands of likeminded people working in unison is a self-employed workforce that is overall more secure, resilient and successful.

This is not to say that self-organising is pain free. Some of the schemes we encountered faced obstacles in recruiting members and generating sufficient income. By themselves, these issues are not particularly difficult to resolve, but it is challenging to do so without straying from the values that define self-organising, such as inclusivity and accessibility. For example, some initiatives were caught between a desire to rapidly scale for impact, and an eagerness to protect the social bonds that derive from small-scale intimacy. Others were keen to adopt flat decision-making structures, but were equally tempted by the simplicity and speed of relying on a handful of passionate leaders.

Yet these dilemmas are far from irreconcilable. All the schemes profiled in this report have found workarounds that do not compromise their values. To take one example, the team behind the Dutch Broodfondsen created a ‘Broodfonds Alliance’ that connects over 165 individual groups together to pool finances at times of need, thereby bringing the benefits of scale to the network without losing the advantages of close knit groups. While self-organising may take time and effort to take root, it is well worth the wait if it means developing schemes that go the distance. Cooperatives are twice as likely to make it to their fifth year of operation as conventional businesses.

The question is where to go next. One option is to carry on with business as usual, and to be content with a gradual expansion in existing schemes and the launch of a handful of new ones. Yet why be so timid in our ambitions? It is not impossible to imagine a future where the majority of the self-employed are members of a salary guarantee fund that manages late payments, where user-owned platform cooperatives offer a viable and ethical alternative to today’s gig economy platforms, and where

self-employed sick pay funds can be found in every town and city in the UK. Sceptics should look at the experience of Italy's Emilia Romagna region, where a third of GDP is accounted for by cooperatives.

Self-organising can and should be part of the mainstream economy. But this in turn requires a bigger movement to emerge, one that draws together the individual threads of grassroots activity into a cohesive whole, creates a shared confidence that mass self-organising is indeed possible, and mobilises others to join in with their own efforts. Realising a self-organising movement is made easier by the fact that many of the ingredients necessary for it to emerge are already in place. There is a common goal to work towards (that of boosting the economic security of the self-employed), there are already the beginnings of a network (with many of the schemes featured in this report familiar with one another), and there are charismatic individuals at its heart who can make a compelling case for collaboration among the self-employed.

The report finishes by suggesting how these green shoots might be turned into a thriving ecosystem of self-organising, from ironing out regulatory barriers and boosting take up of collaborative technologies, through to weaving grassroots initiatives into welfare programmes and using more compelling messages that appeal to a broader section of the business world. More specifically we recommend:

- **R1 – Use the resources and reach of trade unions to turbocharge self-organising efforts** – The TUC and individual UK unions should explore how they can assist with the launch and scale up of self-organising initiatives, for example through incubators, investments and access to internal resources (e.g. staff with legal expertise).
- **R2 – Create alliances between self-organising schemes and anchor institutions** – Anchor institutions including housing associations, FE colleges and business support groups should reach out to self-organisers to see how they can achieve mutual goals (e.g. FE colleges helping graduates in the trades to create worker coops, or co-working spaces forming their own sick pay funds for freelancer members.)
- **R3 – Recruit towns and cities to be hotspots of self-organising** – Local authority leaders should think about positioning their area as hubs of self-organising activity, for example by providing match funding for new schemes, opening up unused office space, hosting a matchmaking service for self-organisers looking for collaborators, and creating favourable procurement practices.
- **R4 – Create a government taskforce to clarify and clean up legislation affecting self-organising** – BEIS should appoint a taskforce of civil servants to ensure the UK's regulatory system creates the best environment for self-organising to succeed. It should review which of the relevant EU laws that are repatriated in the Great Repeal Bill should be maintained in the long term, as well as how existing domestic legislation could be improved.

- **R5 – Weave self-organising schemes into the delivery of welfare and employment services** – BEIS and the Department for Work and Pensions should explore the scope for partnering with grassroots initiatives, for example by including a module on self-organising in New Enterprise Allowance workshops, and opening up a salary guarantee fund for Universal Credit claimants.
- **R6 – Deploy new technologies to improve back-office efficiency and front-end user experience** – Self-organising schemes should consider how they might use new tools to automate back office functions and enhance organisational governance, while deploying the latest developments in UX design to improve the look, feel and usability of their interfaces. Schemes should reach out to fintech startups who may be willing to share their platforms.
- **R7 – Experiment with new messages to appeal to a broader section of the self-employed** – Self-organising schemes should reflect on whether the stories they tell, the language they use, and the way they describe their support offer could be made to resonate with a broader section of the business community.
- **R8 – Give sufficient airtime to self-organising schemes in the mainstream media** – Media publications should highlight the efforts of grassroots initiatives when reporting on trends relating to self-employment. Self-organisers should in turn be able to demonstrate their impact, including through robust and independent evaluations.
- **R9 – Open up new channels of funding to self-organisers beyond the traditional grant model** - Philanthropic foundations, local authorities, central government, charities and others should experiment with new funding models that can get capital to where it is needed:
 - Funders should support the creation of incubators for grassroots schemes in sponsor organisations (e.g. housing associations or established social enterprises)
 - Funders should back proof of concept projects as a way of determining the long-term feasibility of schemes
 - Coops UK in partnership with the FCA should explore the value of creating a central coop bank
 - Central and local government should experiment with match funding to back self-organising schemes, or potentially invest directly in them

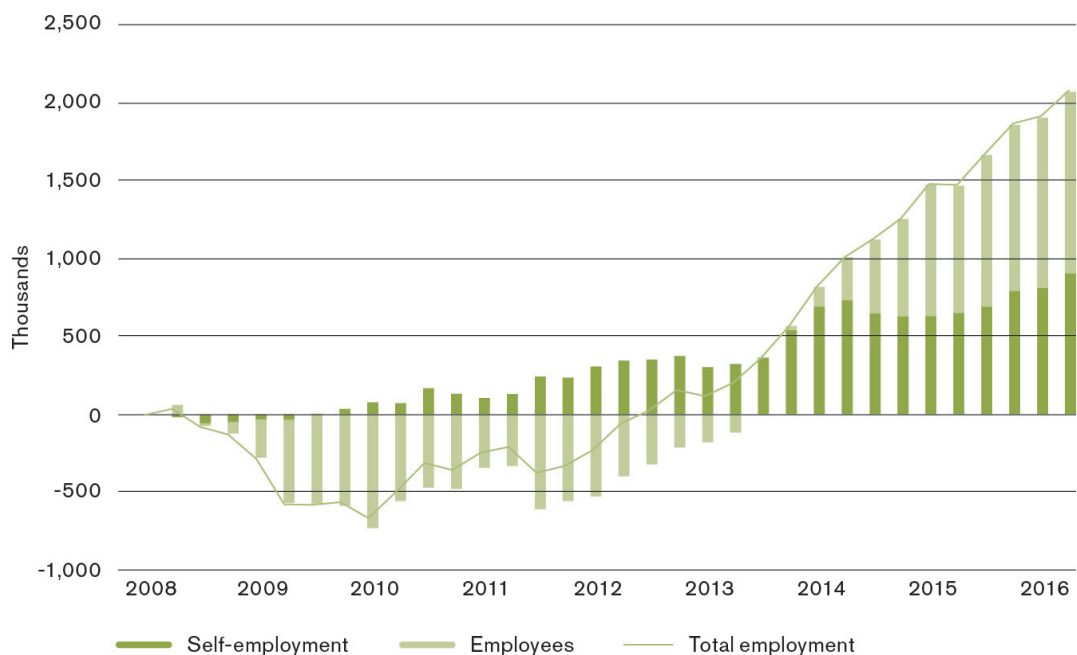
With the launch of the new Parliament we have an opportunity to think afresh about how the needs of a growing self-employed workforce might be met. We hope this report offers a dose of inspiration.

Introduction

The new normal

It is a foible of think-tanks and media pundits to jump on a simmering economic trend and claim it represents a landmark shift. Yet the rise in self-employment is surely one phenomenon that merits that description. The number of people in self-employment has grown by 40 percent since 2000, compared with a 10 percent rise in conventional employment (see Figure 1). Close to half of all jobs growth since 2008 is owed to these self-starters, and now a record 1 in 7 working people can say they answer to themselves.¹ Should this trend continue, the self-employed will be on course to outnumber the public sector workforce by the end of the decade.

Figure 1: Change in the number of employees and self-employed workers since Q1 2008 (Thousands)



Source: RSA analysis of Labour Force Survey

1. RSA analysis of UK Labour Force Survey 2000-2016 (with 2016 being an average of January to September).

A debate rages as to whether this is a trend to laud or lament. Proponents herald an entrepreneurial renaissance, fuelled by cultural shifts and enabled by new technologies. Detractors point to falling real wages among the self-employed, and argue that many have been forced into this position owing to a lack of better jobs elsewhere. Others, meanwhile, fear that the emergence of the ‘gig economy’ – where jobs are found through online platforms and apps – has led workers into a new form of exploitative self-employment.² A glance at the Labour and Conservative parties’ manifestos shows just how fast false self-employment has risen up the political agenda (see Box 1).

Each of these viewpoints contains an element of truth. It is inevitable that a workforce of 4.8 million will vary in its experiences. Yet self-employment, for the most part, appears to be rising for benign reasons, with multiple studies showing that most of the self-employed are happy with their lot.³ Recent polling by the Department for Business, Energy and Industrial Strategy found that 84 percent of the self-employed thought their life was better overall compared with being an employee.⁴ And even of the third who said they were financially worse off, still three quarters said their life was better overall.

Box 1 – Distinguishing between real and false self-employment

The issue of false self-employment has captured the public’s attention and that of the mainstream media. On demand platforms like Uber and Deliveroo have been accused of misclassifying their workers as self-employed to avoid giving them protections and paying Employers NICs. There are fears these practices are also rife in longstanding professions, including teaching, care work, foster caring and even aircraft piloting. Citizens Advice believe as many as 1 in 10 self-employed workers could be misclassified.¹ However, we should be wary of overstating this phenomenon. Only 6 percent of the self-employed surveyed by BEIS said an employer had encouraged them into this form of work, and while some gig economy workers would rather not be self-employed, many others have no complaints.² This debate should and will continue, but we must recognise that false self-employment and genuine self-employment are two very different arrangements.

1. Citizens Advice (2015) *Neither One Thing Nor The Other*.

2. BEIS (2016) *Understanding Self-employment: BIS Enterprise Analysis research report*.

2. For a thorough review of the UK’s gig economy, see Balaram, B., Warden, J. and Wallace-Stephens, F. (2017) *Good Gigs: A fairer future for the UK’s gig economy*. London: RSA.

3. Dellot, B. (2014) *Salvation in a Start up? The origins and nature of the self-employment boom*. London: RSA; and D’Arcy, C. and Gardiner, L. (2014) *Just the Job – Or a working compromise?* London: Resolution Foundation.

4. BEIS (2016) *Understanding Self-employment: BIS Enterprise Analysis research report*.

The individualisation of risk

Recognising the merits of self-employment, however, should not distract us from the perils and pitfalls of this way of life. The attraction of self-employment partly lies in the promise of autonomy and the opportunity to steer one's own course. But as people gain freedom, so too do they lose protections that many of us take for granted. They have no access to Statutory Sick Pay should they fall ill, or to Statutory Maternity, Paternity and Adoption Pay should they become a new parent. They have no equivalent to the National Living Wage, and don't have the benefit of an employer topping up their private pension. They can also often face erratic incomes that ebb and flow depending on client demand.

One way of viewing these challenges is through the lens of risk. While employees are able to pool risks with their employer and their fellow employees (e.g. the risk of falling sick, the risk of a client not paying on time, or the risk of business drying up), the self-employed must shoulder these challenges alone. Some may reply that taking risks is an inevitable part of life in business, and that the thrill of entrepreneurship partly comes from this battle against adversity. This may well be true, but it should not excuse leaving viable businesses to sink when they could well succeed, nor letting the self-employed flounder when they could well flourish.

As the RSA has argued previously, the danger of leaving these risks unchecked is that they lock out the least affluent from the world of business – those who do not have the advantage of wealth to act as a springboard and a safety net. People who own their homes outright are 30 percent more likely to make it to their third year of business than those who rent their property, while those who have received an inheritance of £10,000 or more are twice as likely to start up in business.⁵ Michelle Mone's independent review of business activity among marginalised groups found that rates of self-employment in the 10 percent most deprived communities were half the national average.⁶

Beyond the state and the market

If meaningful and secure self-employment is to be opened up to more people, we need to think more imaginatively about how the risks facing business owners can be managed.

One option is for the state to step in. Successive governments have been vocal in their admiration for the self-employed, recognising their contribution to the economy and holding up the positive character attributes of 'self-starters' and 'strivers'. But this attitude of reverence has often led to a non-interventionist, hands-off policy agenda, with the self-employed broadly left to their own devices. The decision to open up the Single Tier State Pension to the self-employed, and to make the self-employed eligible for the new Tax-free Childcare scheme, are two progressive policies that are the exception rather than the rule.

Both the RSA and FSB will continue to call for greater protections for the self-employed, including full Statutory Maternity Pay and access to a Paternity and Adoption Allowance.⁷ However, we must bear in mind the

5. Dellot, B. (2015) *Why entrepreneurship is still the preserve of the privileged* [Blog] RSA.

6. Mone, M. (2016) *Boosting Enterprise in more Deprived Communities*. BEIS and DWP.

7. Dellot, B. and Wallace-Stephens, F. (2017) *The Entrepreneurial Audit*. London and Crunch.

limits of what the government can do, particularly in straitened times. The Institute for Fiscal Studies calculates that public service spending has fallen by 10 percent since 2009-10, by far the biggest and longest fall on record.⁸ Moreover, the state is currently not involved in offering some forms of protection, making it less likely they will take action. Contrary to popular belief, for example, sick pay is not a right paid for through the tax system but rather a duty set upon employers, who cover the costs.

A second option for pooling risk is through the market. The private sector offers myriad financial products, spanning pensions, income protection (IP) insurance, business bank accounts and invoice factoring. But where there is little profit to be made, or where the risk is deemed too great, the market is rarely forthcoming with support. For example, polling of self-employed FSB members found that only 9 percent are signed up for income protection insurance (which fulfils a similar function to employer provided sick pay).⁹ The picture is just as gloomy when looking at pensions, with just 16 percent signed up to a private scheme compared with 61 percent of employees.¹⁰

This is partly a reflection of low awareness but also one of inflexible products. Invoice factoring companies rarely accept low value invoices, with the leading online platform setting a minimum requirement that invoices be worth £5,000. Likewise, IP insurance products often come with obligations and screening criteria that can exclude particular groups. Some are closed to people with pre-existing medical conditions, and there is typically a waiting period between when people take out a policy and when they can make a claim.¹¹ Moreover, premiums can vary significantly from person to person. A leading comparison website suggests the cost of IP insurance for a 49-year old electrician could be twice the amount as for a 29-year old graphic designer.¹²

The Julie Deane Review into self-employment called upon private providers of financial products to raise their game, and many are indeed innovating.¹³ The mortgage provider Aldermore has introduced more flexibility in its mortgage application process to suit the self-employed, while Royal London has thought extensively about how its package of pension and life insurance products might better accommodate those who work for themselves. Yet it would be naïve to think that private providers will respond to injunctions from politicians or independent experts. Over the long run, the government needs to create a better regulatory environment where more appropriate financial products can emerge, for example allowing for ‘collective pensions’ that are cheaper for savers.¹⁴

8. Emmerson, C., Johnson, P., and Joyce, R. (2017) *Spending cuts to accelerate as tax burden rises to highest level in over 30 years*. [Press notice]

9. Federation of Small Businesses (2016) *Going it Alone, Moving on Up: Supporting self-employment in the UK*.

10. RSA analysis of Family Resources Survey 2015/16.

11. Bread Funds UK (2017) *Report prepared by Bread Funds UK for the Independent Review of Employment Practices in the Modern Economy led by Matthew Taylor*.

12. Dellot, B. and Wallace-Stephens, F. (2017) *Op cit*. The quote for income protection insurance was £11.83 a month for the 29-year-old graphic designer, versus £19.88 for the 49-year-old carpenter. These quotes were based on an income of £27,000, with an expectation that the policy would pay out £1,000 a month for up to 12 months.

13. Deane, J. (2016) *Self-employment Review: An independent report*. London: BEIS.

14. See for example Pitt-Watson, D. (2013) *Collective Pensions in the UK II*. London: RSA.

By the self-employed, for the self-employed

Faced with a financially constrained government and a market reluctant to take risks, some of the self-employed are turning to a third source of support: one another. There is renewed interest in longstanding institutions like co-operatives, friendly societies and credit unions. Novel and experimental initiatives are also gaining traction. Broodfonds groups in Holland are a new means of providing sick pay insurance to the self-employed, while salary guarantee funds like the one run by SMart in Belgium are helping businesses manage income volatility. From accessing finance to securing affordable business property, and from dealing with late payments to finding affordable childcare, the breadth of activities under the banner of ‘self-organising’ is vast.

These schemes, which have also been labelled as ‘grassroots’ and ‘bottom up’, have not gone unnoticed. Gavin Kelly, head of the Resolution Trust and former Blair adviser, has written a number of articles welcoming modern forms of self-organising among workers of all kinds, including the relatively new Independent Workers Union of Great Britain.¹⁵ The TUC’s Frances O’Grady has similarly called for freelancers and those in the so-called gig economy to use technology to self-organise, as has the journalist Will Hutton, who wrote that “Reshaping the gig economy cannot only come from on high – there has to be some innovation from within business and broader society.”¹⁶

Others are more dubious about the prospects of self-organising among this group, not least because the prevailing image of the business owner is one of a self-sufficient maverick who prefers to be left to their own devices. However, this simplistic portrayal overstates the individualistic tendencies of the self-employed. A visit to any co-working space will show the eagerness of business owners to connect with others, as will a visit to any FSB network event. This is partly about the basic need for human interaction, but it is also about the commercial dividends to be gained from collaboration. The aforementioned BEIS survey found that 47 percent of the self-employed have worked with others on jobs, while 27 percent have made referrals or shared clients.¹⁷

Moreover, the act of creating an alternative system of support where none exists already is surely an entrepreneurial endeavour in its own right. To kick start a co-operative, a credit union or a mutually owned invoice factoring club is also to be an innovator.

Getting familiar with self-organising

The RSA and FSB believe the time is ripe to begin experimenting with more forms of self-organising – but first we need to understand the basics. There is still little documented knowledge about how grassroots schemes operate in practice, and only a loose understanding of their strengths and limitations. How much investment is needed to establish them? What role does the state need to play in helping these schemes achieve critical mass

15. See for example Kelly, G. (2016) *Insecure workers and protection: the case for cautious optimism about 2017* [blog]

16. Grady, F. (2016) *Uber’s defeat shows it doesn’t have to be a rigged economy* [article] The Guardian; and Hutton, W. (2016) *The gig economy is here to stay. So making it fairer must be a priority* [article] The Guardian.

17. BEIS (2016) Op cit.

before they can become self-sufficient? How do they manage abuses of trust and free-riding? Can they be replicated in other places and settings, including within the UK? Are they workable in sectors that are traditionally hard to organise? And what is the appetite among the self-employed to join these schemes?

Where commentary does exist, too often the advocates of self-organising gloss over its shortcomings, valorising the small and local for the very reason of being small and local. This in turn opens them up to outside criticism. Alex Williams and Nick Srnicek, two leading writers on the future of work, have described some grassroots initiatives as a form of ‘folk politics’, complaining that they are overly nostalgic, often impractical, too emotionally driven and impossible to scale.¹⁸ Without bringing to the surface uncomfortable questions and criticisms such as these, the challenges facing self-organising will never be fully addressed, and bottom-up interventions will remain on the margins of our economy.

Against this backdrop, we set out to critically appraise the self-organising movement, with the aim of highlighting good practice and identifying how blockages to progress could be removed. We began by talking directly with the people who founded or who currently manage grassroots initiatives, discovering how they operate, what it took to establish them, how challenges have been overcome, and whether there is scope (or even appetite) for scaling. Alongside this we brought together a number of self-employed people, drawn from FSB membership, to gauge interest in these different initiatives and to see whether ‘demand’ might meet ‘supply’.

The rest of this report details the results of our research, beginning with nine case studies of the most promising schemes we encountered. We then spell out the key dilemmas that can hamper self-organising – from reconciling a desire for growth while preserving community culture, to managing the need for financial support at the same time as working towards long-term self-sufficiency. The report concludes with a call for a self-organising ‘movement’ that would maximise the impact of existing schemes and encourage experimentation with new ones. We lay out several recommendations for policymakers and those already in this nascent movement, but would stress that this report is just as much of a call to arms for other self-employed people to get involved.

According to Yochai Benkler, Harvard Professor and an advocate of peer-to-peer economies, we are now in a “cultural moment of co-operation”, where it has never been more feasible for people to collaborate and offer mutual assistance.¹⁹ But as he also emphasises, “that it is feasible does not make it inevitable”. Someone has to make the first move to collaborate, and we hope that those reading this document will be inspired to do just that.

We begin by giving a brief introduction to the definition and dimensions of self-organising.

18. Williams, A. and Srnicek, N. (2015) *Inventing the Future: Postcapitalism and a World Without Work*.

19. In Scholz, T. and Schneider, N. (eds) (2016) *Ours to Hack and to Own: The rise of platform cooperativism, a new vision for the future of work and a fairer internet*.

Self-organising for beginners

Definition and dimensions

What is self-organising? If a business owner decides to lend their van or equipment to another person in their trade, is that a form of self-organising? What about if a group of taxi drivers share information from time to time on the best places to buy petrol, or where to buy the cheapest car insurance? Is sharing workspace with others in a co-working hub a form of self-organising? What if a part-time dressmaker occasionally calls upon a seamstress friend to help out when she has a heavy workload?

For the purposes of this research, we define self-organising as a coming together of people under the umbrella of a legal structure, where an organisation is specifically created to enable the self-employed to cooperate. This is not to discount the more informal types of collaboration, such as the examples of information sharing and business referrals noted above. However, we believe that a legal structure can lead to more sophisticated forms of collaboration and allow for deeper relationships to develop over time. In particular, a legal structure makes it easier for money to exchange hands, and also ensures there are accountability and governance mechanisms in place to provide stability.

Figure 2 below visualises one interpretation of the self-organising landscape for the self-employed. At its core is the **worker co-operative model**, which is arguably the most demanding form of collaboration. Worker co-operatives are organisations owned and managed by their members, where decision-making is shared on the basis of one person, one vote, and where profits are typically distributed in a way that is proportionate to each worker's contribution. One of the best known worker coop groups is the Mondragon Corporation in Spain, which began life as a small group of workers collectively selling paraffin heaters, but today encompasses over 70,000 workers operating in sectors as diverse as insurance and white goods manufacturing.

While worker cooperatives are often viewed as a means for conventional employees to gain more control over their working lives, they are also a route for the self-employed to gain more security to complement the autonomy they already enjoy. Outlandish coop in London, for example, is home to several programmers and web developers, most of whom have worked for themselves in the past and would likely be doing so now were it not for the cooperative. The same goes for Paper Rhino in Peterborough, where individual illustrators, typographers, video makers and designers have come together under the roof of a single worker coop.

Yet self-organising is not limited to the worker cooperative model. For those who are eager to retain full independent status, a more appealing organisational form may be the **producer cooperative**. ‘Consortia cooperatives’ – as they are otherwise known – allow the self-employed to keep the reins of their business and all of their profits, but ask that members contribute a modest sum to pay for support that everyone has an interest in receiving. This includes access to finance, markets and several other domains highlighted in the second ring of our self-organising taxonomy. A good example is the Swindon Music Cooperative, where in return for a modest proportion of their revenue, self-employed members gain access to administrative support, training workshops and marketing assistance – all the while retaining their financial independence.

In the UK, two other types of cooperatives stand out:

- **Multi-stakeholder cooperatives** – Organisations that have mixed ownership (e.g. between the self-employed members, workers of the coop, and consumers who buy services from the self-employed members). This type of cooperative is suitable where a variety of stakeholders wish to work together to achieve shared interests. An example is Fairmondo UK, an ethical online marketplace that is jointly owned and governed by its users: sellers, workers, consumers and social investors.
- **Community Benefit Societies** – Organisations that also have mixed ownership, but which operate primarily for the benefit of a wider stakeholder group (‘the community’). This model was created through the Cooperative and Community Benefit Societies Act of 2014, and does not allow for the distribution of profits. An example is IndyCube, a network of co-working spaces that is owned and run not just by its direct users (those who rent desk space) but by others in the communities it serves.

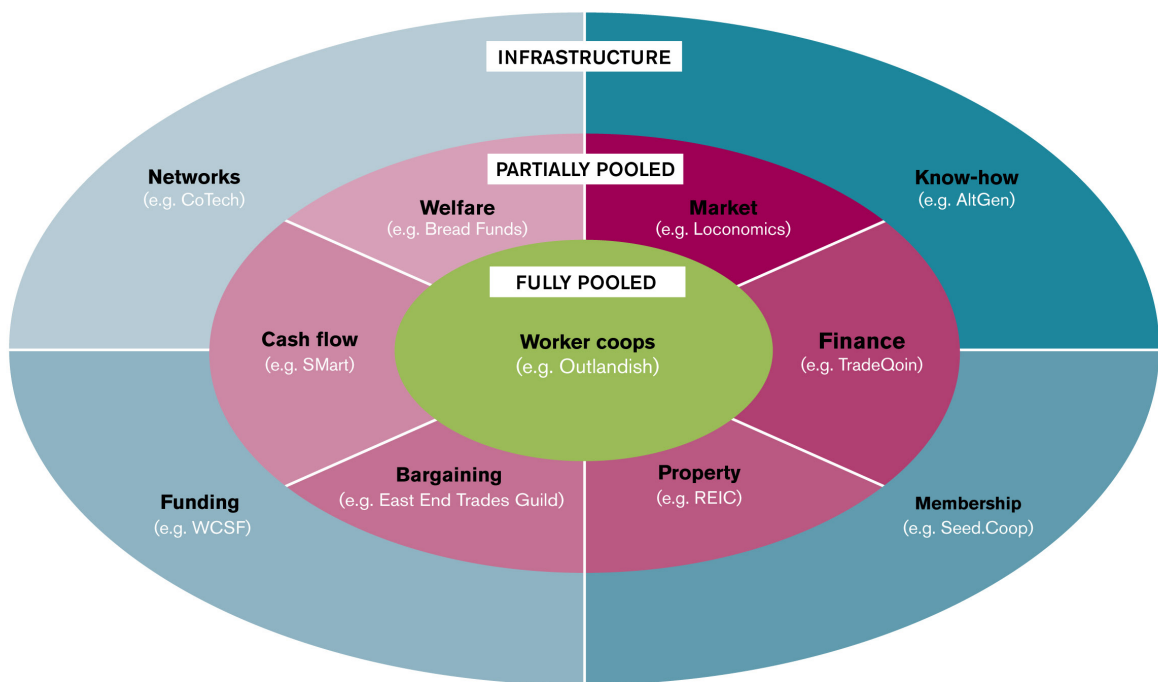
Not all the initiatives that fall into the self-organising taxonomy are cooperatives, however. The East End Trades Guild (EETG) was started by Krissie Nicolson to connect small independent businesses in East London and represent their interests to local and national government, for example to limit business rent rises. It is financially backed by 185 member businesses, which each pay a yearly subscription. But EETG is a non-profit company rather than a cooperative, meaning the members have no shares in the organisation or votes in decision making. Unions are another player in the world of self-organising. Community Union, for example, pitches itself as the ‘first union for the self-employed’, and recently struck up a partnership with the IndyCube co-working space to offer invoice factoring to its members.

What about the third layer in our self-organising taxonomy? Here we refer to the institutions that exist to support self-organising initiatives – what might be called meta support. Some of these provide grassroots schemes with essential training and know-how, such as AltGen, which runs university workshops for recent graduates to help them start their own freelance cooperatives. Others serve to help initiatives as they try to find new members or access funding. The SolidFund offers grants to

kickstart cooperatives, and is funded via donations of £1 a week from existing members of cooperatives. Then there are organisations that more generally connect self-organising initiatives, for instance CoTech which links up cooperatives in the digital industries.

In summary, there are many different forms of self-organising, with myriad initiatives that vary in their sizes, membership criteria, objectives and legal constructs. What binds them together is an ambition to improve the livelihoods of those who work alone, by working together. In the next chapter we pick out a handful of these schemes and explore their back-story in more detail.

Figure 2: The landscape of self-organising among the self-employed



Case studies

#1 – Broodfondsen, Holland

Broodfondsen are a cash-pooling scheme that provide the self-employed with an affordable alternative to income protection (IP) insurance.

The idea of a Broodfonds (or ‘Bread Fund’ in English) emerged over a decade ago in Holland when a group of business owners began to rally against high premiums on the private insurance market, as well as a general lack of transparency over how prices were decided. The alternative model they proposed was deceptively simple: club together and put money into an individual account per person every month, for anyone to draw down on should they fall ill (with money flowing from every account to the claimant). Having begun with just 30 members and one group in 2006, today there are over 280 Broodfonds groups catering to 12,500 self-employed members across Holland.

The Broodfonds model is distinct from typical IP insurance in several ways. First, applicants are not required to complete medical checks before joining, which opens up insurance to those with pre-existing health conditions. Second, when members do make a claim, they simply explain their illness to other members of the group. The small group sizes – always a maximum of 50 members – and positive social control makes this system work on trust. And third, Broodfonds groups often have members who support one another in practical as well as financial ways, for example by picking up the slack on jobs when another person in their group is unable to.

One of the Dutch founders, Biba Schoenmaker, recalls several episodes where Broodfonds members have stepped in to protect one another’s livelihoods. This includes the case of an accountant whose workload was taken on by another bookkeeper in her network while she was undergoing chemotherapy treatment. In another incident, members of a Broodfonds group clubbed together to help a stroke victim in their community move into a new line of work, having been unable to return to her events management business.

These experiences, Biba says, are typical of the altruistic culture that Broodfonds groups are immersed in, with their size limited to 50 members in order to retain intimacy. And while the goodwill of members could in theory be abused, there are several checks and balances built in to prevent free riding. Applicants must pay a joining fee of €250, they must have already been in self-employment for a year before signing up, and the administrators ask to see members’ financial accounts to make sure they are earning the amount they say they are.

Biba says there are no plans to scale the Broodfonds movement, but rather to seek “natural growth” over “fast growth”. As she puts it, “we want to do this easily but seriously so that we have a good, solid organisation”. The original founders were willing to trial the first Broodfonds over a period of five years before taking the idea out to others, and continue to prefer word of mouth as a way to market the scheme. In 2016 they took the significant step of launching a ‘Broodfonds Alliance’, which allows for money to flow between groups should one network be hit by multiple illnesses at once.

There are now plans to launch a similar scheme in the UK, spearheaded by social innovator Stuart Field and Ariadne Bechthold.²⁰ However, due to differences in UK law, and different interpretations here of EU law, the UK model will vary somewhat from the Dutch one. Unlike in Holland, members will not be able to receive a partial refund on their contributions should they leave a group, and will have to pool their money into a single bank account with others rather than have individual accounts. Despite this and other modifications to the original model, Stuart is confident that the time is ripe to trial Broodfonds groups in the UK, and is in the midst of planning separate pilots in Nottingham and London.

#2 – SMart, Belgium

SMart is a Belgian-based cooperative that provides a one stop shop support service for freelancers, including an innovative salary guarantee fund to ease the problem of late payments.

SMart began life serving the needs of freelance artists and creative professionals, primarily by managing their contracts, coordinating payments and managing paperwork such as tax filing. Today the organisation is open to freelancers from all sectors and offers an expansive range of online and face-to-face services, including business support, co-working spaces, an advice line, training events and insurance products. The latter includes accident insurance to cover risk of injury both within and outside of the workplace.

SMart has two standout features. The first is that it employs its members for the duration of the contracts they have with clients. Doing so allows freelancers to pay social contributions which is mandatory to access government unemployment insurance, meaning that should they be out of work they can usually claim support as they search for new contracts. It also means that members pay higher levels of taxation (including social contributions), since salaried workers are taxed more than the self-employed, but in compensation they receive more social protection, including state pension coverage.

In 2015, SMart formed a novel agreement with Deliveroo and the now defunct food delivery platform Take Eat Easy, agreeing to employ its riders on condition the platforms provided them with better working conditions. This meant paying workers by the shift with a minimum of a 3 hour rota (instead of payment by delivery), and at a minimum hourly rate. Workers also benefited from reimbursements for the use of tools, insurance and safety and security training.

20. For more information see <http://breadfunds.uk/>

The second notable feature of SMart is its Salary Guarantee Fund (SGF), which allows SMart to pay its members within 7 working days of the end of contracts, as well as to pay an advance on grants. This is possible thanks to a levy of 6.5 percent charged on members' contracts and by channelling around a third of this to the SGF. Since SMart employs the freelancers, they no longer have to chase clients in default of payment, as contractors technically owe SMart money. The coop can use its clout and legal expertise to settle knotty disagreements.

Sarah de Heusch, who has been with SMart since 2008, believes the cooperative's success is partly owed to its size, with 80,000 members on its books and an operation that spans 8 other European countries. In contrast to the small-scale requirements of Broodfonds, Sarah says that "because of the principle of mutualisation we adopted, the more people who join SMart, the more benefits are generated, and the more money is reinvested in the organisation for the benefit of members." Only recently, SMart launched a new financial service offering loans to help members with business costs, including training and investment in tools. It supports those who may be deemed too risky by banks, but who SMart trusts because "it understands the reality of how freelancers live and work".

Sarah says that SMart is in constant evolution, having only just transitioned into a co-operative so as to involve members more readily in decision making. Occasionally this has brought with it challenges, particularly during the rapid growth phase SMart experienced from 2007 onwards. The organisation doubled in size in the space of a decade, and this demanded a different style of leadership and governance to the one the organisation was conceived on. Still, for all the flux and expansion, SMart has managed to retain a committed following of members who, in Sarah's words, "defend SMart because they believe passionately in what we do".

#3 – RICOL, UK

RICOL is a London-based cooperative run by and for self-employed language professionals (including interpreters, translators and language teachers), helping them to connect with clients looking for language services.

RICOL was formed in response to changes made in how interpretation services are procured in the UK's court system. For many years, the courts had drawn upon individual interpreters on an ad hoc basis, however the process changed in 2012 when the Ministry of Justice decided to issue all contracts to one provider. Anca Ionescu, one of RICOL's founders, recalls that the winning company, being small in size and completely new to the business, subsequently tried to subcontract the court jobs to the same individual interpreters, but at a lower fee that was close to the minimum wage.

The interpreters faced a dilemma: either accept the less lucrative arrangement and continue to provide services to the courts, or search for work in other industries with the assistance of a translation agency that would take a large chunk of their pay. Anca and three of her counterparts, however, decided there was a third way, which was to create a

new enterprise run by and for self-employed interpreters and translators. This meant they could cut out the middle man and keep more of their fees for themselves. They also reasoned that interpreters and translators who joined them, and who were paid fairly, would deliver a better service that in itself would fend off competition from larger agencies competing on price.

The cooperative legal model was thought to be a natural home for the new company, named RICOL. Yet at the time there were no precedents of language cooperatives in the UK and only a handful abroad. The team therefore had to start from scratch, albeit with assistance from a Coops UK trainer. One route RICOL could have taken was to charge members for joining the network while levying a modest fee on jobs, which would have paid for external staff to man their operation. Instead they opted for a slimmed down model with free membership staff made up of language professionals. This means that, in each job, RICOL can retain just 10-12 percent of the fee charged to the client, versus the 40-50 percent often retained by standard agencies.

As part of this arrangement, members are also expected to raise the profile of the cooperative and bring in jobs for others. For example, if a French interpreter comes across a potential client in need of a Russian translator, they are encouraged to refer them to RICOL. To prevent members coasting on the efforts of others, RICOL has established a trial period whereby people aspiring to join are asked to prove through written material that they have approached potential clients, be they solicitors, local authorities or corporates. So far around 120 RICOL language providers have now been given jobs through RICOL.

Yet the cooperative mind-set does not come naturally to every would-be member. “I think the self-employed are quite isolated, really”, says Anca. “It’s a struggle to get people to work together sometimes”. Finding larger clients willing to commission big projects would relieve some of the pressure on the cooperative to find day-to-day projects through word of mouth, and Anca reports that progress is being made in this area. Alongside the offer of a “Rolls Royce service”, as Anca puts it, some companies prefer to work with RICOL because of their ethical credentials – including most recently Lush Cosmetics and Fairphone.

The executive team at RICOL continue to reflect on the suitability of their governance model, but are happy with the status quo. And even if the cooperative were to hit a rocky period, Anca says the way RICOL is set up means it is unlikely to become a financial liability for members: it has no offices, no permanent staff and very minimal overheads. It appears there is a certain resilience that comes from bootstrapping.

#4 – Coopaname, France

Coopaname is a producer cooperative based in Paris that aims to provide a combination of security and autonomy to business owners of any profession, particularly those with multiple activities.

During the early part of the 2000s, the government of France began to promote self-employment as a route into work for the long term unemployed. According to Coopaname joint CEO, Noémie de Grenier, this resulted in thousands of people starting up in business who were ill prepared to do so; many abandoned their efforts or struggled on with little success. In response, a group of business owners clubbed together to create Coopaname, a co-operative that aimed to help the self-employed help one another under the umbrella of a single organisation. Roll forward to the present day and the cooperative has over 800 members specialising in a variety of areas, from bakery and gardening through to carpentry and journalism.

In much the same way as SMart, when members sign up they effectively become employees of the cooperative, which means they benefit from more social protections and begin paying into the government's unemployment insurance fund. For a fee of 11.5 percent of their gross revenue, Coopaname takes care of all administration, accounting, billing and tax declarations. They also offer workshops and have a physical working space in the centre of Paris, although the latter occasionally struggles to accommodate the demand from all the members.

What sets Coopaname apart from most other cooperatives is their emphasis on project collaboration. For example, there are several photographers in the network who club together to take on larger projects such as weddings or museum archiving. Occasionally members of different professions also join forces on tenders. Noémie recalls an episode where a yoga teacher, business coach and psychologist collectively submitted a plan to a corporate client to run their wellbeing day. It is partly because of these fluid collaborations that some members manage to pursue multiple vocations, with one member doubling up as a musician and pastry chef and another as a HR consultant and costume designer.

Yet while Coopaname is welcoming to people with all manner of talents, aspiring members must go through several hoops before joining. First, they must attend a group information evening where they can find out about the basics of Coopaname. Second, they have a face-to-face interview where one of the senior team evaluates their business and asks for a strategy for how it might develop. And third, should applicants make it this far, they are invited to an 'integration day' where they lunch with existing businesses in the cooperative and are introduced to the practicalities of being a member. A contract is signed and the applicants are connected with other new starters, whom they meet regularly during workshops for their first three months.

Such a recruitment model helps Coopaname to maintain a culture of "trust, confidence and vivacity" despite having a large membership. The real challenge facing Coopaname, Noémie says, is an outdated business model that is too heavily reliant on public funding. The Paris city authority and EU agencies once gave generous grants to the network, but this

stream of funding has been steadily drying up for years and is expected to come to an end in 2018. An obvious solution would be to raise the revenue contribution from members, yet many are already on modest wages. Instead, Noémie and her colleagues are devising a new tech-enabled operations system, which will improve efficiency and lower the cost per person of their services. This in turn will allow them to expand their membership base and bring in extra revenue.

Noémie recognises that this could wear away the culture of the organisation. But as she sees it, “this isn’t a limit but a challenge. And I think we can rise to it”.

#5 – Swindon Music Co-operative, UK

Swindon Music Co-operative supports music teachers to find more stability in their profession and develop their skills in unison with others.

The Swindon Music Co-operative is a good example of the old adage that necessity is the mother of invention. The organisation was born in the late 1990s after a decision was taken to devolve funding for music teaching from the Swindon local authority to schools in the area. An unintended result was that many schools used the new power to pare back their music departments and divert resources elsewhere. Faced with the prospect of redundancy, finding work through agencies or moving into self-employment on their own, many of the borough’s music teachers instead chose to form a cooperative that would give them a semblance of structure and security.

Just as with RICOL, the Swindon Music Co-operative was created under the legal model of a ‘consortium co-operative’, with each member pooling responsibility for debt collection, marketing and administration, while retaining their independent self-employed status. This means they can accept or refuse jobs, and set their own rates as they see fit. Unlike RICOL, however, the music cooperative employs administrators to do the heavy lifting, and has a variable management fee structure, meaning those undertaking more demanding tasks (such as teaching a large class of children) contribute less to the coop than those who complete more routine jobs (such as 1 on 1 tutoring).

Nearly two decades on from its creation in 1998 and the Swindon Music Co-operative continues to thrive. David Barnard, one of its architects, argues that the model they developed didn’t just save jobs, it also breathed new life into teaching methods, which in turn attracted more clients (parents and schools) to their doors. Because the reputation of members depends on the actions of others, there is a strong desire that everybody performs well and commits to high professional standards. Music teachers will occasionally sit in on one another’s lessons to provide constructive feedback, and members are expected to attend the cooperative’s professional development conference twice a year, for example to hear about the latest theories in education or child safeguarding.

That Swindon Music Co-operative’s model is now being replicated in other places is testament to its promise and popularity. Offshoots can be found in Grimsby, Milton Keynes, Bedford and Salisbury. Yet none of these have emerged completely of their own accord. The Musicians’

Union (MU) has been particularly important in providing advice and support to get concepts off the ground, and has offered encouragement to groups of music teachers wary of taking the first step into self-employment. More recently, the MU has helped cooperatives make the case to schools that they should be exempt from IR35 rules. Next year, the MU will extend its support by creating a national network of music teacher coops that will help spread good practice.

#6 – Outlandish and CoTech, UK

Outlandish is a London based ‘tech for good’ worker co-operative. Co-operative Technologists (CoTech) is a network of co-ops, which consists of 23 similar organisations from across the UK, including Outlandish.

Outlandish is a creative web design and software development co-operative that provides services to a range of clients, including many non-profit and public sector organisations. One example of their work is Audience Finder, a data analysis dashboard application that helps arts organisations better understand their audiences. Another is School Cuts, an interactive map infographic made with the National Union of Teachers, which shows how schools in a local area have been affected by funding cuts.

Outlandish started 6 years ago, but in that short space of time has cycled through multiple legal forms. It began as a limited liability partnership (LLP) between two founders, who made new recruits into either partners with equal pay or employees with fixed wages. However, in a bid to deepen staff involvement in decision making, Outlandish adopted a ‘sociocracy’ governance model (while retaining its LLP legal status). This model, based on Quaker thinking, uses deliberative techniques that are designed to help communities arrive at informed consent for decisions. But this model itself ran into trouble when it became apparent that the partners had full responsibility to ensure the smooth running and financial viability of the organisation, but did not have full control.

Believing that the power structure needs to reflect their responsibility structure, the organisation once again changed its model – this time into a worker coop. Outlandish 4.0, as it might be known, is based on a similar structure to that developed by the Enspiral Network, the creators of Loomio. ‘Members’ are those that own the co-op and are responsible for decision making, while ‘freelancers’ do not have a right to influence decisions but members believe it is good to involve them as far as possible. Membership is open to all who are involved in Outlandish but they have to work there for 15 months and meet other criteria, which demonstrates their commitment and ensures they understand the company ethos.

Not content with building their own co-operative, the founders of Outlandish went on to create CoTech, a collective of co-operatives in the tech industry. One of its objectives is to reduce friction in doing business by making it easy and cost-effective to hire people from elsewhere in the network, thereby opening up a larger pool of talent to smaller, worker-owned organisations. Worker time is charged at a cost rate for internal projects (e.g. developing a coop member’s website) and at usual commercial rates for external projects. The ultimate aim is to increase the market

share of ethical tech companies by enabling the co-ops to take on bigger projects, or pass on jobs to others in the network.

CoTech co-ops also give a share of their profit to ‘tech for good’ causes, both internal and external. The network uses an internal crowd-funding system called co-budgeting to pay for running the network and to donate to ‘tech for good’ causes such as supporting women into the sector. There is no minimum specified contribution but coops are expected to offer a reasonable amount if able to. Looking to the future, CoTech have just taken over an office space in Finsbury Park, which they aptly dub “Silicon Park”. This will create a hub for CoTech members by providing a space for events and networking, as well as co-working spaces with affordable rents for ethical tech co-operatives in their early stages.

#7 – Loconomics, United States

Loconomics is an app for booking local services that is co-operatively owned by the service professionals that use it.

Loconomics is based in San Francisco and provides local service professionals with an app that can be used to attract and manage clients. This ranges from house painters or cleaners, to dog walkers, music teachers, babysitters and massage therapists. The idea for Loconomics was conceived in 2010, just as the sharing economy became a topic of public interest and new platforms like Airbnb began to emerge. Recognising that whoever owns these platforms hold power over the people who use them for work, founder Josh Danielson wanted to turn this model on its head. The yang to Uber’s yin, Loconomics is driven by the needs of its users, rather than the desire to maximise external shareholder value.

A comparison with TaskRabbit is inevitable given both platforms orchestrate odd jobs and allow users to book similar types of ‘handyman’ services. However a closer look at their business models suggests this is misleading. Most of the jobs people do via TaskRabbit would not exist without the app. Given its substantial venture capital backing, TaskRabbit is able to stimulate consumer demand through advertising and marketing, effectively creating ‘gigs’ for its users. In return, it takes a handsome share of their earnings.

Loconomics, in contrast, aims to start with serving professionals that already have an existing client base. For \$19 a month it provides their members offline business support that includes workshops on branding and social media. Additionally, for \$39 a month membership includes scheduling and payment software that members use to run their business and manage client relationships. Moreover, Loconomics allows members to keep all of their earnings, alongside setting their own hourly and day rates.

Loconomics can be thought of as a ‘platform co-operative’. It returns profits to its members in proportion to their participation, and operates on a trustee model of governance. Users vote for a board of six service professionals, two non-profit representatives, and one Loconomics employee. This board has general oversight of Loconomics and a series of bylaws are in place to ensure it continues to serve the interests of its members. One bylaw is a commitment to use agile software development

methodology to incorporate feedback from the service professionals that use the app. Loconomics does have employees but they receive a capped salary.

Despite only launching last summer, the platform already has 500 listings. However, activity has been limited because the scheduling software is not yet competitive. Josh admits that it has taken much longer than expected for Loconomics to get off the ground, primarily because of the difficulty of accessing external finance that is consistent with their values: Crowdfunding did not work. We don't seem a fit for government grants, which are time consuming. Venture capital would require that I cede control to the people who are already in power." That said, Josh has been able to attract a core team of technologists and marketing professionals, who believe in its future, to work in exchange for promisory notes to be paid when the cooperative is financially able.

Loconomics soon intends to expand its membership offer to TaskRabbit users. It also has plans to co-ordinate activity in other US cities and is looking for international partners. Josh believes there is huge potential for this model to be employed elsewhere, saying that "Loconomics is essentially software. So once it is properly developed it could be marketed anywhere".

#8 – IndyCube and Community Union

IndyCube is a network of co-working spaces spread across Wales and England. A new partnership with Community Union has given its members access to free legal support and affordable invoice factoring

IndyCube started 7 years ago and now has 29 co-working spaces across Wales, with one in Wakefield. Founder Mark Hooper describes his organisation as different to other hub networks in the sense that they go out of their way to serve deprived rural communities. One space is in a converted church in the Valleys. Another is in a community centre in Bangor. The central idea is to give freelancers a place to connect in these communities, not only to spark collaborations but also to address loneliness often associated with self-employment.

IndyCube's business model is somewhat unconventional. In many cases they don't rent property themselves but rather act as a broker that helps landlords find short-term tenants, while also providing an internet connection and refreshments. An arrangement to share risk means that landlords are only paid when a desk space is sold. Usually the price of a desk is £12 a day, which is split between the landlord and IndyCube. They also offer desk space within offices that are occupied but underutilised. For example, if a design agency has spare desks, IndyCube will enable them to generate extra income at the same time as bringing outside people into the office, which could spark future collaborations.

Over 2000 people have used an IndyCube space, with up to 100 people using spaces in Cardiff, Swansea or Newport at any one time. Mark stresses the importance of word of mouth endorsements in getting to this point, with conventional marketing proving ineffective in reaching the self-employed on modest incomes. Mark has also eschewed grants and up until recently relied only on self-generated funds to grow the organisation.

IndyCube began as a Community Interest Company – a form of social enterprise – but has recently become a Community Benefit Society. This is a form of co-operative, but rather than share profits among members the surplus is instead reinvested in the organisation.

IndyCube reached a turning point last year when it received investment from Community Union to develop a benefits package for the self-employed.²¹ From June 2017, people will be able to become a member of IndyCube/Community Union for £10 a month and gain access to a range of services. This includes invoice factoring, which will be charged at a rate of 1.4 percent thanks to a deal brokered with a well-established factoring company. Much like we saw with SMart, this service will mean that the self-employed can be paid on time and delegate client chasing to credit control. The innovation here is not in the product itself but rather in who is able to access it. Invoice factoring is available on the market at comparable rates but only for contracts in the realm of £100,000 or more.

The IndyCube/Community membership package will also cover legal support, free up to a value of £26,000. This could be used to chase down a debt, or provide assistance with managing intellectual property. Community Union already have these lawyers in place, which is why they are able to provide this service at such a low cost. Lastly, in addition to physical space and business support, members will have access to a LinkedIn style online platform where they can collaborate. Fired up by the new partnership with Community Union, the plan is now to expand IndyCube further into England with the support of a 60-strong team of ‘connector’ members who can coordinate co-working space activity. Mark says that “the goal is that wherever you are, there should be an IndyCube not far”.

#9 – East End Trades Guild, UK

East End Trades Guild is a community of small, independent businesses in East London that use community organising methods to hold the government and local landlords to account.

In 2012, Londoner Krissie Nicolson graduated from a Masters course in community organising from Queen Mary University. Still unsure of where her degree would take her, she stumbled across an article on the local Spitalfields Life blog. It told the story of a fourth generation shopkeeper who was at risk of being forced out of the area as a result of a private landlord’s excessive rent hikes. Along with others in the neighbourhood, Krissie was outraged that a family business so deeply rooted in its community could be at risk of closure. The public outcry was powerful and contagious – enough to force the landlord to relent on his proposals and agree on a more reasonable rent change.

Inspired by what she saw, and ably assisted by the Spitalfields Life author, Krissie set about creating a more structured model of business campaigning. The outcome was the formation of the East End Trades Guild (EETG), a non-profit geared towards mobilising small and

²¹. For more information see <http://community-tu.org/community-indycube-pledge-give-power-self-employed/>

independent businesses to create a fairer environment for trading in the Hackney, Walthamstow and Tower Hamlets areas. In practice, this means using community organising methods to build the power of members, with their collective might then used to negotiate reasonable rents, influence property development and lobby for a fairer business rates policy, among other ends.

In one incident, the EETG members won compensation for local shops who had been disrupted by Crossrail engineering works. In another, they rallied around an independent trader on Spitalfields Market who had been served notice on his lease by the landlord, which was suspected to be looking for more lucrative chain stores to fill its place. Yet the EETG does more than campaigning. Last year they launched the first East End Independents' Day, where businesses gave talks, events, workshops and walking tours to drum up awareness about the importance of having a diverse, home-grown local economy. The EETG also runs a discount scheme where members are encouraged to give concessions to other members, thereby strengthening local supply chains.

Although Krissie is the founding organiser, she says her ambition is for EETG to be carried forward by the members themselves. To that end, she has introduced local shopkeepers to the principles of self-organising, and encouraged them to undertake TV, radio and press interviews. The EETG is also identifying local 'reps' who can act as champions for traders in their neighbourhoods, and members are continually encouraged to recruit others to the network. EETG now boasts 185 business members, a figure that is set to reach 300 by the end of the year.

Getting to this point has required a Herculean effort, including a crowdfunding campaign last year to keep the wheels of the network in motion. But with a growing membership base, Krissie is confident about the future of the EETG. Already there is interest in launching a similar guild in North London, and the EETG is in promising conversations with Tower Hamlets local authority about a radical asset transfer plan – one that would allow shopkeepers to manage their own properties at affordable rents.

Five dilemmas of self-organising

Dealing with dilemmas

Whether it is the RICOL language professionals cooperative in London, SMart's salary guarantee fund scheme in Belgium, or the Broodfond mutual sick pay initiative in Holland, many inspiring examples of self-organising can be found both at home and abroad. And as we saw in the last chapter, they are not only helping people to sustain themselves in self-employment, but to flourish while doing so. Music teachers have seen their professional standards rise, Welsh freelancers have been offered a means of managing late payments, and tech developers have been able to share excessive workloads with trusted hands in their sector.

Yet, as was also apparent, even the best models of self-organising have their limitations. Some of these are to be expected: it can be difficult to raise funding to get schemes off the ground, and many struggle to convince the self-employed to sign up, partly because of the time commitments expected of them. The movement appears to be well aware of these obstacles to success and is already addressing them. The important question is whether it can do so while abiding by the values it espouses, including inclusivity and accessibility. Is it possible, for example, to both scale an initiative and retain its democratic governance? And is it viable to have a selective membership system while still being welcoming?

Here we spell out five dilemmas that self-organisers often face as they develop their models.

#1 – Funding: Internal or external?

The first tension is financial. A number of the founders we met secured outside funding to get their initiatives off the ground, including from philanthropic foundations, EU agencies and city authorities. Yet in doing so they also exposed themselves to the risk of outside interference, and the danger of becoming attached to a source of income that could be removed at a moment's notice. Recall the experience of Coopaname, who had gratefully received grants from the city government of Paris and an EU agency, but who are now working to adapt their business model as the money is being quickly withdrawn. IndyCube founder Mark Hooper said he purposefully avoids what he calls the 'grants culture' of Wales because it damages the long-term viability of organisations like his own.

The alternative path is not necessarily any easier, however. Some self-organising initiatives, wary of taking on outside money, have opted for a lean business model with minimal outgoings. RICOL uses no external staff but instead relies on members to man day to day operations, allowing

it to reduce the slice of income it takes from people's pay packets. But bootstrapping has its downsides. Loconomics founder Josh Danielson says that the software behind the platform would be ready by now had they sought venture capital funding. However, that would have meant giving up ownership, which is critical to its differentiation and prospect of sustainability. Other founders can find that bootstrapping means them as individuals taking on more of the workload, which could otherwise be shared with employed staff.

#2 – Size: Scale or intimacy?

Does big mean better in the world of self-organising? A glance at what SMart has been able to achieve would suggest so. With 80,000 members spread over 8 countries, its economies of scale allows it to offer a range of services, including physical workspace, a salary guarantee fund and a new micro finance bank. Self-employed FSB members at our roundtable immediately recognised the clout that SMart would have in chasing clients over late payment. The executive team at IndyCube, Community, Loconomics and CoTech all say their aim is to expand operations in terms of member numbers, locations and services. The latter is aiming for 100,000 tech developer members to be signed up by 2030.

But scale can also bring challenges, particularly in terms of the strain it puts on internal democracy. Outlandish had to go through several iterations of a membership model before its rank and file were happy – and it only has around 25 members. Coopaname Co-CEO, Noémie de Grenier, is eager to see her organisation grow beyond its 800 strong community, but recognises this could tear at its cultural fabric. Technology, and in particular online forums, can bring people closer together virtually, however it is unlikely to make up for face-to-face interactions. As Noémie puts it, “you can't just throw a computer into a general assembly meeting and expect everything to run smoothly.”

Some forms of self-organising are simply better suited to close-knit ways of working. Take the example of Broodfondsen, where groups are limited to 50 participants. Beyond this size trust breaks down and a suspicion sets in that some people may be abusing the system. However, there are times when intimacy has its shortcomings. Our roundtable participants, for example, were concerned that members of a Broodfonds group might be reluctant to call upon the financial help of others should they fall sick, primarily because they wouldn't want to be a burden on people they know so well. Co-Founder Biba Schoenmaker says that the scheme runs smoothly for members in Holland. However the point remains for all schemes that people may feel more comfortable asking for support from the position of anonymity.

This points to another possible hurdle: cultural dispositions. Some of the founders and managers we interviewed believed that notions of solidarity and cooperation resonate less with UK business owners than they do with their counterparts in mainland Europe, despite the modern cooperative form having its roots in the North of England. As one founder of a grassroots scheme put it, “for some people – customers and our members – the idea of sharing and caring can seem a little extreme.”

#3 – Leadership: Hierarchical or distributed?

Given that many people choose self-employment for greater control over their working lives, it is reasonable to expect them also to desire a significant say in decision-making were they to join a grassroots initiative. Yet the offer of distributed leadership is not always taken up. One of the founders we spoke with talked of his attempts to kick start a new cooperative with a meeting among prospective members, only for people to “look to the carpet” when the inevitable question arose of who would take ownership of key duties. This is understandable given the workloads of the self-employed: one of our FSB roundtable participants remarked that he was “in the business of being constantly distracted” – a feeling that was strongly shared by others in the group.

Where a flat leadership structure falters, it is often the case that one or two individuals step in to fill the void. Typically these are charismatic leaders who bring the energy, passion and lateral thinking that is necessary to drive movements forward. But relying on hero figureheads may not be sustainable in the long run, not least because they will end up exhausted and prone to burnout. One founder says he regularly works 6 days a week to keep on top of demands. Another described himself as having to be “slightly nuts” to spread himself so thinly. Starting a self-organising initiative is just as demanding as launching any start up, except that many in the former category already have their own business to run.

#4 – Goal: Immediate or distant?

What issues should self-organising schemes home in on? To some extent, this question is already settled from their inception, since many are created in direct response to a particular crisis. RICOL was formed to secure the work of language professionals following changes to government procurement. Broodfonds groups, meanwhile, were designed to plug the gap in sick pay after the private insurance market for the self-employed became untenable in Holland. But there is still scope for schemes to amend their offer or to bolt-on additional services, as IndyCube has done by weaving invoice factoring into its membership package.

The temptation is to focus on issues of immediacy. It was striking how many of the self-employed participants at the FSB roundtable were drawn towards SMart because of its salary guarantee fund, which allows members to be paid within 7 days of their payment terms. Those around the table instinctively knew the problem it was trying to address, with many recalling experiences of waiting months to be paid from clients, and remarking on their disappointment with expensive and ineffective invoice factoring schemes on the private market. In contrast, there was a cooler reception to the idea of a mutual sick pay fund, and little interest in a system of time-sharing between the self-employed. The latter was viewed as over-engineering interactions that happen organically.

While the implication is that schemes which focus on the “here and now” will draw in more members, there is still a need for grassroots interventions that step in to resolve problems which arise intermittently over a lifespan. This could mean preparing people for a sudden illness or bereavement, or helping them save for retirement. Behavioural science has taught us that humans are particularly susceptible to myopia – where we discount the importance of the future over the present – and schemes should be wise to these behavioural quirks. Some, like Broodfonds,

show that it is still possible to garner interest in a service whose dividends may not be reaped for months if not years to come.

#5 – Membership: Inclusive or selective?

Who becomes a member matters. First, it is important to have individuals with a collaborative mindset and who are willing to get stuck in and support others when requested. Second, many of these schemes require people who can maintain professional standards, such as high quality music teaching for the Swindon Music Coop, or coding in the case of Outlandish. When one person's behaviour can affect everyone's reputation, it becomes critical to have people who are at the top of their game and who are willing to throw themselves into learning. And third, these schemes need people who will play by the rules in the face of opportunities to coast on the hard work of others, whether that is making dubious claims on a sick pay fund or generally shirking day to day administrative responsibilities.

It is understandable therefore that some organisations have established procedures to screen applicants who wish to be members. Yet this could also jar with the broader values of inclusivity espoused by self-organisers, not least cooperatives. On top of this, the more general checks and balances could be seen as overly intrusive, or at least excessively time consuming. Having to hand over one's financial accounts to an initiative or have one's skills appraised by others in a collective may be a step too far for some. Moreover, tough entry criteria could be denying organisations of tens if not hundreds of members, which they may need for financial viability.

Playing the long game

These five dilemmas pose vexing questions for self-organisers. Yet they are far from irreconcilable, and certainly not unique to grassroots interventions. Already, pioneering initiatives have found workarounds and compromises to address challenges. With regards to membership and inclusivity, RICOL has skilfully created a separate 'ad hoc' division of language professionals to welcome those who do not make it into the ranks of their normal membership. Or look at the issue of scale, where the Broodfonds team recently established the Broodfonds Alliance programme to help individual groups support one another, thereby retaining intimate communities while letting members benefit from an expansive network.

The key takeaway here is that successful forms of self-organising like those documented in the previous chapter take time to develop and require patience on all sides. But the end results can be well worth the wait, with initiatives that have more longevity and greater resilience in the face of economic downturns and other shocks. Analysis by Coops UK shows that cooperatives are twice as likely to make it to their fifth year of operation as conventional businesses.²² Moreover, many of these aforementioned dilemmas only exist because grassroots initiatives seek to operate with integrity across their operations.

In the next chapter we make the case for bringing the different elements of self-organising under the umbrella of a single movement.

22. ONS Business Demography data 2013, cited in Coops UK (2015) *The Co-operative Economy 2015*.

Moving into the mainstream

The making of a movement

So far we have seen that self-organising offers a promising ‘third way’ to alleviate the risks associated with self-employment. Initiatives have emerged that provide fair access to markets (Loconomics), protect against ill health (Broodfondsen) and smooth incomes in the face of late payments (SMart). And while these schemes have their own dilemmas to attend to, the time and effort invested in them have proven to yield significant dividends over the long run. Self-organising is by no means a substitute for state intervention in every area – pensions and parental pay, for example, will continue to need state oversight given the significant sums of money involved – but grassroots interventions can be game changing.

But where do we go from here? Two potential paths present themselves. The first is to carry on with business as usual, to be content with existing achievements, and to aim for a gradual but slow expansion of mutual collaboration among the self-employed. The second option, however, is to be radically more ambitious in the scope and scale of self-organising, to bring it out from the margins and put it centre stage in efforts to transform the livelihoods of the self-employed for the better. This could mean a future where co-operative membership is the norm for business owners, where there is a collective sick pay fund in every town and city, and where user-owned platform cooperatives like Loconomics are household names.

While these scenarios may seem unlikely, it is worth remembering that elsewhere in the world mass self-organising is already a reality. In the Emilia Romagna region of Italy, cooperatives account for a third of the GDP produced, and around two thirds of the population is a member of a cooperative.²³ In Bologna, the historic capital of the region, 85 percent of the city’s social services are provided through cooperatives.²⁴ The self-organising scene is equally impressive in the Basque region of Spain, where tens of thousands of worker owners and cooperative businesses operate under the banner of Mondragon Corporation.²⁵

There is no reason why we should not pursue a similar scale of self-organising activity in the UK, albeit embracing more legal and organisational forms than just coops (see Chapter 2). But to do so will require a more organised ‘movement’ to emerge. As the sociologist Manuel Castells

²³. Duda, J. (2016) *The Italian Region Where Co-ops Produce a Third of its GDP* [article] Yes! Magazine.

²⁴. Ibid.

²⁵. Ibid.

argues, movements – being a collective group of people pursuing a similar goal in unison – help to instil a shared confidence that an ambition is achievable, which in turn spurs on those already in the community and encourages others to participate.²⁶ Movements are not single entities but rather “multiple streams converging into a diverse challenge to the existing order”, thereby allowing for different approaches and perspectives.

Fortunately, many of the necessary ingredients are in place for a self-organising movement to emerge here in earnest. There is a common goal for people to mobilise behind (that of opening up meaningful self-employment to more people), there is already a loose network of individuals who are familiar with one another and share a rapport (including the scheme founders and managers noted in this report), and there are institutions in place that can convene willing participants and champion the cause of self-organising (such as the RSA, FSB and Coops UK). Moreover, while this community has no singular leaders, it is home to many charismatic individuals who can eloquently make the case for grassroots interventions.

In this final chapter we explore what it would take to nurture these green shoots into a flourishing self-organising ecosystem, from ironing out regulatory barriers and boosting take up of collaborative technologies, through to weaving grassroots initiatives into welfare programmes and using more compelling messages when describing self-organising.

Break out of siloes

First and foremost, a self-organising movement will depend on alliances with likeminded organisations. Trade unions in particular could radically expand the reach of grassroots initiatives, since they share many of the same goals and have complementary assets. Without Community’s investment and clout, it is unlikely that IndyCube would have been able to offer an invoice factoring service to its members. Similarly, the Musician’s Union was integral to the development of the many music teaching coops now springing up across the country. Nor are these innovative models of union support limited to the UK. In the US, the United Steelworkers union has formed a collaboration with Mondragon in Spain and launched several ‘union coops’ that share its values. The TUC and individual UK unions should explore if and how they might follow in their footsteps.

Recommendation #1 – Use the resources and reach of trade unions to turbocharge self-organising efforts

The TUC and individual UK unions should explore how they can assist with the launch and scale up of self-organising initiatives, for example through incubators, investments and access to internal resources (eg staff with legal expertise).

²⁶. Castells, M. (2012) *Networks of Outrage and Hope: Social movements in the internet age*. Polity Press.

Other possible partners include housing associations, co-working spaces, FE colleges, and business support groups such as FSB regions. Each of these could raise awareness of self-organising schemes within their networks – for example through bespoke events or roadshows – and possibly launch new initiatives in unison. Could Broodfonds groups, for example, work with co-working spaces like Impact Hub to offer sick pay insurance to it’s members? Could a major FE college like Hackney Community College help graduating students club together to create worker coops in their individual trades (e.g. plumbing)? And might a unitary authority like Manchester work with a platform like Loconomics to create a municipally owned and run platform for the city’s independent workers?

Recommendation #2 – Create alliances between self-organising schemes and anchor institutions

Anchor institutions including housing associations, FE colleges and business support groups should reach out to self-organisers to see how they can achieve mutual goals (e.g. FE colleges helping graduates in the trades to create worker coops, or co-working spaces forming their own sick pay funds for freelancer members.)

While each of these partnerships could work in isolation, they would be even stronger were they part of a constellation of local efforts. Indeed, a region or local authority could set itself the goal of becoming the UK’s capital of self-organising, in the mould of Italy’s Emilia Romagna region or Spain’s Basque Country. Inspiration can be taken from the way the Transition Towns movement put Totnes on the map for its commitment to home-grown businesses and environmental sustainability. In practice, local authorities could match fund financial support for new schemes (see the section on funding below), open up unused office space, host a match-making service to connect likeminded people wishing to start a scheme, and commit to procuring services from self-organising initiatives with a clear public benefit, such as cooperatives formed of self-employed carers or social care assistants.

Recommendation #3 – Recruit towns and cities to be hotspots of self-organising

Local authority leaders should think about positioning their area as a hub of self-organising activity, for example by providing match funding for new schemes, opening up unused office space, hosting a matchmaking service for self-organisers looking for collaborators, and creating favourable procurement practices.

Bring in the state

The emergence of bottom-up interventions is partly a response to the unwillingness or inability of central government to resolve issues facing the self-employed. However, there is still much the state can do to nurture the nascent self-organising movement, including by addressing regulatory issues. As Coops UK has pointed out, cooperative legal models in the UK could be made more user friendly, for example with fairer auditing requirements, the allowance of an ‘asset lock’ for coop societies, and a smoother compliance process by which companies can convert into coop legal forms.²⁷ Interpretation of EU laws could also be made clearer. Attempts to launch Broodfonds groups in the UK have been stymied by confusion over how to make sense of EU banking law, in particular the Fourth Anti-Money Laundering Directive 2015.²⁸

The government also needs to provide regulatory stability following the UK’s exit from the EU, given that not all of the regulations captured in the Great Repeal Bill will be maintained. This means repatriating important EU laws and directives that protect the status of cooperatives and other relevant legal models.²⁹ Examples include the EU’s public procurement directives, EU competition law (which does not frown upon genuine cooperation between businesses), and certain elements of EU co-operative law (which make useful provisions for asset locks and indivisible reserves). The government should clarify its stance on all laws and regulations affecting self-organising at the earliest opportunity.

Recommendation #4 – Create a government taskforce to clarify and clean up legislation affecting self-organising

BEIS should appoint a taskforce of civil servants to ensure the UK’s regulatory system creates the best environment for self-organising to succeed. It should review which of the relevant EU laws that are repatriated in the Great Repeal Bill should be maintained in the long term, as well as how existing domestic legislation could be improved.

Another way the government could help self-organising schemes is by weaving them into its employment services. This includes the New Enterprise Allowance (NEA), which helps unemployed people start up in business with a modest stipend and mentor support. New joiners to the NEA will soon have to attend ‘link up, start up’ workshops to prepare them for self-employment, and it is at this point where they could be offered the opportunity to sign up to different grassroots initiatives as a means of providing economic security. The Jobcentre Plus could similarly signpost aspiring business owners to self-organising schemes in their area. It should also consider whether its Flexible Support Fund – which is

27. For more information see <https://www.uk.coop/promoting-co-ops/influencing-policy/legal-framework> With thanks to James Wright, Philip Ross and Pat Conaty for their thoughts on legal and regulatory issues facing cooperatives. A general asset lock means that, should a coop cease operations, its members would be unable to distribute its assets among themselves but must instead pass them on to another cooperative or donate them to charity.

28. See Bread Funds UK (2017) Op cit.

29. See Coops UK (2017) *Brexit Safeguards for Cooperatives*.

intended to help jobseekers cover the cost of travel, tools and uniforms – could be used to finance the start-up costs of a new initiative.

The welfare system, too, could begin to make use of self-organising models. The introduction of Universal Credit (UC) will create a more challenging welfare regime for the self-employed, with the introduction of a Minimum Income Floor combined with monthly reporting of incomes likely to leave those with more volatile earnings with a lower benefit payment.³⁰ The government could counteract these effects by forming a partnership with an organisation like SMart or Community/IndyCube to offer a salary guarantee fund for self-employed UC recipients, which would mean them being paid on time and having smoother incomes. The government could contribute to the administrative bill, on the grounds that it would lead to cost-savings in the form of higher business survival rates.

Recommendation #5 – Weave self-organising schemes into the delivery of welfare and employment services

BEIS and the Department for Work and Pensions should explore the scope for partnering with grassroots initiatives, for example by including a module on self-organising in New Enterprise Allowance workshops, and opening up a salary guarantee fund for Universal Credit claimants.

Harness new technologies

Technology is not a silver bullet. However, it could help a self-organising movement to extend its reach and amplify its impact. Both SMart and the Dutch Broodfonds programme have sophisticated back office software systems that automate operations, enabling money to be channelled where it is needed with little human oversight. Platforms like Backfeed and Loomio allow for decentralised decision-making in large organisations, while platforms including Coliga help collectives to share outside jobs among members and distribute proceeds fairly. Another platform – Coopify – was recently created to help previously offline coops find customers more easily and manage cash payments via an app. It is currently being piloted by Si Se Puede!, a women-only cleaners coop based in New York City.

However, it is not just the back-end nuts and bolts of the software that matters but also the front-end user experience (UX). The reason why Uber, Airbnb, Deliveroo, Upwork and other gig economy platforms have become so prominent is partly because their interfaces are incredibly easy and enjoyable to use. Millions of pounds and countless hours of developer time have been spent perfecting their UX design to ensure that users are gripped and get exactly what they want and as fast as possible. To date, the issue of UX design has not been a priority for coops and other self-organising initiatives – but it should be. And those advising and supporting these schemes must consider what gaps exist in their technological know-how, and how these might be addressed. One idea is for self-organising schemes to join forces with fintech startups who could provide technological architecture and user friendly interfaces.

30. See Dellot B. and Wallace-Stephens, F. (2017) Op cit.

Recommendation #6 – Deploy new technologies to improve back-office efficiency and front-end user experience

Self-organising schemes should consider how they might use new tools to automate back office functions and enhance organisational governance, while deploying the latest developments in UX design to improve the look, feel and usability of their interfaces. Schemes should reach out to fintech startups who may be willing to share their platforms.

Rewrite the narrative

A self-organising movement needs a coherent set of messages to strike a chord with the self-employed. Campaigns like WeOwnIt, magazines such as STIR, and competitions including the Young Co-operators Prize have all helped to create a positive noise about cooperatives and other self-help models. Yet there is still a way to go before the concept of self-organising registers in the consciousness of the average business owner. Part of the problem is one of language. Terms like ‘peer to peer’, ‘solidarity’ and ‘commons’ speak to the values of self-organising, but are not part of the mainstream lexicon. Perhaps by emphasising that self-organising pre-dates the Welfare State, demonstrates private initiative over state top-down control, and is part of Britain’s industrial pedigree, schemes could make themselves more compelling to British business owners.

Self-organising schemes could also articulate their membership deals in more concrete terms, rather than in generic offers of ‘support’. Speaking of platform cooperatives in particular, cooperative activist Astra Taylor writes: “We also need to let go of abstractions and address concrete terms. How will platform cooperatives make people’s lives better? How will it address their real needs? How will it feed their families? Or make them feel more connected?”³¹ When SMart says it will allow business owners to be paid within 7 days of their payments terms, or when the Swindon Music Cooperative claims it can give prospective members a better chance of securing teaching jobs, the value of self-organising becomes more visceral and attractive.

Recommendation #7 – Experiment with new messages to appeal to a broader section of the self-employed

Self-organising schemes should reflect on whether the stories they tell, the language they use, and the way they describe their support offer could be made to resonate more with a broader section of the business community.

The media can help here. RICOL’s Anca Ionescu spoke of the importance of receiving national coverage in the Guardian newspaper, which helped give her language services cooperative more credibility. Broodfondsen and SMart have likewise been featured in the same newspaper columns. However, mainstream media outlets could give greater airtime to

³¹ In Scholz, T. and Schneider, N. (eds) (2016) *Ours to Hack and to Own: The rise of platform cooperativism, a new vision for the future of work and a fairer internet*.

bottom-up initiatives when reporting on the challenges facing the self-employed, rather than only referring to how top-down policy should respond. To help them, self-organising schemes must be able to give a clearer account of their impact. Leading the way are Community Union and IndyCube, which have brought in outside evaluators to assess the outcome of their partnership. This could result in concrete figures, insights and stories as to why they matter (or not, as the evaluation may reveal).

Recommendation #8 – Give sufficient airtime to self-organising schemes in the mainstream media

Media publications should highlight the efforts of grassroots initiatives when reporting on trends relating to self-employment. Self-organisers should in turn be able to demonstrate their impact, including through robust and independent evaluations.

Get creative with finance

A self-organising movement needs funders that can supply start up and growth capital, but on terms that do not impede its long-term viability. While grants can arguably create dependency, they are still vital for proof of concept testing. Without Esmée Fairbairn’s financial backing for UK Bread Funds, the team would not be in a position to begin piloting schemes in Nottingham and London. There also needs to be greater experimentation with incubator models, which can help grassroots schemes into a position of self-sufficiency under the tutelage of an umbrella organisation. The New York-based Center for Family Life has helped to create nearly 50 worker cooperatives in the area of Brooklyn.³² Charities, housing associations, FE colleges and business support groups should consider whether they too could act as incubators.

More could also be done to help the self-organising movement help itself. A case in point is SolidFund, which asks cooperative members to contribute a minimum of £1 a week, with the money channelled into education and training for new worker cooperatives. A more significant move would be to establish a new bank dedicated to supporting self-organising initiatives. As the late Robin Murray had suggested, this could be created in the same mould as the Caja Laboral bank in Spain, which used the personal and company savings of cooperative members to finance new ventures and expand existing ones.³³ As well as lending money, the bank had a ‘development’ arm that provided training and mentoring to new coop members, and often organised for them to visit competitors in their field.³⁴

32. Perry Abello, O. (2016) *NYC set to triple number of worker cooperatives* [article] Next City.

33. Murray, R. (2015) *Co-operation in the Age of Google*. Coops UK. The RSA is supporting an initiative to establish a network of regional co-operative banks in the UK. As one of the Rochdale principles is co-operation among co-operatives, these may evolve to fulfil the functions suggested by Murray.

34. Ibid. The Caja Laboral was, according to Murray, reconstructed “only when the group shifted its emphasis towards the expansion of existing co-operatives as against the creation of new ones.”

Finally, there may be scope for the government to provide financial assistance. With the public sector spending squeeze set to continue until at least 2020, it is difficult to see the state opening up standalone grant funding for grassroots initiatives. In any case, there may be better ways of getting resources to the most promising schemes. Central and local government could offer match funding to amplify the efforts of independent funders, such as philanthropic foundations like Esmée Fairbairn and the general public who have donated through crowdfunding platforms. There may also be a case for them buying a stake in grassroots initiatives, just as Community has done of IndyCube – although this is better suited to the Community Benefit Society legal model than the traditional coop form.

Recommendation #9 – Open up new channels of funding to self-organisers beyond the traditional grant model

- Funders should support the creation of incubators for grassroots schemes in sponsor organisations (e.g. housing associations or established social enterprises)
- Funders should back proof of concept projects as a way of determining the long-term feasibility of schemes
- Coops UK in partnership with the FCA should explore the value of creating a central coop bank
- Central and local government should experiment with match funding to back self-organising schemes, or potentially invest directly in them.

Conclusion

A little over 15 years ago, a small group of self-employed workers in Utrecht decided to create their own collective sick pay fund. They agreed that the fund should have no medical checks, be open to all who had experience of self-employment, and allow people to freely leave and take a portion of their contributions whenever they wished. Moreover, any claims they made would not be scrutinised by an expert adjudicator but rather signed off by a handful of people who know them well.

Observers at the time would have thought their plan unworkable. No medical checks? Free to leave whenever one wants? Open to everyone? Yet fast forward to 2017 and the Broodfonds Alliance in Holland now boasts 12,500 self-employed members spanning 280 groups. Their story illustrates how much can be achieved when people have a healthy dose of imagination and not a small amount of courage. To quote the oft-quoted Margaret Meade, “never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has”.

In our research we heard of how music teachers had banded together to secure their jobs, of how tech developers were coming together to share workloads, of how a new platform cooperative plans to be a freelancer-owned answer to TaskRabbit, and of how a trade union and a network of co-working spaces are forging an innovative partnership to offer affordable invoice factoring to small businesses. In isolation, these acts may appear insignificant. But the collective outcome of thousands of likeminded people working in unison is a self-employed workforce that is overall more secure, resilient and successful.

Yet as we also heard, self-organising is not for the faint hearted. Founders and managers must grapple with a series of dilemmas as they attempt to get their initiatives off the ground. How do they remain inclusive while limiting the opportunities for free-riding? How can they stay in the black while not wanting to rely heavily on outside funding that may come with strings attached? And how can they make the most of firebrand leaders without them burning out through excessive workloads? These are vexing questions for self-organisers, but well worth the time and effort poring over if it means arriving at more robust initiatives that stand the test of time.

Clearly, self-organising is a credible way of helping people navigate the hazards of self-employment. The question is whether we are content to let them operate in the shadows of our economy or whether we want to take a bet on expanding their reach and impact. The experience of other countries around the world, and of the schemes that we have case studied in this report, tell us that the latter is achievable. But the nebulous self-organising community needs a proper movement to make it happen – one that can inspire those already within it and rally others to the cause.

What would it take for this to emerge? We outline several ideas, including adopting new messages to make self-organising more appealing to mainstream businesses, encouraging unions to incubate and lend resources to bottom-up initiatives, ironing out flaws and clarifying the interpretation of different regulations, and weaving self-organising schemes into the delivery of UC and employment services like the New Enterprise Allowance. Over the coming months, the RSA and FSB will explore these ideas in more detail and champion the concept of self-organising among our networks, including the many RSA Fellows and FSB members who work for themselves.

If you would like to hear more about our research or be put in touch with the schemes highlighted in this report, please contact Benedict Dellot via benedict.dellot@rsa.org.uk

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