**Project on the Energy and Environmental Impacts of the Digital Economy**

# Evaluating the Potential of Cooperative Ridesourcing: A Case Study of Arcade City in Austin, Texas

**Adam Stocker**
Transportation Researcher

**Sara Stephens**
Sustainable Economies Law Center

Alfred P. Sloan Foundation

Yale SCHOOL OF FORESTRY & ENVIRONMENTAL STUDIES

BerkeleyLaw
UNIVERSITY OF CALIFORNIA
Center for Law, Energy & the Environment

ENVIRONMENTAL LAW · INSTITUTE

# What question(s) did your research address?

- ## Question(s)
- What **factors are important for sustaining operations** of a decentralized/peer-to-peer (P2P) ridesourcing network?
- What **governance benefits and challenges** do these groups face?
- What are the **environmental implications** of decentralized vs. centralized ridesourcing platforms?
- What **policy/legal barriers** exist for cooperative ridesourcing platforms?

- ## Why is this question(s) important?
- Platform cooperatives/P2P platforms are emerging alternatives to commercial 'sharing economy' companies
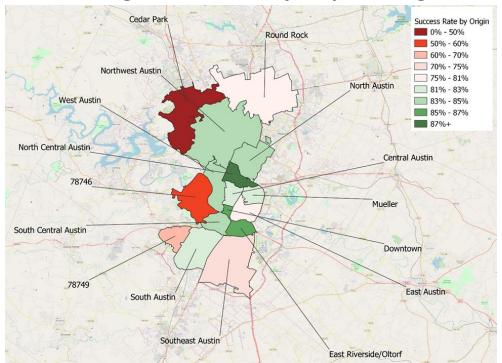- Few examples and empirical understanding is limited

# Methodology

- Reviewed literature and collected original data, including:

  – Trip-level data collected via Facebook (4,405 cumulative requests over 1 month)

  – Stakeholder interviews (9 total)

  – Online rider (N=39) and driver (N=20) surveys

- Divided findings into five report sections

# Major Findings

- 81% matching success rate and 15 min average wait time

- Serves core geographical area

- Late-night trips and service industry passengers who prefer cash payment

**Matching Success Rate by Request Origin**

# Major Findings

- **Governance benefits:** local decision-making, greater driver/rider satisfaction, sense of community/ownership

- **Governance challenges:** lack of transparency, accountability, erratic rules enforcement

- **Environmental implications:** Performs similarly or slightly worse than centralized competitors around key environmental metrics

- **Policy/legal implications:** Falls into a number of policy/legal gray areas around TNC classification and employment law. Policymakers should clarify regulatory ambiguities.

# Barriers and Surprises

- ## What were the major barriers you confronted?

- Online survey deployment more difficult than expected
- Lack of data on commercial ridesourcing services in Austin (Uber and Lyft) made comparisons difficult

- ## What surprised you during the research?

- Surprisingly effective operations considering rudimentary Facebook message board platform
- Very basic degree of organization and oversight, mismanagement occurs regularly

# Research Opportunities

- What would you do if you had more funding?
  - Further examine governance structures, voting rules, incentive design, profit sharing, policy solutions, etc.
  - Study larger groups and those enacting democratic principles like Eva in Montreal, Canada

- Other knowledge gaps that should be addressed
  - Identification and creation of **funding sources** for platform cooperatives

# Final observations

- Although small-scale, Arcade City Austin shows that **P2P ridesourcing groups can sustain operations**

- Bringing cooperative principles to sharing platforms has the potential to **improve equity and long-term sustainability**

- Benefits and challenges outlined in this report will **help similar groups in the future**