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# The Scissor Effect: Diverging Stakeholder Fractures in the Development of a Platform Cooperative - The Case of The Drivers Cooperative

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## Abstract

This paper presents an in-depth case study of The Drivers Cooperative (TDC), a driver-owned ride-hailing platform based in New York City, to examine the challenges faced by multistakeholder platform cooperatives. While TDC has gained international recognition and expanded into other U.S. cities, its trajectory reveals a separation between the cooperative and the digital platform it initially developed. Drawing on over 15 semi-structured interviews, six months of participant observation, and extensive desk research, the study traces how TDC's growth efforts ultimately led to a fracture between its cooperative membership and its platform infrastructure. This dynamic-conceptualized as the *Scissor Effect*-illustrates how diverging stakeholder interests can fracture during the development of democratic platform alternatives. Factors such as limited access to capital, political divergence among stakeholders, and temporal pressures are identified as key drivers of this effect. The paper concludes by discussing TDC's legislative achievements and offering practical recommendations for cooperative practitioners. By situating TDC within broader debates on platform cooperativism and the digital solidarity economy, the study underscores the importance of learning from defeats to strengthen cooperative business resilience.

**Keywords:** Digital Solidarity Economies, Platform Cooperativism, The Drivers Cooperative, The Scissor Effect.

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