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EDITORIAL ANALYSIS

Can Cooperatives Fix the Platform Economy?

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Can Cooperatives Fix the Platform Economy?

 **The Indian Express**

28 June 2026

GS3

GS2

 Source: ujyari.com — researched, fact-checked & UPSC-mapped


INTERVIEW ANGLE

"A cooperative can be fairer to drivers and still lose to an aggregator with deeper pockets and a better algorithm. Should the state subsidise the fairer model, or let the market decide who serves the rider best?"

 Source: [Original editorial](#)
[The Indian Express](#)
 **Every fact web-verified against primary sources** (<https://ujyari.com/how-we-verify/>)

WHY THIS MATTERS NOW

On **June 27, 2026**, Union Cooperation Minister Amit Shah launched **Bharat Taxi**, India's first cooperative-based ride-hailing platform, in Gandhinagar, run by **Sahakar Taxi Cooperative Ltd (STCL)** on a zero-commission, surge-free, driver-owned model. For an aspirant, this is a **GS3** and **GS2** case on the **gig economy, cooperatives, worker welfare and algorithmic governance**.

THE CRUX IN 60 WORDS

The platform economy gives riders convenience and aggregators commissions, but leaves drivers with thin margins under opaque **algorithms**. **Bharat Taxi** offers a third way: **driver-owned, zero-commission, surge-free**, with profits to drivers (Saarhi Hi Maalik). The catch is structural: cooperatives lack the **capital, technology and scale** of entrenched aggregators, so fairness must somehow survive market competition.

THE ISSUE, DECODED

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CONCEPT	WHAT IT MEANS	WHY IT MATTERS
Aggregator model	Platform takes commission, sets prices	Surplus flows to the platform, not the driver
Cooperative platform	Drivers own and govern the platform	Surplus returns to workers as owners
Zero commission	No cut on each fare	Higher take-home for drivers
Algorithmic control	Opaque matching and pricing	Workers bear risk, lose autonomy

THE ANALYSIS

- ❶ **The platform bargain, inverted.** Aggregators monetise the gap between rider and driver. Bharat Taxi removes the commission and returns surplus to drivers, turning suppliers into owner-stakeholders.
- ❷ **A real answer to a real grievance.** Gig work's core complaint is that workers absorb risk while algorithms capture surplus. Ownership, not just regulation, addresses this at the root.
- ❸ **The cooperative's structural handicaps.** Aggregators wield deep capital, sophisticated matching and pricing algorithms, and marketing reach. Cooperatives have historically struggled with capital, professional management and technology.
- ❹ **The peak-hour problem.** Surge pricing, for all its unpopularity, balances supply and demand. A surge-free cooperative must find another way to keep drivers on the road when demand spikes.

DATA AND INSTITUTIONS VAULT

Bharat Taxi, launched June 27, 2026, by the Ministry of Cooperation; operator **Sahakar Taxi Cooperative Ltd (STCL)**; principle **Saarthi Hi Maalik** (the driver is the owner); zero commission, surge-free. **The laws and bodies:** **Code on Social Security, 2020** (first statutory (<https://ujjiyari.com/vocab/statutory/>) recognition of gig and platform workers); **Ministry of Cooperation** (created 2021); **Sahkar Se Samridhi** agenda. **The infrastructure:** **ONDC** (Open Network for Digital Commerce) as a possible shared stack. **Concept:** cooperative principles; algorithmic management; gig precarity; platform monopoly.

THE DEBATE

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Argument for cooperatives: Driver ownership cures the platform economy's central injustice. Zero commission and shared profits give workers dignity and income, aligning with cooperative principles and the Code on Social Security, 2020.

Argument against: Cooperatives lack the capital, technology and management to compete. Without surge pricing or venture funding, supply thins, service lags, and the model survives only on subsidy, distorting the market.

Balanced verdict: Bharat Taxi is a genuine, fairer third way, but not self-sustaining by virtue alone. It needs a level playing field, patient capital and shared technology, not a permanent public crutch, to prove the cooperative principle can survive algorithmic markets.

HOW TO THINK ABOUT THIS (TRANSFERABLE SKILL)

In any platform or intermediary debate, trace where the value created actually lands, with the worker, the consumer or the platform owner. Reframing a welfare question as a surplus-distribution question turns vague sympathy into rigorous analysis and exposes whether a reform changes ownership or merely softens symptoms.

DIAGRAM-IN-WORDS

Rider fare -> aggregator commission + surge -> thin driver margin (old model) || Rider fare -> zero commission -> driver-owner keeps surplus (Bharat Taxi) -> BUT needs capital + tech + scale -> level playing field decides survival

THE WAY FORWARD

- ① **Provide patient capital.** Cooperatives cannot raise venture rounds; concessional (<https://ujjiyari.com/terms/concessional/>), long-horizon finance can bridge the capital gap.
- ② **Share the technology stack.** Plug into ONDC and public digital infrastructure so the cooperative need not build matching and mapping from scratch.
- ③ **Regulate aggregators, not just bless cooperatives.** Curb predatory (<https://ujjiyari.com/vocab/predatory/>) surge and commission practices so the cooperative competes on fair terms.
- ④ **Make social security portable.** Implement the Code on Social Security so drivers do not trade welfare for earnings whichever platform they choose.

THE TAKEAWAY BOX

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Cooperatives offer a third way to the gig economy's worker-versus-algorithm tension, but must overcome scale, capital and technology gaps to be viable.

“Bharat Taxi is a genuine third way, fairer by design but harder to scale.”

Bharat Taxi; Sahakar Taxi Cooperative Ltd; Saarthi Hi Maalik; Ministry of Cooperation (2021); Code on Social Security, 2020; ONDC; Sahkar Se Samridhhi.

Should the state subsidise the fairer model, or let riders' preference for convenience decide who wins?

UPSC has asked on the gig economy, social security for unorganised workers and the cooperative sector; this connects all three to a live launch.

Unorganised-sector welfare, digital public infrastructure, algorithmic accountability, cooperative federalism (<https://ujjyari.com/terms/cooperative-federalism/>).

Sources: *The Indian Express* (<https://indianexpress.com/section/opinion/>), *Organiser* (<https://organiser.org/>), *DD News* (<https://www.newsonair.gov.in>)

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KEY ARGUMENTS AT A GLANCE

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Bharat Taxi's driver-owned, zero-commission cooperative model offers a third way against algorithmic control and thin margins in gig work, but cooperatives must overcome disadvantages of scale, capital and technology to compete with entrenched aggregators.


SUPPORTING

- Zero commission and surge-free pricing let drivers keep more of the fare, converting them from price-takers into owner-stakeholders under the Saarthi Hi Maalik principle.
- Driver ownership answers the platform economy's core grievance, that workers bear the risk while opaque algorithms capture the surplus.
- A cooperative aligns with the new Ministry of Cooperation's Sahkar Se Samridhi agenda and the gig-worker protections of the Code on Social Security, 2020.


COUNTER

Critics note cooperatives historically struggle with capital, professional management and technology, and that without surge pricing or venture funding, supply may thin in peak hours and the platform may fail to match aggregator convenience.


WAY FORWARD

Give the cooperative a level playing field through patient capital, shared technology stacks (ONDC), light-touch regulation of aggregators, and portable social security so drivers are not forced to choose welfare over earnings.


MAINS ANSWER FRAMEWORK

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QUESTION

"The cooperative model offers a third way to the platform economy's tension between worker welfare and algorithmic efficiency." Examine with reference to Bharat Taxi and the future of gig work in India. (250 words)

INTRODUCTION

The platform economy made billions for aggregators and precarity for drivers. Bharat Taxi asks a simple question: what if the drivers owned the platform? The answer will decide whether cooperatives can be more than a moral statement.

BODY

India's ride-hailing market has long run on a familiar bargain: convenience for riders, commissions and surge pricing for aggregators, and thin, volatile margins for drivers governed by opaque algorithms. Bharat Taxi, launched by the Ministry of Cooperation under Sahakar Taxi Cooperative Ltd, inverts that bargain. With zero commission, surge-free pricing and profits distributed to drivers under the principle of Saarthi Hi Maalik, the driver becomes an owner, not just a supplier. This directly addresses the platform economy's central grievance, that workers absorb the risk while the algorithm captures the surplus.

It also fits the Code on Social Security, 2020, which for the first time recognised gig and platform workers. Yet the cooperative form carries real disadvantages.

Aggregators command deep venture capital, sophisticated matching algorithms, dynamic pricing that balances supply and demand, and marketing budgets. Cooperatives have historically struggled with capital, professional management and technology.

Without surge incentives, supply may thin at peak hours; without scale, unit economics may not match incumbents. The model is therefore promising but not self-executing.

Its success depends on a level field: patient capital, a shared digital stack such as ONDC, and regulation that curbs aggregator excess without subsidising inefficiency.

CONCLUSION

Bharat Taxi is a genuine third way, fairer by design but harder to scale. Its fate will show whether the cooperative principle can survive contact with algorithmic markets, or whether fairness needs a permanent public crutch.


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