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The emergence of democratic firms in the platform economy: drivers, obstacles, and the path ahead

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Epilogue: A Legal Framework Benchmarking Study for Platform Cooperatives

ABSTRACT

Based on the concluding chapter, and my experience conducting this research project, I present a benchmarking study and scorecard that I developed for evaluating the ‘friendliness’ of legal systems towards platform cooperatives.

Two important issues that are identified in the roadmap laid out in the preceding chapter are: (1) the considerable variation between jurisdictions with respect to the ease with which democratic firms can be established and governed, and (2) the uncertainty surrounding the business model of several types of democratic firm. As part of my personal contribution to this roadmap, I propose a legal framework benchmarking study for assessing the ‘friendliness’ of a legal framework towards the formation and governance platform cooperatives. I choose to focus on platform cooperatives in particular as almost all jurisdictions have some type of cooperative, which allows for comparisons to be made. Moreover, there is precedent for such benchmarking studies, not only by the World Bank through its (in)famous *Ease of Doing Business* rankings, but also by the cooperative movement. A recent example is the multi-year Legislative Framework Analysis of cooperative laws from across the globe, a project that resulted from a collaboration between the International Co-operative Alliance and the European Commission.¹²³⁷ Part of this analysis involved assessing how ‘friendly’ laws are to cooperatives in general.

Earlier, the US-based NCBA CLUSA International initiated the CLARITY project¹²³⁸ in 2005, which developed a ‘toolkit’ for encouraging the creation of legal and regulatory frameworks that facilitate the growth of cooperatives in developing countries. An important part of this toolkit involves distilling core and implementing principles for all cooperative enterprises, identifying (36) core reform issues and assessing the compli-

1237 ICA-EU, ‘Data Map’ (*coops4dev.coop*, June 2021) 4 <<https://bit.ly/3whM3AG>>.

1238 CLARITY (Cooperative Law and Regulation Initiative) “refers to a methodology and process designed to help national cooperative movements understand, analyse and evaluate their legislative and regulatory environments; to be able to formulate proposals and recommendations for reform; then develop and implement communication and advocacy strategies for cooperative law and regulation reform; which allows the cooperative business model to flourish.” CLARITY Glossary of Terms, 2021 [on file with author].

ance of a given legislative framework against these principles and reform concerns on a CLARITY Cooperative Law Scorecard. The Scorecard is a spreadsheet that contains questions and information that helps guide cooperative lawyers in their legal analysis and results in a ranking that is based on adherence to the 12 core CLARITY principles.¹²³⁹ This Scorecard is accompanied with a Scorecard Analysis document that provides the rationale for the scoring process and is intended to be the basis for discussions with local cooperative leaders and stakeholders.¹²⁴⁰

The CLARITY Principles and Scorecard have been applied in Nicaragua, Mongolia, Yemen and Mozambique—with it contributing to the development of a draft law for cooperatives in 2008.¹²⁴¹ At present, CLARITY is being used in Ecuador, Guatemala, Kenya, Madagascar, Peru, and Tanzania. While CLARITY is currently undergoing reform, a number of benefits of using the principles have been identified. These include its capacity to raise awareness about the state of cooperative law in a country, assess whether the relevant law enables or disables cooperative formation, identify areas of potential action, and justify reform initiatives.¹²⁴²

As mentioned in the introduction, I am part of an expert working group involved in evaluating and reforming the CLARITY project. The project has inspired my own thinking about a benchmarking study for platform cooperatives, but my own study and scorecard differs in important ways. Firstly, my focus is on a subset of cooperatives, instead of all cooperatives in a jurisdiction. As a consequence, I am interested in specific aspects of a country's law that can facilitate or inhibit platform cooperatives in particular. While CLARITY has been considering sector-specific analyses, it has yet to deploy this.¹²⁴³ Secondly, my scorecard is not concerned about weighing the compliance of a country's law with a particular core principle. Instead, the replies to the scorecard essentially require yes/no answers and a specification of the relevant legal provisions that prompted the answer. With certain responses it is possible to add a comment further explaining any nuances that may affect a legal analyst's response. As such, my scorecard

1239 OCDC, *Creating Clarity: Assessment, Analysis, and Outreach for Cooperative Legal Reform*, vol 2 (OCDC and USAID 2009) vi. These principles build on the ICA's 7 Cooperative Principles. They are: "(1) protect democratic member control; (2) protect autonomy and independence; (3) respect voluntary membership; (4) require member economic participation; (5) promote equitable treatment; (6) promote access to markets; (7) provide coherent and efficient regulatory framework; (8) protect due process; (9) avoid conflicts of interest; (10) promote education, training, and information; (11) cooperate with other cooperatives; (12) demonstrate concern for the cooperative community and the members and communities they serve." OCDC, *Cooperative Advocacy: A Practical Guide for Advocating Cooperative Legal and Regulatory Reform*, vol 3 (OCDC and USAID 2013) 8.

1240 OCDC, *Creating Clarity: Assessment, Analysis, and Outreach for Cooperative Legal Reform* (n 1239) 92.

1241 *ibid* 29.

1242 *ibid* 14.

1243 I am grateful to Edward Potter for this point.

is less concerned about ranking between jurisdictions. Its main purposes are to identify particular areas of the law that may hinder the formation of platform cooperatives and serve as a basis for opening a conversation with local stakeholders on the need for reform. I now turn to how the scorecard can be applied.

As with the CLARITY Project, there are certain *key reform concerns* that have become evident over the course of writing this dissertation. While there is some overlap with general reform priorities for developing a ‘good’ cooperative law, most of the key reform concerns are distinct for platform cooperatives. The six (6) key reform concerns that need to be addressed are:

1. Digitalization of procedures for registering and operating a platform cooperative (see generally, Chapters 6 and 7).
2. Accessibility and affordability of platform cooperatives (see Ch. 7.2.4.).
3. Flexibility of cooperative governance (see Ch. 4.2.2., 6, 7).
4. Compliance with ICA principles and values in cooperative law (see Ch. 2.4.)
5. Financial and fiscal support for platform cooperatives (Ch. 4.2.2.4, 6.4.1, 6.4.2.)
6. Employment and competition law supporting platform cooperatives (Ch. 2.4, 3.6, 3.7).

Based on these key reform concerns, and what platform cooperatives have been trying to achieve in spite of the absence of these reforms in many instances, it is possible to distil a set of *key principles to facilitate the emergence of platform cooperatives*. These five (5) key principles are:

1. Promote the accessibility and digitalization of procedures for forming and operating as a platform cooperative.
2. Promote the flexibility of platform cooperatives operating locally or globally.
3. Promote compliance with ICA principles and values.
4. Encourage external financing of cooperatives in keeping with their distinctive features.
5. Encourage a supportive, ancillary regulatory framework that is conducive to the operation of platform cooperatives.

It is possible that as more innovation takes place within the realm of platform cooperativism, further reforms will need to be considered. This may range from addressing issues raised by blockchain-based platform cooperatives issuing tokens that have (some of) the characteristics of equity (see Ch. 7.4.3., 4.2.3.4) to ensuring good governance practices by an emerging group of data cooperatives (see Ch. 5.1., Appendix 2). At this juncture, it is not possible to determine what is the best way of addressing those issues and dilemmas.

With these principles in mind—as well as the assumptions about the platform cooperative mentioned below—a local legal analyst has to complete the scorecard on a Yes or No basis. Yes, is scored with 1 and No is scored with 0. The higher the score, the more ‘friendly’ the legal system is to platform cooperatives. The highest possible score is 44. Other than the aggregate score, the subtotals may provide a more specific indication of which areas of law or administrative procedure merits particular scrutiny.

The comments are intended to buttress the responses of national experts who participate in the study. Once the scorecard is completed, an analysis worksheet akin to the CLARITY Scorecard Analysis worksheet can be completed to explain the rationale for why a certain friendliness score was received, discuss its implications, and suggest further action. Once the first version of this study has been examined in a workshop involving a group of experts and implemented in trial jurisdictions, it will be possible to assess whether some of the questions have to be reconsidered and if more comment boxes have to be included.

Given the description above, this benchmarking study can be considered a ‘revolutionary’ benchmark instead of a ‘reformist’ benchmark. According to Seabrooke and Wigan, reformist benchmarks are created by NGOs outsourcing the work to experts, who then try to secure support from stakeholders and engagement from political actors. In contrast, revolutionary benchmarks are initiated by expert-activists, who then seek support from mainstream NGOs. The content of the former typically conforms with widely-received norms in a given field so as not to alienate donors, while the latter is likely to make more critical interventions that challenge the fundamental basis of a system.¹²⁴⁴ This benchmark is intended to question the logic that capital-managed firms should be the dominant form in the platform economy, by seeking to place cooperatives on a more even footing. Moreover, as the 44 reform issues in the spreadsheet indicate, this benchmarking study does not blindly extol the benefits of open markets or critique the role of the state in economic activities.¹²⁴⁵ While these qualities make it an uphill task to ensure that the benchmark will be ‘certified’ by NGOs or political actors, as Seabrooke and Wigan argue, such benchmarks are nevertheless “important weapons in global battles over the right to govern economic activity”.¹²⁴⁶

The next section provides instructions for completing the Scorecard.

1244 Leonard Seabrooke and Duncan Wigan, ‘How Activists Use Benchmarks: Reformist and Revolutionary Benchmarks for Global Economic Justice’ (2015) 41 *Review of International Studies* 887, 891.

1245 André Broome, Alexandra Homolar and Matthias Kranke, ‘Bad Science: International Organizations and the Indirect Power of Global Benchmarking’ (2018) 24 *European Journal of International Relations* 514, 533.

1246 Seabrooke and Wigan (n 1244) 891.

9.1 'FRIENDLINESS' OF A LEGAL FRAMEWORK TOWARDS PLATFORM COOPERATIVES: SCORECARD

Instructions

Please provide responses to the questions in the spreadsheet, based on the assumptions about platform cooperatives provided below.

Assumptions about the Platform Cooperative

You are setting up a Platform Cooperative with the following information:

- ▷ The cooperative will initially have three (3) members. Two (2) members are nationals of your jurisdiction, and one (1) member is a foreign national.
- ▷ Six (6) members join as independent contractors within the first month of formation, with four (4) persons being nationals of your jurisdiction and two (2) persons being foreign nationals. They will become eligible for membership after a three (3) month probation period.
- ▷ The cooperative is engaged in for-profit commercial activities in the platform economy. Some activities may be subject to a special licensing regime (e.g., ride-hailing, short-term rentals), which may be accounted for in the comments.
- ▷ The cooperative is able to define its own purpose in its bylaws.
- ▷ The cooperative is a multi-stakeholder cooperative with one category of member being worker-members.
- ▷ The cooperative does not own real estate but leases a small office space.

Yes is scored with 1 and No is scored with 0. The higher the score, the more 'friendly' the legal system is to platform cooperatives. The highest possible score is 44. Other than the aggregate score, the subtotals may provide a more specific indication of which areas of law or administrative procedures merits particular scrutiny. The enabling examples are intended to show positive illustrations. If the national experts find that identical or comparable examples exist in their jurisdictions, they may tick 'yes' in the scorecard. The comments are intended to buttress the responses of national experts who participate in the study.

Table 13: Benchmarking Study v1.1., that assesses the ‘friendliness’ of a legal regime towards the formation and governance of platform cooperatives

Features of a Legal Framework that indicate ‘friendliness’ towards the formation of platform cooperatives		Enabling Example	Yes	No	Relevant Laws & Rules
<i>Digitalisation of Procedures for Registering and Operating a Platform Cooperative</i> ¹²⁴⁷					
1	Principle: accessibility & digitalisation of procedure	There is a centralized cooperative registry with national coverage	KVK (NL)		
2	Principle: accessibility & digitalisation of procedure	There is an online database to search for consolidated cooperative records	Mutuals Society Portal (UK)		
3	Principle: accessibility & digitalisation of procedure	There is an online database to search for individual cooperative records	Mutuals Society Portal (UK)		
4	Principle: accessibility & digitalisation of procedure	There is an online system that can be used for every step of cooperative registration (from electronic application submission using a fillable PDF or digital form to obtaining documents concerning the cooperative, such as the registration certificate and annual financial reports, through an online portal)	Mutuals Society Portal (UK) Simple Steps Guide to Registration		
5	Principle: accessibility & digitalisation of procedure	There is a fully online system of payment for the fees relating to the formation of a cooperative (including any one of: wire transfer, online banking and mobile transfer)	Registraire des entreprises Québec		
6	Principle: accessibility & digitalisation of procedure	Electronic signatures are valid for online registration of cooperatives.	Mutuals Society Portal (UK)		
7	Principle: flexibility for platform cooperatives.	Electronic signatures are valid for authorizing representatives of a platform cooperative (e.g., if a legal representative abroad has to file court proceedings or make a payment on behalf of the cooperative).	CCBSA, 2014, s. 45(1)		
8	Principle: accessibility & digitalisation of procedure	Electronic signatures are valid for routine cooperative management (e.g., signing meeting minutes) [Please note in the comment box what the limits are in using electronic signature for relevant business transactions, if any.]	§6:227a, DCC, §157(2), DCCP (Hogan Lovells, 2020)		
		<i>Comment:</i>			

¹²⁴⁷ This article provides that “[n]o cooperative or method or act thereof which complies with this Code shall be deemed a conspiracy or combination in restraint of trade or an illegal monopoly, or an attempt to lessen competition or fix prices arbitrarily in violation of any laws of the Philippines.”

9	Principle: flexibility for platform cooperatives.	It is possible to open a bank account online without any requirements as to physical presence (including nationals of other countries opening a corporate bank account from abroad).	Directive 2014/92/EU of 23 July 2014, §§15, 16(2), recitals 34-37, 39		
10	Principle: flexibility for platform cooperatives.	A registered address in a jurisdiction is sufficient for a cooperative to be validly formed [in other words, it is immaterial if the central place of administration or principal place of business of a cooperative is online or in another jurisdiction.]	Guidance on the FCA's registration function under the Co-operative and Community Benefit Societies Act 2014, November 2015, paras 3.6		
11	Principle: flexibility for platform cooperatives.	It is possible to submit mandatory disclosure documents (e.g., an annual report) electronically or by post.	Mutuals Society Portal (UK)		
12	Principle: accessibility & digitalisation of procedure	The internal, external and cooperative auditing ¹²⁴⁸ of a cooperative can be completed with electronic documents if the business is maintained entirely online (i.e., there is no requirement for the inspection of original hard copies in a physical premises.) [Please note in the comment box what the powers of auditors are with respect to internal, external and cooperative auditing.]	Guidance on the FCA's registration function under the Co-operative and Community Benefit Societies Act 2014, November 2015, paras 4.10-4.16, 7.20-7.21, 7.40		
<i>Comment:</i>					
1. Subtotal for Infrastructural Features:					
<i>Features of Cooperative Law</i> ¹²⁴⁹					
13	Principle: accessibility & digitalisation of procedure	The list of documents needed to form a cooperative is available to the general public.	Mutual Societies: Forms (UK)		

1248 Cooperative audits refer to audits to determine where an entity is a bona fide cooperative. This assessment can be done on the basis of the ICA Statement of Co-operative Identity, Values and Principles.

1249 Questions 14-15 are based on the Starting a Business Questionnaire, questions 4.2.2 to 4.2.3, available online at <<https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/DB20-Starting-a-Business-Questionnaire.pdf>>. See World Bank Group, *Doing Business 2020*, Washington DC: World Bank, 2019.

14	Principle: accessibility & digitalisation of procedure	The list of all fees (and amounts) required for cooperative formation is available to the general public.	Mutual Societies: Forms (UK)		
15	Principle: compliance with ICA principles and values	There is a distinct legal entity form for co-operative firms.	\$2:53(1), DCC		
16		It is permissible for cooperative firms to use a variety of legal entity forms. [Please note in the comment box whether the use of other legal entity forms, such as a private company limited by guarantee, trust, foundation or blockchain-based limited liability company is conditional on not using the cooperative marque.]	CA, 2006, s.5 (Cooperatives UK, 2017)		
		<i>Comment:</i>			
17	Principle: accessibility & digitalisation of procedure	The cost of registering a cooperative is similar to the cost of registering other legal entities that can be used by a cooperative firm [Please note in the comment box how much the difference is on average and what the reasons for the differences are].	The Netherlands (compare cooperatives & BVs)		
		<i>Comment:</i>			
18	Principle: flexibility for platform cooperatives.	Forming a cooperative does not require more than 3 members. ¹²⁵⁰	CCBSA, 2014, s. 2(2)(b)		
19	Principle: flexibility for platform cooperatives.	No nationality restriction for membership of a cooperative (including indirect discrimination, e.g., by prohibiting cooperative shares/equity being held by a citizen in a cooperative registered in another jurisdiction.)	Cooperatives organised as LLCs (US) (Cooperative Development Institute)		

¹²⁵⁰ Note that the CLARITY Analytical Rubric indicates that democratic member control is best protected by giving cooperatives “autonomy in determining size and qualifications for membership” CLARITY, ‘Enabling Cooperative Development: Principles for Legal Reform’ (OCDC and USAID 2006) 9.

20	Principle: flexibility for platform cooperatives.	No nationality restriction for directorship or management of a cooperative (including restrictions in terms of a proportion of the board being of a certain nationality) [Please note in the comment box what those restrictions are]	Cooperatives organised as LLCs (US) (Cooperative Development Institute)			
		<i>Comment:</i>				
21	Principle: flexibility for platform cooperatives.	Cooperatives are permitted to have investor-members [Please note in the comment box any limitations to cooperatives having such a class of members.]	CCBSA, 2014, s. 24(1)			
		<i>Comment:</i>				
22	Principle: flexibility for platform cooperatives.	A registered cooperative can adopt consensus-based decision-making (e.g., holacracy, sociocracy)	United Kingdom (Seeds for Change Change, 2013)			
23	Principle: compliance with ICA principles and values	It is optional for a cooperative to have delegated management through a managing committee or board of directors.	Cooperatives organised as LLCs (US) (Barbieri & Glick 2009)			
24	Principle: flexibility for platform cooperatives.	A registered cooperative can opt for voting rules for internal decision-making that departs from 'one member, one vote' (e.g., quadratic voting)	Cooperatives organised as LLCs (US) (Barbieri & Glick 2009)			
25	Principle: flexibility for platform cooperatives.	There is no restriction as to the geographical scope of the cooperative's business activities.	Cooperatives organised as LLCs (US) (Sexton 2009)			
26	Principle: flexibility for platform cooperatives.	Online/Virtual meetings of a managing committee/board of directors are permissible under the law.	CCA, 1998, s. 48(3.1) [Canada]			
27	Principle: flexibility for platform cooperatives.	Online/Virtual general assemblies are permissible under the law.	CCA, 1998, s. 48(3.1)			
28	Principle: flexibility for platform cooperatives.	Voting online in managing committees/board of directors has the same legal effect as voting in person.	CCA, 1998, s. 65(3)-(4)			

29	Principle: flexibility for platform cooperatives.	Voting online in general assemblies has the same legal effect as voting in person.	CCA, 1998, s. 65(3)-(4)		
30	Principle: flexibility for platform cooperatives.	Appointing proxies to vote on a member's behalf is permissible under the law.	CCBSA, 2014, s. 44(3)(b)		
31	Principle: compliance with ICA principles and values	The cooperative registrar is not responsible for the internal dispute resolution of cooperatives. ¹²⁵¹	CCBSA, 2014, s. 137(1)		
32	Principle: compliance with ICA principles and values	The cooperative enjoys independence from external government interference in making business decisions. ¹²⁵² [Please note in the comment box how the government may interfere in the managerial autonomy and operational freedom of the cooperative.]	CCBSA, 2014, ss. 26(1) – 27(1)		
33	Principle: compliance with ICA principles and values	The law permits the creation of reserve funds, comprising a percentage of the cooperative's surplus. ¹²⁵³ [If yes, please note in the comment box if the law mandatorily requires the creation of a reserve fund or if it is voluntary.]	CCA, 1998, s. 7(1)(g)(iii)		
		<i>Comment:</i>			
34	Principle: compliance with ICA principles and values	The law encourages cooperatives to educate and train their members, elected representatives, managers and employees to further the effective development of their cooperative [e.g., through the allocation of part of a financial year's results for educational purposes.]	§56, Law 27/1999 of 16 July 1999		
35	Principle: compliance with ICA principles and values	Cooperation among cooperatives is encouraged by cooperative legislation [e.g., through the inclusion of this principle in the law.]	CA, 1982, s. 4(6) [Quebec]		

1251 See question 10a of CLARITY Scorecard. OCDC, *Creating Clarity: Assessment, Analysis, and Outreach for Cooperative Legal Reform* (n 1239) 86.

1252 See question 2b of the CLARITY Scorecard. *ibid* 79.

1253 See question 8b of the CLARITY Scorecard. *ibid* 86.

36	Principle: compliance with ICA principles and values	Concern for community is encouraged by cooperative legislation [e.g., through the inclusion of this principle in the law.]	CA, 1982, s. 4(8)			
2. Subtotal for Features of Cooperative Law						
<i>Ancillary laws and regulations that support the operation of platform cooperatives</i>						
37	Principle: encourage external financing of cooperatives in keeping with their distinctive features.	Cooperatives are permitted to receive grants and donations. [Please note in the comment box if your response is influenced by the tax status or legal entity form of the cooperative.]	CA, 1982, s. 233(3)			
		<i>Comment:</i>				
38	Principle: encourage external financing of cooperatives in keeping with their distinctive features.	There are tax incentives ¹²⁵⁴ or subsidies for the formation of, or conversion into, cooperatives [Please note in the comment box whether this answer would change if the members are not nationals of the jurisdiction where the cooperative is registered.]	26 U.S.C. § 1042 (USA)			
		<i>Comment:</i>				
39	Principle: encourage external financing of cooperatives in keeping with their distinctive features.	There are tax incentives for subscription of cooperative membership/shares [Please note in the comment box whether this answer would change if the members are not nationals of the jurisdiction where the cooperative is registered.]	"Madelin" income tax reduction scheme			
		<i>Comment:</i>				

1254 María Pilar Alguacil Marí, 'Tax Treatment of Cooperatives in Europe under the State Aid Rules' in Johann Brazda, Markus Dellinger and Dietmar Rößl (eds), *Genossenschaften im Fokus einer neuen Wirtschaftspolitik*, vol 4 (Lit Verlag 2013).

40	Principle: encourage external financing of cooperatives in keeping with their distinctive features.	There is preferential procurement for cooperatives and the terms of these incentives are wide enough to include platform cooperatives. [Please note in the comment box whether your answer would differ if the majority of the cooperative's membership is globally dispersed as opposed to being in the same jurisdiction where the cooperative is registered.] <i>Comment:</i>	Directive 2014/24/EU of 26 February 2014, §§4(d), 74, 77; recitals 2, 78, 118, 124 ¹²⁵⁵		
41	Principle: encourage external financing of cooperatives in keeping with their distinctive features.	There are public subsidies available for the economic activity that the platform cooperative is engaged in. [Please note in the comment box which sectors are eligible for such subsidies, e.g., renewable or clean energy.] <i>Comment:</i>	Subsidy scheme for Cooperative Energy Production (the Netherlands)		

1255 Facilitating SMEs is an explicit objective of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, recitals 2, 124. Recital 78 goes further by suggesting that Member States have the option to support SMEs by, for instance, requiring a procurement contract to be divided into smaller lots so that it becomes easier for SMEs to bid for them. The Directive is also intended to encourage the participation of cooperatives and other employee-owned organizations in providing “certain health, social and related services, certain education and training services, library, archive, museum and other cultural services, sporting services, and services for private households” (recital 118). As such, Article 77 read with Articles 4(d) and 74 allow the reservation of certain socio-economic activities valued at more than 750,000 EUR to cooperatives and other social enterprises under a light-touch regime for up to 3 years, before being exposed to EU-wide competition. *See* Crown Commercial Service, ‘The Public Contracts Regulations 2015 & The Utilities Contracts Regulations 2016 Guidance on the New Light Touch Regime for Health, Social, Education & Certain Other Service Contracts’ (Crown Commercial Service, October 2016) 14 <<https://bit.ly/2TwxfRn>>. While relatively recent legislation, such as the UK’s *Public Services (Social Value) Act*, 2012 has sought to encourage procurement that improves economic, social and environmental well-being, there continues to be a perception that such practices are inherently contrary to (EU) procurement law. *See* Matthew Jackson, ‘Creating a Good Local Economy through Procurement’ (Procure Network Partners and URBACT 2016) <<https://bit.ly/3hvMpyc>>.

42	Changes in the control of the cooperative (e.g., mergers, transfer of undertakings in the vicinity of insolvency) must always be subject to the approval of membership. [Please note in the comment box if business laws, such as insolvency law, preclude member involvement in certain circumstances. Also mention if the acquiring entity has to be a specific legal entity.]	CA, 1982, ss.156-157			
	<i>Comment:</i>				
43	Depending on how the cooperative and work relationship is structured, the applicable labour and employment laws are able to accommodate both worker members that are employees of a cooperative as well as those that are not. [This question seeks to understand whether there is a presumption of an employment relationship for worker members. Please note in the comment box any nuances to this position, including the existence of third categories of employment status other than employee and independent contractor/self-employed.]	United Kingdom (Footprint Workers' Co-operative and Seeds for Change Lancaster Co-operative, 2015)			
	<i>Comment:</i>				
44	Cooperatives enjoy special protection from-or under-applicable competition law. ¹²⁵⁶ [Please note in the comment box any nuances to this position, including whether this depends on the risk conferred on members, members' employment status, type of cooperative, its economic activity and its prominence in a given geographic or product market.]	§8, Philippines Cooperative Code, 2008 ¹²⁵⁷			
	<i>Comment:</i>				
	3. Subtotal for Ancillary Laws				
	TOTAL (1 + 2 + 3):				

1256 This builds on principle 6 of the CLARITY Analytical Rubric focusing on Sector-Specific Law and Regulations. CLARITY (n 1250) 17.

1257 Questions 1-7 are based on the Starting a Business Questionnaire, questions 4.1.1. to 4.1.7; available online at <<https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/DB20-Starting-a-Business-Questionnaire.pdf>>. See World Bank Group, *Doing Business 2020*, Washington DC: World Bank, 2019.

