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SEEDING

Social Economy Enterprises addressing Digitalisation,
Industrial relations and the European Pillar of Social Rights



**CASE
STUDY
FRANCE**

Happy Dev



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Happy Dev



NAME OF THE PRACTICE	HAPPY DEV
Responsible actor	<ul style="list-style-type: none"> management (without workers)
Type of practice	<ul style="list-style-type: none"> business plan
Challenges addressed	<ul style="list-style-type: none"> platform work
Employment impact	<ul style="list-style-type: none"> job retention other: increase job stability
Geographical coverage	<p>Happy Dev was founded in Paris in 2014 as a limited company. As the network was expanding, it was decided to decentralise its governance. New local collectives have been established in major cities, federated under one umbrella cooperative established in 2019. Today its network covers the whole of France: as well as its head office in Paris it has registered local communities in Paris, Lyon, Marseille, Toulouse and Nantes, and there are other 3 or 4 which are not formally registered. Happy Dev is in discussions with organisations in the UK, the Netherlands and the USA to develop new branches and local communities in these countries.</p>
Sectoral coverage	<p>Happy Dev is a network of freelancers, representing a high-skilled and highly educated workforce in the tech industry. Happy Dev is a common brand that freelancers use to deliver high-quality tech projects to customers using the strength and opportunities of the freelancers' networks. In its short life, Happy Dev has already worked on more than 400 tech projects.</p> <p>The IT sector is a growing business all over the world, including in France. The majority of enterprises prefer to hire IT workers, and to safeguard their resources by offering well-paid full-time contracts.</p>

	<p>Yet, in France, 18% of IT are freelancers because, on one hand, many IT enterprises choose to externalise development activity to save money (e.g. social protection, work organisation, offices, etc.), and, on the other hand, some tech workers prefer to work as freelancers to avoid skills obsolescence, overspecialisation and bargain wages, to better organise their work (with whom, when and how), and to keep the intellectual property of the developed projects (Insee, 2018).</p> <p>In France, an IT worker is typically a high-qualified worker who earns an average of €4,300 gross per month (Journal du Net, 2019). Following the national average, IT workers can afford to be freelancers, but as freelancers, they have to face competition from big consulting and IT firms that often implies a lack of bargaining power. Moreover, as freelancers, they face all the difficulties typical of self-entrepreneurship, which are the lack of social protection, e.g. parental and sick leave or unemployment benefit. For this reason, IT freelancers are often marginalised because regulations usually support standard contracts.</p>
Company coverage	<p>Today, Happy Dev counts on more than 500 freelancers, of whom 22 are members. Its annual turnover is €1 million. To explain the low turnover in relation to the number of members, we have to consider that Happy Dev does not have employees and that only some of the members work full-time through Happy Dev.</p> <p>For the local communities, the business model is sustainable; on the contrary, work at the headquarters in Paris is voluntary.</p>
Occupational coverage	<p>Happy Dev is composed of digital workers: digital business experts, developers, community managers, data scientists, web designers, app developers, project managers, etc.</p> <p>Working as independent workers, Happy Dev workers experienced a more precarious working situation than employees. On average they spend half of their time in search of new projects, while the other half is used to work on projects.</p> <p>At the same time, Happy Dev workers are highly qualified, have enough work to live on, and they do not face a shortage of work (the company does not have detailed data about members' income).</p>
Workforce addressed	<p>In France, only 1 in 4 IT workers is a woman, and 1 of 4 is an independent worker. They have an average age of less than 30 years (Insee, 2018).</p> <p>The freelancers' community of Happy Dev follows national trends, because most of the workers are young people in their 30s, with more males than females. Female workers more often propose to work as designers and salespeople than as developers.</p>

ACTORS INVOLVED IN THE ACTION

Company management	Yes
Worker members of the cooperative at large	Yes
Works councils	No

Trade unions	Yes
Employers' organisations	Yes
NGO	No
Public authority	No
DESCRIPTION	
Rationale for the adoption of the practice	<p>Happy Dev was created in 2014 as a network of independent software developers. It allows members to work as freelancers in the digital sector while being part of a community. For this reason, Happy Dev was born as a community based on the use of an open-source chat platform (Rocket.Chat).</p> <p>The founders of Happy Dev decided to work as freelancers to keep their freedom and autonomy in the management of their activity, but they did not want to work alone and in isolation. They created a horizontal organisation based on peer and decentralised management to support the community through the mutualisation of resources. The resources shared include various levels of knowledge and expertise (e.g. informal peer-to-peer training courses organised by the workers), clients, the visual identity of the brand, the common website and blog, and a shared process guide for project management. Happy Dev is working more and more on supporting members' activities, e.g. launching start-ups and funding specific projects (the interoperability project Startin'blox).</p> <p>Freed from the burden of being employed by the company, the freelancers could organise their work as they wished, being part of other networks and having various activities and clients, while the company itself keeps a thin structure benefitting from the network effect and low turnover of IT experts.</p> <p>Even if there is no central organisation, being part of the network protects workers in various ways. The opportunity to exchange with more than 500 experts in the same field is very supportive in terms of training, exchange, and debt recovery. Moreover, freelancers together can be more competitive with multinational IT enterprises. In the future, Happy Dev will maybe mutualise social protection services too.</p> <p>Today, Happy Dev is focusing on the process of building the cooperative, which has multiple stakeholders (it is a SCIC or société cooperative d'intérêt collective). The challenge of the network is to keep digital and decentralised governance within a formal organisation. Happy Dev has an open governance model, where all workers can participate in the decision-making process (with a consensus criterion), even if they are not members of the cooperative itself and so theoretically cannot vote. Happy Dev is still working on how to combine the informal level of participation with the formal structure of a cooperative.</p>
Process of the adoption of the practice	Rocket.Chat is the platform used to create Happy Dev's network, and all the network's activities, such as the sharing of resources, the exchange of job opportunities and the decision-making, are organised through it.

There are various membership levels in the network. Freelancers do not need to be part of a local community to be part of Happy Dev, and nor do they need to be members of the cooperative. Some people are part of the network only to benefit from it, with no active participation; other people are investing a lot in Happy Dev, with a minority that works full-time on the project. These different participation levels can be translated into a mixed membership in four levels.

Workers who join the network become:

1. A **newbie**. After 3 months a newbie can become:
2. A **member of the network**, by filling in a report about his or her experience (what he or she learned during the 3 months, what he or she liked or disliked, advice to improve the experience, etc.), and having participated in at least one project. After participating in several projects and with the approval of the other senior workers of Happy Dev, a member can become:
3. A **captain**. The captains are senior developers and workers within the network. The main task of the 22 captains of Happy Dev is to guarantee that the values and principles of the network are ensured and implemented. Then captains have to share experience and organise the work. Each job opportunity or project offered in the chat platform has to be “adopted” by a captain, who would lead it following the network principles. The captain can then become:
4. A **member of the cooperative**, which means being an owner and being able to vote. Today all the 22 captains are owners of the coop too.

Description of the practice

Today, Happy Dev’s business model is based on commissions. Happy Dev takes 5% of the value of each job offered and managed through the platform, while the captain who leads it takes another 5%. The member signs the contract with the client, and Happy Dev takes the commission. Job opportunities come both from members and directly from Happy Dev.

This intermediation model is the business model typical of the classic extractive platform: Happy Dev acts as a digital intermediary by organising and managing providers’ (developers’) activity according to consumer needs (e.g. app, software). But even if Happy Dev offers digitally-delivered services, it is different from the classical online digital platform that uses an algorithm to shift a range of managerial responsibilities from human to machine, because in Happy Dev the responsibility is taken by the “captain” who has also the role of guaranteeing respect for shared principles and values (see Manifesto).

There is a working group in Happy Dev that aims to transform the network into a brand to support the existing mutualisation. Already, as a common brand, Happy Dev mutualises resources to support members through promotion, funding to develop their technology, servers, communication tools (website, blog, emails, etc.), a platform to coordinate among teams, a national organisation and local communities, innovative technology – above all, open source.

In the future, Happy Dev would like to ask local collectives to pay a monthly subscription in exchange for all these services. For instance, Happy Dev supports members’ ideas on a voluntary basis, but the network is searching for R&D funds to invest in their members’ projects, so that they can implement the projects at the national level and generate extra value out of the network.

Dismissed alternatives	None
ASSESSMENT	
IMPACT OF THE PRACTICE ON:	
Job stability and secure employment	<p>The business model of Happy Dev is based on “network effects” where the collective identity supports the exchange of knowledge, experiences, clients, initiatives, ideas and job opportunities, through horizontal management systems based on values and principles. Moreover, the choice of the cooperative model makes it possible to perpetuate the shared resources (economic viability), while ensuring collective control by workers (horizontal governance).</p> <p>Thanks to the power of the network, the freelancers of Happy Dev have more offers, higher wages and more bargaining power than isolated freelancers.</p>
Skills needs and training	Happy Dev supports the informal sharing of knowledge and expertise, concerning both hard and soft skills. Many members organise free courses for others.
Working conditions	The network was created in 2014 based on two ideas: well-being at work and horizontal management. Happy Dev’s founders aimed to build an organisation that allows workers to feel free and happy at work, and to achieve this purpose the company empowers its members, by delegating to them as much power as they can assume, by distributing wealth according to the contribution made and by making decisions collectively. Most of all, Happy Dev’s workers appreciate the benefit of working with other people.
Company performance	The company is growing in terms of numbers of people, and it is gaining an international recognition. Even if the business model is still not completely viable for the company itself, members’ wealth is growing.
Overall strengths and weaknesses	<p>Even if most of the workers of Happy Dev appreciate the benefit of working with other people while being freelancers, their status as independent workers is characterised by a lack of social protection that, on the contrary, is typically associated with employee status.</p> <p>Moreover, the business model is still not viable for the national organisation, which is still based on volunteering.</p>
Overall opportunities and threats	<p>Considering the typology of the jobs involved, Happy Dev has the opportunity to grow all over the world and become a reference for open source technology.</p> <p>The main difficulty they are facing is to transform the horizontal network into an incorporated business. Trying to consolidate the informal network rules is creating tensions and changing power relations.</p>
Potential for social partners and collective bargaining to upscale/transf er the practice	<p>Happy Dev supports the idea of creating a freelancers’ union because the classical trade unions accept only employees (Slate, 2020). For this reason, at the moment no one can represent Happy Dev’s workers. Moreover, traditional trade unions are used to formal democratic rules that are very far from their open-source and shared decision-making philosophy.</p> <p>Some unions are aware that they should modernise themselves and begin to experiment with new ways to balance existing power relationships with new democratic rules.</p>

	<p>For example, Happy Dev is developing a new technology for the ETUC, which asked them to create a platform to decentralise and share decisions at the same time. The platform should support delivery bikers to organise working communities as an online governance tool. Beyond the ETUC's request, Happy Dev is working on new technologies to support horizontal democracy among groups of decentralised people.</p>
Potential for public authorities to support upscaling/ transferring the practice	<p>Happy Dev's experience underlines two main issues that policy-makers should address.</p> <p>First of all, freelancers should have the same social protections and the same rights as employees. Meanwhile labour law based on standard contracts is showing its limits, and unions are actually unable to represent them.</p> <p>Secondly, policy-makers should regulate the activity of multinational platforms, such as Amazon and Google. Using their lobbyists, multinational platforms control the laws and the market unfairly, leveraging the competition and working against open-source decentralised solutions. In this context led by unfair giants, it is difficult for companies such as Happy Dev to implement new solutions. Policy-makers should overturn the paradigm and empower citizens and local communities to control their data. Policy-makers should fight against data centralisation and exploitation and monopolistic tendencies that could lead to dangerous consequences for democracy itself. To work on it Happy Dev got in touch with the FSFE, the Free Software Foundation Europe, leaders of the European free software movement..</p> <p>On both these issues, Happy Dev, as a company, admits that there should be someone else to lobby for freelancers' rights and support the open source movement.</p> <p>Happy Dev supports the informal sharing of knowledge and expertise, concerning both hard and soft skills. Many members organise free courses for others.</p>
List of annexes, sources	<ul style="list-style-type: none"> • Manifesto: https://happy-dev.fr/en/manifesto • Insee (2018), Les sociétés de services informatiques sont toujours en vive expansion (https://www.insee.fr/fr/statistiques/3628299) • Journal du Net (2019), Les salaires de l'informatique en 2019 (https://www.journaldunet.com/management/salaire-cadres/1108572-les-salaires-informatique-2019/) • Slate (2020), Pourquoi nous, travailleurs indépendants, lançons notre syndicat (http://www.slate.fr/story/187770/tribune-nous-travailleurs-independants-lancement-syndicat)
Company website	https://happy-dev.fr/en/

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