



EMERGING TRENDS IN WORKER-COOPERATIVES IN A CHANGING WORLD OF WORK: IMPLICATION FOR COMMUNITY DEVELOPMENT IN NIGERIA

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ABSTRACT: *Worker-cooperatives are emerging as organizational structures responding to the trends within the world of work, ranging from technological, economical to social trends. They have a specific democratic governance structure of management and members being the workers and they are also in charge of decisions making in the enterprise. As part of the trends in a changing world of work, worker-cooperatives use different spectrums of technologies for local and international work performance. They buy out or take over business organizations that are failing as a result of the financial and economic crisis and transform the business organizations into productive enterprises. They also generate employment for members and non-members, provide financial assistance to members and non-members at a reduced interest rate and help to train community members to be proficient in different fields of endeavour. Obviously, in the Nigerian society today, worker-cooperatives are agents of bringing development in urban settlements and rural communities.*

KEYWORDS: Trends, worker-cooperatives, work, community development, Nigeria.



INTRODUCTION

Workers around the globe are willing to respond to the trends within the world of work, ranging from technological, economic to social trends. As a consequence of new trends emerging in the world of work, the standard employment relationship, where an employee carries his or her work in the framework of full time formal and open-ended arrangement, is passing away. International Labour Organisation (ILO, 2016) acknowledges that full-time work is replaced by non standard forms of work, where temporary and part-time work is increasing. Common characteristics of these new forms of work include working from a location other than the premises of the employer (remote), mobility of the employee, often working from multiple locations and strong support of information technologies for carrying out the work. These new forms of employment bring about flexibility for employers and employees despite the fact that they are associated with decent work deficits such as lower and irregular earnings, reduced social security coverage and diminished working conditions (Berg, 2016).

The new forms of work are ideal for employees who are family-oriented individuals, especially those who value the opportunity to start up a small scale business which is a component of community development. Furthermore, part-timers may save on day care expenses, which may exceed the extra money earned by working full-time. As workers are seeking ways to respond to these new forms of work, work-cooperatives are emerging as a viable organizational form to meet the individual co-operators' need, and social and economic aspirations of a given community and society at large.

This paper focuses on emerging trends in worker-cooperatives in a changing world of work: implications for community development in Nigerian society.

All over the world, cooperatives exist in all sectors of the economy and while they are enterprises, they operate within a broader set of values and principles enshrined in the International Cooperatives Association (ICA) statement on the cooperative identity, and in the International Labour Organization (ILO) promotion of Cooperatives Recommendation 2002 (No 193) focusing on developing communities where they exist by meeting the needs and aspirations of members and the community in general. Labour union cooperative organizations and workers welfare are economic organizations that are part of the social and solidarity economy of Nigeria. These have emerged out of the need to provide employment, goods and services that are difficult to afford or access from the public sector and conventional business (Patry, 2013). In addition, worker-cooperatives are membership-based organizations, where members are also workers with a right to decide democratically on the major issues affecting the organization and are seeing a renaissance amongst the workers in different sectors who are engaged in new forms of employment.

Worker-Cooperatives

Worker-cooperatives are among the organizational models emerging as a response to the new forms of work as stated in the introductory page with its flexible nature and it is cost effective for both employers and employees. Berg (2016) ascertains that they are organizations managed by the workers and for the workers who own capital, vote as equal members on matters related to running the organization or enterprise, and have the right to stand in for elections of the Board of Directors. A worker-cooperative is also a form of producer-cooperative where the input provided by the members is their labour. As opined by Perotin (2014), it is any type of



business that can be worker-owned and controlled as a cooperative, from services, retail to manufacturing. Worker-cooperatives have shown to be sustainable organizations with similar and often higher survival rates than conventional organizations. They also have a good record in terms of productivity and job preservation.

Workers-cooperatives are owned and operated by employees. This control may mean a firm where every worker-owner participates in decision-making in a democratic fashion. This allows the worker-members to directly benefit from the business's success. Profit distribution to worker-members is based on a combination of job position, hours worked, seniority and salary.

Technological Trend in Worker-Cooperatives

Tools used by worker-cooperatives for possible responses in a changing world of work include peer-to-peer exchanges of goods and services and activities that imply completing a series of tasks through online platforms or mobile apps (Dave, 2021). Information technologies (IT) are developing and increasing rapidly. The number of IT users is also growing rapidly. It is a trend in the worker-cooperative that is rapidly increasing its role in a changing world of work. According to Gartner in Vladyslav, Andri, Artem and Stetsenko (2019), world total IT expenditure was predicted to total \$3.7 trillion in 2018 with a growth of 6.2 percent from 2017, and to grow rapidly in subsequent years. The first group comprises users, the second group are developers of softwares, and the third are owners of IT companies. Thus, people started joining several formalized and non-formalized interest groups like: hackathon, co-working, hackers space, networks, IT-cluster and so on.

Worker-cooperatives are among organizations using different spectrums of information technologies for work. Worker-cooperative, despite its old age, is not very popular in Nigeria. It was only recently that they started gaining ground among working class citizens, most of whom found it difficult to save part of their salaries in case of rainy days. But with the use of IT, worker-cooperatives awareness is high and they are attracting interests from segments of the population who may not have had exposure to the use of IT in worker-cooperatives for work performance (Simel & Watten, 2017). Worker-cooperatives use technologies through online applications that support production, digital labour brokering and democratically controlled web-based market places in playing their roles in building movements for economic, justice and social change towards community development. Using IT for work performance develops the critical thinking skills in worker cooperatives and it does provide avenues for worker cooperatives to make connections with other cooperatives because of its accessibility and flexibility for effective work performance.

Economic Trends in Worker-Cooperatives

The process of developing and sustaining worker-cooperatives involves developing and promoting community spirit, identity and social organization as worker-cooperatives play an increasingly important role world-wide in community development (Gibson in Amin & Mohammed, 2014). The activities of worker-cooperatives serve as poverty reduction facilitators through job creation, social growth and economic development. This they do by identifying the economic opportunities available to their members and empowering them through defending their interests and providing financial security where needed. As part of the trends in the changing world of work, worker-cooperatives buy out or take over business



organizations that are failing as a result of financial and economic crises and transform the business organization into productive firms (Alperotz, 2016). As noted in Simel and Walther (2017), most of these business organizations that are not doing well in some cases relocate to other countries with lower costs, which most times result in loss of jobs.

While most of these business organizations cannot be salvaged, worker-cooperatives with economic potential in some cases buy out or take over these organizations and change them into profit yielding enterprises. Projecting worker-cooperatives in failed enterprises is a growing trend in the changing world of work, according to Patry (2013). Legislation putting financial and legal support systems in place to facilitate such enterprise restructuring has been approved in a number of countries such as Italy, Spain, Portugal, France, Greece and Canada. Worker-cooperatives contribute to Gross Domestic Product (GDP); the Cooperative Rating and Award Society of Nigeria (CRASON, n.d) says that worker-cooperatives contribute ₦1.2 trillion yearly to Nigeria's Gross Domestic Product (GDP). It adds that the cooperatives also create 600,000 new direct jobs for Nigerians nationwide (Nzor, 2021). CRASON president, Victor Oyegoke, at a press briefing in Abuja during the third national cooperative awards and symposium held on November 19 to 21 acknowledged that worker-cooperatives are over 300,000 individual members with over 31 million yearly turnover of about ₦1.2 trillion and with an excess of ₦950 billion in their services and share capital, and trillions in naira granted as loans to members (Nzor 2021).

Worker-cooperatives accumulate natural resources and increase the volume of foreign exchange which is needed for economic development. The United Nations general assembly declared 2012 as “**The International Year of Worker-Cooperatives**” and thus acknowledged their worldwide impact on economic development (Georg, 2022). With regards to economic development, worker-cooperatives promote the fullest participation of community members and facilitate a more equitable distribution of the benefits of globalization; they contribute to sustainable human development and battle economic exclusion.

Social Trends in Worker-Cooperatives

The world is witnessing transformation economically, technologically as well as socially. These changes in trends have brought challenges and opportunities to worker-cooperatives. Worker-cooperatives are unique forms of organizations used by people for their mutual benefit; they are community-based, rooted in democracy, and have participatory involvement, which makes them well suited for social development. Worker-cooperatives engage in joint enterprises to address social needs of the community and aspirations using emerging opportunities locally and globally to overcome or tackle various challenges that will emanate from addressing the needs (Paulo & Faustine, 2018). As cited in Dokubo (2012), humans need to interact with the environment to procure social needs such as fuel, houses, recreational centres, building materials and so on. Advances in science and technology have aided exploitation of the environment by humans to achieve these social needs. African Prudential (2020) asserted that the emerging strategies that the worker-cooperatives use to ensure the availability of these social needs of the people for community development include:

- I. **Generation of Employment:** All over the world, worker-cooperatives employ people and many people gain their livelihoods through them (African Prudential, 2020). This is the same in Nigeria as people-centred enterprises; their aim is to provide good work with job security and good working conditions.



- II. **Provision of Affordable Fund:** Worker-cooperatives provide financial assistance to members and non-members at a reduced interest rate. As a result, they lend cautiously because they are operated by workers of a particular organization who are members of different communities, and so that there will be no depletion of funds in their accounts. Money given to lenders are used to procure their social needs for their sustenance.
- III. **Training of Community Members:** Workers-cooperatives help to train locals to be proficient in different fields of endeavour so as to bring in development to their communities. Worker-cooperatives train members and non-members for skill acquisition; members of a given community learn knowledge, acquire skills and become experts in it for community development (Adekola & Dokubo, 2017).

As part of social trends, worker-cooperatives, as opined by Simei and Waltteri (2017), engage in monitoring and evaluation of workers-cooperatives' houses. The survival of any worker-cooperatives' house depends on the ability of the executives to keep within the predetermined standard, and the only way to ensure this is through frequent monitoring and evaluating of the activities of the workers-cooperatives houses, which include management functions of planning, controlling, directing and staffing (Zanin, 2016). Worker-cooperatives provide a way for people in the community to share in the ownership of houses and live in them at affordable rent levels as opposed to rent levels designed to generate profit for individuals or firms. Worker-cooperatives are lucrative organizations that ensure that both rural and urban communities have equal right of access to social needs; this they also do by calling for the purchase of stock (sometimes called shares) in the worker-cooperatives corporations.

Worker co-operatives are value driven viable organizations that put workers and communities benefit at the core of its purpose. The central characteristic of worker-cooperatives is that workers own the business and they participate in its financial runnings on the basis of their labour contribution to the cooperatives (US Federation of Worker-cooperatives, 2021). Worker-cooperatives also help in addressing issues of injustice and ensure proper redistribution of wealth in work organizations, thus serving as agents of poverty reduction among workers and other community members. Worker-cooperatives encourage savings and investment among workers, thereby elevating the income level of workers as well as bringing in development in Nigerian communities.

CONCLUSION

Today, in an era where workers feel powerless in bringing in innovation to their lives, worker-cooperatives represent strong, vibrant and viable organizations alternative that are using different spectrums of technology as part of trends in a changing world of work to provide internationally and locally needed services, employment, circulate money locally and internationally, and contribute to a sense of community cohesion. According to Nembhard (2014), worker-cooperatives address economic problems of the workers, such as lack of job opportunities, lack of retirement funds and lack of land ownership. As part of trends in worker-cooperatives, they offer extensive skills training to members and non-members, they provide better wages than similar jobs in conventional companies and they offer opportunities for greater participation in management and governance decisions that help the organization succeed.



Worker-cooperatives stabilize communities because they are community-based organization anchors. As a trend in worker-cooperatives, Nembhard (2014) says that worker-cooperatives solve market failure and fill gaps that other private organizations ignore, such as: provision of rural electricity, provision of affordable healthy and organic foods and access to affordable credit and banking services. They foster democratic knowledge and practices, and social inclusion, making them well placed to support the achievement of sustainable development in Nigerian communities. Worker-cooperatives distribute, recycle and multiply local expertise and capital within a community. They generate incomes by providing quality goods and services as well as economic and social independence for community development.

SUGGESTIONS

- i. Since worker-cooperatives in Nigeria are gaining awareness in on IT usage, it is necessary to fully implement co-operative digital workspace models in all sectors of worker-cooperatives, where literates and illiterates (i.e., Western Education Standard) can relate more with the cooperatives without burning hours to physical offices. That way, both visible and invisible hazards of Nigerian roads are avoided and loss of manhour greatly reduced as well.
- ii. Worker-cooperatives buy out enterprises that are failing as a result of economic crises and transform them into productive business ventures. Having the knowledge of this, it is pertinent for worker-cooperatives to create the educational programmes that prepare their members and prospective members for ownership, governance and management of organizations in Nigeria.
- iii. Worker-cooperatives in Nigerian government parastatals should facilitate operational integration with local cooperatives in order to become dominant economic and social instruments of development in Nigeria communities.
- iv. Nigerian rural communities are in dire need of positive and progressive socio-economic transformation; so worker-cooperatives should provide transformative and innovative solutions to deal with poverty, unemployment, social devastation and economic neglect.
- v. Worker-cooperatives should build a strong and reliable relationship with community organizations, progressive forces and other stakeholders in rural and urban communities to actualize the emergence of worker-cooperatives and worker-ownership as economic and social development alternatives.



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