AWARENESS OF PLATFORM COOPERATIVES AMONG MEMBERS OF LAGOS STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY COMMUNITY

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ABSTRACT
Despite the promotion of cooperatives to raise the livelihood of Nigerians, poverty and income inequality have remained high. The world is also witnessing a rising digitalised economy and conventional cooperatives cannot be enough in these regards. It is therefore necessary to study Platform Cooperatives (PC) that is done on the web. The study investigated the awareness and challenges of PC in the Lagos State University of Science and Technology Community. Convenience sampling was used to select 137 respondents. Data was collected using questionnaires on personal characteristics, awareness and perceived challenges to participation in PC. Frequencies and percentages were used for data presentation. Results show that 44.5% of the respondents were male, 97.9% had higher formal education and 48.2% belonged to conventional cooperative societies. The majority (56.2%) of the respondents were aware of PC while lack of trust in online business (84.7%), poor internet access (84.7%), internet fraud (83.9%) and poor electricity infrastructure (80.3%) were envisaged challenges to participating in PC. The government should promote strong regulations to boost the trust of the people and assure security against fraud for internet-based businesses.
Keywords: Platform cooperative, Digital business, Web trading.

INTRODUCTION

Platform Cooperatives (PC) are a form of business carried out on the web in which exchange processes are consummated and buyers and sellers pay for using the medium and also have the opportunity of sharing from its financial surplus upon subscription (Ogunyemi, *et al*, 2021). The PC is similar to conventional cooperatives (CC). Conventional cooperatives can be consumer, producer or multipurpose cooperatives established for resource intermediation among the members, the cooperating group generates financial surplus from its activities and shares same among the members at the end of the financial year with all having equal voting rights. The only difference is that PC is done through the Internet while CC is done through physical contacts, both promoting the economic fortune of participants (Marathe, 2017). The ownership, operation and benefits of PC are for those using its services with the principles of one man one vote and non-discrimination in line with how Rochdale Pioneers started cooperatives in 1844 as cited in Mayo (2015). On membership, one must be of contractual age, automatically become a member of the PC upon subscription, qualify to consummate exchange process on the internet platform and share from the operational surplus at the end of the financial year.

Notwithstanding the promotion of all forms of conventional cooperatives to raise the livelihood of Nigerians, income inequality has continued to increase. Average income is low and poverty is very high in Nigeria with 40% of her citizens living below 137,430 naira (US$381.75) per year, the country's line of poverty, which translates to US$1 per day (World Bank, 2022). The ugly situation demands for an additional effort like the promotion of PC, the concept that was birthed by Scholz (2014). Scholz (2014) stated PC as a form of cooperative to engender income and wealth distribution in favour of more inhabitants of the world as against any other forms of business that are done through the internet in which the promoters and shareholders take all the profits. Consequently, PC deserves to be given attention in any country to improve the income and wealth of citizens.

Studies on cooperative, Bhuyan (2007); Oduyoye *et al*. (2013); Onugu and Nwankwo (2013); Onugu and Abdulahi (2013); Kassali *et al*. (2013) and International Cooperative Alliance (2015) focused on profitability, marketing, other business management related concepts and none referred PC. So, apart from the early reports of Scholz (2014), Borkin (2019), Zhu and Marjanovic (2021) and the pioneering work of Ogunyemi *et al*. (2021) in Nigeria; literature on PC has remained slim according to Zhu and Marjanovic (2021) and Philipp *et al*., (2021). Ogunyemi *et al*. (2021) reported PC as a cooperative model that is feasible and financially viable in Nigeria among agripreneurs. However, many studies, including Khalfan and Akbar (2006), Al-Alawi and Kuzic (2008), Agwu (2014) and Oluwagbemi (2016), have been done on the challenges of e-business generally but not directly on PC which is operated online as an e-business.

The study adds to the lean literature on PC and exposes intending PC promoters and cooperatives policymakers to the potential and active challenges that can discourage PC implementation and progress in the country. The study is equally important due to

the veritable capacity of PC to reduce income inequality and boost buyers' and seller's income through the web business.

The underpinning motivation for this study, however, emanated from the 30th Annual National Congress of the Rural Sociological Association of Nigeria, when the feasibility of PC was presented. The audience underscored the necessity for a study on the challenges of PC for potential operators, participants and policy inputs in Nigeria. Also, the increasing digital economy in the global terrain adds impetus to the study. The PC operation in Nigeria will increase the share of the country in the world digital business, thus bringing Nigeria from her lagging position in digital applications as reported by Oluwole (2021).

Also, the growing number of internet users in Nigeria through different channels such as mobile phones and computers adds to the spur of studying PC in the country. Internet users are increasing despite information communication technology and internet infrastructural challenges. Internet users rose from 126,078,999 in December 2019 to 154,301,195 in December 2020 (NCC, 2022). There is a growing usage of the internet facilities as a market where buyers and sellers consummate exchange on different commodities and services in all localities in Nigeria, especially in the cities. PC will take advantage of these business opportunities and offer the advantage of bringing buyers and sellers together whereby they also share from the profit of the business platform as members. The adoption of PC will therefore add to income and wealth generation for wider economic agents.

Given the foregoing, it is necessary to examine the possible challenges that PC will face if promoted in the socio-economic and business terrain of Nigeria. The study therefore aimed at analysing awareness of Platform Cooperatives and the limiting factors to promoting and running PC in the study area.

The specific objectives are to:

1. describe the personal characteristics of the respondents
2. ascertain the awareness of the respondents about Platform Cooperatives
3. identify challenges to participation in Platform Cooperatives

METHODOLOGY

The study was carried out in 2022 and adopted convenience sampling to administer questionnaires to 137 respondents within the campus of the Lagos State University of Science and Technology, Ikorodu, Lagos State. The respondents were met in their offices, restaurants or classrooms as applicable. The sampling technique was used to be less costly and efficient for the study. The subject of study, Platform Cooperatives is a new cooperative model that requires interacting with the respondents for them to have clear understanding of it before completing the questionnaire. The adopted sampling technique, though, might not provide representative results, the growing knowledge of conventional cooperatives and e-business among virtually every adult in the university community ensured that the questionnaires were completed as expected to provide comparable findings. Only respondents that were of legal contractual age of 18 years minimum were used. Frequency count and percentage were used for analysis.

The measurement of awareness level has three levels (Gafoor, 2012). According to the author, the first level is the possession of knowledge and/or understanding of any socioeconomic circumstance. The second and third levels of awareness measurement are awareness relating to self-perception in which one gives perspicacity and judgement about herself, reflecting personal peculiarity about a circumstance; and the awareness that is defined by the capability to deal with circumstances, situations or certain tasks, respectively.

Awareness which is defined as understanding and/or knowledge of a situation is adopted for the study in line with Elia (2017). The reason for this is that Platform Cooperatives is a business model that is being put forward for acceptance to improve income generation, distribution and wealth creation. An individual can only give judgment on what he has used or applied directly or indirectly. Likewise, this study does not relate to reflecting individual ability to deal with situations. Awareness is therefore operationalised as:

Awareness = Respondent knowledge of Platform Cooperatives (Aware = Yes and Not Aware = No)

RESULTS AND DISCUSSION

Personal characteristics of respondents

Table 1 shows that the majority (44.5%) of the respondents were male, had minimum of National Diploma (97.8%), 62.04% were within the age bracket of 21 to 40 years while 48.2% belonged to conventional cooperatives.

This result implies that the respondents are young, highly educated and are members of one conventional cooperative or the other hence, have the capacity to understand platform cooperatives. This result is unlike the findings of Ogunyemi *et al*. (2021) where the majority belonged to other forms of conventional cooperatives.

Table 1: Distribution of respondents by personal characteristics (n-137)

Characteristics	Frequency	Percentage
Gender		
Male	61	44.5
Female	76	55.5
Formal Education		
Primary	1	0.7
Secondary	2	1.5
National Diploma (ND)	53	38.7
Higher ND/BSc	55	40.2
PGD/MSc	24	17.5
PhD	2	1.5
Age (Years)		
≤ 20	24	17.5
21 – 40	85	62.0
41 – 61	28	20.4
Membership of conventional cooperatives		
Yes	66	48.2
No	71	51.8
Awareness of Platform Cooperatives		
Yes	77	56.2
No	60	43.8
Total	**137**	**100.0**

Awareness of platform cooperatives among the respondents

Figure 1 indicates that the majority (56.2%) of the respondents were aware of platform cooperatives. This implies that for respondents to be aware of platform cooperatives, they are likely to participate in one although it is in contrary to the findings of Ogunyemi *et al*. (2023) and Ogunyemi *et al*. (2021) that found otherwise.

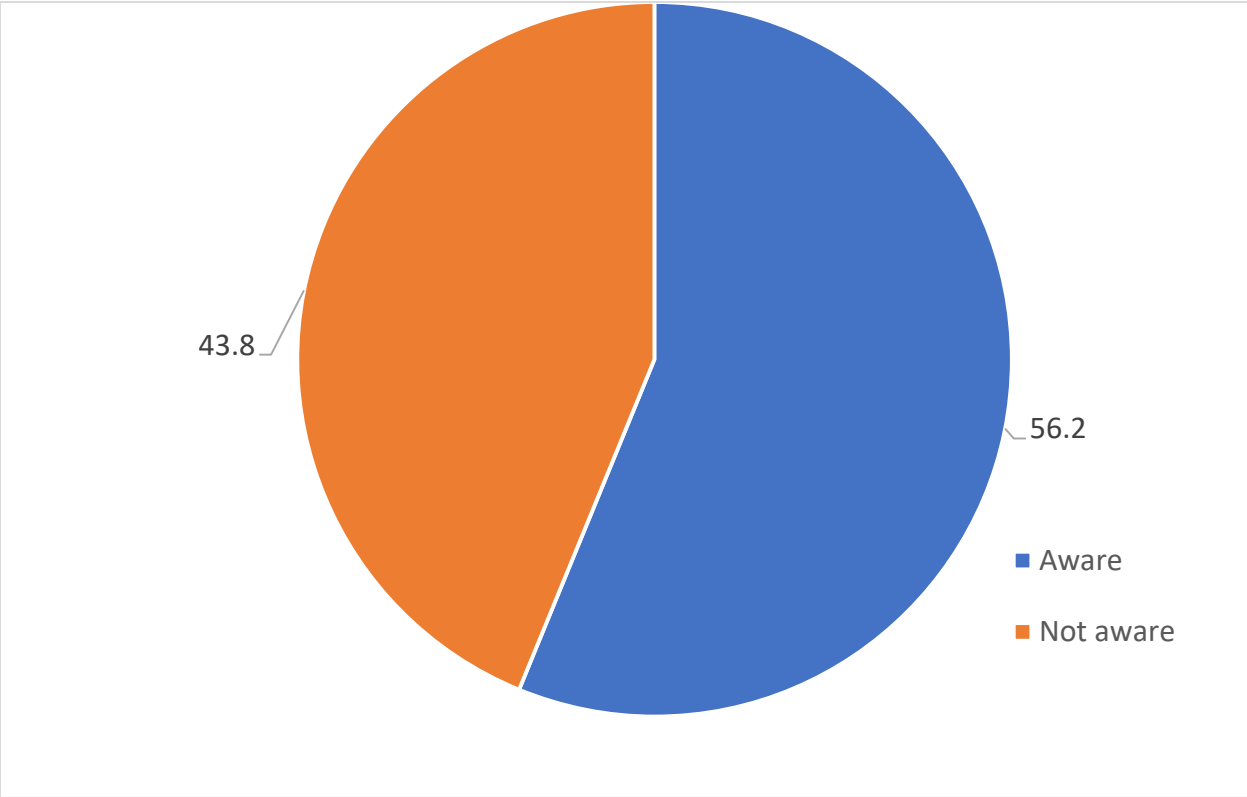

Figure 1: Awareness of platform cooperatives among the respondents

Challenges to participating in platform cooperatives

Table 2 shows that 84.7% of the respondents indicated that lack of trust to participate in online business due to fraud within the platform and low level of internet access which is poor in some localities respectively. The majority (83.9%) also indicated fraud by hackers and poor electricity supply (80.3%), poor internet infrastructure (78.8%), illiteracy rate (74.5%) and low level of digital literacy (72.3%). Other constraints identified were regulatory inefficiency (67.2%), low income (59.9%) and high cost of logistics for delivery of goods (59.1%).

This implies that to use internet service for business transactions in Nigeria, one needs to buy internet-enabled mobile phone or computer, data, and electricity to charge and power the gadget which are all costly items. This result is in support of the findings of Oluwagbemi (2016), Agwu (2014), and Al-Alawi and Kuzic (2008) that reported a lack of trust, internet fraud, poor electricity infrastructure and poor internet access.

Table 2: Respondents' challenges to participating in platform cooperatives (n-137)

Challenges	Yes (%)	No (%)
Lack of trust to participate in online business	84.7	15.3
Low and poor internet access	84.7	15.3
Online fraud by hackers	83.9	16.1
Poor electricity infrastructural supply	80.3	19.7
Poor internet infrastructure	78.8	21.2
Adult illiteracy rate	74.5	25.6
Low level of digital literacy	72.3	27.7
Regulatory inefficiency	67.2	32.9
Low income of an average Nigerian	59.9	40.2
High cost of logistics for delivery of goods	59.1	40.9
Competition with conventional cooperatives	59.1	40.9

CONCLUSION AND RECOMMENDATIONS

The study deduced that the majority of the respondents are aware of the Platform cooperative while constraints identified to participation in Platform cooperative include lack of trust, poor internet access, internet fraud, poor electricity and internet infrastructure, illiteracy level, low digital literacy among adults and inefficient regulators supporting the model. Notwithstanding these challenges, non-governmental organisations, cooperative participants and regulators should embrace PC for Nigeria to take advantage of the rising digital economy. Therefore, government internet business operational regulators should ensure that standards are upheld in the deployment of internet infrastructure for online business. Also, the government should promote cyber security and regulatory frameworks to reduce internet business fraud and boost the trust of people in using the internet for business transactions. Digital literacy should also be promoted for the operation of PC.

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