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Consumer Cooperation in the 21st Century: From Goods-Based Cooperation to Needs-Based Cooperation

Abstract

The *purpose* of the article is to theoretically reconsider the essence of consumer cooperation in the context of the transformation of the modern economy and to substantiate the need to move from the traditional model of goods-based cooperation to the concept of cooperation based on needs. Particular attention is paid to identifying the historical prerequisites for the emergence of consumer cooperation, analyzing the limitations of the sectoral approach to its interpretation, and exploring prospects for expanding cooperative activities in response to changing societal needs. *Methodology.* The study is based on systemic, historical-genetic, comparative, and functional approaches, which make it possible to examine the evolution of consumer cooperation in relation to changes in the economic structure of society and the nature of consumption. *Results.* It is argued that the historical identification of consumer cooperation with trade activities was due to the characteristics of industrial society. It is established that, under conditions of post-industrial development, digitalization, and increasing complexity of the structure of social consumption, the traditional sectoral interpretation of consumer cooperation does not fully reflect its potential. A functional approach is proposed, according to which the defining feature of consumer cooperation is not the sphere of economic activity, but its orientation toward the collective satisfaction of cooperative members' needs. The possibilities of applying this approach to contemporary cooperative models are explored, and prospects for the development of platform cooperatives are identified. *Practical implications.* The proposed findings may be used to reconsider the strategic priorities for the development of consumer cooperation in Ukraine, expand the activities of cooperative organizations, and shape new models for meeting the needs of the population. *Value/originality.* The scientific novelty lies in substantiating the conceptual shift from a sectoral understanding of consumer cooperation as predominantly trade activity to its functional interpretation as a form of consumer self-organization aimed at the collective satisfaction of diverse needs.

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Keywords

consumer cooperation, cooperative movement, consumers, consumer needs, cooperation of needs, consumer society, post-industrial economy, functional approach, cooperative model, energy cooperatives, digitalization

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1 Introduction

At the beginning of the 21st century, economic development is accompanied by large-scale changes in production, consumption, and the organization of social life. The spread of digital technologies, the emergence of the platform economy, the development of renewable energy, and the growing importance of knowledge and information are transforming people's needs and the mechanisms through which they are satisfied. A gradual shift is taking place from an economy primarily oriented toward the production of material goods to an economic system in which services, information resources, communication, education, energy, and other components of quality of life are becoming increasingly important. These changes necessitate a reconsideration of traditional approaches to economic activity and the search for new forms of collective needs satisfaction.

Under these conditions, particular attention should be paid to reconsidering the role of consumer cooperation in the contemporary economic system. Historically, its development has been associated primarily with cooperative retail enterprises, which supplied the population with essential goods, helped protect consumers' economic interests, and provided an alternative to purely commercial mechanisms of exchange. Consequently, consumer cooperation has long been considered in academic research and business practice mainly as part of the trade sector. However, this interpretation emerged under the influence of the specific characteristics of the industrial era, when access to material goods was one of the key prerequisites for meeting people's needs. Today, it does not fully reflect the potential of the cooperative model.

The relevance of this study stems from the contradiction between the traditional sectoral interpretation of consumer cooperation, which

associates it primarily with trade, and the expanding range of needs that can be met through cooperative arrangements. Addressing this contradiction requires a transition to a functional approach, according to which the defining characteristic of consumer cooperation is not a specific field of economic activity but its orientation toward the collective satisfaction of cooperative members' needs. This approach makes it possible to consider emerging cooperative forms as a potential continuation of the historical mission of consumer cooperation, adapted to the conditions of the post-industrial economy and digital society.

The purpose of the article is to theoretically reconsider the essence of consumer cooperation in the context of the transformation of the modern economy and to substantiate the rationale for moving from the traditional model of goods-based cooperation to the concept of needs-based cooperation.

The scientific novelty of the study lies in substantiating the conceptual shift from a sectoral understanding of consumer cooperation as predominantly trade activity to its functional interpretation as a form of consumer self-organization aimed at the collective satisfaction of diverse needs. This interpretation expands the theoretical scope of consumer cooperation research and makes it possible to examine its contemporary forms not only through the lens of commodity exchange but also in relation to changes in the structure of societal needs.

The logic of the article involves a sequential examination of the historical evolution of consumer cooperation, a critical analysis of the limitations of its traditional sectoral interpretation, and the substantiation of a functional approach. The discussion then focuses on the expansion of cooperative activities and the potential application of the cooperative model under conditions of digitalization and post-industrial development. This sequence makes it possible to move from an analysis of the historically established model toward an understanding of new cooperative development pathways oriented toward the needs of contemporary consumers.

Thus, the study seeks to substantiate the proposition that the future renewal of consumer cooperation is associated not only with the modernization of traditional trade activities but also with an expansion of its functional purpose – from cooperation based on goods to cooperation based on needs.

2 Historical Prerequisites, Concepts, and Models of Cooperative Development and Transformation

Contemporary cooperative movements encompass a much broader range of activities than traditional trade. In various countries, energy, housing, educational, healthcare, telecommunications, and digital cooperatives are developing, with their activities

aimed at ensuring citizens' access to essential resources and services. The spread of these models demonstrates that cooperation can serve not only as a means of organizing commodity circulation but also as an instrument for jointly addressing a wide range of economic and social challenges. Digitalization and platform-based solutions are becoming particularly important, creating new opportunities for consumer self-organization, resource pooling, and the collective management of services.

The issue of the development of consumer cooperation has long been the focus of attention of Ukrainian and foreign scientists. A significant contribution to the study of the theoretical foundations of the functioning of the cooperative sector, its economic nature and role in social development was made by domestic scientists Apopii V. V. (2007), Babenko S. G. (2003), Balaban P. Yu., Balaban M. P. (2011), Kutsyk P. O. (2022), Manzhura O. V. (2015), Semiv S. R. (2013; 2022), Gelei S. D. (2013) and others.

In the works of Apopii V. V. (2007) the features of the development of internal trade and its interaction with the agro-industrial complex were investigated, and the important role of consumer cooperation in the formation of commodity supply for the population and the development of socially oriented management mechanisms was substantiated. Babenko S. G. (2003) examined the patterns of transformation of cooperative systems in a transitional economy, identifying the main directions of their adaptation to market conditions and institutional changes. A significant contribution to the study of the evolution of the trade activity of consumer cooperation was made by Balaban P. Yu. and Balaban M. P. (2011), who analyzed the stages of development of cooperative trade, factors of its competitiveness and strategic priorities of functioning in a market economy.

A comprehensive analysis of the history of the formation and development of domestic consumer cooperation is presented in the fundamental collective monograph "Consumer Cooperation of Ukraine: from its inception to the present" (Aliman, Voinash, et al., 2013), which highlights the main stages of the development of the cooperative movement, its socio-economic significance and contribution to meeting the needs of the population. At the same time, O. V. Manzhura (2015) substantiated the prospects for the formation of a cooperative model of the national economy as an important component of the development of a socially oriented economy. Of considerable interest are also the studies of Kutsyk P. O. and Semiv S. R. (2022), devoted to the strategic directions of the development of consumer cooperation in Ukraine in the context of global economic transformations, digitalization and increased international competition.

The scientific works of V. M. Heits are of great importance for understanding the prospects for the development of the cooperative movement in the

context of modern transformations. In particular, in the article “Social Reality in the Digital Space” (2022), the researcher considers future trends in social development in the context of the Fourth Industrial Revolution and the accelerated spread of digital technologies. The author emphasizes that digital transformation is accompanied not only by new opportunities, but also by significant social challenges associated with inequality of access to resources, changes in the nature of work and the increasing influence of digital platforms on social processes. At the same time, the key condition for the harmonious development of a digital society is the subordination of digitalization processes to the priorities of social values, social justice and human development. These provisions are of important methodological importance for this study, since they allow us to consider the cooperative model as one of the possible mechanisms for the socialization of the digital economy and ensuring collective access of citizens to new resources, technologies and services.

Among foreign scientists, J. Birchall made a significant contribution to the development of the theory of cooperation (2009), C. Borzaga, J. Michie and J. R. Blasi (2017) and K. Kokolina (2017). In their works, cooperatives are considered as an effective and sustainable form of organizing economic activity, capable of ensuring economic democracy, social cohesion and improving the well-being of citizens. Particular attention is paid to the ability of the cooperative model to adapt to crisis phenomena, as well as its role in shaping the modern social economy. An important area of modern research is the study of the processes of digital transformation of cooperatives. In particular, G. Cohen, using the example of the Swedish cooperative Coop Sverige, demonstrates the possibilities of using digital technologies to modernize cooperative business and increase the level of interaction with consumers. In EuroCoop documents, considerable attention is paid to the role of consumer cooperatives in forming sustainable food systems, ensuring fair consumption and implementing the principles of sustainable development (EuroCoop., 2024).

At the same time, the analysis of scientific works shows that the vast majority of studies consider consumer cooperation mainly through the prism of its trading activities or as a separate sector of the economy. However, the issues of conceptual rethinking of consumer cooperation in the context of the transition to a post-industrial economy and consumer society, where not so much goods as human needs and mechanisms for satisfying them are of key importance, remain insufficiently studied. Approaches to considering modern energy, digital, telecommunications, educational and other cooperatives as components of a broader system of consumer cooperation require further scientific justification. This is what determines the relevance of this study and determines its scientific novelty.

3 From Industrial Society to Consumer Society

Consumer cooperation is one of the most large-scale and socially significant forms of self-organization of citizens in the modern world. For more than a century and a half, it has been not only a tool for meeting the material needs of the population, but also an important mechanism for overcoming poverty, creating jobs, developing local communities, ensuring food security and implementing the principles of sustainable development. Due to the combination of economic efficiency and social responsibility, the cooperative model is increasingly considered as one of the effective tools for responding to the global challenges of the 21st century, associated with increasing social inequality, environmental problems, monopolization of markets and the need to ensure fairer access to goods and services for the population.

The scale of development of consumer cooperation in the world is confirmed by the activities of international cooperative associations. In particular, the organization Consumer Co-operatives Worldwide (CCW) unites 26 national organizations of consumer cooperation, which represent about 75 million individual members and provide a total annual turnover of over 500 billion euros (International Cooperative Alliance). At the same time, the European association Euro Coop represents 18 national organizations, which include more than 6.3 thousand cooperative enterprises with 91 thousand retail outlets, almost 490 thousand employees, 27 million consumer members and an annual turnover of over 60 billion euros (EuroCoop., 2024). In the World Cooperative Monitor ranking, the top 5 leading global consumer cooperatives, employing 352,500 people, generate a total turnover of \$121.28 billion (The World Co-operative Monitor).

Such indicators indicate that consumer cooperation remains one of the largest sectors of the world's social economy and continues to play a significant role in ensuring the well-being of the population. At the same time, modern social transformations highlight the need for a new perspective on the essence of consumer cooperation, its mission and promising directions of development in the conditions of a digital and post-industrial economy.

Analyzing the evolution of the concepts of consumer cooperation development, it is appropriate to emphasize that it arose in the middle of the 19th century in the specific conditions of the industrial economy. During the industrial revolution, the main financial, organizational and human resources were concentrated in the sphere of production. The development of factories, plants, transport and industrial infrastructure was the main direction of economic progress.

However, such a strong concentration of resources in the manufacturing sector was accompanied by an underdeveloped consumer market. A significant part

TABLE 1 Ranking of the largest consumer cooperatives in the world in 2025

No. salary	Cooperative organization	Country	Type cooperative	Gross income, billion USD	Number of employees, thousand people
1.	Coop Swiss	Switzerland	consumer	38.58	95,826
2.	Migross	Switzerland	consumer	35.56	99,175
3.	Coop Italia	Italy	consumer	17.73	59,000
4.	SOK Group (SGroup)	Finland	consumer	15.36	41,413
5.	Co-operative Group Limited	Great Britain	consumer	14.05	57,104

Source: compiled by the author based on (The World Co-operative Monitor)

of the population was faced with low quality goods, high prices, limited choice and dependence on intermediaries. It was in these conditions that the Rochdale Society of Equitable Pioneers was founded in 1844, which laid the foundation for the modern cooperative movement (Fairbairn, 1995).

Traditionally, the Rochdale pioneers are considered to have created a model of cooperative trade. However, this understanding seems too narrow. In fact, they created a mechanism for collectively solving consumer problems by pooling the resources of the consumers themselves. Therefore, the historical essence of consumer cooperation was not in trade as such, but in eliminating market shortcomings that prevented the satisfaction of the needs of the population.

Over the course of almost two centuries, the economic system has changed radically. While in the 19th century the economy was primarily focused on production, in the 20th and 21st centuries the center of economic activity has gradually shifted to the sphere of consumption. Modern markets are characterized by a high level of competition, advanced logistics, digital technologies, global supply chains and a wide range of goods and services. Large commercial companies actively use loyalty programs, personalized offers and modern service models, ensuring a high level of satisfaction of consumer demand. This means that many of the tasks that were historically solved by consumer cooperatives in the retail sector are today largely solved by market mechanisms.

Despite the changes that have occurred, the idea of consumer cooperation still largely remains tied to historically formed types of activity – primarily to trade (in Ukraine there is still – catering, procurement and consumer services) (Aliman, Voinash, et al., 2013). This approach can be called sectoral. It defines cooperation through its scope of activity. However, the sectoral approach inevitably leads to a paradox. If a cooperative is created by consumers to meet their food needs, it is considered a consumer cooperative. But if the same consumers unite to obtain electricity, digital services, access to the Internet, or use a digital platform, such organizations are often considered separate forms of cooperation, unrelated to consumer cooperation.

A natural question arises: what is the defining characteristic of consumer cooperation – the nature of

the product or service, or the very fact of consumers uniting to satisfy their own needs?

The second explanation seems to be much closer to the original cooperative idea.

4 New Directions of Cooperative Development

The essence of consumer cooperation is determined not by the field of activity, but by the subject and purpose of the cooperative association.

Consumer cooperation is primarily a cooperation of consumers. Its basis is the voluntary association of people who simultaneously act as users, co-owners and participants in the management of the created organization. Their goal is to collectively satisfy their own needs where existing market or state mechanisms are not effective enough (Borzaga, Michie, Blasi, (Eds.), 2017).

That is why the historical mission of consumer cooperation should be considered much broader than the organization of trade. It represents a universal mechanism for collectively overcoming market failures and deficits in social development. While in the 19th century such failures were most acutely manifested in the sphere of trade, in the 21st century they can occur in completely different areas. Therefore, it is not the essence of cooperation that is changing, but the scope of its application.

Modern society faces numerous challenges that are not always effectively resolved within traditional market mechanisms. In many countries, energy cooperatives are actively developing, giving citizens the opportunity to jointly produce and consume energy. For example, The European Federation of Energy Communities (REScoop) today unites 2,500 energy communities from across Europe and 2 million citizens who are actively involved in the energy transition and apply the 7 principles of cooperation in their daily practice (International Cooperative Alliance).

Digital and platform cooperatives are spreading, creating alternatives to monopolized digital ecosystems. Cooperative projects are emerging in the fields of communications, education, healthcare, housing and communal infrastructure, collective data use, and artificial intelligence.

An important direction of the modern evolution of the cooperative movement is the emergence of platform cooperatives, the founders and co-owners of which are users of digital services, employees or service providers. Unlike traditional digital platforms, where economic benefits are mainly concentrated in the hands of investors and owners of capital, the cooperative model provides for democratic governance and a fairer distribution of the created value among all participants. One of the most famous examples is the American platform Stocksy United, which unites photographers and digital content creators from more than 65 countries of the world and functions as a cooperative online marketplace. A feature of this model is the participation of cooperative members in the management of the organization and the distribution of profits in accordance with cooperative principles (Grayer, 2020).

At the same time, cooperative forms of management are actively spreading in the field of telecommunications and digital infrastructure. In the USA, Canada and a number of European countries, cooperative operators of broadband access to the Internet are successfully operating, providing digital services to remote and sparsely populated areas. Where large telecommunications corporations do not see sufficient economic feasibility for investment, local communities independently pool resources to create and develop modern communication networks, providing residents with access to high-speed communications and digital services.

The cooperative model is also gaining significant development in the educational sphere. In many European countries, educational cooperatives are being created, the participants of which are teachers, students, parents and representatives of local communities. Such organizations establish educational institutions, distance learning platforms, vocational training centers and knowledge exchange networks. The cooperative format allows us to better take into account the needs of participants in the educational process, expand access to quality education and adapt curricula to the needs of specific territories and social groups (Cooperatives Europe; International Cooperative Alliance).

No less important are cooperative initiatives in the field of health care. In different countries of the world, there are medical cooperatives that can unite both patients and medical professionals. Their activities are aimed at ensuring more accessible medical care, preventive measures, insurance protection and consulting support. Modern digital technologies further expand the capabilities of such organizations through the use of telemedicine platforms, electronic medical records and integrated systems for coordinating medical services (International Cooperative Alliance).

New prospects for the cooperative movement are also opening up in the field of housing and communal

services and management of local infrastructure facilities. Along with traditional housing cooperatives, models of collective management of local energy systems, water supply, charging infrastructure for electric vehicles and other shared facilities are becoming more widespread. Such cooperative projects contribute to strengthening the economic independence of communities, increasing the efficiency of resource use and strengthening the energy security of territories (International Cooperative Alliance).

One of the newest directions of cooperative development is the formation of cooperative mechanisms for managing data and artificial intelligence technologies. In the digital economy, data is becoming a strategic resource, control over which is increasingly concentrated in large technological corporations. As an alternative to this process, the concept of "data cooperatives" is being formed, which involves joint ownership and collective management of citizens' personal data. Participants in such associations are given the opportunity to independently determine the rules for using information and participate in the distribution of economic benefits from its commercial application. Similar approaches are gradually spreading to the field of artificial intelligence, where models of collective ownership of algorithms, computing power and the results of their use are being developed.

All these processes indicate that the cooperative model is gradually moving beyond traditional trade and material production. If in the industrial era the main object of cooperation was goods, then in the digital economy they are increasingly becoming information, knowledge, data, energy, digital services and other resources necessary to meet modern human needs. That is why the latest digital, platform and infrastructure cooperatives can be considered as a natural stage in the evolution of consumer cooperation and a practical embodiment of the concept of transition from cooperation of goods to cooperation of needs.

In all these cases, the same principle remains: consumers pool their resources, jointly own the created system, and exercise democratic control over its activities. From the point of view of the cooperative nature, such organizations are a continuation of the same idea that underpinned the first consumer cooperatives of the 19th century. Therefore, energy, telecommunications, digital, educational and other similar cooperatives should be considered not as phenomena outside the boundaries of consumer cooperation, but as new forms of its historical development.

5 Conclusions

1. Consumer cooperatives emerged as a response to the unmet needs of the population in the conditions of an industrial economy. Their historical role was to compensate for the shortcomings of existing market

mechanisms through the self-organization of citizens. Today, the nature of these shortcomings has changed, but the need for collective forms of satisfying citizens' interests remains. In this regard, it seems appropriate to move from a sectoral understanding of consumer cooperation to a functional one. The main criterion should not be the scope of the organization's activities, but its ability to ensure the collective satisfaction of the needs of its members on the basis of joint ownership, democratic management and distribution of the results of its activities in the interests of consumers.

2. If the 19th century was the era of cooperation of goods, then the 21st century should become the era of cooperation of needs. It is this approach that makes it possible to maintain loyalty to the historical principles of the cooperative movement and, at the same time, open up new directions for its development in the context of the digital, service, and platform economy. Consumer cooperation is not a trade cooperation. It is a cooperation of consumers. And this is perhaps the key to its renewal and development in the 21st century.

3. Prospects for further research in this area are related to the deepening of the theoretical and methodological foundations of the functional approach to the interpretation of consumer cooperation and the development of new concepts for its development in the conditions of a digital and post-industrial economy. Of particular scientific interest is the study

of the mechanisms of transformation of traditional consumer cooperatives into multifunctional cooperative ecosystems capable of meeting a wide range of needs of their members not only in the field of trade, but also in the fields of energy, digital technologies, telecommunications, education, health-care and housing and communal infrastructure. An important direction of further scientific research is also the formation of criteria for identifying consumer cooperatives based on the nature of the needs they satisfy, and not only on the sectoral affiliation of their activities.

4. Special attention is required to study the international experience of developing digital, platform, energy and other innovative cooperatives, as well as the possibilities of its adaptation to the conditions of Ukraine. Promising are the studies of cooperative models of data management, artificial intelligence, digital platforms and other resources of the new economy, which increasingly determine the competitiveness of society. An important task remains the development of organizational and economic mechanisms to support new forms of cooperation of needs, assessing their impact on social cohesion, economic democracy and sustainable development of territorial communities. This will allow forming a scientific basis for further modernization of the cooperative movement and expanding its role in solving socio-economic problems of the 21st century.

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