

Cooperative: A Positive Growth Driver in a Pandemic Economy

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ABSTRACT

The pandemic economy is an economy inflicted with deadly disease or plague such as the corona virus disease 2019 (COVID-19). The economy is characterized with setbacks in social and economic activities including deaths as a result of the deadly disease. This study therefore examined the COVID-19 Pandemic: its meaning, origin and the need to overcome the pandemic. The paper described how global, regional and national cooperation can help overcome the pandemic using cooperative as a platform. However, considering the economic, social and environmental challenges of the pandemic, this paper contends that the cooperative model of enterprise has in recent time proven to be more sustainable and reliable platform for social and economic transformation in the Nigerian economy in the pandemic era for some obvious reasons: The paper posited that the government and donor agencies have relied on cooperative in fighting hunger and poverty. The cooperative has also been relied upon for achieving national food security programme. Institutions both educational and other agencies are setting up one form of cooperative organization or the other for solving their social and economic needs. Research has also shown that many micro business owners rely on cooperative group membership for their business growth. Today, the cooperative ideals are spread across all sectors of the economy even without much publicity. Most importantly the pandemic made thousands if not millions of people informal members of cooperative organization in an effort to survive the vicious attack of the pandemic. The paper concludes that it is imperative that a clear-cut cooperative sector that will serve as a professional and institutional base for cooperative growth and development in Nigeria be established.

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KEYWORDS: Cooperative, Growth Driver, COVID-19, Pandemic Economy

1. INTRODUCTION

A. The COVID-19 Pandemic: Meaning and Origin

The COVID-19 Pandemic is a recent and topical global malady that affected all sphere of human life including the ecosystem. The intent of this paper is not to give the scientific origin of the COVID-19. That aspect will be left for the natural and medical scientists who are already in a heated argument on whether the virus is a product of nature or a product of human genetic engineering (Law, 2020). This paper will rather present us with where the cases were first recorded and what the acronym COVID-19

represents. COVID-19 emerged as an infectious disease called corona virus disease 2019 (COVID-19). It was described as a novel severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2) (Lone & Ahmad, 2020). The disease was first reported by officials in Wuhan City, China, in December 2019 following the increasing reports of the outbreak of the disease among stall owners, market employees and regular visitors to the wholesale food market in Wuhan City, China (World Health Organization, 2020). The increasing cases and spread of the virus at record speed became so alarming

that the World Health Organization declared COVID-19 a public health emergency of international concern on 30 January 2020 and a pandemic on 11 March 2020, by this time the COVID-19 pandemic has spread to more than 114 countries (Balkhair, 2020; Anjorin, 2020).

Africa recorded its first COVID-19 case in Egypt on 14 February 2020. Since then, 52 countries have reported cases. Initially confined to capital cities, cases are now reported in a significant number of countries, and in multiple provinces and states. On 4th May 2020, the number of confirmed COVID-19 cases had risen to 44 873 and caused 1 807 deaths. The African countries with the highest number of infections at the early stage are South Africa, Egypt, Morocco and Algeria. However, the full scope of the pandemic remains uncertain, as cases are underreported and accuracy of data collection varies considerably. In Nigeria, from 3rd January 2020 to 8th October 2021 there have been 207,210 confirmed cases of COVID-19 with 2,742 deaths, reported to World Health Organization (WHO). As of 29 September 2021, a total of 6,852,590 vaccine doses have been administered in Nigeria (OECD, 2020, WHO, 2021).

B. Characteristics of the COVID-19 Pandemic

The most common and notable means of contacting the COVID-19 is through the respiratory droplet transmission. It can also be transmitted through person-to-person contacts by asymptomatic carriers. However, when contacted, pneumonia appears to be the most frequent serious manifestation of infection, characterized primarily by fever, cough, dyspnea, and bilateral infiltrates on chest imaging (Gennaro, Pizzol, Marotta, Antunes, Racalbutto, Veronese & Smith, 2020). Other, less common symptoms have included headaches, sore throat, and rhinorrhea, in addition to respiratory symptoms, gastrointestinal symptoms (e.g., nausea and diarrhea). Hu, Guo, Zhou and Shi (2020) posit that it appears that all ages of the population are susceptible to SARS-CoV-2 infection, and the median age of infection is around 50 years. However, clinical manifestations differ with age. In general, older men (>60 years old) with comorbidities are more likely to develop severe respiratory disease that requires hospitalization. The incubation period is ~5 days, severe disease usually develops ~8 days after symptom onset and critical disease and death occur at ~16 days.

However, to prevent contacting and spread of the disease, a number of COVID-19 protocol compliance measures have been put forward, which include:

1. Wear your face mask regularly

2. Avoid touching surfaces, especially in public settings or health facilities, in case people infected with COVID-19 have touched them
3. Clean Surfaces regularly with standard disinfectants
4. Frequently wash your hands with soap in a running water
5. Apply sanitizer where there is no water available
6. Greet without physical contact to ensure physical distancing
7. Avoid very large public gatherings among others

2. GLOBAL IMPACT OF THE COVID-19 PANDEMIC

A. The Pandemic Economy

The economic and social disruption caused by the COVID-19 pandemic globally has devastated tens of millions of people. These millions of people are at risk of falling into extreme poverty while the number of undernourished people, currently estimated at nearly 690 million and could increase by up to 132 million by the end of the year 2021 (WHO, 2020). The pandemic has affected the economic, social and ecosystem in diverse ways:

1. Globally, over the past 12 months, the pandemic has harmed the poor and vulnerable the most and it is threatening to push millions more into poverty. This year, after decades of steady progress in reducing the number of people living on less than \$1.90/day, COVID-19 has usher in the first reversal in the fight against extreme poverty in a generation. The latest analysis warns that COVID-19 has pushed an additional 88 million people into extreme poverty this year – and that figure is just a baseline.
2. Those restrictions – enacted to control the spread of the virus, and thus alleviate pressure on strained and vulnerable health systems – have had an enormous impact on economic growth.
3. COVID-19 has triggered a global crisis like no other – a global health crisis that, in addition to an enormous human (death) toll, is leading to the deepest global recession since the Second World War.
4. This economic fallout is hampering countries' ability to respond effectively to the pandemic's health and economic effects. Even before the spread of COVID-19, almost half of all low-income countries were already in debt distress or at a high risk of it.
5. It has also resulted in migrants sending less money home by way of remittances – the money that migrants send to their home countries – are of special concern. Over previous decades, remittances have played an increasingly important

role in alleviating poverty and sustaining growth. Just last year, these flows were on par with foreign direct investment and official development assistance (government-to-government aid). But COVID-19 has spurred a dramatic reversal, with the latest forecasts finding that remittances will decline 14% by the end of 2021 – a slightly improved outlook compared with the earliest estimates during the pandemic that should not belie the fact that these are historic declines.

6. The pandemic slowdown has deeply impacted businesses and jobs. Around the world, companies – especially micro, small, and medium enterprises (MSMEs) in the developing world – are under intense strain, with more than half either in arrears or likely to fall into arrears shortly.
7. **It has resulted into high cost of health care.** The pandemic has highlighted the need for effective, accessible and affordable health care.
8. **It resulted in closing classrooms.** At the height of the COVID lockdown, more than 160 countries had mandated some form of school closures for at least 1.5 billion children and youth.
9. COVID-19's effects on education could be felt for decades to come, not just causing a loss of learning in the short term, but also diminishing economic opportunities for this generation of students over the long term. Due to learning losses and increases in dropout rates, this generation of students stand to lose an estimated \$10 trillion in earnings, or almost 10 percent of global GDP, and countries will be driven even further off-track to achieving their Learning Poverty goals – potentially increasing its levels substantially to 63 percent, equivalent to an additional 72 million primary school aged children (The World Bank Group, 2021).
10. National lockdowns have had an immediate impact on the energy sector, both in terms of consumption and production. The result has been a slump in electricity demand unparalleled since the Great Depression, according to the International Energy Agency (IEA). Usage has typically fallen by up to 20 per cent for each month of lockdown, creating what the IEA has described as a 'prolonged Sunday' of extended low-level consumption. Although home working has increased domestic electricity use by around 40 per cent, this has not been enough to offset the demand lost due to the closure of offices and factories. Overall global power use is predicted to fall by around six per cent in 2020 compared to

the previous year (The Royal Institute of International Affairs, 2021)

B. The need to overcome the Pandemic

The COVID-19 pandemic brought the global economy to a halt. In fact, some economies particularly some of the emerging economies went into recession and some at the verge of depression. The pandemic no doubt has created a new order and normal in the global economy. Most of the governments had to take the very hard decision of locking down social and economic activities. This singular decision affected the global economy leading to loss of millions of jobs thus ushering most developing countries including Nigeria back into poverty and hunger (UNCTAD, 2020; IMF, 2020).

Therefore, it is important that effort is made to combat the COVID-19 pandemic particularly in Nigeria and Africa by extension, because of the obvious social and economic losses the Nation and region suffers as a result of the pandemic. While developed countries are providing trillions of dollars in relief, support and bailouts, developing countries are more constrained on the fiscal, monetary and external payments fronts making it difficult for many of them to respond to the multiple shocks triggered by the crisis (UNCTAD, 2020). Nevertheless, some larger developing countries have provided immediate relief through financial bailouts and income support while Nigeria continues to borrow. Presently the debt profile of the Nigeria is over 30 billion USD and still counting (UNCTAD, 2020, CBN, 2021).

3. COOPERATION

A. Meaning and characteristics

Literally, cooperation describes the act of coming together by way of taking a joint action to achieve a mutually beneficial goal and purpose. Khamis, Kamel and Salichs (2006) posit that cooperation linguistically refers to the practice of people or entities working together with commonly agreed-upon goals and possibly methods, instead of working separately in competition. Zagumny (2013) posits that cooperation includes both behavioral and instrumental components. The behavioral component is that people are working or acting together, while the instrumental component involves a common purpose or benefit for those involved. Therefore, cooperation is an occurrence involving two or more people who share an activity for the purpose of achieving a goal that benefits all of those involved. Cooperation is often defined within a goal structure that includes: 1) cooperation, in which achieving one's goals is dependent on other people achieving their goals; 2) competition, which requires that to achieve one's goals, others must not achieve their

goals; and 3) individualism, in which attaining one's goals is not dependent on whether others attain their goals. The various forms and components of cooperation notwithstanding, the outbreak of the COVID-19 pandemic has increased global cooperation as people, even warring nations were compelled by the pandemic to come together to fight the virus.

B. Areas of Cooperation

Globally, cooperation has been centered on development cooperation which revolves around financial aid. Alonso and Glennie (2016) stated that development cooperation can also include market flows like remittances or foreign direct investment. They also noted that development cooperation should have three major tasks:

1. Supporting and complementing efforts of developing countries to guarantee the provision of universal social basic standards to their citizens, as a means for people to exercise their basic human right;
2. Promoting the convergence of the developing countries to higher levels of income and wellbeing, correcting extreme international inequalities; and
3. Supporting efforts of developing countries to participate actively in the provision of international public goods.

Contrary to the above aims of development cooperation which was aimed at the developing countries alone, the COVID-19 pandemic created a paradigm shift by making the development cooperation not only an African agenda but also a global focus as virtually all countries reached out for assistance during the pandemic and the post pandemic era.

4. COOPERATIVE

A. Meaning and characteristics

The cooperative has been touted as an organizational form that is structurally different from the Investor Oriented Firm (IOF) in terms of its ownership and management composition. Cooperative by definition is described as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned enterprise" (ICA, 1995). It is therefore a user-owned and democratically controlled enterprise in which benefit is received according to use. In this case, membership of cooperative avail a member the opportunity of social and economic safety. Cooperatives are democratically owned by their members, with each member having one vote in electing the board of directors. Generally cooperatives may include:

1. Businesses owned and managed by the people who use their services (a consumer cooperative).
2. Organizations managed by the people who work there (worker cooperatives).
3. Multi-stakeholder or hybrid cooperatives that share ownership between different stakeholder groups. For example, care cooperatives where ownership is shared between both care-givers and receivers. Stakeholders might also include non-profits or investors.
4. Second- and third-tier cooperatives whose members are other cooperatives.
5. Platform cooperatives that use a cooperatively owned and governed website, mobile app or a protocol to facilitate the sale of goods and services (*Worldwatch Institute, 2014*).

B. Cooperative as a Growth Driver

Arguably, the cooperative model of enterprise has in recent time proven to be more sustainable and reliable platform for social and economic transformation in the Nigerian economy in the pandemic era for obvious reasons:

1. The government and donor agencies have in recent time relied on cooperative in fighting hunger and poverty.
2. The cooperative has also been relied upon for achieving national food security programme.
3. Institutions, both educational and agencies are setting up one form of cooperative organization or the other for solving their social and economic needs.
4. Research has shown that many micro business owners rely on cooperative group membership for their business growth.
5. Today, the cooperative ideals are spread across all sectors of the economy even without much publicity.
6. Most importantly the pandemic made thousands, if not millions of people informal members of cooperative organization in an effort to survive the vicious attack of the pandemic.
7. During the covid-19, cooperatives bought food items and shared to their members.
8. Soft loans were given to members by cooperatives during the covid-19.
9. Meetings of Cooperative continued though on WhatsApp and zoom during the covid-19.
10. In most cooperative, Interests were waived for members.
11. Most cooperative educated members on covid-19 safety measure compliance protocole.

12. The reserve of some cooperatives was used to help members cushion the effect of COVID-19.
13. The board of most cooperatives decided not to lay off any of their staff.
14. Loans were given to members during the covid-19.
15. Members were given soft landing in repaying their loans.
16. Cooperative were publicized during the covid-19 as non-members became willing to join Cooperative.
17. There was boom in the agricultural and health sector because restrictions were not placed on them.

5. CONCLUSION

In conclusion, this paper has shown that the COVID-19 pandemic was devastating to the global economy including Nigeria, even in this Post COVID-Era; a lot of people are still not recovered from the devastating effort of the pandemic. Poverty is wide spread and inequality and unemployment still soars. This paper however contends that the cooperative model of business has proven to have very strong efficacy in lifting millions of Nigerian from the devastating effect of the pandemic. Many growth and recovery efforts from the government and donor agencies were seen to be carried out on the platform of cooperative. It therefore becomes imperative to strive to have a clear-cut cooperative sector that will serve as a professional and institutional base for cooperative growth and development in Nigeria.

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