

Expanded abstract

Worker-owned enterprises in the 21st century: state of research and challenges

Worker-owned enterprises, embodied primarily by worker cooperatives and labour-managed firms, have gained renewed relevance in the first quarter of the twenty-first century. Their historical role in employment creation, social cohesion, and territorial development has long been acknowledged, particularly in Spain, where both forms have contributed to entrepreneurial initiatives by unemployed workers and younger generations (García-Gutiérrez & Lejarriaga, 1996; Lejarriaga et al., 2013). What distinguishes them from conventional capitalist firms is their participatory structure, democratic decision-making, and commitment to principles of equity and solidarity (Law 5/2011). In an era shaped by sustainability, inclusive development, and recurrent crises, these enterprises have demonstrated resilience and innovation. They have also attracted recognition from global organizations such as the International Labour Organization, the European Commission, the Organisation for Economic Co-operation and Development, and the United Nations, which have situated them as vital actors in the social economy and as contributors to the Sustainable Development Goals (European Commission, 2021; OCDE, 2022; Naciones Unidas, 2023) precisely, under the theme “Cooperatives build a better world,” the International Year of Cooperatives 2025, shows how cooperatives drive progress on the United Nations Sustainable Development Goals.

The policy environment surrounding worker-owned enterprises has become increasingly supportive. At the European level, the Action Plan for the Social Economy and the resolutions of both the ILO and the OECD have underlined the importance of these organizations in promoting decent work, social innovation, and sustainability (Organización Internacional del Trabajo, 2022; OCDE, 2022). The 2023 UN resolution, which explicitly called on member states to promote the social and solidarity economy, consolidated this role. In Spain, cooperatives benefit from the 1999 Law on Cooperatives and the 2011 Law on the Social Economy, complemented by regional statutes. Labour societies, a form unique to Spain, are regulated by the 2015 Law on labour-managed and participated firms (Bel et al., 2025). Despite supportive frameworks, challenges remain in the form of fragmented regional regulation and an outdated fiscal regime that has eroded advantages historically linked to cooperatives (Marcuello, 2023; Vaquero-García et al., 2020).

Worker cooperatives are the clearest expression of worker participation, since their members contribute both capital and labour and exercise equal rights in governance (García-Gutiérrez, 1991). They embody cooperative principles codified by the International Cooperative Alliance, ensuring that democracy and equality shape their structures (ICA, 1995). In Spain, their vitality is evident in the fact that nearly four-fifths of all new cooperatives created in 2023 were of this type (Coceta, 2024). Their growth pattern reveals resilience even in times of crisis,

though fiscal reform is needed to preserve their advantages (Vaquero-García et al., 2020). At the same time, they have consolidated their academic visibility. Spain is now among the leading countries in cooperative research (Duque et al., 2021; Bustamante & Arellano, 2024). Studies have focused on democratic governance and how worker participation prevents organizational degeneration (Pérotin, 2006; Storey et al., 2014), as well as on the comparative productivity of cooperatives and conventional firms (Logue & Yates, 2006; Burdín & Dean, 2009). Research further shows that cooperatives tend to reduce wages rather than employment during crises (Olsen, 2013), offering more stable jobs. Their contribution to local development, particularly in rural or vulnerable regions, and their role in promoting sustainability strengthen their profile as transformative organizations (Tregear & Cooper, 2016; Seyfang, 2007).

Current scholarship also highlights new challenges. Digitalization, artificial intelligence, and platform-based models are reshaping production and governance, requiring adaptation without loss of democratic essence (Borjabad, 2025; Mannan & Pek, 2024). Global competition demands strategies that reconcile participation with efficiency (Morales Gutiérrez, 2003). Sustainability pressures are increasing as cooperatives are expected to align with environmental standards and consumer expectations. Scholars also note the absence of robust quantitative data to assess their impact (Novogratz, 2020). Addressing these gaps requires both research innovation and supportive policy interventions (OCDE, 2024).

Labour societies, although less studied, represent another significant form of worker-owned enterprise. Their origin lies in Spanish legal reforms of the 1980s and 1990s that enabled workers to maintain employment in troubled firms by acquiring the majority of capital (García-Gutiérrez & Lejarriaga, 1996). Unlike cooperatives, they adopt joint-stock or limited liability company structures, though most shares must be held by permanent employees. In 2024, over six thousand labour societies employed more than fifty thousand workers (Ministerio de Trabajo y Economía Social, 2022). Their importance in the social economy is increasingly acknowledged, although their growth has slowed. Research has addressed their comparative economic performance (Fakhfakh et al., 2012; Burdín, 2014), resilience during downturns (Grávalos & Pomares, 2001; Melgarejo et al., 2007), contribution to employment creation (Monzón & Chaves, 2012), and their fiscal and legal regimes (Alguacil, 2022; Jordá, 2021). Studies confirm their capacity to preserve jobs and perform better in crises, but also point to declining formation rates (Cancelo et al., 2022). This decline relates not only to COVID-19 but also to structural obstacles such as limited fiscal incentives and legal reforms favouring other corporate forms (Marcuello, 2023).

Gender equality has become a prominent theme in research on labour societies. Evidence shows smaller gender gaps and greater female access to leadership compared with capitalist firms (Castro Núñez et al., 2024; Meliá-Martí et al., 2024). Other studies link them to entrepreneurial innovation and their interaction with social enterprises, start-ups, and spin-offs (Bel et al., 2023; Juliá et al., 2022). However, awareness of this legal form remains limited, and many firms eligible for the designation do not adopt it (Bel & Lejarriaga, 2018). Scholars argue for broader dissemination, policy support, and reforms to facilitate external capital attraction, encourage reinvestment, and ensure generational succession (Gutiérrez, 2019). Digital trans-

formation is also a pressing challenge, with calls for greater use of telematic tools, blockchain, and artificial intelligence to modernize governance (Andreu, 2022; Gómez, 2023).

The comparison between worker cooperatives and labour societies reveals both similarities and differences. Both embrace democratic participation, social equity, and resilience, and both face challenges of digitalization, sustainability, and financing. Yet cooperatives benefit from stronger international recognition and a more developed research tradition, while labour societies remain largely confined to Spain and less visible academically. The cooperative model, rooted in values codified by an international movement, has attracted more institutional support (Chaves & Monzón, 2018a), whereas the labour society model remains nationally bound-ed with narrower coverage. These differences affect future prospects: cooperatives are more integrated into international debates on sustainability, while labour societies rely heavily on domestic reform for survival and growth.

Research trajectories suggest several directions for the future. Scholars stress the importance of exploring how digital transformation and platform models can coexist with democratic governance (Borjabad, 2025; Mannan & Pek, 2024). Impact measurement requires systematic methodologies combining quantitative and qualitative approaches. Gender and diversity issues remain central, demanding deeper inquiry into governance and leadership dynamics (Castro Núñez et al., 2024). Comparative cross-country studies are needed to understand how legal frameworks influence these firms (Marcuello, 2023). Finally, generational succession is increasingly urgent as many firms face leadership transitions, making continuity mechanisms essential (Escribano, 2019).

In conclusion, worker-owned enterprises, through both cooperatives and labour societies, have consolidated themselves as key actors in the social economy. Their contribution to employment, equity, and sustainability has been recognized internationally (ILO, 2022; OCDE, 2022; Naciones Unidas, 2023) and is the focus of growing academic attention (Duque et al., 2021; Bustamante & Arellano, 2024). Their resilience in crises and their alignment with challenges such as climate change and inequality make them models of twenty-first century business (Birchall, 2017). Their future, however, will depend on their ability to adapt to technological transformation, secure supportive policies, and obtain adequate financing without sacrificing their democratic ethos. Collaboration among universities, policymakers, and representative organizations will be essential to consolidate their role as inclusive, innovative, and sustainable enterprises. The need for rigorous data, comparative legal analysis, and innovative governance remains pressing. These enterprises thus represent not only a legacy of past struggles for democracy and equity at work but also living laboratories for building more resilient and humane economies in the decades ahead.