

Expanded abstract

Cooperatives facing the crisis: Resilience Strategies in Mexico against COVID-19

Objectives

This article analyses the strategies implemented by cooperatives in Mexico City to be able to continue their economic and social activities facing the COVID-19 pandemic. This objective arises from the question: how do cooperatives deal with the COVID-19 measures in order to subsist? The question described above, is addressed from the standpoint of productive, commercial, relational and philosophical aspects of cooperatives.

Methodology

The study is based on a qualitative approach, based on scientific sources of information on theoretical aspects of resilience of cooperatives, principles and values, marketing strategies, production, and innovation. Moreover, virtual semi-structured interviews are conducted (as a result of COVID-19 contingency) for the construction of 5 case studies focusing on cooperatives in Mexico City. In order to ensure easy access to the data, the five cases were chosen from a convenience sample. Among the elements that were sought for inclusion in this sample were the following: all the cooperatives selected were founded between 2015 and 2017 through a cooperative creation program of the Mexican Ministry of Labour and Employment Promotion. During this program, the authors of the study, gained knowledge of the beginnings of entrepreneurship and assisted the organizations in a professionalization process over the course of a year. For their selection, it was also taken into consideration that have participated in collaborative networks and had been in operation for at least two years, which means they are facing challenges when implementing the business model, which makes them vulnerable since they have not matured their production and commercial processes fully. For the selected sample, the location and activities of the cooperatives were different in order to study their strategies in distinct contexts. Initial interviews were conducted with five cooperatives to explore sociodemographic aspects, their reasons for establishing the cooperatives, challenges and the previous results to COVID-19 and strategies implemented during the confinement and closure of commercial operations in Mexico City in March and April 2020. In addition, with the intention of analysing the actions taken by organizations in response to the COVID-19, five new interviews (one with each cooperative) were conducted in February 2021. By conducting these interviews, it was possible to confirm with the interviewees the preliminary results obtained in the first round of interviews and validate the analysis performed. Additionally, they inquired about the challenges they had encountered and how the strategies they had proposed nine months ago had evolved.

All interviews were transcribed and analysed into the qualitative data analysis software Atlas.Ti. After reviewing the interviews in depth with the intention of becoming familiar with the information obtained, the next step was to conduct a detailed analysis of the data. Following coding the testimonies, the comments of the informants were examined in detail in order to group them into categories that allowed them to be explained, which were determined to be closely related to the areas of organization and philosophy of the cooperatives.

After concluding the thematic analysis, it was possible to identify, arrange and analyse the themes and categories that contributed to the identification of strategies to address COVID-19 in these cooperatives.

Results

Based on the analysis of the interviews conducted with the cooperatives, it was possible to identify the main strategies they employed when confined because of the COVID-19.

Several cooperatives started to acquire new technologies, collaborate with other organizations, and reorganize their activities in response to COVID-19.

Based on the principles and values of cooperation between the cooperatives examined in this study, such as responsibility, solidarity, education, training and information were closely associated with the strategies adopted by these cooperatives in response to COVID-19 health pandemic. A special note should be made regarding cooperatives in the Mexican context, where they had to cope with the health emergency without the assistance of government policies, that could have helped them facing economic challenges, since there are no support programmes for this type of eventualities like the COVID 19 pandemic.

Due to this challenge, cooperatives were forced to consider new methods to secure the capital. However, the cooperatives concluded that the health emergency presented an opportunity for both cooperation and technology to acquire strategies that they had already considered before the pandemic, and that, given the urgency of the situation, they were more likely to be implemented. So now, they have a new goal, which is to build on the learnings obtained during this time and implement them consistently for their long-term development and growth.

Conclusions

According to the case studies conducted in this article, cooperatives in crisis situations utilize strategies based on their philosophy, as well as cooperative principles and values, such as cooperative cooperation between cooperatives, mutual aid, responsibility, solidarity, and education, training, and information.

As cooperative ecosystems support cooperative activities (collaboration networks between cooperatives, relationships between academia and government), it is important for them to be incorporated and developed, which increases the chances of creating new knowledge and know-how, as well as innovative processes of this type of social organization through the inclusion and development of actors from ecosystems.

This conclusive part of the study cannot be generalized to all cooperatives in Mexico City, since they were case studies. Mexican cooperatives have developed a variety of survival strategies depending on their sector and size, so the article does not attempt to indicate that all organizations in the social sector of the economy have resolved their problems in the same way. This analysis, however, indicates that cooperatives in which members are deeply committed to the principles and values that govern these organizations will be more likely to remain viable even in times of health and economic crisis, as exemplified in the five cases presented in this article.