

# COMPETITIVENESS

AND SURVIVAL IN RURAL COOPERATIVE SOCIETIES. AN ETHNOGRAPHIC ANALYSIS IN WESTERN MÉXICO

## COMPETITIVIDAD Y SUPERVIVENCIA EN SOCIEDADES COOPERATIVAS RURALES. UN ANÁLISIS ETNOGRÁFICO EN EL OCCIDENTE DE MÉXICO

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### ABSTRACT

Social economy has been used as a development strategy in various communities; however, its level of competitiveness has not always met expectations. This study analyzed the differences in competitiveness levels of cooperative societies in rural areas, employing both economic and perceptual indicators. Through an ethnographic approach that included observation and interviews, a sample of four cooperative societies was examined: two engaged in fishing production and two in tourism activities along the northern coast of Jalisco. The results revealed a duality between survival and competitiveness, highlighting two categories with significant gaps that reflect the polarization of this relationship. Furthermore, it was identified that strengthening internal competitiveness contributed to the survival, permanence, and consolidation of cooperatives, aligning with findings from previous studies. Although, as with any ethnographic study, limitations to generalizing the results were acknowledged, triangulation in data collection provided a deeper understanding of the observed characteristics and improved the accuracy of interpretations. This study underscores the importance of member commitment within cooperative societies to enhance competitiveness and suggests that strengthening this dynamic could lead to higher levels of development and sustainability for these organizations in rural areas.

**Keywords:** Rural development, Development strategy, Collective economy, Ethnography, Community participation

### RESUMEN

La economía social ha sido utilizada como estrategia de desarrollo en diversas comunidades; sin embargo, su nivel de competitividad no siempre ha alcanzado lo esperado. Este estudio analizó las diferencias en los niveles de competitividad de las sociedades cooperativas en áreas rurales, empleando indicadores económicos y perceptuales. Mediante un enfoque etnográfico, que incluyó observación y entrevistas, se examinó una muestra de cuatro sociedades cooperativas: dos dedicadas a la producción pesquera y dos a actividades turísticas en la costa norte de Jalisco. Los resultados evidenciaron una dualidad entre supervivencia y competitividad, destacando dos categorías con brechas significativas que reflejan la polarización de esta relación. Además, se identificó que el fortalecimiento de la competitividad interna contribuyó a la supervivencia, permanencia y consolidación de las cooperativas, coincidiendo con estudios previos. Aunque, como en cualquier estudio etnográfico, se reconocen limitaciones para generalizar los hallazgos,

la triangulación en la recolección de datos permitió una comprensión más profunda de las características observadas y una interpretación más precisa. Este trabajo subraya la importancia del compromiso de los miembros de las sociedades cooperativas para fortalecer su competitividad y sugiere que este enfoque puede traducirse en mayores niveles de desarrollo y sostenibilidad para este tipo de organizaciones en áreas rurales.

**Palabras clave:** Desarrollo rural, Estrategia de desarrollo, Economía colectiva, Etnografía, Participación comunitaria.

## INTRODUCTION

The growth in productivity from creative processes in science, innovation, and technological development has highlighted economic challenges, including rising unemployment rates. During economic recessions, social economy has emerged as a potential solution for job creation (Medina-Albaladejo & Pujol-Andreu, 2022). As a result, social economy has regained interest in both economic and social spheres, as social enterprises have demonstrated greater resilience to economic crises (Chaves-Avila & Savall-Morera, 2019; Medina-Albaladejo & Pujol-Andreu, 2022). Many developing countries are now providing resources to support the formation and growth of social enterprises, with the aim of creating more and better job opportunities.

The social economy, is based on the idea that economic activity should be a means to promote social well-being and inclusion. It is governed by principles such as democratic participation, equity, solidarity, and sustainability. Its focus is not solely on profit maximization but on positive social impact and the generation of decent employment. The social economy seeks to address economic and social challenges through collaboration, cooperation, and the pursuit of fairer and more sustainable alternatives.

Due to the public sector's inability to meet growing social and economic needs, such as job creation and access to goods for a larger population, cooperative societies (CS's) or other forms of social economy have become increasingly important (Yunus et al., 2021). These initiatives aim to promote inclusion, empower vulnerable groups, and improve the quality of life in communities. Additionally, the social economy can contribute to reducing inequalities, revitalizing local areas, and driving social innovation. CS's are social enterprises organized with the goal of achieving economic returns through the efforts and capabilities of their members.

Such has been the case in some rural areas in Mexico, where development has been enhanced through this

alternative, especially in agricultural rural zones. The rural area of the northern coast of Jalisco has been particularly interesting due to its natural conditions. Extending along the western part of Mexico, along the Pacific Ocean coast, it is characterized by its natural beauty and rich diversity in both landscapes and culture. With its beaches, tropical forests, mangroves, and lagoons, the northern coast of Jalisco becomes an attractive tourist destination (Comision estatal del agua Jalisco, s.f.).

The main economic activity in this area is fishing, with artisanal fishing being an essential part of the life of the local communities. Agriculture is also practiced, mainly cultivating crops such as coconuts, mangoes, bananas, and other agricultural products for local and regional consumption.

However, some areas have been protected by the federal government, making their exploitation in terms of agriculture, forestry, and hunting impossible. This has led the area to experience different strategies for its economic development and sustainability. Unable to fully exploit the natural resources individually, some communities have chosen to establish cooperative tourist societies to leverage the region's attractiveness and promote ecotourism, offering visitors nature experiences.

These cooperative tourist societies allow local communities to come together and share resources, knowledge, and efforts to develop tourism infrastructure, provide quality services, and preserve the natural environment. Through collaboration, the aim is to strengthen competitiveness and generate economic opportunities for the inhabitants of the area.

On the other hand, some communities have decided to unite through cooperative societies to sustainably exploit their natural resources, such as fishing. By working together, these communities have been able to implement responsible fishing practices and establish agreements for the conservation of marine resources. Sustainable fishing and cooperation among communities aim to obtain economic benefits and maintain ecological balance.

It is understood, therefore, that cooperative societies are a strategic alternative for local development, as they create employment and establish territorial connections with the people who comprise them, maintaining or generating greater wealth, and acting as a factor to strengthen social ties. However, for this to happen, CS's must be competitive and efficient. If not, they may become a burden and fail to achieve the desired social and economic outcomes (Lozano-Jiménez et al., 2018).

This study aims to analyze four CS's and examine the survival-competitiveness duality in six key areas: Purposes, Organization, Leadership, Goals, Production, and Social Conditions. The overall competitiveness of the CS's will be described, followed by a diagnosis by dimension. The study will also analyze the CS's in two groups, separating those with high and low performance, and describing the dimensional components of competitiveness in depth.

### Cooperative societies in México

The nature of a cooperative society is based on the idea that individuals can voluntarily and democratically come together to achieve common economic and social objectives. It is a form of organization in which members actively participate in decision-making and share benefits and responsibilities equally.

Unlike other forms of business organization, in a cooperative society, the primary objective is not the maximization of profits for a few owners or shareholders, but the well-being and sustainable development of its members and the community at large. Cooperatives seek to create employment, promote solidarity, improve the living conditions of their members, and contribute to the economic and social development of their environment.

In a cooperative society, each member has a voice and a vote in important decisions that affect the organization. This implies a democratic and participatory approach, where equality and equity in the distribution of cooperative benefits are encouraged. Additionally, cooperatives often provide quality services and products at fair prices, prioritizing the needs of members and the community rather than pursuing excessive profits.

The nature of a cooperative society is characterized by collaboration, solidarity, and mutual responsibility. Members work together on equal terms to achieve common goals and overcome economic and social challenges. Furthermore, cooperatives typically promote the education and training of their members, fostering the development of skills and capabilities that contribute to the improvement of the cooperative and the personal growth of each individual.

In Mexico, these entities have been recognized for their fundamental role in promoting the collaborative economy, driving socio-economic development, and fostering equity and solidarity, under the legal framework established by the General Law of Cooperative Societies (LGSC) and other complementary regulations, such as the General Law of Mercantile Societies (LGSM). The LGSC, enacted in 1994, aims to regulate the constitution, organization,

operation, and supervision of CS's in the country. Furthermore, it is based on the cooperative principles established by the International Cooperative Alliance (ICA) (Alianza Cooperativa Internacional, 2015), which include voluntary and open membership, democratic control, economic participation of members, autonomy and independence, education, training, and cooperation among cooperatives.

One of the fundamental aspects of cooperative legislation in Mexico is the possibility for citizens to organize themselves into cooperatives in different economic areas, such as production, consumption, savings and credit, housing, services, among others. This has allowed cooperatives to play an active role in sectors such as agriculture, fishing, industry, trade, and services, thereby contributing to the diversification and strengthening of the national economy (Instituto Nacional de la Economía Social, 2022).

CS's must be formed by at least five individuals or legal entities, who participate in decision-making and benefit equitably from the economic activities carried out by the cooperative (LGSC, 2018). This democratic and participatory structure is one of the pillars of cooperatives, as it promotes the inclusion and empowerment of its members, generating a sense of belonging and ensuring a fair distribution of economic benefits.

The mechanisms established in the legislation aim to guarantee transparency and accountability in the management of resources and decision-making, protecting the interests of the members and enabling the long-term viability and sustainability of cooperatives. Cooperatives are obliged to maintain proper accounting records, undergo external audits, and submit periodic reports to the competent authorities.

Another relevant aspect of the legal framework in Mexico is the recognition of fiscal benefits for cooperatives. These entities enjoy certain tax exemptions and incentives that enable them to strengthen their economic capacity and competitiveness. For example, consumer cooperatives are exempt from paying income tax on the income generated from their cooperative activities.

Additionally, the state establishes mechanisms of support and promotion through government programs and policies that seek to foster the development of cooperatives, facilitating access to financing, training, and technical assistance (Instituto Nacional de la Economía Social, 2023). These actions demonstrate the recognition and appreciation given to this business model as a viable and sustainable alternative in the socio-economic context of the country.

## Organizational competitiveness and survival

The analysis of CS's has often been focused on their ability to survive, as survival is a universal concern for organizations of all sizes, public or private (Fadeyi et al., 2019). Organizational survival is defined as a company's ability to remain in business despite challenging environmental factors and depends on its ability to meet the expectations of its stakeholders.

The survival of cooperatives (CS's) is not solely dependent on their ability to generate returns. Other factors, such as financing and regulation, also play a significant role in determining the limits set for performance (Cheng et al., 2022). Both external and internal stakeholders can impact a company's survival, even if it has the same economic performance as other companies (Sobering & Lapegna, 2023).

Organizational ecology theory suggests that the survival of an organization is linked to the strategies and capabilities it develops to adapt to the environment (Silva et al., 2019). To survive, CS's must balance structural inertia (factors that influence the rigidity of the organizational structure) with the adaptation process, aligning their strategies with the demands of the environment (Lajara-Camilleri & Server, 2015).

On the other hand competitiveness is a widely used and studied term, with various authors contributing to its definition over the years, including Kim & Mauborgne (2005); Treacy & Wiersema (1995). Although there is a wide diversity of perspectives (Chen & Miller, 2015), competitiveness is generally understood to mean either rivalry and aggressive competition (Stonehouse & Snowden, 2007), or cooperation among competitors that results in value creation for stakeholders (Harasim, 2021). Competitiveness depends on an organization's ability to produce or provide services that are good enough to compete in the market.

Competitiveness is a crucial aspect for organizations to achieve higher productivity levels, offer greater value, and maintain growth in a competitive market (Ahmed & Streimikiene, 2021). Cooperatives, despite being based on cooperative principles and social philosophy, are still affected by the competitive nature of the capitalist environment (Sobering & Lapegna, 2023). Thus, measuring competitiveness and addressing its diagnosis is essential to encourage growth and improve performance indicators such as profitability, market share, and social contribution.

Organizational survival and competitiveness are interlinked concepts, where the ability to generate returns and balance the demands of stakeholders can lead to the organization's survival, disappearance, or growth. The actions and commitments of organizations play a crucial role in determining their fate, and their adaptability and performance are key determinants of their competitiveness.

In the case of cooperatives, their competitiveness can be classified on a continuum based on their performance and adaptability, with survival being the lower limit. The greater the perceived performance, the greater the advancement towards competitiveness, as shown in Figure 1.

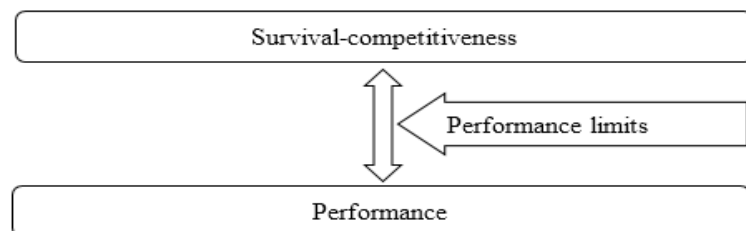


Fig 1: Survival-competitiveness duality.

Source: Own elaboration.

## MATERIALS AND METHODS

The methodology of this study is based on a qualitative, cross-sectional, and descriptive approach. An ordinal guide was used to systematize the data analysis, providing ease of interpretation.

## Sample

The sample for this study consisted of four rural-based cooperative organizations (SCs) from the North Coast of Jalisco. Two of these organizations were dedicated to fishing production, while the other two were dedicated to the tourist activity. Each organization had between 40 to 60 members, with 80% being male and 20% female. An ethnographic study was conducted to collect information through observation and interviews, which took place from February to March 2020 on the North Coast of Jalisco.

The Fishery Production Cooperatives, in the sample, are formed by fishermen who voluntarily come together to engage in activities related to the production, processing, and marketing of fishery products, which is the nature of these entities. The members have equal rights and actively participate in decision-making.

These cooperatives have a structure that includes a General Assembly, where all the members gather to discuss and make important decisions for the cooperative. They also have a Board of Directors composed of members elected by the assembly, who are responsible for managing and representing the cooperative. Through this Board, relationships are established with suppliers, buyers, financial institutions, fishery authorities, government, and local communities.

On the other hand, the tourist cooperatives also operate on a voluntary basis, with the goal of promoting and offering nature tourism services, recreational tours, sport fishing, whale watching, and fostering collaboration and shared ownership.

Similar to the fishery cooperatives, they have a General Assembly and a Board of Directors. However, in the case of tourist cooperatives, there is also a formation of committees or workgroups for different areas such as tourism promotion, event organization, accommodation management, tourist transportation, among others. These committees are responsible for planning and coordinating specific activities related to their respective areas of responsibility. Just like in fishery cooperatives, the members contribute economically when they join the cooperative, thus forming their social capital.

The intention was to observe the organizations in their usual environment in a systematic and non-disruptive manner. The research was conducted with an open mind to gather emerging impressions and to analyze the information using an ordinal qualitative perspective.

## Indicators

To systematize the information, a guide was developed to serve as an observation and interview tool to find evidence of the competitiveness state of the cooperative organizations. The guide aimed to describe the organizational conditions under which these organizations performed, and included six dimensions: 1) Purposes, 2) Organization, 3) Shared leadership, 4) Control of goals and objectives, 5) Production conditions, and 6) Social conditions within the organization. The guide consisted of 20 items, organized into an ordinal measurement scale of the Likert type, that represented organizational characteristics. The items were classified into four hypothetical situations, based on what was considered ideal in a cooperative society, as follows: 1) Undesirable situation, 2) Regular situation, 3) Good situation, 4) Optimal situation. Each item in the guide helped to gather specific information about the competitiveness dimensions in the cooperative organizations and that are conceptualized as follows:

### Purpose (P)

The concept of "Purpose" was used to describe the clarity of the objectives that led to the creation of the organization, starting from the principle of voluntary and open association (Alianza Cooperativa Internacional, 2015). The objectives were observed based on the premise that creating goals and work plans involves involvement and commitment to increase productivity and competitiveness (Mozas, 2000).

### Organization (O)

Organizations with efficient and stable structures (Chen & Miller, 2015) are capable of creating value by effectively managing their resources and capabilities and expanding their reach by leveraging relationships with other stakeholders. This makes them more competitive (Sanchis et al., 2015). To assess this dimension, the text examines factors such as the stability of partnerships, the solidity of the organizational structure and external relationships, and the professionalization of its members. These factors include the rotation of partners, understanding of the organizational structure,



number of relationships with interest groups, and academic level of partners.

#### The shared leadership (L)

Cooperative organizations that are able to work together effectively, make decisions collectively, and achieve strategic goals (Mozas, 2000) are better equipped to direct their resources and capabilities in a competitive manner. This strengthens their position when these characteristics are present, and weakens it when they are not (Sanchis et al., 2015). To describe the leadership capabilities of these organizations, the text examines traits such as organization, decision-making, and teamwork.

#### Goal and Objectives Control (C)

Cooperative relationships require participation in processes, as well as control over their implementation and achievement. This participation has a synergistic effect (Moyano et al., 2008). This dimension evaluates the organization's ability to control activities and achieve results, through monitoring the actions of the assembly, capacity for oversight, results of relevant production and marketing, and support utilized.

#### Production Conditions (Pr)

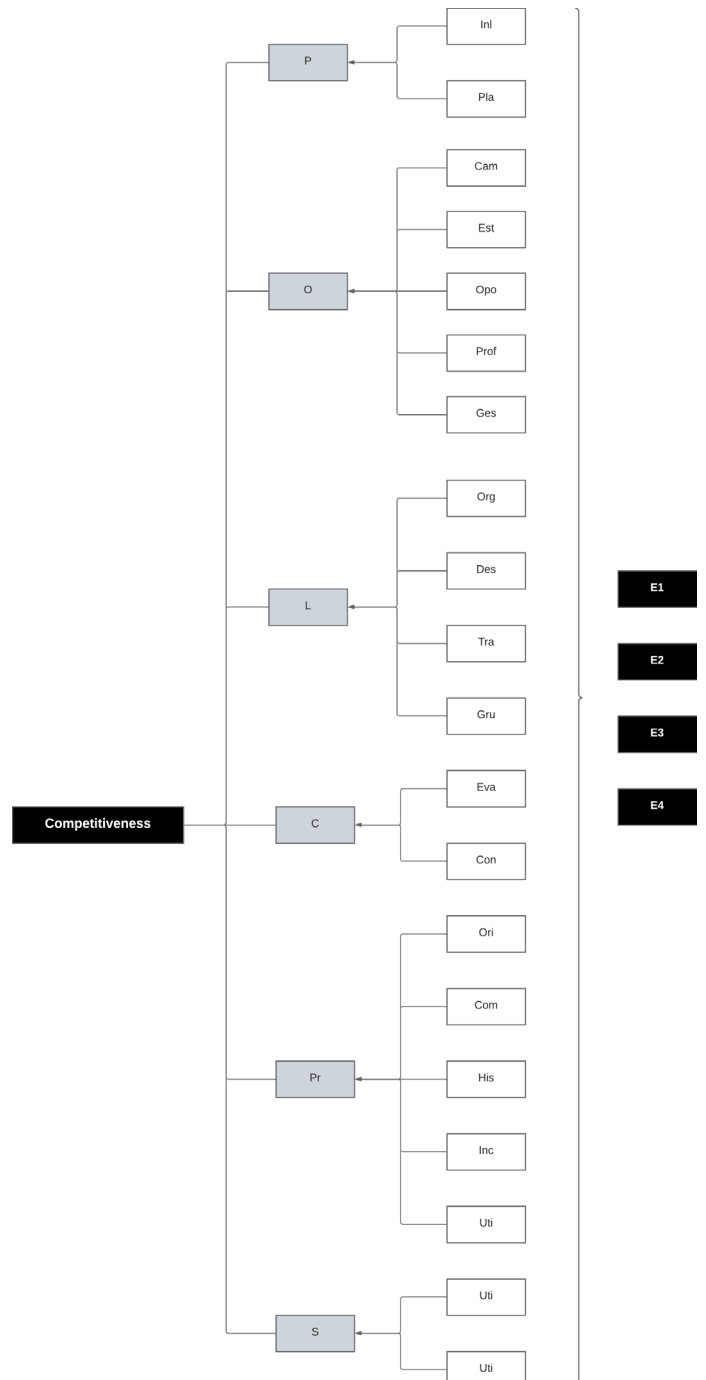
Organizations focused on the market tend to have more innovative processes in product development, leading to increased competitiveness (Lajara-Camilleri & Server, 2015). This dimension takes into account the conditions of the production processes, marketing, received support, and achievements of the organization.

#### Social Conditions of the Organization (S)

Cooperative organizations aim to improve the quality of life for their members in a solidary manner (Alianza Cooperativa Internacional, 2015). This dimension assesses the extent to which personal and community goals have resulted in improved quality of life, and considers the stagnation or deterioration of quality of life as undesirable.

The dimensions and variables were evaluated using ordinal scales based on responses obtained in four scenarios, forming a situational characterization. The organizational situation was valued based on the nature of each organization's management, using the analysis variables, observations made by the researcher, and responses obtained in interviews. An assignment matrix was created to order the variables and responses, and a table was developed to allocate a variable and category to each response. This is shown in figure 2 (Scenarios-items-dimensions-competitiveness).

Fig 2: Variables and dimensions.



Source: Own elaboration.

The evaluation used a maximum score of 80 points, which was distributed among the six variables described in the evaluation matrix (Tabla 1). After collecting data from the

four cooperatives in the sample, only one was found to be in an optimal condition, 50% were in a good situation, and one was in a regular situation, as shown in Table 2.

Tabla 1: Evaluation matrix.

Items			
Undesirable	Regular	Good	Optimal situation
1	2	3	4
P			
Undesirable	Regular	Good	Optimal situation
2	4	6	8
O			
Undesirable	Regular	Good	Optimal situation
5-7	8-12	13-17	18-20
L			
Undesirable	Regular	Good	Optimal situation
4-6	7-10	11-13	14-16
G			
Undesirable	Regular	Good	Optimal situation
2	4	6	8
Pr			
Undesirable	Regular	Good	Optimal situation
5-7	8-12	13-17	18-20
S			
Undesirable	Regular	Good	Optimal situation
2	4	6	8
Competitiveness			
Undesirable	Regular	Good	Optimal situation
20-30	31-50	51-70	71-80

Source: Own elaboration.

Table 2: Case summaries for competitiveness.

Cases	Competitiveness
1	45,00
2	56,00
3	72,00
4	66,00
Total N	4
Mean	59,75

Source: Own elaboration based on the data obtained.

## RESULTS AND DISCUSSION

As shown in Table 3, in the “Purposes” dimension, 50% of the cooperatives in the sample were rated as either good or optimal, while the other 50% were rated as either undesirable or regular. In the “Organization” dimension, 50% were rated as regular, 25% as good, and one as optimal. In the “Leadership” dimension, one was rated as regular, one as good, and the remaining two as optimal.

Regarding the “Goal and Objective Control” dimension, one cooperative was in an undesired situation, another was rated as either regular or good, one was rated as good, and the final cooperative was rated as optimal. In the “Production Conditions” dimension, all of the cooperatives were rated as good. Finally, for the “Social Conditions of the Organization” dimension, the ratings indicated that 50% were rated as optimal, 25% were rated as either good or optimal, and one was rated as good.

Table 3: Case summaries for dimensions.

		<b>P</b>	<b>O</b>	<b>L</b>	<b>C</b>	<b>Pr</b>	<b>S</b>
1		3,00	10,00	10,00	2,00	13,00	7,00
2		5,00	11,00	12,00	5,00	15,00	8,00
3		7,00	18,00	16,00	8,00	17,00	6,00
4		6,00	15,00	14,00	6,00	17,00	8,00
Total	N	4	4	4	4	4	4
	Mean	5,25	13,50	13,00	5,25	15,50	7,25

Source: Own elaboration based on the data obtained.

Although it is true that a higher total score should indicate a better competitive capacity of the subject, what is relevant is how each cooperative obtained that score sum, and given that there is a clear difference in half of the cases with high and low performance levels, to facilitate the analysis, the sample was divided into two, taking competitiveness (total score obtained) as the grouping criterion, where the cooperatives that showed a score above the average were grouped as the high evaluation ones, and the remaining two with clearly low scores below the average were identified as the low evaluation cases.

With this differentiation, these two categories manifest situational conditions that mark competitive gaps, making the polarization of the survival-competitiveness duality evident. The results obtained by each of the 20 items are described below.

With regard to how the organization started, the high evaluation cooperatives formed the cooperative on their own initiative in order to develop productive activities. On the other hand, the low evaluation cooperatives started the cooperative to solve community problems, although only one of them did so on its own initiative and the other under the influence of an institution.

For the work plans, the better evaluated cooperatives have experience in making plans for the organization, but only one of them continues with this practice, although its dissemination does not reach all the partners. The lower evaluation cooperatives showed very polarized situations. In one of them, plans have been carried out in the past, although not as a recurring practice, while in the other, they did not have plans and never had them.

In the evaluation of changes in initial partners, the best-rated cooperatives have maintained their number of members, although only one continues to have all its founding members active. The other group of cooperatives has not achieved similar or close results. One cooperative has maintained its membership count (although not all of its founders), while the other has lost members and now has a lower count than when the cooperative was established.

The best-rated cooperatives have well-structured organizational charts that are taken into account for work distribution. Only one of them has a formal organizational chart, while the other two have informal structures for dividing work. These cooperatives have also effectively utilized external opportunities and have established constant relationships with other institutions.



The other two cooperatives had polarizing results. One of them has a limited relationship with an institution due to geographical issues, while the other has no relationship with any institutions. None of the cooperatives in the sample have a strong level of professionalization. One of the best-rated cooperatives is comprised of members with no more than 9 years of education (secondary level) and with children still in school, while the other has a similar composition, with members having completed no more than 6 years of primary education.

The cooperatives with the lowest evaluations mainly have members who did not complete primary education, and their children are in the same situation. The best-rated cooperatives have varying management capacities. In one, all members are capable of performing management tasks, as agreed upon in the assembly, while in the other, only the leaders carry out management tasks. This latter scenario is also present in the lower-rated cooperatives.

The organization of activities is another strength of the best-rated cooperatives, as activities are organized through assembly agreements with the participation of all members in both cooperatives. In contrast, the lower-rated cooperatives either have activities organized by the president and board of directors, or activities are not organized at all, resulting in a constant state of disorganization. Interestingly, all four cooperatives have a similar approach to decision-making, with all members making suggestions and the entire group evaluating them before decisions are taken.

Regarding teamwork, the partners in the best-rated cooperatives frequently form teams, with one of them making this a common practice. In contrast, teamwork is nonexistent in the lower-rated cooperatives, with work always being done individually.

In the evaluation of opposing groups, two of the best rated cooperatives had contrasting results. While one of them had no groups against their leadership, the other had a small number of partners who opposed the leadership. On the other hand, the remaining two cooperatives did not show any signs of internal opposition. In terms of the evaluation of results and partner participation, the best rated cooperatives had diverse results. In one of the cooperatives, partners evaluate results and make decisions in assembly, while in the other, only the fiscal is responsible for controlling activities. The lower rated cooperatives also showed differing results. One of them relies on the leadership for evaluating results with no participation from other partners, while the other does not have any evaluation process at all.

In terms of fiscal evaluation, both of the highest-rated cooperatives promote fiscalization among all partners and leaders, and share information during assemblies. However, in the other two cooperatives, either the fiscal is solely responsible for fiscalization, or they simply do not perform this task.

The evaluation also considered the production orientation of these cooperatives. It was discovered that one of the top-rated cooperatives focuses primarily on producing non-traditional products that have a high market demand and profitability. On the other hand, the second cooperative deals with traditional products that have low profitability in the market. The lower rated cooperatives also had diverse production orientations, with one of them transitioning from traditional to non-traditional products, and the other solely producing traditional products with low profitability.

The commercialization of products showed similar results for both the best rated and lower rated cooperatives. In each case, one of them has established markets outside their community and achieves good prices, while the other has agreements with intermediaries at set prices. The history of received support from other institutions or organizations was also evaluated and the best rated cooperatives had received support and repaid any loans received. One of the best rated cooperatives used the resource for the benefit of the society as a whole, while the other only took advantage of the resource for themselves. The lower rated cooperatives had differing experiences with support, with one of them using the resource for the benefit of a select group of partners and repaying the loan amount, while the other did not use the support and failed to repay the loan. The increase in assets (equipment/infrastructure) through own resources was a strong factor for the evaluated cooperatives.

Three of the cooperatives have increased their fixed assets and are taking advantage of them. Only one of the lower evaluated cooperatives has increased its assets, but it only uses them sporadically. In terms of profits, the best evaluated cooperatives have consistently reported profits throughout their years of operation. Meanwhile, one of the worst evaluated cooperatives has had profits, but only for certain seasons, and the other has reported profits consistently since its establishment.

The personal benefits that the partners of the best evaluated cooperatives have received are evident as all members reported an improvement in their quality of life. The worst evaluated cooperatives also reported an improvement in quality of life, although only for some of the partner groups. Finally, the communal benefits generated by the best evaluated cooperatives have resulted in community

works and the contribution of resources for community development. On the other hand, one of the worst evaluated cooperatives has managed to get others to carry out community works, but the cooperative itself did not contribute any resources. The remaining worst evaluated cooperative has reported a setback in the development of the community, with members stating that the situation has worsened despite the existence of the cooperative.

## DISCUSSION

This ethnographic study, with its qualitative nuances, provides a detailed understanding of internal competitiveness and survival in rural cooperative societies (CSs) in western Mexico, though its nature limits the generalizability of the findings. Triangulation in data collection has enhanced interpretive accuracy and allowed the identification of key characteristics in the observed CSs. However, the instrument designed for this analysis, which focuses solely on internal competitive factors—such as resource management and environmental adaptation—has limitations. While grounded in theory and prior knowledge about CSs, its reliability has not been validated for quantitative studies. Nevertheless, the instrument enabled systematic observation, shedding light on critical aspects of the cooperatives' performance. Future research could refine this tool, incorporate external factors—such as the ability to establish networks (Espinoza-Guzmán et al., 2021)—and validate its applicability in studies of attitudes and perceptions.

The findings indicate that greater internal competitiveness fosters the survival and consolidation of CSs, aligning with previous research. For instance, Moyano et al. (2008) and Mozas (2000) emphasize that member commitment strengthens organizational permanence, while Lajara-Camilleri & Server (2015) highlight the importance of market-oriented production through innovative processes in products and services. Similarly, management professionalization (Gomez-Carreto et al., 2018) and the efficient use of organizational resources (Sanchis et al., 2015) emerge as cornerstones for social innovation and operational success. However, this study overlooked relevant internal factors, such as the capacity to build collaborative networks, which could have enriched the analysis and warrants further exploration in future work.

## CONCLUSION

Competitive strategy remains pivotal in positioning CSs along a survival-competitiveness spectrum. Cooperatives with robust adaptive competencies distance themselves from the lower limits of this spectrum, averting dissolution. In the observed sample, high-performing CSs starkly

contrast with those exhibiting poor performance, which face the risk of collapse due to their inability to adapt. This qualitative disparity suggests that, without effective support, CSs may shift from being a viable economic alternative to becoming a social burden. For example, less competitive cooperatives not only fail to generate wealth or employment but also weaken the rural social fabric, leaving communities in worse conditions than before their establishment.

These findings underscore the need for professional and strategic support for CSs. Local development rooted in this economy—which promotes employment, wealth, and territorial ties—requires ongoing training and sufficient resources to transform cooperatives into sustainable strategic options. High-performing CSs demonstrate that surpassing minimum competitiveness thresholds ensures not only their survival but also an improved quality of life in their communities. Conversely, those unable to adapt disappear, revealing that a lack of competitiveness carries both economic and social consequences. Stakeholders—governments, academics, and local actors—must therefore prioritize support mechanisms that drive sustained growth, such as training programs, market access, and funding. Only through such measures can CSs establish themselves as engines of rural development, moving away from the risks of extinction and contributing to collective well-being.

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