

Determining elements in cases of failure and dissolution of cooperatives: a systematic review

Elementos determinantes nos casos de fracassos e dissolução de cooperativas: uma revisão sistemática de literatura

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Abstract

This work intends to contribute to the literature on cooperative societies, in particular, on which elements have been decisive in cases of discontinuity of these organizations. A qualitative approach of an exploratory nature was used as a methodological resource, through a systematic literature review. The bibliography retrieved from the databases of Scopus and the Portal of Periodicals of the Coordination for the Improvement of Higher Education Personnel (Capes), in the period from 1971 to 2021, resulted in 54 and 97 works respectively, which were later analyzed and categorized. The results show that the main contributing factors to the failure and dissolution of cooperatives have been identified and associated with external factors, observable in: (i) cooperatives acting as a development mechanism, (ii) cooperatives as operators of public policies; and internal factors: (iii) characteristics inherent in the cooperative organization, (iv) government interventions in the environment of cooperative action, and (v) political, economic and legal issues.

Key-words: failure of cooperatives, dissolution of cooperatives, cooperatives.

Resumo

Este trabalho intenciona contribuir com a literatura acerca das sociedades cooperativas, em especial, sobre quais elementos têm sido determinantes nos casos de descontinuidades destas organizações. Utilizou-se como recurso metodológico uma abordagem qualitativa de natureza exploratória, por meio de uma revisão sistemática de literatura. A bibliografia recuperada nas bases da Scopus e do Portal de Periódicos da Coordenação de Aperfeiçoamento de Pessoal de Nível Superior (Capes), no período de 1971 a 2021, totalizaram 54 e 97 trabalhos respectivamente, os quais foram posteriormente analisados e categorizados. Os resultados evidenciam que os principais fatores contributivos para o fracasso e dissolução das cooperativas têm sido identificados e associados a fatores externos, observáveis em: (i) cooperativas atuantes enquanto mecanismo de desenvolvimento; (ii) cooperativas enquanto operadoras de políticas públicas e fatores internos: (iii) características inerentes à organização cooperativa, (iv) intervenções governamentais no ambiente de atuação cooperativa e (v) questões de ordem política, econômica e legal.

Palavras-chaves: fracasso de cooperativas, dissolução de cooperativas, cooperativas.

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1 Introduction

Cooperative societies are formed by people who join together with mutual objectives to carry out socioeconomic activities. According to the history of the International Cooperative Alliance¹, the first existing record of a cooperative took place in 1761 in Fenwick, a village in *East Ayrshire*, Scotland, starting the Fenwick Weavers' Society. Some years later, another experiment arose in the small English town of Rochdale (Manchester surroundings) in 1844, bringing together a group of 28 artisans, starting the *Equitable Society of Rochdale Pioneers*, also known as (the Rochdale Pioneers). This is the second experience that, according to Namorado (2007), confirmed the success of these organizations, by giving autonomy and identity to the cooperative phenomenon as we know today on a global scale.

In the normative context, this type of society was only legally registered eight years after its appearance with the coming of the *Industrial and Provident Societies Act 1852*. This legislation has come to focus not only on the registration and operation, but also on the closure - dissolution - of these organizations.

The phenomenon of suspension of the activities of cooperatives has been approached by using different terminologies. In the case of the European Community (EC) for example, these terms can be seen in EC Regulation number 1435/2003 on the Statute for a European Cooperative Society (SCE).² Here we have the (optional) proposition that all statutes must adopt the procedures relating to dissolution, bankruptcy and similar cases. The Latin American case is also similar to the EC where the Organization of Cooperatives of the Americas (OCA), through its bill for cooperatives in Latin America³ also mentions dissolution and bankruptcy as a form of closure of the activities. In summary, the declaration of bankruptcy foreseen in the legislation of several countries is one of the motivations for the closing procedure called 'dissolution'.

The recommendations contained in these documents - propositional and non-mandatory - do not mean complete adherence, nor does the use of these terms and processes by countries in general. Because the organizational and legislative experiences in Europe and Latin America differ in relation to dissolution and bankruptcy processes. In general, socialist countries have adopted in their legislation a more identitarian and principiologic character, while in more industrialized countries, cooperatives have received treatment similar to other forms of business organization. Thus, it is common to find in the legislations of different countries, dissolution as a specific case applied to cooperative societies, and bankruptcy to other business forms (Cracogna, 2003; Montolio, 2011).

As far as this differentiation is concerned, the Brazilian case deserves to be highlighted. The general regulation that controls cooperative societies in Brazil is Law No. 5,764⁴, published on December 16, 1971, which established the current legal regime for these societies. In addition, article 982 of Law 10,406 on January 1, 2002 (The Brazilian Civil Code) confirmed the distinction of cooperatives in relation to companies by stating that "the society whose purpose is the exercise of an entrepreneur's activity is considered an entrepreneurial society, and the cooperative is considered a simple society" (Brasil, 2002). Law No. 5,764/1971, popularly referred to as the general law for cooperatives, in its 117

¹ This story can be found at: <https://www.ica.coop/es/cooperativas/historia-movimiento-cooperativo>

² You can see it at: <https://eur-lex.europa.eu/eli/reg/2003/1435/oj>

³ You can see it at: https://parlatino.org/pdf/leyes_marcos/leyes/ley-cooperativa-alatina-caribe-pma-30-nov-2012.pdf

⁴ Other legislation has resulted from this, such as Complementary Law 130/2009 (Credit Cooperatives), Law 9,867/1999 (Social Cooperatives) and Law 12,690/2012 (Work Cooperatives)



articles, contains all the procedures for creation, management, and control, as well as those relating to the closure of the activities of such societies. The event featured as 'dissolution', consists of voluntary dissolution, when the cooperative members themselves decide not to continue the business, or when, in the absence of a decision of these, there is the judicial dissolution "at the request of any associate or on the initiative of the federal executive body" (Brazil, 1971, Art. 64).

The organizational and legal distinctions in relation to other companies are what give cooperatives their specificities and complexities. Among the latter, we can mention the unique procedure of closing down cooperatives, described in various regulations as 'dissolution'. Beyond the terms liquidation and dissolution, which would be the formalization of the closure of the activities of the cooperative enterprise, many authors have analyzed various organizational factors that culminate in this process. In some cases, the terms have been used synonymously to characterize the discontinuation of a cooperative's activities. In this study - since its denomination - the terms failure and dissolution were used due to the majority use in the literature, in reference to the cases of suspension of the activities of the cooperative enterprise.

Nevertheless, the continuity or discontinuity of the cooperative ventures can result from internal factors (institutional and operational) or external factors (political, economic, legal, technological, etc.). Thus, it is elementary to understand the real motivations that end up incurring in legal⁵ and administrative procedures that cause the closure of these companies.

This article is organized in five sections in addition to this introduction. In the second section, we address some issues about the failure of cooperatives, which are pertinent and motivate the realization of the work and we also carry out the problem proposition for this study. In the third section, the methodological path guiding the research is described. In the fourth section, the results are presented in summary form. In the fifth section, the results are categorized and discussed. In the sixth and last section, the concluding remarks are made.

2 Questions about the discontinuation of cooperative societies

Societies are constituted and dissolved according to the will of their members, motivated by several factors. The complexity of these societies and their high costs to maintain their activities (financial costs of taxes, holding and registering meetings, organizing their membership, among others) require special attention regarding their survival and longevity.

At the global scale, even though few works deal with these societies and the factors associated with failure and dissolution, Grashuis (2020) states that empirical research on the survival of cooperative enterprises is still limited. And the few existing works in the international literature treat terminologically the term 'failure' as failure in general, or even 'dissolution' as synonyms, since the latter is just a technical-legal wording to describe the formalization of the former.

According to Crúzio (1999) in his case study - one of the few existing works - on the bankruptcy of Brazilian agricultural and agroindustrial cooperatives - these cooperatives were being driven to economic bankruptcy by institutional issues, i.e., by regimental and statutory issues. The author also found political problems (permanence in power, low turnover, alternation, and maintenance of administrative positions) and low socioeconomic performance of the members. However, the locus of his case study consisted of the analysis of only one cooperative still in operation (in the process of closing). Furthermore, the very use of the term

⁵ In the Brazilian case, this process can be seen in chapter XI, articles 63 to 78 of Law No. 5.764/71

'bankruptcy' reflects a more restrained concern on the author's part, by understanding only the aspects "that can lead these organizations to economic bankruptcy" (Crúzio, 1999, p. 19). This makes sense, since in the Brazilian legal system cooperatives as partnerships are not subject to the legal bankruptcy process. Although the author's conclusions have allowed the analysis of specific issues, some doubts remain about the key issues that would be leading the other cooperatives to a dissolution process.

In addition to the analysis carried out by Crúzio (1999), later studies such as those done by Bressan, Braga, and Lima (2004) and Bressan *et al.* (2011) focused their analysis on the insolvency and liquidation of cooperatives, while the studies by Carvalho *et al.* (2009; 2015), have devoted themselves to the issue of mortality and longevity. The latter, however, only approach - thoroughly - the survival of cooperatives in the credit branch, based on a model of competitive risks whose results show that there is no statistical evidence to ensure a correlation between profitability and survival of the cooperative (Carvalho *et al.*, 2009). It can be seen, therefore, that the literature that addresses, in a more qualitative way, which elements have influenced and have been determining in the cases of discontinuation of cooperatives is limited.

In conclusion, by examining the cooperative context, the literature that deals with cases of discontinuity is scarce as well as the factors that contribute to the failure and dissolution of cooperative ventures are still incomprehensible. Therefore, we propose to answer the following question: what is the state of the art about the failure and dissolution of cooperatives? What does the national and international literature recommend as determining elements in cases of discontinuity of these organizations?

3 Methodology

3.1 Objective and methodological approach

The current research is characterized as a qualitative approach, aiming at an exploratory analysis for the identification and description of elements related to the situation of discontinuity of cooperative organizations, reported by the existing scientific production. In this sense, a systematic literature review was carried out by observing national and international publications on the theme and focusing on high impact journals.

The methodological option for the systematic review resides in the fact that it is the most recommended when it comes to the search for answers and evidence with a high degree of specificity (Castro, 2001). Furthermore, given the specificity of the problem question and the search descriptors, this study topology is best suited for identifying, selecting, and critically evaluating the quality and validity of scientific evidence presented in previous original studies. Its operationalization keeps characteristics such as reproducibility and impartiality, using explicit methods (protocols) for the comprehensive survey of bibliographies, and consequently, their critical evaluation. It is possible to identify themes that need evidence, assisting in guiding future investigations (SAMPAIO & MANCINI, 2007; DONATO & DONATO, 2019).

3.2 Universe of analysis and protocol

The evidence searches focused on scientific journals from the Scopus and Capes Periodicals Portal databases published between 1971 and 2021. The selection of the articles began with the determination of the keywords, i.e., the possible combinations that met the research objective. The temporal dimension, by taking 1971 as the base year, is due to the fact that it is the time frame in which some of the search descriptors used appeared for the first time in the literature related to cooperative societies, especially in Brazil.



The selection of materials was based on the following descriptors: "failure of cooperatives" in combination with the Boolean operator "OR" with the term "dissolution of cooperatives", in the English language, contained in all fields (subject, title, keywords and abstract), in peer-reviewed journals, article type, regardless of the area of knowledge.

Table 1 below describes in more detail the protocol used in the following research.

Table 1 – Research protocol

Protocol	Description
Conceptual Environment	- Failure of cooperatives: - Dissolution of cooperatives:
Type of Material	Peer-reviewed articles, open
Temporal scope	1971 to 2021
Area of knowledge	Unrestricted
Language	Portuguese and English
Descriptors	Failure of cooperatives OR Dissolution of cooperatives; (Failure of cooperatives OR Dissolution of cooperatives)
Insertion of descriptors	Title; abstract; keywords.
Criteria for Exclusion (EC)	CE ₁ : Duplicate studies; CE ₂ : Studies that do not contain the descriptors in the title, keywords or abstract; CE ₃ : Studies not framed in the conceptual environment; CE ₄ : Closed Studies
Base (address)	Scopus (https://www.scopus.com) Portal of Periodicals Capes (https://www-periodicos-capes.gov-br.ezl.periodicos.capes.gov.br/)

Source: elaborated by the authors based on Dresch, Lacerda, Antunes Jr. (2015).

The definition of exclusion criteria (EC) is justified because of the amplitude of knowledge and language areas which generates results characterized by polysemy (multiplicity of meanings). So, submitting the results to a second evaluation by the criteria, although more exhaustive, it allows a more qualified selection of the recovered materials.

4 Results

After performing the search procedures, it retrieved 54 and 97 results, in the 'Scopus' and 'Capes' bases respectively. All the materials were subjected to the exclusion criteria (EC) according to the previously defined protocol and verifiable in the Table 1. At the end of the procedure, a total of 11 and 7 publications remained to be analyzed in the respective bases mentioned above.

Table 2 clearly illustrates the results generated by the searches, the submission to the exclusion criteria and the amount of publications to be analyzed.

Table 2 - Retrieved publications by descriptors, refined by EC and total.

Search	Combinations		Criteria for Exclusion (CE)				Total of publications
	" Failure of cooperatives"	" Dissolution of cooperatives"	CE1.	CE2.	CE3.	CE4.	



Scopus	40	14	0	7	31	5	11
Capes	86	11	1	67	20	2	7

Source: developed by the authors (2021).

In line with the proposed research objective and methodology, 18 publications were selected that were pertinent to the established descriptors. The materials explore what elements were determining in the cases of failure and/or dissolution of cooperatives, the objects of study of these respective publications. In order to better understand the research problems, the cases analyzed and their respective countries of origin, the time dimension of the studies, and the main elements contributing to the discontinuities of cooperatives and their characteristics are presented with more details of the publications analyzed in Table 3 in the Appendix.

5 Analysis of results

In order to contextualize the analysis carried out about which elements were pointed out as determinants of the discontinuities in the respective cases analyzed, we chose to divide the results into two sets of factors, internal and external.

The internal elements were observed in situations where the determining problems of the cases of failure or dissolution are related to the own specificity of the cooperative, that is, they are (i) problems inherent in the cooperative organizational model such as governance, social capital, membership, dual nature, among others.

The external elements are those which have impact on the cooperative and can be caused by political, economic, social, and technological variables, among others. Regarding the external factors, these were observed in cooperatives that were in different contexts of operation and interaction with their publics. In this scenario, it was observed that the contributing factors to the discontinuity of the cooperatives, characterized as external, derived from: (ii) problems caused during the performance of development programs/projects, (iii) problems caused during the execution of public policies in their countries, (iv) problems caused by governmental interventions in the cooperative environment, and (v) political, economic and legal issues. Next, we describe a synthesis of these analytical categories.

5.1 Elements of an internal nature

(i) Problems inherent in the cooperative organizational model

The works grouped in this category are those in which the elements point out as decisive in cases of failure or dissolution of cooperatives are related to the specificities of the cooperative organization itself (corporate model). These observations come from publications from several countries such as the United States, Spain, Greece, Indonesia, Romania, Mexico and the United Kingdom (this addressing Italian and Spanish cooperatives).

The research conducted by North American academy has paid special attention to issues such as performance, competitiveness, and internal elements within these organizations. The works of Grashuis and Cook (2018) and Grashuis and Franken (2020) are some that point out elements that affect the survival of cooperatives.

Grashuis and Cook (2018) analyzed the so-called New Generation Cooperatives (NGC) on the assumption that, previous analyses only emphasize failure/dissolution as a one-dimensional construct. According to the authors, elements such as lack of interest from their members, patrimony, and liquidity are determining for the failure of these cooperatives. The



authors reinforce their analysis also by finding that among the factors, they highlight the limited capacity of these cooperatives to conduct complex, capital-intensive and value-added ventures. In turn, Grashuis and Franken (2020) analyzing US cooperatives in general, listed as determinants of high incidence of Liquidation and Dissolution (L&D) the high level of debt on the balance sheet, and as a determinant of Mergers/Acquisitions (M&A) the relatively large size of cooperatives. Otherwise, elements such as diversification of the product and service portfolio, and a relatively strong financial performance impact on low susceptibility to L&D and M&A processes.

The studies by Núñez-Nickel and Moyano-Fuentes (2004), Planas and Valls-Junyent (2011), Basterretxea, Cornforth and Heras-Saizarbitoria (2020), Saz-Gil, Bretos and Díaz-Foncea (2021) had as their object of study the failure in the context of Spanish cooperative initiatives. The authors Núñez-Nickel and Moyano-Fuentes (2004) analyzed the cooperatives operating in the olive oil milling chain, and found that lack of interaction between owners and their respective cooperatives was a determining factor for their failure. Furthermore, according to the authors, this interaction (relationship) increases their chances of survival, their organizational size, and consequently, the probability of failure of other competing organizational forms (non-cooperative firms).

The analysis carried out by Planas and Valls-Junyent's (2011) aimed to seek answers as to why cooperatives in Catalonia failed. As a result, they pointed out the social and political confrontation existing at the local level ended up playing a fundamental role in the failure of many of these cooperatives. The competition between two cooperatives in such a small area and without adequate external support was an obstacle to their development, since the multiplicity of initiatives led to an atomization of the cooperative efforts, reducing the economic capacity of these organizations to provide material improvements.

Basterretxea, Cornforth and Heras-Saizarbitoria (2020) analyzed the specific case of Fagor Electrodomésticos S. Coop (FED) belonging to the Mondragon Corporation in Spain. The results obtained by the authors demonstrated that the internal factors linked to the governance system (typical of the cooperative model) and the cooperative culture influenced the main failed strategic decisions and reduced the ability of the company to reverse the effects of the crisis established. In addition to these elements actions and decisions that were not taken at the governance level (due to lack of time and proactivity of the governance) which contributed to the failure of FED.

Saz-Gil, Bretos, and Díaz-Foncea (2021) analyzed the relationship between social capital and cooperatives. According to the authors, the good performance of agricultural cooperatives, "strongly depends on trust, reciprocity and interpersonal relationships which help to overcome market failures, reduce transaction costs and decrease problems related to asymmetric information" (SAZ-GIL, BRETOS, and DÍAZ-FONCEA, 2021, p. 3). In this sense, they concluded their analysis by pointing out that lack of trust, reciprocal relations among members, transparency, and other components of social capital can lead cooperatives to failure.

The identification of these elements in cooperatives in Greece can be found in the analysis carried out by Iliopoulos and Valentinov (2017). For the authors, the elements associated with the failure of cooperatives observed in their analysis are related to the mission that these societies have, to balance their dual nature. The search for economic and financial optimization, and a social framework strongly marked by the heterogeneity of member preferences, leads to an environment full of potential for internal conflict.

By analyzing agricultural cooperatives in the southeast region of Romania, Florea *et al.* (2019) listed contributing factors to the failure of cooperatives in this country, noting large numbers of cooperatives that went out of business, as well as others that became inactive.

Conclusively, the authors listed that, (a) the minimum capital contribution required by law on the part of the members, (b) lack of collection space (reception/organization of production, and management), (c) no outsourcing of management services, (d) misunderstanding of opportunities and obstacles facing the cooperative and (e) unsustainability of the cooperative due to lack of member participation were determining for the failure of the cooperative. These five elements must be observed in the phase of establishment of cooperatives, which not being done, can lead to failure, as well as result in cooperatives with low social, economic and environmental impact (FLOREA *et al.*, 2019).

Junardi, Sidik and Muhaimin (2019) analyzed the determining causes of the dissolution processes and their consequences in the Indonesian Regency of Sumbawa. The authors concluded that the lack of time devoted to management, assumptions and lack of understanding that people in the community make of cooperative organizations, added to the lack of attention of the Sumbawa Cooperative Office - the body of supervision and support to cooperativism - the cooperatives created were decisive in the cases of dissolution of many cooperatives.

5.2 Elements of external nature

(ii) Problems caused during performance in development programs/projects.

The studies carried out by Hatti and Rundquist (1993), Baig *et al.* (2019) and Moon and Lee (2020) in Pakistan, India, and Rwanda, respectively, illustrate the relationship between different development programs and projects and cooperatives. The authors analyze the cooperative model adopted by national governments and international organizations as a way to undertake strategies to promote rural development, be it at the local or regional level.

For Hatti and Rundquist (1993), the state makes mistakes in planning rural development policies, by disregarding the socioeconomic and cultural characteristics of the local members. In this sense, the development programs try to impose cooperation, which in the authors' view, must arise locally. The cooperative initiatives designed in these programs, as in the case of India, ended up not integrating members participation, widening class inequality. In addition, the disregard of pre-cooperative aspects (cooperation, group work, and formalities of the cooperative model) were determining factors in the failure process of these cooperatives.

By analyzing the possibilities of rural development, in a community characterized by smallholders and landless peasants in Punjab Province, Pakistan, Baig *et al.* (2019) visualize the cooperative form as a solution to this problem. The authors concluded that Pakistani cooperative experiences can be classified as unsuccessful. Dysfunctionalities such as not sustaining their growth and performance for a considerable time, the alienation of most cooperators to cooperation, difficulties in managing the activities undertaken in a cooperative format, , the lack of interest and coordination among institutions, have been decisive for the failure of these organizations. Finally, they also point out that these dysfunctionalities can be overcome by adopting the Village-City Model (VCM) inspired by the South Korean model of cooperative organization "Saemaul Undong" (New Village Movement). This model, based on participatory management, will be able to contribute to the challenges of agricultural development and success of the cooperative model in Pakistan.

Moon and Lee (2020) focused their analysis on the strategies adopted by international agencies and organizations to support cooperatives as a strategic means for poverty reduction and the development of rural communities in Rwanda, West Africa. After analyzing two cooperatives - CODARIKA and KOPABUGI - created within the scope of projects funded by international agencies, the authors concluded that multiple factors, among which, the lack of

adequate support (of a temporary and unsystematic nature) from international organizations were determining for the failure of these initiatives.

(iii) Problems caused during the execution of public policies.

The observation made by Lewis (1996) is inserted in the context of cooperative arrangements constituted for the operation of public policies.

Lewis analyzed the case of the Comilla district in Bangladesh, which from the 1980s (belatedly), began to experience the advances and technological packages of the Green Revolution, such as the privatization of the distribution of agricultural inputs and improving the levels of adoption and access to new technologies. The introduction of these elements, especially the technological change towards mechanization, occurred earlier from 1960 to 1970, under the strong influence of international organizations via cooperation agreements, such as the World Bank and the United States Agency for International Development (USAID). The author has observed the induction of cooperative arrangements, formalized for the operation of public policies in the area of agricultural mechanization. The incorporated organizations have taken over the provision of acquisition services, operation, maintenance, and management of mechanical services. According to the results observed by Lewis (1996), the induction of cooperatives from top to bottom, and the accumulation of management deficiencies were determining for the failure of these cooperatives. After these cooperatives failed, they were gradually replaced by local entrepreneurial initiatives based on the disposition of capital, accumulated experience and social relations acquired along the mechanization operations.

(iv) Problems caused by government intervention in the cooperative environment

The works classified in this category are characterized as those in which the analyzed cooperatives suffered relative government intervention in their environment.

One such study belongs to Holmen (1985) that analyzed agricultural cooperatives in Egypt. Motivated by the search for answers to the performance changes of cooperatives, which prospered for many years, and then came to a situation of inefficiency, the author verified the occurrence of dissolution of several cooperatives in the country. Among the elements identified, we highlight the cooperative system based on a strong government control of farmers (and their cooperatives), practice of selling inputs and products on the black market, and attempt to circumvent the production plans and crop rotation schemes imposed by the government. In addition to organizational discontinuity, the author also notes the liquidation of the union representing cooperatives, in addition to the emergence of a scenario of uncertainty, about which economic sector (private, public, cooperative) Egyptian agricultural cooperative societies should belong.

Yarnal (1994) analyzed the experience of decollectivization of land ownership in Bulgaria as agricultural production was predominantly carried out by cooperative farms. decollectivization the author noted that the intervention of the Bulgarian government in decollectivization through the Land and Farms Act in 1992 and the financial crisis in Bulgaria led to the mass closure of cooperatives, given the power concentrated in the Land Commission and Settlement Commission, both state-owned. The author also points out that the use of land in the form of a cooperative farm is uncertain and the possibilities of survival for the remaining cooperatives are supported by four elements: (a) continuation of the existing 'cooperative structure' (b) dissolution and liquidation of the cooperative and its assets, (c) formation of a smaller specialized private cooperative and (d) interruption of agriculture on poorer lands.

(v) Political, economic and legal problems

This categorization frames results whose contributory factors of the processes of failure (and) or dissolution are related to political, economic and legal issues.

Russell and Hanneman (1992) sought to relate the life cycles of cooperative business to economic cycles in Israel. To this end, they took as a case study the cooperatives of work and services, by analyzing whether the changes of economic order have an impact on the creation and dissolution of these cooperatives. In conclusive terms, the study revealed that the formation of Israeli worker cooperatives appears to respond countercyclically to GDP growth, but procyclically to unemployment. As for dissolution, there was stronger evidence of countercyclical behavior in the dissolutions of these cooperatives since at least they seem quite resistant to economic crises. In addition to the findings, the fact that Israeli worker cooperatives are driven less by economic conditions than by political and institutional factors.

The work carried out by Bennett's (2017) analyzes the economic impacts on cooperatives in Yucatán resulting from the adoption of neoliberal policies in Mexico. The author hypothesizes a contemporary, neoliberal, political-economic context that is less conducive to the success of fishing cooperatives. As elements that impact both the success and failure of small-scale fishing cooperatives, the author listed: (a) perceived advantages in forming and participating in cooperatives, such as obtaining government assistance (resources, infrastructure, licenses, etc.), (b) the possibility of breaking the local monopoly through bargaining power, (c) the effects of increased and decreased membership and political representation, (d) excessive dependence on government subsidies.

Finally, Medina-Albaladejo and Menzani (2017) provide a slightly different analysis than the others. The analysis lies not strictly in a case of failure or dissolution, but rather, in the cooperative business model, generating analyzes that can impact both the success and failure of this model. The wine chains from Italy and Spain are operated through cooperative businesses by applying the 'Cooperative Business Life Cycle' to both cases. The Italian model developed differently, through professionalization, modernization and the pursuit of competitiveness due to poor state protection. The Spanish model was affected by several crises linked to a corporate system and dictatorial, parasitic and uncompetitive regime.

6 Final Remarks

It was observed during the research that the results found in the respective researched bases are numerically limited for a general presentation of the state of the art on the subject of cooperative failure and dissolution.

The recovery of the searches brought a view of the international literature with analyses of cases in several countries, by illustrating cases that occurred in various segments of economic activity and contexts. However, it is clear the gap observed in the Brazilian production, which still lacks in-depth studies on the theme.

Regarding the factors identified as determining in cases of failure and dissolution of cooperatives, the results found, refined and categorized, address a multiplicity of elements and contributing factors in cases of failure and dissolution of cooperatives. The research retrieved by the searches, for the most part, fits methodologically as qualitative in approach, and procedurally as case studies. They identify internal and/or external elements as determining of the causes of failure of cooperatives.

The analysis of the results allowed us to visualize that the elements pointed out do not consist of a unidimensional construct, but rather a multidimensional one. There is a multiplicity of elements that can be associated with internal issues, typical and possible of the cooperative model, or even associated with issues related to the environment where these cooperatives are

inserted. Among the studies that point to internal elements, there is a greater similarity among these, such as the issue of lack of management capacity, lack of time for management, lack of understanding, low social capital, lack of operations, interactions and participation in the cooperative. The external elements to the cooperatives may be associated with the political, economic, and legal influences that suffer from the environment in which they operate.

Finally, it is evident that there is a need for further research on the subject, expanding the search bases, as well as an analysis dedicated to other segments of economic activity besides credit cooperatives as in the case of Brazilian literature. There is also the need for a qualitative and quantitative approach to these factors associated with the failure and dissolution of cooperatives since the studies analyzed have only analyzed one of these aspects.

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Appendix

Table 3 - Presentation of the selected studies according to the methodological proposal (*continued*)

Publicação	Authors	Year	Country	Reasons for discontinuation
Rural Business Hub: Framework for a New Rural Development Approach in Rain-Fed Areas of Pakistan—A Case of Punjab Province	Baig <i>et al.</i>	2019	Pakistan	The authors concluded that the dysfunctionality associated with the impossibility of sustaining their growth and performance for a considerable time, the alienation of most cooperators to cooperation, difficulties in managing the activities undertaken in a cooperative format and the lack of interest and coordination between institutions have been decisive for the failure of these organizations.
¿Por qué fracasaban las cooperativas agrícolas? Una respuesta a partir del análisis de un núcleo de la Cataluña rabassaire	Planas e Valls-Junyent	2011	Spain	Social and political confrontation at the local level, competition between two cooperatives in such a small area and without adequate external support, multiplicity of initiatives
"Appropriating' technology? Tractor owners, brokers, artisans and farmers in rural Bangladesh	Lewis	1996	Bangladesh	The induction and formalization of cooperative arrangements imposed from 'top to bottom', and the accumulation of management deficiencies over the years were determining for the failure of these cooperatives.
Cooperatives as instruments of rural development - the case of India	Hatti e Rundquist	1993	India	Error of state planning with the attempt to impose cooperation among the members, hindering integration and amplifying class inequalities. Added to this is the disregard for pre-cooperative aspects, such as cooperation, group work, and the formalities of the cooperative model.
Member preference heterogeneity and system-lifeworld dichotomy in cooperatives: An exploratory case study	Iliopoulos and Valentinov	2017	Greece	The challenge of balancing the dual nature of cooperative society, the search for economic and financial optimization, and a social framework strongly marked by the heterogeneity of preferences of the cooperative, leads to an environment full of potential for internal conflict, leading to discontinuity of the cooperative.
Exit strategies of farmer co-operatives in the United States: A competing risks analysis	Grashuis and Franken	2020	United States	Issues associated with the high degree of debt on the balance sheet and the relatively large size of the cooperatives contribute to the high incidence of liquidation, dissolution, merger and acquisition of cooperatives respectively.

Table 3 – Presentation of the selected studies according to the methodological proposal (*continuation*)

Publication	Authors	Year	Country	Reasons for discontinuation
An examination of new generation cooperatives in the upper midwest: successes, failures, and limitations	Grashuis e Cook	2018	United States	Lack of interest from their members, constant merger and acquisition processes, limited capacity of these organizations to conduct complex and capital-intensive value-added ventures, and other problems related to patrimony and liquidity have been decisive for the failure of new generation cooperatives.
Decollectivization of Bulgarian agriculture	Yarnal	1994	Bulgaria	Problems resulting from the Bulgarian government's intervention in decollectivization through the Land Farms Act of 1992 and the financial crisis in Bulgaria have led to the mass closure of cooperatives.
Rural cooperatives and agricultural production in Egypt	Holmen	1985	Egypt	Cooperative system based on strong government control of farmers (and their cooperatives), practice of selling inputs and products on the black market, and attempt to circumvent production plans imposed by the government and crop rotation schemes.
A Fuzzy Set Qualitative Comparative Analysis (fsQCA) of the agricultural cooperatives from South East Region of Romania	Florea <i>et al.</i>	2019	Romania	The failure to meet five factors such as (a) the minimum capital contribution required by law on the part of the members, (b) lack of collection space (receiving/organizing production, and management), (c) no outsourcing of management services, (d) misunderstanding of opportunities and obstacles facing the cooperative, and (e) unsustainability of the cooperative due to lack of member participation.
Cooperatives and the business cycle: The Israeli case	Russell e Hanneman	1992	Israel	The processes of dissolution of cooperatives show an anticyclical behavior in relation to the economic context, given that they are resistant to economic crises.
A Study in Sumbawa Regency: Dissolution of Cooperatives According to The Indonesian Legal System	Junardi, Sidik e Muhaimin	2019	Indonesia	Lack of time devoted to management, assumptions and lack of understanding about cooperative organizations, and the lack of attention of Sumbawa Cooperative Office to the cooperatives.
Ownership Structure of Cooperatives as an Environmental Buffer	Núñez-Nickel and Moyano-Fuentes	2004	Spain	The lack of interaction between owners and their respective cooperatives was a determining factor for their failure.



Table 3 - Presentation of the selected studies according to the methodological proposal (*conclusion*)

Publication	Authors	Year	Country	Reasons for discontinuation
A Strategy for Sustainable Development of Cooperatives in Developing Countries: The Success and Failure Case of Agricultural Cooperatives in Musambira Sector, Rwanda	Moon e Lee	2020	Rwanda	Multiple factors, among which, the lack of adequate support (of a temporary and unsystematic nature) from international organizations were determining factors for the failure of the cooperative initiatives in Rwanda.
Cooperatives and Social Capital: A Narrative Literature Review and Directions for Future Research	Saz-Gil, Bretos and Díaz-Foncea	2021	Spain	Lack of trust, reciprocal relationships between members, transparency and other components of social capital can lead cooperatives to failure.
Corporate governance as a key aspect in the failure of worker cooperatives	Basterretxea, Cornforth and Heras-Saizarbitoria	2020	Spain	Internal factors related to the governance system and the culture of the cooperative, including the actions and decisions that were no longer taken by governance, influenced failed strategic decisions and reduced the ability of the company to reverse the decline caused by external factors.
The influence of neoliberalization on the success and failure of fishing cooperatives in contemporary small-scale fishing communities: A case study from Yucatán, Mexico	Bennett	2017	Mexico	The perceived advantages of forming and participating in cooperatives, such as obtaining government assistance (resources, infrastructure, licenses, etc.), the possibility of breaking the local monopoly through bargaining power, the effects of increased and decreased membership and political representation, and excessive dependence on government subsidies.
Co-operative Wineries in Italy and Spain in the Second Half of the Twentieth Century: Success or Failure of the Co-operative Business Model?	Medina-Albaladejo e Menzani	2017	Italy and Spain	The life cycle of the cooperative business linked to the wine chain, is driven to failure if subjected to constant crises, and tied to a corporate system and dictatorial regime, parasitic and uncompetitive.

Source: developed by the authors (2021)



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