

# **Wholesale & Retail**

## **LEADERSHIP CHAIR**



Cape Peninsula  
University of Technology



*"Collaboration opens the window  
to a world of opportunities."*

**Project 2014/09:**

**The nature of existing and  
emerging cooperatives in the  
wholesale and retail sector**

**February 2016**

APPLIED RESEARCH  
LEADERSHIP DEVELOPMENT  
SERVICE TO RETAIL COMMUNITY

**Project 2014/09:**

**The nature of existing and emerging  
cooperatives in the  
wholesale and retail sector**

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## **CHAPTER 1**

### **BACKGROUND AND CONTEXT**

#### **1.1 WHOLESALE AND RETAIL SECTOR EDUCATION TRAINING AUTHORITY (W&RSETA) PERSPECTIVE**

The W&RSETA is tasked with the responsibility of contributing towards sector research and development of professional qualifications at Higher Education levels (<http://www.wrseta.org.za/>). To this end, the W&RSETA has established the Wholesale and Retail Leadership Chair (WRLC) at the Cape Peninsula University of Technology (CPUT) where Project 2013/01 “Priority research needs in the Wholesale and Retail sector” identified, inter alia, that the nature of existing and emerging cooperatives in the Wholesale and Retail Sector be investigated.

The paucity of detailed information about the cooperative sector presents difficulty in separating existing and emerging cooperatives. The information published by the Company and Intellectual Property Commission (CIPC) as well as its predecessor, Companies and Intellectual Property Registration Office (CIPRO) refers to total registrations of cooperatives. Similarly, information about the type of cooperatives is fairly old. Furthermore, the Cooperative Act of 2005 (as amended) resulted in many of the “older” or “existing” cooperatives to change their business form to that of “company”. This research found that in excess of 80% of the cooperatives listed in the documents used for this study had converted to private or public companies. Several authors express similar difficulties with accessing current data. (Twalo, 2012:2; Co-operative and Policy Alternative Centre, 2005:5).

Raw data purchased from CIPC in March 2016 (CIPC, 2016) and presented in Appendix 7 of this report does little to enlighten this report on the above issues. This data, when analysed, does however confirm the rapid growth in registration of cooperatives from 2009 to 2014. The data does not recognise deregistration of cooperatives which may have taken place over the same period.

#### **1.2 RESEARCH OBJECTIVES**

The main purpose of the study is to provide a position paper on cooperatives in the wholesale and retail sector. The paper will attempt to achieve the following objectives:

- To trace the development of cooperatives in the wholesale and retail sector in South Africa.

- To identify existing and emerging cooperatives within the wholesale and retail sector.
- To identify and explain the geographical distribution of cooperatives in South Africa.
- To develop a management capacity building assessment framework for existing and emerging cooperatives in the wholesale and retail sector.
- To explore the possible support and skills interventions the W&RSETA can provide to both existing and emerging cooperatives.
- To provide a framework for integrating such cooperatives into bigger wholesale and retail markets.

### **1.3 COOPERATIVES IN CONTEXT**

The cooperative, as a business entity, has served to provide a significant vehicle for economic and social development. The Cooperatives Act of 2005 recognizes, inter alia:

“that a viable, autonomous, self-reliant and self-sustaining cooperative movement can play a major role in the economic and social development of the Republic of South Africa, in particular by creating employment, generating income, facilitating broad-based black economic empowerment and eradicating poverty.”

Indeed, several sources provide evidence of the role which cooperatives have played in the economic development of regions and countries (Ortmann & King, 2007. Philip, 2003. World Cooperative Monitor, 2014) Most notable examples in developing economies are India, Kenya, Malawi and others (DTI, 2012).

Historically in South Africa, cooperatives have served to establish significant role players in various industries, inter alia wool, citrus, wine, dairy, grain and significantly, retail as farm supply co-ops. Amin and Bernstein (according to Jara and Satgar, 2009) provide that at their peak in the 1980s, about 250 cooperatives with 142 000 members had total assets of R12.7 billion, total turnover of R22.5 billion with pre-tax profits of more than R500 million. Furthermore, and significant in terms of support, the cooperatives supplied and financed 90% of the fertilizer, 85% of the fuel, 65% of the chemicals and a significant amount of machinery and implements.

Post-apartheid, the new Cooperatives Act of 2005, subsequently amended (Amendment Act 6 of 2013) provided new imperatives for the development of the cooperative movement resulting in a surge of registrations nationally of up to 43 062 cooperatives in 2009 (Registrar of Cooperatives, according to DTI, 2012). Regrettably, the mortality rate of cooperatives has been in excess of 88%, reaching the upper 90% in some provinces (DTI, 2012). The



Companies and Intellectual Properties Commission records 20 396 cooperatives registered as at 2015 without any classification of type (CIPC Annual Report 2014/1015).

#### **1.4 RATIONALE FOR COOPERATIVES**

Cooperatives are established to enhance economic development through poverty alleviation by self-employment, enabling members to harness and combine their resources with subsequent benefits of synergy. (Ortmann & King, 2007. Philip, 2003). According to Ortmann & King (2007) and others, the benefits which accrue from participating in a cooperative may be summarised as:

- Economies of scale & scope
- Bargaining power
- Access to markets
- Capitalise on new opportunities
- Manage risk

If then, there are significant benefits of and potential for cooperatives, the factors critical for the success of cooperatives needs to be established. The literature review which follows sets out to determine what these are.

#### **1.5 SUMMARY OF METHODOLOGY**

A qualitative study, based on desk research and confirmed with questionnaire based interviews was used to conduct the study. The desk research determined factors in evidence in successful cooperative models as well as limiting or constraining factors. These factors provided the basis for the questionnaires used to validate or contradict the literature findings. Potential interventions, also derived from the literature will also be validated or rejected.

#### **1.6 CONCLUSION**

This introductory chapter has set out the objectives, context and overall approach of the study. The following chapter will establish the current status of the cooperative movement in South Africa with cognisance of international issues. It will further determine the factors critical for the success of, and constraining to, a healthy and vibrant cooperative sector.

## CHAPTER 2

### COOPERATIVE ENVIRONMENT IN SOUTH AFRICA

This section considers cooperatives in South Africa from a historical perspective to provide context for current legislation. Current legislation is reviewed and the status of its implementation is established relative to various implementation mechanisms and organisations. This section will further determine the factors critical for the success of, and constraining to, a healthy and vibrant cooperative sector.

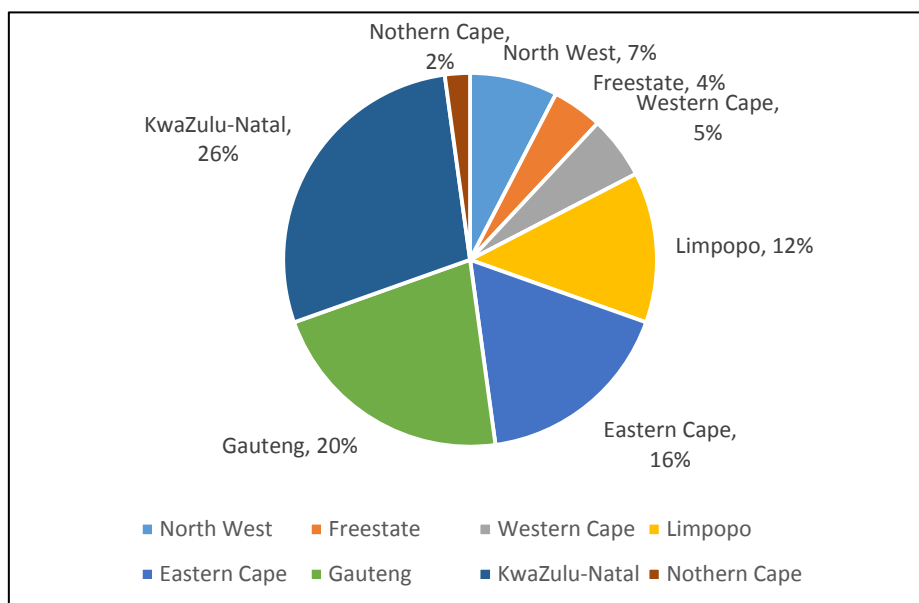
The history of the cooperative movement has been recorded by numerous authors (Ortmann & King. 2007:45). Briefly, the movement started in South Africa with the Cooperative Societies Act No. 28 of 1922 in the agricultural sector. Subsequent amendments, still focussed on agriculture but introduced a category of “Trading Cooperatives”. It is well recognised that cooperatives established a viable, stable and wealthy agricultural sector, albeit amongst white people. This suggests that, with the appropriate environment, cooperatives could make a significant and substantial contribution to development and could uplift the economy. (Nkonki-Mandleni & Anim, 2014:171).

#### 2.1 GEOGRAPHIC AND SECTOR SPREAD

##### 2.1.1 Geographic Spread

The geographic spread by province of cooperatives is presented in figure 2.1.

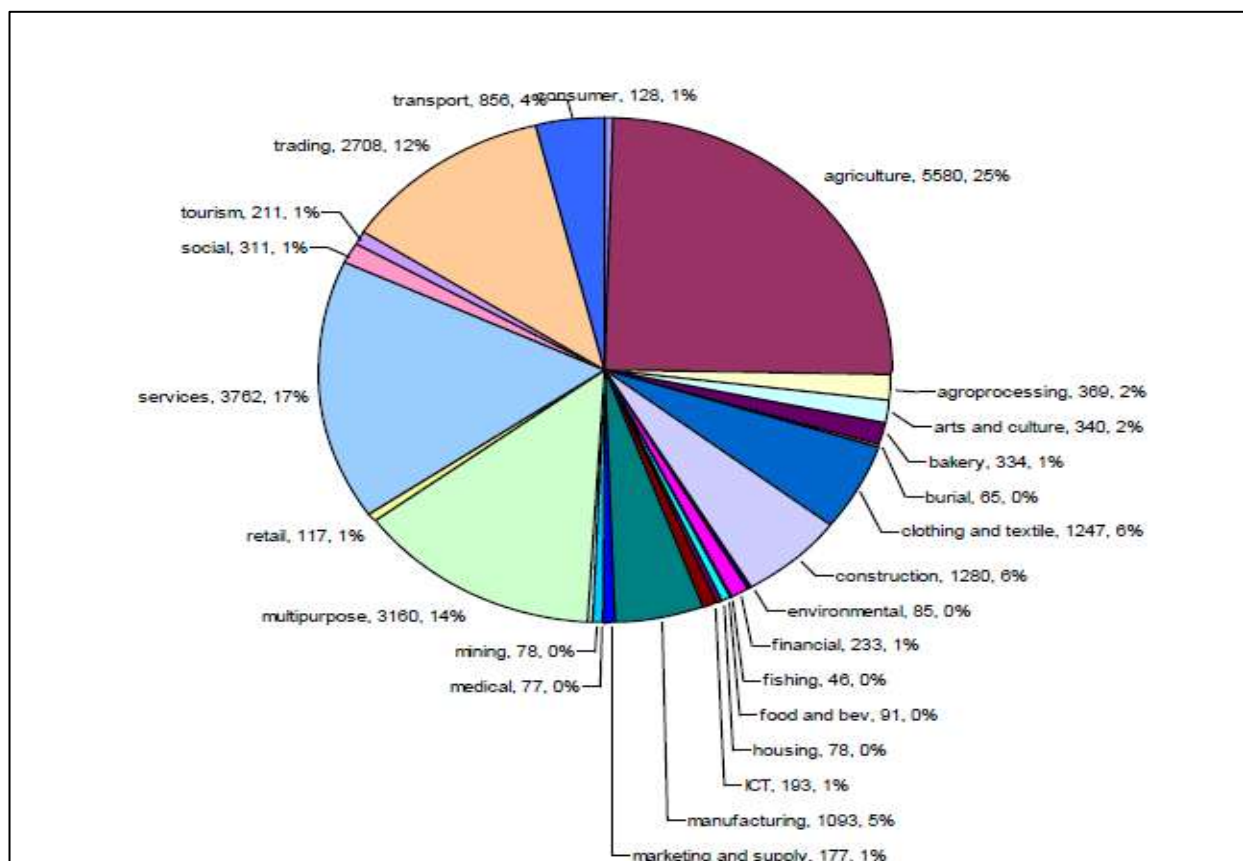
**Figure 2.1: Provincial Spread of Cooperatives**



It is suggested that the relatively high level of cooperatives in KwaZulu-Natal is due to the political will of provincial government which has established significant support infrastructure to assist establishing and financing cooperatives (DTI, 2012:36). Unpublished CIPC data (CIPC, 2016) confirms the geographic spread of cooperatives by province.

### 2.1.2 Sector Spread

**Figure 2.2: Sector Spread of Cooperatives**



*Source: Registrar of Co-operatives, Statistics of Co-operatives in South Africa, 1922 – 2009.*

*(Source: DTI: 2012: 35)*

While this study should be specific to the wholesale and retail industry it should be noted that CIPC registrations do not identify these in their annual report. Regrettably, CIPC data (2016) does not record cooperatives by SIC codes so therefore does not enlighten this report.

The International Cooperative Alliance (2015) provides the following definition:

“Retailer-owned co-operative: A co-operative formed to purchase and supply goods and services at competitive conditions in the interest of members (retailers). A retailer-owned cooperative sells to final consumers.”

It is unclear whether the classification in Figure 2.2 conforms to this definition.

## **2.2 LEGISLATIVE ENVIRONMENT**

The Cooperatives Act, No. 14 of 2005 was promulgated for the development of cooperatives in the new (post-apartheid) economic and political era and is based on international cooperative principles and values (self-help, self-reliance, self-responsibility and democracy) (Chibanda, Ortmann & Lyne. 2009:294). This act was amended with the Cooperatives Amendment Act 6 of 2013 “...and (would) go a long way to democratise and make co-operatives more economically sustainable”. (Theron according to Sarkin. 2015:276). This legislation is further supported by the Cooperatives Banks Act 40 of 2007.

Sarkin (2015:303) argues that the legislation, as amended, will make a significant contribution to make cooperatives more democratic and sustainable. He cautions, however, that the law alone cannot make the cooperative movement a success.

## **2.3 SECONDARY & TERTIARY COOPERATIVES AND THEIR ROLE**

According to Cooperative Financial Institute of South Africa (n.d), a Secondary Cooperative is formed by two or more primary cooperatives to provide services to those members. Further, a Tertiary Cooperative, also known as an Apex Cooperative, whose members are Secondary Cooperatives, is established to engage with organs of state, private enterprise and stakeholders on behalf of its members.

The registration of cooperatives by Companies and Intellectual Properties Commission (CIPC) appears not to differentiate between primary and secondary cooperatives. The contribution of secondary cooperatives to the movement is vague.

The Apex Cooperative, South African National Apex Cooperative Ltd. (SANACO), was formed after the demise of its predecessor the National Cooperative Association of South Africa (NCASA) and appears to be relatively inactive. (Author’s observation, 2015)

## **2.4 ADMINISTRATIVE ENVIRONMENT**

Various bodies and policies intend to promote and support the development of cooperatives. A comprehensive listing of these is provided by the DTI (2012:46) and summarised in Appendix 2. These are spread widely at national and provincial level and across various government financial agencies, development agencies and support initiatives. It appears, however, that some consolidation is taking place with the recent (2014) establishment of the Department of Small Business Development as a separate government entity. A proposal is currently before cabinet to include 'cooperatives' in the departmental title (Zulu, 2015).

It appears therefore that the legislative environment is in place and the supportive environment, whilst still scattered, is being brought into a consolidated position within the Department of Small Business Development.

## **2.5 FACTORS CRITICAL FOR SUCCESS**

Numerous works have proposed the factors which enable or hinder the successful development of cooperatives.

Kanyane and Ilorah (2015:12) suggest lack of financial support and, lack of education as factors that limit cooperative success.

Nkonki-Mandleni & Anim (2014:174) determined levels of support for cooperatives in nine provinces and conclude that problems of support are evident in funding, marketing and dispute resolution.

Chibanda et al (2009:300) examined three constructs: performance, institutional and governance and identified institutional problems of poorly defined property rights resulting in low levels of equity and debt capital, reliance on government funding and governance problems. Governance problems were identified as low levels of education, lack of management skills and weak marketing arrangements.

The DTI (2012:52) after an extensive review of international best practice and a review of the local situation categorised four challenges, namely,

1. Government Challenges, including, inter alia, lack of statistics, poor co-ordination, focus of development agencies, recognition as a unique business form, access to registration, lack of finance and limited access to business infrastructure.
2. Cooperative Management Challenges, including, inter alia, poor management and technical skills (sector specific skills, business skills, financial management, ICT skills, marketing), limited trust and social cohesion, low democratic decision making.

Limited co-operation amongst cooperatives, putting individual interest above collective interest, compliance with cooperative legislation

3. Market Challenges, including, inter alia, limited access to markets, undeveloped value chains
4. Organisational Structure Challenges, including lack of cooperative associations and organisations.

Several other authors identify similar themes in their reports. (Philip, 2003; Ortmann & King, 2007; Jara & Satgar, 2009; Develtere, 2008).

It becomes evident that, while significant problems appear to exist, two issues are clear. Firstly that the legislative environment conducive to a successful cooperative movement is in place, secondly, that the factors hindering development are well understood. It may be deduced from the various literature sources that factors critical for success will be found in: Favourable legislation, intergovernmental coordination, financial support, education & training.

## **2.6 CHAPTER CONCLUSION**

This section has reviewed the conditions prevalent in the cooperative sector and has identified constraining and supporting factors. The following section discusses the methodology followed in order to lend validity to the conclusions drawn from the review of literature.

## **CHAPTER 3**

### **METHODOLOGY**

This section will review the methodology used to conduct the research and will include the sample selection and questionnaire design.

#### **3.1 RESEARCH TYPE**

The research approach adopted here is qualitative, cross-sectional and descriptive.

#### **3.2 SAMPLING**

##### **3.2.1 Population**

Validation of the literature findings required respondents who are knowledgeable about the cooperative sector.

The first group was recruited from a list of incumbents of the W&RSETA regional offices. However, a very poor response rate resulted in the population being broadened to include Small Enterprise Development Agency (SEDA) regional offices. This group is referred to hereinafter as the “Expert” group.

The second group was recruited from various lists obtained off the internet by searching for “Cooperatives in South Africa”. The intention was to sample cooperative members by identifying cooperatives and obtaining membership lists. In excess of 80% of cooperatives identified in this way had converted to a “Proprietary Limited” company. This group is referred to hereinafter as the “Member” group.

The third group was recruited with the aid of W&RSETA Eastern Cape regional office in order to access qualitative responses of a discussion group. This group is referred to hereinafter as the “Focus” group.

##### **3.2.2 Sampling method**

Convenience sampling resulted in respondents being selected on their availability and willingness to respond.

##### **3.2.3 Sample size**

Expert group: Intended sample was 25 respondents, however, despite assistance from W&RSETA management the response rate was only 14 respondents.

Member group: Field workers continued sampling until 20 valid responses had been obtained.

Focus group: The group size was intended as 10 participants, despite confirmation, only seven arrived on the day

### **3.3 DATA COLLECTION**

#### **3.3.1 Data collection instrument**

The questionnaire was designed on the basis of the literature reviewed where four key themes were expanded into related questions (Refer to appendix 1). The four themes are:

- a) Legislative arrangements
- b) Management and infrastructure arrangements
- c) Training and skills issues
- d) Marketing issues

The responses were sought on a five point Likert scale where respondents were requested to indicate their level of agreement with the statement with the extremes of 'Strongly Agree' and 'Strongly Disagree' with a 'Don't Know' option.

In order to test for possible interventions, the literature provided possible areas for interventions and these were formulated into 12 statements which respondents were requested to rate as 'most important' or 'least important' on a ten point scale.

The questionnaire was used for the telephonic interviews of the Expert and Member groups. The themes developed for the questionnaire were used as the basis of a discussion guide for the focus group

#### **3.3.2 Administration of the instrument**

Expert group: The questionnaire was sent via e-mail with the support of senior management of the W&RSETA. Only three responses were received after several reminders and follow up requests. The services of a professional research company were engaged to phone respondents, resulting finally in 14 valid responses. The research was conducted over a three month period in late 2015.

Member group: Telephonic interviews were conducted by a professional research company over three weeks in early 2016. Interviews were pursued until the requisite 20 valid responses had been obtained.

Focus group: The group session with seven participants under the guidance of an experienced moderator was held in Mthatha during the last week in January 2016.



## 3.4 DATA ANALYSIS

### 3.4.1 Data capture

Responses from Expert and Member groups were captured directly on the questionnaires during the telephonic interviews (or directly by those who responded to the e-mail request). The Focus group proceedings were electronically recorded in the local language, transcribed and translated by the moderator.

### 3.4.2 Analysis techniques

The responses per question were converted to percentages, for example, in the following table extracted from the questionnaire:

**Table 3.1: Extract from questionnaire**

Statement	Overall weighted rating (%)	Sample (n)	Total row percentage	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
The Co-operatives Act of 2005 is clearly set out and easy to understand	73.2	14	100.0	14.3%	64.3%	21.4%	0.0%	0.0%
The Act makes it easy for me to assist in starting new co-operatives	71.4	14	100.0	21.4%	42.9%	35.7%	0.0%	0.0%

Two responses out of 14 (2/14) is 14.3% of the responses, Nine responses out of 14 (9/14) is 64.3%, and so on.

Responses were then weighted on a five point scale where 1 = strongly disagree (0%), 2 = disagree (25%), 3 = neither agree nor disagree (50%), 4 = agree (75%) and 5 = strongly agree (100%) to give an overall weighted rating percentage. The average of the statements of each theme is then calculated and each statement average is compared to the theme average. Those statements greater than the theme average are considered as being viewed as more positively than those below that average.

The rating of possible interventions was similarly analysed, as explained in Table 3.2. All values were converted to represent a percentage instead of a score out of 10: 1=10%, 2=20% and so on to 10=100%. The weighted rating per statement is the average for each of the statements. Higher averages reflect greater importance of that intervention.

**Table 3.2: Example of analysis of interventions**

Statement	Overall weighted rating (%)	Sample (n)	Total row percentage	Least important (1 to 4)	Neutral (5 to 6)	Very important (7-10)			
						7	8	9	10
Business hubs with offices and factories to provide infrastructure to co-operatives	93.8	13	100.0	0.0%	0.0%	0.0%	15.4%	30.8%	53.8%
Centralised marketing facilities to promote and distribute co-operatives' products	91.5	13	100.0	0.0%	0.0%	7.7%	15.4%	30.8%	46.2%

[ Eg.  $(0 \times 70\%) + (0.154 \times 80\%) + (0.308 \times 90\%) + (0.538 \times 100\%) = 93.8\%$ , and so on]

### 3.5 VALIDITY, CREDIBILITY AND TRUSTWORTHINESS

#### 3.5.1 Credibility

The literature on which the research is based reflects a high level of commonality of findings across different contexts in which cooperatives function

#### 3.5.2 Validity

Face validity of the questionnaire was tested by having two industry experts review the wording and terminology. For research-ability, the questionnaire was reviewed and amended by a professional research company. Further, an experienced researcher reviewed and amended the instrument.

#### 3.5.3 Trustworthiness

Results of the research will be compared with findings in the literature where ever possible in an effort to verify the findings and determine a level of trustworthiness.

### 3.6 Ethical issues

Ethical clearance was received from the CPUT ethics committee prior to data collection – see Appendix 5 for the Clearance Certificate. A letter of informed consent (see Appendix 1) was presented to all participants and they were all informed before the interview or focus group that participation was voluntary and they could withdraw at any time without giving reasons. They were also advised that their views were anonymous and where quotes are used that these would be kept confidential.

### **3.7 Conclusion**

This section has presented the methodology followed in conducting the research and has explained the development of the questionnaire and how the results are analysed. The following section analysis and interprets the collected data.

## CHAPTER 4

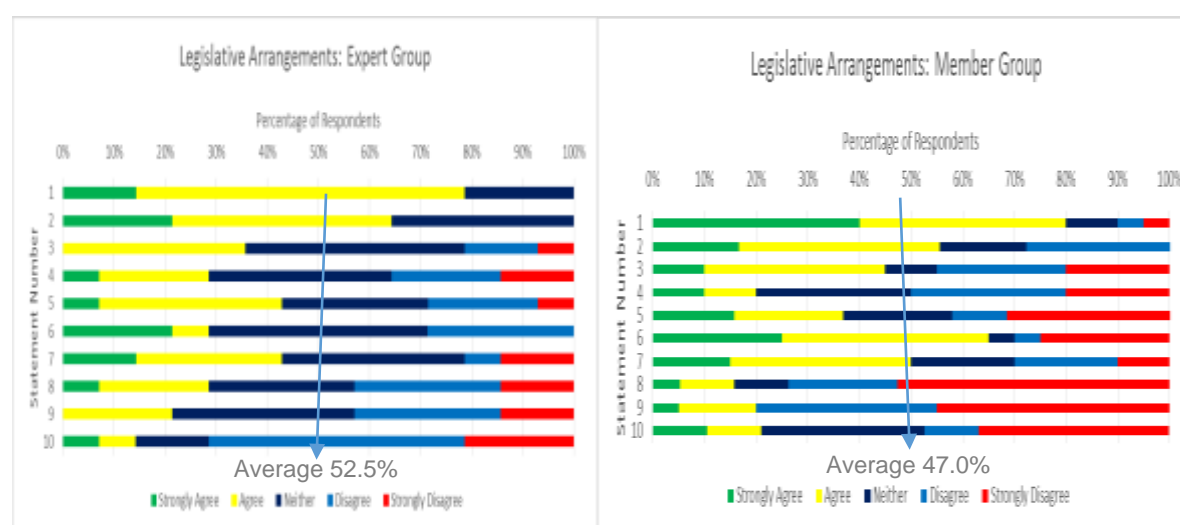
### FINDINGS AND ANALYSIS

This section examines the results of the survey and focus group. Three groups were sampled: Group 1, the Expert Group are respondents knowledgeable about cooperatives in South Africa and who were sourced from W&RSETA and Small Enterprise Development Agency (SEDA). Group 2, the Member Group are respondents who are members of cooperatives and sourced from membership lists of cooperatives and, Group 3, the focus group, also cooperative members, sourced via W&RSETA office. Each of the main themes identified in the literature and incorporated in the questionnaire and focus group discussion guide (legislative arrangements, management and infrastructure arrangements, training and skills issues and marketing issues) is examined separately and the underlying factors of each theme are assessed. Thereafter the responses considering possible interventions are examined to identify where the emphasis of the interventions should lie. The weighted averages of all responses are presented as Appendix 3. The transcription of the focus group is presented as Appendix 4. For ease of reference the statements are repeated here.

#### 4.1 LEGISLATIVE ARRANGEMENTS

The legislative environment is identified in the literature as being one of the factors which influences the success of cooperatives (Chibanda, et al. 2009:294; Sarkin, 2015:303). The perceptions of respondents of the prevailing legislative environment and access to legislated bodies is examined here. The specific questions related to this theme, and the overall findings are illustrated in Figure 4.1

**Figure 4.1: Legislative Arrangements: Findings**



1	The Co-operatives Act of 2005 is clearly set out and easy to understand
2	The Act makes it easy for me to assist in starting new co-operatives
3	Support from various government agencies who deal with co-operatives is easily available
4	The efforts of the government agencies are well co-ordinated and logical
5	Co-operatives as a business form are well understood by the various government agencies
6	Registration of a co-operative is easy
7	The idea of a co-operative as a business form is well understood by potential co-operative members
8	It is easy for a co-operative to get financial support in the form of a loan
9	It is easy for a co-operative to get a financial grant (seed funding)
10	The co-operative movement has a strong and unified voice with government

This theme, legislative arrangements, set out to determine if the legislation which is in place is perceived to be helpful and accessible in establishing and managing a cooperative. The detailed scores can be seen in Appendix 3. The level of agreement or disagreement with the abovementioned 10 positive statements was determined.

Expert Group: The positive responses to five statements, numbers 1, 2, 5, 6 & 7, which fall above the weighted average (52.5%) of all statements, suggest that the legislation which is in place is supportive and favourable to the cooperative sector. The responses which fall below the weighted average of 51.8%, statements 3, 4, 8 & 9, reflect a neutral to negative response to the issue of accessibility to the legislated support on offer. The exception is statement 10 which shows a strong negative bias to the cooperative movement having a strong and unified voice with government.

Member Group: Positive responses to statements 1, 2, 3, 6 & 7, which fall above the weighted average of this group (47.0%), largely coincide with the responses of the Expert group as do the neutral to negative responses. The Member group however feel more strongly about difficulty in accessing funding than the expert group.

Focus Group: The discussions held by this group reflect a lack of awareness of the legislated aspects of cooperatives as well as a lack of awareness of the various support organisations available to them

One Expert respondent reflects on legislative arrangements with this observation:

“With regards to the legislation, in my opinion the Government has done an excellent

job with the Co-operative Act and also setting up various role players to fund them. In short, there is a huge appetite to fund co-operatives in RSA, however, in my opinion the frustration lies with CIPC where the process of registration starts. There is no line dedicated to the new co-op registrations, where as a Government agency assisting with the registration, you can call should a need arise.”

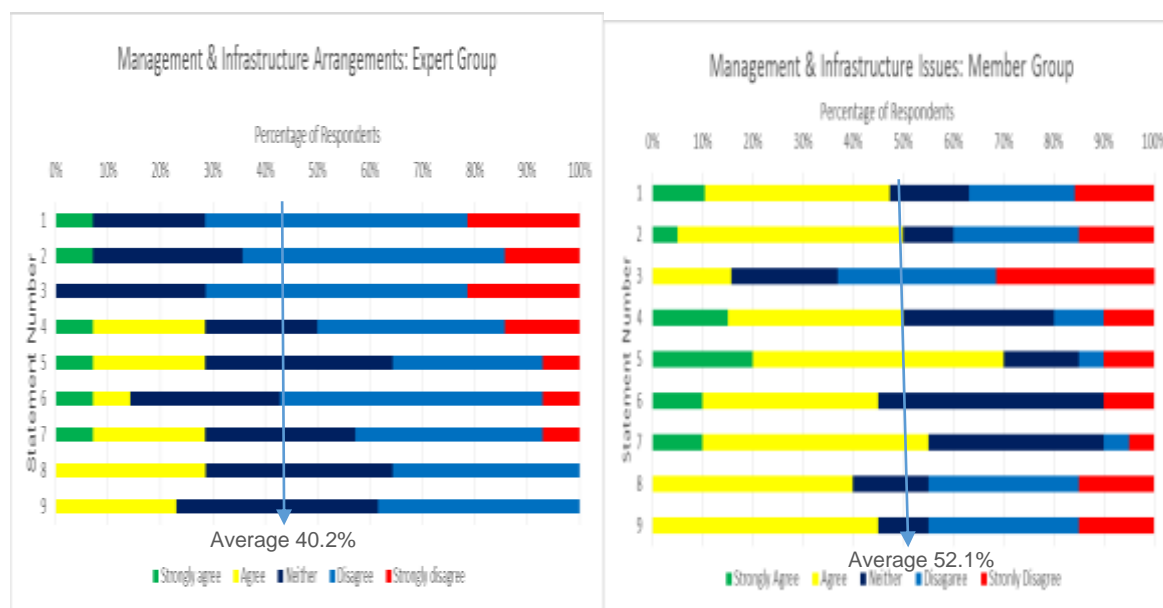
It may be concluded that the legislative environment is positive and supportive of cooperative development but the implementation and access to the legislated bodies and support appears problematic.

Sarkin (2015:303), in the conclusion to his review of the 2013 amendments to the Cooperative Act of 2005, provides that “...the law is the theory...” what is required is implementation at a practical level.

## 4.2 MANAGEMENT AND INFRASTRUCTURE ARRANGEMENTS

The second theme identified in the literature is that of management capabilities and support. (Jara & Satgar, 2009:27; Philip, 2003:21; and others). The perceptions of respondents of management and infrastructural arrangements are examined here. The specific questions related to this theme, and the overall findings are illustrated in Figure 4.2

**Figure 4.2: Management and infrastructure arrangements: Findings**



1	Co-operatives have easy access to the latest technologies for their businesses
2	Co-operatives have easy access to experts in their field of business
3	Suitable business premises are easily available for start-up co- operatives
4	Co-operative members understand the idea of shared ownership
5	Co-operative members support the idea of shared ownership
6	Co-operative members place collective interest above individual interest
7	Co-operative members work willingly together in the interest of the collective interest
8	Expert facilitators and consultants are available to assist with co-operative management issues
9	Expert administrators are available to assist co-operatives with financial and administrative duties

Agreement or disagreement was sought for a range of nine positive statements. The detailed scores can be seen in Appendix 3.

Statements 1, 2, 3, 8 & 9 test the accessibility to management and infrastructure support for cooperatives.

Statements 4, 5, 6 & 7 test the level of knowledge or understanding of the cooperative movement.

Expert Group: The low weighted average scores (less than 40.2%) suggest that management and infrastructure support is not readily available to cooperatives.

Low scores suggest disagreement with the statements and thus a limited understanding of cooperatives.

Member Group: The average scores for accessibility, below the weighted average (52.1%) reflect the findings of the Expert group while understanding of the cooperative movement is more positive with this group, but not strongly so.

Focus Group: As a whole, this group are fairly adamant that they do not have a good understanding of cooperatives

It may be concluded that this theme, Management and Infrastructural Issues, in both accessibility to infrastructure as well as understanding of cooperatives, is relatively weak.

In the conclusion to his study, Chibanda (2009:72) found governance skills to be a weakness amongst agricultural producers in Kwazulu-Natal. Thaba, et al (2015) support the findings regarding the level of knowledge or understanding of the cooperative movement in their study in Gauteng and Limpopo provinces.

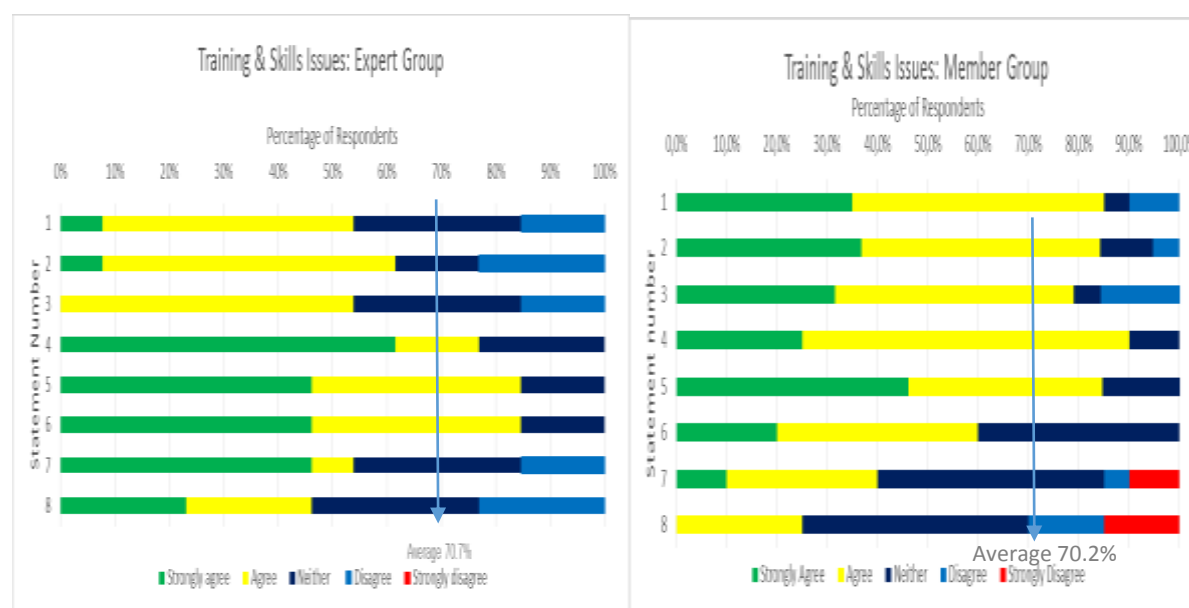
#### **4.3 TRAINING AND SKILLS ISSUES**

This third theme identified is widely reflected in the literature as being a critical issue in the success of cooperatives. (DTI, 2012:54; Kanyane & Ilorah, 2015:13; Thaba & Mbohwa 2015.)

The perceptions of respondents of training and skills issues are examined here. The specific questions related to this theme, and the overall findings are illustrated in Figure 4.3



**Figure 4.3: Training and skills issues: Findings**



1	Training in how to set up a co- operative is available
2	Financial management training for co-operatives is available
3	Business planning workshops are available for co-operative start-ups
4	Members of co-operatives need business management training
5	People and organisations that support start-up co-operatives need co-operative need management training
6	People and organisations that support start-up co-operatives need co-operative specific training
7	People and organisations that support start-up co-ops need a formal qualification in co-op set-up & management
8	Members of co-operatives need a formal qualification in co- operatives

The statements in Figure 4.3 were presented to respondents to determine their level of agreement or disagreement with those statements. The detailed scores can be seen in Appendix 3.

The Expert and Member groups reflect very similar responses. The average of all statements is a relatively high 70.7% and 70.2% which suggests that there is a high level of agreement with all the statements of this theme. Statements 4, 5, 6, 7 & 8 establish the type of training required, while statements 1, 2 & 3 determine availability of training. Paramount is the need for business management and cooperative management training with weighted

averages above 82% and 0% disagreement. A formal qualification for support people is also above average at 71.2% while the lowest need, a formal qualification for cooperative members, is at 61.5%. The perceptions of availability of training are below the theme average but 0% are reflected in the strongly disagree category.

The Focus group concur with the need for training with emphasis on financial and business management training. They also confirm that training is available although they feel the duration of training offered is insufficient for good understanding of the topics presented

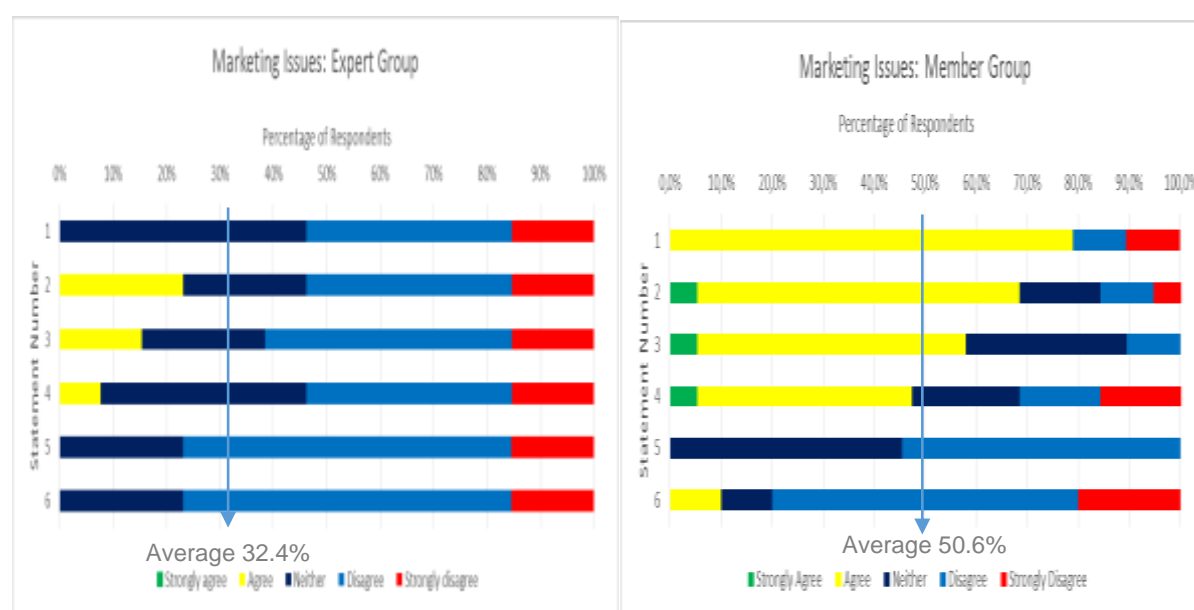
It may be concluded, in line with the literature cited above, that training is a major requirement with specific emphasis on the role and nature of cooperatives and their management.

#### 4.4 MARKETING ISSUES

Marketing issues represent the fourth theme identified as being of importance for cooperatives. (Nkonki-Mandleni & Anim, 2014:173; Chibanda, 2009:57)

The perceptions of respondents of marketing issues are examined here. The specific questions related to this theme, and the overall findings are illustrated in Figure 4.4

**Figure 4.4: Marketing issues: Findings**



1	Co-operative members have good knowledge of their markets
2	Co-operatives have easy access to their local markets
3	Co-operative members understand the need for consistent quality
4	Experts in the field of marketing are accessible to co-operatives
5	Co-operatives find it easy to sell all their produce
6	Transport to towns and markets is easy for co-operatives

The statements in Figure 4.4 were presented to respondents to determine their level of agreement or disagreement with those statements. The detailed scores can be seen in Appendix 3.

Expert Group: The relatively low weighted average suggests a low level of agreement with all statements in this theme. There is 0% “strongly agree” for all statements, while statements 1, 5 & 6 additionally have 0% for “agree”.

Member Group: Although the weighted average is higher than the Expert group, the responses still reflect a substantial weakness with regard to marketing issues.

Focus Group: Without exception, members of the focus group have difficulties with marketing their products, including issues of quality and pricing.

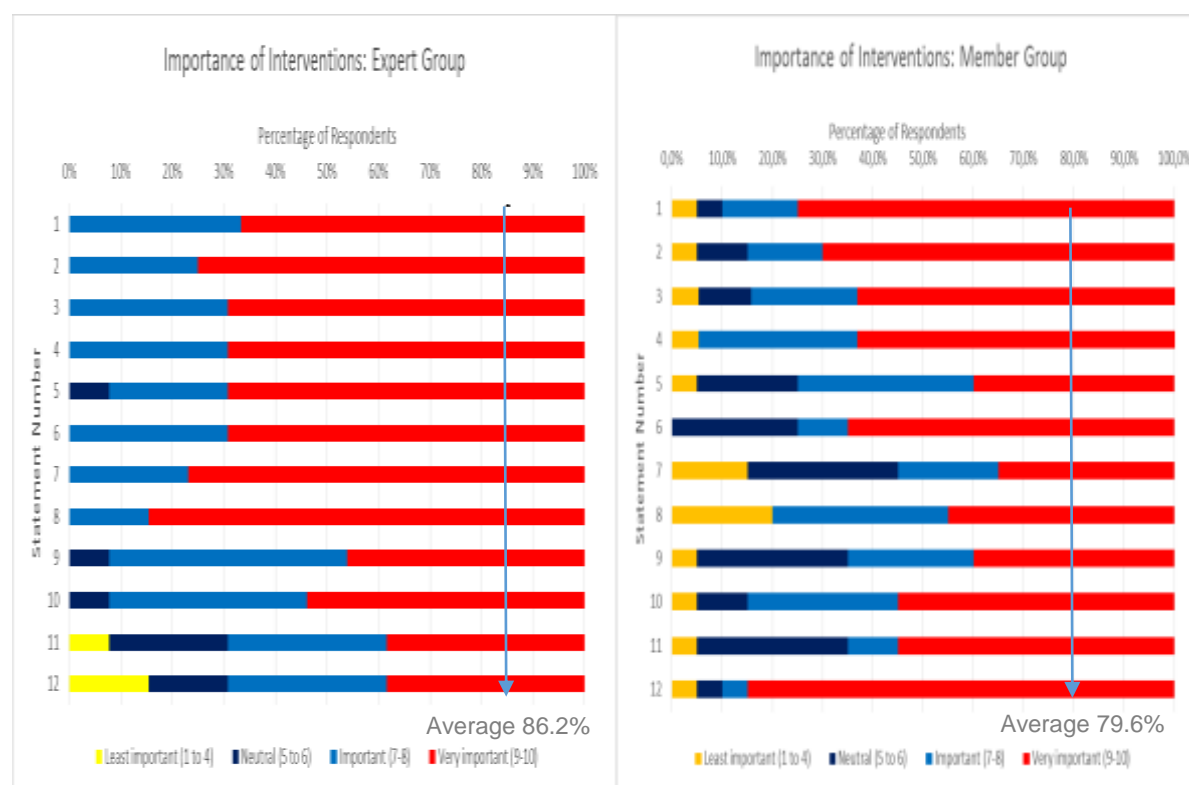
“I also agree with the previous speaker, since we use public transport and sometimes when it’s hot, and you already have your order with you but you struggle to get taxis to where you need to be and sometimes you end up cancelling the trip altogether. If we could also have a place where we could market our products in town that would be of great assistance.”

The conclusion, based on the perceptions of these respondents and as supported in the literature, is that marketing support is an essential intervention for cooperatives.

## 4.5 INTERVENTIONS

In order to guide strategy a series of possible interventions were derived from the themes developed from the literature as well as from the development of the questionnaire. Respondents were asked to rate the interventions by scoring them on a 10 point scale from 1 (least important) to 10 (very important). The specific interventions proposed and the overall findings are illustrated in Figure 4.5

**Figure 4.5: Importance of interventions: Findings**



Note: For ease of presentation, the scores were grouped. Ratings 1 to 4 = least important, ratings 5 & 6 = neutral, ratings 7 & 8 = important and ratings 9 & 10 = very important.

1	Training in financial management for co-operative members
2	Training in marketing for co- operative members
3	Training in product specific technical issues for co-operative members
4	Training in product specific technical issues for co-operative staff
5	Technical support centres with extension officers
6	Expert financial managers/ consultants to maintain financial records for co-operatives
7	Centralised marketing facilities to promote and distribute co- operatives' products
8	Business hubs with offices and factories to provide infrastructure to co-operatives
9	Training in the philosophy, nature and substance of co- operatives
10	Expert administrators to conduct administrative functions for co- operatives
11	A business management qualification which includes all aspects of business management for co-op members
12	Increase in the amount of financial loans and grants available

The possible interventions in Figure 4.5 were presented to respondents to determine the level of importance of those interventions. The detailed scores can be seen in Appendix 3.

Expert Group: The high average of all statements, 86.2%, suggests that, generally, interventions are seen as an important issue for cooperatives. Interventions 1 to 8 all rate above the average with statements 1 to 7 achieving “important” and “most important” ratings.

Interesting to note that the statement with the lowest rating relates to availability of funding. This suggests that the respondents consider funding to be reasonably readily available or that non-financial support is more important for the success of cooperatives.

Member Group: Similar to the Expert group, the high average of all statements, 79.6%, suggests that interventions are an important issue. Of interest here is the intervention with the highest average, suggesting the highest priority, statement 12: “Increase in the amount of financial loans and grants available” is the statement which has the lowest priority rating for the “Expert” group. As the literature suggests that significant funding opportunities are available, perhaps it is an issue of implementation.

Focus Group: Put succinctly by Speaker 5:

“First of all, they have indicated training. But it would be important that the training focuses on Business Management. Craft centre to be made available where co-ops have access to market their products. We would also love to have a place where Co-operatives are assisted by someone who has worked with successful coops and not just officials who might not necessarily have had prior experience in co-operative governance.”

It appears therefore, in conclusion, that possible interventions could be selected from any of those tested here.

This finding is supported by the DTI (2012), who, in their comprehensive proposal for cooperatives, suggest four strategic pillars:

Strategic pillar 1: To increase the supply of non-financial support services to cooperatives.

Strategic pillar 2: Creating demand for cooperative enterprises products and services.

Strategic pillar 3: To improve sustainability of cooperatives.

Strategic pillar 4: To increase the supply of financial support services to cooperatives.

## **4.6 CONCLUSION**

This section has examined the results of the survey and has compared the results of the different groups. It is evident that there is a fairly high degree of concurrence of the findings of the different groups as well as concurrence with the literature cited. This concurrence indicates a degree of trustworthiness in the research due to source triangulation (experts

and members) and method triangulation (survey and focus group) with both agreeing with the literature.

The next section considers how these findings may be applied to developing an intervention strategy for the W&RSETA.

## **CHAPTER 5**

### **SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION**

This section summarises the findings of this study and proposes possible interventions which the W&RSETA may choose to pursue in line with their mission. It further reviews the limitations of the study, makes recommendations for further research and concludes the study.

#### **5.1 FINDINGS SUMMARISED**

The study may be usefully summarised by referring to the study objectives

**5.1.1 Objective 1:** To trace the development of cooperatives in the wholesale and retail sector in South Africa.

The study has identified the development of cooperatives in South Africa with emphasis on the enlightened post 1994 legislative environment and concludes that the legislative environment is well defined and conducive to the development of cooperatives. What is not well defined is the distinction and accuracy of the type and number of cooperatives.

**5.1.2 Objective 2:** To identify existing and emerging cooperatives within the wholesale and retail sector.

The literature has suggested that the majority of cooperatives reside in the agricultural sector but these determinations have been geographically localised according to the study examined. The status of cooperatives in the wholesale and retail sector specifically is inconclusive.

**5.1.3 Objective 3:** To identify and explain the geographical distribution of cooperatives in South Africa.

Sixty-two percent of cooperatives reside in the three most populous provinces of the country: KwaZulu-Natal, Gauteng and Eastern Cape (2012). Literature proposes that this is the result of political expediency rather than entrepreneurial spirit. It is important to note that in excess of 80% of registered cooperatives had neglected to submit their financial returns and are considered therefore to be failed cooperatives.

**5.1.4 Objective 4:** To develop a management capacity building assessment framework for existing and emerging cooperatives in the wholesale and retail sector.

The assessment framework in this study was derived from international best practice as described in both local and international literature. The framework was identified around four themes evident from the literature. These themes are legislative arrangements, management and infrastructure arrangements, training and skills issues and marketing issues. A comparison of the averages of the responses of the expert and member group are presented in figure 5.1.

**Figure 5.1 Comparison of Averages: Expert vs member groups**

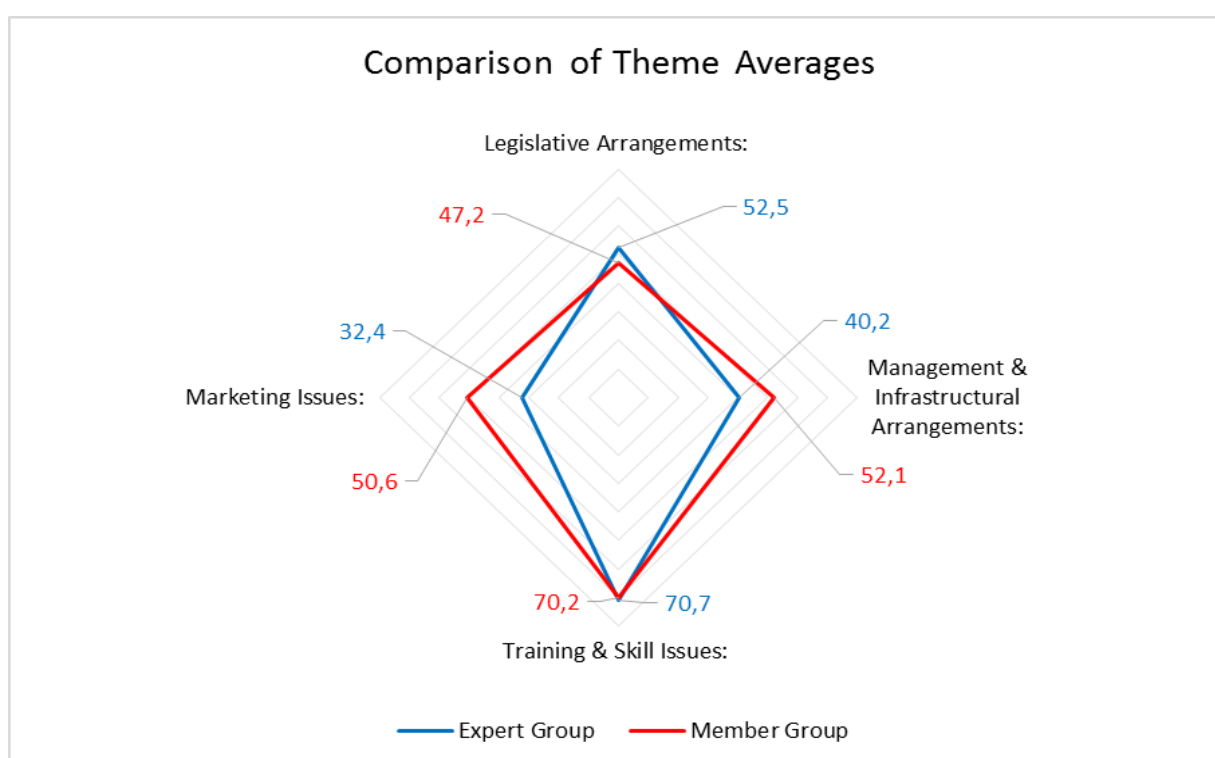


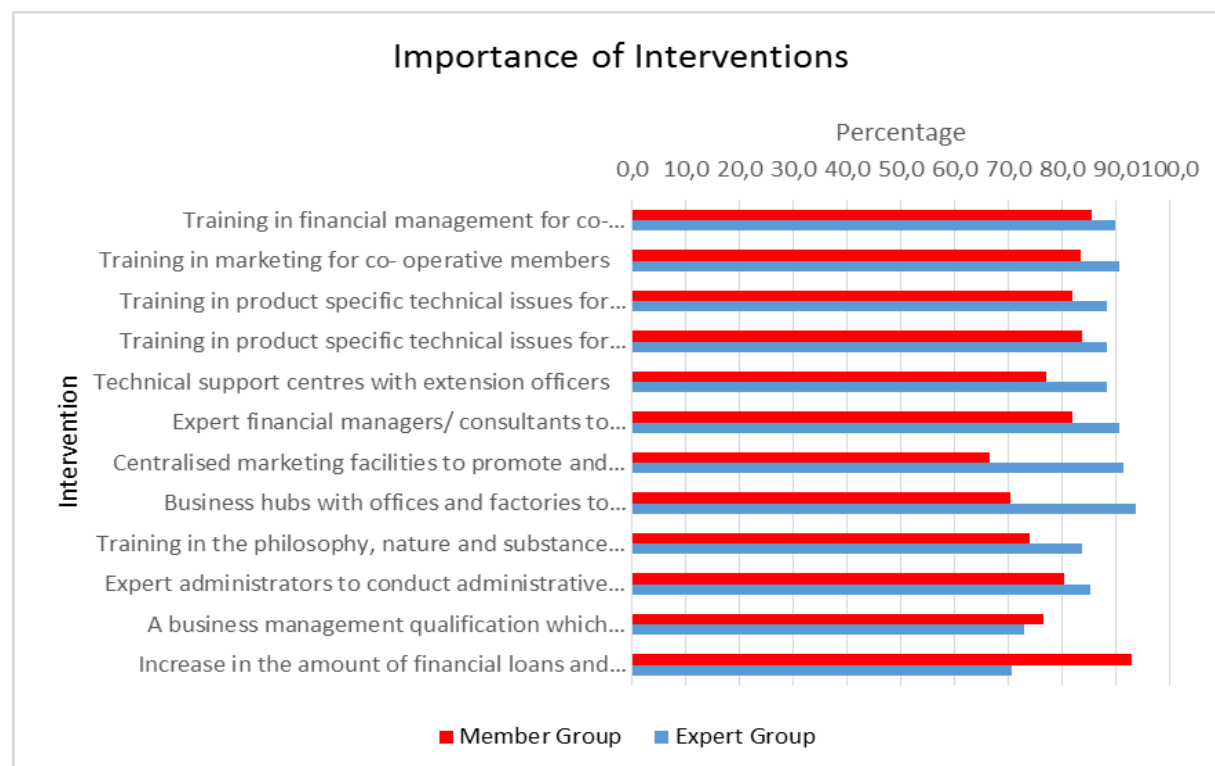
Figure 5 .1 represents the findings discussed in chapter 4 and concur with the literature cited. There is also concurrence between the groups. It may be deduced that management capacity can be assessed in these four areas. Previously, (paragraph 4.1) it was identified that the legislative environment is favourable to the development of cooperatives. Assessment of management capacity may then revolve around the other three areas: Management and infrastructural arrangements, training and skills issues and marketing issues.

**5.1.5 Objective 5:** To explore the possible support and skills interventions the W&RSETA can provide to both existing and emerging cooperatives.



Possible interventions were identified in the literature and tested in the three study groups. Figure 5.2.

**Figure 5.2 Importance of interventions**



As identified in paragraph 4.5 all interventions are rated as important and very important by the expert and member groups with the focus group emphasising too, the importance of skills development.

It is clear that the mandate of the W&RSETA is the development of skills in their sector as evidenced in their mission statement:

“To develop a skilled and capable workforce in the Wholesale and Retail Sector, thereby contributing to the sustainable socio-economic development and growth of the country”.

The W&RSETA should, however, develop a focus, or priorities, for its activities. To this end the possible interventions are analysed according to the averages of responses as shown in Table 5.1.

In Table 5.1 the interventions above the average for each of the groups are highlighted (yellow). The average of the averages are similarly highlighted for both groups (yellow). The qualitative comments are overlaid on the table (red) and the priorities for skills development and training for all three groups are:

1. Training in financial management for cooperative members
2. Training in marketing for cooperative members

It is useful to note that the focus group emphasised “A business management qualification which includes all aspects of business management for all cooperative members”, although this falls fairly low on the “averages” analysis of the expert and member groups.

**Table 5.1 Importance of interventions, averages**

<b>Importance of Interventions:</b>	<b>Expert Gp</b>	<b>Member Gp</b>	<b>Average of Gps</b>
Training in financial management for co-operative members	90,0	85,5	87,8
Training in marketing for co- operative members	90,8	83,5	87,2
Training in product specific technical issues for co-operative members	88,5	82,1	85,3
Training in product specific technical issues for co-operative staff	88,5	83,7	86,1
Technical support centres with extension officers	88,5	77,0	82,8
Expert financial managers/ consultants to maintain financial records for co-operatives	90,8	82,0	86,4
Centralised marketing facilities to promote and distribute co- operatives' products	91,5	66,5	79,0
Business hubs with offices and factories to provide infrastructure to co-operatives	93,8	70,5	82,2
Training in the philosophy, nature and substance of co- operatives	83,8	74,0	78,9
Expert administrators to conduct administrative functions for co- operatives	85,4	80,5	83,0
A business management qualification which includes all aspects of business management for co-op members	73,1	76,5	74,8
Increase in the amount of financial loans and grants available	70,8	93,0	81,9
<b>Average (all statements)</b>	<b>86,2</b>	<b>79,6</b>	<b>82,9</b>

## 5.2 RECOMMENDATIONS

**5.2.1. Objective 6:** To provide a framework for integrating such cooperatives into bigger wholesale and retail markets.

The sixth objective of this project requires that the findings of the research underpin a proposal for a framework for integrating cooperatives into bigger wholesale and retail markets. Perhaps the distance between the current position of cooperatives and that of the existing wholesale and retail trade may be called the “interventions gap”. This is depicted in Figure 5.3.

**Figure 5.3: Interventions Gap**



The primary cooperatives, on the one hand, are characterised by talented craftsmen or farmers who possess fundamental skills and capabilities to produce a range of goods or foodstuffs. As evidenced by this research, they are remote from potential markets, often rural; their marketing skills are weak if not non-existent; financial and business management skills are something to be desired. Marketing issues of pricing, quality and quantity are poorly applied.

On the other hand, the bigger retail and wholesale sector are located in and around towns and cities, have sophisticated buying processes and stringent demands in terms of quality and quantity.

It is this dichotomy for which the W&RSETA seeks an intervention.

### **5.2.2. Alternative 1**

Provide relevant skills development programmes to primary cooperatives and the wholesale and retail sector on an ad hoc basis. This may partially represent W&RSETA current strategy and may contribute to sector development over the longer term. There is a plethora of units, departments, organisations, municipalities, provincial government sectors as well as national government departments which have SMME and cooperative development strategies (for example, see Province of Kwazulu-Natal: Department of Economic Development, Tourism and Environmental Affairs (EDTEA): Cooperatives Summit 2016.) These all tend to consider funding and training and skills development as their main focus.

None, however, consider the wholesale and retail sector as their focus. Most do consider that municipal, provincial and national government departments should develop procurement strategies which favour cooperatives as suppliers.

This research has confirmed the significant need for training and development in the cooperative sector and this need is addressed substantially by the various role players identified. In the longer term this training will, no doubt, benefit the sector. It is doubtful, though, to what extent this approach will assist in mainstreaming cooperatives into the formal business sector or for integrating cooperatives into bigger wholesale and retail markets.

It is possible that an active and vibrant Apex cooperative could energise the sector by coordinating, organising and lobbying for the productive efforts of the primary cooperatives. The existing apex organisation, SANACO, appears, however, to be relatively inactive.

### **5.2.3 Alternative 2**

The “Interventions Gap”, proposed above, requires that a resource is established which has the ability to provide the driving force which determines the needs of the market on the one hand and interprets these into production programmes on the other. It is proposed, as a second alternative, that the W&RSETA facilitate the development/establishment of intermediary bodies (which may later become secondary cooperatives). (Refer to Figure 5.4.) These intermediaries would be established on a local basis according to the nature of the produce. For example, an intermediary for potters in the Port St John’s area would provide the intermediary services just for those potters. Another area of potters/jewellers/egg producers/vegetable growers would each have its own intermediary. These intermediaries could be regionally based according to the W&RSETA regional offices. These bodies would act initially as wholesalers, but later also as retailers. Their role would be to provide facilitation between primary producers: determine price, quality and quantity data from the market; convert that data into production guidelines; consolidate quantities and provide packaging, labelling and distribution/delivery services. Of necessity, the intermediary would develop relationships with mainstream retailers and wholesalers in the region and include them in developmental and planning processes. The intermediaries could usefully be staffed by retail graduates under the guidance of an experienced facilitator sourced from W&RSETA resources.

W&RSETA role would be to facilitate the development of the intermediaries further by coordinating the various developmental establishments (SEDA, DSBD etc) in fulfilling their various roles in economic development. W&RSETA may then continue to fulfil their mandate in upskilling the wholesale and retail sector with their training programmes.

Later, in the longer term, and after the capacity has been developed at a secondary cooperative level, these cooperatives would provide the marketing related function with the W&RSETA providing a coordinating role. Figure 5.5 presents the longer term framework.

Figure 5.4 Summarised example of the proposed framework – Phase 1 - intermediate, medium term structure

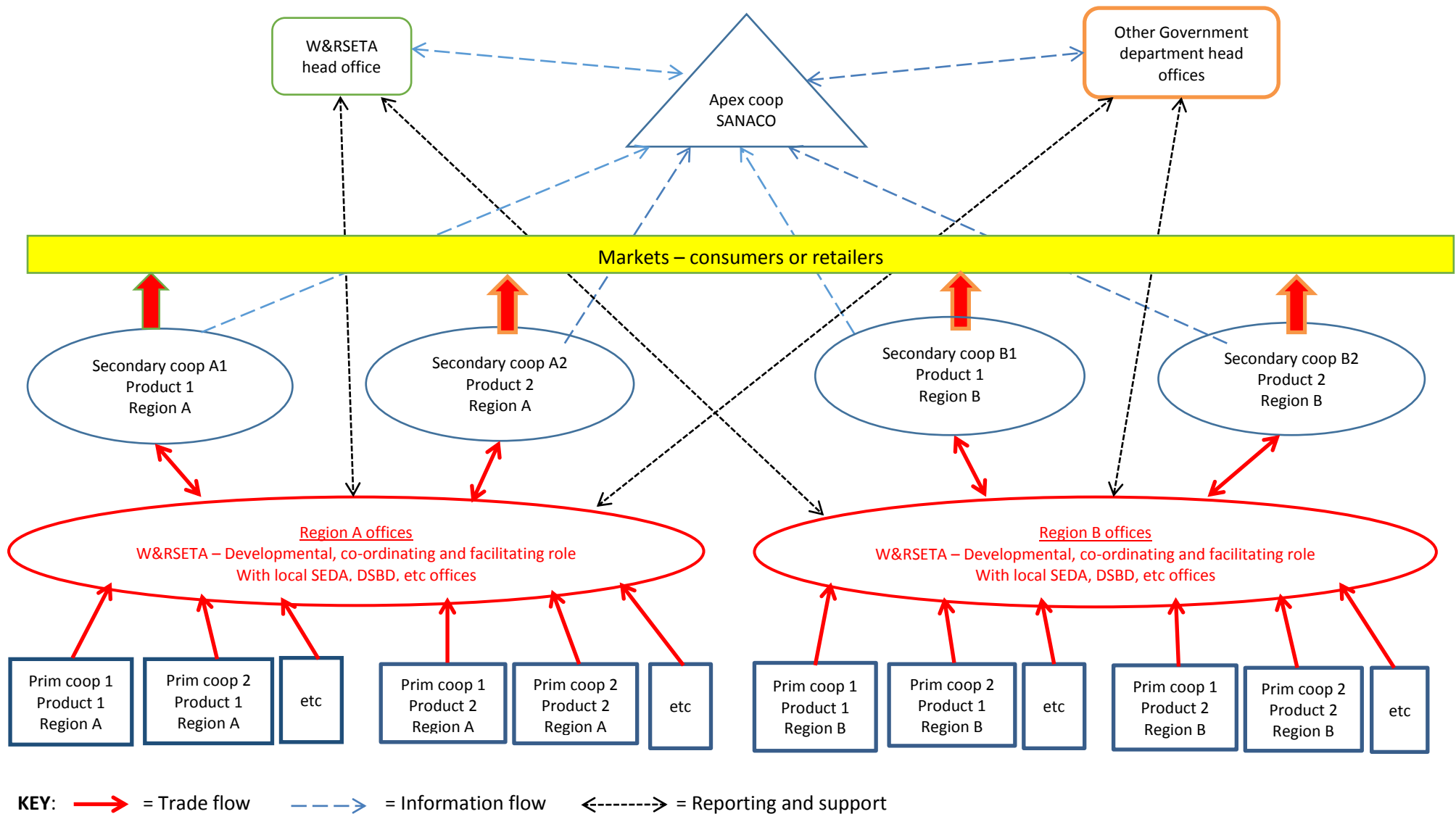
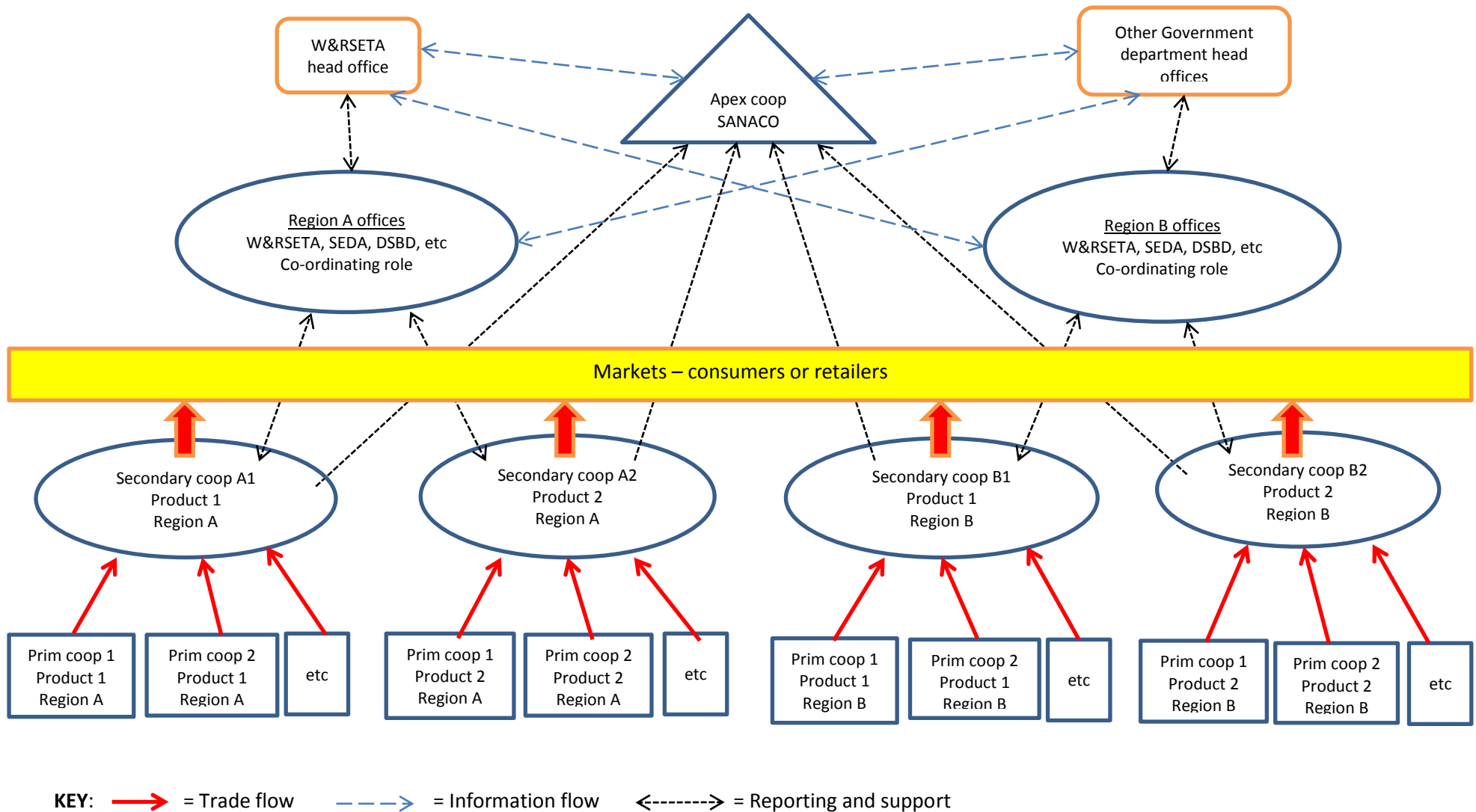


Figure 5.5 Summarised example of the proposed framework – Phase 2 - longer term structure



### **5.3 LIMITATIONS**

Access to willing respondents is likely to be a challenge to any researcher. This indeed was the situation with this project. The expert group may have felt obliged to fulfil the request from senior management or because of this request may have hesitated to respond, thus the low response of 14 respondents. The focus group were restricted to one geographical area, a larger spread may have resulted in different responses. Encouraging though is the fact of a fairly high consistency of response of the three different groups. As mentioned in paragraph 4.6 this concurrence indicates a degree of trustworthiness in the research due to triangulation.

### **5.4 FURTHER RESEARCH**

Ortmann & King (2010:397) propose further research into the alternative ways in which small scale farmers may reach their markets. Heijden and Vink (2013:68) suggest that the supermarket model as identified in industrialised countries (including South Africa) is inherently hostile towards smaller producers. This project proposes an intermediary to fulfil some of the marketing functions which will enable primary producers to become mainstream participants. The nature or form of these proposed intermediaries in ideal form is unknown. From formal mainstream supermarkets to alternative food markets to direct distribution, the alternatives present interesting and exciting possibilities. This opens several possibilities for further research in order to try to identify the most appropriate route to follow.

### **5.5 CONCLUSION**

This chapter has summarised the findings of this study against each of the objectives of the study, proposed interventions have been identified and a framework has been proposed for the integration of cooperatives into the bigger wholesale and retail sector. Finally, areas for further research have been identified in order to further develop the sector.



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# Wholesale & Retail LEADERSHIP CHAIR

## Appendix 1

### LETTER OF INFORMATION AND INFORMED CONSENT: Research Project 2013/09: “THE NATURE OF EXISTING AND EMERGING COOPERATIVES IN THE WHOLESALE AND RETAIL SECTOR”

Dear Participant

I am currently undertaking a research project on behalf of the Wholesale & Retail Leadership Chair at Cape Peninsula University of Technology. This study aims to produce an objective position paper, reflecting the current the nature of existing and emerging cooperatives in the Wholesale and Retail sector with recommendations for future progress.

*Would you please agree to complete a research questionnaire (or be interviewed) for this study?*

The questionnaire/interview will take approximately 20 minutes. Participation is voluntary and you are free to refuse to participate at any time without giving reasons, and without prejudice. The information you give will be used for research purposes only, and will be aggregated with other responses, so that only the overall or average information will be used. Your identity and individual answers will be kept confidential. If any quotations are used, these will remain anonymous, unless you consent to specific quotations in the paper. To discuss this request further, please feel free to contact me on the number below; or the W&R Leadership Chair, Professor Roger Mason, on: masonr@cput.ac.za or 021 460 3040.

By completing the questionnaire or being interviewed, you are confirming that the purpose of the study has been adequately explained to you, that you understand that you may withdraw from it at any time without giving reasons; and that you are taking part voluntarily.

*Your professional input will be greatly appreciated to assist in the preparation of a meaningful position paper & recommendations for the Wholesale & Retail Leadership Chair at CPUT.*

Yours faithfully

Peter Raap  
Cell number: 083 456 0551  
Fax number: 086 537 6268  
Email address: peterjraap@gmail.com

“Informed Consent” to participate in this CPUT Wholesale & Retail Leadership Chair research project:

Name \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

**Research project 2013/9**

**THE NATURE OF EXISTING AND EMERGING COOPERATIVES IN THE**

## WHOLESALE AND RETAIL SECTOR

*Thank you for your contribution to this national survey by the Wholesale & Retail Leadership Chair at CPUT. Survey results will be available on the Wholesale & Retail Leadership Chair website ([www.wrlc.org.za](http://www.wrlc.org.za)) and will help to facilitate W&R business sector collaboration. Please e-mail or fax the completed questionnaire to the researcher as below.*

☐

Researcher Contact details: Mr Peter Raap and Dr Norbert Haydam (CPUT)  
Cellphone: 083 456 0551 Fax: 086 537 6268 Email: [peterjraap@gmail.com](mailto:peterjraap@gmail.com)

\*\*\*The interview starts here\*\*\*

1. Can you briefly explain your role and context within co-operatives industry?


(→ RECORD DK = DON'T KNOW/CANNOT COMMENT) → CALL OUT THE OPTIONS

**Q.3 Do you have comments or would like to raise an opinion with regards to any LEGISLATIVE ARRANGEMENT as probed?**

[illegible]

Q.4	MANAGEMENT & INFRASTRUCTURE ARRANGEMENTS	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Cannot comment
4-1	Co-operatives have easy access to the latest technologies for their businesses	-5	-4	-3	-2	-1	DK
-2	Co-operatives have easy access to experts in their field of business	-5	-4	-3	-2	-1	DK
-3	Suitable business premises are easily available for start-up co-operatives	-5	-4	-3	-2	-1	DK
-4	Co-operative members understand the idea of shared ownership	-5	-4	-3	-2	-1	DK
-5	Co-operative members support the idea of shared ownership	-5	-4	-3	-2	-1	DK
-6	Co-operative members place collective interest above individual interest	-5	-4	-3	-2	-1	DK
-7	Co-operative members work willingly together in the interest of the collective interest	-5	-4	-3	-2	-1	DK
-8	Expert facilitators and consultants are available to assist with co-operative management issues	-5	-4	-3	-2	-1	DK
-9	Expert administrators are available to assist co-operatives with financial and administrative duties	-5	-4	-3	-2	-1	DK

**Q.5 Do you have any comments or would like to raise an opinion with regards to any MANAGEMENT & INFRASTRUCTURE ARRANGEMENTS as probed?**

→ IF YES PROBE FULLY AND RECORD IN THE SECTION BELOW.

[illegible]







**Q.10** Please consider each of the following possible interventions for the co-operative movement and rate them according to your opinion from the least important/urgent to the most important/urgent, or somewhere in between, by marking an x on the scale, where 1 is the least important/urgent and 10 is the most important/urgent.

→ CALL OUT THE STATEMENTS/INTERVENTIONS

**Q.11 Are there any other interventions that you think would help co-operatives? Do you have any other comments on these interventions?**

[illegible]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

### Support Initiatives

*These initiatives are discussed in Department of Trade and Industry. (2012:46). Integrated Strategy on the Development and Promotion of Co-operatives.*

Accelerated and Shared Growth Initiative for South Africa (AsgiSA)

National Industrial Policy Framework (NIPF)

Industrial Policy Action Plan (IPAP 2)

Regional Industrial Development Strategy (RIDS)

Anti-Poverty Strategy

Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises

Broad-Based Black Economic Empowerment Strategy (B-BBEE)

National Youth Enterprise Strategy (NYES)

Strategic Framework on Gender and Women's Economic Empowerment

Access to Finance:

Micro-Agricultural Financial Institute of South Africa (MAFISA)

National Empowerment Fund (NEF)

The Industrial Development Corporation

Women Entrepreneurs Fund (WEF),

National Youth Development Agency (NYDA)

Provincial Access to Finance

The Limpopo Business Support Agency (LIBSA)

The Limpopo Economic Development Enterprise (LIMDEV)

Gauteng Enterprise Propeller (GEP)

Free State Development Corporation (FSDC)

Eastern Cape Development Corporation (ECDC)

Ithala Bank

Appendix 3							
Responses: Expert Group							
Statement		Percentage of Respondents					
Legislative Arrangements: Expert Group		Weighted Average	SA	A	N	D	SD
1	The Co-operatives Act of 2005 is clearly set out and easy to understand	73,2	14,3	64,3	21,4	0,0	0,0
2	The Act makes it easy for me to assist in starting new co-operatives	71,4	21,4	42,9	35,7	0,0	0,0
3	Support from various government agencies who deal with co-operatives is easily available	51,8	0,0	35,7	42,9	14,3	7,1
4	The efforts of the government agencies are well co-ordinated and logical	46,4	7,1	21,4	35,7	21,4	14,3
5	Co-operatives as a business form are well understood by the various government agencies	53,6	7,1	35,7	28,6	21,4	7,1
6	Registration of a co-operative is easy	55,4	21,4	7,1	42,9	28,6	0,0
7	The idea of a co-operative as a business form is well understood by potential co-operative members	55,4	14,3	28,6	35,7	7,1	14,3
8	It is easy for a co-operative to get financial support in the form of a loan	44,6	7,1	21,4	28,6	28,6	14,3
9	It is easy for a co-operative to get a financial grant (seed funding)	41,1	0,0	21,4	35,7	28,6	14,3
10	The co-operative movement has a strong and unified voice with government	32,1	7,1	7,1	14,3	50,0	21,4
Average (all statements)		52,5					
Management & Infrastructural Arrangements: Expert Group							
1	Co-operatives have easy access to the latest technologies for their businesses	30.4	7,1	0,0	21,4	50,0	21,4
2	Co-operatives have easy access to experts in their field of business	33.9	7,1	0,0	28,6	50,0	14,3
3	Suitable business premises are easily available for start-up co-operatives	26.8	0,0	0,0	28,6	50,0	21,4
4	Co-operative members understand the idea of shared ownership	42.9	7,1	21,4	21,4	35,7	14,3
5	Co-operative members support the idea of shared ownership	48.2	7,1	21,4	35,7	28,6	7,1
6	Co-operative members place collective interest above individual interest	39.3	7,1	7,1	28,6	50,0	7,1
7	Co-operative members work willingly together in the interest of the collective interest	46.4	7,1	21,4	28,6	35,7	7,1
8	Expert facilitators and consultants are available to assist with co-operative management issues	48.2	0,0	28,6	35,7	35,7	0,0
9	Expert administrators are available to assist co-operatives with financial and administrative duties	46.2	0,0	23,1	38,5	38,5	0,0
Average (all statements)		40.2					

		<b>Appendix 3 continued</b>					
<b>Training &amp; Skill Issues: Expert Group</b>							
1	Training in how to set up a co- operative is available	61.5	7,7	46,2	30,8	15,4	0,0
2	Financial management training for co-operatives is available	61.5	7,7	53,8	15,4	23,1	0,0
3	Business planning workshops are available for co-operative start-ups	59.6	0,0	53,8	30,8	15,4	0,0
4	Members of co-operatives need business management training	84.6	61,5	15,4	23,1	0,0	0,0
5	People and organisations that support start-up co-operatives need co-operative need management training	82.7	46,2	38,5	15,4	0,0	0,0
6	People and organisations that support start-up co-operatives need co-operative specific training	82.7	46,2	38,5	15,4	0,0	0,0
7	People and organisations that support start-up co-ops need a formal qualification in co-op set-up & management	71.2	46,2	7,7	30,8	15,4	0,0
8	Members of co-operatives need a formal qualification in co-operatives	61.5	23,1	23,1	30,8	23,1	0,0
<b>Average (all statements)</b>		70.7					
<b>Marketing Issues: Expert Group</b>							
1	Co-operative members have good knowledge of their markets	32.7	0,0	0,0	46,2	38,5	15,4
2	Co-operatives have easy access to their local markets	38.5	0,0	23,1	23,1	38,5	15,4
3	Co-operative members understand the need for consistent quality	34.6	0,0	15,4	23,1	46,2	15,4
4	Experts in the field of marketing are accessible to co-operatives	34.6	0,0	7,7	38,5	38,5	15,4
5	Co-operatives find it easy to sell all their produce	26.9	0,0	0,0	23,1	61,5	15,4
6	Transport to towns and markets is easy for co-operatives	26.9	0,0	0,0	23,1	61,5	15,4
<b>Average (all statements)</b>		32.4					
<b>Importance of Interventions:Expert Group</b>		Least			Most		
			1-4	5-6	7-8	9-10	
1	Training in financial management for co-operative members	90,0	0,0	0,0	33,3	66,7	
2	Training in marketing for co- operative members	90,8	0,0	0,0	25,0	75,0	
3	Training in product specific technical issues for co-operative members	88,5	0,0	0,0	30,8	69,2	
4	Training in product specific technical issues for co-operative staff	88,5	0,0	0,0	30,8	69,2	
5	Technical support centres with extension officers	88,5	0,0	7,7	23,1	69,2	
6	Expert financial managers/ consultants to maintain financial records for co-operatives	90,8	0,0	0,0	30,8	69,2	
7	Centralised marketing facilities to promote and distribute co-operatives' products	91,5	0,0	0,0	23,1	76,9	
8	Business hubs with offices and factories to provide infrastructure to co-operatives	93,8	0,0	0,0	15,4	84,6	
9	Training in the philosophy, nature and substance of co-operatives	83,8	0,0	7,7	46,2	46,1	
10	Expert administrators to conduct administrative functions for co-operatives	85,4	0,0	7,7	38,4	53,9	
11	A business management qualification which includes all aspects of business management for co-op members	73,1	7,7	23,1	30,8	38,4	
12	Increase in the amount of financial loans and grants available	70,8	15,4	15,4	30,8	38,4	
<b>Average (all statements)</b>		86,2					

		<b>Appendix 3 continued</b>					
<b>Responses: Member Group</b>							
Statement		Percentage of Respondents					
<b>Legislative Arrangements: Member Group</b>		Weighted Average	SA	A	N	D	SD
1	The Co-operatives Act of 2005 is clearly set out and easy to understand	76,3	40,0	40,0	10,0	5,0	5,0
2	The Act makes it easy for me to assist in starting new co-operatives	61,1	16,7	38,9	16,7	27,8	0,0
3	Support from various government agencies who deal with co-operatives is easily available	47,5	10,0	35,0	10,0	25,0	20,0
4	The efforts of the government agencies are well co-ordinated and logical	40,0	10,0	10,0	30,0	30,0	20,0
5	Co-operatives as a business form are well understood by the various government agencies	44,7	15,8	21,1	21,1	10,5	31,6
6	Registration of a co-operative is easy	58,8	25,0	40,0	5,0	5,0	25,0
7	The idea of a co-operative as a business form is well understood by potential co-operative members	56,3	15,0	35,0	20,0	20,0	10,0
8	It is easy for a co-operative to get financial support in the form of a loan	23,7	5,3	10,5	10,5	21,1	52,6
9	It is easy for a co-operative to get a financial grant (seed funding)	25,0	5,0	15,0	0,0	35,0	45,0
10	The co-operative movement has a strong and unified voice with government	36,8	10,5	10,5	31,6	10,5	36,8
<b>Average (all statements)</b>		<b>47,0</b>					
<b>Management &amp; Infrastructural Arrangements: Member Group</b>							
1	Co-operatives have easy access to the latest technologies for their businesses	51,3	10,5	36,8	15,8	21,1	15,8
2	Co-operatives have easy access to experts in their field of business	50,0	5,0	45,0	10,0	25,0	15,0
3	Suitable business premises are easily available for start-up co-operatives	30,3	0,0	15,8	21,1	31,6	31,6
4	Co-operative members understand the idea of shared ownership	58,8	15,0	35,0	30,0	10,0	10,0
5	Co-operative members support the idea of shared ownership	66,3	20,0	50,0	15,0	5,0	10,0
6	Co-operative members place collective interest above individual interest	58,8	10,0	35,0	45,0	0,0	10,0
7	Co-operative members work willingly together in the interest of the collective interest	62,5	10,0	45,0	35,0	5,0	5,0
8	Expert facilitators and consultants are available to assist with co-operative management issues	45,0	0,0	40,0	15,0	30,0	15,0
9	Expert administrators are available to assist co-operatives with financial and administrative duties	46,3	0,0	45,0	10,0	30,0	15,0
<b>Average (all statements)</b>		<b>52,1</b>					

		<b>Appendix 3 continued</b>					
<b>Training &amp; Skill Issues: Member Group</b>							
1	Training in how to set up a co- operative is available	77,5	35,0	50,0	5,0	10,0	0,0
2	Financial management training for co-operatives is available	78,9	36,8	47,4	10,5	5,3	0,0
3	Business planning workshops are available for co-operative start-ups	73,7	31,6	47,4	5,3	15,8	0,0
4	Members of co-operatives need business management training	78,8	25,0	65,0	10,0	0,0	0,0
5	People and organisations that support start-up co-operatives need co-operative need management training	81,7	46,2	38,5	15,4	0,0	0,0
6	People and organisations that support start-up co-operatives need co-operative specific training	70,0	20,0	40,0	40,0	0,0	0,0
7	People and organisations that support start-up co-ops need a formal qualification in co-op set-up & management	56,3	10,0	30,0	45,0	5,0	10,0
8	Members of co-operatives need a formal qualification in co-operatives	45,0	0,0	25,0	45,0	15,0	15,0
<b>Average (all statements)</b>		<b>70,2</b>					
<b>Marketing Issues: Member Group</b>							
1	Co-operative members have good knowledge of their markets	61,8	0,0	78,9	0,0	10,5	10,5
2	Co-operatives have easy access to their local markets	63,2	5,3	63,2	15,8	10,5	5,3
3	Co-operative members understand the need for consistent quality	63,2	5,3	52,6	31,6	10,5	0,0
4	Experts in the field of marketing are accessible to co-operatives	51,3	5,3	42,1	21,1	15,8	15,8
5	Co-operatives find it easy to sell all their produce	36,4	0,0	0,0	45,5	54,5	0,0
6	Transport to towns and markets is easy for co-operatives	27,5	0,0	10,0	10,0	60,0	20,0
<b>Average (all statements)</b>		<b>50,6</b>					
<b>Importance of Interventions: Member Group</b>			<b>Least</b>			<b>Most</b>	
			1-4	5-6	7-8	9-10	
1	Training in financial management for co-operative members	85,5	5,0	5,0	15,0	75,0	
2	Training in marketing for co- operative members	83,5	5,0	10,0	15,0	70,0	
3	Training in product specific technical issues for co-operative members	82,1	5,3	10,5	21,1	63,2	
4	Training in product specific technical issues for co-operative staff	83,7	5,3	0,0	31,6	63,2	
5	Technical support centres with extension officers	77,0	5,0	20,0	35,0	40,0	
6	Expert financial managers/ consultants to maintain financial records for co-operatives	82,0	0,0	25,0	10,0	65,0	
7	Centralised marketing facilities to promote and distribute co-operatives' products	66,5	15,0	0,3	20,0	35,0	
8	Business hubs with offices and factories to provide infrastructure to co-operatives	70,5	20,0	30,0	35,0	45,0	
9	Training in the philosophy, nature and substance of co-operatives	74,0	5,0	30,0	25,0	40,0	
10	Expert administrators to conduct administrative functions for co-operatives	80,5	5,0	10,0	30,0	55,0	
11	A business management qualification which includes all aspects of business management for co-op members	76,5	5,0	30,0	10,0	55,0	
12	Increase in the amount of financial loans and grants available	93,0	5,0	5,0	5,0	85,0	
<b>Average (all statements)</b>		<b>79,6</b>					

**Interview session with Cooperatives in Mhlontlo Municipality on:**

**“THE NATURE OF EXISTING AND EMERGING COOPERATIVES IN THE WHOLESALE AND RETAIL SECTOR”**

**VM:** Vuyolwetu Malgas

**Speakers:** Cooperative members

**VM:** Good Morning once again, my name is Vuyo Malgas, I have been sent by the WRSETA as the Leadership Chair is conducting research with CPUT looking at the current nature of the Co-ops in the Wholesale and Retail Sector. I am asking that you please participate and give me your input, be as honest as possible so that we can get an objective view of how the co-operatives operate. You have agreed to participate in the research and the information gathered here will be used for research purposes only as I have previously indicated, the views carried in this research will be based on your own views. Do we all agree to proceed? You all agree that I have explained properly the purpose of the research and of this interview?

**Participants:** Yes

**VM:** My first question would be to ask you to briefly explain what role do you play in the cooperatives you are members of? Let us start with you madam? What role do you play in the co-op you are a member of?

**Speaker 1:** I am a member of the co-op, first and foremost I am the chairlady of the coop. My role is to ensure that the co-op is fully operational, that it works and to make sure that where opportunities arise, we are in a position to benefit. To also ensure that since I think it's important to understand that when you work together in the co-op, the co-op belongs to all members, I have to ensure that we as the members work together so that no one feels that the co-op is owned by certain individuals, and not do what one person requires of us so that there is no conflict.

**VM:** Thank you ma'am for your input, can we get someone else? Yes ma'am.

**Speaker 2:** I am a member of Mvuzowethu coop. As the previous speaker has indicated, I am just a member whose role is to ensure that we work hand-in hand with her to ensure that whatever she has asked us to assist in, we do to ensure that she is not overloaded with work.

**Speaker 3:** I am a member of Sinozamo, I am the secretary and we work together and also ensure that we attend meetings as we agreed when we started the coop according to the rules we set for ourselves. We work with villages in our neighbouring area and we plant and sell vegetables.



**Speaker 4:** I am also a member of Sinozamo as my fellow member has indicated, we plant vegetables even though we sometimes find a lot of challenges, for example last year, our garden looked promising until we had hailstorms and we lost about R12000 worth of seedlings that we planted, and we were up and down looking for help at Department of Agriculture in the hope of getting some form of assistance. Coming from there, this year we are plagued by the drought and it's been difficult

**Speaker 5:** I m a manager of Mdivase FS working hand-in hand with communities, assisting where we can and hoping to also get assistance from the SETA If possible.

**Speaker 6:** My name is Nobahle, I work as a secretary for Qhwesha Construction, when we go to meetings, I keep track of what has been discussed in meetings. We make coffins and sell them, we are still doing well.

**Speaker 7:** This is Mrs Phikelela from Boo Mduma Ndipheni, I am a secretary for the coop, and we work closely with the community. Our biggest challenge is that as we making beads, we struggle with the material as sometimes we don't have material. We also have a veggie garden, but this year has been terrible, we have not planted any vegetables due to the drought

**VM:** Thank you all for your participation and your co-operation in this regard. My next question is regarding the laws that govern co-ops: Do your members understand what a cooperative is and do they understand the cooperative's business model? Does everyone involved know how cooperatives should be governed? In your view, do you think you know what cooperatives are all about and how they are supposed to function?

**Speaker 1:** That is our biggest challenge; people do not know what they are. If you recall, cooperatives is a new phenomenon, previously, people were working with projects, and probably projects had their own manner in which they function, I would not clearly know as I was never part of the projects, but as of now, very few people know what co-operatives really are. Members of our cooperatives do not understand what a cooperative is and they do not treat it like a business, which poses problems, for example in my co-op you will find only one or two people know what a coop really is and how it works and the rest just come to work so they can get an income.

**VM:** Thank you for your input ma'am. Do we all agree with the previous speaker or does anyone of you have different views to what has been tabled or is there someone who can add-on?

**Speakers:** We all have the same views

**VM:** We all agree that people do not truly understand cooperative?

**Speakers:** Yes

**VM:** So, in your views, is it easy to understand the cooperatives act of 2005 and does it make it make easy to register cooperatives?

**Speakers:** You must first bring us the act. We do not know of the act.

**VM:** You do not know the act? You have not heard of the act?

**Speakers:** No

**VM:** Is there any form of support that you get as members of the cooperatives from the Government or government agencies?

**Speakers:** Resounding NO. No assistance

**Speaker 1:** We do get some form of assistance in our co-operatives. Firstly, one of the products we make is craft products; we were sent a Training Provider to come assist us with the craft. After the training, government agencies tried to help us with material, even though it was never enough, it would only last 2 days. Recently we have been funded by Department of Arts and Culture and we are currently busy sourcing material, so that is the form of help we are currently getting.

**VM:** Ma'am, it looks like you have a different view from the speaker, what is your take on the matter?

**Speaker 2:** Yes. Was your question around funding that we get from government?

**VM:** Yes

**Speaker 2:** We never get any form of funding from government. Like my partner mentioned earlier, we lost our seedlings due to the hail storms, we came to the DOA in Qumbu and they sent us to another office in Mthatha. When we got to the office, people that were there in the office indicated that they have heard of people getting reimbursed by government when they have problems due to natural disasters, but we have not seen that happen, and we never got any assistance.

**VM:** Anyone with something different to what has been discussed?

**Speakers:** No

**VM:** My other question is also based on legislation around co-operatives. Is it easy to get financial assistance as co-ops in the form of loans?

**Speakers:** No, we are struggling.

**VM:** So, you are all in one accord that you are struggling? So, we can proceed.

**Speaker 1:** Perhaps, before you proceed, don't you think you would like to hear our views as to why we struggle to get the funding? Perhaps it could be that we do not know which avenues to go to, because it could be we struggle because we don't know where to go. I would like us to delve into the challenges we face when seeking funding?

**VM:** Thank you ma'am for that point, does anyone want to give their views on this matter?

**Speaker 1:** The reason we say that we struggle, is because, since we are based in the rural areas, we do not have access to all the documents that are required when applying for funding and we sometimes give up due to not having access to latest requirements i.e CK documents and business plans

**Speaker 2:** Sometimes, they would ask for business plans and BEE certificates and we have none of those and do not even know where to access them. The other application I did, they wanted a stamp for the Co-op, being from rural areas, we didn't know that we needed the stamps or these BEE certificates as we assumed that these were for people who wanted to submit tenders.

**Speaker 3:** The biggest struggle is when you inquire of the Business Plans and the consultants would charge you R4500 meanwhile you had to get a loan to transport members to get to their offices, so it is quite a struggle.

**VM:** So, do you have any access to latest technology as co-ops? And if not, what are the reasons?

**Speakers:** No, the only access to technology that we have is our cell phones and we are not able to even use the computers. We write whatever we need to on our notebooks and sometimes it makes it difficult for our record keeping as we work from our very own kitchens.

**VM:** Thank you for raising that point regarding the premises as this was going to be my question.

**Speaker 1:** No, we work from our, sometimes you have to move your furniture when there is something we busy with and we need space, we don't even have containers. You would laugh when you get to my house because we keep all the material that we buying in our bedrooms sometimes.

**Speaker 2:** I also want to add on, we sometimes do not have a place to keep our seedlings and we place them under trees and sometimes rats get to them

**Speaker 3:** We have shacks where we keep machinery that we use to make coffins but we sometimes worry about the safety of our children as it's not safe.

**VM:** Thank you ladies and gents. There is a lady that mentioned in passing about how members handle themselves and my question is based on that. What are your views on member's understanding of how coops should operate? Do they understand that ownership is shared?

**Speakers:** We don't have such a challenge, we all work hand-in hand.

**VM:** Do you have access to consultants who can assist you with things like book-keeping and finances?

**Speaker 1:** It is very rare that we get training, we do not have any bookkeepers or receptionists and we struggle. Each person has to find their own way of maintaining the documentation.

**VM:** Is there training that is available?

**Speakers:** No, no training on Financial Management

**Speaker 2:** There is some level of training that we get but I feel it is not sufficient, sometimes we get only one day on bookkeeping with is never enough to even get us going

**VM:** It seems like other members are not in agreement with your statement regarding training, how did you get access to training?

**Speaker 1:** Since our coop was funded by Rural Development, the service provider they gave us also helps with our set-up, they come perhaps one day every once in a while to conduct some trainings as Rural Development is keeping tabs on us, but it is never easy to understand as they only do it in one day

**VM:** So, all in all, do you think you need formal training on Business Management and formal qualifications?

**Speakers:** Yes

**VM:** Why do you say so?

**Speaker 1:** Since there is quite a few of us in the coop, I feel it would be more beneficial if we all were on the same page in terms of Business Management and Financial Management.

**Speaker 2:** These trainings are needed because as you have heard, we all have the same problems with bookkeeping. Perhaps, if we get training, we might also stop trying to vie for the same type of business but each co-op to stick to their idea as you find that some of us have the same products and sometimes we don't even know how to market and price our product

**VM:** There you go again, thank you for that and my next question is pertaining to marketing. Do you understand your market and what are the challenges that you face when it comes to marketing your products?

**Speaker 1:** We sell coffins and everyone that needs them from mortuaries to individuals that could need them. The challenge we face is in transportation of the coffins as we have to use public transport and no forms of signage that shows where we are. People know of us because they are from the village. We sometimes do not go into production due to lack of transport for raw materials as we order them far.

**Speaker 2:** To add on, we also have chicks. I remember last year we had an order for about 20 chicks and we could not transport them, we looked when in transit and found them dead due to the manner in which we transported them.

**Speaker 3:** Our biggest challenge is that we make telephone wire bowls and we do not have a local market, and it's a struggle to sell these products since most people don't know what to do with them, tourists are the ones who buy them but we do not have a craft centre where these could be displayed. Perhaps if we had permits to sell in places like Port St. Johns and people would get to know us. With the beads, our target market is people of the Mpondomise Royal House as they always need to wear the traditional regalia when visiting the Royal House.

**VM:** Is it easy to transport your products and sell them? Where are you finding challenges?

**Speaker 1:** It is not easy because we do not have transport, with the telephone wire bowls, we sometimes keep them in our bags and by the time you get to where you need to, you would have to re-do them again, transport is a very big challenge.

**Speaker 2:** I also agree with the previous speaker, since we use public transport and sometimes when it's hot, and you already have your order with you but you struggle to get taxis to where you need to be and sometimes you end up cancelling the trip altogether. If we could also have a place where we could market our products in town that would be of great assistance.

**VM:** In closing, what would you recommend to ensure that going forward, we have successful co-ops

**Speaker 1:** if government would help us with training on the Business Model of the Coop

**Speaker 2:** If we could be assisted with market place, to move from home and proper transport because as we sell coffins, people are reluctant to transport them in their own cars

**Speaker 3:** Financial support to all co-ops. There was once an indication that in Mthatha there will be a market where all fruit and veg stall could be placed.

**Speaker 4:** If we could have services brought closer to the people in the rural areas e.g. people who could help with CK documents. BEE certificates etc.

**Speaker 5:** First of all, they have indicated training. But it would be important that the training focuses on Business Management. Craft centre to be made available where co-ops have access to market their products. We would also love to have a place where Co-operatives are assisted by someone who has worked with successful coops and not just officials who might not necessarily have had prior experience in co-operative governance.

**VM:** Is there anyone with a different view? (silence). I would therefore like to take the opportunity to thank you for availing yourselves for this session, we apologise for the short-notice but we thank you for showing up despite that. May god bless you!!



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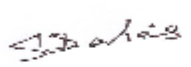
Office of the Chairperson Research Ethics Committee	Faculty: <b>BUSINESS</b>
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At a meeting of the Research Ethics Committee on 13 June 2014, Ethics Approval  
was granted to MR PETER RAAP for research activities Related to the: WRLC  
(Wholesale & Retail Leadership Chair) within the RETAIL BUSINESS MANAGEMENT  
DEPARTMENT, Business Faculty at the Cape Peninsula University of Technology

Title of Project:	The nature of existing and emerging cooperatives in the Wholesale and Retail Sector  Supervisor: Prof RB Mason
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Comments:

Decision: APPROVED

	13 June 2014
Signed: Chairperson: Research Ethics Committee	Date

Signed: Chairperson: Faculty Research Committee	Date
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Clearance Certificate No | 2014FBREC198

## Appendix 6

<b>Comparison of Averages: Expert vs Member</b>		<b>Expert</b>	<b>Member</b>
		<b>Group</b>	<b>Group</b>
	<b>Statement</b>	<b>Weighted</b>	<b>Weighted</b>
	<b><u>Legislative Arrangements:</u></b>	<b><u>Average</u></b>	<b><u>Average</u></b>
1	The Co-operatives Act of 2005 is clearly set out and easy to understand	73,2	76,3%
2	The Act makes it easy for me to assist in starting new co-operatives	71,4	61,1%
3	Support from various government agencies who deal with co-operatives is easily available	51,8	47,5%
4	The efforts of the government agencies are well co-ordinated and logical	46,4	40,0%
5	Co-operatives as a business form are well understood by the various government agencies	53,6	44,7%
6	Registration of a co-operative is easy	55,4	58,8%
7	The idea of a co-operative as a business form is well understood by potential co-operative members	55,4	56,3%
8	It is easy for a co-operative to get financial support in the form of a loan	44,6	23,7%
9	It is easy for a co-operative to get a financial grant (seed funding)	41,1	25,0%
10	The co-operative movement has a strong and unified voice with government	32,1	36,8%
	<b>Average (all statements)</b>	<b>52,5</b>	<b>47,0%</b>
	<b><u>Management &amp; Infrastructural Arrangements:</u></b>		
1	Co-operatives have easy access to the latest technologies for their businesses	30.4	51,3%
2	Co-operatives have easy access to experts in their field of business	33.9	50,0%
3	Suitable business premises are easily available for start-up co-operatives	26.8	30,3%
4	Co-operative members understand the idea of shared ownership	42.9	58,8%
5	Co-operative members support the idea of shared ownership	48.2	66,3%
6	Co-operative members place collective interest above individual interest	39.3	58,8%
7	Co-operative members work willingly together in the interest of the collective interest	46.4	62,5%
8	Expert facilitators and consultants are available to assist with co-operative management issues	48.2	45,0%
9	Expert administrators are available to assist co-operatives with financial and administrative duties	46.2	46,3%
	<b>Average (all statements)</b>	<b>40.2</b>	<b>52,1%</b>
	<b><u>Training &amp; Skill Issues:</u></b>		
1	Training in how to set up a co-operative is available	61.5	77,5%
2	Financial management training for co-operatives is available	61.5	78,9%

3	Business planning workshops are available for co-operative start-ups	59.6	73,7%
4	Members of co-operatives need business management training	84.6	78,8%
5	People and organisations that support start-up co-operatives need co-operative need management training	82.7	81,7%
6	People and organisations that support start-up co-operatives need co-operative specific training	82.7	70,0%
7	People and organisations that support start-up co-ops need a formal qualification in co-op set-up & management	71.2	56,3%
8	Members of co-operatives need a formal qualification in co-operatives	61.5	45,0%
	<b>Average (all statements)</b>	<b>70.7</b>	<b>70,2%</b>
	<b><u>Marketing Issues:</u></b>		
1	Co-operative members have good knowledge of their markets	32.7	61,8%
2	Co-operatives have easy access to their local markets	38.5	63,2%
3	Co-operative members understand the need for consistent quality	34.6	63,2%
4	Experts in the field of marketing are accessible to co-operatives	34.6	51,3%
5	Co-operatives find it easy to sell all their produce	26.9	36,4%
6	Transport to towns and markets is easy for co-operatives	26.9	27,5%
	<b>Average (all statements)</b>	<b>32.4</b>	<b>50,6%</b>
	<b><u>Importance of Interventions:</u></b>		
1	Training in financial management for co-operative members	90,0	85.5%
2	Training in marketing for co- operative members	90,8	83.5%
3	Training in product specific technical issues for co-operative members	88,5	82.1%
4	Training in product specific technical issues for co-operative staff	88,5	83.7%
5	Technical support centres with extension officers	88,5	77,0%
6	Expert financial managers/ consultants to maintain financial records for co-operatives	90,8	82,0%
7	Centralised marketing facilities to promote and distribute co-operatives' products	91,5	66,5%
8	Business hubs with offices and factories to provide infrastructure to co-operatives	93,8	70,5%
9	Training in the philosophy, nature and substance of co-operatives	83,8	74,0%
10	Expert administrators to conduct administrative functions for co- operatives	85,4	80,5%
11	A business management qualification which includes all aspects of business management for co-op members	73,1	76,5%
12	Increase in the amount of financial loans and grants available	70,8	93,0%
	<b>Average (all statements)</b>	<b>86,2</b>	<b>79.6%</b>

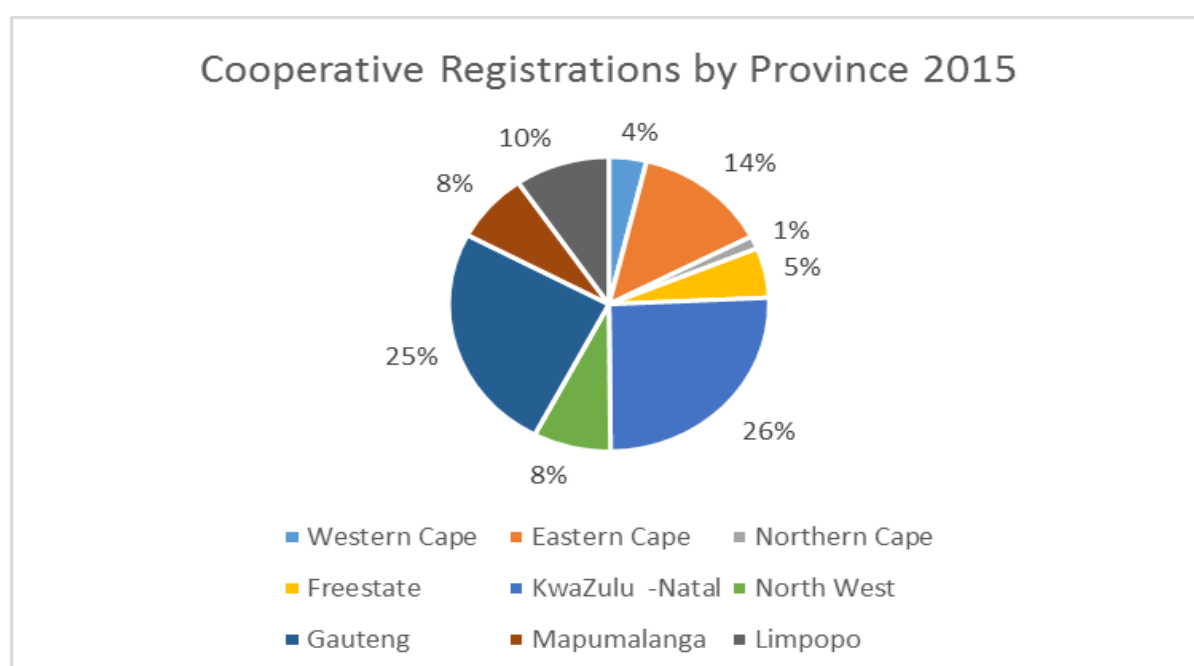


## Appendix 7

### Cooperative Registrations by Province and Year 2000 to 2015

	1	2	3	4	Region 5	6	7	8	9	
	Western Cape	Eastern Cape	Northern Cape	Freestate	KwaZulu Natal	North West	Gauteng	Mapumal anga	Limpopo	Total Annual
2000	3	2	2	2	8	1	2	3	3	26
2001	1	12	0	3	9	1	3	0	6	35
2002	5	18	1	0	14	5	3	3	6	55
2003	0	29	0	0	33	5	8	4	5	84
2004	0	18	5	2	24	5	19	5	15	93
2005	5	36	5	4	145	14	23	8	38	278
2006	4	187	11	19	579	40	83	39	79	1041
2007	148	217	36	31	600	154	275	130	223	1814
2008	267	694	175	134	1846	374	786	576	703	5555
2009	428	1235	143	240	2193	622	1596	788	943	8188
2010	389	1692	115	553	1700	520	2207	604	1069	8849
2011	311	1934	180	539	2864	661	2447	937	1119	10992
2012	514	3223	160	1301	9356	891	3770	1546	1681	22442
2013	799	3180	186	2243	5767	873	4715	1307	1504	20574
2014	570	2406	294	1714	9429	940	3403	1569	1600	21925
2015	583	2097	218	845	3933	1208	3865	1180	1474	15403
Total	4027	16980	1531	7630	38500	6314	23205	8699	10468	117354
% Total	3%	14%	1%	7%	33%	5%	20%	7%	9%	
% 2015	4%	14%	1%	5%	26%	8%	25%	8%	10%	

Note: These figures are derived from raw data purchased from CIPC in March 2016 and manipulated into categories, totals and percentages for this study. The figures have been neither verified nor audited by CIPC. The absolute values do not coincide with available published data used in this report. The trends identified by province and in total do however coincide.



**Appendix 7 continued**

