

**ASSESSING THE OPERATIONS OF AGRICULTURAL COOPERATIVES AT  
NKOMAZI MUNICIPALITY, MPUMALANGA PROVINCE**

**BY**

**MTHABISENG PERTUNIA NGWAMBA**

**2016**

**ASSESSING THE OPERATIONS OF AGRICULTURAL COOPERATIVES AT  
NKOMAZI LOCAL MUNICIPALITY, MPUMALANGA PROVINCE**

**BY**

**MTHABISENG PERTUNIA NGWAMBA**

**A dissertation in fulfilment of the requirement for the degree of Masters in  
Development Studies in the Department of Anthropology and Development  
Studies at University of Zululand**

**Supervisor: Dr Primrose Thandekile Sabela**

**Co-supervisor: Dr Efe Mary Isike**

**2016**

## **DECLARATION**

I **NGWAMBA MTHABISENG PERTUNIA** Confirm that the information that I have given in this paper is true and correct to the best of my knowledge. I confirm that I have carried out my study according to the University Of Zululand, Department Of Development studies requirements of the Bachelor of Humanities and Social Sciences Masters in Development Studies.

.....  
**MTHABISENG PERTUNIA NGWAMBA**

**2016**

## **DEDICATION**

This dissertation is dedicated to my King Jesus Christ, to my supportive family and Nkomazi Municipality.

## **ACKNOWLEDGEMENTS**

First, I would like to express my heartfelt appreciation to the old mighty Jesus Christ for his great kindness to me.

I want to give special thanks to my Supervisor Doctor T.P Sabela, Co-supervisor Dr E.M Isike and the Department of A Development Studies for consenting for their scholastic guidance, instructions, constructive criticism, and constant help throughout the documentation of the dissertation from the beginning to the successful completion the study.

I also express my heart felt gratitude, indebtedness and appreciation to the late Mrs Ndlovu Asa, my grandmother for being the pillar of my strength, thank you for teaching me to pray and for demonstrating the importance of education, hence that R100 every beginning of the term in support of my education has planted a seed that no man can uproot, the seed of love, the importance of supporting people and most importantly the love of education. Thus, it is sad you can no longer rejoice with me at this point to my success but I can write this so that the world will know that you were an amazing, God given, a noble women of high virtue “Thank you!

My heartfelt appreciation goes to my whole family and Friends for your support, without your efforts, it would not have been possible to bring this report to the light.

My sincere gratitude also goes to all the participants, Nkomazi municipality and N.S Nkosi for their contribution in the report.

I express my overall gratitude to the National Research Foundation for providing me with a scholarship, the University of Zululand principally the department of Development studies for granting me the opportunity to be part of their highly accredited apprentice.

## **ABSTRACT**

The study hopes to bring about the enlightenment to the operations of agricultural cooperatives at Nkomazi municipality namely ward 7, 25, 29 and 30. The study therefore assess the operations of agricultural cooperatives while identifying the operational processes of cooperatives; examining the management techniques of cooperatives; determining membership participation and commitment to cooperatives and identifying the measures adopted in the monitoring and evaluation of agricultural cooperatives.

The research method that was used to gather data was qualitative research approach, the design adopted descriptive research design and the research method used is multiple case study method. The research data collection tools comprises of structured and unstructured interviews, policy document analysis, structured observations and this was done using a questionnaires an instrument for a sample size of 40 agricultural cooperatives. A non-probability sampling was used and the type on non-probability that is both purposive and convenience sampling to sample the respondents.

The results showed that 75% of the respondents are employed by the agricultural cooperatives. Significantly, 90% agricultural cooperatives have members depends on agricultural cooperatives for income. It is noted that 10% of the agricultural cooperatives were established during the year 1993 and before significantly 8% (3) was operational in that particular year. Astonishingly, the results shows astatically a constant growth by 45% of established and operational agricultural cooperatives in the year 2015 to 2016.

The results shows that the operations of the agricultural cooperatives depended massively on the main activities associated and other several operational events such as funds, human resources and raw material. The outcome of the study was evident that even though some cooperative operate without proper management and monitoring and evaluations techniques, the cooperatives still contribute massively the local food nets and to the local economy within the study area

## LIST OF ACRONIMYNS

|         |   |
|---------|---|
| ABP-    | Assumptions-Based Planning approach                   |
| DAFF-   | Department of Agriculture Forestry and Fisheries      |
| DLA-    | Department of Land Affairs                            |
| DRDLR-  | Department of Rural Development and Land Reform       |
| DTI-    | Department of Trade and Industry                      |
| FAO-    | Food and Agriculture Organisation                     |
| ICA-    | International Cooperative Alliance                    |
| ILO-    | International labour organisation                     |
| MAFISA- | Micro Agricultural Finance Initiative of South Africa |
| SEDA-   | Small Enterprise Development Agency                   |
| RSA-    | Republic of South Africa                              |

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# CHAPTER ONE

## ORIENTATION OF THE STUDY

### 1.1 INTRODUCTION

The government, through its Comprehensive Rural Development Strategy, promotes the formation of cooperatives on the basis of the assumed productivity and development or growth of the agricultural sector, with emphasis on collective action. The agricultural cooperatives play a major role in revenue-generating activities, which results in job creation for most local communities, promotes independence amongst rural and urban communities and reduces poverty and unemployment in societies of South Africa (Piesse et al., 2003). However, the signs of failure or instability in the operational performance of cooperatives are shown in statistics provided in the Report to the Portfolio Committee on Rural Development and Land Reform (2014) which indicates that 22 030 cooperatives are registered nationally in South Africa, with only 2 644 in operation and 19 386 non-operational cooperatives. Literature has shown that there seems to be a huge gap between the formation and active operation of a number of agricultural cooperatives registered (Keeling, Carter & Sexton, 2004 and Bhuyan, 2007). The situation raises questions such as, whether the operational procedures have any contribution towards the inability of cooperatives to function effectively. The debates transits raising debates on the possible causes of the massive gap which exists between registrations and functioning of the cooperatives?

Agricultural cooperatives have evolved ostensibly because of post modernization, which promoted the development and transfer of technologies to meet the needs of the present generation. The promotion of cooperatives stems from the assumption that the overall growth of rural areas, reduction of poverty and high rates of unemployment in the country will be realized. It is noted that the agricultural cooperatives have been part of humanoid practice for generations (DTI, 2004). Therefore it is presumptuously concluded that the cooperatives could massively contribute to social and economic development of developing countries.

## 1.2 BACKGROUND TO THE STUDY

A cooperative is defined as: “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (International Cooperative Alliance, 1995: 1). An agricultural cooperative is defined in Cook & Burrell (2009) as a firm jointly controlled by multiple-optimising member patrons who derive user benefits primarily through transacting with the entity. Satgar (2007) looks at cooperatives as institutions owned by members, controlled democratically and non-profit making entities. The definitions provides different ideologies associated to agricultural cooperatives descriptions as it denotes agricultural cooperatives as a jointly owned entity driven by various operational ethics tiered to ownership participations. Profoundly, the definitions displays the existence in economic, cooperative owner desire and operational practices that exists in agricultural cooperative.

In the past, agricultural cooperatives were sub-divided into the main areas of business which focused on purchasing and sale of agricultural inputs as well machineries, the sale as well as storage of agriculture products; and the transport services (Piesse et al., *ibid*). It is further noted that the agricultural cooperatives were historically recognised as means to meet certain needs for most communities not the needs of individuals within the community. At present day the development of agricultural cooperatives is regarded as essential for most individual households, but with the ever rising demand and the ever-changing needs of the people, these cooperatives are broadening their horizon by adding some aspects of cultural, environmental; economic as well as social needs and at a broader view, which may led to cooperative diversification. The South African Government, particularly after 1994, came up with policies and regulations in an attempt to solve some of the problems facing the agricultural cooperatives because of escalating diversifications patterns in cooperatives. The government therefore invested huge amounts of revenue to assist struggling cooperative owners especially in rural communities as one of the remedial measures but most efforts have proven unsustainable. Some of the strategies prioritized financial performance of agricultural cooperatives within the country, leaving out the operational performance of the agricultural cooperatives, thus increasing chances of state dependent cooperatives. The contribution of agricultural cooperatives cannot be over emphasized as it bridges the

poverty gap that exists within the developing countries in particular. The study focuses on problem identification while pointing out the difficulties that cooperatives face on their daily operation. The questions that individual cooperative owners as well as interest groups in different sectors often ask, relate to whether there is a need for the genesis of monitoring and evaluation policies regarding gender inequalities, age differentiations as well as abilities to be taken into consideration during operational plan formulation and implementation. Profoundly, these issues are pleasantly essential to be considered for effective and efficient functioning of agricultural cooperatives. The strategies and tools used in the monitoring and evaluating agricultural cooperative sustainability are not that clear. Therefore, one cannot build a house without a proper foundation without consideration the probability that it may collapse. Very little is known about the governance, leadership, managerial techniques, membership participation and commitment to the operations of agricultural cooperatives. More emphasis has been directed to the provision of finance and the financial performance of these cooperatives. Most studies conducted tend to focus on the causes or factors contributing to the failures and successes of agricultural cooperatives, very little has been done on the operations of agricultural cooperatives and the extent to which the operations contribute to the success or failure of a cooperative.

### 1.3 STATEMENT OF THE PROBLEM

There are implications of instability in the sustainability of agricultural cooperatives operational performances, thus raising arguments on the instrument used to ascertain effective and efficient operation of the agricultural cooperatives including the monitoring and evaluation procedures. Equal opportunities are provided to almost all cooperative owners and such opportunities include revenue inducement through loans and grants and land entitlements through the Land Tenure legislations (DTI, 2004). The vision of the department of Trade and Industry (DTI),2004:11) which is in line with the South African Cooperative Policy of 2012 states that the department intends to establish and support a growing, self-sustainable and integrated cooperative sector. Which contributes to economic growth, poverty reduction and employment creation, as well as assisting in bringing about economic transformation and an equitable society in South Africa.

However, despite the progressive policies, strategies and measures put in place to realize the vision, it is noted that there is lack of sustainability and there has been no much evidence that display increasing economic transformations linked with some agricultural cooperatives. In South Africa a report to the portfolio committee on rural development and land reform (2013) indicate that out of a total of 22030 registered cooperatives only 2 644 have been identified as active cooperatives. The leading province in the number of registered cooperatives is KwaZulu-Natal which has a total of 8697 registered cooperatives with only 1044 functional and Mpumalanga has 1396 with 187 functional cooperatives. A huge gap is noted to exist between the formation and active operation of cooperatives. Satgar (2007) argue that officials in government view cooperatives as some of form of business which is obliged to submit to the discipline of competition and profit maximisation. It is further argued that the government in practice tends to stray away from the original idea on the formulation of cooperatives around the principle of human solidarity. Satgar (ibid) further maintain that a cooperative should always strive to uplift surrounding communities and some form of what he termed social auditing is essential.

However a shift in focus interferes with the operations of cooperatives and a number of government linked institutions with mandates to support the development of cooperatives are attempting to establish their support, operations and functioning (Satgar, ibid). Hence, the study assess the operations of the agricultural cooperatives, thus establishing the operational performance of agricultural cooperatives. The study also examines the operational processes, leadership and managerial techniques and skills, membership participation and commitment, and the environment in which the cooperatives operate such as the availability of infrastructure, market access, job creation and the monitoring and evaluation measures. These aspects could presumably determine successful operations or failures of a cooperative and could provide answers to the massive inactiveness of agricultural cooperatives in the developing counties.

## 1.4 AIM AND OBJECTIVES

Progress has been noted in the formation of cooperatives, particularly in the developing countries but the challenge is with the rate of survival of the registered cooperatives. In South Africa for example, the Report of the Rural Development and Land Reform Portfolio Committee (2013) indicates a survival rate of 12% of registered cooperatives. The aim of the study was to assess the operations of agricultural cooperatives by looking at the participation of cooperative membership, operational processes, cooperative operation stability and conduciveness of the environment in which the cooperatives operate. The objectives of the study are as follows:

1.4.1 To identify the operational processes of cooperatives.

1.4.2 To identify the measures adopted in the monitoring and evaluation of agricultural cooperatives.

1.4.3 To describe the stability of agricultural cooperative operations.

## 1.5 RESEARCH QUESTIONS

The research questions are divided into primary, which forms the main question to be answered by the study and the secondary questions that are regarded as supporting questions required to ascertain that the main question is adequately addressed. The research questions are presented below:

### 1.5.1 Primary Study Question

To what extent do the operational processes of agricultural cooperatives contribute to agricultural cooperative developments?

### 1.5.2 Secondary Study Questions

What are the operational processes of agricultural cooperatives?

How is the governance structure of agricultural cooperatives?

What is the nature of membership participation in agricultural cooperatives?

What management techniques are used to ensure that agricultural cooperatives operate effectively and efficiently?

How are the agricultural cooperatives monitored and evaluated?

## 1.6 INTENDED CONTRIBUTION TO THE BODY OF KNOWLEDGE

A number of studies have been conducted on agricultural cooperatives focusing on the successes and failures of agricultural cooperatives. However, not much has been done about the basic operations of agricultural cooperatives and the implications of the operations in the performance of the cooperatives in the area of study, which is Nkomazi local municipality, situated within Mpumalanga Province. Hence, this study adds to the growing literature on the operations of agricultural cooperatives and the implications of these operations in the performance of the cooperatives.

## 1.7 RESEARCH ASSUMPTIONS

The study assumes that the management structure where there is centrality in decision making processes inhibits active participation of members and thus lowers the commitment of members which then could lead to failure in the operations of the cooperatives. It is also assumed that the operational processes of agricultural cooperatives may promote or curb active functioning of the cooperative.

## 1.8 MOTIVATION OF THE STUDY

The researcher's interest in the topic emerged from the work integrated learning, in which the researcher was engaged on mid-June 2013 as part the final year requirements for the completion of the undergraduate studies in Extension and Rural Development. Henceforth, the researcher was exposed to agricultural cooperatives under the department of agriculture's supervision, which lead to the researcher to work with an extension officer, handling rural agricultural cooperatives in the study area. That is when the researcher discover some variations in the operation and performances of cooperatives which some of them showed signs of success whilst some of them failed due to unforeseen and furtive circumstance. The researcher discovered that the cooperatives precisely agricultural cooperatives experienced immersed number of problems but some survive the strain and were able to thrive in the ever-changing environment. Therefore, the researcher uncovered the need for conducting studies in particular to the operation of the agricultural cooperatives to try to uncover the truth about the cooperatives functioning, researching the operation performances these cooperatives. In order to help both emerging and already operating cooperatives on identifying good practices, which could be executed for the sustainability and for success of the cooperatives.

The second motivation in some degree was based on the role played by both the public sector and private sector in trying to improve the functioning of cooperatives through revenue endorsement as well as skills conveyed through training of emerging entrepreneurs owning different cooperatives at all levels. The questions of relevance, adoptability and applicability of this skills, was doing justice in trying to improve the cooperatives or they just incorporate foreign imported operational strategies that leaves most cooperative owners confused completely about the cooperative business issues. Although, that question was the main reason the researcher decided to do this study. The study investigates some of these questions, which are directly linked to the management, operation and performances of agricultural cooperatives. Thus, conduction some sort of a comparative study based in the spatial location of the study in Mpumalanga province. The last motivator of the study is positioned at the researcher honours paper on the contribution of food production and processing on household food security. The study showed some evidence of agricultural cooperative's involvement in

increasing both local and national economy. Some of the cooperatives are in the black market (operating without registration) in both urban and rural areas; hence, there are implications of improved livelihood status of individuals living in rural areas. Thus, lead to the question of cooperative contribution in urban areas and its implication to the country's development at present-day.

## 1.9 RESOURCES

The resources were requested from the research unit of the University and was adequate to cover all the necessary costs.

## 1.10 FEASIBILITY

The study was conducted in different wards situated within Nkomazi Local Municipality and the resources were obtained from the research unit of the University were adequate to covers the research costs expected (transport and accommodation).

## 1.11 INTELLECTUAL PROPERTY AND INNOVATION

No intellectual property rights expected to emanate from this research. The university holds the right to any commercialization of any kind which may arise from the research with the recognition of the researcher.

## 1.12 HAVESTING THE RESEARCH

The dissertation is available at the university of Zululand repository and two research papers were generated from the data collected and published in accredited journals.

## 1.13 WORK SCHEDULE

| <b>DIVISION OF WORK</b>  | <b>PERIOD/ TIME FRAME</b> | <b>REMARKS</b> |
|--|---------------------------|----------------|
| <b>Submit topic and formulation of the research question</b>     | March 2015                | Submitted      |
| <b>Submit draft of proposal and Questionnaire/ letters</b>       | April- June 2015          | Submitted      |
| <b>Presentation of proposal</b>                                  | Beginning of June 2015    | Done           |
| <b>Submit proposal (to serve in various internal structures)</b> | July 2015                 | Submitted      |
| <b>Submit chapter 2 Draft</b>                                    | November 2015             | Submitted      |
| <b>Submit chapter 3 Draft</b>                                    | January 2016              | Submitted      |
| <b>Data collection and Coding and data analysis</b>              | February –march 2016      | Done           |
| <b>Preparation of diagrams and Interpretation of results</b>     | March 2016                | Done           |
| <b>Submit chapter 4 (draft)</b>                                  | April 2016                | Done           |
| <b>Submit chapter 5</b>  | June 2016                 | Submitted      |
| <b>Submit draft document</b>                                     | September 2016            | Submitted      |
| <b>Submit edited draft</b>                                       | September 2016            | Submitted      |
| <b>Submit final document</b>                                     | End of November 2016      | Submitted      |

## 1.14 CHAPTER DIVISION

The section of the study provides a brief outline in relation to the various chapter division of the study, hence the chapters are divided as follows:

### Chapter One: Orientation of the Study

The chapter introduces the concepts linked directly with the study as it alludes on the background of the study, the statement of the problem, motivation to the study, aims

and objectives, research questions, research hypothesis, significance of the study, limitations of the study, the conceptual framework of the study and the organization of the study. It also gives a brief on the relative contribution to the body of knowledge and present a work schedule relative to the study processes and the organization of the study

## Chapter Two: Agricultural cooperative operations

The chapter covers related literature and research related views to the problem being investigated, hence it would also include some theoretical literature, empirical literature and summary of the chapter.

## Chapter Three: Research design and methodology

This particular chapter will cover most of the research related processes, which assist in preparation for data collection and interpretation. The chapter is divided into the research design, research approach; the sampling procedures used to gather data for the study; the data collection tools; the data analysis method, the delimitation of the study; ethical consideration; validity and reliability of the study; description of the study area and a comprehensive summary of the chapter.

## Chapter Four: Data Analyses

The chapter is divided into two sections (section A and section B). Therefore, the first section (section A) displays the results or findings emerging from the study, in relations to the data that was collected. The chapter presents the results by using tables and diagrams to describe the research problem.

## Chapter five: Interpretation and Discussion of Data

The chapter provides interpretations and discussions pertaining the research topic and research objectives using the relative results or findings obtained during data collection. This chapter entails successive discussion in trying to explain the research assumptions using the relative objective against the data which is analysed in the previous chapter (chapter four). Lastly, a summary of the chapter is drawn in the next chapter.

Chapter Six: Summary, Conclusion and Recommendations.

Contains a summary of the study, conclusions drawn from the findings and recommendations of the study.

#### 1.15 SUMMARY OF THE CHAPTER

Agricultural cooperatives are diversified by the manner in which agricultural cooperatives owners operate in their establishments. Hence, agricultural cooperatives failure in the operations remains a global problem. Thus, equal opportunities are provided to almost all cooperative owners and such opportunities include revenue inducement through loans and grants and land entitlements through the Land Tenure legislations (DTI, 2004). However, despite the progressive policies, strategies and measures put in place to realize the vision, it is noted that there is lack of sustainability and lack of there evidence that display increasing economic transformations linked with some agricultural cooperatives. The research aims to assess the operations of agricultural cooperatives using the assumption that the operations process where there is centrality in decision making processes inhibits active participation of members and thus lowers the commitment of members which then could lead to failure in the operations of the cooperatives. Therefore, there are assumptions that the operational processes of agricultural cooperatives may promote or curb active functioning of the cooperatives. The assumptions were assessed using a set of objectives which are to identify the governance structure and management techniques used in the operation of the cooperative; to examine how the management techniques contribute to the

operation of the cooperative; to determine membership participation and commitment to the cooperative and to identify the measures adopted in the monitoring and evaluation of agricultural cooperatives. This study adds to the growing literature on the operations of agricultural cooperatives and the implications of these operations in the performance of the cooperatives. The succeeding chapter provides conceptual literature on the history of agricultural cooperatives, approach to agricultural cooperative, agricultural cooperatives development, heterogeneity in agricultural cooperative, the core-principle of cooperative, successes and failures of agricultural cooperative, contribution of agricultural cooperative, cooperative stimulus, land reform in cooperative operations, government strategy challenges, membership participation and management techniques, organisational structures monitoring and evaluations, the neo-classical theory and cooperative life cycle framework, of agricultural cooperative.

## CHAPTER 2

### AGRICULTURAL COOPERATIVE OPERATIONS

#### 2.1 INTRODUCTION

Agricultural cooperatives have become a priority to most governments, particularly in the developing countries because of the contribution to economic and social developments. Hence, various public departments have shown some interests in cooperative formation particularly in developing countries such as South Africa (DTI, 2012). It is therefore noted that public funds are being poured into the system to ensure the start-up or establishment of various cooperation precisely agricultural cooperatives, without proper supervision or rather obscure monitoring and evaluation procedure (Department of Trade and Industry, 2012). Consequently, the monitoring and evaluation systems of agricultural cooperatives have been revitalised to ascertain that cooperatives receive more attention at this recent day and age. Which have attributed to them being viewed as measures utilised by the have-nots or those with the motive to meet a need. Recently cooperatives have become the worlds' most viable form of business used by capitalists to access capital and other amenities for individualistic reasons (Rodgers, 2011).

Thus, the emergence of cooperatives is assumed to be influenced by initiatives from the bottom, pushed by the desire to the socio-economic positions or because of a situation known as 'bee hiving'. Where some members of the cooperative breakaway from the original cooperative to form a small homogenous cooperative or a top-down approach that could be used in the initiation of government ideas and processes (Petruchenya & Hendrikse, 2014 and Cook & Burress, 2009). It is also maintained in Clegg (2006) that the cooperatives have great potential to contribute to social and economic development of a country suggesting improved standard of living for the poor. Therefore, chapter provides empirical evidence that suggests that apart from the national contribution of cooperative, approximately 50% of global agricultural production is marketed through agricultural cooperatives (Petruchenya & Hendrikse, 2014 and Bibby & Shaw, 2005).

However, <sup>1</sup>Keeling, Carter & Sexton (2004) and Bhuyan (2007) all argue that market failures, poor governance, poor infrastructure and the inability to manage despite massive capital injection by governments at inception may hamper the operations of cooperatives. Therefore, no matter how cooperatives are formed, the focus should be placed on the operational performance (productive or unproductive), sustainability and stability of the cooperative. The chapter review related literature on empirical studies conducted on the developmental processes of cooperatives including the process framework of the development, the effects of heterogeneity in cooperatives, the international and national legislative frameworks on cooperatives, some theoretical frameworks such as a cooperative life cycle framework and successes and failures of cooperatives. The literature also looks at the state of the South African cooperative sector.

## 2.2 HISTORY OF COOPERATIVES

The history of cooperative development in South Africa has been documented by many researchers, which entails post-colonial as well as post-apartheid policies and regulations. The evolutionary background of South African cooperatives began from the genesis of consumer cooperative that was established in 1892 under the Companies Act, there were signs of cooperative operations and its contributions was not identified and exposed through literature by that period (Van Niekerk, 1988: 18). Van Niekerk (1994: 7-18) also argues that South African history on agricultural cooperatives ascends from the 19<sup>th</sup> century where by farmers were organised into groups in the four South African provinces which was referred to as homelands<sup>2</sup>. During the early years of 1908, there was prevailing interest in food availability and food accessibility measures which gave birth to agricultural cooperatives took a stance under the companies Act, the cooperative Act was therefore approved (DTI, 2003). The cooperative Act took

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<sup>1</sup> Keeling, Carter & Sexton (2004) and Bhuyan (2007) all argue that market failures, poor governance, poor infrastructure and the inability to manage despite massive capital injection by governments at inception may hamper the operations of cooperatives.

<sup>2</sup> Van Niekerk (1994: 7-18) also argues that South African history on agricultural cooperatives ascends from the 19<sup>th</sup> century whereby farmers were organised into groups in the four South African provinces which was referred to as homelands

notification of the importance of cooperative registrations which was not of a bigger deal in the late year 1892. The homeland Transvaal, therefore passed the Cooperative Societies Act of 1922 (Act No. 28 of 1922), which focused mainly on agricultural activities (Van Niekerk, 1988:346). The cooperative society Act therefore, allowed cooperatives to be registered and trade thus, caused a relative increase in the number of agricultural cooperatives. The agricultural cooperative sector seemed to flourish during year 1922 to 1929 but the introduction of agricultural pricing policies together with the marketing Act of 1937 took a stand to regulate prices of produced commodities and that led to a standstill and later to a drop in agricultural cooperatives from 429 cooperatives to 209 operating cooperatives (DTI, *ibid*:35). Statistics provided by the Department of Trade and Industry brings about substantiation on the causes of past challenges faced agricultural cooperatives stating that the pricing policies were not successful because they hindered agricultural developments as they favoured commercial cooperative owners while side-lining small cooperatives that were mostly black and coloured owned cooperatives (DTI, 2012). The Cooperative Societies Act of 1939 (Act No. 29 of 1939) focused on agricultural activities that was passed by the South African Parliament (Republic of South Africa, 2005a). This Act, in turn, was repealed by the Cooperatives Act, 1981 (Act No. 91 of 1981), which also made provision for trading cooperatives (RSA, *ibid*). Presently, trading agricultural cooperatives therefore later experienced great development in the 20<sup>TH</sup> century.

### 2.3 AGRICULTURAL COOPERATIVE ORGANISATIONAL STRUCTURES

The different agricultural cooperatives have different organisational structural levels which governs cooperative operations. According to Gala (2013) the levels of cooperatives with reference to Section 1.4(1) of the Cooperatives Act, No 14 of 2005 are referred to as either primary, secondary and tertiary cooperatives. Agricultural cooperatives may consist of differing numbers of participants which simultaneously work together in a form farms. Therefore, most of the cooperative participants are involved in farming businesses or agricultural cooperatives to gain access to affordable and quality supplies such as feed and fertilisers (DAFF, 2010). The organisational structures are designed to successfully provide improved results or outputs. Therefore, there are arguments that Mondragon complex organisational structure best defines the organisational structures which are found in agricultural cooperatives. Respectively,

Mondragon complex structure is based on decision-making and control bodies that can be efficient mechanism for ensuring democracy, without restraining effect on development and competitiveness on the market (Peng & Chiu, 2010)

Therefore, this suggests that structures are organised into different subsidiaries of governance shared between the CEO and the board (Fulton & Giannakas, 2007). The focus of the structural organisation is on the contribution of each member in the operation of the cooperative (Hendrikse, 2007). Hence, that provides guidelines to be followed by agricultural cooperatives in order for all members to be accountable and contribute comprehensively to the development and operation of a cooperative.

Thus, recognizing that different structures of organization in cooperative is important in operational systems. Consequently, if agricultural cooperatives do not acknowledge or form structures, conflicts may arise among members and that can in-turn results to failure in decision making and in the operation techniques to be used by the cooperatives leading its liquidation.

### 2.3.1 Organisational Vitality

Organisational vitality has a significant impact on the operational performance of a cooperative regardless of the ever changing environment we live in therefore argued to be the Organisation's ability to respond to the unpredictable and rapidly changing business environment (Ensley et al, 2006). The changes in the organisation of cooperative causes a relevant change in the market to which cooperative depend upon their survival. Sikuka (2010) also assumes that the results suggested cooperative organisational vitality may affect the effective decision makers while they maintain sophisticated information searches and processing procedures, whereas less effective the decision makers are the less complex are the procedures to cope with the time pressure and stress that is brought about by the uncertain and rapidly changing environmental conditions. The main reasons cooperatives state for undergoing structural changes is to raise capital, as a strategy to reduce costs and because of members leaving or relative high staff turn- over rates.

Therefore to avoid unpleasant structural changes the philosophy, organisation and approaches of the cooperative have to be appropriate for example, the deregulation of markets and state support in South Africa. Which is supported by Cooperatives Act (Act 14 of 2005) (RSA, 2005) thus, cooperatives must be regulated to register using proper channel so they can be assisted and monitored by the state. Thus, this would results to beneficial policy makers and interest groups in the establishment of regulated cooperative. On the bases of documented cooperative inputs though tax payment and role of the cooperative in the economy and their spatial benefits.

## 2.4 APPROACHES TO AGRICULTURAL COPERATIVES

There are various approaches to the operation of agricultural cooperatives, therefore this sections discusses one approach which greatly affect agricultural cooperatives which is the top-down approach and bottom up approach. Agricultural cooperatives are assumed to be influenced by initiatives from the top with individual members striving to climb-up the economic ladder to ensure that their socio-economic desires are met. Petruchenya & Hendricke (2014) argues that have the common desire of accessing capital so that they can form small homogenous groups to share ideas and collectively establish cooperatives. Cook & Burress (2009) also debates that the main aim of cooperative establishment is revenue generation and also advocated that the government uses a top-down approach used in the initiation of government ideas and processes. Therefore, enabling those in the bottom to form spectrum to accesses greater economies of scale. Developing countries such as South Africa have initiated the use of farmer support extension as a remedy to ensure that the trickling-down of knowledge from those who are high-up the hierarchy to those the bottom of the hierarchy. According to FAO (1971) there are debates that of the trickling down approach lacked a two-way flow of information as a result it fails. The approach was only designed to benefit farmers that seek advice on commercialising their markets. The approach did not provide enough information about alternative means of productions.

The use of top-down approach therefore enforced participation to farmer residing cooperative members, therefore promising bottom-up ideologies of economies of scale,

multiplier effects with less staff turnover rates (Jxcoop 2005). These ideologies have shown major successes in first world countries but little desirable outputs for third world countries because of the gap coming in that exists between the different countries in terms of economic and agricultural developments. There are shortcomings in both top-down approach and bottom-up approach. The top-down approach favours viable agricultural cooperatives with signs of reaching a trading line in the economy while ignoring the cooperatives at the lower ends of the economy. Hence, the bottom-down approach considers the cooperatives at the lower-end of the economy more important and beneficial to the developments agricultural cooperative operations while side-lining those that have reached the commercial level. Assumingly, commercialised cooperatives have reached success leader, hence change patterns in demands and sustainability in supply of agricultural cooperative products are mired. Agricultural cooperative development can be assured were-by both cooperatives viable and impoverished are assisted and treated equality then equity development and holistically development of agricultural cooperative accomplished.

## 2.5 AGRICULTURAL COOPERATIVE DEVELOPMENT

Although cooperatives were common in many parts of the world in the last century, continents such as North America and Europe had the greatest use of cooperatives as they were signs of successes in the productivity and operation measures (Barton, 2000). Consequently, the continents experienced a great shift from traditional practices in 1844 to modern agricultural cooperatives operations which lead it to spread and trickle down effects in other in a continents form of industries in the 19<sup>th</sup> century (Ortmaan & king, 2007). According to the report and other literatures, on a globally view most countries experienced some degree of development opposing historic conditions which resulted in the underlying courses of the let-downs in the operations of most agricultural cooperatives. Hoyt (1989) appends that in the past developing countries attempted to coordinate farmers into cooperatives and were unsuccessful, although recently cooperatives have showed some potential to supply farm inputs and market farm products that are both important for agricultural development.

According to Ingalsbe & Groves (1989) the development of agricultural cooperative was shaped by numerous factors such as time bound occurrences in developed countries. the development of agricultural cooperatives are time bond occurrences were therefore explicitly depended on the cooperative's economic conditions which transits from pre and post war depressions, technology, government economic policies and farmer organizations. Hoyt, (1989) both developed and developing countries' agricultural cooperatives development had similar characteristics which are oriented to help elevate extreme poverty conditions. The endorsement of cooperative development was also seen historically in Africa, were by two intermissions were: first being the immediate post-colonial period which was during 1960's to the mid-1990s and the second which took place during in the mid 1990's which was considered as economic liberalization (Wanyama, Develtere & Pollet, 2009).Henceforth, countries such as Ethiopia, agricultural cooperatives have been a pillar of their rural development utilised to ensure economic freedom as well as ensuring relative food availability to the natives through commercialization of smallholder agriculture (Bernard, Gabre-Madhin & Biranu, 2007).

Develtere, Pollet & Wanyama (2009) also agreed with the notion that there is a significant cooperative statistical implications which shows that in about 100 Africans at least seven of them are participate in farm or agricultural cooperatives as members, which evidently demonstrates that there is a relative increase in cooperative growth in most countries. Therefore, the country (Ethiopia) was expected to have cooperatives which consisted of 90% of agricultural inputs and 60% agricultural by 2010, Moreover statistic reveals that the participation into cooperatives remained to be only 17% limited (Bernard et al., 2007, 8).Therefore, the history developing countries such as South African on agricultural cooperatives ascends from the 19<sup>th</sup> century were by farmers were organised into groups in the four South African provinces which was referred to as homelands (Van Niekerk, 1988: 7-18)<sup>3</sup>. Subsequently, there are differences in cooperative evolution developing countries. Thus, the National Agriculture Indaba established consensus at a national perspective about historical evolution of agricultural cooperatives which was dominated by white cooperative owners that played a

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<sup>3</sup> South African history on agricultural cooperatives ascends from the 19<sup>th</sup> century were by farmers were organised into groups in the four South African provinces which was referred to as homelands (Van Niekerk, 1988: 7-18).

significant role in developing countries' economy particularly in South Africa (Department of Agriculture Forestry & Fisheries, 2012).

## 2.6 THE STATE OF THE SOUTH AFRICAN COOPERATIVE SECTOR

A baseline study surveying 684 South African cooperatives and published in 2001 by the National Cooperative Association of South Africa (NCASA) estimates a total of 60 000 participants in South African cooperative enterprises (DRDLR,2014:1). Economically, the cooperative movement is still small. Mayson & Wetli (2004) noted that about 90% of members of NCASA are agricultural cooperatives. While cooperatives are found to differ in percentages within specific provinces in South Africa. Statistics reveals that the majority of cooperatives registered are located in the largest and highly populated province, which is KwaZulu-Natal, rated at 26% of the counties cooperatives followed by Gauteng, which holds 20% of the number of cooperatives (DTI, 2012:35). Therefore, it is not a shock since the two provinces are well known to contribute a lot to the country's economy merely because of its economic activities (Statistics SA, 2011). Hence it is contradictory that province such as Mpumalanga and Free-state, Which is less are populated provinces and small in size holds about 8% of the share in the in the number of existing cooperatives (DTI, *ibid*). Hence, that indicates that there is gap that exist provincially as well at a local level pausing a lot of questions in the private and public sector which play a massive role in supporting agricultural cooperative operations in South Africa. Satgar & Williams (2008) argue that African cooperatives have survived globalisation because of the passion of the people in their work. Therefore, working with and reinforcing, this passion has been a global shift inaugurated by the International Cooperative Alliance in 1995 with the adoption of its Statement on Cooperative Identity and the subsequent adoption of ILO Recommendation 193 of 2002 concerning the Promotion of Cooperatives. This shift has thus ensured the recognition of genuine of cooperatives (Satgar & Williams, 2008).The new national legislation for cooperatives was adapted, which includes the new international standards that has been passed in many African countries and gives space to autonomous, independent and dynamic member-based and member-driven cooperatives to emerge on the continent. Thus, the

widening of the space for genuine cooperatives and movements to emerge has also emboldened the passion that people have in working for agricultural cooperatives.

## 2.7 THE CORE PRINCIPLES OF COOPERATIVES

There exist various core-principle of cooperatives that drive cooperative structural change (Ortmann and King, 2007a). International Cooperative Alliance, (1995) states that there are three core principles associated with cooperative operations which are namely: openness; democratic control and management of capital. Openness means that cooperative members need to ensure transparency in all establishment and operational practices that occurs in the cooperative. Subsequently, democratic control disfigures sole proprietorship in cooperative planning and decision making processes and management of capital encourages proper cooperative budgeting and disregards wastefulness in cooperative funds during operational periods. The ICA also maintains that the adoption of these principles helps in ensuring that the cooperatives' pre-set objectives have a holistic benefit to all members of the cooperative, extinguishing one member's service and also considering meeting the needs of all members while maximizing cooperative profits (DTI, 2012). Henceforth, the three core principles of agricultural cooperatives are described and argued by numerous researchers to be essential in the sense that they underpin traditional cooperatives which core-existed prior to the World War II and even today which are still considered by numerous cooperative members in the agricultural sector (DTI, 2005). The International Cooperative Alliance in 1995 also agreed upon seven principles derived from the three existing core principles, therefore, the different principles of cooperatives are exercised to help sustain cooperative values. The first principle Openness have pre-set value principles which are voluntary and open membership, community concerns, education, training and information. Democratic control have given rise to three value principles which are democratic member control, cooperation among cooperatives, autonomy and independence and lastly, the principle management of capital have a value principle which is member economic participation. Consequently, the seven value principles of agricultural cooperatives are discussed in detail below:

### 2.7.1 Voluntary and Open Membership

The principle of voluntary and open to membership have to do with the organisations' subjection to services offering and readiness of members to accept the responsibilities of membership, without the consideration of gender, social, racial, political or religious discriminations. The willingness and openness of cooperative membership can ensure that every decision taken by the cooperative in relation to the operations communicated efficiently yielding awareness in all cooperative members (DTI, 2012). Openness can be viewed as a measure of ensuring transparency in all operational processes and in decision making. Lack of openness or transparency can lead to disputes that might disturb cooperative operations. Openness is held typical to cooperative operations, managements as well as during the monitoring and evaluation of an agricultural cooperative. Voluntary membership has a relative significance in the smooth running of the cooperative as it shows willingness which results to dedication and commitment of members.

### 2.7.2 Democratic Member Control

The principle attends that cooperatives are democratic organisations controlled by their members, who actively participate in the setting of policies and in decision making. Hence, gender relations are subjected to serving as elected representatives therefore they are accountable to the membership (ICA, 2007). The primary cooperatives members may have equal voting rights whilst cooperatives at other levels such as secondary and tertiary are also organised in a democratic manner. Democratic member control means that all members are allowed and are free to express their views and ideas to the cooperative to avoid conflicts among members. If there are conflicting ideas, or views the cooperative utilises its democratic control to minimize and eliminate the conflicts through votes among all members of the cooperative and this is seen to benefit the formation of sound cooperative operational strategies (DTI, 2012).

### 2.7.3 Member Economic Participation

This principle has to deal more with the requirements of all members to contribute equitably to, and democratically. The cooperatives capital and profit are distributed

according to the economic level of member participation. The cooperative members may in-turn receive limited or more compensation following prescribed conditions of member economic participation (DTI, IBID). Member allocation of surpluses for: developing the cooperative or enterprise possibly are done by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the members. Generated cooperative revenue play a massive role as an indicator in the success and failure of the operation of cooperatives. Thus, cooperation depend upon the revenue for the sustenance of the cooperative (Ortmann and King, 2007a). Agricultural cooperatives like other types of cooperative have a great need of revenue inducement requirement starting from the planning phase or establishment period of cooperative formation to the operational phases. Even, though the establishment period in agricultural cooperative may require revenue with no immediate returns but it is held important for all agricultural cooperative members to participate in economic contributions to ensure that their membership is secured and that operational output can equally benefit all members.

#### 2.7.4 Autonomy and Independence

Cooperatives autonomy and independence has to do with self-governing or sustaining organisations which are controlled by the members. If individuals (cooperative) enter into in a kind of agreements with other organisations, including governments, or raise capital from external sources, they make sure that procedures are followed in accordance to the terms that ensure democratic control by members in order to maintain cooperative autonomy (ICA, 2009b).The reason cooperatives are primary established jointly is to be enable the members to start a form of venture which is self-reliant, sustainable and able to generate income for the members. Cooperative establishment may result in improved economic status by limiting state dependency of cooperative members. Therefore, cooperatives operational systems are built in such a way that they cater for independency and autonomy.

### 2.7.5 Education, Training and Information

Cooperatives must provide education and training for their members, elected representatives, managers, and employees in order to for all members and stakeholders to contribute effectively in the development of the cooperatives. Transparency in cooperatives should a primary objective in cooperative so that they inform the general public particularly the youth and opinion leaders about the nature and benefits of cooperation (DTI, IBID). To ensure good or success in the operations of cooperatives, precisely agricultural cooperative all members must know the cooperative objectives and goals. The members must understand type of cooperative and the requirements of the cooperative for the promotion of the cooperative, therefore both technical and other skills must be learnt by all members to benefit the operations of the cooperative.

### 2.7.6 Co-operation among Cooperatives

Cooperatives must serve their members effectively and strengthen the cooperative movement by ensuring collective partnership in all level including the local, national, regional and international (Penning & Leuthold, 2000). Cooperatives can make use of other forms of cooperatives to gather information or to buy products so that they can offer services for example cooperative dealing with processed agricultural goods may buy from intermediaries that produce the goods and services. The channel through which products are bought from other cooperatives through trading at any level (locally or nationally) can results to cooperative to cooperative relationship formation. This partnership ensures that cooperatives are able to market their goods to secondary or tertiary cooperatives while generating revenue which is used for the operation of the cooperative (DTI, IBID). Co-operation of agricultural cooperatives as Penning and Leuthold articulates can lead to formation of globalized relationship among cooperative and that form probabilities of innovations in agricultural cooperatives operational processes leading to newly established agricultural cooperatives with a global benefit.

### 2.7.7 Community Concerns

The principle emphasis that cooperatives must cater for sustainable developments of communities through policies agreed upon by the cooperative members. The principles

of cooperatives are therefore drawn to guide cooperatives operations and ensuring that cooperatives are well managed, structured and are voluntary and democratically formed by all members (ICA, 2009b). The principle promotes the development of agricultural cooperatives which are not time bound but can be accessible and available for the future generation to utilize as a revenue generator and as a tool to ensure food security in both rural and urban communities. The seven cooperative principles are used in the study as a framework in the operational assessment of agricultural cooperatives.

## 2.8 SUCCESSES AND FAILURES OF COOPERATIVES: GLOBAL VIEW

There are significant signs of successes both globally and nationally in agricultural cooperative operations. While most of the emphasis is placed more in improving the commercial cooperatives which are located in urban areas, rural cooperatives shows signs of struggle and most of them fail at their early establishment stages (Jeson, 2009). Cooperative success can only be associated with membership participation and market segmentation or targeted groups for the marketed goods or products. There are differing school of thoughts that provides literature or information based on differing ideologies centred on membership participation and democratic control of members and how the two can result to successes or failures in cooperatives (Yu, 2009) Therefore, Guozhong (2010) debates on basis of loyalty and membership and therefore reveals that general social participation and economic status have an impact on the performance of cooperatives. Consequently, avoiding this two factors may lead to the general failure of the cooperative.

Liang & Hendrikse (2013) disputes that the main reason behind failures in cooperatives are linked to the loyalty but assimilates that management costs of which local farmers face such as: heterogeneity in nature of conditions at, heterogeneity cultural and economic backgrounds of farmers, high degree of kinship and heterogeneity in spoken and written language among the members. Therefore supporting Jason (2009) remedial ideas on agricultural cooperatives. Mazibuko & Satgar, (2009) supports Jason view by stating that Agricultural cooperatives may develop growing differences or heterogeneity among member's interests and value adding influence. Significantly, that may have an impact on the vision of the cooperative. Thus, mature cooperatives may experience an

identity crisis demanding a new definition of the agricultural cooperative. Hence, heterogeneity may be revealed through marked discrepancies in member equity contributions relative to cooperative use. Therefore differences in average production expenditures among members can lead to different expectations in cooperative products Mazibuko & Satgar, (IBID).The cooperatives may for that reason offer an array of incentives distinguishing among cooperative member needs and preferences. Boland, Hogeland, & McKee (2011) adds that the challenges associated with participation of cooperative members is linked to capital acquisition. Capital acquisition is viewed as a priority among agricultural cooperatives members. Therefore capital intensiveness and industrialization is seen as the food chain that results in cooperative successes as it helps in operation of the agricultural cooperatives. Kalogeras, Pennings, Van Dijk, & Lans (2007) also argues that members' preferences or attributes are related to the internal organization and strategic behaviour of cooperative structure, membership impact as well as other differing desires of cooperative members. Therefore, that provides evidence that members on average prefer a more market-oriented management which deals with meeting consumer needs. Additionally, the internal (members) cooperative structure is subsequently closer to an investor-owned-firm (IOF) where cooperative members contribute revenue for the operational processes of the cooperatives to occur without any deterrents. (Goldsmith & Gow, 2005).

Hence, Jayne et al, (2006) debates the views by pointing the challenges faced by sub-Saharan Africa countries suggested evidence based information on basis that a great proportion of farmers engage in subsistence agriculture because of inefficiencies and inflexibility of entry into commercial markets. Another challenge is that of inability to take risks and costs associated problems associated with commercialization of markets. Therefore, cooperatives members are faced with problems of acquiring capital or finding capital sources, as a result that limits the contributions in the global market. Cooperative members accumulates more dependency on the reserves for legal surplus appropriated from the operational surpluses of the cooperative which are used as collateral and as an incentive for any cooperative production profit or as a service remunerations. Thus, those limitations however prevents immediate acquisition of the capital needed to cope with changes in external competition and Failure to acquire immediate capital, which makes it difficult for the development of the cooperative (Jeson, ibid).Thus, this reveals

that increase in failures agricultural cooperatives is uncoupled with misguided information associated with cooperative operations and managements practices.

## 2.9 SUCCESSES AND FAILURES OF COOPERATIVES: SOUTH AFRICAN VIEW

Agricultural cooperatives form a significant part of the South Africans' economy therefore, ensuring agglomeration of revenue to individual communities at different social stratum by ensuring job creation, new product development as well capacity-building measures for developing countries such as South Africa (DTI, 2012). The Department of Rural Development and Land Reform argues that the National Development Plan of South Africa affirmed that cooperatives can be viewed as a strategy that can be used to eliminate poverty and inequality, by uniting the native's energies to grow the economy and by enhancing capacity building as the people work together to solve complex problems in societies (DRDLR, 2014:4). Consequently, agricultural cooperatives has become one of the biggest employer in South Africa, hence recognising the need of what is referred to as formal and informal education. The use of inapplicable criterion to identify successes and let-downs of the cooperatives as well as the relevant legal liabilities that co-exist in agricultural cooperative functioning resulting to the basic failure of agricultural cooperatives. Agricultural cooperative in South Africa is associated with rural urban equal in

## 2.10 THE CONTRIBUTION OF AGRICULTURAL COOPERATIVES.

The contribution of cooperatives is linked to the rapid innovations and industrialization in many countries which is genuinely associated with globalization. Therefore, agricultural cooperatives are being established to meet the needs of many consumers who are highly globalized. Chambo (2009) states that collective action, agricultural cooperatives can capture the benefits of value added agricultural cooperatives in the agricultural sector. The introduction of grades and standards encourages agro-processing value addition for most agricultural cooperatives in South Africa is viewed as a sign of innovations whilst supply and demands made easy for individuals to enjoy

durable agricultural products. Ortman et.al (2006) contends that, agricultural cooperatives are responsible for stimulating poor farmers to make entry into markets, enhancing demand for standards and graded agricultural commodities such as onions, bananas and tomatoes. Agricultural cooperatives and other cooperatives in general, have an international association known as the International Cooperative Alliance, which has the opportunity to navigate global cooperative trade. Therefore, the ICA have prospects of linking innovative African cooperatives, with technologically advanced agricultural cooperative systems such as that of Asia and Latin America (Chambo, *ibid*). Agricultural cooperatives are able to compete in the global market which ensures greater market share and use of technologically friendly agricultural operations. Hence, that create a platform for developments in agricultural cooperatives resulting to job creation and minimization of agricultural output.

## 2.11 COOPERATIVE STIMULUS

There are various cooperative factors that stimulates cooperative operations such as the availability and accessibility of agricultural inputs such as funds, machinery and human resources. Input availability and accessibility is important in order to ensure that cooperatives contributes economically and socially to cooperative participants (DTI, 2012).The following are cooperative stimulus that contributes in the operation of the cooperative.

### 2.11.1 Markets and Marketing Strategies of Cooperatives

The accessibility of markets makes it easy for cooperatives owners to form partnership with other traders in order to sell or exchange the agricultural products. Whilst, this ensure better market segmentation among agricultural cooperatives as it makes it easy for the cooperatives to learn more about the type and location of their customers. Gala (2013) claims that the establishment of cooperatives can result in various advantages for members as the cooperatives supply services to their members which other suppliers are unwilling to produce and add an explanations on how the cooperatives

intensify their individuals bargaining power thus, enabling them to obtain services and products at more favourable prices. Van der Walt (2005), adds that bargaining power obtained does not only contribute to the goals of individuals, but also in the formation of cooperatives and can contribute to the mitigation of poverty amongst disadvantaged communities. Jenson (2009) provides an example of Taiwan's agricultural cooperative which accommodates their operation marketing strategies as to ensure value-adding in products, while ensuring diversified commercialisations. Hence countries such as Ethiopia have used the marketing strategies of cooperatives to promote rural development and to activate commercializing of smallholder agriculture cooperatives (Bernard, Gabre-Madhin & Biranu, 2007).

Henceforth, the efficiency in operational marketing strategies of cooperatives depends clearly on the allocation of inputs which are agricultural and non-agricultural orientated. The two are important in ensuring the availability of the market to which the produced goods will be exchanged in a value for money or service. Consequently non-agriculture inputs such as marketing strategies and availability of facilities to transpose goods can be held as necessity in the operation of agricultural cooperatives. As far as market development is concerned, agricultural cooperatives have been responsible for introducing the exchange economy in remote rural areas in Africa. By doing so, cooperatives have been responsible for developing modern markets in rural areas (Chambo, 2009). Even though agricultural Marketing Cooperatives are operating under stiff competition with private buyers including multinational companies. Cooperatives, carry out their business using credit from major private banks to ensure that they meet product volumes and price competitions in the global market (Chambo, *ibid*). Therefore, marketing strategies are set to ensure that agricultural produce are available and accessible to keep-up with market demands. (Gala, *ibid*) debates that marketing of cooperatives are hampered by poor marketing strategies associated with poor networking skills, poor infrastructure and low literacy levels among cooperative members. It was further mentioned that marketing capabilities are a complex group of dynamics characterised by different marketing processes and practices.

### 2.11.2 Land Reform in Cooperative Operations

The wide differences in political regimes and economic policies in countries such as East Asian countries were viewed as the world's fastest-growing economies for example Taiwan, South Korea, China, and Japan had one common element of implementing highly egalitarian land reforms after World War II (Boyce, Rosset, & Stanton, 2005). The Land reform strategy not only assisted in reducing rural development insufficiency and distorted agricultural growth. Land reform has also helped in the laying of social foundation associated with rapid industrialization. Cooperatives have been the dominant model in land reform as they predominately attempts to ensure collective production on large farming unit, the previous boundaries of commercial farms often hindered the replication of most cooperatives which existed due to incomprehensible forms of land use (Lahiff, 2007). Commission on Restitution of Land from RSA (2005) firmly states that the largest projects are within community restitution claims, which involves about 2 000 households or 10 000 beneficiaries. The statistics on land claims thus shows an increase in number of communities getting control of their land through land reform procedures. Consequently signs of increasing in industrialization are also seen in the southern of Africa and that shows some synergies in the function of developing countries agricultural transformations through the use of land reform. There are indications of operational land holding pattern which exist with the fragmentation of land holding which is expected to be greater, especially under small and marginal farmers' categories in the state through land reform which ensures the acquisition and accessibility of land for agricultural operational purposes. Therefore, pillars of land reformed will be discussed in order to shows how each pillar plays a role in agricultural cooperative operations. Therefore, land tenure, land restitution and land redistribution and their subsidiary and direct contribution are discussed using their distinct definition to cooperative operation in a South African perspective (DTI, 2012).

#### Land tenure systems

The land tenure reform is intended to provide secure tenure for individuals who resides in a community or farm for long duration of time without having rights of to the land. The land tenure system is set to targeted native individuals or persons who are farm workers,

former farm workers, sharecroppers, as well as labour tenants. Therefore, the policy is intended also to protect people living in communal lands without secure rights (DLA, 2007). Farm or agricultural cooperatives though viewed as measures to that provides agricultural goods and services in a collective manner, the issue of not having a secure land rights plays a vital role in failures in the operations of agricultural cooperative regardless of the type of agricultural cooperative, whether primary, secondary or tertiary. As stipulated in section 25 (6) of the Constitution: "A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress" (RSA, 2005). This clause provides allowance of accessibility through compensation or land ownership to unprivileged individuals which set in turn to address land issues associated with people not being able to establish agricultural cooperatives within their communal dwellings or residing places.

#### Land redistribution

The acquisition of land by the state for purposes of dissemination to those who have no land or those who have inadequate access to land for various activities which includes settlement and agricultural production are explained well using land redistribution. Therefore, land redistribution provides a framework whereby the state make possible for people to access land by firstly buying the land as a state asset then make it available for people who require land either for siding or alternatively for farming purposes. This has nothing to do with dispossession of land but a lot to do with accessing land. Land redistribution has played a massive role in the establishment of farming cooperatives in South Africa, especially rural areas whereby land is still owned by the tribal authorities which in the past decade had made it easy for people to access the land for agricultural purposes (Boyce, Rosset & Stanton, 2005). The provision supporting this clause in stated quite clear in Section 25(5) of the of the Constitution, which articulates that: The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis (RSA, 2005). Thus, the Department of Land Affairs has adopted a new approach to planning land reform by means of the Assumptions-Based Planning approach (ABP). Hence, plans are drawn in the district levels for redistribution which

includes the kinds of farming and other activities to be supported. These plans are to be aligned with spatial development plans at municipal level, and are to form part of integrated development plans (DLA 2006). The approach is set to enable the state to acquire land in terms of Act 126 [Section 10(a)] based on the selling price, expropriation or auction price without attaching beneficiaries to such land (RSA,2005;DLA 2007). The rationale behind the expropriation is that the land market is providing adequate opportunities to acquire the land that is considered necessary for redistribution. Therefore, the land distribution system is geared towards making land available and accessible to all people but the protocols to be followed are time consuming and sometimes costly to get them in order to ensure the acquisition of land. Hence, this make is the effective technique to followed most cooperative but in the same time difficult for most illiterate and impoverished individual although it is made free to all people by the state. Finally, if there are no willing sellers or willing buyers to acquire the farm holding thus, this leads to agricultural cooperatives establishment plans being dissolved before their actual operation (Bond, 2005). Consequently, where there is a willing buyer and willing seller the possibility of agricultural activities taking root are viewed higher.

#### Land restitution

The land restitution deals specifically with the provision of land therefore considering individuals or communities who were dispossessed of property after 19 June 1913. This system is supported by the Native Land Act of 1913 which consequently, looked at former racial discrimination and is aimed at restoration of that property or to equitable redress. Therefore, the minister of Rural Development and Land Reform in June 2009 announced that the Commission on Restitution of Land Rights has settled 95% of claims lodged, enabling the restoration of at least 2.3 million hectares of land to victims of racial dispossession (Rural Development and Land Reform, 2009: 10). Concisely, the section is projected to bring back land to individuals who were previously removed from their land during 1913. Even though there are still debates associated with land restitution, with different difficulties faced by the state and the land owners this the above statistics shows an adverse improvement since post-apartheid systems. The land restitution

allows most rural communities to access their land and have full- ownership on the land for them to reside or practice agricultural productions through commercial and cooperative farming (Anseeuw & Mathebula, 2008).

## 2.12 CHALLENGES IN AGRICULTURAL COOPERATIVES

There are relative challenges faced by agricultural cooperatives which hinders the establishment and operations of agricultural cooperative. The challenges are tied to operation and management of the cooperative. The challenges are therefore stipulated as inadequacy in machinery and capital Inefficiencies and Sources of Capital, hence they are discussed in detail below:

### 2.12.1 Increased Agricultural technological Inputs

There are discriminations in the distribution of agricultural stimulus and intermediates such as seed, fertilizer, fuel and repair services amongst various races (Gala, 2013). The Reduction of costs or the rise in income therefore reduces operational costs and intensified the amount of earnings distributed to members to enhance individual member's income (DAFF, 2010). Jagvir, Sushil & Mudasir (2014:9) contends that most farmers face difficulties in their operation predominantly and periodically the completion of cooperative operations due to inadequacy of mechanization inputs like improved implements for operation such as tillage, peddling, sowing, inter-culturing, and irrigation. Therefore, increased technological inputs reduces the need for human resources injections in agricultural cooperative, resulting access labour in the agricultural sector. The application of mechanization technology increases agricultural productivity and decrease labour which are involved with manual farm operations.

## 2.12.2 Capital Inefficiencies and Sources of Capital

Farming equipment availability of a cooperative requires capital sources and operation scale constituent (De Klerk, Fraser & Fullerton, 2013). The problems associated with cooperative stimulus such as capital are linked to organizational and management liabilities of agricultural cooperative members. Therefore, capital source for a cooperative is limited to the contributions from members of the cooperative or the accumulation of reserves for legal surplus appropriated from operation surplus. The limited capital source however prevents immediate acquisition of the capital needed to cope with changes in external competition. Failure to immediately acquire the capital makes it difficult for the development of the cooperative. In addition, pursuing economic equality subjects the cooperative to limited efficiency improvement and frustrates the willingness of having up-scaling transportation and distribution of their products through the cooperative (Jeson, 2009). Smallholder agricultural cooperatives are composed of underprivileged households in South Africa who face many obstacles in their efforts to increase their revenue and overcome food insecurity and consequently, most fail at very early stages (Machete, 2004). Thus, agricultural cooperatives turn to rely on different type of income generating methodologies such as grants and loans from both the private and public sector and they are discussed in more detail below:

### 2.12.2.1 Loans and Grants of Cooperatives

Agricultural cooperatives that afford loans get or any form of financial assistance from various banks such as standard Bank, Absa, First National Bank and the Land Bank. Finance assistance may also be provided by different sectors either private or public sector. The public sector through developmental agencies such as business Support Agency, may offer financial assistance to cooperatives to ensure that cooperatives are established and operational (Macaskill, 2011). According to Gala, (2013) ascends that applying for loans remains the essential but rather difficult method of accessing capital for most agricultural cooperatives due to high illiteracy rates and language barriers among cooperative members. Therefore, the revenue received in a form of a

loan is spent in numerous activities such as purchasing of equipment and paying for training of cooperative members and at times the revenue is spent on transportation which is non-lucrative for most agricultural cooperatives. Henceforth, it is difficult to repay the money spent on administrative, transportation and training of employees or cooperative members. Macaskill, (2011) also contends that there are about 13,5 agricultural cooperatives in South Africa which are Small Medium Enterprises that run successive agricultural related activities such as growing and selling by-products of animals and selling something that was collected from nature. Therefore, of those enterprises are operated by women and more than a third of them rely on capital received as loans or grants from banks which take too much time to get and requires a lot of documentation

Henceforth, the use of agricultural insurance is peculiar to most South Africans especially to emerging agricultural cooperatives regardless of the high transactions cost and exposure to moral hazard. The controversy is that the market penetration in the small farmer sector is estimated to be below 1% and about 6 million South Africans are said to fall in the informal burial societies (Woodard, Harttgen & Klasen, 2010). Therefore, this forms an indication that most of the countries' agricultural cooperative sector may have inadequate backup capital to lean on in times of financial imbalances or strain and that may lead to liquidation of the cooperatives. The public and private sector are viewed as the immediate solution providers as they offer assistance to most agricultural cooperatives in times of financial constraints whilst the private sector generally caters to adequacy in land reform beneficiaries' and small farmers' savings, transmission and insurance needs. Hence there are arguments about state policy that it only focuses on capital provision in the form of grants for once-off fixed, movable asset acquisition and loans for recurrent working capital needs through the Department of Agriculture, Forestry and Fisheries (DAFF, 2012). Another initiative provided by the state to help agricultural cooperatives with capital is the Micro-Agricultural Finance Initiative of South Africa known as MAFISA programme, which is run by the Land Bank however, the MAFISA has had a value with an average of R900 million which is viewed annually in recent years (DTI, 2012). Therefore, judging by the growth of agricultural cooperatives facing financial difficulties at a national perspective, the loan remains insufficient to help the majority of agricultural cooperatives.

### 2.12.3 Sectorial Strategy Challenges on Cooperatives

The government has recently formulated numerous policies and strategies that have a bearing on the aspects of collective entrepreneurship and this cooperatives development strategy (DTI, 2011). The primary objective of the strategy is to promote cooperatives development by effectively addressing the challenges faced by agricultural cooperative in their development and operations (DTI, 2012). The challenges of cooperatives in this study can be viewed according to five categories and they are:

#### Inadequate Economic and Statistical Impacts

The inadequacy in the documented statistics about the cooperative sector, its social impact, is resulting in insufficient market transparency and poor appreciation of cooperative business model (DTI, 2012). The limitations of the data obtained from the Registrar of Cooperatives makes it impossible to generate credible statistics on the state of cooperatives in South Africa. There have to be thorough and regular monitoring and evaluation of the evolving support process for cooperatives to keep in track the available or existing cooperatives. Agricultural cooperative cannot function and operate in isolation, hence both the public and private sector are involved in trying to support most cooperative especially small holder agricultural cooperative at the different social strata (national, provincial and local level). Therefore, public sectors' support systems are subdivided into categories of department which work collectively that the cooperatives are well operated (DTI, 2011). Consequently, the public and private sector have divided their contributions to activities according to different companies and departments hence the literature will focus on the following:

#### Small Enterprise Development Agency (SEDA)

The contribution of the Small Enterprise Development Agency is to provide supportive tools and measures to most agricultural cooperative hence, the department itself is the one responsible for the registration of cooperative. Therefore, Training and development have been found to be key standpoints for smallholder cooperatives. The department claims that cooperatives have not been able to strengthen their business operations mainly

owing to inadequate training support (DTI, 2012). The inadequacy in experts and qualified managers is also a challenge facing cooperatives (DAFF, 2012). Other type of support offered by SEDA programmes such as the provision of information relating to tendering, networking and business linkages, business technical support as well as taking part in an export readiness assessment (DRDLR,2014). The growth in SEDA can also results in provision of support to smallholder cooperatives related with business assessment and diagnostic tools, as well as business management tools to improve management of their enterprises, management system or technology where they can receive technical support and potential exporters can receive support with global marketing (DTI, 2012). Hence SEDA is the primary role payer in cooperative establishments, management and operations. There have been developments in the Department of Trade and Industry in trying to enhance agricultural cooperatives therefore, the department has transferred most of their activities from the Department of Agriculture to the Department of Trade and Industry, to ascertain that cooperatives are given recognition and allowed to develop in all sectors of the economy (DTI, 2012). Thus, the DTI has continued to play a leadership role in promoting cooperatives and coordinating all efforts pertaining to cooperatives development in South Africa (DTI, 2011).

### Cooperative Registration at Local Levels

Another challenge that the cooperative face is associated with accessing support during cooperative establishment because of lack local offices that are situated within proximity of farmers or agricultural cooperative members. The Registration of cooperatives is normally done at national level, there are no branches at local levels (DTI, 2012). The decentralisation strategy that has been therefore spend large amounts of money trying to make it possible for cooperatives to access the services of the Registrar at provincial and local levels through the use of Small Enterprise Development Agencies (DRDLR, 2014). Another challenge is based on limited promotion and awareness of the cooperative business model is one of the barriers to cooperatives development in South Africa (Chambo, 2009). The public sector at a national, provincial and local spheres of government as well as the private sector which are businesses, and society in general, do not understand the cooperative model and its inherent value (DRDLR, IBID).

## Lack of Support: Private Sector: Companies

The government enterprise development agencies have provided establishment to cooperatives, yet there are still existing challenges associated with the supporting operations of agricultural cooperatives. Cooperatives support is insignificant, unfocused, uncoordinated and lacks systematic and sustained targeting on cooperatives (DTI, 2011). Most of these agencies do not have the expertise to appreciate the complex challenges confronting cooperatives and respond accordingly as a result cooperatives suffer. Therefore, most policy interventions tend not to target different market segments, sector and the type of cooperative and do not take into consideration the unique nature of the cooperative business model (Chambo, 2009). The private sector plays an important role in cooperative establishment and operations. Consequently, statistics reveals that in 2008 the Gross Domestic Product (GDP) was estimated to be R2770 billion (World Economic Forum, 2009). Therefore, the private sector plays an important role in South Africa's agriculture not only in terms of production, processing and marketing but also, more recently, in performing agriculture research. Kirsten, Stander & Haankuku (2010) state that research is aggregated to from R164 million in 2001 to R329 million in 2008, yielding a twofold increase over the seven-year period. It was evident that most private agriculture firms in South Africa have formed partnerships with foreign multinational companies and operate as subsidiaries of these overseas companies. The innovations is either imported or adapted and distributed under license from international firms or parent companies (DAFF, *ibid*). Therefore most of the agricultural research done by the private sector is largely adaptive or done for testing purposes and to comply with the regulatory authorisations.

### 2.13 MEMBERSHIP PARTICIPATION AND MANAGEMENT TECHNIQUES

The participation of members is vital in the management of agricultural cooperatives as it ensures ownership and influence decision making during cooperative operations. Agricultural cooperative. Therefore, member participation like any other form of business rely on the commitment of each member and willingness of the member to participate in cooperative activities. Bhuyan (2007) debates that the attitude of members in the cooperative determines the participation of members and it is influences

knowledge, beliefs, and perceptions decentralisation about their cooperative. Bibby & Shaw (2005) also debates that membership participation in local institutions contributes massively and for that reason trends of variation in household incomes of participating members. Therefore stipulating that size or number of cooperative members may also hinder participation and consequently, the anonymity within large memberships may create ignorance. The larger size of the members implies that the views of an individual members cannot be properly handled and considered by the cooperative.

Cooperative with a large quantity of participants may generate passivity because some member categories may not get their interests well attended to conflict (Hendrikse, 2007). Consequently, the management may obtains few unclear, and conflicting signals from the members and that can be risky to the board of directors (Hendrikse, *ibid*). Gadzikwa *et al.* (2007) argues that there are two sides aligned with larger one being membership participation can have a momentous impact on the collapse of a cooperative, hence may results in other members receiving revenue outputs bribes or unlawful incentives. Another challenge faced by the management is that higher levels of member participation may increase democratic costs in a cooperative, as more members participate in the collective decision making process. The higher the level of member participation there lesser the agency financial costs of the cooperative as more members monitor management. According to Olesen (2007) cooperative participation and the management of cooperatives depends entirely on the similarity in the age of the cooperative members as age variations may lead to irregular conflicting ideas. The majority of the members at a similar age may have interests in isolating and ignoring the views of other members. Thus, Member commitment can either decrease or increase as some may have differing ideas and differing interests and that transfers signals to the management board of directors about the possibility of cooperative success or failure (Bhuyan, 2007).

## 2.14 MONITORING AND EVALUATION OF AGRICULTURE COOPERATIVES.

Cooperative operations depends entirely on the monitoring and evaluation techniques which executed throughout the life cycle of the cooperatives. Hence, each mile stone passed needs to be monitored periodically to ensure the smooth running of the

cooperatives thus identifying potential risks in the process. Therefore, the Cooperative Advisory Board and an inter-departmental committee are said to be responsible for the monitoring and evaluation of the impact of government policy related cooperatives and strategy to enable cooperative developments (DTI, 2011). Government support for agricultural cooperatives is attached to the investments in agricultural activities, tax reductions, subsidies, and lenient credit terms crucial for developing and maintaining successful agricultural cooperatives (DTI, 2012). Contrary to that most agricultural cooperative operations in South Africa, the cooperatives are not adequately monitored and this can result to a catastrophe. Therefore the crisis in proper monitoring is translated into efficient management and investment strategies by agricultural cooperatives, while government support is manipulated so it can be optimally utilized (DTI, 2012).

## 2.15 Theoretical framework: neoclassical theory

Therefore, following topic provides a background on agricultural cooperatives by considering the neo-classical theory of a firm to best describe the operations of cooperatives and to demonstrate the connections between the set objectives which are identifying the operational processes, examining the management techniques, determining membership participation and commitment, identifying measures for monitoring and evaluating of agricultural cooperatives. Whilst with the assumptions that the management structure plays a pivotal role assuming centrality in decision making. Subsequently, the theory is therefore supported by a brief explanation on the milestones undergone by the cooperative through its lifecycle.

### 2.15.1 Neo-classical theory

The neo-classical theory of the firm suggests that firms maximize their profits and the profits are subjected to its cost structure and product demand constraints which are transaction costs such as costs of obtaining information about alternatives and costs of negotiating, monitoring, and enforcing contracts with the assumption adjustment costs are zero and resources are privately held and fully allocated among alternative uses purely in response to financial incentives (Ortmann & King, 2007). The theory judges firm

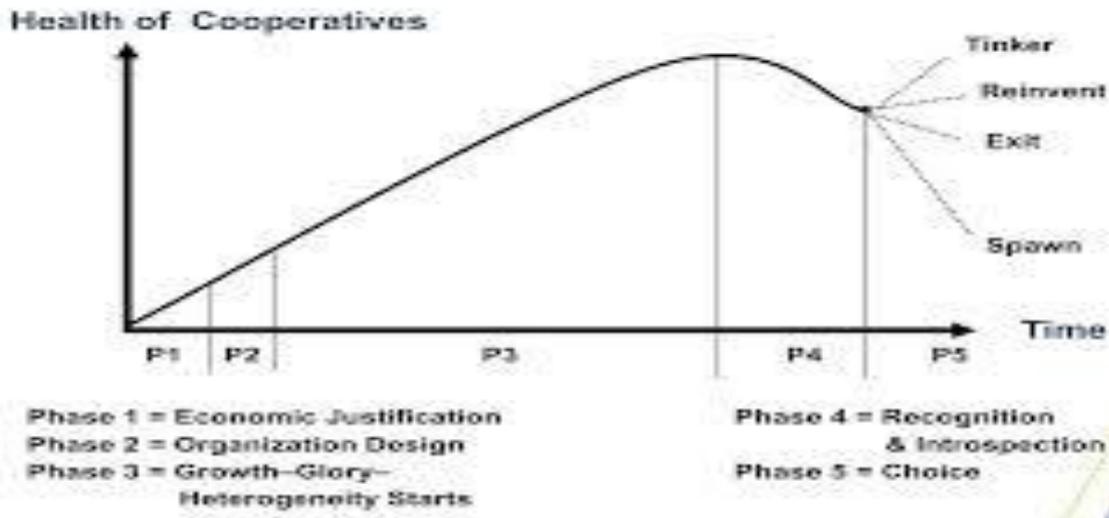
operations by analysing and assuming firm that behaviour is associated with different circumstances that the firm or cooperative undergo, hence those constraints determines the cooperative profits. The theory also suggests that agricultural cooperative behaviour is comparable to that of a firm, as the cooperative have relative operational processes, management and monitoring and evaluation techniques all set-up to ensure productivity and profit acquisitions. Royer (1987) studied the theory the traditionally of the firm which is one branch of Microeconomics, hence the theory explains the behaviour of the cooperative by viewing the operational practices with the assumption that the management or board of directors which are the cooperative members have a massive role to play in order to maximize profits and minimize production constraints. Whilst, Helmberger & Hoos (1962) explained and developed a short-run as well as a long-run of cooperative models. Neo-classical theory of the firm's model showed features of behavioural relations and positions of equilibrium for a cooperative and its members under different sets of assumptions using traditional marginal analysis (Helmberger & Hoos 1962). Helmberger & Hoos also claimed that conflict can be resolutions depended on the actor or the patron controlling the cooperative. Consequently, adding that cooperatives which are managed can be determined to expand the volume of business and might need to expand membership, while the organization firmly depends in the hands of farmer members (Helmberger & Hoos,ibid). Rhodes (1983) and Sexton (1984a) extend this type of analysis by using concepts from the recently developed theory of contestable markets. Therefore, the theory made mention that it is not the degree of market concentration that determined market performance, but the nature of the costs in the industry and the barriers to entry and exit (Baumol, Panzar, & Willig, 1984). The two theories interviewed suggests that agricultural cooperative sustainability and profitability be contingent profoundly on the operational processes, membership participation, management techniques and monitoring and evaluation techniques. Ortmann & King, (2007) supports by stating that decades have passed and the economic environment is rapidly changing, reflecting an increase in globalization and agricultural industrialization as a result agricultural cooperatives will undergo through subsequent structural changes in order to adapt to the new situations so changes in the operational processes should be controlled and properly studied to enable and support innovations in agricultural cooperatives. The study focuses on the cooperative theory as it by outlines the relationships among cooperative and looking at the behaviour through identifying the operational processes of the agricultural cooperatives. The

cooperative life cycle is therefore discussed below to demonstrate operationally the use of the neo-classical theory in agricultural cooperatives.

## 2.16 COOPERATIVE LIFE CYCLE FRAMEWORK

Agricultural cooperatives may go through certain phases like any other cooperative that co-exist but each have its own pattern to which confers to the type of cooperative. Therefore, Burress & Cook (2009) suggests a life cycle framework which best fit the agricultural sector, which is viewed as a systematic method in which relevant theories of collective action are selectively applied and that which informs the dynamics of member-patron heterogeneity and its implications for rural agricultural cooperative longevity. Valentinov (2007) argues and gives a conclusion that a cooperative life cycle is not static nor relegated to a single time cycle. Ortmann & King (2007:40) also suggests the future of the cooperative business model may best be analysed through a life cycle model due to evidence that most cooperatives possess an exceptional tendency for institutional innovation. Thus, Burress & Cook (ibid) suggests a cooperative life cycle framework which includes five phases which are economic justification, organizational design, growth, glory, and heterogeneity, recognition and introspection as well as choice. Thus, following figure illustrates the cooperative framework and how the health of a cooperative is affected as it passes through each phase as well as the result of each phase.

# Life Cycle of a Cooperative



Source: Burress & Cook (2009)

The first phase expresses the economic motives that leads cooperative emergence, as it looks at the collaboration of producers attempting to improve their socio-economic positions in the presence of market failures and equivalent market contracting costs. The second phase, cooperatives principles are presented and are formally incorporated into organizational architecture. The last three phases looks at the processes surrounding evolving member heterogeneity and battle against the unclearly defined property rights problems that are present which genially leads to choices being made by relevant cooperatives members (Cook & Burress, 2009). The framework suggests stressed economic justification as a primary driving element as a starting point of collaborative efforts to in establishing a cooperative. (Audebrand & Malo, 2014). Thus, the framework on cooperative lifecycle Forms a perception, that the cooperative be viewed as an essential defensive attempt initiated by cooperatives to explain the failure in cooperative markets and cooperative operations.

## 2.17 SUMMARY OF THE CHAPTER

The contribution of agricultural cooperatives to the countries development is without question, however relative signs of inconsistencies in the operational processes of the

cooperative remain a puzzle. Never the less the heterogeneity in the operations procedures and processes of a cooperative indicates signs of the availability of differing management and monitoring and evaluation techniques within cooperatives. Therefore, that indicates certain evidence that some agricultural cooperatives cannot make it to the top of the ladder even though some cooperatives may receive more support than others through loans, ease in accessibility of markets and the other initiatives as a support system by both the public and private sector. Consequently, cooperative may receive some sort of assistance but there is an existence of heterogeneity in their operations. Hence, membership participation, availability of inputs such as capital, land and skilled labor and less stiffened state policy and regulative frameworks can contribute to the success or failures in cooperative operations. Therefore, the literature assessed the direct and indirect contributors of agricultural cooperative operations as it looked closely at the micro levels of cooperatives which is extensively debated upon, which involves a number of topics that relate to the state of cooperatives in South Africa and Aspects of the new generation cooperatives on local development; Cooperative support systems as well as the Monitoring and evaluation systems of agriculture cooperatives. The literature viewed, the aspects attributing to cooperative developments and the global as well as national issues on agricultural cooperative operations, cooperative success and failures; Policy and legislative framework on agriculture cooperatives; the role of the private and public sector on cooperative operation and the for front on agricultural cooperatives credit issues.

The literature also looked at related with arguments about the impacts of land reform and capital inducement. Therefore, topics were categorized as empirical and theoretical evidences on the assessments of agricultural cooperative thus, pin-pointing the difficulties that cooperatives face on their daily operation. The following chapter provides a discussion on the research design and research methodology employed in the study taking in consideration the objective and assumption of the study. The following chapter is instructive as it provides guidelines in data collection, sampling technique, details on the research demarcation and considerations allied with the study.

## **CHAPTER 3**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 INTRODUCTION**

The study intends to assess the operations of agricultural cooperatives, therefore considering the participation of cooperative members, governance structures and the relative conduciveness of the environment in which the cooperatives operate. Therefore, this is coupled with sets of objectives to help guide the study and they are respectively channelled to ascertain the identification of operational processes and describing stability in the operational processes of the cooperatives. While examining the management techniques of cooperatives and determining membership participation and commitment and foremost identifying the measures adopted in the monitoring and evaluation of agricultural cooperatives. Ultimately, this section explains the research design adopted in the study, the research approach, the method used in selecting the sample, data collection and data analysis methods. However, the first part of the chapter also provides a detailed description of the study setting. The chapter therefore elucidates more on the ethical issues, the reliability and validity of the study and delimitations aligned to the objectives and the relative purpose of the study in an explanatory manner. Thus, the last part of this chapter provides a brief summary on all the aspects being discussed in the chapter as it gives an overview on what each section entails respectively.

#### **3.2 THE RESEARCH DESIGN**

The study uses a descriptive research design in order to describe the operations of agricultural cooperatives such as the management, participation, communication and conduciveness of the environment as well as the information on how the operations promote or hinder the performance of the cooperatives which is presumably described on the basis of how the cooperatives function. Patton (2002) argue that descriptive

research may be designed to create an accurate picture of what is being investigated. The study describes ways in which agricultural cooperative operate and how the cooperatives ensure satisfactory operational performances in accordance to member desired outcomes. The narrative descriptions made use of case studies that described the situation or phenomenon that is studied.

### 3.3 RESEARCH APPROACH

A qualitative research approach was used in the study, as it required the respondents to provide their information and own understanding on the operational performance of the agricultural cooperatives in which they are participate in. Therefore, Creswell (2014) states that the qualitative research approach is useful in the understanding of individuals or groups of people as well as their societal problems, whilst the data can be gathered in the participants residing area and the data analyses is inductively generated using themes allowing flexibility in the research structure. Babbie, et al (2005) argue that qualitative research is conducted in a natural setting and provides rich descriptions and in-depth understanding of phenomenon being studied. Henceforth, the researcher used a qualitative approach to get in-depth knowledge on the operations of agricultural cooperatives from the views of the participants, who were interviewed in their specific operational stations to allow for both interview and observation of the operational process and indicators aligned with the performance of the different agricultural cooperatives. Thus, the approach proved fruitful and convenient for both the researcher and the respondents, as more information about the cooperatives, henceforth pictures were taken in the process of data collection with the relative agreement of the researcher and respondent as that led to more evidenced based information regarding the operations and existence of the cooperative and its function.

### 3.4 RESEARCH METHOD

The research method that was used in the study is a Case study method referred to as a multiple case study, since there are two cases being investigated yet they are

interrelated, which is the operations and sustainability or stability of cooperatives. Hence, one cannot do without the other. According to Yin (2003:49) a case study design should be considered when the focus of the study is to answer the 'how' and 'why' questions or if a researcher is unable to manipulate the behaviour of those involved in the study and when the researcher wants to cover contextual conditions believed to be relevant to the phenomenon under the study. The main reason for use of the multiple case study method was merely to check the differences in cooperatives operations and the reason behind the establishment of most agricultural cooperatives. The operation of agricultural cooperatives were assessed while checking for sustainability indicators in agricultural cooperative operations providing different evidence in the co-existence of the two cases. The procedure that was used in collecting the data ranged from reviewing of archival record, documentation as well as the use of interviews. Therefore, the cases was demarcated within the boundaries of the Nkomazi municipality. Creswell (2003: 12) argues that case studies frequently consist of some statistical data which means that the case study method should be seen as both qualitative and quantitative. Consequently, the study had both structured and unstructured interview question that yield both statically and theoretic data.

### 3.5 RESEARCH METHODOLOGY

The methodology provides a well-versed overview of the sampling procedure, the data collection tools and data analysis methods and sampling procedure which was adopted by the study.

#### 3.5.1 Sampling Procedure and Size

The research was conducted at Nkomazi Local Municipality in the eastern part of Ehlanzeni District Municipality, in Mpumalanga Province. Therefore, the data was collected from four wards, which were marked up to about 10% of the number of wards in the Municipality. Consequently, the study area has 33 wards within Nkomazi Municipality. Specifically, the wards that was tentatively selected for the study included

four wards namely ward 7, 25, 29, and 30. The criteria that was used to select the wards was that of non-probability sampling which allowed convenience and purposive selection. The use of convenience and purposive sampling technique in the study enable the researcher to randomly select respondents within the researchers reach and decisively sampling respondents to form part of the study. The researcher purposefully sampled individuals from organizations working with cooperatives in collaboration with agricultural cooperatives using a focus group technique. The study included two officials, one official from Small Enterprise Development Agency and Department of Rural Development and Land Reform (Department of Agriculture) for the verification and reliability of the data collection tool. The responses from the officials were also used to validate the information that was being provided by the respondents. Therefore, the official responses did not form part of the analysis. Hence, a population size of 40 cooperatives was involved in the study process was distributed as follows: fourth (40) agricultural cooperatives were sampled in the wards and interviewed using a focus groups of ten (10) in each cooperative which led to 120 respondents comprehensively. Therefore, the following table 3.1 illustrates the criteria used for selecting the respondents using a focus group technique.

**TABLE 3.1: SELECTION CRITERIA**

| <b>NO</b> | <b>NAME OF AREA AND WARD NUMBER</b> | <b>POPULATION SIZE PER WARD (N)</b> | <b>FORMULA: Number of respondents (focus group of 10) multiplied by three cooperative per ward ( Nxn)</b> |
|-----------|-------------------------------------|-------------------------------------|---|
| <b>1</b>  | 7                                   | 10 cooperatives                     | 10x3  |
| <b>2</b>  | 25                                  | 10 cooperatives                     | 10x3  |
| <b>3</b>  | 29                                  | 10 cooperatives                     | 10x3  |
| <b>4</b>  | 30                                  | 10 cooperatives                     | 10x3  |
|           | <b>TOTAL=</b>                       | <b>40 COOPERATIVES</b>              | <b>120 RESPONDENTS</b>  |

### 3.5.2 Data Collection Tools

The researcher used various tools for data collection and the tools are explained below:

#### Document analysis

Various documents were used to obtain information on similar studies conducted on operations of agricultural cooperatives. The information was sourced from books, archival records, journal articles, government policy documents and articles obtained from the different accredited sources.

#### Interviews

An interview guide was developed comprising of both structured and unstructured questions (see annexure A1 and A3). The structured questions was developed in order to obtain biographic information about the respondents and the type of cooperatives they own. The unstructured questions was mainly used to obtain the in-depth and factual information or narratives about the relative operation of cooperatives. Elaborating more on the courses of failures and success linked with cooperative operations, understanding the contribution of aid in cooperative operation, the agricultural activities of the cooperatives. The interviews were conducted by the researcher personally, in order to obtain both verbal and non-verbal information and to ensure that the questions are clear and to probe where necessary. The questions were therefore be interpreted in the respondent's language to allow for probing and clarifying of same questions so that the respondent could understand the questions.

### Structured observation

The researcher developed an observation guide (see annexure B) that assisted in the observation of the visible environment such as checking if the cooperatives, which are said to be registered, and are operating. The researcher also checked the type of cooperative existing in the study area; the availability of infrastructure and other physical elements that could make it possible the smooth running of the cooperative for example accessibility, availability of machinery were necessary and billboards with the cooperative details. The observation techniques enabled the researcher to establish the contribution of the cooperatives to the development of the study area.

### 3.5.3 Data Analysis Method

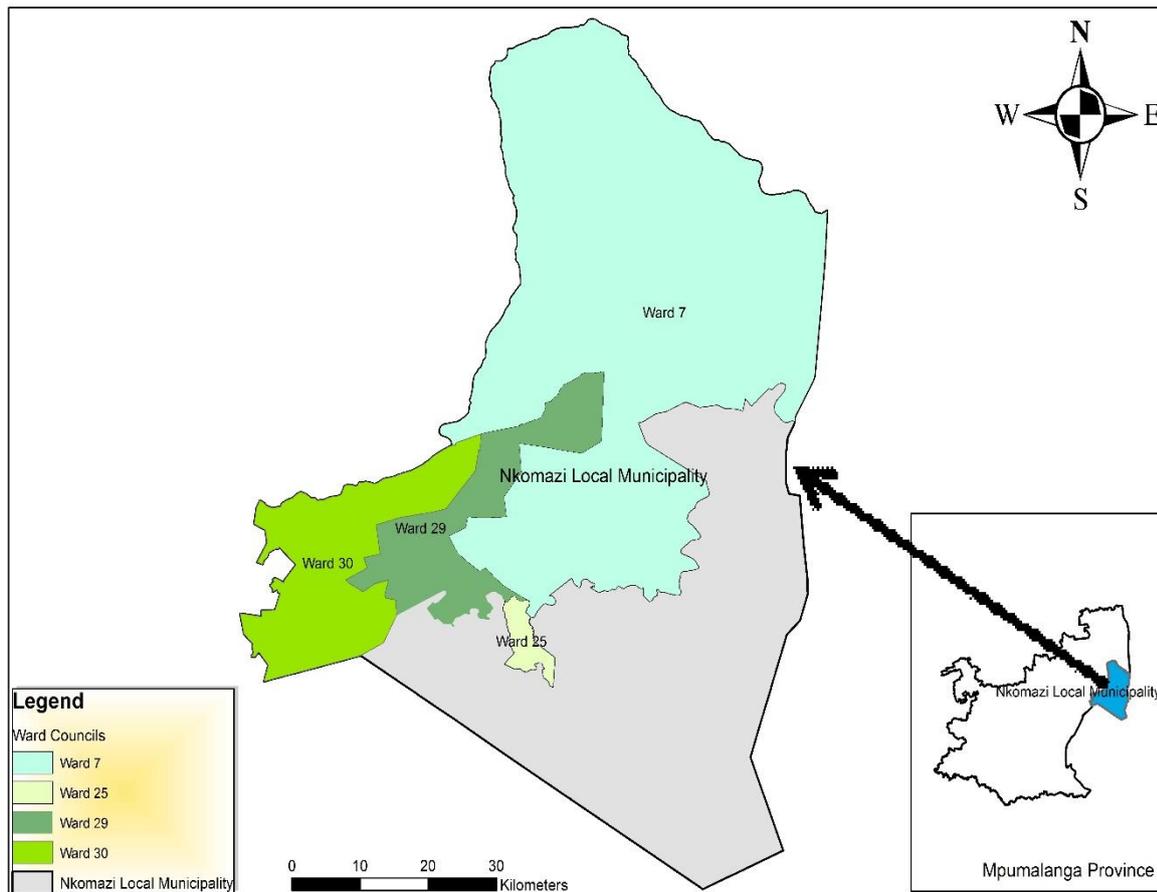
The data collected used closed-ended questions which was coded then transferred to code sheets and to Microsoft excel spreadsheet and a computer programme called Statistical Package for Social Sciences (SPSS) for its analyses. The Descriptive statistics Analysis was used to obtain frequencies, percentages, mean, median and mode in order to summarise statistical data and to illustrate results. The open-ended questions was therefore cleaned, organized and reduced into themes using content analysis method.

### 3.5.4 Management of data

The researcher compiled the interview schedule for each ward and checked for completeness in each of the questionnaire. Hence, the questionnaire was structured in a manner that allowed respondents to give personal information such as email and phone number, ward number and residential details of respondent. This was done in order to correct unforeseen errors or mistakenly captured or skipped question during the interview or data collection period and hence the respondents were assured of confidentiality. The interview guides for individual wards were properly checked, counted, kept separately before continuing to the other wards hence, each questionnaire had a number a ward number for identification purposes.

### 3.6 DETAILED DESCRIPTION OF STUDY AREA

The Nkomazi Local Municipality is located in the eastern part of the Ehlanzeni District Municipality of the Mpumalanga Province. The population is therefore estimated to be 338 095 persons (Statistics South Africa, 2011). The municipality estimated in 2001 that the municipality has about 57 settlements, 185 farm portions, 75 593 households and in 2007 the Community survey found that the households has increased to 78 254 (IDP, 2012).The municipality is placed between Swaziland (North of Swaziland) and Mozambique (east of Mozambique). The Municipality is linked by two provincial roads one from Swaziland and the other Mozambique as well as railway line and the main national road (N4), which forms the Maputo Corridor. The Nkomazi Local Municipality characterized by massive agricultural farm holdings. Hence, the Local Municipality are involved in manufacturing which contributing about 27% and trading contribute about 17% of the local economy. Henceforth this activities are known to be main source of employment for the people residing in the area (IDP, *ibid*).below is a map of Nkomazi Local Municipality indicating the farm zones, the municipal borders as well as the international border (see figure 3.1).



**Figure3.1: The map of Nkomazi local municipality**

### 3.7 ETHICAL CONSIDERATION

The ethical behaviour was viewed as an essential aspect of the study, and the discussion below includes the ethical considerations concerning the study, which involve plagiarism, and honesty in report writing as well considerations regarding the respondents:

#### Plagiarism

Work taken from other sources was be referenced properly both in the text (giving page numbers where there were quotations) and in the reference list.

## Falsification of results

To avoid falsification, the responses were written according to participant best of knowledge and then later coded the responses living out the questioners that were not fully completed. The questionnaire was also written in the language which best fit both the respondent and interviewer (see annexure A2). This was merely made to protect the respondent during the interview processes, which were executed, and they were as follows:

## Informed consent

A brief was presented to the respondents about the importance of the research and the respondents then signed a letter, which granted permission for the researcher to ask questions.

## Right of privacy

The respondents were informed that their identity was to be a secret and it was going to remain anonymous by signing a letter that agrees to their privacy (see annexure C1). Hence, the copies of the final document were made available for the respondent to access the information.

## Protection from harm

The researcher assured the respondents about their protection against emotional harm and their right not to answer questions, which are not comfortable of answering.

## Involvement of researcher

Unethical interviewing techniques was not used and respondents were informed on hand or prior the interview with a letter about the study and the purpose of the study was clearly indicated to respondents. Permission for conducting the research was obtained from Nkomazi local municipality (see annexure D). A copy of the consent letter and research instrument to be used was administered to the municipality and relevant respondents before they answered the questions pertaining the research problem (see annexure C). Autonomy and confidentiality was ensured during administration of the interview guide and report writing.

## Preserving participants' anonymity

Therefore, the researcher produced a concern form, which account the researcher to ensure the right to privacy of the information provided by the respondent; hence, the researcher also produced a copy of ethical clearance and a sample of the questionnaire to the relevant organization or individual respondents.

## 3.8 RELIABILITY AND VALIDITY

The study used a pilot study to ensure that the instrument measured designed attributes pertaining the research topic and in trying to uncover the causality of the pre-assumed research problem. Hence, the researcher executed this procedure by distributing five questionnaire samples to academics, which are masters and doctoral scholars and five to ward 24 agricultural cooperative participants. The role of the participants was to formulate a pilot study to checking if the questions that were asked in the study questionnaire were relevant. Therefore adjustments were made were it was required, thus conducting a pilot study was beneficial to the researcher in a manner that the academics were able to search and point out gaps in the instrument, while the cooperative members gave a lot of input on the way of probing for answers to fellow

cooperative associates. The validation of the instrument was checked through the use of content validity which involved checking of the research instrument against the specific study aim, objectives and primary research questions. To achieve content validity, the research questions on the instrument was based on the information gather during the review of literature to ensure that the questions were a representative of what the study was set to assess. Content validity was further ensured by consistency in administering the questionnaires. All questionnaires were distributed to subjects by the researcher personally. The questions were formulated in simple language for clarity and ease of understanding. The rephrasing of some questions was done to make sure that the questions were clear and to appropriate alternative responses were added research instrument to guarantee that the questions provided meaningful data analysis.

### 3.9 DELIMITATIONS OF THE STUDY

The area that was sampled showed indications of high densities in the population size of individuals involved in agricultural cooperatives. Consequently, the researcher randomly selected four wards which were easy to access and with operational agricultural cooperatives, subsequently the study only sampled 40 cooperatives within the study radius. Hence, the study involved only two officials which deals directly with cooperative as custodian of information dissemination which was the Department of Agriculture and the Small Development Agency. The lack of proper infrastructure such as roads made it difficult for the researcher to access other wards within the study area. Therefore, study only sampled accessible agricultural cooperatives within one radius or not so distant from each other. This was executed to avoid transportation problems and to lower traveling cost and walking distances of which would have been time consuming for the researcher. Other limiting factor was that of insufficiency of funds therefore, the study covers only four wards which is considered 10% of the population as its sampling frame. The fact that a number of registered agricultural cooperation were faced numerous differing problems, of had been liquidated but appears as existing in the small development agency portfolios thus the study only focused on the existing cooperatives within the selected wards, to ensure that information about the operations of the cooperatives was obtained. Subsequently, the cooperatives which were liquidated

would have provided much useful information and recommendations on the “what not to do or avoid” in order to have problems other cooperative struggling with the similar issue, unfortunately, it was difficult to trace those cooperative owners and led to their exclusion in the sample.

### 3.10 SUMMARY OF THE CHAPTER

The chapter begins with an introductory section which gives an overview of various aspects found in the chapter in line with the study title, the objectives and the study assumptions. The researcher further discussed extensively on the descriptive research design which is used in the study as it assuage more on its significance and the use in the study. The research therefore used qualitative research approach to find in-depth knowledge about the agricultural cooperatives hence describing more about it relative operational procedures. The research used a non-probability sampling technique which allowed data to be gathered purposefully and conveniently. Hence, the sample size that was drawn by the research involved 40 agricultural cooperative, one official from Department of Agriculture and one official from Small Development Agency, thus resulting to a population size of 42 respondents. The study used three data collection which are referred to as interviews, structured observation and document analysis. The study area in which the data was extracted was Nkomazi municipality located in Mpumalanga province, therefore, the study sampled only four wards within Nkomazi municipality which have obtainable agricultural cooperatives. The data was therefore properly managed through numbering of questionnaires and proper storage of the research instruments. The data was properly validated and reliability measures were used by the execution of the pilot study using postgraduate student and agricultural cooperative owners which were not part of the sample to ascertain that it was that the instrument was able to measure what it was intended to measure, adjustments were made were it seemed necessary. The study used sets of ethics to ensure that the research did not cause any harm to the researcher and the respondents. Lastly, the chapter ends with a comprehensive a summary which provides an overview of the components of the chapter in-line to the operations of agricultural cooperatives and a gist of how the research objectives were measured. The following chapter provides a brief analyses of the data on agricultural cooperative with Nkomazi municipality.

**CHAPTER 4**  
**PRESENTATION, ANALYSIS SECTION A**  
**NKOMAZI MUNICIPALITY**

**4.1 INTRODUCTION**

Agricultural cooperative form the most significant practice in most of South African's communities, as it contributes to the economic, social, infrastructural and livelihood developments ensuring food security. The cooperatives are more concerned with numerous operational processes which directly affects the operation of the cooperative. Therefore, those processes involves the operational activities of the cooperative, the management and membership participation, the monitoring and evaluation of the cooperative. Consequently, the processes aims improve the market share of agricultural cooperative, maximizing profits and ensure that agricultural cooperatives have a multiplier effect to help improve the quality of life of cooperative participant, thus guaranteeing holistic development. The chapter is set to provide evidence based information around the operation of agricultural cooperatives in the study area. Therefore, assessing the operations of agricultural cooperatives at Nkomazi municipality. The assessment of the cooperatives will therefore be covered through using the pre-set objectives. Consequently, in trying to present the findings the results will be analysed, interpreted and discussed in separate sections. This section is divided into five segments of analysed data namely demographic representation, operations of cooperatives, management of cooperatives, membership participation and commitment of cooperative and lastly measures adopted for monitoring and evaluation of cooperatives.

**4.2 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF PARTICIPANT**

The Socio-demographic characteristics entails the fundamental background of cooperative members. Therefore, this are characteristics set to describe the correlating socio-demographic factors such as cooperative member age, gender; educational level, source of income and finally looks at cooperative members' work status in isolation. Thus, the agricultural cooperative operations are analysed in accordance with the population size of 40 cooperatives.

#### 4.2.1 Age and Gender of Respondents

The analysed data shown in the below figure 4.1 on demographic characteristics provides overview of the cooperative member's demography by looking at gender and age.

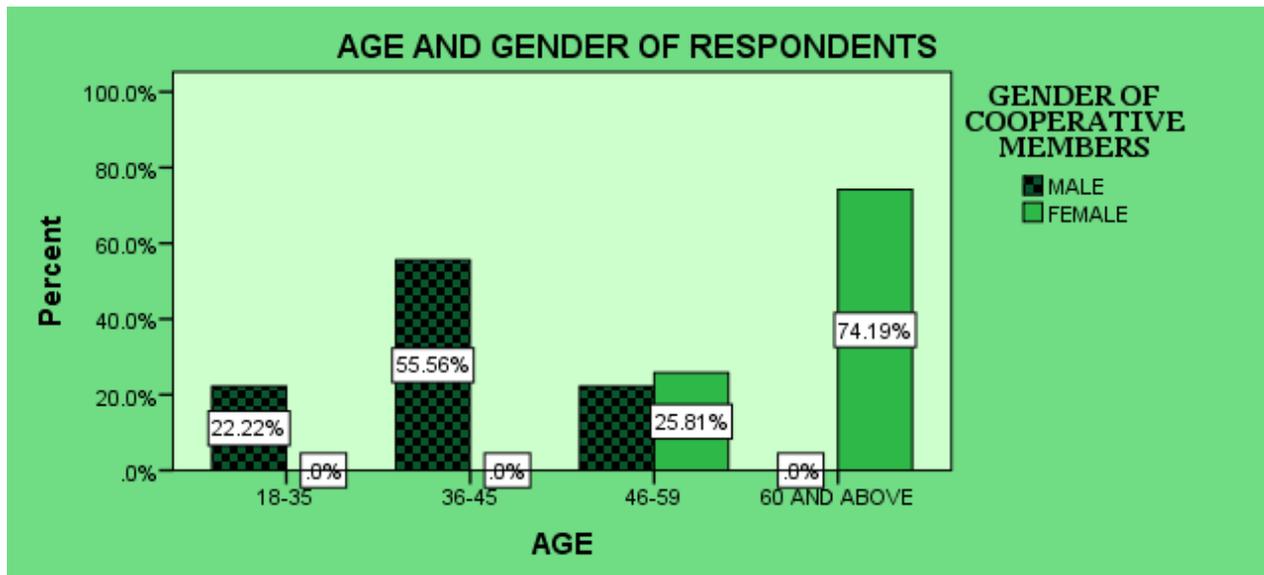


Figure 4.1: Age and gender of respondents (N=40)

The results provides striking differences in the mile-stone taken by different genders in cooperative participation. The results show that there were no female participants in agricultural cooperatives at an early ages between 18-45 years. Whilst, males were seen at that stage or age to significantly as primary participants in agriculture cooperatives. The results also indicates that the respondents participate in cooperatives at the late ages of 46-59 years. Ultimately, at the age of 60 years the male gender discontinue or cease to participate in cooperatives. Differences are noted at age 60 years the results presents a relative increase in female cooperative participation from 25, 8% to 75, 2%. Surprisingly, the results indicates a massive decline in male's cooperative participation from 22, 2% to zero percent (0%). Therefore, the results shows that both female and male respondents participate in agricultural cooperative but gradually withdraw from cooperatives with age. Cooperative gender participation divergences may not be shown by the study besides the influence of age differentials used as a measure. The relations between gender membership and participation in cooperatives remains a puzzle. Therefore, there seems to be no clear reasons behind

the decline in male participation at age 60 and an increase in female participant in that age, reflecting that both genders participate at different ages for differing motives.

#### 4.2.2 Work status of cooperative members

Agricultural cooperatives are established by different people at a different economic stratum. Hence, some cooperatives members may have formal jobs and some dependent comprehensively on agricultural cooperatives as a source of employment. The work status of cooperative members have the influence on the type of cooperative that the cooperative members participate in or are will to establish for example primary cooperatives are mostly established by people who do not have other individual cooperatives. Whilst secondary and tertiary cooperatives are established by cooperative members who participate in other cooperatives. Individuals who work in non-agricultural institutions or sectors may have deferring interest or intensions of establishing the different types of agricultural cooperatives. Therefore, figure 4.2 provides results on the work status of individual cooperative members.

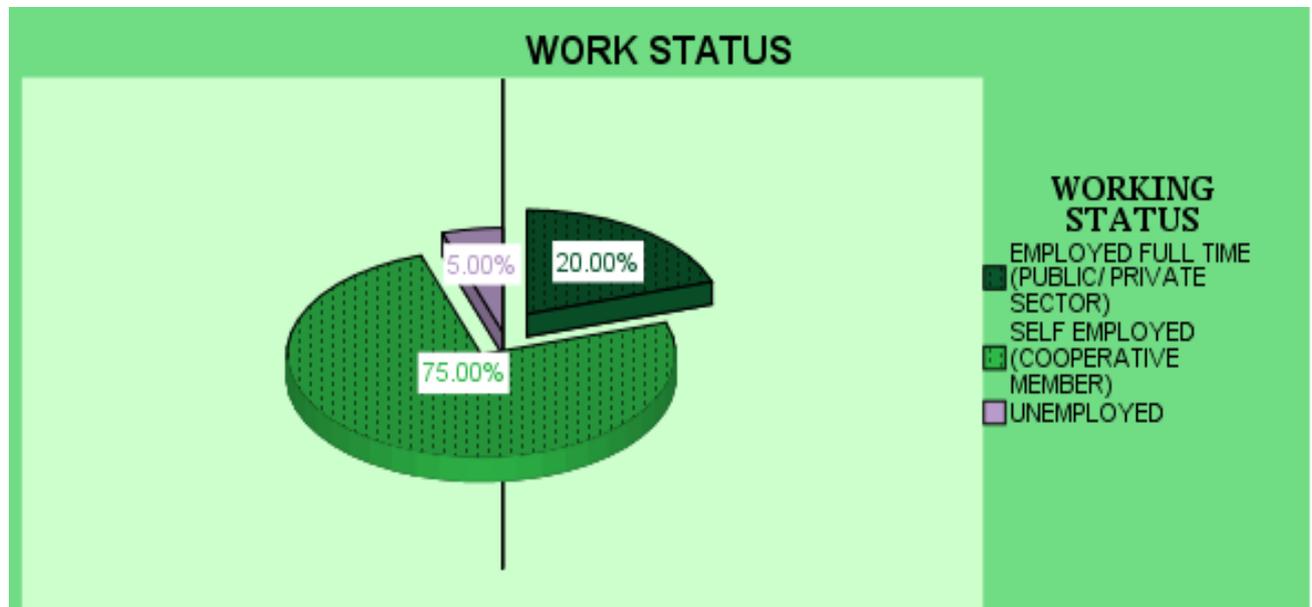


Figure 4.2: work status of cooperative members (N=40)

The data above elucidates that 75% of respondents are self-employed cooperative participants. That means they are involved in primary cooperatives and other form of ventures that help them acquire revenue. Hence, they come together to form autonomous secondary cooperative with the aim of improving profits and increase their

scale of business. While the cooperative members learn from each other for the embitterment of their entity to ensure quality of life. Henceforth the data shows that 20% of the responders are either employed by the public sector (Government) and the private sector which are big and small privately or non- state controlled businesses. The results also shows that about 5% of cooperative members (respondents) do not have any marginal employment besides being a cooperative members.

#### 4.2.3 The Educational Level of Cooperative Members

Cooperatives consist of members with varying educational level, hence the educational level of the members is vital, as it determines the level awareness of cooperative members in relations to modern agricultural practices. Therefore, figure 4.1 below demonstrates different educational levels of cooperative members.

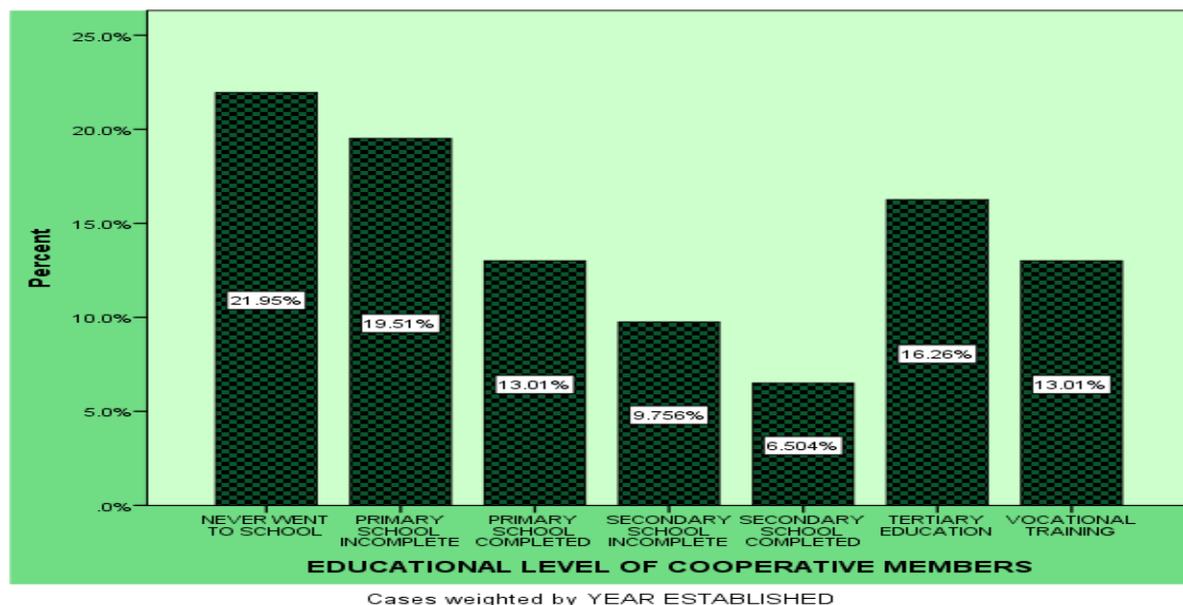


Figure 4.3: The educational level of cooperative members

The above figure 4.2 demonstrates the educational level of the respondents. The results shows that 35% (14) of cooperative members do not have any formal education (never attended school). Correspondingly, it is revealed in the study that the respondent that have vocational training is amounted to 13% (5).The study also shows an increment in the number of cooperative members who have tertiary education by 16, 3%. The results also shows that 20% (8) of cooperatives with respondents did not complete primary

school therefore they depend only on agricultural cooperatives for skills and knowledge propagations. That reflects the capability majors aligned to job inefficiencies and the economic awareness level of the members. The respondents entirely expressed that being capacitated through formal education and trainings has helped them in the establishment of self-controlled, self-funded and sustainable cooperatives with little operational challenges.

#### 4.2.4 Source of income for cooperative establishment

Cooperatives are established by a group of individuals who pursues to gain revenue through establishing a joint venture. The establishment of agricultural cooperatives require revenue for various establishment purposes which includes buying of raw material, transport and hiring of human resource. Figure 4.4 provides results on the income sources for cooperatives establishment.

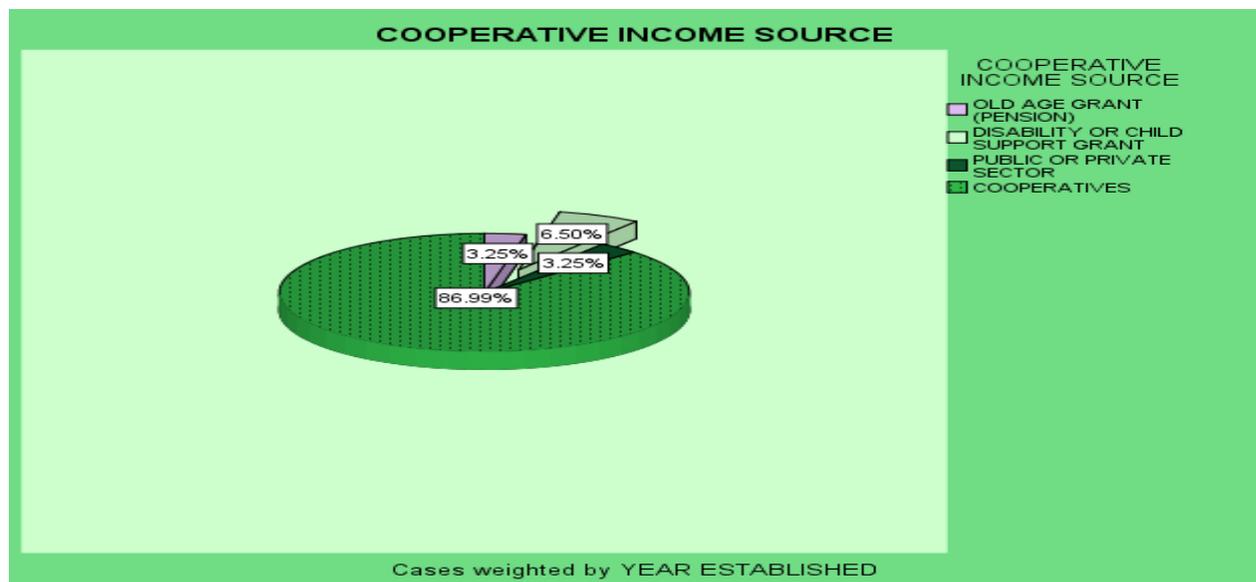


Figure 4.4: Source of income for cooperative establishment

The figure 4.4 shows that approximately 7% (3) of cooperative members depend on child or disability grants for income. On the other hand the results displays the degree of dependence in state grants and salaries obtain from the public and private sector for revenue. Significantly, 86% (35) cooperatives have members which depends on either

primary or secondary agricultural cooperative for income. The data shows that 3% (1) acquire revenue from formal employment in the public or private sector. This provides implications a majority of the agricultural cooperatives participant rely on the cooperatives in for revenue generation and for employment securities. Lastly, the results demonstrates that 3% (1) of cooperatives depend on state money through government pension for income from the public or private sector. The results on cooperative source of income disputes the issue of cooperatives as private entity which function in isolation and resumes dependency.

#### 4.3 AGRICULTURAL COOPERATIVES OPERATION

The operations of agricultural cooperatives are interconnected with day to day activities of cooperatives members. Cooperative operations have a direct relationship with member participation, whilst cooperatives operational processes are controlled by members and the members are liable for any failures or successes that the members or participants experience during cooperative operations. Hence relative agricultural cooperative activities can be associated with the period in which the cooperative was established and the operational year of the cooperative. Subsequently, the cooperative can denounce some strategies which can help in the accomplishment of the cooperative vision by using pre-set objectives as a measure of agricultural cooperative success. The attainments of agricultural cooperatives' vision are viewed differently unlike other types of cooperatives in the sense that they are unswervingly allied with cooperative performance. Thus, the following section will provide results on types of products produced, the product quantity, and how the division of cooperative members' responsibility done, the effectiveness, strength and weaknesses of cooperative, cooperative funding and perceived rating of the cooperative attributes.

##### 4.3.1 The Establishment and Operational Period of Cooperatives

There are differences in cooperative establishment and operational periods. Figure 4.3 underneath shows the results of the linkages which exist between cooperative establishment and operational periods of cooperatives.

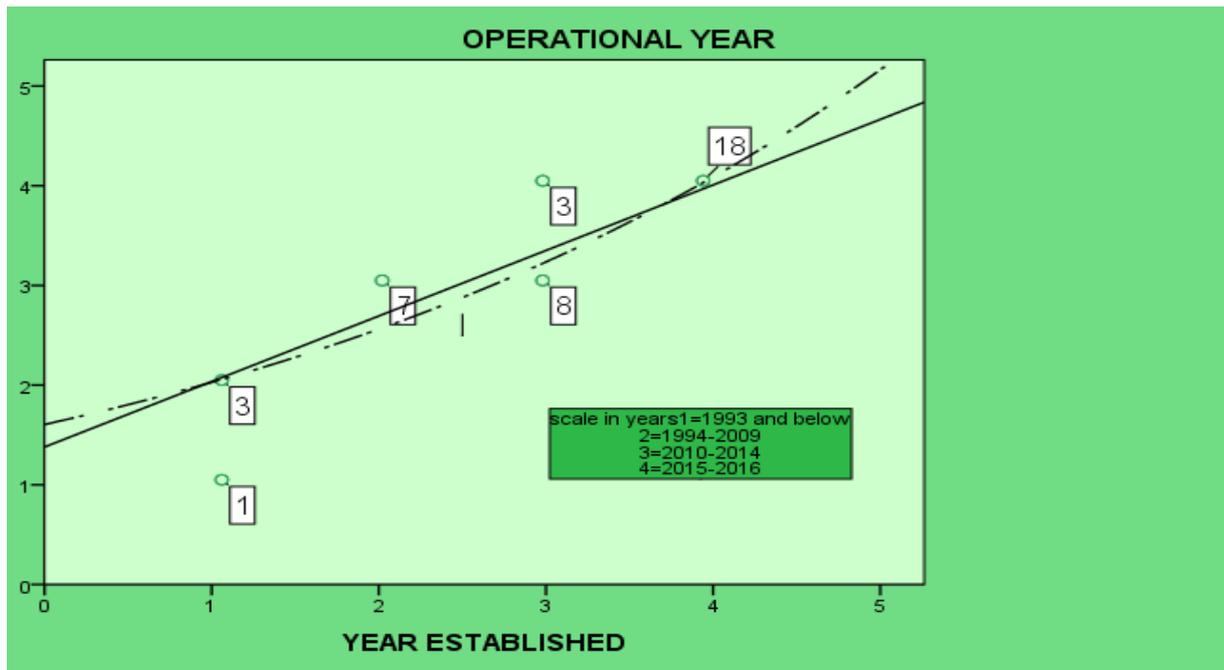


Figure 4.5: Operational and establishment period (N=40)

The figure 4.3 demonstrates the operational and the establishment practices of agricultural cooperatives. Hence, the results shows that 10% (4) of agricultural cooperatives were established during the year 1993 and below. Which is during the apartheid era and significantly about 8% (3) was operational in that particular year because of the relative signs changes in the political some cooperative were reluctant to continue with farm operations with the presumed changes in agricultural policies that most politicians manifested in that year. The results also shows that during 1994 to 2009 there were 17, 5% (7) of agricultural cooperatives which were operating within the study area. Contradictory, The number of cooperatives established increased from 10% (4) which was seen in year one (1993 and below) to 20% (8) during 2010 to 2014 which doubled of cooperatives established.

Surprisingly, the increase in number of cooperatives had no effect on the number operating cooperatives by the year 2010 to 2014, the results reveals that the number of operating cooperatives showed constant growth significantly during year 2015 to 2016. Therefore, the graphical representation figure 4.3 reflects a simultaneous increase by 45% (18) in both cooperative establishment and cooperative operation. This results

indicates the massive increase in agricultural cooperative, hence reflecting consistent change in the cooperative establishment and operational patterns.

#### 4.3.2 Theme 1: Operational Activities

Agricultural cooperatives are clearly defined by the activities which takes place in the life cycle of the cooperative. The activities involves food production, food processing, marketing of food, selling of agricultural products and services. Therefore, the activities are viewed as a profit determinant for cooperative members. The results shows that the main activities associated with agricultural cooperatives depends other numerous operational events. The injection of cooperative inputs (funds, human resources and raw material), various production processes, marketing of products and services as well as cooperative profit distributions. It is clear that the each operational event has a significant role in ensuring cooperative effectiveness and cooperative sustainability. Some of the respondents stated (respondent 15, 38 and 17):

*The operational activities of our cooperative starts from commissioning of few members of the cooperative to find out about available cooperative funding, buying of products or raw materials needed for the production processes for the cooperative. Then after we device a way to market and sell the products at a slightly higher price to get profits and that profit is distributed to individual cooperative members.*

Consequently, the operational activities or events are dependent in each other regardless of the magnitude of the role played by that activity. According to the results, operational events vary with the differing line of productions in which a cooperative is involved. Some cooperatives are involved in poultry farming, livestock farming, horticultural farming and vegetable farming. Horticultural farming cooperative are slightly different from the other lines of productions. Therefore, those cooperatives gain access to operational funds which is used to buy the products, for marketing and packaging of the products that is later sold to acquire revenue. Although most horticultural cooperative do not require much production processes but packaging and branding is held-up as production processes. Thus, the results shows the correlation of

the operational activities among agricultural cooperatives viewed comparable. Theme two provides a detail results on cooperative production outlined with detail.

#### 4.3.3 Theme 2: Agricultural Cooperative Production

The results revealed the significant differences in the production of agricultural cooperatives. Some of agricultural cooperatives prefer crop production, vegetable production, and poultry instead of livestock and horticultural production for various reasons such as the lack of funds, time and human resource. The cooperatives that selects horticultural and livestock cooperative struggle to mitigate the unremittingly rising prices in trying to produce and sell their products. Nevertheless the results of the study also reveal that about 90% of horticultural and livestock agricultural cooperatives do not suffer much in finding the markets for agricultural goods because of the high demand and low supplies of the products. It was also discovered that apart from the production line the cooperatives selects to use, there are issues relating to continues use of traditional production methods without considering modern agricultural production methods among the cooperatives. Consequently, that have led to a number of about 23 %( 9) cooperative productions to yield small scale production, resulting in failure in the production processes. About 5% (2) of cooperatives preferred to use the methods that were familiar with and some simply neglected change brought to them by farm advisors. The following are reasons that are provided by one of the respondents (respondent number 15) on the subject matter of resistance to change

*Farm advisors do not consider that most of us never had any sort of formal education. Hence, we have tried to take their advice in the past to use new agricultural technologies and methods and failed simply because they are too expensive to sustain. Hence, some of their methods were unsuccessful in the past, even though it works for others but does not mean it will work for this cooperative.*

The results from different respondents showed that there was a gap between those cooperatives owned by members who were willing to adopt new raising modern agricultural production methods to those respondents that simply preferred traditional methods. Hence, the gap was observed where the cooperative respondents were prone

to the use of modern techniques and had reflects high yields compared to those cooperatives that use traditional techniques. Expectedly, some of the agricultural cooperatives that are adopters of change are anticipated to become commercial farmers but only a few reach that ladder. Hence, some of those cooperatives that adopt change were observed to have failed because of lack of production inputs such as funds and inappropriate operational criterions. The following theme three (3) shows the various criteria used by respondents to ensure that all operational tasks are being performed by the cooperative.

#### 4.3.4 Theme 3: Criterion Used for Operational Activities

The results showed that about 70% (28) of cooperatives have sets of written operational criterions namely they are diversified operational activity criterion and rigid operational activity criterion. Therefore, the cooperatives that possess a criteria for operational activities are more likely to succeed in their operations. Notably, results also demonstrates that 30% (12) of cooperatives do not have an operational criteria used to ascertain good performances in cooperative operation. The cooperatives that have operational criterions also have some channels followed by the agricultural cooperative to device means of division of work relative to different cooperative tasks. Thus, the cooperative members make use of the cooperative's organogram or work schedule to divide the cooperative members into operational structures. Hence, the work is therefore alienated by the members, voluntary agreeing on division of work in order to communicate and manage work related knowledge and expectations on the operation of the cooperative.

According to the results gathered the cooperative operation criterion can be characterised into two which are diversified activity operational criterion that is used by cooperative members who frequently changes their human resource (Members), time and tasks or activities on daily basis to deal with diverse regular cooperative operational challenges. Another one is referred to rigid operational activity criterion consisting of persistent of operational activities that are not susceptible to changes in time allocations, human resource (responsible cooperative members) and activities. There results do not show relative evidence on the correlation between cooperative that resist to use diversified modern production criterion and those cooperatives that use rigid operational

activities. Symmetrically, the criterion that can be followed consist of segments that are namely: establishment of operational ideologies; adaptation of operational ideologies; execution of ideologies and assessment of ideologies. Moreover, the ideologies results on factors contributing to agricultural cooperative operation effectiveness and are presented in more detail in the following theme (4).

#### 4.3.5 Theme 4: Factors Contributing to Operations Effectiveness

The effectiveness in the operations of cooperatives rely heavily on numerous factors which involves the availability of cooperative criterions such as regular communication among elected operational structures through performance review meetings and workshops, the availability of agrarian employees that will quantify profits through rapid production and operational processes , operational challenge identification which can serve in the monitoring and evaluation of the operational processes and finally alternative approaches to cooperative operations that will serve to eradicate hindrances that may arise during cooperative operations. The factors have direct implications to cooperative operations, hence lack of each factors might results to destructions in the operational processes leading cooperative operation being ineffective. Cooperative effectiveness in this sense is viewed to be linked to productivity and profitability. Therefore, the results from respondents also exposed that some cooperatives are faced with predicaments in identifying the factors which contributes to the cooperative effectiveness because of some failures faced by agricultural cooperatives in their operations. One of the respondents stated (respondent number 7):

*Operational effectiveness is a very complex phenomenon, some factors such funds and human resource may only contribute to the effectiveness of the cooperative for a small duration of time, while some factors remain a contributor for a long time. Times changes and agricultural cooperatives are evolving daily. What I might suggest to be a contributor to operation effectiveness today may not be relevant in the near future or tomorrow.*

The factors may be long term such as availability of cooperative operational funds or short term such as employment of seasonal human resources contradictory they all contribute to cooperative operation's effectiveness. Therefore, that signposted some

uncertainty in agricultural cooperatives ownership on the subject matter of factors contributing to operational effectiveness. Contrary, some respondents had a lot to say about factors, indicating the management, communication, funding and commitment of cooperative members as determinants or factors contributing to operational effectiveness. Thus, most respondent's had symmetrical and altered ideas, but all this ideas were coiled with cooperative operational structures.

#### 4.3.6 Theme 5: Agricultural Cooperative Operational Structures

The operational structure of agricultural cooperative may consist of cooperative members, employees and other interest groups. Therefore, the figure 4.5 below provides results on the operational structure of the agricultural cooperatives.

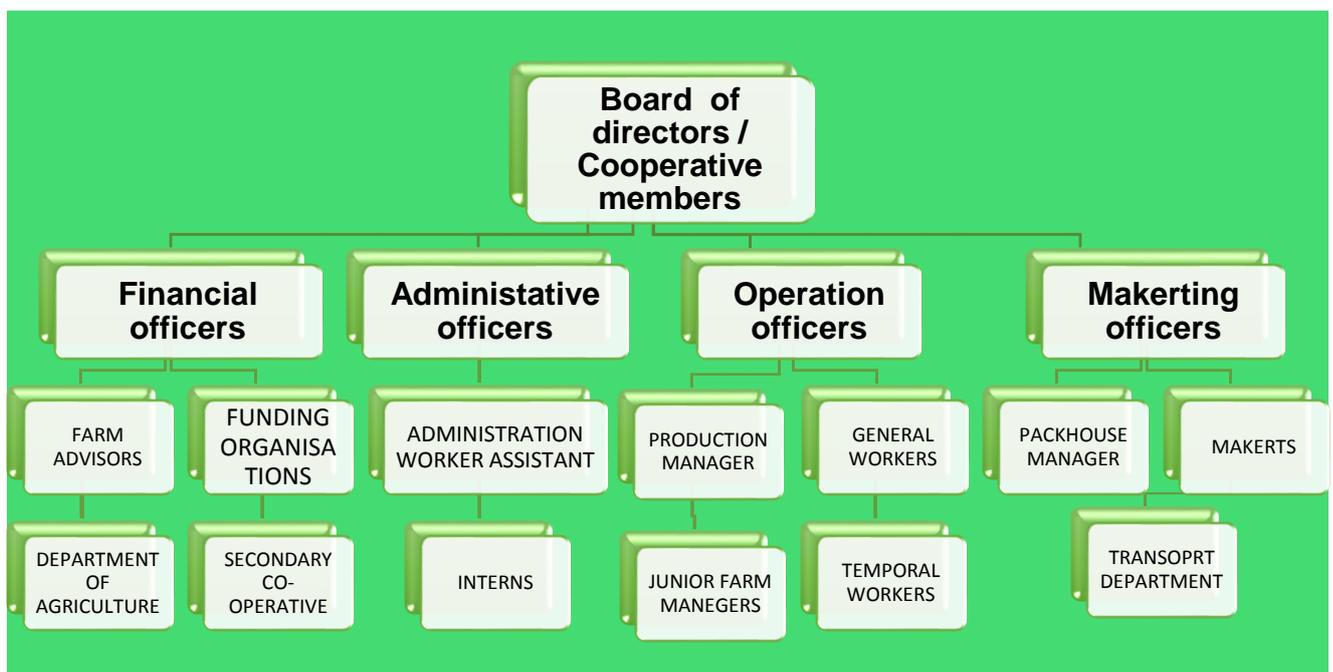


Figure 4.6: Agricultural cooperative operational structure (N=40)

The operational structure of agricultural cooperatives are illustrated using figure 4.5. Hence, the figure provides a hierarchical description of agricultural cooperative structures using a top down approach with a top stratum consisting of the board of directors or trustees which are the cooperative members. Hence, the cooperative members are liable to any form of success distortion or failures that may occur in the operational processes of the cooperative. The respondents also identified four some

main structures which existed in their cooperative are the financial officers, administrative officers, operational officers and marketing officers. Hence, below the structure illustrates sub-classes of managers, farmer support stakeholders such as farm advisors from different sectors, donors and administrative assistant. Lastly, the structure provides a sub-division of supporting cooperative structures, departments and farmers that play a massive role in the production and operational processes of the cooperative. Henceforth, without the support structures, the operations of cooperative can be regarded as unsuccessful. Even though support structures are not regarded as co-owners or members of the cooperative but they play a vital role. Thus, cooperative members are primarily responsible for the successes or liquidation and any other policy or legislative related initiations associated with the cooperative. Hence, agricultural cooperative policies and regulations are analysed fully in theme number six (6).

#### 4.3.7 Theme 6: Cooperative Policy and Legislation

The results shows that the majority of respondents do not have formally documented polices relevant the cooperative's operation but they rely on state policy regulations on agricultural cooperatives. 73 % (29) of cooperatives in the study do not have their own cooperative policy and only 25% (10) of the cooperatives possess policy documents which concern their cooperative. The policy documents cooperative have only cover few aspects of cooperative operations. The document only have rules and responsibility to help the cooperative's operational processes such as the cooperatives to registration, signing of partnership agreement forms and criteria to deal with misconducts. Therefore, agricultural cooperative members do not have any written documents drafted about the cooperative member's exclusions or cooperative solvency. The following is one response provided by a respondent (respondent 30) about agriculture cooperative policy and legislations.

*Only if cooperatives abide to state regulations and policies set for cooperatives members get along very well. The operations of cooperatives may not be hindered, therefore ignoring state policies and regulations may result to cooperative failure.*

According to the results the minority of 25% (10) of respondents revealed that they have their own drafted cooperative policies are also aware of the importance of state policies as well as regulations that abide them and the need of have their own drafted policy. The respondents also appreciate the significance of having cooperative operational policies for the smooth functioning of the cooperative. The motive of cooperative policy policies and perceived to protect cooperative interest towards funders and patrons that might have interest in the cooperative. While ensuring the cooperative vision and objectives are met at all times. Ironically, about 2% (1) of the cooperative respondents lack awareness of the state policy or cooperative policies and their benefit to the cooperative. Theme seven (7) presents more information about the strength and weakness relating to operations of cooperatives.

#### 4.3.8 Theme 7: Strengths and Weakness of Agricultural Cooperatives

Agricultural cooperatives have relative strong suits or strengths related attributes which include its ability to evolve in its operation practices over a period of time. Hence, the respondents described cooperative operation as the strengths that all cooperative members can share profits equally through knowledge disseminations. The strengths associated with agricultural cooperative are that food and agricultural services are basic needs for all human race, hence the demand of food is an everyday requirement. Even though food and agricultural services may be seen as a central requirement for survival, they may be can be hindrance in agricultural operations caused by weaknesses that exists in the cooperative such as competition, relative state pricing policies and the inability to supply enough food products to communities. One respondent (respondent 40) stated:

*Due to the raising in population size, water shortages and raise in prizes of factors of production. The cooperatives are forced to limit production, increasing the money in which member contributes. The reduction of profits in the cooperative affects the members directly because of their dependency in the cooperative for livelihood.*

The results indicates that agricultural cooperative have both strength and weaknesses which makes it difficult to the complexity and effectiveness of the cooperatives, members find the type of cooperative suitable for them and a preferable for most rural individual who have the drive to get revenue true partnership. There are weaknesses but the respondents prefer them instead of other type of cooperative simply because it is easy to overcome the weaknesses by formulation of coping strategies, hence finding alternative solution to cope with different operational hindrances of cooperatives. Therefore, a number of respondents cared more about the cooperative strength that helps them raise revenue and regarded the weakness as short-lived problems that is link with every day cooperative challenges.

#### 4.3.9 Perceived Service Rating of Agricultural Cooperatives

Cooperative members may rate or perceive their services to be that of a good or poor standard when comparing with other successful cooperatives. Apparently, the can assess their performances by using services ratings they perceive and customer perception. Thus, figure 4.6 presents results on cooperative member perception in relations to the services their agricultural cooperative provide.



Figure 4.7: Perceived operational service of cooperatives (N=40)

The perceived operational service rating of cooperatives is illustrated in figure 4.6, 50% of respondents perceive agricultural cooperatives to be providing poor services than it is supposed to. Therefore, 15% respondents think that agricultural cooperative services are fair, contradictory to that 25% of the respondents have a different perception that the cooperatives are going good in terms of the service offering ratings. Thus, a minority of 10% think that cooperatives are going exceptionally rating their services as excellent. The results actually shows that 65% of the cooperative perceive their service ratings not as poor or less performing than it is suppose too, because of a number of reasons not stipulated in the results found in the above figure. Surprisingly, cooperative members have more negative things say about their services such as inadequate marketing of cooperative products, product branding not representing the product being sold or services rendered by the cooperative. Consequently, about 35% respondents who actually perceive that their service are good or excellent. This possess a question to how consumer may perceive the services that agricultural cooperatives offer if a high proportion of the respondents who are the actual producers think negatively about their services. Thus, other factors that might influence perception of the service ratings of respondents depends on provision of funding, hence the following theme eight gives results on the factors influencing cooperative funding of agricultural cooperatives.

#### 4.3.10 Theme 8: Factors Influencing Agricultural Cooperative Funding

There are various factors that influence agricultural cooperative funding such as availability of loans, aid, donors and government subsidies. Therefore, the provision of funds by the state to cooperative members in forms of loans, donors and government departments offers tremendous financial support to enhance sustainable agricultural operations. Agricultural cooperative do not only rely on state fund but also from self-sustained funders the private sector, non-profit organisation and other rely only on the cooperative member contributions for funds. Comprehensively, the results reflects that cooperatives members fund their own cooperatives voluntary and the members are liable for ensuring fair contributions in order for cooperative operational processes to transpire or to take place within the cooperative.

The method of self-dependent and self-funded cooperatives can therefore be called a linear approach, because the funders are the cooperative members solitary. Therefore that binds the cooperative members to certain agreements relating to cooperative funding and failure to adhere or if the members bridge such agreements that may results in failure in cooperative operations. The results also advocates that cooperative funding coming from other institution or sectors may take a spiral or circular approach. The responses gives implications that funding processes take a circular form. This is seen when agricultural cooperative members borrow of money from banks or other loan shark the money is paid back to the various institutions with increased interest rates. Failure to pay such funding may results in the liquidation of the agricultural cooperative equipment's to repay the money that was borrowed in a form of loans.

The funding method may cause the drawing of extra expenditure for the cooperative causing the cooperative to struggle when they have to pay back the loans. Therefore, the extra expenditure caused by loans received from banks through interests for example institutions such as land bank of South Africa and other banks found in South Africa. The cooperatives have little control in the funding processes, hence donors or organisations gives directives to when and how a cooperative receive the funds. Consequently, agricultural cooperatives that maintains small start-up capital or without start-up capital to fund the cooperative face difficulties when they want to acquire such loans because of the possibilities of inability to pay back the money the cooperative members want to borrow. Hence, such funding remains beneficial to agricultural cooperatives with members who can afford to pay back the money. Therefore, that results to failures for most emerging agricultural cooperatives, especially in rural areas. Which are considered to have high unemployment rates ostensibly such as areas most agricultural cooperatives are located.

The public sector, private sector and non-profit organisations funding methods are therefore hindered. The funding criterions differs but have are run in the same in the manner. Whereby the cooperative members follow necessary procedures and they are not liable to pay back the money they get from the sectors or organisations but the cooperative have to give feed-back through various monitoring and evaluation

procedures. The monitoring and evaluation processes of the agricultural cooperatives involves auditing of the cooperative finances to ensure that financial resources are utilised properly and that they serve the intended purpose. Therefore that enables state or sectorial involvement or institutional control which limits the cooperative member control powers. Consequently, the respondents are pushed slightly to dependency or state controlled through the institute's affiliations. Even though the funding processes seems to help cooperatives massively but it also promotes state reliance sending the wrong message about agricultural cooperative developments. Thus, theme nine (9) below shows relative results on the relationship between land ownership and cooperative operations.

#### 4.3.11 Theme 9: Land ownership and Agricultural Cooperative Operations

The relationship between land ownership and cooperative operations is interconnected with the availability of the agricultural cooperative spatial operational areas. There are altered responses provided that better explains the benefits associated with the availability of agricultural cooperative operational areas. The benefits are that cooperatives can have a place where they can operate through various activities such as production and processing processes, meetings, and infrastructural buildings. Agricultural cooperative infrastructures can therefore assist in providing a stable market station that can assist during cooperative marketing processes and ensure that the goods or services made accessible for both the local and commercial market.

Cooperative located in the rural parts are mostly not affected negatively by agricultural land unattainability. Most agricultural cooperatives in the study area are demarcated in the rural parts of the Nkomazi municipality. Therefore, the land is referred as communal land, therefore agricultural cooperatives have insignificant access to the land due to the great need of residential land and even so the respondents are able to acquire the land through the tribal authorities. For these cooperatives situated in agricultural land in the local towns and semi-urban spatial demarcations acquisition is slightly difficult and is handled differently since the cooperative members need to have enough revenue to access the land and that makes it difficult for urban dwellers to establish agricultural cooperatives. Those agricultural cooperatives are mostly commercial farms and they are faced with large services expenditures such as access to water and are liable to pay

rates at the end of each month. Most cooperatives members preferred rural cooperatives because it is easy to maintain. Thus, below are results associated with the management techniques and membership participation of agricultural cooperatives.

#### 4.4 MANAGEMENT TECHNIQUE AND MEMBERSHIP PARTICIPATION

The management techniques employed by cooperative depends heavily on the preparedness for cooperative members to participate in the formulation of different managerial skills requirements. Agricultural cooperative membership participation play fundamental role in cooperative advancements and in cooperative performances. Therefore, the section will deal with results associated with cooperative membership techniques and membership participation. The results will help in the attainment of different responses in relation to cooperative employee quantities; competition among cooperatives; motive behind cooperative establishment; training provided to cooperatives; perceptions associated with cooperative membership; dealing with cooperative member misconducts; sustainability of cooperatives; cooperative support and cooperative meetings. The following provides results on cooperative employee or staff quantities.

##### 4.4.1 Cooperative Staff Quantity

The quantity of employees or staff hired by agricultural cooperatives reflects the financial stance of that cooperative. There more profit the cooperative makes has a direct impact on the capacity of staff they will hire. Therefore, figure 4.7 below presents results on agricultural cooperative quantities.

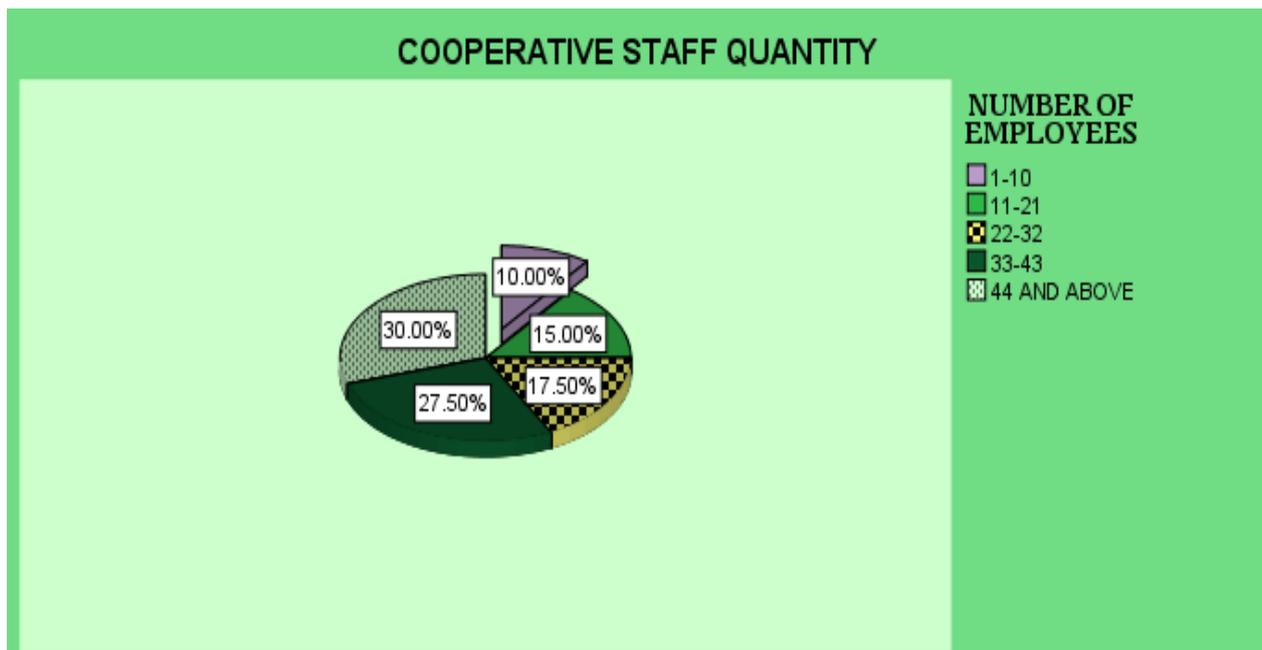


Figure 4.7: Cooperative staff quantity (N=40)

The results illustrated in figure 4.5 shows the number of staff employed by the different agricultural cooperatives. The results shows that 30% of the agricultural cooperatives have a quantity of 33 to 43 employees working for agricultural cooperative. Hence, a majority of 27% cooperatives have 44 and above number of staff employed by the cooperative. Apparently, 17, 5% cooperatives have 22 to 32 number of employees. Henceforth, about 15% of cooperatives have a relative number of 11 to 21 employees of cooperative employed by agricultural cooperatives. A minority of 10% of agricultural cooperatives have 1 to10 cooperative staff employed by agricultural cooperatives. The results provides factual evidence that many agricultural cooperatives have a high quantity of individuals employed by this type of cooperative, hence that reflects that agricultural cooperative contributes massively to the gross domestic products of the people living within the study area and serves as a higher employer of masses of people. Thus, agricultural cooperative contributes to the local developments of the area, as it reduces unemployment by large quantities. Therefore, the table 4.2 below illustrates results associated with cooperative competition.

#### 4.4.2 Competition among Cooperatives

Competition among cooperative may have either a positive or negative impact on the agricultural cooperative. Table 4.2 below illustrates the frequencies of cooperative who are faced with competition in relation to the gender of the cooperative members.

**TABLE 4.2: AGRICULTURAL COOPERATIVES COMPETITION (N=40 COOPERATIVES)**

| COMPETITION AMONG COOPERATIVES | GENDER OF COOPERATIVE MEMBERS |        | Total |
|--------------------------------|-------------------------------|--------|-------|
|                                | MALE                          | FEMALE |       |
| YES                            | 9                             | 22     | 31    |
| NO                             | 0                             | 9      | 9     |
| Total                          | 9                             | 31     | 40    |

The table 4.2 illustrates that agricultural cooperative competition among cooperatives within the study area. The results shows that 70% (22) female cooperatives out of 100% (31) are subjected to competing situations which make it difficult for that cooperative to strive. Henceforth, the competitions lows the profits that the individual cooperatives may acquire per individual product or services. Only 29% (9) cooperatives out of 100% (31) proclaim that they do not have agricultural cooperatives that are involved in the similar production lines or processes. Consequently, with less competition the cooperatives safer in terms of market share or customers the profitable the cooperative become. Patently, the results shows that 100% (9) male owned agricultural cooperative respondents reflects male-owned agricultural cooperatives are subjected to different types of competitions. 0% (0) the male-owned agricultural cooperatives suffer from competition due to lack novelties, as a results the cooperative strife to be unique by

reducing prices and branding of their products. Male owned agricultural cooperatives are only 22, 5 %( 9) compared to female owned cooperative which are 77.5 (31) that shows the majority in female owned agricultural cooperative, female owned cooperative members are more likely to share solutions on how the another cooperative owners can manage or deal with competition in agricultural cooperative establishments. Therefore, female owned cooperative have the tendency to raise significantly in numbers. Thus, the results also shows a total of 77% (31) agricultural cooperatives in the study area with similar production line or service rendered. Similar cooperative arise and that makes it easy for cooperative to run with similar ideologies and that results to increased competition among the cooperatives. The cooperatives use similar managerial strategies to deal with competition among each other. Therefore, theme ten (10) dwells much on the results on the establishment decision of cooperative members. Competition among cooperative can either be detrimental or can be beneficial depending on whether the competition appealing to the management or board of directors of the agricultural cooperative.

#### 4.2.3 Theme 10: Reason for Establishment Decisions

The results from respondents indicates that a majority of agricultural cooperative members have different motives, which drives them towards cooperative establishments. Cooperative participants have one goal of attaining profit to meet different desires and needs. Therefore, the respondents' reasons for establishing agricultural cooperatives in the study area were distinguished according to different gender and age groups. The results shows that 87% (27) of female owned cooperatives are established with the motive of raising enough capital to support the participant's kinfolks and to ensure food securities. Therefore, the study also identified a trend in female participation within different age groups. The respondents stated the on the reasons establishing a cooperative.

*Food costs a lot of money, hence one can barely put a roof on their heads so one need to find ways to access and make food available for their households.*

*Agricultural cooperatives are easy to establish especially for middle aged and older women in our location, one does not need to go to school to form partnership in producing and selling food stuff for profit.*

Contrary, about 100% (9) of male respondents establish cooperative with the hope of getting money for their households and some for individualistic reasons, hence that is seen in all male of all ages. Thus, the below are results reflects on the perception of cooperative members about agricultural cooperative participation. The results shows that cooperative with mixed genders is likely to have common interest. Outcomes of clashing of interests may increase chances of relative conflict generations within the cooperative. This is supported by Develtere, pollet & Wanyama, (2009) stating that the female unlike the male gender have difficulties in the management of cooperatives since they are not the primary owners of land in rural dwellings but they are regarded as groups that work together to fulfil their household duties, which is ensuring that food is available for their household and community.

#### 4.2.4 Agricultural Member Perceptions

The perception of agricultural cooperative members about the benefits of participating in cooperatives can be associated with a number of factors, which includes their ability to raise profits, the increase in the volume of the business, to acquire technical skills or decrease some cost when it comes to the expenditures associated with the agricultural cooperative. Table 4.3 beneath illustrates the results on the perceptions of agricultural cooperative in relation to agricultural cooperative membership participation.

TABLE 4.3: MEMBER PECEPTIONS ON AGRICULTURAL COOPERATIVES (N=40 COOPERATIVES)

|                              |   | VOLUME OF BUSINESSES | STABILITY OF THE COOPERATIVE | IMPROVE CREDIT RATINGS | DECREASES COSTS      | INCREASE RETURNS/ PROFIT | IMPROVED TECHNICAL SKILLS |
|------------------------------|---|----------------------|------------------------------|------------------------|----------------------|--------------------------|---------------------------|
| VOLUME OF BUSINESSES         | Pearson Correlation<br>Sig. (1-tailed)<br>N | 1<br>40              | .944**<br>.000<br>40         | .926**<br>.000<br>40   | .630**<br>.000<br>40 | .940**<br>.000<br>40     | .926**<br>.000<br>40      |
| STABILITY OF THE COOPERATIVE | Pearson Correlation<br>Sig. (1-tailed)<br>N | .944**<br>.000<br>40 | 1<br>40                      | .864**<br>.000<br>40   | .696**<br>.000<br>40 | .881**<br>.000<br>40     | .955**<br>.000<br>40      |
| IMPROVE CREDIT RATINGS       | Pearson Correlation<br>Sig. (1-tailed)<br>N | .926**<br>.000<br>40 | .864**<br>.000<br>40         | 1<br>40                | .451**<br>.002<br>40 | .926**<br>.000<br>40     | .775**<br>.000<br>40      |
| DECREASES COSTS              | Pearson Correlation<br>Sig. (1-tailed)<br>N | .630**<br>.001<br>40 | .696**<br>.000<br>40         | .451**<br>.002<br>40   | 1<br>40              | .684**<br>.000<br>40     | .795**<br>.000<br>40      |
| INCREASE RETURNS / PROFIT    | Pearson Correlation<br>Sig. (1-tailed)<br>N | .940**<br>.000<br>40 | .881**<br>.000<br>40         | .926**<br>.000<br>40   | .684**<br>.000<br>40 | 1<br>40                  | .857**<br>.003<br>40      |
| IMPROVED TECHNICAL SKILLS    | Pearson Correlation<br>Sig. (1-tailed)<br>N | .926**<br>.000<br>40 | .955**<br>.002<br>40         | .775**<br>.000<br>40   | .795**<br>.000<br>40 | .857**<br>.000<br>40     | 1<br>40                   |

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The results shows that the statistical significance between cooperative member costs depreciation and improved credit rating is positively correlated by .002β. Hence, the statistical significance is linear since p<.05β which means that if cooperative members participate in agricultural cooperatives to ensure that they decrease their cost of buying raw materials while improving their in credit ratings. Thus a positive correlation is found to dominate with the decrease of freedom by r=38 cooperatives, were by r equal the number of participate minus two (2). The same significance is seen between improved technical skills and stability of the agricultural cooperatives. Which have same

implication that if cooperative members improve their technical skills therefore the cooperative will be sustainable or stable.

Another, positive correlation is also seen when cooperative member decrease their costs because of cooperative participation which results in the increase in the volume of the businesses cooperatives participate. Hence, the statistical significance found to be positive. Therefore, that reflects a significance of .001 were by  $p < .05\beta$  which reflects a simultaneous reaction between the two variable (decreased costs and improved volume of business) in the same direction. The results shows that when there is an increase in returns of the cooperatives, that will also has a positive effect on the improvement of technical skills by  $.003\beta$ . That provides evidence about the relationship that exist between availability of profits and improvements in cooperative member technical skills. Hence, the cooperative members can afford to buy agricultural machineries as well as pay for trainings of members to ensure better management of cooperative resources such as human resources and cooperative assets. Therefore, other perceptions that were provided is the difference in the significance value of agricultural cooperative by  $.000\beta$  that means that the direction of the relationship is leaning between positive  $.001\beta$  and negative  $-.001\beta$  that provides evidence about the direction of the relationship of agricultural cooperatives cannot be specified by the results. Thus, the in depth information is being provided by the results on cooperative training of cooperative members to enhance the management of agricultural cooperatives. Hence, the illustration below shows cooperative member training and it is well established in the following figure 4.8 below.

#### 4.2.5 Training of Cooperative Members or managers

The impartation of knowledge and capacitation of agricultural cooperation can be beneficial in the management process of the cooperative while improving the operations of the cooperative. Therefore, the below figure 4.8 presents results on the number of cooperative members that have received cooperative training.

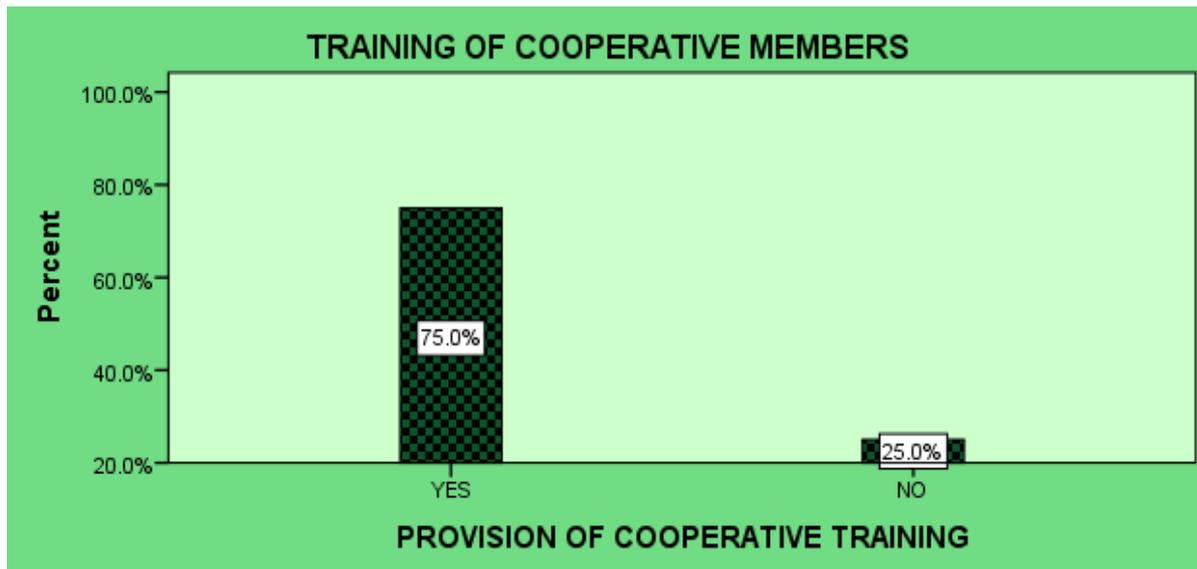


Figure 4.9: Training of cooperative members (N=40)

The above figure 4.8 illustrates whether the respondents (agricultural cooperative members) receive any managerial training to enhance cooperative operations or not. Therefore, the results presented above show that 75% of agricultural cooperative members have received some sought of cooperative managerial training. 25% of agricultural cooperative members have never received any sought of cooperative training. The results do not separate the types of training into various segments in accordance to their degree of importance or contribution. The results gives a glimpse of information that there majority of cooperative members do receive training. Thus, adequate evidence cannot be drawn from the above results, apart from that that the majority of cooperative members have received cooperative management training. Another gap is that the results do not illustrate the initiators of such training and the period of in which the training is being provided to the cooperatives. Thus, the theme (theme 11) below provides the basic results on the type of training that agricultural cooperative members and cooperative employee receive in a broad spectrum. Therefore, eluding more on the respondents' views about the type of training being provided to agricultural cooperative.

#### 4.2.6 Theme 11: Type of Cooperative Training

There are different managerial trainings sections being provided to agricultural cooperative members compared to operational training in the study area. Therefore, the type of managerial training being provided to cooperative includes conflict management, asset management, profit management, decision management process during initiation different operations in the cooperative. The responses which were assembled from respondents show that all this management trainings are being provided as well as other operational related training. Which includes marketing of cooperative, ways to sustain the cooperatives, dealing with completion in cooperatives and innovations of cooperatives. Hence, below is what one respondent (respondent 2) had to say about the type cooperative training being provided.

*In our cooperative the type of training that we received involves ways to improve or cooperative services, marketing of products, conflict management among cooperative and profit management. Hence, we are still looking forward for more department to come and train us on other forms of agricultural cooperative such as how to sells agricultural services to other commercial farmers in South Africa.*

Thus, the results shows that there are little information provided during cooperative training on cooperative success and commercialisation of agricultural cooperatives. Hence, much focus is given to cooperative sustainability and profit managements of cooperatives. Consequently, cooperative are left without any future prospects on innovations and commercialisation of cooperatives that can help the agricultural cooperative increase their profit margins in future. Thus, the following theme (theme twelve) illustrates the results on the training patrons which are available for agricultural cooperative within the study are and alludes more on the beneficiaries of such training by use of a figure 4.9 to illustrate the training processes.

#### 4.2.7 Theme 12: Training Patrons and Beneficiaries

The type of training being offered to agricultural cooperative can be directly linked to the patrons and beneficiaries of the training. Hence, information or training of agricultural cooperatives follow a specific pattern. Therefore figure 4.9 below illustrates the specification in relation to training patrons and the beneficiaries of the training processes.

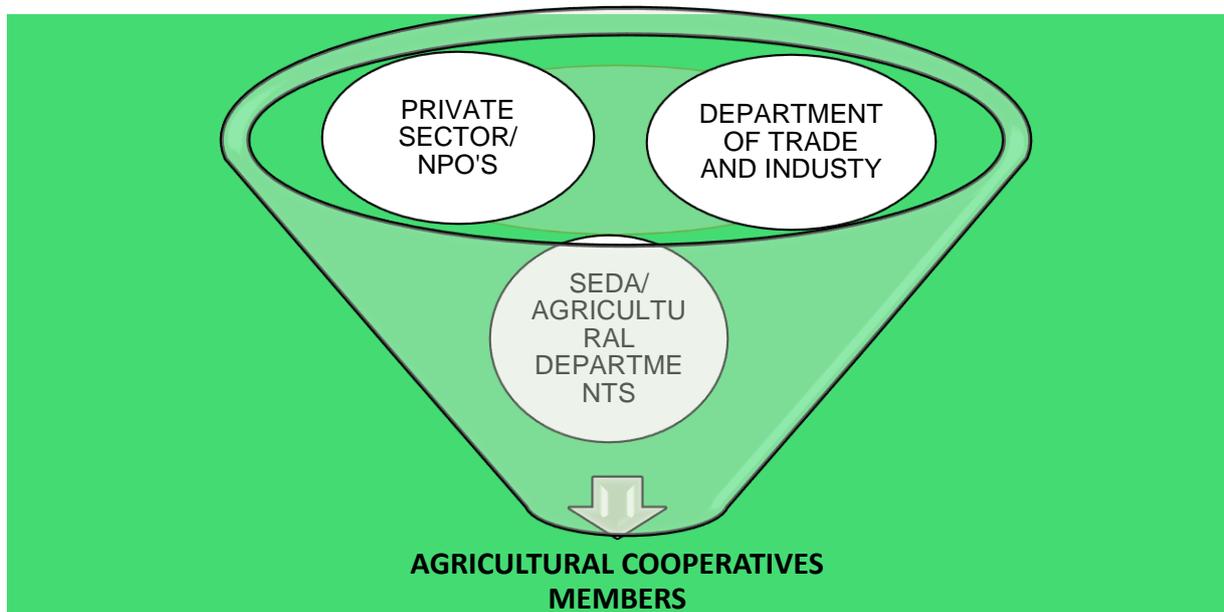


Figure 4.10: Training Patrons and beneficiaries (N=40)

Cooperative training of cooperatives are provided using a sequence, were by different sectors plan training outcomes in accordance to observations of agricultural cooperative needs. The planning process mostly includes cooperative inputs on what they would like to learn, but they depend mostly on what the departments' inputs through extension workers observations and report, since the planning processes is being done at a national level then communicated provincial level and lastly to the agricultural cooperatives. The cooperative turn to have like input on the cooperative training methods and issues discussed which results to the knowledge being not so use to the cooperatives members and subjects on operational issues not addressed to help in the operation of the cooperative. Needs assessment when it comes to cooperative training

is overlooked and some potential beneficiaries seize to attend cooperative meeting because they viewed them as instructive rather than participatory. The results suggest that the cooperatives communicate directly with departments of agriculture at a local sphere and Small Enterprise Development Agency who have contacts to provincial and national spheres of the government for the inclusion of different training subjects or topics which cooperatives seek training about.

The results show that the various departments are trained by the department at a provincial level using the national guidelines on cooperative training provided by the Department of Trade and Industry. The private sector and Non Profit Organisations either work in isolation with agricultural cooperatives in collaboration with the Department of Agriculture and Small Enterprise Development Agency. Thus, the main beneficiaries are agricultural cooperatives at the grass root level. Hence the beneficiaries are seen as recipients of information rather than participants and that enforces a top-down approach being used. Resultantly, pressing issues in cooperative operations remain uncommunicated and the use of having such training time consuming and unbeneficial to the managers or cooperative participants.

#### 4.2.8 Sustainability of Agricultural Cooperatives

The sustainability of a cooperative is directly linked to the ability of the cooperative members to maintain better management and operational practices. Hence, figure 4.10 below shows the perception of cooperatives in relations to the stability of agricultural cooperatives.

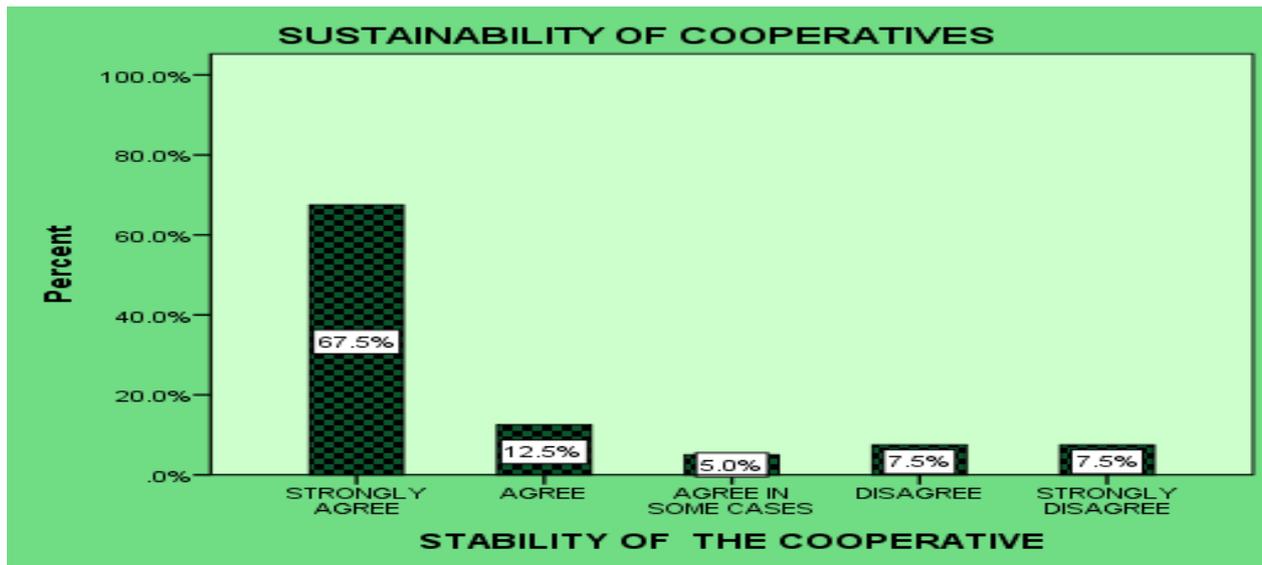


Figure 4.11: cooperative sustainability (N=40)

The above figure 4.10 illustrates the perception of cooperative members of the sustainability of agricultural cooperative. The results shows that 65.5% of the cooperative members perceive cooperative to be strongly sustainable because the cooperative are mostly situated in rural communities where there is great need of agricultural products, hence communal agricultural land is said to be readily available for groups to start project, without having to liaise the land or spend money on land, another benefit is that the cooperatives have a greater market share in the cities were agricultural products are scarce and such areas provide them with the market they need for their products. About 12.5% of respondents say that they are agree that cooperative are sustainable because of land availability and cheap labour in rural settlements that are characterised by high unemployment rates. Some minority of 5.0% are not so sure are about cooperative sustainability due to unspecified reasons.

Lastly a total of 7.5% respondents who are cooperative members indicate that they cannot say that cooperatives are sustainable, hence they disagree of the notion of sustainability of cooperative because they view them as expensive to manage because of inadequate revenue to support the cooperative and lack of agricultural machinery to help in cooperative operations. Therefore, 7.5% of agricultural cooperative members strongly disagree that agricultural cooperative can last long enough for future generations to benefit from them because by viewing the growth in population densities

especially in rural demarcations where land seems to be mostly abundant and diversification in the cooperate word which shows that most young generation prefer being employed by instead of agricultural sector which is viewed as ancient and for the uneducated by most on the young generation in the study area. Thus, the below theme eludes more about the results concerning cooperative strategies that can be utilised in support of agricultural cooperative to improve managerial skills and membership participation of cooperative members. Hence, forth providing results based evidence projected by agricultural cooperative members at the grass root level to provide their expectations on cooperative support.

#### 4.2.9 Theme 13: Cooperative Support Strategies

There are various support strategies in agricultural cooperatives, therefore the results shows that the cooperative support strategies may vary with differing interest groups and patrons who provide different support systems. Some of the patrons may have relative motives in providing the support some do not have any form of motive behind their support. The motive behind agricultural cooperative support vary within the public sector. Apparently, the results show that the public sector support is viewed as development strategy or measure used to execute legal responsibilities of members using support from small enterprises to help improve the cooperative economies scale in cooperatives. While, boosting the agricultural cooperative economic baskets for economic development in agricultural cooperatives at a grass-root level. The results also show that the different departments or sectors support agricultural cooperatives in order to help reduce the food shortages and poverty disparities in the study area whilst ensuring that operational and management processes are not hindered or faced with challenges such as lack of knowledge, skills and monetary inducements. Therefore, they make loans, aids and trainings available to cooperative as a support strategies. Surprisingly, the results shows that the private sector have a single motive behind agricultural cooperative support which is that of building a business relationship between cooperatives and themselves as they also help in giving back to small business. The Non-Profit Organisations seen have a liner but unknown or hidden motives thus most of the time they offer aids or donor reliefs to agricultural cooperative

to help them improve their financial and resource capacities. One respondent (respondent 16) stated that:

*Agricultural support varies with varying benefactors, hence in my cooperative we mostly except support from the government departments and Non- profit Organisation since thy have clear and transparent motives behind their enduring support, they do not require favours at the end of the tunnel.*

The following theme (theme 14) provides the results about the nature of meeting agricultural cooperative holds in order to ensure membership participation and better management of the cooperative, hence the nature of meetings are explained in detail from the establishment cause to the execution of cooperative activities which involves the operations of cooperatives.

#### 4.2.10 Theme 14: The Nature of Cooperative Meetings

Agricultural cooperative meetings are form the back bone of cooperative management as they create a platform for the managers to decide and deliberate matters which affect cooperative operations. Agricultural cooperatives meetings follow a set of agenda which guides the nature of the meeting they have during the operational processes of the cooperative. Therefore, the below figure 4.11 shows the nature of meetings of cooperative members.

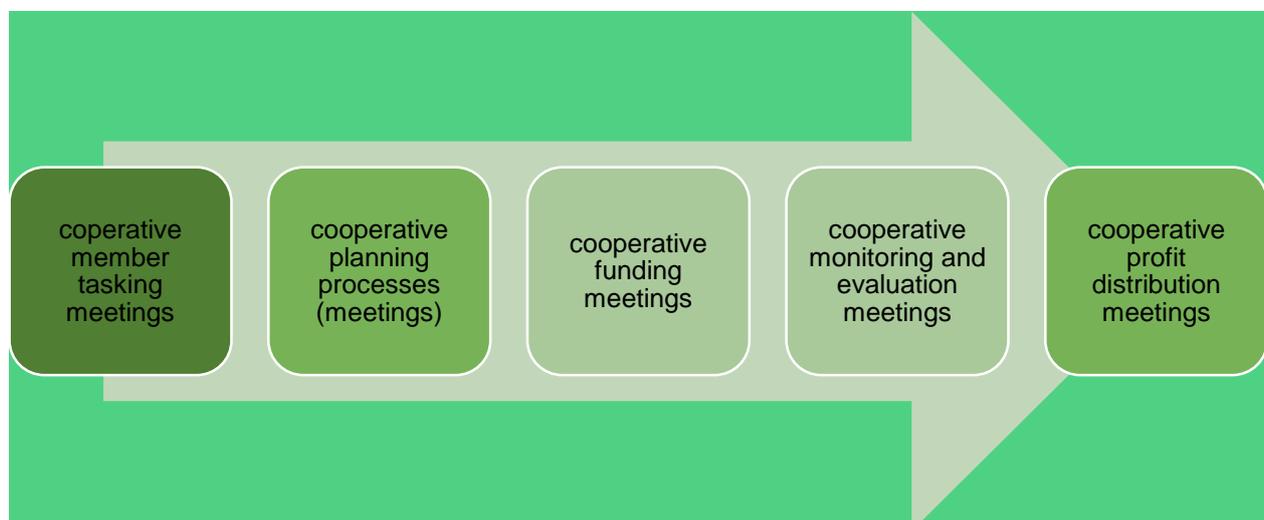


Figure 4.12: The nature of cooperative meeting (N=40)

The above figure 4.8 illustrates the nature of meeting cooperatives have from the operational period were by cooperative members sit down and provide responsibilities to all cooperative members. The results also shows that the tasks terms of cooperative member also set meetings to discuss the planning processes of the agricultural cooperative and funding of different activities. The discussions involves issues of membership responsibilities and liabilities. Therefore, the next meeting is profoundly the cooperative for planning process were the cooperative task terms bring ideas and they are written down to ensure better management of the cooperative. The results shows that after the cooperative next meeting involves the provision monitoring and evaluation reports of tasked members and lastly the meeting which the respondents (cooperative members) have is the meeting the profit distribution meeting, whereby profits are reviewed and distributes to relative members with the cooperative and other individuals who are labours in the cooperative.

#### 4.5 MONITORING AND EVALUATION OF COOPERATIVES

Monitoring and evaluating agricultural cooperatives is critical for assessing the success and failures of the cooperative on its management and operations. The below data shows results of the features of monitoring and evaluation and processes used by agricultural cooperative in a cooperative life cycle.

##### 4.5 1 Theme 15 Agricultural Cooperative Monitoring and Evaluation

The results from respondents shows that agricultural cooperatives are more concerned with protecting their financial resources and their business, the monitoring and evaluation of the cooperatives deals specifically on profit and cooperative operations. Therefore, other factors which affects the operations are properly monitored and evaluated such as time, expenditures, losses and gains which are profits in a cooperative. One cooperative respondent (respondent 29) stated:

*Our agricultural cooperatives monitor and evaluate cooperative daily activities, such as if employees and members doing their jobs properly, if the cooperative is generating enough profits. Another aspect which is monitored by the cooperative is the monthly availability of the markets for selling our products and services.*

The results portrays the importance of assessments of agricultural cooperatives at regular basis. The results presents much about formative evaluations which are done besides the checking of profits but places less focus on formative evaluations of the cooperative. What happens in the cooperative life cycle or during the operational processes are viewed as essential, the responses assimilates importance of membership participation during these monitoring and evaluation processes.

#### 4.5.2 Theme 16: Monitoring and Evaluation techniques

The results shows that cooperatives do not have a specific criteria they follow during their monitoring and evaluation processes simply because 35% (14) of the participants do not have any formal education. The results refer to monitoring and evaluation as basic methods of checking cooperative functionality and profitability. The respondents in the study area referred as the concept of monitoring and evaluation as a foreign yet practicable concept. They stay they lacked proper training in that aspects but still they have their own traditional methods of monitoring and evaluating cooperative operational processes. Therefore, the results showed that the cooperative only checked theft and misconducts in the cooperative by devising set of rules, which cooperative members and cooperative workers are made aware when they join the cooperatives. In dealing with misconducts the cooperative board of directors (cooperative members) produce three warning in response to evidence information regarding an individual misconducts, then the fourth time the victim and the alleged individual are asked to form part of a meeting were by a vindication will be displayed to everyone present in the jury and a decision is made through votes of the members.

Apparently, dealing with misconducts differs slightly from other monitoring and evaluation processes of the operations in other cooperatives. The tasked term of board of directors use are responsible for their different offices they hold or passion they are entrusted with hence, for example the financial officer monitors finances only and financial utilities and gives feedback in a form of monthly and annual reports through documentation or presentation. Thus, the same is done by other members with different responsibility tasked to them as a monitoring and evaluation process.

#### 4.5.3 Theme 17: Sector role in Monitoring and Evaluation

Other stakeholders outside the cooperative have a role play in cooperative monitoring and evaluation and that role cannot be underestimated. Most agricultural cooperatives need facilitators to help cooperatives in the monitoring and evaluation procedures. Thus, figure 4.12 below illustrates the different sectors involved in an agricultural cooperative monitoring and evaluation.

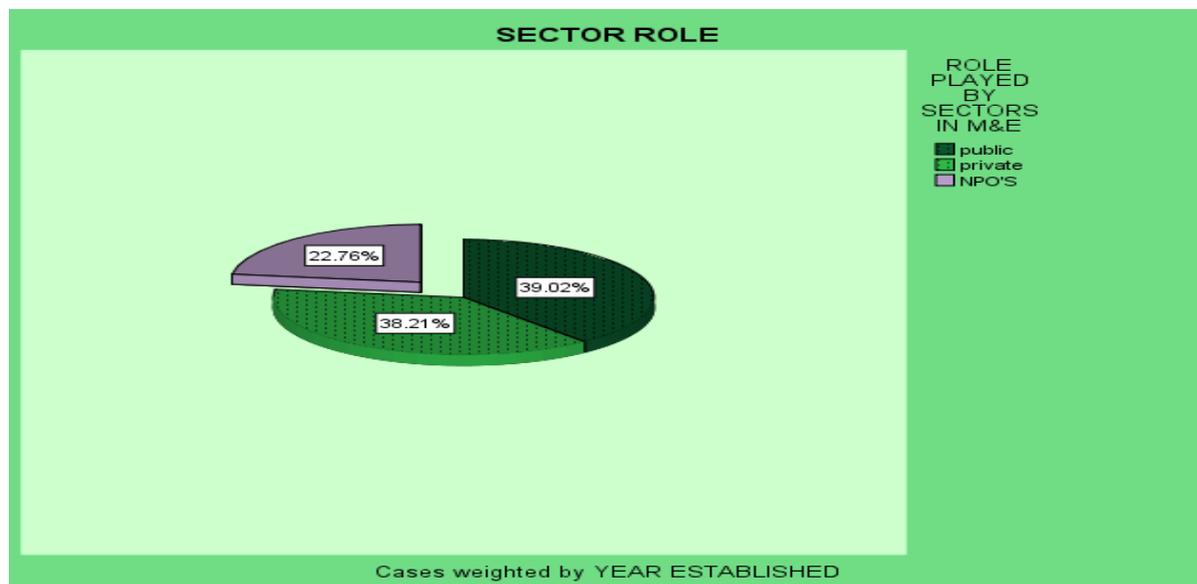


Figure 4.13 sector role (N= 40)

The above figure 4.12 the represents results on the role of different sectors in the facilitation of monitoring and evaluation of agricultural cooperatives. Hence, the results from respondents reflects that 38.2% of the private sector play a massive role in the monitoring and evaluation of agricultural cooperatives. Their role emerges from that of

guiding, facilitating, advocating, checking fund expenditures and growth patterns in agricultural cooperative development. The role of the public sector is highly motivated by resource inducements which they inject in cooperative with the hope of building relationship with the cooperatives for market purposes. The data also reveal that the private sector plays a major role in ensuring that agricultural cooperative are monitored and evaluated, hence their role is said to be motivated by building economically stable or self-sufficient small business, so that they can improve the economy. Therefore encouraging individuals to be less dependent on the start but help build viable business which can lead in improving the lives of people in the society. Subsequently, 39, 2% of public sector department are set play an immense role in cooperative assessments through monitoring and evaluation processes. There supports provide by Non-governmental organisation, private and public sector include capacitation of agricultural cooperative on monitoring and evaluation techniques as well as checking the usage of institutional funds at the cooperative level. The results shows that 22.8% of Non-profit organisation are also regarded institutions which plays a role in ensuring that agricultural cooperatives are properly monitored and evaluated to avoid cooperative failures that can image in relative cooperatives. Thus, the main idea behind cooperative sector role in the monitoring and evaluation procedure is directly linked to agricultural cooperative performances. The results reveal that agricultural cooperative face different challenges associated with the planning, adoption and execution of monitoring and evaluation tools. The theme below provides results on the tools which are used by agricultural cooperatives to check its performances.

#### 4.5.4 Theme 20: Adaptation of Monitoring and evaluation techniques

Therefore, the data shows that a majority of respondents prefer the traditional way of monitoring and evaluating agricultural cooperatives. A marginal group of cooperatives are more open to new and improved methods of monitoring and evaluation processes. Henceforth, that marginal group turn to seek for training and try to find means or capacities with relevant information on available monitoring and evaluation tools. The adaptation of modern monitoring strategies with the use of documented steps, has turned to be helpful for those cooperatives with members who can read and write, hence

it has been not so useful to those without formal education. Therefore, below are results by the respondents on the challenges they face during monitoring and evaluation.

*In our cooperative we face a lot of conflicts when we say members must report their findings about cooperative performances. We do not document this meetings since most of the time when we check we are more interested in the financial reports.*

Therefore, the response by the respondent gives clear background on what happens during the formative evaluation of cooperative performances and less on the monitoring and summative evaluation process. Therefore, the results are discussed and interpreted comprehensively in section B

#### 4.6 CONCLUSION

The results shows that males form cooperative at early ages of 18 to 35 years, whilst females form cooperatives at late ages of 46 to 59 years. Significantly, the male gender stop participating in cooperatives the age 60 and above and that has implications on agricultural cooperative participation. A majority of 75% of the respondents rely on agricultural cooperative for employment and revenue leaving 5% of the responds without marginal do not have marginal employment. The results reflects that 35% of the respondents to be without any formal education and only 16% of them with formal education up to tertiary level. Consequently, that is supported by the large number 85% of respondents who rely on cooperatives for revenue or income and only 3% from old age state grants. Therefore, agricultural cooperatives establishment and operations are essential to ensure social securities of the respondents. Hence the data shows that a massive increase of 45% in cooperative establishment and operationalization by the year 2015 to 2016 than that that was seen post-democratic era which shows that only 8% of established cooperatives were operational by that year. The operational activities of cooperative have not change much since a majority of respondents use traditional methods of operating cooperative with similar activities to that of the apartheid era. This activities includes livestock, poultry and horticultural productions, using operational criterion which are either diversified or rigid. What was found to be the strength of agricultural cooperatives is associated with the consistent demand of food products and services. Factors influencing agricultural cooperative highlights the challenges the

cooperative face in ensuring relative autonomy and self-dependency. Hence, the public and private sector remains the main funder and support of agricultural cooperative operations. The results demonstrates the existence of the management team as the cooperative owners followed by a subdivision of other stakeholders such as agricultural advisors, donors and interest groups from non-profit organisations. The management team are group hierarchically as the cooperative advocates a to-down approach to manage the cooperatives. The role of the management team or board of directors in agricultural cooperatives is to manage establishment decision of the cooperative, staff quantity, find means of dealing with cooperative competitions and ensure cooperative member, employee trainings, meetings and cooperative support. Therefore, the management team are responsible to ensure the sustainability of the cooperative where by ensuring that all the above mentioned responsibilities are satisfied. The results show that 67.5% of respondents perceive the agricultural cooperative to be strongly sustainable with the support of the private sector, public sector and non-profit organisation. The sustainability of the cooperatives can also be linked with the monitoring and evaluation measures which cooperative utilise to control the risks in cooperative. Hence, the results shows that monitoring and evaluation of the cooperative instigates from as early as the planning face, whilst the evaluation of the cooperative is subdivided into two which is summative and formative evaluation. The results shows that there are challenges in the planning, adoption and execution of monitoring and evaluation in agricultural cooperatives. Those challenges are associated with the adoption of modernised monitoring and evaluation techniques because of numerous reasons which are namely lack of information about the techniques and previous let-downs which are seen in the adaptation of the techniques. Surprisingly, the results shows that 39% of the cooperative say that the public sector plays a mature role in the assessment of cooperative and 38% or the respondent stipulates the private sector as a major role player in monitoring and evaluation processes.

## **CHAPTER 5**

### **INTERPRETATION AND DISCUSSION OF RESULTS: SECTION B**

#### **5.1 INTRODUCTION**

The chapter attempts to interpret and discuss the main findings of the study by providing in-depth information affiliated with the basic elements of the study combined. Therefore the links between the set objectives are overviewed, the objectives are channelled towards identifying the operations processes of agricultural cooperatives, examining the management techniques contributing to the operations of cooperatives, determining membership and commitment to the cooperatives and lastly identifying the measures adopted in the monitoring and evaluation of cooperatives. Therefore, the objectives are reviewed with the use of empirical, conceptual and theoretical frameworks that are stirred during the review of literature.

#### **5.2 THE SOCIO DEMOGRAPHIC CHARACTERISTICS**

The socio demographic characteristics of agricultural cooperative members are affiliated with the analysed data prominent to physical features of the agriculture cooperative members. The data reflects that agricultural cooperative members in the study are allied with varies gender and age features. The study provides evidence that 74, 2% of females are associated with agricultural cooperative participation at their late ages of 60 and above. Ultimately, the results reflects that the male gender contribute massively by 55, 6% at the early ages of 36 to 45 years. The data also shows that 22, 2% males are seen to be the only participants at the ages of 18 to 35 years. Remarkably, the female gender at that age group do not participate in agricultural cooperatives. DTI (2012) debates that agricultural cooperative participation in South Africa is contingent to varying milestones cooperative members undergo during their development, hence the majority of cooperatives are owned by black women and the marginal cooperatives are owned by the youth. Therefore, young cooperative members are strongly associated with numerous operational incapability and lack experience as a result, the cooperatives become more depended on various support systems and are seen as vulnerable and

weak. The analysed data provides provident evidence that 75% of the participants are self- employed cooperative members and 5% of the respondents depended solitary on agricultural cooperative for work purposes. Therefore, cooperative participation to them acts as a provider of employment. The ICA researches provides an essential distinction between cooperatives owned by associations and those that are privately owned ventures and father debates the issue of cooperative employment, stating that they are not concerned about creating and sustaining employment for individuals only Satgar (2008).

*Every rand invested in the local cooperatives in South Africa have a significant multiplier effect within the communities therefore, about 100 million people are employed by cooperatives and three billion people secure their livelihoods through co-operatives (DTI, 2012:15).*

Therefore, the results shows that 90% (35) cooperatives members depends on either primary or secondary agricultural cooperative for income. That is enough evidence that agricultural cooperatives acts as the provider of employment at a local level or in local communities. Hence, the study discusses cooperatives in at a local level the role played by agricultural cooperative in the study area. Most of agricultural cooperatives contributions are studied and recognised at a national level hence little is said about their contribution at the local level (DTI, 2011). Therefore, agricultural cooperatives over the years has developed massively to meet human socio and economic needs such as revenue generation. According to DTI (2012) also makes mention the importance of cooperatives as a driver of economic change, whilst goods and services are made attainable and accessible through pooling together purchasing powers to advance communities and regionally based investments, revenue surplus for the benefit of local communities. Thus, theme two captures the discussions about cooperative establishment and land ownership.

### 5.3 COOPERATIVE ESTABLISHMENT AND LAND OWNERSHIP

The success in agricultural cooperative establishment is associated with cooperative member education and cooperative income source. The results shows that a majority of 35% the cooperative members do not any formal or informal education therefore, they

depend immensely on state grant for livelihood and cooperatives funding during the cooperative establishment period. This is in connection with what is stated in Kwa-Zulu Natal Department of Economic Development and Tourism (2009:9) that most agricultural cooperatives are primary owned and operated by historically disadvantaged individuals who reside in marginalized spatial demarcation in South Africa. Farming cooperatives farming cooperative require not only revenue to support their development but are seen to have great need of resources such as land, agricultural machineries and other movable inputs to improve the cooperatives. According to DAFF, (2012) farming cooperatives savings, programmes and insurance requirements are interlinked to state policy which is aimed to support small farmers focusing directly on revenue and loan grants acquisitions. The state grants also included land acquisition means which are totalled to R13, 6 billion between 2008 and 2012 (Macaskill, 2011).

The state interventions catered for a number of occasions which included land acquisition and yet the interferences is not enough to relinquish agricultural cooperative failure in rural areas. In addition, Mayson & Wetlhi (2004) points out the main problems facing land depended or land based agricultural cooperatives in securing land rights. According to land reform policy discussion document of (2012:4) it reveals cases of land rights that are reported and that are unreported especially that are relating to land evictions and irregular land uses, reportedly stating that South Africans continue to be landless predominantly in communal areas or former homelands and self-governing territories. Disputes on land access has a direct impact on the establishment of projects or agricultural cooperatives that rural dwellers may have set interest in establishing and that results to delayed operational periods.

#### 5.4 THE OPERATIONS OF AGRICULTURAL COOPERATIVES

The operational business of agricultural cooperative proceeds from the operational activities, the operational criterion used for agricultural cooperative production. The results revealed the cause of discrepancy in agricultural cooperative operations are linked with the variety in lines of productions activities, tussle or intertwined with the adoption of new improved technologies, the use of differing performance measuring criterions assuming to the failure in agricultural cooperative operations. The production activities and factors of production are decided upon by the cooperative members or

board of directors were-by the members contribute equally and responsibilities shared though a voting process which is democratic. This is in line to Rutle, (2008) finding which states that the cooperatives must ensure that the members are empowered and the internal structures maintain a democratic functioning cooperative compressing of regular activities and active participation of all cooperative members. Membership empowerment and internal structure control plays a role not only on the democratic functionality of the cooperative but also on relative operational processes which may take place in the cooperatives resulting to an increase in production growth.

The cooperative activities involves food production, food processing, marketing of food, selling of agricultural products and services. The cooperatives use different operational criterions namely they are diversified operational activity criterion and rigid operational activity criterion to ensure that the cooperative succeed in their operations. Comprehensively the operational criterion used to establish good performances and innovations in cooperative operations. Liebenberg, Pardey and Khan,(2010) supports the findings by stating that relative operational activities and operational criterions promotes the production level in agricultural cooperatives, the increase in agricultural production growth rate since the 2000 for example horticultural products have shown a massive increment in its productions by 0.9% and 1,2% between the year 1982 and 2008. The results from the study shows that there have been growth in the established and operating cooperative from 1993 and below when cooperating to post-apartheid period which is from 1994 to 2016. That shows the existence of growth and innovation in operational activities as well as agricultural production of cooperatives which is also seen in the study.

#### 5.4.1 Operational Structures and Its Effectiveness

There is a connexion between qualified operational effectiveness and structural operations of agricultural cooperative. The findings reveal that cooperative operations depends profoundly on the availability of board of directors which are the cooperative members in ensuring that the cooperative meet its desired outcomes. Significantly, agricultural cooperatives structure are interweaved with cooperative members' participation and that members bear equivalent positions and autonomy as frontrunners of the cooperatives. It was discovered that most cooperative members are responsible

for facilitating all operational activities and each members controls all activities as sub-class manager then followed by support or interest groups, donors or stakeholders and appointed personnel for cooperative operation processes. Vigorously that pushes of the agricultural cooperative members to meet its desired outcomes and productivity is expected from the lower end. Therefore, that sanctions the use of a top- down approach by the members to the cooperative operations. Consequently, the involvement of interest groups and donors pushes cooperatives to advocate top-down approach to protect member interests to avoid patron drifts. Cook & Burrell (2009) supports this by mentioning that agricultural cooperatives are only concerned with generating revenue as they work with a numerous donors and interest groups in all sectors. The results demonstrates that cooperative effectiveness are therefore altered as agricultural cooperatives becomes more reliant or dependent to outside sources as it provokes domination of monopolistically individual patrons that watch how they may gain from the disintegration and dominance of the cooperative. Therefore, factors contributing to enhanced agricultural cooperative effectiveness and operational structures become more and more complex when faced with differing obstacles that are assumed to be detrimental to the unabridged cooperative operations success of its structures.

## 5.5 MANAGEMENT OF AGRICULTURAL COOPERATIVES

The management of agricultural cooperatives depend heavily on the willingness of cooperative members to partake in all operational processes associated with the cooperative. Therefore, member perception is viewed as the most essential tool to determine how cooperatives are managed, member expectation and performances. That is in association with finding Daman (1992) which states that poor management in agricultural cooperative may result to generation of problems such as identification of markets, methods and techniques of handling members' produce on the basis that all plans of action for the cooperative may not be properly executed without the management or board of directors. Cooperative are largely embedded with members that lack skills and that weakness the management of the cooperatives (The Department of Agriculture, Forestry and Fisheries, 2012). Cooperative management is therefore interconnected with skills development of individual members. Agricultural cooperative activities are managed and controlled by cooperative of the cooperative board of directors who are compliant to the cooperative (Department Agriculture,

Forestry and Fisheries, 2011). The board of directors are responsible for any management of activities pertaining the cooperative. This is in line with Osterberg & Nilsson (2009) supporting that cooperative members may understand the importance of disseminating cooperative's information to the management who have solid control over the cooperatives. Members may decide to select another person to do the job to reduce member control. Osterberg & Nilsson (2009) makes a presumption which support the findings that if members are the primary decision makers in a cooperative they can easily appreciate the availability of the board and rely on it to ensure profitability and improved services. However the cooperative management have to go through training which covers aspect of cooperative management such as globalisation of markets and dealing with patron drifts in the cooperative. Subjects such as globalisation of market may require experts from various departments such as economists, agrarian scientist and other department such as department of trade industry.

Training of the management team or board of directors is paramount because it allows for risk identification especially in the operation of the cooperatives and other operational prevailing hindrances that may be caused by lack of skilled personnel. Agricultural cooperative is viewed as a highest employer for middle aged and young adult individuals in rural areas. Lack of personnel may have inferences in the management and operation of agricultural cooperatives. This is supported by the findings that demonstrates that 30% of cooperatives have 33 to 43 staff quantity, 27% of cooperative have 44 and above number hired staff and lastly 17.5% have 22 to 32 staff quantity. The results provides evidence that 74.5% of cooperatives have a big or large staff quantity to make operations more effective and endure productivity in the cooperative. Even though there staff quantity of the cooperative are pleasing but cooperative managers or the board of directors have the a huge task of making sure that the availability of large staff quantity does not yield negative results causing the employees to be reluctant and unproductive. This may require a well-planned and implementable management techniques to deal with different issues of the cooperative.

### 5.5.1 Managing Cooperative Competitions

The good implications associated with cooperative competition as it allows the cooperative to grow and be innovative. The findings demonstrates that agricultural

cooperative competition create a situation whereby cooperative managers can easily identify hazards associated with the cooperative such low market share. Hence, open competing environment allows a learning processes to occur. The results shows that completion have different implications within different genders. Therefore the findings of the study provides evidence that most female owned cooperative sufer form competing situations because they have the benefit of learning from one another as they are more open to new ideas when it comes to agricultural cooperation operations. On the other hand the findings shows that male dominated cooperatives suffer less from competing let-downs but have less information on how to deal with competing environments and that is their shortcomings when it comes to dealing with globalised markets. The competition among cooperatives have a salutary influence in cooperative management and operations as agricultural products and services improves entering the market. The Cooperative Information Report 1, Section 3 of 1980 suppots that by starting that the improvement in markets through competition may benefit both cooperative members and non-members (Petruchenya & Hendricke, 2014). The cooperative managers may gain from induced prices for a number of things such as improving products and service quality and generation of new cooperatives. Therefore that may results to good management implication in a competing environment. Agricultural cooperative at times undergo through stiff competition, therefore without clear rules and boundaries by the management that may results in failure in cooperative operations (Chambo, 2009).

### 5.5.2 Managing Cooperative Funding

Cooperative funding may seem tricky as it rises spectacle towards what cooperative member should do and cooperative member duty. Establishment and operations of cooperatives require a large dose of induced capital. Hence, managing that capital to avoid loses is viewed as a key to enhance profitability and cooperative developments. Even though agricultural cooperatives is the most lucrative form of business but mismanagement can turn the odds of that success story or view into an invalid claim. Authentically, funding of agricultural cooperatives can follow either a linear or spiral approach. The liner approach is whereby cooperative establishments and operations are run using funding from members only. Therefore, the spiral approach is whereby cooperative funding is spread across vast donors and it may possess both the public and private sector. Both the spiral and linear approach have relative implication to

management of funders as it determine the key role players in the monitoring and evaluation of cooperative funds.

Gala, (2013) states that accessing cooperative funding from donors is difficult but an essential due to a number of factors, therefore cooperative should be managed properly to ensure sustainability and reduce risks of depletion of funds. Management of funds can lead to sustainability of cooperative operations and cooperative revenues. In some instance cooperative funds are not enough to maintain cooperative operations and that requires alternative action to be taken as a recovery strategy by to boost cooperative revenues. Satgar & Williams (2008) adds that even cooperative incentive is not enough to recover cooperative shortages in operational funds consequently that is deemed detrimental to cooperative's live cycle. That is an indication agricultural cooperative members about have responsibility to ensure that their finances are adequately managed. Even though the approaches of accessing revenue to fund cooperative is significant because it linked to the manner in which cooperatives will manage its funds.

### 5.5.3 Support Strategies and Sustainability

Agricultural cooperatives are essential economic growth tool consequently the study shows that 65% of cooperatives in rural areas are perceived to be sustainable because of the support they receive from different institutions or sectors and interest groups in form of funding or skill developments. Subsequently, the results showed that 35% are unsustainable because of lack of financial support and skills. As a result more than a quarter of cooperative struggle to survive and some are liquidated by the end of the year. Agricultural cooperative sustainability seem to rely heavily on the availability of cooperative support strategies to help boost cooperative operations. Conversely the Department of Economic Development and Tourism (2007) states that inadequacy in acquiring proper support may harm the cooperative massively as many cooperatives struggle to access services, support. The cooperatives require diverse support in order to develop and grow into an economic benefactor to the people demarcated in the area where it operates. Unfluctuating external support needed by the cooperative but self-reliance and autonomy has to be maintained and promoted by the cooperative (DTI, 2012). This however does not imply that the can never be complications when it comes to agricultural cooperative from both the donor and recipient standpoint. The study

deduces two views, firstly that the requirement of cooperative support systems should be viewed as a booster for cooperative operations and is seen filmier as a want rather than a need. The cooperative may survive without external support but may struggle on its operations and some might reach the economic ladder without external support. The last view supports that cooperatives support should be viewed as an incentive received to help struggles cooperative not to reshape them into depended entities. Among all things cooperative support must not be a focus area for all agricultural cooperatives. Exceptionally if the agricultural cooperative is invention or introduction to a rural society with adequate resources such as land, revenue, agricultural equipment, skills and knowledge. However, means of accessing cooperatives cooperative support is deemed a need in those cases especially during establishment, operations, cooperative marketing and management to ensure cooperative sustainability.

## 5.6 MEMBERSHIP PARTICIPATION AND COMMITMENT

Membership participation and commitment is the most important factor in cooperative operations as well as cooperative management. The cooperative formed by a group of people with the goal of either acquiring better livelihood are subjected to the impartiality of ensuring that the cooperative failure is avoided at all times. Agricultural cooperatives requires participation of all board members or cooperative members at to ensure that mutual understanding gained so that the cooperative develop can transpire. Considerably, participation in cooperative may seem time consuming and impossible to establish especially if the cooperative is either secondary or tertiary cooperative as members might find reasons to excuse themselves for numerous reasons. Although participation in the cooperative has to be done equally by all members, hence the amount and willingness of taking the responsibility might outweigh some members in the cooperative.

The results shows that membership commitment to the cooperative is seen when all members partake in various activities in the cooperative. Resultantly, the cooperative share cooperative responsibility. Commitment also that all cooperative members must partake in cooperative meeting and trainings at all times to show a sign of commitment. Failure in partaking in such activities the cooperative will be singly headed and individual interests may arise. Those individual interest may be detrimental cooperative operations

because the cooperative will be fulfilling one's desire instead of the members. Cooperatives members are found to be the guarantor of its purpose and its long-term survival (Siebert and Park 2010). The results of the study support the view that agricultural cooperatives member commitment and participation in the management of the cooperative are link with the propensity in which members are attach them-self effectively (Barraud-Didier et al. 2012).

#### 5.6.1 Commitment in Cooperative Training

Training agricultural cooperative members is somehow one of the most vital aspect of cooperative management. The cooperatives in so doing they are capacitating active members and employees will necessary tools to help cooperatives to be innovative, self-reliant and sustainable. The results shows that agricultural cooperatives training can consist of two types of participants which are the instructors and the recipients. The results how that information dissemination flows follow a top down approach were by both the public and private sector at a national sphere train various provincial departments. Hence new improved methodologies is adopted and transferred to the local departments at a municipal level. Cooperative information at a local level is mostly disseminated by departments such as Department of Agriculture and other private, non-profit organisations in a form of organized exchange of information and the deliberation transfer of skills to cooperative members.

These findings are in line with recent studies on agricultural cooperative participation in training processes, which shows a significant and positive relationship between affectively committed members and are viewed favourable to cooperative organisations (Peng and Chiu 2010; Rezaiean et al. 2010). A negative association attested in the type of cooperative training provided to local cooperative. The study reveal that cooperative training use a top down approach but the association is lost where the issue of relevance in the type of training being offered to local agricultural cooperative in rural areas is concerned. Associating the economic background of cooperative members and potential losses resulting in liquidation of agricultural cooperative does not exclude individualistic behaviour of cooperative toward training (Bhuyan 2007). The study shows negative effects linked to economic variances as the only counter influence in lack of interest that arises in cooperative trainings. Issues such as relevance of

cooperative training are also to be blamed for cooperative resilience in adopting need improved methodologies.

### 5.6.2 Agriculture Cooperative Meetings

Planning agricultural cooperative meetings require active participation and commitment of all members within the cooperative. The nature of the cooperative meeting is therefore determined by the level of participation in the planning processes and attendance of all cooperative member in the meeting. Profoundly, the results shows that there are numerous agenda covered by the cooperative relative agricultural cooperative meetings. The meetings varies from cooperative taking meetings, cooperative planning meeting, cooperative funding meeting, cooperative monitoring and evaluation meetings and lastly cooperative profit distribution meetings. The study does not dwell much on other important aspect such as cooperative risk identification meetings as they are viewed an essential in agricultural cooperatives. Barraud-Didier et al. (2012) states that relative to the individual inclination to remain aware about the cooperative progress the cooperative, henceforth member has an obligation to stayed informed about the organization's future hence famers attendance to the cooperative's General Meetings is an indicator of this inclination. Therefore that proves that the results are consistent with other studies on agricultural cooperative meetings.

### 5.6.3 Establishment Decisions Making

Participation in decision making of cooperative processes is very essential for the management of the cooperative. Therefore through regular encounters of cooperative members can increase chances of survival for the cooperatives. The cooperative may face numerous risks when establishing the cooperatives succeed. There cooperative members need make decisions during this stage. Cooperative establishment requires monetary and skills inducement for the cooperative to be operational and cooperative members are the ones involved in such activities. The results shows that there are varies motives for cooperative establishment within different genders. Consequently, cooperatives are established with the motive of raising capital for livelihood. Barraud-Didier et al (2012) states that cooperative members can increase their role by participating in cooperative decision making processes. Participation in decision making

during cooperative establishments can be beneficial to those who make the decisions which are the cooperative members. Decision making requires skills and democracy emphasis, therefore lack of clarity and consensus of members given the complexity of the management of cooperative the members or boards of directors may lack corporate governance skills. Consequently, the study clearly indicates the need for establishing agricultural cooperative but it does not cover the processes involved in cooperative establishment.

## 5.6 MONITORING AND EVALUATION OF AGRICULTURAL COOPERATIVES

Monitoring and evaluation of agricultural cooperatives serves as a basic necessity for agricultural developments and growth. Consequently, monitoring and evaluation may be viewed as the spine for all cooperatives as it help the cooperative in avoiding prevailing risks and help assessment of cooperative process. Therefore it is vital that agricultural cooperative use various techniques to assess the cooperative progress at all times as a preventative measure to agricultural cooperative failure in its operations. The monitoring and evaluation process does not only begin during the implementation phase of the cooperative. The operational phase but it begins when the cooperative establishment ideology is form in individuals mind. Planning for agricultural cooperative establishment requires previews of existing or formers existing cooperative ideologies to help guide the new cooperative on relative and feasibility practises. The cooperative members may use this feasibility practices to ensure success in cooperative establishment and operations while avoiding some difficulty in fiscal recompenses.

The study shows that cooperatives are less concerned more about summative evaluations of their cooperatives but prefers formative assessments which provides with instant profit rather than long-termed economic transformations. The study also provide information about cooperative what cooperatives monitor and evaluate which is factors that affects the cooperative operations such as time, expenditures, losses and gains which are profit orientated. Monitoring and evaluation of the cooperatives need not to be single focussed but must cover some aspects of sustainability in cooperative operations. DTI (2004) emphasise the importance of cooperative policy reviews for the enhancement of cooperatives, therefore states that the cooperative advisory committee or board is responsible for cooperative monitoring and evaluations. Subsequently, the

techniques used in the monitoring and evaluation of agricultural cooperatives may impact government policy strategies on cooperative developments (DTI, 2004). This is contradictory and less emarginated by the despondences, whose results shows that the concept of monitoring and evaluation is a foreign yet practicable concept to them. As when properly explained they can associate it with the checking and follow-up processes they practice in various agricultural cooperatives. Therefore, the results showed that the cooperatives use the criteria of checking in issues associated with theft and misconducts in the cooperative by devising set of rules which cooperative members and cooperative workers are made aware off. This in-turn shows that the cooperative focus more of formative assessments that is set to yield short-term goals which focus mainly on cooperative operations at its base rather than durable monitoring and evaluation deliverables.

Cook, Klein & Iliopoulos, (2008) agrees with the research findings and clearly states that cooperative operating agricultural cooperatives have adopted various institutional arrangements amongst other objectives to enhance prospective cooperative's productivity, quality and innovations setups which builds a stumbling block in cooperative investments. Consequently in the study agricultural cooperative investments are seen as long-term deliverables that can be acquired to ensure cooperative sustainability. In this attempt cooperative monitoring and evaluation can be seen as a solution to relative sustainability of the cooperative. This can yield a long-term trend on how agricultural cooperative should monitored and evaluated to ensure agricultural cooperative success.

#### 5.6.1 Monitoring and Evaluating Cooperative Challenges

Agricultural cooperative face a number of challenges in its monitoring and evaluation practices. Agricultural cooperatives face the challenge of separating sector role in monitoring and evaluation. The study reveals that agricultural cooperatives face challenges allied with the planning, adoption and execution of monitoring and evaluation tools. Therefore, the findings revealed that cooperatives preferred the traditional approaches of monitoring and evaluating agricultural cooperatives instead of improved approached because they can easy relate with them, hence the modern approaches

required the respondents to be literate to understand the techniques. Other reasons that the cooperative gave was that they have tried seen some fellow cooperative try and fail with the modern approach. The findings also showed that a marginal group of cooperatives are more open to new and improved methods or approaches to monitoring and evaluation processes , enhance lack of enough knowledge through trainings is the only problem they face when they are prepared to adopt and implement such knowledge. Forms of education either formal or informal seem to be the foundation around the reason why the cooperative resist and refuse alienating agricultural cooperative monitoring and evaluation approaches. Hence, the need and benefits for such approaches are not that clear to the cooperatives. Burress and Cook 2009 ,Frederick & Henry, 2004; Gordon Nembhard, 2008; Sachs, 2004; Stokes, 1974) all cooperative should that have relative mechanisms set to stand in or faster entrepreneurship includes of micro- credit and incubators groups as that search for more cultural norm orientated, kinship networks which are self-sufficient interests, self-formulated in an economic orientated environment. This is the same with agricultural cooperative especially in rural areas characterised by low economies of scale. Subsequently, the agricultural cooperative are not concerned with globalising their markets, those cooperatives who seem to have the vision of globalisation they see it as impossible or it occurring by luck not through use of improved monitoring and evaluation approaches.

The second challenged faced by agricultural cooperatives in the monitoring and evaluations processes are that the key role players in the monitoring and evaluation processes are genially the funders which precedes from public sector, private sector and non- profit organisations. Their role is geared towards providing support systems for the agricultural cooperative which are donors and dissemination knowledge or transfer of skills. Therefore, the advocacy, facilitator role from support systems and reception most of the times is altered. The study shows that the public sector, private sector and non-profit organisation (departments) play a massive role in cooperative in the monitoring and evaluation. Resultantly, organisational or sectorial role elapses cooperative member role and in-turn may stiffens cooperative knowledge transfers. Disputatiously, DTI (2012) states that lack of clarity about the government role in different public sectors makes their role and efforts less uncoordinated and less

effective. The following chapter provides a brief summary, conclusion and recommendations in-line with the study.

### 5.6.2 Cooperative Policy and Cooperative Policy Awareness

Failure in agricultural cooperative operation associated with unsustainability of cooperative's operations and lack of lucrativeness caused by inability to strive in competing markets are interlinked with existing cooperative policies. Seemingly, 75% of agricultural cooperatives seems to be affected by the unavailability or absence of documented policy documents which are bound to assist cooperative members during cooperative operations. Cooperative policy documents are not the only important regulatory tool that the cooperative need but also the awareness of state based regulatory documents which governs agricultural cooperative operations and functions at a national stance. Wanyama ,( 2009) states that cooperative policies and legal frameworks enables most African governments to monopolize powers in the management of cooperative affairs, therefore channelling all control powers to the state rather than cooperative members. Department of trade and industry (2004) argues the role of cooperatives operations in all sectors of economy as it plays a facilitating role in expansion of the sectors. However state policy appears to play a colliding and undefined explicitly unidentified role either in endorsing or impeding cooperative operations. DTI, (2004: 20) also argue that the availability of cooperative policy documents encourages cooperatives to form a coalition and partnership as they collaborate with other available cooperative movements. As the coalition cooperatives enables the development of a commercial relationships among cooperatives both nationally and internationally. Cooperatives and government departments have the obligation to ascertain that all cooperatives are aware of the all cooperative policy regulations to ensure sustainability of agrarian activities.

## 5.7 CONCLUSION

The study shows evidence that agricultural cooperative operations differs within spatial demarcation with varying socio-demographic characteristics. It is therefore seen in the

results that 74.2% of agricultural cooperatives are owned by females aged 60 and above, whilst 22.2% of the cooperatives are owned by males within the age group of 18-35 years. DTI (2012) supports the finding by stating that agricultural cooperative participation in South Africa is contingent to varying milestones cooperative members undergo during their development and that most of the cooperatives are owned by black women and the marginal cooperatives are owned by the youth. When it comes to generation of income 90% of cooperative members rely on primary or secondary agricultural cooperatives for accessing income, while 75% of the cooperatives members are primary agricultural cooperative employees. According to DTI (IBID) also makes mention of the importance of cooperatives as a driver of economic change, which allows goods and services to be made attainable and accessible through pooling together purchasing powers to advance communities and regionally based investments, revenue surplus for the benefit of local communities. The results show that the production activities and factors of production are decided upon by the cooperative members or board of directors whom have basic equal responsibilities. The cooperatives operational criteria can be regarded as either diversified operational activity criterion or rigid operational activity criterion. This is associated with Rutledge, (2008) findings which reveal the cooperatives members as the internal structures maintaining a democratic functioning comprising of regular activities and participation. The study existence of growth and innovation in operational activities in agricultural production of cooperatives, hence the growth patterns are seen when viewing the establishment and operation cooperative from 1993 and below when compared to post-apartheid period which is from 1994 to 2016. Liebenberg, Pardey and Khan, (2010) also found the existence of such growth trends revealing that operational activities and operational criteria promotes the level in agricultural cooperatives of production and that an increase growth rate was seen in agricultural production since the year 2000 for by 0.9% and 1.2% between the year 1982 and 2008. The results also demonstrated that cooperatives effectiveness is altered as agricultural cooperatives becomes more reliant or dependent to outside sources as it provokes domination of monopolistically individual patrons that watch how they may gain from the disintegration and dominance of the cooperative. Whilst most cooperative members are responsible for facilitating all operational activities and each member controls all activities as sub-class manager followed by support or interest groups, donors or stakeholders and appointed personnel. Consequently, agricultural cooperative member desired outcomes and productivity is expected from

the lower end, therefore using a top- down approach to handle cooperatives employees. The involvement of interest groups and donors also pushes the cooperatives to advocate a top-down approach with the aim of protecting member interests while avoiding patron drifts. Cook & Burrell, (2009) supports by mentioning that agricultural cooperatives are only concerned with generating revenue as they work with a numerous donors and interest groups in all sectors. Therefore, member participation is viewed as the most essential tool to determine management and performances. That is in association with Daman (2003) findings which states that poor management in agricultural cooperative may result to generation of problems in identification of markets and operational methods or techniques. The Department of Agriculture, Forestry and Fisheries, (2012) supports by mentioning that cooperatives are largely embedded with members that lack skills and that weakness the management of the cooperatives and that cooperative management is therefore interconnected with skills development of individual members. This is in line with Osternberg & Nilsson (2009) findings which reveal that cooperative members are the primary decision makers in a cooperative they can easy appreciate the availability of the board and relay on profitability and improved services. This is supported by the findings in the study that demonstrates that 74.5% of cooperatives have a big or large staff quantity to make operations more effective and productive, hence well-planned and implementable management techniques to deal with different issues of the cooperative have to be put in place to avoid employee battles in productivity. Resultingly, agricultural cooperative at times undergo through stiff competition, therefore without clear rules and boundaries by the management that may results in failure in cooperative operations (Chambo, 2009). Managing capital may assist in avoiding in cooperative profits, as agricultural cooperatives are the most lucrative form of business but mismanagement can turn the odds of that success story or view into an invalid claim. Therefore, cooperative funding is demonstrated in the study as either a linear or spiral approach.

Gala, (2013) states that accessing cooperative funding from donors is difficult but an essential due to a number of factors, therefore cooperative should be managed properly to ensure sustainability and reduce risks of depletion of funds. Management of funds can lead to sustainability of cooperative operations and cooperative revenues. Therefore, the study showed that 65% of cooperatives in rural areas are perceived to

be sustainable. While the Department of Economic Development and Tourism (2007) states that inadequacy in acquiring proper support may harm the cooperative massively as many cooperatives struggle to access services, support. Barraud-Didier et al. (2012) states that relative to the individual inclination to remain aware about the cooperative progress the cooperative, henceforth member has an obligation to stay informed about the organization's future hence farmers attendance to the cooperative's General Meetings is an indicator of this inclination. In consequence, monitoring and evaluation may be viewed as the spine for all cooperatives as it help the cooperative in avoiding prevailing risks and help assessment of cooperative process. The study demonstrates that information about cooperatives such as what cooperatives monitor and evaluate, factors that affects the cooperative operations such as time and profit orientations are important subjects in cooperative monitoring and evaluation. DTI (2004) emphasises the importance of cooperative policy reviews for the enhancement of cooperatives, therefore states that the cooperative advisory committee or board is responsible for cooperative monitoring and evaluations. According to DTI, (2004) the techniques used in the monitoring and evaluation of agricultural cooperatives may impact government policy strategies on cooperative developments. The study reveals that agricultural cooperatives face challenges allied with the planning, adoption and execution of monitoring and evaluation tools. Therefore, the findings revealed that cooperatives preferred the traditional approaches of monitoring and evaluating agricultural cooperatives instead of improved or modern approached because they can relate, understand and implement them. Hence, the modern approaches required the respondents to be literate to understand the techniques. Secondly, the challenges faced by agricultural cooperatives in the monitoring and evaluations processes are that the key role players in the monitoring and evaluation processes are genially the funders which precedes from public sector, private sector and non-profit organisation. Wanyama ,( 2009) states that cooperative policies and legal frameworks enables most African governments to monopolize powers in the management of cooperative affairs, therefore channelling all control powers to the state rather than to cooperative members. DTI, (2004: 20) also argue that the availability of cooperative policy documents encourages cooperatives to form a coalition and partnership as they collaborate with other available cooperative movements. Therefore, the coalition seen in stakeholders and cooperatives enables the development of a commercial relationships nationally and internationally.

## **CHAPTER 6**

### **SUMMARY, CONCLUSION AND RECCOMENDATIONS**

#### **6.1 INTRODUCTION**

This study aims to assess the operations of agricultural cooperatives at Nkomazi municipality. The key objectives of the study were to identify the operational processes of cooperatives; to examine the management techniques of cooperatives; to determine membership participation and commitment to cooperatives and to identify the measures adopted in the monitoring and evaluation of agricultural cooperatives. This section provides the summary, conclusion and recommendations of the study using relative findings obtained during data analysis and discussions. This section also provides conclusions based on the theoretical framework and findings against the set objectives of the study. The last part presents recommendations based on the research, based on the agricultural cooperative members and areas for further research in the area agricultural cooperative operations.

#### **6.2 SUMMARY OF THE STUDY**

The results of the study reveals that both females and males are involved in agricultural cooperative join or establish the cooperatives. However, the male cooperative members establish or join cooperatives at the early ages of 18 to 35 years and stop participating in agricultural cooperatives from the ages of 60 and above. Contradictory, the female cooperative members establishes or joins the cooperative at late ages of 49 to 59 years. The cooperative members have different fields of work in which they are employed. They can either be employed by the private or public sector, by the different cooperatives and others are unemployed but rely on the established cooperative for revenue. The results discloses that 75% of the cooperative members are self-employed cooperative participants. Henceforth 20% of them are employed by the public sector and the private sector and lastly 5% of cooperative members (respondents) do not have any marginal employment. The also shows results of cooperative member educational level. From the results gathered the data exposes that 35% of cooperative members do not have any formal education, 13% possess vocational training and 16, 3% who abstained tertiary education. Lastly the results also shows that 20% (8) of cooperatives

with respondents did not complete primary school therefore they depend only on agricultural cooperatives for skills and knowledge propagations. Significantly, 90% (35) cooperatives have members depends on agricultural cooperatives for income. Hence, 7% (3) of cooperative members depend on child or disability grants for income, whilst 3% (1) acquire revenue or income from formal employment in the public or private sector. Finally 3% (1) of cooperatives members depend on state money through government pension for income from the public or private sector. The operations of agricultural cooperative is influenced by the establishment period and the period in which the cooperative started operating. Therefore, it was noted that 10% (4) of the agricultural cooperatives were established during the year 1993 and below. Significantly 8% (3) was operational in that particular year. By the year 1994 to 2009 there were 17, 5% (7) of agricultural cooperatives which were operating and the number increased to 10% (4) in 1993 and below). Hence, in year 2010 the agricultural cooperatives only operational doubled by 20% none were established. Astonishingly, constant growth was seen in establishing and operational cooperatives by 45% (18) in the year 2015 to 2016.

The results shows that the operation of the agricultural cooperatives depended massively on the main activities associated and other several operational events. For example the injection of cooperative inputs (funds, human resources and raw material), various production processes, marketing of products and services as well as cooperative profit distributions. Consequently, the operational activities or events are dependent in each other regardless of the magnitude of the role played by that activity plays. Therefore, the agricultural cooperatives may selects crop production, horticultural or livestock productions. Nevertheless the results reveals that about 90% of horticultural and livestock agricultural cooperatives do not struggle much in finding the markets for agricultural goods because of the high demand and low supplies of the products. The results from different respondents showed that there was a differences between the cooperatives owners who were willing to adopt new raising modern agricultural production methods to those respondents that simply preferred traditional methods. The gap in the operational techniques was observed where the cooperative respondents were prone to the use of modern techniques and had reflects high yields compared to those cooperatives that use traditional techniques. The study classify the criterions used into two which are diversified operational activity criterion and rigid operational activity

criterion. Consequently, 70% (28) of the cooperatives members seem to have sets of written operational criterions which they use. Notably 30% (12) of cooperatives members do not have an operational criteria used to ascertain good performances in cooperative operation. The effectiveness in the operations of cooperatives also rely heavily on numerous factors which involves the availability of cooperative criterions. Therefore, the results exposed that cooperatives are faced with predicaments in identifying the factors which contributes to the cooperative effectiveness because of some failures faced by agricultural cooperatives in their operations. Hence, the results provides a hierarchical description of agricultural cooperative structures using a top down approach with a top stratum consisting of the board of directors or trustees which are the cooperative members. The respondents also identified four some main structures which existed in their cooperative which are the financial officers, administrative officers, operational officers and marketing officers. Later, below the structure illustrates sub-classes of managers, farmer support stakeholders such as farm advisors from different sectors, donors and administrative assistant. Lastly, sub-structural division identifies other supporting cooperative structures such as public sectorial departments and farmers

The results shows that this structures are the primary documenting cooperative polices. Whilst, 73 % (29) of the cooperatives do not have their own cooperative policy and only 25% (10) of the cooperatives possess policy documents which concern their cooperative. Agricultural cooperatives have relative strong suits or strengths related attributes which include its ability to evolve in its operation practices over a period of time. 65% of the cooperative perceive their service ratings not as poor or less and 10% deliberate that cooperatives are going exceptionally rating them excellent in their services. Comprehensively, the results reflects that cooperatives members fund their own cooperatives voluntary and the members are liable for ensuring fair contributions in order for cooperative operational processes to transpire or to take place within the cooperative. The method cooperative use two methods to fund their cooperative which are linear approach were the funders are the cooperative members solitary and spiral or circular approach were by funding provided by private institutions or different government sectors. The benefits accessing cooperative funds are that cooperatives can be able to have land where they can build infrastructures for various operational

activities such as production and processing processes. The operations of agricultural cooperatives requires managerial inputs to help cooperative to yield better results and results to employment creation. Therefore the results demonstrates that 27% of cooperatives have 44 and above number of staff employed by the cooperative and minority of 10% of agricultural cooperatives have 1 to 10 cooperative staff employed by the cooperatives. That signposts the probability of competition amongst the cooperatives. The results shows that 70% (22) female cooperatives are subjected to competing and the male-owned agricultural cooperatives do not suffer from competition due to lack innovations. The results shows that a positively correlation in the significance between cooperative member costs depreciation and improved credit rating. The results shows also shows a positive effect in increased cooperative returns of and improvement of technical skills. Respectively, the results indicates 75% of agricultural cooperative members that have received managerial training and 25% of agricultural of them who never received any sought of cooperative management training. These trainings involved marketing of cooperative, ways to sustain the cooperatives, dealing with completion in cooperatives and innovations of cooperatives.

The results shows that the various department are trained by the department at a provincial level using the national guidelines on cooperative training provided by Department of Trade and Industry. The private sector and Non Profit Organisations they either work in isolation with agricultural cooperatives in collaboration with the Department of Agriculture and Small Enterprise Development Agency. Thus, the main beneficiaries are agricultural cooperatives at the grass root level. Apparently, the results show that the public sector odder support as development strategies or to execute their legal responsibilities of support of small enterprises to help improve the economies of scale of that are and boost the economy. Surprisingly, the results shows that the private sector have a single motive behind agricultural cooperative support which is that of building a business relationship between cooperatives and themselves as they also help in giving back to small business. The results shows that the tasks terms of cooperative member also set meetings to discuss the planning processes of the agricultural cooperative and funding of different activities. The discussions involves issues of membership responsibilities and liabilities. The results from respondents shows that agricultural cooperatives are consent with protecting their financial resources

and their business, the monitoring and evaluation of the cooperatives deals specifically on profit and cooperative operations. Therefore, other factors which affects the operations are properly monitored and evaluated such as time, expenditures, losses and gains which are profits in a cooperative. The results portrays the importance of assessments of agricultural cooperatives at regular basis. The results presents much about formative evaluations which are done besides the checking of profits but places less focus on summative evaluations of the cooperative. The results confirmations that cooperatives do not have specific criteria they follow during their monitoring and evaluation processes. The results refer to monitoring and evaluation as basic methods of checking cooperative functionality and profitability.

The above data demonstrates that 38.2% of the private sector play a massive role in the monitoring and evaluation of agricultural cooperatives. The role of the public sector is highly motivated by resource inducements which they inject in cooperative with the hope of building relationship with the cooperatives for market purposes. The results reveals that agricultural cooperatives face different challenges associated with the planning, adoption and execution of monitoring and evaluation tools. Therefore, the data shows that a majority of respondents prefer the traditional way of monitoring and evaluating agricultural cooperatives. Lastly, 65.5% of the cooperative members perceive cooperative operations to be strongly sustainable.

### 6.3 CONCLUSION

The study give a clear framework about the operations of agricultural cooperatives with the study area. Evidence of the degree of assessing various strategies that can help during agricultural cooperative operations, is therefore shown in the discussions of results were by the operational processes are identified, the management techniques are examined, membership participation and commitment is determined and the adopted measures of monitoring and evaluations identified using common practices across relative the wards. The assessment of basic operations of agricultural cooperatives and its implications to operational performances are well discussed in the

study. The study assumptions which states that the management structure where there is centrality in decision making processes inhibits active participation of members and lowers the commitment of members which then could lead to failure in the operations of the cooperatives proved to be existing since agricultural cooperative structures used the top-down approach which reveal cooperative members as solely to forming part of the management structure without clear and improved monitoring and evaluation tools used to mitigate or avoid impediments which arise in agricultural cooperatives .

The promotion of curb active operating processes of agricultural cooperatives cooperative theory that is aimed at developing various models that best interpret cooperative operations in the real world. Focusing at aiding cooperative managers, directors, extension personnel, and the patrons that are participate in the establishing public policy. The study does not clearly define the primary role players in agricultural cooperative when gender variations are looked at but the study reveals that both females and males actively participate in agricultural cooperative operations. Consequently, outlining that females play a massive role in knowledge disseminations, whilst male owned cooperative are more innovative and faces few challenges in in the global market. Even though there knowledge disseminations is the limiting factor due to lack of financial support, low literacy rates, the use of traditional managerial and operational practices, monitoring and evaluation systems among agricultural cooperatives or members. Agricultural cooperatives are proven to remain the major contributors to local economy while ensuring that food nets in rural are secured. Subsequently, a relative growth in new and pioneering agricultural cooperatives are seen as year's passes-by.

#### 6.4 RECCOMENDATIONS

This are the comments directed to the study ensure that the study as it reveals some of the discoveries linked with both the strength and weakness of the study. This section is therefore divided commentaries based on the respondents, the limitations and areas of further research, which was seen to have adverse influence on the results which were presented by the study

#### 6.4.1 Recommendations for Respondents

The sectors such as the department of agriculture should consider offering agricultural equipment for agricultural cooperatives and continue to give them assistance with information on establishment of the agricultural cooperatives in rural areas to help them in knowing what is expected of participants when establishing the type of cooperative. The local and traditional authorities must offer some communal land for the people to establish agricultural cooperatives because they mentioned that the reasons why they do not produce enough to meet the global market is because the land being provided to them is limited, hence in other areas they have to buy the land for expansions and that limits operational revenues. There should be training offered to help agricultural cooperatives on the management, marketing, monitoring and evaluation techniques to help the cooperatives increase their market share and income. The training may be offered in a form of collective cooperative collaborations meetings with the help of various public departments with the use of community infrastructures or local schools.

#### 6.4.2 Recommendations on study processes

The study processes involved the participation of the researcher as due to inadequacy or lack of literacy of the participants in both written and spoken language which is English and SiSwati and nature of the interview guide. The researcher participated as an interviewer and scribe, hence participation of the respondents was bound to answering the research questions and participating in signing the consent forms. The period spent on collecting data for agricultural cooperatives was prolonged, the researcher should consider increasing time for data collection period, and financial assistance should be provided for the researcher for accommodation in the study area to get a better perspective of the area as well as the way the people live. The questions were long and that took too much time for the researcher to finish an individual cooperative. The researcher should consider limiting the number of questions. Even though the

traditional authorities, municipality and agricultural cooperatives were informed prior to entry in various wards. Hence, it is recommended that the researcher should firstly identify the agricultural cooperatives and try to get their contact details because it is time consuming to try to convince them about interviewing the participants during operational hours. Another recommendation is that the researcher should try to get a research assistant from each ward that will help with language barriers and understanding of the tradition, culture and norms of the rural communities within the specific wards. There should be nametags for the researcher to inform and assure the agricultural cooperative members about the researcher's information without word of mouth and an ethical clearance letter solely. This with the nametag may possess information such as the name of the researcher and institutional details of the researcher.

#### 6.4.3 Recommendations Based on the Areas for Further Research

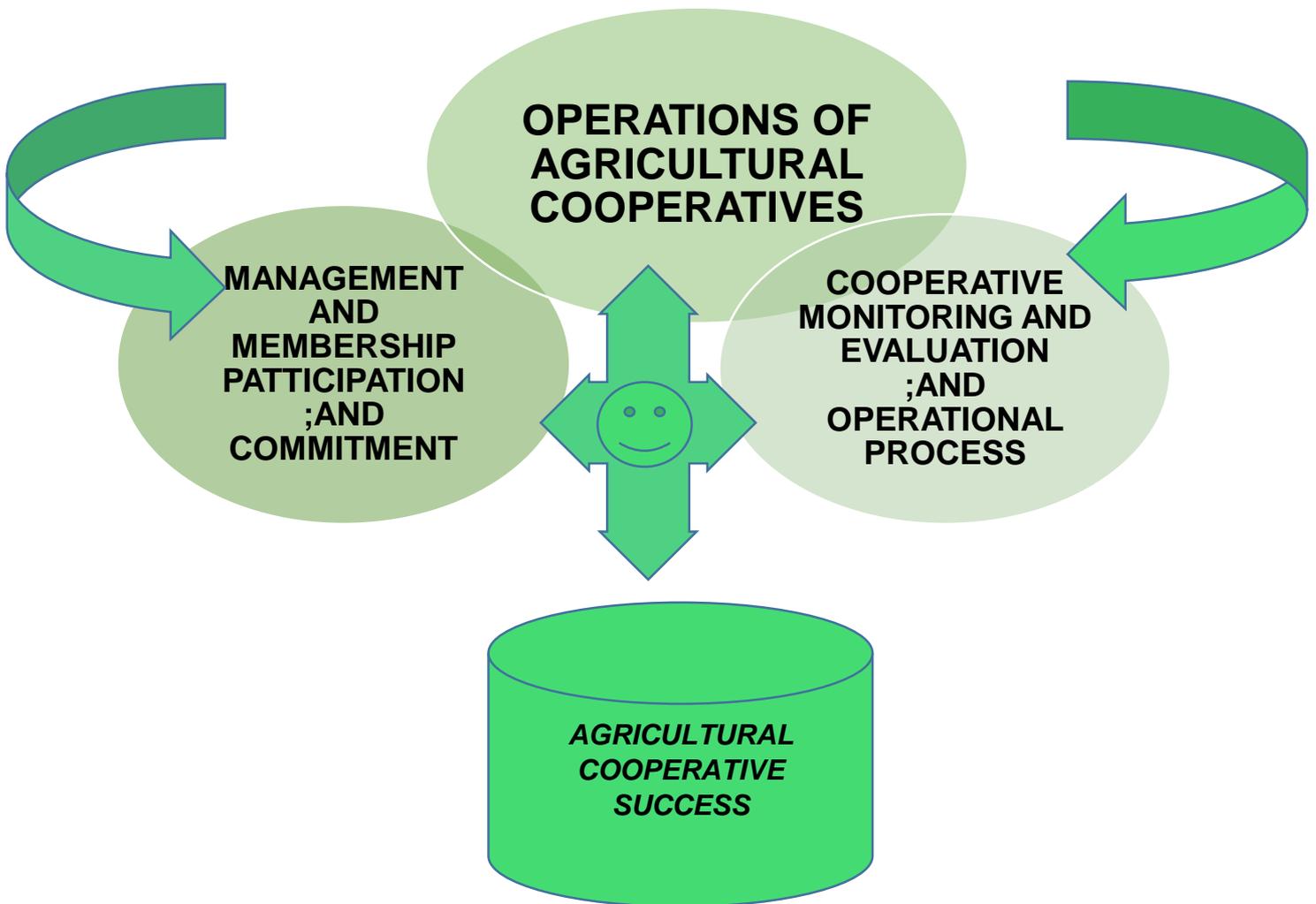
The researchers should consider undertaking further researches being done in the study area, which will give a better perspective of the agricultural cooperative yield better results by increasing the sample size. The researcher recommends that the study be done with an integration of other departments such as the department of home affairs, local municipalities, health department and department of agriculture to get a better understanding of the participants in different wards. There should be further research which tries to investigate more about the governance structure of agricultural cooperatives, relevance in trainings which are provided to the cooperatives, the role played by newly generated agricultural cooperatives and hindrances in female participation in agricultural cooperatives at early ages. Other researches which can be done are the trends in urban versus rural agricultural cooperative operations and agricultural cooperative policy formulations, adoptions and implementations.

Further research should be done in the aspect of the contributions of monitoring and evaluation techniques, market regulation and funding of agricultural cooperatives which can impact on cooperative savings and revenue generations. The last factor which needs to be investigated further, is the correlation of agricultural and consumer

cooperatives which needs to be studied with the help of extension offices and local businesses workers to ensure food security at a local, national and global spectrum.

#### 6.4.4 Recommendations on Cooperative Operations Model

The following model is recommended to be used in trying to understand cooperative operations at the study area. Hence, the model provides the overview of the traits which can be further be researched in relations to urban agricultural cooperatives. The model sets apart the most important aspects of the study and simplify it so that the reader can understand the intension of trying to assess the operations of agricultural cooperatives. The model is therefore demonstrated below:



SOURCE: NGWAMBA SUVERY DATA 2016

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## ANNEXURES

### ANNEXURE: A1 Interview schedule for cooperatives

The name of the interviewer: Ngwamba Mthabiseng Pertunia  
.....

Questionnaire Nr:

Date: .....

### INSTRUCTIONS

The purpose of this interview is to explore the operational performance of agricultural cooperatives

The information that you will provide will remain anonymous and confidential. Hence, the names and contact details will not form part of the documentation or used in the report, is only for follow-up.

If you are willing to answer the questions on you are involved in, if yes please respond by signing the consent form provided by the interviewer. Take note that both the respondent and interviewer must sign the consent form before answering the questionnaire.

|  |  |
|--|--|
| Name of respondent (optional)              |  |
| Contact details (number and email address) |  |
| Location:                                  |  |
| District                                   |  |
| Local Municipality                         |  |
| Ward number                                |  |
| Name of cooperative                        |  |
| Form of cooperative                        |  |

### DEMOGRAPHY AND SOCIO-ECONOMIC CHARACTERISTICS

#### 1. Age

Give the actual age or date of birth if still remembers.

.....

...

#### 2. Gender

Cross the appropriate box, which best fit your answer.

|          |                          |
|----------|--------------------------|
| 1.Male   | <input type="checkbox"/> |
| 2.Female | <input type="checkbox"/> |

3. Educational level

Cross the appropriate box, which best fit your description.

|  |                          |
|--|--------------------------|
| 3.1 Never went to school                             | <input type="checkbox"/> |
| 3.2 Primary school incomplete (not beyond grade 6)   | <input type="checkbox"/> |
| 3.3 Primary school completed (has grade7)            | <input type="checkbox"/> |
| 3.4 Secondary school incomplete (not beyond grade11) | <input type="checkbox"/> |
| 3.5 Secondary school completed (has grade 12)        | <input type="checkbox"/> |
| 3.6. Tertiary education (University / Collage)       | <input type="checkbox"/> |
| 3.7 Vocational training (post matric training)       | <input type="checkbox"/> |
| 3.8 Pre-school or not yet at school                  | <input type="checkbox"/> |

4. Work status

Cross the appropriate box, which best fit your description.

|   |                          |
|---|--------------------------|
| 4.1 Employed full time(public/private sector) | <input type="checkbox"/> |
| 4.2 Self-employed (full at the co-operative)  | <input type="checkbox"/> |
| 4.3 Unemployed                                | <input type="checkbox"/> |
| 4.4 Seasonal/part-time employment             | <input type="checkbox"/> |

5. Main source of income.

Cross the appropriate box, which best fit your description.

|   |  |
|---|--|
| 5.1 Grant-old age pension                 |  |
| 5.2 Employment (public or private sector) |  |
| 5.3 Grant -disability or other specify    |  |
| 5.4 The co-operative                      |  |
|   |  |
| <b>OPERATIONAL ACTIVITIES</b>             |  |

6. When was the cooperative established?

.....  
...

7. When did it start to operate?

.....  
...

8. What are the main activities associated with the agricultural cooperatives?

.....  
...  
.....  
...

9. What and how much is produced in the cooperative?

.....  
...  
.....  
...  
.....  
...

10. What criteria do you use to divide your selves into the different activities performed by the cooperative?

.....  
...  
.....  
...  
.....  
...

11. What factors contribute to the effectiveness of the cooperative?

.....  
..  
.....  
...  
.....  
...  
.....  
...

12. What are the duties and obligations of the cooperative members?

.....  
...  
.....  
...  
.....  
...

13. How do you make sure that these duties or obligations are meet on a daily basis?

.....  
...  
.....

14. What are the legal requirement associated with cooperative ownership for each member?

.....

...

.....

...

15. What do you perceive to be the unique strengths and weaknesses of the cooperative?

.....

...

.....

...

16. What is your perceived rating of the operation service provision of the cooperative?  
(please cross)

|                   |  |
|-------------------|--|
| 16.1 Poor         |  |
| 16.2 Fair         |  |
| 16.3 Good         |  |
| 16.4<br>Excellent |  |

17. What financial factors influence the cooperative?

.....

.....

.....

18. What operational factors influence the operation of the cooperative?

.....

.....

.....

**MANAGEMENT TECHNIQUES**

19. How many people employed by the cooperative?

.....  
...

20. Are there any similar cooperatives you aware of in your residual area?

|      |     |
|------|-----|
| 20.1 | Yes |
| 20.2 | No  |

21. Why did you decide to establish an agricultural cooperative?

.....  
...  
.....  
.....  
.....

22. What motivated you to join this type of cooperative?

.....  
...  
.....  
...  
.....  
...

23. Being part of the cooperatives has helped in improving the cooperative by the following. Please mark the box which best fit your response.

| Please rate the following from 1-5 |                              |                |       |                     |          |                   |
|------------------------------------|------------------------------|----------------|-------|---------------------|----------|-------------------|
|                                    |                              | Strongly agree | Agree | Agree in some cases | disagree | Strongly disagree |
|                                    |                              | 1              | 2     | 3                   | 4        | 5                 |
| 23.1                               | Volume of business           |                |       |                     |          |                   |
| 23.2                               | Stability of the cooperative |                |       |                     |          |                   |
| 23.3                               | Improve credit ratings       |                |       |                     |          |                   |
| 23.4                               | Decrease costs               |                |       |                     |          |                   |
| 23.5                               | Increase returns/ profit     |                |       |                     |          |                   |
| 23.6                               | improved technical skills    |                |       |                     |          |                   |

24. Do cooperative members receive any type of training? Indicate your answer by crossing in one box bellow.

|          |  |
|----------|--|
| 24.1 yes |  |
| 24.2 No  |  |

25. What kind of training is provided to cooperative owners and employees?

.....  
 ...

26. Who provides the training?

.....

...

.....

...

27. How do you deal with misconducts in the cooperative?

.....

...

.....

...

28. Would you say the cooperative is sustainable?

|          |  |
|----------|--|
| 28.1 yes |  |
| 28.2 No  |  |

29. What are the strategies that can be developed to improve the cooperative support systems?

.....

.....

**MONITORING AND EVALUATION**

30. What is monitored and evaluated by the cooperative?

.....

...

.....

...

31. What criteria or technique is used to monitor and evaluate the cooperatives?

.....

...

.....

...

.....  
...

32. Who is responsible for formulating the monitoring and evaluation tool?

.....  
...  
.....  
...  
.....  
...

33. Do you measure the operational performance your cooperative?

|          |  |
|----------|--|
| 33.1 yes |  |
| 33.2 No  |  |

34. What techniques are used to measure the operational performance?

.....  
...  
.....

35. Are the tool used effective? Indicate your answer by crossing in one box bellow.

|          |  |
|----------|--|
| 35.1 yes |  |
| 35.2 No  |  |

36. If no, what technique would you recommend to be used by the cooperative?

.....  
...  
.....  
...

37. Who is responsible for the monitoring and evaluating of the cooperative?

.....  
...  
.....  
...

38. Which sector was involved in the formulation of the monitoring and evaluation tools in your cooperatives? Please indicate by crossing any box the best description.

|                              |                          |
|------------------------------|--------------------------|
| 38.1 Public sector           | <input type="checkbox"/> |
| 38.2 Private sector          | <input type="checkbox"/> |
| 38.3 NGO's or CBO's or other | <input type="checkbox"/> |

39. What is the role of the sector or organization in the monitoring and evaluation processes?

.....  
.....  
.....

40. What are the strategies that addresses both opportunities and challenges?

.....  
.....  
.....

**THANK YOU FOR YOUR PARTICIPATION AND MAY MY GOOD LORD JESUS CHRIST BLESS YOU ABUNDENTLY!!!!!!**

**ANNEXURE A2 Translated (SiSwati) interview schedule for cooperatives**

Ligama lalocwaningako: Ngwamba Mthabiseng Pertunia      liphepha lemibuto lesi:  
 .....

Lusuku: .....

**IMIGOMO NEMIBANDZELA**

Inhloso yalolucwaningo: kucwaninga tidlela tekusebenta temacembu etekulimama.

Tonke timpendvulo toyogcinwa tiyimfihlo futsi tingatiwa. Kantsi emagama netinombolo tekutsintsana ngeke tibe yincenye yekuhlathiya kwalelicwaningo, kwentelwa nje kutsi sikwati kukutfola uma kukhona lokukholwakele makucwangingwa.

Uma uvuma kuba incenye yalolucwaningo, sicela ucwalise lifomu lesivumelwano ungakacali khuphendula imibuto. Locwangako utokunika lona, cikelela kutsi nemcwaningi uyakunikalelifomu futsi nobabili niyalicwalisa ngalokufanele ngembikwekuphedvula imibuto.

|  |  |
|--|--|
| Ligama lalophendvulako (uyatikhetsela kubhala) |  |
| Tekechumana (inombolo noma likheli lemishini)  |  |
| Sigodzi:                                       |  |
| Indzawo  |  |
| Masipala lokuwo                                |  |
| Inombolo yeliwadi                              |  |
| Ligama lelicembu                               |  |
| Inhlobo yelicembu                              |  |

**MININGWANE NETE MISEBENTI**

1. Bhala Iminyaka yakho lowatalwa ngayo, sebentisa tinombolo.

.....  
 ...

2. Umhloboni? Faka siphambano kulelibhokisi lelinempendvulo yakho.

|           |  |
|-----------|--|
| 1.Mdvuna  |  |
| 2.Msikati |  |

3. Letiphatselene netenfundvo yakho, Faka siphambano kulelibhokisi lelinempendvulo yakho.

|   |  |
|---|--|
| 3.1 Angikafudzi   |  |
| 3.2 ngafundza emabangalaphansi (ngangacedzi sigaba sesi tfupha)                   |  |
| 3.3 angizange ngicedze emabangalaphansi (ngacedza sigaba sesitfupha)              |  |
| 3.4 angizange ngicedze emabangalasetulu (angikandluli kusigaba selishumi nakunye) |  |
| 3.5 ngacedza emabangalasetulu (ngacedza sigaba selishumi nakubili)                |  |
| 3.6. ngifundze tifundvo letiphakeme eKolishi noma eNyuvesi                        |  |
| 3.7 Ngafundza umsebenti   |  |
| 3.8 ngagcina ngegena kungakapheli sigaba sekucala                                 |  |

4. ungatsi usebentakuphi? Kucelwa ukhombise impendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho.

|   |  |
|---|--|
| 4.1 Ngicashwe ngolokuphelele kuhulumende noma etinkampanini   |  |
| 4.2 Ngiyatisebenta noma ngesebenta kulelicembu ngalokuphelele |  |
| 4.3 Angisebenti   |  |
| 4.4 Umsebenti wesikhashane                                    |  |

5. Tindlela tekwamukela noma kutfola imali, Faka siphambano kulelibhokisi lelinempendvulo yakho.

|   |  |
|---|--|
| 5.1 impesheni yabogogo  |  |
| 5.2 emsebentini lengicashwe kuwo (kutisebenta noma kuhulumende) |  |
| 5.3 impesheni yalabakhubatekile                                 |  |

|                    |  |
|--------------------|--|
|                    |  |
| 5.4 Kulo lelicembu |  |

**TEMISEBENTI**

6. Lasungulwa nini lelicembu?

.....  
 ...

7. Lacala nini kusebenta lelicembu?

.....  
 ...

8. Ngumuphi imisebenti walelicembu letekulima?

.....  
 ...  
 .....  
 ...

9. Ingabe yini futsi kugakanani lokwentiwa ngulelicembu?

.....  
 ...

10. Ngitiphi tidlela letisetjentiswa ngulelicembu kwehlukaniselane imisebenti?

.....  
 ...  
 .....  
 ...

11. Ngitiphi tindvo lecinisekisa kusebenta kahle kwalemacembu?

.....  
 .....

12. Kuyiphi imisebenti nemitsetfo lelandzelwa ngulabo labayincenye yalolucembu?

.....  
 ...

13. Nenta njani kutsi nicinikese kutsi imisebenti noma imitsetfo iyasejentiswa malanga onkhe?

.....

...

14. Ngiyiphi imitsetfo lephatselene nekuba incenye yalolucembu?

.....

...

15. Ucabanga kwekutsi ngikungukuphi lelicembu letekulima laphumelela kuko (strength) naloko langaphumeleli kuko?

.....

...

16. Ungatsi lelimacembu lisebenta njani? Niketa sikalo ngokufakasiphambano kulinye lalamabhokisi.

|                    |  |
|--------------------|--|
| 16.1 Kubi          |  |
| 16.2 Kuhle kancane |  |
| 16.3 Kuhle         |  |
| 16.4 Kuhlekati     |  |

17. Chaza umtselela lokhona kutemisenti lophatseleni netetimali kulelicembu.

.....

18. Ngutiphi letinye tindlela letekusebenta leti nemfakekala ekusebenteni kwemacembu?

.....

.....

### TINDLELA TEKUPHATSA

19. Bangaki ebantfu labacashwe kulelicembu?

.....

...

20. Akhona lamanye emacembu lafanana naleli lapha endzaweni lowatiko?

|           |  |
|-----------|--|
| 20.1 Yebo |  |
| 20.2 Cha  |  |

21. Yini lekwente wafisa kusungula licembu lekulima?

.....

22. Yini lekwente wafisa kuba incenye yalelihlobo lwemacembu?

.....

...

23. kuba kulelicembu kutfutukise lelicembu ngaleti tindlela? Kucelwa ukhombise impendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho.

|      |                              | Please rate the following from 1-5 |           |                 |          |                    |
|------|------------------------------|------------------------------------|-----------|-----------------|----------|--------------------|
|      |                              | Ngivuma kakhulu                    | Ngiyavuma | Ngivuma kancane | Angivumi | Angivuni nakancane |
|      |                              | 1                                  | 2         | 3               | 4        | 5                  |
| 23.1 | kutfutukisa temisebenti      |                                    |           |                 |          |                    |
| 23.2 | Kugcineka kwemacembu         |                                    |           |                 |          |                    |
| 23.3 | Kusita ekubolekeni timali    |                                    |           |                 |          |                    |
| 23.4 | Kunciphisa tikweleti         |                                    |           |                 |          |                    |
| 23.5 | Kukhulisa umnotfo            |                                    |           |                 |          |                    |
| 23.6 | Kusita emisebentini yatandla |                                    |           |                 |          |                    |

24. Ngabe lamacembu ayafudziswa imisebenti? Kucelwa ukhombise impendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho

|           |  |
|-----------|--|
| 24.1 yebo |  |
| 24.2 cha  |  |

25. Ngutiphi tindlela tokusebenta letifundziswa lamacembu noma basebenti?

.....

...

.....

...

26. Ngubani lofundzisa indlela yokusebenta?

.....

...

.....

...

27. Niticatulula njani tinkinga letifaka kuphulwa kwemtsetfu kulelicembu?

.....

...

28. Ungatsi lelicembu litawugcineka sikhatsi lesidze?

|           |  |
|-----------|--|
| 28.1 yebo |  |
| 28.2 cha  |  |

29. Ngutiphi tindlela letisenjentiswa ekuncedzeni nase kuhloleni kwalamacembu kute atokutfufuka?

.....

..

.....

...

**KUGADZA NOKUHLOLWA**

30. ngikuphi lokuhlolwako noma lokugadvwako kulelicembu?

.....  
...  
.....  
...  
.....  
...

31. Shano tindlela letisenjentiswa ekuhlolweni nase kugazdeni lelicembu?

.....  
...  
.....  
...  
.....  
...

32. Ngubani lobuka lemigomo lephetselene nokuhlolwa kwemacembu?

.....  
...  
.....  
...  
.....  
...

33. Ngabe iyakalwa indlela yokusebenta ecenjini lakho?

|           |  |
|-----------|--|
| 33.1 yebo |  |
| 33. 2 cha |  |

34. Ngutiphi tidlela letisenjetiswako ekukaleni indlela lasebenta ngawo lamacembu?

.....  
...

35. ngabe letidlela tisebenta kahle? khombise imphendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho.

|           |  |
|-----------|--|
| 35.1 yebo |  |
|-----------|--|

|          |  |
|----------|--|
| 35.2 cha |  |
|----------|--|

36. uma uphendvule cha,nguyiphi indlela lobana incono lengasejentiswa ngulamacembu?

.....

...

.....

...

.....

...

37. ngubani lona lophatselene nekugadza nekuhlolwa kwalamacembu?

.....

...

.....

...

38. Ngutiphi tikhungo letisebentisana kakhulu nalamacembu, ekucinikiseni kwekutsi kukhona luhlolo noma kugadvwa kwalamacembu? Kucelwa ukhombise imphendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho.

|  |  |
|--|--|
| 38.1.Sikhungo sahumende                                |  |
| 38.2 Sikhungo lesitimele                               |  |
| 38.3 Tikhungo letingasito tahulumende njenge emasontfo |  |

39. Nguwuphi umsebenti lowentiwa tikhungo letihlukene ekugadzeni nase eholini kwalamacembu?

.....

40. Ngitiphi tindlela telicembu letigcina emafuba ekuphumelela nalawayinkinga kuleleicembu?

.....

.....

**NGIYABONGA NGOKUBA KWAKHO INCENYE YALOLUCWANINGO,  
SHANGATSI INKOSI YAMI JESU ANGAKUBUSISA KAKHULU!!!!!!!**

### ANNEXURE A3 Interview schedule for organisations

The name of the interviewer: Ngwamba Mthabiseng Pertunia  
.....

Questionnaire Nr:

Date: .....

#### INSTRUCTIONS

The purpose of this interview is to explore the operational performance of agricultural cooperatives

The information that you will provide will remain anonymous and confidential. Hence, the names and contact details will not form part of the documentation or used in the report, is only for follow-up.

If you are willing to answer the questions on you are involved in, if yes please respond by signing the consent form provided by the interviewer. Take note that both the respondent and interviewer must sign the consent form before answering the questionnaire.

|  |  |
|--|--|
| Name of respondent (optional)              |  |
| Contact details (number and email address) |  |
| Location:                                  |  |
| District                                   |  |
| Local Municipality                         |  |
| Ward number                                |  |
| Name of Organization                       |  |

**OPERATIONAL ACTIVITIES**

1. How many agricultural cooperative do you have in the municipality?

.....  
...

2. Would you say they are established and regulated?

|         |  |
|---------|--|
| 2.1 yes |  |
| 2.2 No  |  |

3. Are the cooperative operating?

.....  
...

4. What are the main activities associated with the agricultural cooperatives?

.....  
...  
.....  
...  
.....  
...  
.....  
...

5. Do the cooperatives have a government structure?

|         |  |
|---------|--|
| 5.1 yes |  |
| 5.2 No  |  |

6. What are the perceived duties and obligations of the cooperativemembers?

.....  
...  
.....  
...  
.....  
...  
.....  
...

7. How do the department or organisation make sure that these duties or obligations are meet on a daily basis?

.....  
...  
.....  
...  
.....  
...

8. What are the legal requirement associated with cooperative ownership?

.....  
...  
.....  
...

9. What do you perceive to be the unique strengths and weaknesses of the agricultural cooperatives?

.....

10. How the agricultural cooperative performing in your own opinion?

|                |  |
|----------------|--|
| 10.1 Poor      |  |
| 10.2 Fair      |  |
| 10.3 Good      |  |
| 10.4 Excellent |  |

11. How is the organisation involved in cooperative activities?

.....  
.....  
.....  
.....  
.....

12. What other the strategies that can be developed to improve the effective functioning of the cooperatives?

.....  
.....  
.....  
.....

13. What is the relationship between the organisations with the cooperatives?

.....  
...  
.....  
...  
.....  
.....  
.....

14. Do the organisation have profile documents on the agricultural cooperatives?

|          |  |
|----------|--|
| 14.1 yes |  |
| 14.2 No  |  |

**MANAGEMENT TECHNIQUES**

15. How many people employed by agricultural cooperatives annually?

.....  
 ...

16. Are there any similar cooperatives you aware located in one area?

|          |  |
|----------|--|
| 16.1 yes |  |
| 16.2 No  |  |

17. What processes are involved when registering agricultural cooperatives?

.....  
 ...  
 .....  
 ...  
 .....  
 ...  
 .....  
 ...  
 .....  
 ...  
 .....  
 ...

18. Are there any regulatory framework governing the performance and operations of the cooperatives?

|          |  |
|----------|--|
| 18.1 yes |  |
| 18.2 No  |  |

19. What can you say about the performance of cooperatives?

.....  
 ...  
 .....  
 ...  
 .....  
 ...  
 .....  
 ...

20. Do cooperative members receive any type of training? Indicate your answer by crossing in one box bellow.

|          |  |
|----------|--|
| 20.1 yes |  |
| 20.2 No  |  |

21. What kind of training is provided to agricultural cooperative owners and employees?

.....  
 ...  
 .....  
 ...

22. Who provides the training?

.....  
 ...  
 .....  
 ...

23. Would you say the agricultural cooperatives are sustainable?

|          |  |
|----------|--|
| 23.1 yes |  |
| 23.2 No  |  |

24. What are the strategies that can be developed to improve the cooperative support systems?

.....  
..

**MONITORING AND EVALUATION**

25. What is monitored and evaluated by the in the agricultural cooperatives?

.....  
...  
.....  
...

26. What criteria or technique is used to monitor and evaluate the cooperatives?

.....  
...  
.....  
...

27. Who is responsible for formulating the monitoring and evaluation tool?

.....  
...  
.....  
...

28. Do think the cooperatives measure their operational performance?

|          |  |
|----------|--|
| 28.1 yes |  |
| 28.2 No  |  |

29. What technique is used to measure the operational performance?

.....  
...

30. Would you perceive the tool used effective? Indicate your answer by crossing in one box bellow.

|          |  |
|----------|--|
| 30.1 yes |  |
| 30.2 No  |  |

31. If no, what technique would you recommend to be used by the cooperative?

.....  
...  
.....  
...

32. Which sector would you say is highly involved in the formulation of the monitoring and evaluation tools in your cooperatives? Please indicate by crossing any box the best description.

|                              |  |
|------------------------------|--|
| 32.1 Public sector           |  |
| 32.2 Private sector          |  |
| 32.3 NGO's or CBO's or other |  |

33. What is the role of the sector or organization in the monitoring and evaluation processes?

.....  
.....  
.....

**THANK YOU FOR YOUR PARTICIPATION AND MAY MY GOOD LORD JESUS  
CHRIST BLESS YOU ABUNDENTLY!!!!!!!**

**ANNEXURE A4Translated (SiSwati) interview schedule for organisations**

Ligama lalocwaningako: Ngwamba Mthabiseng Pertunia      liphepha lemibuto lesi:  
 .....

Lusuku: .....

**IMIGOMO NEMIBANDZELA**

Inhloso yalolucwaningo: kucwaninga tidlela tekusebenta temacembu etekulimama.

Tonke timpendvulo toyogcinwa tiyimfihlo futsi tingatiwa.Kantsi emagama netinombolo tekutsintsana ngeke tibe yincenye yekuhlathiya kwalelicwaningo, kwentelwa nje kutsi sikwati kukutfofa uma kukhona lokukholwakele makucwangingwa.

Uma uvuma kuba incenye yalolucwaningo, sicela ucwalise lifomu lesivumelwano ungakacali khuphendula imibuto. Locwangako utokunika lona, cikelela kutsi nemcwaningi uyakunikalelifomu futsi nobabili niyalicwalisa ngalokufanele ngembikwekuphedvula imibuto.

|  |  |
|--|--|
| Ligama lalophendvulako (uyatikhetsela kubhala) |  |
| Tekechumana (inombolo noma likheli lemishini)  |  |
| Sigodzi:                                       |  |
| Indzawo  |  |
| Masipala lokuwo                                |  |
| Inombolo yeliwadi                              |  |
| Ligama lesikhungo                              |  |

**TEMISEBENTI**

1. Yingabe magaki emacembu etekulima lakhona kuledzawo?

.....

2. ungatsi asungulwa futsi anemigomo?

- 2.1 yebo
- 2.2 cha

3. Ingabe asasebenta lamacembu?

.....

...

4. Ngabe ngiyiphi imisebenti leyentiwa ngemacembu etekulima?

.....

...

.....

...

5. Tikhuna tikhudla tekuatsa kulamacembu?

- 5.1 yebo
- 5.2 cha

6. nguyiphi imisebenti nemitsetfo lesentjentswa ngulabo labayincenye yalamacembu?

.....

...

.....

...

7. Nenta njani kulekhungo kutsi nicinikese kutsi imitsetfo yemisebeti  
iyalandzelwa onkhemalanga kulamacembu?

.....

...

.....

...

.....

...

8. Ngiyiphi imitsetfo yetekulima lebophelela emacembu lakuyo?

.....

...

.....

...

9. Ucabanga kwekutsi ngikungukuphi emacembu etekulima laphumelela kuko naloko langaphumeleli kuko?

.....

...

.....

...

10. Ungatsi lamacembu asebenta njani? Niketa sikalo ngokufakasiphambano kulinye lalamabhokisi.

|                    |  |
|--------------------|--|
| 10.1 Kubi          |  |
| 10.2 Kuhle kancane |  |
| 10.3 Kuhle         |  |
| 10.4 Kuhle kakhulu |  |

11. Ingabe lesikhungo sitibanzakanya kanjani emisebentini yemacembu etekulima?

.....

.....

.....

.....

.....

.....

12. Ngutiphi tindlela letingasenjentiswa kutekutfufukiswe kubenta kwalacembu?

.....  
.....  
.....  
.....

13. ngibuphi budlelwano lobokhona phakatsi kwalesikhungo nalamacembu?

.....  
...  
.....  
...

14. Ngabe lesikhungo sinako lokubhaliwe ngekubakhona noma kusebenta kwemacembu etekulima?

|           |  |
|-----------|--|
| 14.1 yebo |  |
| 14.2 cha  |  |

**TINDLELA TEKUPHATSA**

15. Bangaki ebantfu labacashwa ngumacembu ngemnyaka?

.....  
...

16. Akhona lamanye emacembu lafanana naleli lapha endzaweni lowatiko?

|           |  |
|-----------|--|
| 16.1 Yebo |  |
| 16.2 Cha  |  |

17. Nguyiphi imigomo lelandzelwa ekusunguleni nekubhaliswa kwamacembu ekutelima? chaza kutsi kwentiwe njani.

.....  
...  
.....  
...

18. Ingabe ikhona imigomo nemibanzela lesekela lamacembu etekulima?

|           |  |
|-----------|--|
| 18.1 yebo |  |
| 18.2 Cha  |  |

19. Ungachaza utsini ngempumelelo yokusebenta kwamacembu?

.....  
...  
.....  
...  
.....  
...  
.....  
...  
.....  
...

20. Ngabe lamacembu ayafundziswa imisebenti? Kucelwa ukhombise impendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo yakho

|           |  |
|-----------|--|
| 20.1 yebo |  |
| 20.2 cha  |  |

21. Ngutiphi tindlela lilitusito letifudzisa imisebenti emacentjini?

.....  
...

22. Ngubani lofundzisa letindlela tekusebenta?

.....  
...  
.....  
...

23. Ungatsi lelicembu litawugcineka sikhatsi lesidze?

|           |  |
|-----------|--|
| 23.1 yebo |  |
| 23.2 cha  |  |

24. Ngutiphi tindlela letisenjentiswako ekuncedzeni nase kuhloleni emacembu kute atokutfufuka?

.....  
...  
.....  
...

**KUGADZA NOKUHLOLWA**

25. Ngikuphi lokuhlolwako noma lokugadvwako kulamacembu?

.....  
...  
.....  
...

26. Shano tindlela letisenjentiswako ekuhloleni nasekugadzeni lamacembu?

.....  
...

27. Ngubani lobuka lemigomo lephetselene nekuhlolwa kwamacembu?

.....  
...  
.....  
...

28. Ngabe iyakalwa indlela yokusebenta kwamacembu?

|           |  |
|-----------|--|
| 28.1 yebo |  |
| 28.2 cha  |  |

29. Ngutiphi tidlela letisenjetiswako ekukaleni indlela yokusebenta kwamacembu?

.....  
...  
.....  
...

30. ngabe ucabanga kutsi letidlela tisebenta kahle yini? Khombise impendvulo yakho ngokufaka siphambano kulelibhokisi lelinempendvulo.

|           |  |
|-----------|--|
| 30.1 yebo |  |
| 30.2 cha  |  |

31. Uma uphendvule cha, nguyiphi indlela lencono lengasejentiswa ngulamacembu?

.....

...

.....

...

32. Ngutiphi tikhungo locabanga kutsi tisebentisana kakhulu nalamacembu, ekucinisekeni kwekutsi kukhona luhlolo noma kugadvwa kwalamacembu? Khombisa impendvulo ngokufaka siphambano kulelibhokisi lelinempendvulo.

|  |  |
|--|--|
| 32.1.Sikhungo sahumende                                |  |
| 32.2 Sikhungo lesitimele                               |  |
| 32.3 tikhungo letingasito tahulumende njenge emasontfo |  |

33. Nguwuphi umsebenti lowentiwa sikhungo sakho ekugadzeni nase kuhlolisiseni lamacembu?

.....

.....

**NGIYABONGA NGOKUBA KWAKHO INCENYE YALOLUCWANINGO,  
SHANGATSI INKOSI YAMI JESU ANGAKUBUSISA KAKHULU!!!!!!!**

## ANNEXURE: B OBSERVATION CHECK LIST

| <b>Agricultural Cooperatives</b>                            |  |
|---|--|
| 1. Staff availability                                       |  |
| 2. Availability of equipment's                              |  |
| 3. Structures availability                                  |  |
| 4. Agricultural product availability                        |  |
| 5. Cooperative sign, billboard or market                    |  |
| 6. Road, electricity and water                              |  |
| 7. Time schedule for employees and other archival documents |  |

## ANNEXURE: C1 CONSENT FORM DECLARATION

### (PARTICIPANT)

Project Title: Assessing the operations of agricultural cooperatives at Nkomazi Municipality, Mpumalanga province

**Ngwamba Mthabiseng Pertunia** from the Department Anthropology and Development Studies, University of Zululand has requested my permission to participate in the above-mentioned research project.

The nature and the purpose of the research project and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

1. The purpose of the research project is to assess the operations of agricultural cooperatives by looking at the participation of cooperative members, governance structures and conduciveness of the environment in which the cooperatives operate.
2. The University of Zululand has given ethical clearance to this research project and I have seen/ may request to see the clearance certificate.
3. By participating in this research project I will be contributing towards the problem arises during the topic being researched and solution of this study..... **(state expected value or benefits to society or individuals that will arise from the research)**
4. I will participate in the project by responding towards the questionnaires that is being asked by the researcher and signing a consent form for ensuring confidentiality of the information that I will provided the researcher ..... **(state full details of what the participant will be doing)**
5. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequences.
6. I will not be compensated for participating in the research, but my out-of-pocket expenses will be reimbursed. **(Should there be compensation, provide details)**
7. There may be risks associated with my participation in the project. I am aware that

- a. The following risks are associated with my participation: I can be harmed by those who are in the authority if I raise the sensitive issue..... (**state full details of risks associated with the participation**)
  - b. The following steps have been taken to prevent the risks: .....no details should not be disclosed to any one as the researcher had promised...
  - c. There is a .....% chance of the risk materialising
8. The researcher intends publishing the research results in the form of articles of accredited journals. However, confidentiality and anonymity of records will be maintained and that my name and identity will not be revealed to anyone who has not been involved in the conduct of the research.
9. I will not receive feedback/will receive feedback in the form of electronic printed papers from the university website regarding the results obtained during the study.
10. Any further questions that I might have concerning the research or my participation will be answered by the researcher concerned: Ngwamba M.P 082 2978 032 or reasecher’s supervisor Dr Sabela P.T 082 3581172 By signing this informed consent declaration I am not waiving any legal claims, rights or remedies.
11. A copy of this informed consent declaration will be given to me, and the original will be kept on record.

I, .....have read the above information / confirm that the above information has been explained to me in a language that I understand and I am aware of this document’s contents. I have asked all questions that I wished to ask and these have been answered to my satisfaction. I fully understand what is expected of me during the research.

I have not been pressurised in any way and I voluntarily agree to participate in the above-mentioned project.

.....

.....

**Participant’s signature**

**Date**

## ANNEXURE:C2 LIFOMU LOKUTIBOPHETELA

### (Lobamba liqhaza)

#### Sihloko selicwaningo: kucwaninga tindlela tekusebenta temacembu etekukulima endzaweni yase Nkomazi

Ligama lami ngingu: Ngwamba Mthabiseng Peturtunia

Ngenta tifundvo letiphakeme enyuvesu yase-ngoye emnyangweni lophatselene netekutfufukisa umphakatsi. Tifundvo lengitentako tiphatselene ikakhulu ngekutfufukisa umphakatsi ngetekudla netenhlalakahle, pheceleti Development Studies. Njengencenye yetifundvo tami kudzingeka ngente lucwaningo ngedzima lebangwa tekulima noma lelimayelana nomtselela loletfwa kutikhiqita kwekudla kute kutowutsengiswa lokwendwa ngemacembu ebanftu labahlangene.

Ngiyakuvisisa kwekusti

1. Inhloso yalolucwaningo ku: lucwaninga ngetindlela temisebenti letimayelana ne macembu etekulimisa

2. Inyuvesi yakwaZulu iniketile ngemvumo kulabacwangingako kutsi kwekutsi bente loluhlelo futsi bonile lecwadzi yesivumelwano/ ngingacela kwekutsi ningikhombe sitifiketi selemvumo.

3. Mine lengicwaningwako ngitokube ngibambe lichaza kunaku

.....  
...

4. Kute ngibe yinqenye yalolucwaningo ngitakuniketela ngaloku lokulandzelako (chaza ngeliqaza lelitakudlalwa ngulolucwaningo emphakastini ngokwati kwakho)

.....  
..

5. ekubeni bayinqenye yalolucwaningo akukho lokungivimbile kwekutsi ngingayekeli uma ngibona ngingasatsandzi noma ngingasafuni kuphendvula, futsi kute lokubi lengiyobe ngikwentile.

6. Ayikho indvo lengitayitfolo ngekuba inqenye yalelicwaningo lephatsekako, kantsi tindleko tami letiphuma ekhikhini lami angeke ngakhokhelwa. (uma ukhokheliwe bhala kabanti lokuftolile).....

7. Ingoti yokuba kwami yinqenye yalolucwaningo ngiyayatisisa.

(a) ngulena lelanzelayo (chaza bonke bungoti lobuphatselene nalolucwaningo)

.....  
...

(b) leti tindlela tokuvikela lobungoti lobuphatselene nalolucwaningo:

- Kungabalwa kekwemagama alabo labayinqenye yelucwaningo
- Kungafaki titfombe tabo ngaphandle kwemvumo

- Kungabhali labangakakusho mayelana ne libhizimusi labo letekulimisa
- Kubabutaminibuto ngelulwimi labaluvako.
- Kwenta lolucwaningo luftolakale ekupheleni kwalo ngedlela yo temibhalo kulabo lababe yinqeye yalo.

(c) Angu 100% ematfuba ekuvikela lobu bukungoti.

8. Umbali noma loyo locwaningayo utakushicilela imiphumela ngaloluhlolo kumabhuku etekutfufukisa kwetendawo netekulima katsi futsi, utakucikelela kutsi mininingwane yalabo lababe yinqeye iyohlala iyimfihlo futsi ngete ya bhalwa phansi noma yakhonjwamuntfu.

9. Ngitakutfolelisa satiso ngalolucwaningo ngelendlela:

- Ngemibhabhalo yalelicwaningo lephelele
- Kumishini yokubhala pheceleti internet
- Etidzaweni tokufundzela litise manyuvese lahlukene eningiZimu ne Africa

10. umakukhona lokuphetselene nalelocwaningo noma ngekeba kwami yinqenye yalo ngitakwetfolelisa ngokuphedvulwa ngu **Ngwamba mthabiseng pertunia**, inombolo yelucingo noma makhala ekhukhwini **082 297 8032**

11. ngoku shaya siphambano kulelifomu, anginiketi emalungelo ngetemtsetfo noma ngicubula butsi.

12. umfanekiso walelifomu ngitakweniketwa kutsi ngitigcinene kantsi lena lekungiyoyona ngco itawugcinwa ngulocwaningi

Mine.....ngifundzile fundzile futsi ngiyavuma kwekusti inqenye yalolucwaningo mininingwane ngalilicwaningo ngichazelwe ngayo ngelulwimi lami lengilatiko kansti ngiyakwati lokucuketfwe nalokubhaliwe.ngiyibute yonke imibunto lebenginayo ngalolucwaningo, fitsi ngiphedvulekile. Ngingasho kutsi ngiyati kutsi limayelana nani lolucwaningo.

Angikaphoqelegeleki kwekutsinakancane ngibe yincenye yalolucwaningo.

.....

.....

**Sishicilelo**

**Lusiku**