

and their willingness to participate in the study. The process by which data was collected from the study samples is explained below.

4.6 Data sources

Both primary and secondary data sources were used in the study. Primary data was generated through questionnaires and in-depth interviews. Secondary data sources included policy documents and government development plans that were sourced.

4.6.1 Questionnaires

A questionnaire is a tool that is used in the collection of data in research studies and is more often associated with quantitative research studies (Kirklees Council, not dated: 1). It is however a common way of collecting qualitative data (Quality in Study Support, not date: 1). It was used in this study as a means of gathering sensitive data from a larger pool of people within the three case studies instead of using focus groups or more time-consuming interviews. The usefulness and efficacy of a questionnaire relies on its design. It is important therefore that those questionnaires that serve as primary data sources are well planned, worded and structured to ensure that the respondents can clearly comprehend what information is required from them. It is important also that the purpose of the questionnaire is related to the objectives of the study (Kirklees Council, not dated: 1). Questionnaires may contain either open or closed questions where the former allows the respondent to provide more detailed information that is needed in the case of in-depth investigations into a problem or question. In the case of closed questions respondents are required to select from pre-set answers that have been identified by the researcher. Open questionnaires are usually more appropriate in the case of qualitative research where the respondents opinions and perceptions are sought, whereas structured or closed questionnaires are more often used in the case of quantitative research (Kirklees Council, not dated: 1).

Questionnaires are a practical and cost efficient data gathering tool and they can be carried out by people other than the researcher without affecting the validity of the information and the results can be easily quantified and analysed (Libweb, not dated). Mays and Pope (1995: 109) state that it is also difficult in the research process to ensure that the “questions, categories and language” is understood by all respondents in the same way. In designing a questionnaire the researcher brings in his or her own perceptions of what is important within a given context and may neglect to include more relevant information (Libweb, not dated).

In order to ensure that the tool is effective it becomes important to pilot/test the questionnaire. Piloting the questionnaire will ensure that the respondents clearly understand the questionnaire, errors are removed, routing errors are addressed and also assists the researcher in estimating the time required for the completion of each questionnaire (Kirklees Council, not dated: 5). Piloting a questionnaire is also useful to ensure that ambiguous questions are avoided and to ensure that questions that do not provide the required responses are revised (Van Teijlingen and Hulley, 2002). In the study a draft questionnaire was prepared and piloted with a representative from one of the case studies. After piloting the questionnaire some revisions were made that included editing of questions to make it simpler and the questionnaire was divided into two parts for the different respondents. The questions were grouped according to more appropriate sub-groups that were informed by the research questions. Two different questionnaires were finally designed, namely questionnaire (Part I) and questionnaire (Part II). Please see Annexures A and B for the questionnaires used.

Part I was geared towards gathering general information on the enterprise, that included its incorporation details and information on its economic activity; information on the members/employees since the date of incorporation; information on the governance aspects of the co-operative and information on the business environment. The design was based on information gathered from a study conducted by the United States Overseas Co-operative Development Council (US OCDC) (Mellor, 2009). This questionnaire was submitted to the co-operative managers who had access to the necessary information. All three managers from the three co-operatives provided information for Part 1. As this information required some research into their records, they completed these independently and submitted these to the researcher at a later date.

Part II was designed to gather information from co-operative members. The information sought, related to their membership (position and duration), the reasons why they joined the co-operative and any expectations they held, their participation in the co-operative (financial, economic and social), the benefits of membership and their participation in the local economy. The questions were kept as simple as possible to ensure that information could be easily sourced and supplied. In addition, use was made of “yes/no” type answers which could solicit responses more easily than explanatory-type questions. In total 20 members from all three co-operatives participated in the study. Collection of this data followed two processes that were informed by the managers of the co-operatives. In the first, the researcher and an

interpreter took the respondents through the questionnaire, clarifying any areas of uncertainty and to interpret the questionnaire in a preferred language where needed and in the second instance co-operators completed the questionnaires independently.

All respondents were informed at the start and end of each process (verbally and via the letter of consent to participate in the study) that their privacy would be protected. In the case where members were taken through the questionnaire, the researcher explained how their anonymity was to be secured. In the first instance all questionnaires were provided in unsealed envelopes which the respondents could then seal once they had completed the questionnaire, secondly that their names were written on a separate sheet of paper that was later to be removed from the completed questionnaires by the researcher, thirdly that each person would be assigned a code that only the researcher was familiar with and finally that the researcher was bound by the ethical standards of the University of the Western Cape in conducting the study. A second method of collecting data for this study was through the facilitation of semi-structured interviews with selected interviewees.

4.6.2 Interviews

According to Frey and Oishi (1995) as cited in Oatey (not dated), an interview is "a purposeful conversation in which one person asks prepared questions (interviewer) and another answers them (respondent)". By using interviews as a data collection tool the researcher is able to guide questions to gather the information that is sought (Oatey, not dated). The success of an interview as a data collection method depends on the communication skills of the interviewer. A skilled interviewer will be skilled at structuring interview questions, will have the ability to listen, and will be able to encourage the interviewee to respond to questions asked (Newton, 2010).

Interviews can be unstructured, these are really observations or structured, similar to a questionnaire (Newton, 2010). The interviews that were used for the purposes of this study are semi-structured. In order to ensure that relevant information was gathered, open-ended interview questions were prepared and responses guided through the interview process (Newton, 2010). Interviews are useful as they help provide an in-depth understanding of the issues under discussion, help the researcher understand the thoughts and perceptions of interviewees and also provide a human element to what is normally impersonal data (Evaluated,

not date). However they can be very time-consuming to carry out, expensive and are more labour intensive as they need to be transcribed (Evaluated, not dated).

Semi-structured interviews were conducted with representatives from the Department of Trade & Industry (DTI), the Companies and Intellectual Property Commission (CIPC), the German Co-operative and Raiffeisen Confederation (DGRV), the Co-operative and Policy Alternative Centre (COPAC), the City of Tshwane (CoT) municipality and the managers of the three co-operatives. In each case only 1 interviewee was chosen per organization.

The DTI Interviewee is a director in the Co-operative Development Unit. The CIPC Interviewee works in the CIPC Corporate Compliance and Disclosure Regulation unit but he worked previously in the office of the Registrar of Co-operatives. The DGRV Interviewee is the co-operative training officer at the DGRV. He has been a member of a co-operative for many years and has a wealth of co-operative experience. The COPAC Interviewee is a co-operative development academic and practitioner and has been heading up COPAC's offices for many years. The CoT Interviewee is the Executive Manager of the Enterprise Development Programme in CoT that includes co-operatives, SMMEs and informal enterprises. He worked previously in the Co-operatives Development Unit in the DTI.

The interviews sought first to establish the Interviewees understanding of LED, as the substance of the interviews related to the role of co-operatives in LED. Information was sourced on the LED programmes that may have been implemented and the availability of secondary data on these programmes. Through the interview the researcher also tried to determine the opinions on the role of co-operatives on job creation, employment generation and poverty reduction. These insights proved invaluable as they are also supported in many cases by written evidence and other case studies. It was also noteworthy to get the Interviewees opinions on the various challenges co-operative experience in their development and promotion and to get an idea of the recommendations they would make to address the challenges co-operatives experience. Semi-structured interviews were also conducted with the managers of each of the three case studies. In this way, the researcher was able to gather additional information and insights from these co-operative managers.

With the exception of the interview that was conducted with the representative from the DGRV, all the interviews were digitally recorded and later transcribed. Due to some

technical problems, part of the interview with the DGRV was not recorded and only captured in writing. The list of questions that guided the interview process is attached as Annexure C. The data that was captured through the questionnaires and the interviews was processed and systematically analysed.

4.7 Qualitative data processing and analysis

Qualitative data analysis is a continuous process that occurs throughout the data gathering process until the point when the research is to be finalised (University of South Alabama, not dated: 1). In the process the researcher seeks to capture the contextual setting of the people who provided the data (Sage Publications, not dated a: 321) and in this way is able to provide a more human element to the research process. There are some key differences between qualitative data analysis and quantitative data analysis. The main difference is the fact that in the case of quantitative data analysis numbers are analysed in contrast to the analysis of text in the case of qualitative data analysis (Sage Publications, not dated a: 321). Quantitative data analysis also focuses mainly on factors that are able of being quantified whereas qualitative analysis focuses on meanings (Sage Publications, not dated a: 324). In the process of qualitative data analysis, data is documented and collected, then organized into concepts, relationships or commonalities are identified, results are corroborated and a final report prepared (Sage Publications, not dated a: 325).

The data that was collected through the interviews was transcribed and coded for ease of analysis. The data that was collected via the questionnaires were captured in an excel spread sheet for easier referencing, analysis and comparisons to be identified across the three case studies through a process of discovery (Sage Publications, not dated a: 322). The data gathered from the case studies were grouped into information clusters that sought to address two of the three objectives of the study, namely to assess the economic and social impact of co-operatives on the livelihoods of the members, and to evaluate the economic impact of the co-operatives on LED in the City of Tshwane.

The information was analysed to identify comparisons across the case studies and to identify common patterns that could assist in answering the research question (Leedy & Ormrod, 2010). The information gathered through the interviews with the interviewees was analysed to identify common experiences and perceptions in the area of co-operative development and support programmes and also the most common recommendations for further development.

4.8 Data verification

A researcher ensures the reliability of the research process by ensuring that the data has been appropriately captured and stored so that the results can be verified later by subsequent researchers (Mays and Pope, 1996: 110). The data can be verified by several means. In the first instance, all the questionnaires that were completed by respondents were completed in their own handwriting and these have been coded and filed for future reference purposes. This information has been captured on Excel spread sheets to assist in the analysis process. The information on the Excel spread sheets can be verified against the hard copies of the questionnaires that have been filed. All digital copies of recorded interviews have been saved and are readily available for subsequent analysis by any independent observers (Mays and Pope, 1995:110). The transcripts that have been made of these can be verified against the original recorded interviews. Within qualitative research design bias of the researcher does play a factor and should be acknowledged.

4.9 Reflexivity

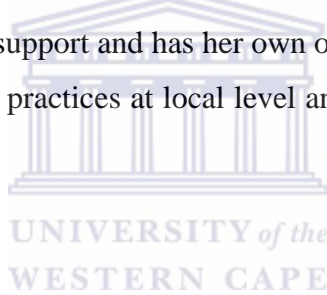
Reflexivity involves an acknowledgement by the researcher of his or her own biases that may impact on the research process (University of South Alabama, not dated: 12). Inherent in this research process was the researchers own awareness that her own beliefs and experiences in the field could impact on the research study. In an effort to minimise this effect every effort was made in the research analysis to ensure that the data captured and analysed would not be compromised by too much of her subjectivity (Reflexivity, 2014). However, the researcher acknowledges that her involvement in the research will have some kind of effect on the research (Anderson, 2014) and that her background and position will affect every aspect of the research (Robert Wood Johnson Foundation, 2014).

4.10 Limitations

One of the limitations of the study is that it was only possible to interview one person from each of the key stakeholder organizations, namely the DTI, CIPC, CoT, DGRV, COPAC and one representative from each of the three co-operatives, namely Rossdav, Sizameni and Sisiziwe, due to time and financial constraints. It would have been beneficial to the study if more views and differing inputs could have been included in the study had the study not been limited by these restrictions. Another key limitations was the reluctance of respondents to provide detailed information where requested. This can in part be attributed to a lack of education that was evident amongst some respondents. An effort was made to assist them in

completing the questionnaires more fully but there was a reluctance to acknowledge their own limitations by seeking such assistance. Some respondents were also reticent about providing financial information. The researcher is aware that there is this general reluctance amongst small business people to discuss the financial status of the businesses. Therefore to avoid this problem, questions were couched in a way that did not require information on actual amounts but simply an indication of percentages of such amounts. However, even this attempt was not able to secure the provision of the information. The information that was supplied was reliant on honesty and the willingness of respondents to provide the information needed. The researcher has no reason to believe that any of the respondents would not have been honest in their responses.

A further limitation is the researcher's own influence throughout the research process, in the drafting of the research problem/question, the preparation of the questionnaires, the interview processes and data analysis process. The researcher has many years of experience in the field of co-operative development and support and has her own opinions on the subject matter. She also has some experience of LED practices at local level and this would have some impact in the research process.



4.11 Ethical statement

Throughout the data capturing process, respondents were informed in writing and verbally that their privacy, anonymity, integrity and confidentiality would be maintained. In respect of the key stakeholders, their permission to quote them in the study was sought and this will be verified before publication of the final research study. All respondents were also advised that this was a voluntary process. Some members declined to participate in the study. Every effort was made to ensure that the research was conducted in accordance with the ethical and professional guidelines as specified in the disciplinary association of the Institute of Social Development of the University of the Western Cape and the intellectual property rights of other authors was respected throughout this research.

4.12 Time frame and location of the study

The study was conducted over a period of 6 months in the City of Tshwane municipality. One respondent was interviewed in Cape Town. The co-operatives were visited at their business premises and follow-up visits were made to conduct the interviews with the managers and to collect the completed forms. After the first interview with a key informant

the researcher decided to interview the remaining respondents outside of their workplaces as this provided more privacy and less interruptions.

4.13 Conclusion

The research process was designed to ensure that information was sourced that could assist the researcher in answering the research question by addressing the following specific objectives: assessing the economic and social impact of co-operatives on the livelihoods of the members, assessing the economic impact of the co-operatives on LED in the City of Tshwane; and finally, to formulate a set of recommendations that could be used to guide the implementation of the National Co-operative Strategy and provide lessons for other co-operatives. A qualitative research design was appropriately used as it allowed in-depth research of the issues and allowed the researcher to gather opinions and perceptions from respondents that are critical to a research of this nature.

The methodology that was followed ensured that the most appropriate methods and techniques were used to aid in ensuring that the data collection, recording and analysis was carried out in a way that was able to assist the researcher in answering the research question. The methodology adopted also ensured that data was recorded and stored correctly and that the research findings could be validated by subsequent researchers. However, the design process has short-comings that are acknowledged and which do not necessarily detract from the validity of the findings. The research process was an informative and learning experience that aided the researcher in addressing the research question. The detailed analysis of the data captured is outlined in Chapter 5.

CHAPTER 5: FINDINGS AND ANALYSIS

5.1 Introduction

The chapter provides an analysis of the empirical data that was collected in the study. As indicated in Chapter 4, a qualitative research strategy was adopted to ensure that detailed information was captured that indicates how the respondents perceive their participation in the co-operative and to determine why they make certain decisions. The data was analysed in order to address the three objectives of the study, namely to assess the economic and social impact of co-operatives on the livelihoods of the members, to assess the economic impact of the co-operatives on LED in the City of Tshwane and to formulate a set of recommendations that could be used to guide the implementation of the National Co-operative Strategy and provide lessons for other co-operatives.

The chapter includes an overview of the study area, its location, key economic activities and sectors and demographic information. Information on the various co-operative development support programmes are provided together with information on the LED programmes in the CoT. The primary data that was collected was organized and categorized as follows: information on membership, benefits of membership, employment, training and capacity building, participation in the co-operative, markets and local purchasing trends. The categorization of that data from the three case studies was done to show connections and similarities or differences that occur across them. Information collected through the in-depth interviews and survey questionnaires will be used to augment the findings and provide information on perceptions of key co-operative development stakeholders in the country.

5.2 Demographic information of CoT

The CoT is one of the three metropolitan municipalities located in Gauteng and one of 6 in SA. Gauteng is the smallest of the nine provinces but has a population of 11.19 million people constituting 22.4% of the country's population. The province has an area of 17 010 km² and it makes a contribution of 33% to the GDP of the country. South Africa's wealth was originally founded on gold and 40% of the world's gold reserves are found in Gauteng province (CoT, 2011: 32). CoT is the largest metropolitan municipality in South Africa, covering an area of 6368 km². CoT is divided into seven planning regions (CoT, 2011: 8). Table 2 below provides demographic information on CoT. The city of Pretoria which is

located within the CoT, is the administrative capital of the Republic and is dominated by government and a diplomatic corps of foreign representatives.

Geographically the CoT is very diverse, including both rural and urban areas in its make-up. Development within the different areas differs significantly with poorer over-populated previously disadvantaged areas alongside large regional open spaces and environmentally sensitive areas.

Table 2: Demographic information for CoT

Total population*	2,9 million
New CoT area – estimated total households	748,179
Estimated total informal households	99,468
Unemployment*	24.2%
No of indigent households (22)	82 100
Poverty levels*	27.86%

Source: CoT, Integrated Development Plan, 2011-2016, pages 17-19

*RSA. Parliament: City of Tshwane General and Regional Overview

The municipality contributes 27% to Gauteng's GDP, with major contributions coming from sectors such as government, social and personal services as well as finance and business services. CoT contributes at least 9.2% to the national economy (City of Tshwane, not dated: 5). In addition, 40% of South Africa's automotive output is produced in the municipality. The municipality also has a strong tourism sector that contributes to job creation and investment (RSA, 2013: 1) but it is driven by a largely service-based economy with government and financial services being the principle sectors (City of Tshwane, not dated: 5). The average annual household income is R182 822 and each working person supports on average 4 people (RSA, 2013: 8). The majority of poor people in CoT live in previously disadvantaged areas (RSA, 2013: 19).

5.3 LED initiatives in CoT

In order to stimulate economic growth, development and transformation the CoT seeks to enhance competitiveness, support job creation, skills development and poverty alleviation. This it will do through the development of SMMEs and co-operatives, the development and promotion of export markets, by attracting and facilitating investments and supporting business retention, by regulating businesses and informal traders and promoting sector

development and economic planning (CoT, not dated: 7). The municipality's strategic approach for LED is based on investment facilitation, entrepreneurship and enterprise development (CoT, not dated: 8). The key job drivers that have been identified include: the development of strategic partnerships, investment in fixed capital, facilitation of foreign direct investment, skills development, the procurement of local goods and service and the by seeking to diversify the local economy (CoT, not dated: 8). In addition to the aforementioned the CoT has identified 9 priority sectors. These are the automotive and components sectors, tourism and tourism-related services, agriculture and agro-processing, the aerospace and manufacturing sector, the knowledge and green economies sectors, business process outsourcing, mining and mining beneficiation sectors (CoT, not dated: 8). The CoT has committed itself to support 3000 SMMEs and 4000 co-operatives over the next 5 years (CoT, not dated, 4).

The CoT Interviewee indicated that most of CoT's LED programmes have been successful. The economic development programmes focus on SMME, co-operatives and informal traders. One of the programmes to support LED has been the incubation programme. He stated that:

When we are talking about the incubation programme, we have established more than 3 incubators in the city, where we accommodated SMMEs that will graduate after a period of 3 years. So from there, because the main important thing is that we maintain their standard of doing business or improve their standard of doing business in terms of providing them with equipment in terms of bringing the new technology, how they can do their best in terms of their work (Interview, 10 September 2013).

He stated further that through the LED programme:

We saw a positive impact in terms of alleviating poverty and then dealing with the issue of unemployment. And then the other issue in terms of dealing with the social impact is to take people from the street or from other illegal activities that is happening in our communities like crime and then other things selling drugs and then everything. But because of these programmes we managed because if you are creating a space for a person maybe to sell his tomatoes, I mean you are taking that person from a difficult situation (Interview, 10 September 2013).

However, he indicated that co-operatives have not yet been benefiting from the incubation programme. Co-operatives were supported mainly through capacity building programmes. The CoT Interviewee noted that the co-operatives in waste management “are doing a wonderful job”. However, when asked whether co-operative development was an important component of the LED programme he stated “it was not, to be honest it was not enough” (Interview, 10 September 2013). According to the COPAC Interviewee, integrating co-operatives into LED should be more than business as usual. From his point of view:

it is really about elaborating an approach to the local that is based on the particularities of the co-operative and associative form. It’s about thinking through the synergies that they have and they bring into local development. It’s about thinking through scale and marrying all of this of course to social need. So I think what I am saying is that if you were to look around the world today to find a co-operative and more broadly mutual and associative approach to local development it will either be a social economy or the solidarity economy (Interview, 5 November 2013).

These comments highlight the need to recognize the difference between the co-operative business model as opposed to other capitalist enterprises and that this should result in a different development approach. Furthermore he also states that co-operatives and other enterprises that form part of the social and solidarity economies, are key drivers of local development in cases where different approaches to development are sought. A co-operative development programme has been aggressively advanced in South Africa by government, the co-operative community and development community over the last 10 years. These developments have culminated in a number of guiding policy documents, support interventions and development programmes to support co-operative development in the country.

5.4 Profile of case studies

5.4.1 Rossdav Manufacturing Co-operative (Rossdav)

Rossdav is a leather goods manufacturing primary co-operative located in business premises provided by the CoT in the city centre. The co-operative designs its own patterns and does the assembly and stitching of the final products. The co-operative produces leather items such as handbags, belts, wallets, file covers, key-holders, shoes, etc. According to the Rossdav Interviewee the products benefit the local community because they are durable, in demand

and affordable as people are able to buy from the manufacturing plant. The co-operative was founded in 2009 during the time of the crisis experienced in the textile industry. The group started out with 5 members who were already skilled business people who decided to co-operate together and set up the co-operative. The co-operative has maintained the same number of members.

The co-operative was capitalised by the member's once-off contribution which was used to purchase the necessary equipment. No annual membership fees are paid. The co-operative received no external funding but have made applications for funding as they would like to expand their business operations. Members also contribute skills and experience to the enterprise. They were provided with technical assistance and marketing assistance by the South African Bureau of Standards (SABS). The co-operative's 5-year plan is to manufacture products for companies such as Woolworths, but this will necessitate establishing co-operation agreements with other co-operatives in the leather manufacturing industry.

The manager of the co-operative has been in the leather manufacturing business for many years and his products are of very high quality. The co-operative produces items that are in many cases of very high quality. The key challenge the co-operative is experiencing is the lack of finance to secure new machines and the inability to break into the market to target retail stores. Moreover, the local custodians of the infrastructure (business premises) are hampering the health of the co-operative as they have neglected to supply signage outside the premises that will give the co-operative more visibility. From the researchers observations the co-operative seems well-established and managed professionally by competent leadership and management.

5.4.2 Sisiziwe Skills Development Co-operative (Sisiziwe)

Sizamani is a primary co-operative that was founded in 2010 by a group of 10 individuals. Some of the members were already engaged in the manufacture of linen products prior to the establishment of the co-operative. According to the Sisiziwe Interviewee the reasons the co-operative was started was "to get income and to help our community. They want some things they must not go to town, they must get everything near" (Interview, 3 September 2013). The co-operative manufactures upholstery, leather handbags, sews cushions and carpets etc., and provides sewing training and cleaning services. The co-operative has been provided with business premises by the CoT in Hammanskraal. The co-operative's premises are visible

from the main road, but the co-operative has not taken advantage of this by ensuring that their signage is up. Members did not make any financial contribution on joining the co-operative. One respondent indicated that “another contribution” was made and a second that some money was paid to the co-operative but to cover the costs of the person who was probably doing the marketing. No annual fees are paid by members.

The co-operative managed to secure a 4 year contract with the Department of Social Development to supply school uniforms. The Sisiziwe Interviewee stated that the 5-year plan is to grow the co-operative and to be in bigger premises. According to her “in the next 4 to 5 years we want to see ourselves in a big factory” (Interview, 3 September, 2013). In order to realise these plans and to secure more work they have already commenced plans to set up a secondary co-operative with 4 other primary co-operatives in the area. She stated further that by co-operating or working together with other co-operatives: “We think maybe that if we apply for the job, they can give us a job because we are together” (Interview, 3 September 2013).

The manager of the co-operative is a skilled seamstress and has provided sewing training for various other organizations and has also trained the other members in the co-operative. However, the co-operative needs some assistance in quality control. However, like any other businesses, they have to contend with competition from other local suppliers. According to the Sisiziwe Interviewee:

The problems and challenges is the Indians and Chinese. When we make curtains, let me give an example. When we make curtains and if you say I want the curtains I give you a price and I ask you a deposit and then the Indians and Chinese, many many many, these people that are coming from outside, they say I got curtains here. I can give you then you can start paying next month, then the customer they leave. It's a big challenge, we lose the customers (Interview, 3 September 2013).

The researcher's observed that this co-operative requires additional assistance to ensure that it manufactures products for which there is a wider market. It manufactures very common products that are readily available at retail outlets at more prices, such as curtains, pillows and linen etc. Quality testing of the products is also something that needs some attention.

5.4.3 Sizameni Construction Production Primary Co-operative (Sizameni)

This co-operative was initiated by two women who were already working in the manufacturing business. As the demand for their products grew they decided to establish a co-operative. According to the Sizameni Interviewee:

We were working in a firm. The owner of the firm said he's no more interested in the work. Which is whereby he gave us the machines. We were sewing where we were working and he then, he just said take these machines. We started little by little, then we saw look we can do it, we can do it. Then when the work become plenty we started doing the co-operative (Interview, 5 September 2013).

The co-operative was registered as a primary co-operative in 2009 and its main business is to repair and manufacture upholstery, handbags, pillows and carpets. At the present moment, the co-operative has 10 members. Four of them work consistently in the co-operative and a fifth works inconsistently. According to the Sizameni Interviewee there are 5 "silent partners". These are members who are not working in the co-operative as there is insufficient work and who have gone off to seek employment elsewhere. However, they are still interested parties and the understanding is that if the co-operative secures work that the 4 active members cannot carry out alone that the "silent partners/members" will be called in to assist. These "silent partners/members" do not benefit financially from the co-operative while they are not working for it. As a worker co-operative, the members only benefit on the basis of their employment in the co-operative.

Members did not make a once-off contribution to capitalise the business but do make financial contributions to buy material for the co-operative when there are no funds. They also do not pay annual fees to the co-operative. The co-operative does not market its products and services very effectively. The items that are produced have no branding or marketing material, namely tags to indicate that it was produced by the co-operative. The co-operative requires technical assistance from SABS to ensure that they produce items of a much higher quality. They seem to rely on word-of-mouth to secure clients. Signage is also absent from the outside of the premises and also on the door of the co-operative. The co-operative's 5-year plan is to grow in size (increase in employees); to relocate to bigger business premises and to be manufacturing goods for retailers such as Woolworths and Edgars. The key challenges that the co-operative is experiencing is a lack of work, having to haggle over prices

with clients who do not want to pay the quoted price for services/products and lack of financial support to purchase a machine with which they can manufacture wallets and purses.

At Sizameni, the researcher observed that the co-operative has a lot of potential. They have managed to get a local person to mentor them in their business. Additional technical skills training is also needed to ensure that the quality of the items manufactured is improved and that the co-operative diversifies its products range. During the study the researcher introduced the manager of Rossdav with the manager of Sizameni and hopefully this will lead to a long-term collaboration between the two co-operatives that will be mutually beneficial.

5.4.4 Membership

The success of a worker co-operative depends, amongst other things, on the members' skills, education, willingness to participate in the activities of the co-operative, and a common need or aspiration. According to the definition of a co-operative, persons may decide to co-operate because they have a joint economic, social or cultural need and a desire to form a democratically controlled and owned enterprise. Members in the three co-operatives listed a number of reasons for joining the co-operative.

Table 3: Reasons for joining the co-operative

	Rossdav	Sisiziwe	Sizameni
Business growth	<ul style="list-style-type: none"> Enhancement of the business of the co-operative (to create jobs) For the growth of the business 		
Job creation	<ul style="list-style-type: none"> to find a job 	<ul style="list-style-type: none"> To secure employment To get an income 	<ul style="list-style-type: none"> Being responsible for own income Build own work Create jobs
Markets	<ul style="list-style-type: none"> Access to markets 		
Funding	<ul style="list-style-type: none"> Access 		

	government grants		
Pooling of resources	<ul style="list-style-type: none"> Benefit from the advantage that the diversity of resources offers 		<ul style="list-style-type: none"> Be stronger by working as a collective
Concern for the community		<ul style="list-style-type: none"> To help out the community 	<ul style="list-style-type: none"> Assist the community
Skills development		<ul style="list-style-type: none"> To provide skills so that people could sustain themselves To gain experience and to put learned skills to practice 	<ul style="list-style-type: none"> Being passionate about design Help others who are unemployed by providing training Enhance own skills
Business skills development		<ul style="list-style-type: none"> To learn more about business 	<ul style="list-style-type: none"> To gain more knowledge about the business

Source: Fieldwork survey, September, 2013

As can be seen from Table 3 above, the common reason across all three case studies is that of job creation. This is contrary to the views expressed by the DTI Interviewee who stated that most co-operative are established to access the DTI incentive. The unfortunate belief of many members in worker co-operatives is that this expectation will be achieved simply by virtue of their membership. Members fail to recognize that if they do not have the necessary skills or experience securing employment, even as a collective, can be a tough challenge. According to Philip (2003: 20), most co-operatives in South Africa are set up by unemployed and people with low skills levels. In addition to these challenges another common problem amongst co-operatives is that they start off with more members than the co-operative can realistically support (Philip, 2003: 20) especially in cases where the co-operative wants to address the challenge of unemployment in the community. The reality of this can be seen in the cases of

Sizameni where more than 50% of its members are silent partners/inconsistent members due to the shortage of work.

For Rossdav, 75% of the respondents felt that their expectations were met. The reasons cited by those whose expectations were not met is that the business is still in its infancy and has not yet realised the objective of job creation and because the markets were not yet open (Fieldwork survey, Pretoria, September, 2013). In the case of Sisiziwe 71% indicated that joining the co-operative met their expectations. One of the reasons the respondents noted for being dissatisfied was because the co-operative was not able to secure a tender from government which left the co-operative struggling on its own (Fieldwork survey, Pretoria, September 2013). In the case of Sizameni, just over 33% felt that their expectations were met. Reasons for dissatisfaction include lack of a market and lack of equipment and fabrics (Fieldwork survey, Pretoria, September 2013). The membership breakdown per co-operative is as follows:

Table 4: Membership of Rossdav Co-operative

Year	No of members	No of women	No of youth (35 & under)
2009	5	3	0
2010	5	3	0
2011	5	3	0
2012	5	3	0
2013	5	3	0

Source: Fieldwork survey, September 2013

Table 5: Membership of Sisiziwe Co-operative

Year	No of members	No of women	No of youth (35 & under)
2010	7	6	3
2011	7	6	3
2012	7	6	3

Source: Fieldwork survey, September 2013

Table 6: Membership of Sizameni Co-operative

Year	No of members	No of women	No of youth (35 & under)
2013	10	9	4

Source: Fieldwork survey, September 2013

As stated earlier, not all the members are active in this co-operative. Some have gone out to seek employment as there is not enough work available from the co-operative's business operations. According to the Sizameni Interviewee: "The ones who are constantly working, we are 5 I think. The other 5 are silent partners but they are still interested. When we were 5, 4 of us are here then this one is in and out" (Interview, 5 September 2013). This behaviour is supported by a study that was conducted by COPAC (2005: 18) where it was noted that if the co-operative is not able to sustain economic activity and therefore address the needs of the members for an income then the members are likely to leave the co-operative.

5.4.5 Employment

All three co-operatives are worker co-operatives who seek to provide employment to their members. Rossdav provides employment to all 5 members. In this co-operative not all the members are involved in the manufacturing. Some are involved only in the management of the co-operative. In contrast the members of the two other co-operatives, are all expected to engage in the manufacturing side of the business with little if any effort being placed in the business management of the co-operative. In Sizameni, some of the members do not actively participate in the co-operative as the work available and income generated cannot sustain all 10 members. Only 4 members work continuously, 1 works inconsistently and the rest have gone to seek employment elsewhere. This trend amongst certain co-operatives, to overburden the co-operative with labour it cannot sustain, as mentioned earlier, was noted by Philip (2003: 20). The Sizameni Interviewee indicated that: "We sometimes don't have work at all. And when we don't have work, there's no money and food" (Interview, 5 September 2013). In the case of Sisiziwe, they were able to secure a contract with the Department of Social Development. This contract does provide some relief for the members.

Both Rossdav and Sisiziwe have both employed additional people (non-members) in their co-operatives. An additional 3 employment opportunities were provided by Rossdav in 2009, and together the two co-operatives offered an additional 9, 6, 8 and 9 employment

opportunities during 2010, 2011, 2012 and 2013, respectively. No further information regarding the duration of the employment opportunities offered was made available, except in the case of Sisiziwe where the key respondent interviewed noted that its additional jobs were seasonal.

Table 7: Employment statistics of non-members: Rossdav

Year	No of employees	no of women	no of youth (35 & under)
	3	2	1

Source: Fieldwork survey, September 2013

Table 8: Employment statistics of non-members: Sisiziwe

Year	No of employees	no of women	no of youth (35 & under)
2010	6	5	3
2011	3	2	1
2012	5	3	2
2013	6	2	2

Source: Fieldwork survey, September 2013

The total employment opportunities offered by the three co-operatives to its members and non-members is as follows:

Table 9: Total employment opportunities offered

Year	Rossdav	Sisiziwe	Sizameni
2009	8		4
2010	8	7 (6)	4
2011	8	7 (3)	4
2012	8	7 (5)	4
2013	8	7 (6)	4
Average per year	8	7 (ave. 5 seasonal jobs per year)	4

Source: Fieldwork survey, September 2013

This shows that the co-operative is able to sustain existing jobs and to create new ones. Additional information on the new jobs created (both permanent and seasonal) is provided in Table 10.

Table 10: Total new jobs created

Activity prior to joining the coop	Rossvav**	Sisiziwe	Sizameni*
School		3	
Unemployed	1	3	2
Self-employed	3	1	3
Employed elsewhere			4
Employees	4	5***	
New jobs made available	4	6 (5 seasonal jobs)	2

Source: Fieldwork survey, September 2013

Notes: * 1 member did not participate in the study
 ** 1 member's questionnaire was not submitted
 *** average number of seasonal jobs

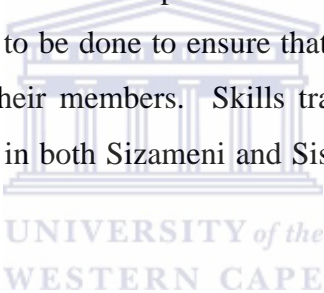
The information provided in Table 10 shows that the three co-operatives were able to generate new jobs when they were initiated and were able to sustain these over the years. However, the nature of these jobs is something that needs further elaboration. The potential of co-operatives to create jobs is recognized globally. The statistics of the ICA on the employment opportunities that are provided by co-operatives indicate that co-operatives provided employment to 100 million people globally. Closer to home, one of the more well-known local co-operative success stories, the Heiveld Co-operative Limited offers employment to 100 people (COPAC, 2008: 79) and in Kenya the Kenyan Co-operative Union benefits not only its 60 000 member farmers but have created positive impacts downstream through 200 000 jobs (COPAC 2008: 33).

The DTI Interviewee supports the view that co-operatives that are managed correctly can achieve sustainability that can aid in job creation and poverty reduction. She states that: "If it is done correctly, then yes, it will still be sustainable, it has a massive future in terms of creating jobs" (Interview, 3 October 2013).

The German Co-operative and Raiffeisen Confederation (DGRV) Interviewee supports the view that sustainable co-operatives, like other small businesses, can provide employment to large numbers of people. In his view:

When you look at the impact of small business in generating employment, even in countries like America, when the small businesses are stable, they become employers of many people, more than the big conglomerates. So even in South Africa, if these smaller co-operatives, as businesses, they can grow they can even be able to bring employment which is not far from where the people stay in the rural areas. It can reduce the migration of people to big cities but make those local areas also be creators of employment (Interview, 28 August 2013).

What is clear from the above statistics and from the researcher’s observations of the operating conditions of the three case studies is that co-operatives do have the potential to create jobs in South Africa but that more needs to be done to ensure that co-operatives are able to provide decent and sustainable jobs for their members. Skills training and business training were observed as key elements lacking in both Sizameni and Sisiziwe. Rossdav could be assisted through market linkage support.



5.4.6 Benefits of membership

Members benefit from a co-operative in proportion to their participation in the co-operative, be this economic or social benefits, they are only gained when members participate in the all activities of the co-operative. In addition to the employment potential of the co-operatives as noted in 5.5.5 above, Table 11 provides information on additional benefits of membership in the co-operative that was revealed through the survey that was conducted.

Table 11: Benefits of membership

	Rossdav	Sisiziwe	Sizameni
Economic	<ul style="list-style-type: none"> • sharing of resources • business expansion • banking risk reduced • support services from government 	<ul style="list-style-type: none"> • an income 	<ul style="list-style-type: none"> • an income

	<ul style="list-style-type: none"> • market access 		
Social	<ul style="list-style-type: none"> • working as part of a team • interchange of business skills • firm goal and discipline • interchange of knowledge and ideas 	<ul style="list-style-type: none"> • understand more about business • training 	<ul style="list-style-type: none"> • participation in exhibitions • attend meetings • gain knowledge • freedom to design own products
Improvement in standard of living	0%	71% agree	66.6% agree
Able to support family members	5 people	22 people	41 people

Source: Field survey, September 2013

Table 11 indicates that all three case studies members gain both economic and social benefits from their participation in the co-operative. It is important to recognize that the social benefits of co-operation sometimes far exceeds the economic benefits and the importance of acknowledging the social impacts is critical when measuring the success of a co-operative. As noted by Birchall (2009b: 43) co-operatives that are at a subsistence level would struggle to lower the financial poverty of members, but may reduce the non-financial poverty. In many countries the success of co-operatives is measured in terms of its social impact and not turnover (COPAC, 2008: 6). This is because co-operatives are both economic and social institutions. However, co-operators measure the impacts mainly in terms of economic benefits and seldom realise the impacts of the social benefits that they gain. In Table 11 above, members of Rossdav acknowledged that they gained more social benefits than the other two co-operatives, but they have failed to recognize or acknowledge the impact it has had on their lives. For Rossdav the fact that membership did not improve their standard of living can be attributed to their belief that this did not happen as there was no change in their financial positions before and after joining the co-operative.

The absence of a positive economic change can indicate that this new collaboration did not necessarily bring in new skills (technical or business) that could lead to new business ideas

and opportunities for the members. It could also indicate that the production output of the members and employees has already reached its maximum and that collaboration did not lead to an increase in production output. The Rossdav Interviewee indicated that the business was looking at securing a contract with one of the big retail stores but this would only be possible if they can show that they have the production capacity to secure a national contract. They are still in discussions on how to achieve this without placing the business at too much risk. One suggestion was to collaborate with other co-operatives in the leather goods manufacturing sector.

In the case of Sisiziwe and Sizameni, where members indicated that they gained an income as a benefit of their membership, 71% and 66.6% respectively, agreed that there was an improvement in their standard of living. This could also be attributed to their belief that this could only be attained through the economic benefit that was gained. In Sisiziwe more than 85% of members were previously unemployed and in the case of Sizameni, more than 22% were previously unemployed. In the case of Sizameni of the more than 33% who were *self-employed* together with the more than 44% who were *employed elsewhere*, more than 44% felt that membership improved their standard of living.

Table 11 also shows that co-operation is able to provide economic benefits not only the members but also their dependents. While Rossdav, Sizameni and Sisiziwe only employ 24 people, they support a larger group of 68 family members. What this suggests is an assessment of the impact of co-operatives should not only look at the membership figures of the co-operatives but also give recognition to the larger group of family members who benefit from the co-operative. Studies on successful co-operatives throughout the world have supported this finding. In Kenya, it was found that each of the Kenya Co-operative Union's 60 000 members supported a household with on average 8 members that means that 480 000 people benefit from the co-operative (COPAC, 2008: 33). In order for a co-operative to reach the levels of success to allow it to achieve these benefits, it requires a number of support interventions, including training and capacity building.

5.4.7 Training and capacity building

Training and capacity building of members is important to ensuring the success of a co-operative. It is for this reason that education and training is one of the key principles of co-operatives. As noted earlier in this study, of the success factors of the Mondragon Co-

operative Corporation (MCC), one of the more well-known co-operative success stories globally, is education (Flecha and Santa Cruz, 2011: 158). Unfortunately the majority of co-operatives in South Africa are established by people with low skills levels (Philip, 2003: 24). Co-operatives have a duty to provide training to their members. It is especially important that new members are provided with induction training. In addition to the in-house training and information that is provided to members on the business of the co-operative annually (100% of members of Sizameni and 86% of members from Sisiziwe) additional training support is also provided by co-operative development stakeholders. Table 12 lists the training and capacity building programmes members attended.

Table 12: Training support

	Rossdav	Sisiziwe	Sizameni
Technical skills training	75% have attended	86% have attended	55.5% have attended
Description of courses	<ul style="list-style-type: none"> • Leadership & management • exhibitions • pricing • computer skills • communication skills 	<ul style="list-style-type: none"> • marketing • <i>Dress-making</i> • <i>Italian dress-making patchwork</i> 	<ul style="list-style-type: none"> • Advertising marketing • financial course • how to run a business • <i>hand bag making</i> • <i>Italian dress-making</i>
Co-operative training	25% have attended	28.5% have attended	66.6% have attended
Description of courses		<ul style="list-style-type: none"> • marketing 	<ul style="list-style-type: none"> • Business structure • co-operative concept and governance • financial management

For a co-operative, as for any other business technical skills training and business training is very important. However, this needs to be relevant training that will impact positively on the business operations and members' development. From Table 12 above it can be seen that

Rossdav members had not attended any formal technical skills training relating to the manufacture of leather goods, but the members are skilled in their craft and also offer training to one another and their employees. They have attended several business training courses. Sisiziwe and Sizameni benefited from some technical skills training. However, based on the researcher's observations, Sisiziwe needs to diversify its product range and could perhaps use the patchwork skills training they received to do so.

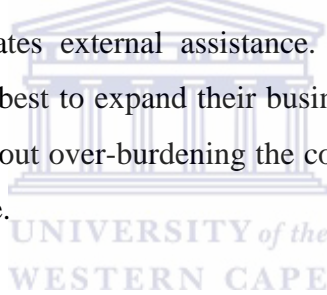
Sizameni has benefitted from technical skills training but an assessment of the products they manufacture reveals that more technical skills training is required to develop their skills. They do actively seek to diversify their product range by manufacturing special orders for clients. In all three co-operatives, members brought prior skills to the enterprise and transferred these skills to other members. This is supported by research which shows that in a lot of co-operatives members bring prior skills and experience to the co-operative as well as gain skills through their participation in the cooperative (COPAC, 2005: 32). However the finding that the skills levels in the co-operatives are low is supported by Philip (2003).

All three co-operatives have attended business training courses. Rossdav has seemingly recognized the importance of proper business training skills, unlike Sisiziwe and Sizameni, who are clearly at a greater disadvantage for this lack. Business training should go beyond simple marketing training. If we look at the example of training in costing/pricing, this is something that has a direct and immediate impact on the economic viability of a business. However, many small businesses, including co-operatives, fail to understand and properly apply costing skills in their businesses. Entrepreneurs often may not see the importance of proper costing when balancing that with the need to retain a client even if that is not an economically sound business decision.

For example, in an exchange that the researcher observed between the Sizamani Interviewee and a client a business decision was made to reduce the cost of an item without proper planning. A client walked in and discussed the price for the manufacture of an item. When questioned later on if she had costed the reduced price correctly, the Sizameni Interviewee did not fully understand or comprehend basic costing principles. For her it seemed that retention of the client was more important than determining whether they would be making a profit from this service. This bartering for lower prices is one of the challenges cooperative members face and in this instance, proper costing becomes more important. She noted that:

Like this person when I was telling him it's [manufacture of leather lounge suite covers] R7000.00 he said "no it's too much, it's too much". I have to go down a little bit then we come to an understanding. So now that is the biggest challenge. Yes, that's the biggest challenge, people don't want to pay.

In a study that was conducted by COPAC in 2008 on successful co-operatives, they found that one of the key factors in successful co-operatives is the quality of leadership in the board of the co-operatives and the management (COPAC, 2008: 13). The lack of sound business management practices critically impacts on the development of co-operatives. Bearing this in mind a correlation can be drawn from the more successful Rossdav co-operative that has benefited from more business management training and is now able to exercise sound business management practices and that of Sisiziwe and Sizameni, who lack these skills. This lack of skills is a key capacity constraint that impacts on the ability of Sisiziwe and Sizameni to improve their economic outputs. In the case of Rossdav, the key constraint is access to additional markets that necessitates external assistance. They also need some strategic business support to identify how best to expand their business operations while retaining the quality of their products and without over-burdening the co-operative with excess labour that cannot be sustained into the future.



Training and capacity building programmes have failed to address the capacity constraints co-operatives experience. Providing targeted practical business and technical skills training to co-operatives and small businesses then they would stand a better chance of success. The CoT Interview noted that:

As a municipality we are working in terms of targets, to say this year we have got 3500 targets for co-operatives, but the support is the thing that we are not happy about. Because when you organize a workshop and you have 100 people/co-operatives whatever it is called a support. You see it's called a support. Work-shopping, giving them information on procurement or whatever, it is called a support so it is recorded as co-operatives support. But in terms of the impact it doesn't show anything because we are hoping to say that if we are saying that these are the coops that we supported (Interview, 10 September 2013).

Another factor that impacts on the success of a co-operative and the benefits that members gain from the co-operative relates to the members' participation in the co-operative.

5.4.8 Participation in activities of the co-operative

Member economic participation is one of the seven principles of co-operatives which rightly places it as one of the important elements that guide co-operation. Participation in the activities of the co-operative ensures that a member, as an owner, is empowered to make decisions that affect his/her interests in the enterprise. Table 13 below outlines members' participation in their co-operatives.

Table 13: Participation levels of members

Activity	Rossdav	Sisiziwe	Sizameni
Participation in members meetings	100%	14.2%	66.6%
Participation in all activities of the co-operative	100%	43%	89%
Attendance of Annual General Meetings (AGMs)	75% of members attend (1 respondent did not provide an answer)	No response or unclear what an AGM was	No formal AGMs

Source: Fieldwork survey, September 2013

From Table 13 above it is evident that Rossdav places a high value on members' participation in all aspects of the business. It can also be concluded that members in Sisiziwe and Sizameni do not fully appreciate their rights and responsibilities of membership. Low participation levels in decision-making and participation in economic activities of the co-operative impacts negatively on the success of the co-operative. This in turn impacts on the benefits that members hope to get from the co-operative. What this could suggest is that members may not clearly appreciate the idea that they are business owners. If members understood clearly that they were business owners they would have a vested interest in the success of the business and would seek to participate more fully in all aspects of the business.

These low levels of participation in Sisiziwe and Sizameni would then suggest that training on the concept of co-operatives is needed within these two entities. In the case of Sizameni, low levels of participation in members' meetings and economic activities can also be attributed to the fact that 50% of the members are "silent partners" whose interest in the co-operative is limited. The low levels of participation in members' meetings can signify that these "silent partners" are not performing their responsibilities as members and that they have transferred the burden of ensuring the success of the co-operative onto the shoulders of other members. According to the CIPC Interviewee:

the majority of members must participate. You don't get something like a silent partner. If you are effective economically then it is to your advantage. People benefit in terms of what they used and the extent of the business they did [with the co-operative] (Interview, 6 September 2013).

The low level of participation in the activities of the co-operative in Sisiziwe may suggest that work in the co-operative is not constant for all the members. The absence of Annual General Meetings (AGMs) in Sizameni and Sisiziwe is of some concern. AGMs are the key decision-making tool that empowers members in a co-operative and the lack of AGMs seems to suggest that members are disempowered. Even highly successful co-operatives such as the Kenyan Co-operative Union (KCU) that was started in 1950, recognise that the General Meetings are the most important decision-making body and in fact two are held each year (COPAC, 2008: 37). It may also suggest that democratic decision-making is not practised in the co-operative, which according to KCU is the backbone of their organization (2008: 38).

This in turn would then raise the question of ownership in the co-operative. Are the members really owners or simply employees? This lack of formal co-operative business practices puts into question key concerns that could lead one to argue against these being "genuine" co-operatives. That is co-operatives that are founded on internationally recognised values and principles of co-operation.

5.4.9 Marketing

Securing a market is linked to the quality of the products and services that are offered. Many small businesses, like emerging co-operatives, automatically assume that if they have a product or service to offer, irrespective of the quality, they can secure a market. Very little

planning and market research is carried out to ensure that they have a marketable product or that there is a need for the services and products in the immediate/local market. In the effort to support emerging enterprises government may seek to create 'false' markets for these emerging enterprises in an effort to assist them, through offering procurement opportunities. However, in the long run this tends to exacerbate the problem of dependency that small and emerging enterprises have on government support and fails to prepare them to face the free market economy within which most businesses operates.

All three co-operatives target their local markets. The location of the co-operative, signage and branding plays an important part in the marketing of the business. With the exception of Rossdav, the other two co-operatives do not seem to understand these marketing concepts sufficiently to use it to their advantage. Rossdav is located in central Pretoria in premises provided by the CoT. One of the challenges they have with these premises is that they are not allowed to place their signage outside the building. They rely on word-of-mouth and exhibitions to market the products. They have a brand by which people can identify their products in the market-place.

Sizameni is located in the township of Mamelodi at a local non-governmental organization facility and has limited marketing capacity and visibility, and relies mainly on word-of-mouth by existing clients. When the concept of branding was discussed with the manager the researcher observed that this concept was not understood very well. However, the co-operative is working on manufacturing products such as handbags that can clearly be identified with the co-operative in the local market.

Sisiziwe, is located in Hammanskraal in premises that are visible from a local main road. However, the co-operative has not taken advantage of its prime location to market itself more visibly. There is no visible signage outside the premises to identify the business or its products. The Sisiziwe Interviewee indicated that the signage had been blown off by the wind. The co-operative has a secure market for the manufacture of school uniforms from the Department of Social Development but this work is seasonal. When the contract work for the year has been completed, the co-operative members actively go out to secure additional work in the local areas. The Sisiziwe Interviewee stated:

I have marketing skills that is why I put the form in the bag. I was just by the school to ask a job. I have 3 schools, I have to go and sign the contract with them for tracksuits and everything. Last time I was not so clever, I was training the prisoners all over North West but I didn't know I could ask them the tenders (Interview, 6 September 2013).

Like all other small businesses, the co-operatives have to contend with competitors in the market. Rossdav produces high quality leather goods that are branded with the Rossdav logo. The key competitors in the market are Packwell, Mongoose and Leather Dr. According to the manager of Rossdav there has been no increase in competitors since the co-operative started operations and the business has been improving in the area. He indicated that they want to secure contracts with stores like Woolworths. The researcher observed that the quality of Sizameni's products is reasonable and that a lot can still be done to improve the quality. The main competitors are local shops and vendors. Notwithstanding this, the manager of Sizameni indicated that the co-operative's business has been growing in the area and that in order to address the competition they have changed their prices and products so that theirs does not look like the other products on the market.

The researcher observed that the quality of Sisiziwe products needs some extra effort and support to ensure that they can sell their products on the open market. Their main competitors are the foreign retailers and retail shops who sell reject items at low prices. The foreign retailers also offer more convenient payment options that the co-operative cannot compete with. The quality of products and services, especially for small emerging businesses that rely on word-of-mouth is crucial to the long terms success of the business. Successful co-operatives around the world recognize that success is dependent on manufacturing products of very high quality (COPAC, 2008: 70). This consistent attention to the quality of products can ensure the retention of existing clients and also help in securing new clients. Market access is a huge challenge for many businesses and so product quality plays an important role in securing new markets or retaining existing markets.

The economic activities of these three co-operatives carried out within their local areas ensures that products, services and local resources are retained in the local area. By providing these products the co-operatives ensure that local people spend their resources in the area and therefore support local job opportunities in the area by supporting the three businesses. The

local spending trends of members and the co-operative businesses can provide some information on the impact the co-operatives have on the local communities.

5.4.10 Local purchasing trends

Local purchasing trends will be used as a tool to evaluate the impact of co-operatives on the economy of the CoT.

Table 14: Purchasing Trends

	Rossvay	Sisiziwe	Sizameni
Personal support to local businesses	100% agree	43% agree	55.5% agree
What businesses are being supported	Mogale Pottery Coop, Leatherwise, Hanniton, Factory Shop, Makulo Hopan, tannery, suppliers of all local raw material, retailers for goods, foam shop, Gezina machines	Local grocer; local fruit & vegetable; local fabric stores, emblem designer and embroider	SOS Village, Lesotho Agency, local retailers, grocers, shoe store, doctor, dentist, local mall
Difference in local spending habits now that a member of the co-operative	50% agree Want to support other co-operatives; buy in bulk and only locally; good interchange of business transactions	57% agree Better spending on groceries; able to buy around, use local transportation services (taxi); pay for crèche; purchase of material and groceries	44.4% agree Can now afford to buy what is desired, discounts from other co-operatives, able to buy new things
Support to another local co-operative	100% agree	100% agree	55.5%
More money	50% inside	100% inside	89% inside

spent inside / outside CoT	25 % outside (material not available in CoT)		1 respondent did not provide this information
Average % of salary spent inside the CoT	No responses provided	28.5% spend <u>about 50%</u> 71.5% spend <u>more than 50%</u>	44% spend <u>less than 10%</u> 11% spend <u>about 50%</u> 11% spend <u>more than 50%</u> 22% spend <u>100 %</u>
Principle market for the co-operatives products and services	Surrounding communities, CoT, Unisa Craft Market, Pretoria Show, Trade Fairs, boutiques, individuals retailers and government	Pretoria, Hammanskraal, at local schools	Pretoria, local shops, free market

An analysis across the three case-studies shows that more than 66% of respondents support local businesses. This ranges from suppliers of the business to local service providers such as dentists and doctor and retail outlets. This shows that this tendency amongst co-operatives members ensures that resources are retained in local communities. Just over 50% of all respondents noted that their spending habits have changed as a result of their membership in the co-operative. The reasons given for this is that respondents were now more inclined to support local businesses given that they themselves are a local business and because some respondents can now afford to support local businesses. More than 80% of all respondents indicated that they would be willing to support another local co-operative. This shows that the respondents support the principle of co-operation amongst co-operatives. By supporting one another, co-operatives assist in the process of building a co-operative movement within their localities.

By establishing a culture of reciprocal support, these co-operatives can start collaborating with one another to establish co-operative enterprises at higher levels of co-operation that can address joint marketing and supply needs and in this way reduce business transaction costs.

By keeping business practices “local” these enterprises aid in ensuring that local economic resources are retained in the locality, transaction costs are reduced for local businesses and knowledge and skills transfer occurs across local businesses making them more competitive in the local markets. The researcher observed that all three co-operatives have taken positive steps towards collaborating with other co-operatives. In the case of Sisiziwe, the Interviewee stated that: “I heard again about the secondary co-operative. I am going to the other co-operatives let’s be together to make a secondary. We think maybe that if we apply for the job, I just think they can give us a job because we are together” (Interview, 3 September 2013). After hearing about Rossdav’s plan for the expansion of their business by securing a national contract with a retailer like Woolworths and the capacity constraints they faced, the researcher informed them that Sizameni was also in the business of manufacturing leather goods. Prior to the completion of the study the researcher was advised that the two managers had already had some meetings to discuss a future collaboration.

Almost 80% of respondents indicated that they spend more money inside than outside the CoT. The reason given for those who spend money outside the CoT was because resources needed were not available in the CoT. This shows that 80% of locally generated resources (resources generated through the businesses) are retained in the CoT. The principle market for all three case-studies is local shops, communities, local retail outlets etc. This practice of small business targeting the local market is supported by research that shows that most start-ups target local markets. They do this because they know the areas and do not have to face high logistical costs associated with transporting and marketing the products (Philip, 2003: 20). In this way local businesses are supported, jobs are retained or created and a positive impact is made on Local Economic Development within the CoT.

5.5 Future role of co-operatives in the South African economy

All of the interviewees share the view that co-operatives have an important role to play in the South African economy. The COPAC Interviewee notes that the future of co-operatives in South Africa is “very exciting” because the development challenge is big and the co-operative alternative will become increasingly important. The inclusion of the solidarity economy in South Africa will create a whole new and interesting scenario that will impact positively on the future of co-operatives in the country. However, he states that:

If you are just going to institutionalise co-operatives in a community and if it is not linked to a wider vision and a wider strategy and with agency from below, you'll end up setting up another form of business enterprise and it won't really meet the requirements of the social, economic and the environmental. It won't have that value-centred practice. So I think again that this question about whether they have a place or not also depends on how they are initiated, this is very, very crucial (Interview, 5 November 2013).

The view of the CIPC Interviewee is that:

Yes, definitely. I believe co-operatives have a role to play as I said previously. The advantage of a co-operative is there are no sleeping partners. You benefit in terms of what you contribute, there is a definite bond and in some cases I don't think there are other options that are a better vehicle (Interview, 6 September 2013).

In his view sleeping partners cannot exist in the co-operative. However, this contradicts the reality of Sizameni where it was indicated that 50% of the members are sleeping partners. His argument seems to be premised on the notion that if a member does not participate in the activities of the co-operative his/her membership will be terminated. However, the reality in South Africa, as shown in this study, is that there are co-operatives with sleeping partners. These sleeping partners/members wish to retain their membership in the co-operative without participating in the activities of the co-operatives for various reasons. The inherent dangers of that are fairly obvious. These members may seek to gain their "rightful" benefits at a later stage without having supported the development of the business. However, in co-operatives, such as Sizameni and Sisiziwe, who do not fully understand and appreciate the importance of members' meetings and annual general meetings, where these matters can be addressed, this remains a potential problem for the future.

According to the DTI Interviewee co-operatives can create a positive economic and social impact on their members if supported properly. She states:

Look at the successes at what happened in the rest of the world. Look at what were the successes in South Africa under the apartheid regime. I mean ...co-operatives were very successful and why can't we create the same for...currently in the new regime to

empower people in rural areas, to empower people that needs empowerment (Interview, 3 October 2013).

Her statement raises the question so many co-operative development practitioners ask and which is revealed by the study. How can we realise the potential of co-operatives in South Africa? The study reveals limited economic and social benefits to the members and jobs which are either seasonal or inconsistent. A lot of research has been carried out in South Africa to show the weaknesses and challenges emerging and existing co-operatives have faced over the last decade. In addition, research that has been conducted on successful co-operatives clearly indicates what the success drivers are. Changes to the current cooperative Strategy in South Africa should try to marry the two together to ensure that the potential of co-operatives are realised in South Africa. What is evident from the study is that the institutional framework that should be supporting the development of a viable co-operative movement in South Africa is lacking in many respects.

The policy documents outline a plan to address some of the country's development challenges through co-operatives. However, the eagerness at grassroots level amongst budding entrepreneurs to form co-operatives has far surpassed the ability of support structures to provide the assistance they need. So many co-operatives, like some of the ones in the case study, have been struggling along to survive in the absence of the institutional support they require. Philip (2003) found that worker co-operatives, like the co-operatives in the study, require either high skills levels or need external technical assistance in order to succeed.

What should be noted in any discussion about the new co-operative movement in South Africa is that many successful co-operative movements around the world have taken decades to reach the levels of sustainability that they now enjoy. Our current co-operative movement is still very young and many co-operatives like the ones in the study are learning to survive and adapt in a business environment that lacks a supportive institutional framework for them. However, the development realities the country faces necessitates that we fast-track the growth of the co-operative movement by learning from the lessons and experiences of the past.

5.6 Conclusion

The chapter presents the findings of the qualitative research study that was conducted. The findings reveal that enterprise development is viewed as one of the core strategies of LED in CoT and that co-operative development and support is included in the CoTs enterprise development programme. However, notwithstanding the national imperative to promote and support co-operative development in South Africa as a means to addressing the growing development challenges in the country, this imperative is not being actioned at local level. In the CoT co-operative development plays a very small role in the LED programme and the support interventions that are offered do not seek to provide the support co-operatives require.

Co-operatives are being supported mainly through capacity building but this programme is flawed as the support may include information sessions that may have no bearing on the sustainability of the enterprises. The findings also show that the most effective co-operative support interventions are those being offered at national level. Provincial and local level support programmes piggy-back on these national led programmes and that at local level, officials are chasing after numbers without ensuring that quality support is being provided.

The study also supports existing literature (Philip, 2003) that reveals that co-operatives whose establishment is driven by social agenda's tend to over-burden the enterprise with labour. These results in enterprises with "silent partners" that are members who wish to retain the membership in the co-operative without participating in the business. It was also revealed that contrary to the belief held by many co-operative stakeholders most people do not join the co-operative to access available funding but to secure jobs. In addition the study reveals that co-operatives are able to sustain and generate new jobs but that the quality of these is not very high. Many jobs are seasonal and sometimes inconsistent. Membership attrition is driven by the shortage of work.

It was shown that co-operatives provide both social and economic benefits to the members. In most cases the social benefits will outweigh the economic benefits. However, co-operative members tend to down-play or they fail to recognize the social benefits that are gained through their membership. In addition, the findings support research that proves that benefits extend beyond the members to include family members.

The importance of capacity building and training to the success of the co-operative was revealed. The two co-operatives that did not have as much business training and capacities, did not fare as well as the co-operative that placed an emphasis on business training. It was shown that skills shortages also affect business potential. The results revealed that in all three of the co-operatives members brought skills into the co-operative that were transferred to other members. These findings are supported by academic research that has been conducted. It also reveals that a lot more needs to be done to stress the importance of training and capacity building within co-operatives in South Africa. Furthermore, this shortage of tailor-made training programmes for co-operatives severely hampers co-operative development in the country.

The principle of Member Economic Participation was revealed to be a challenge in two of the three co-operatives. In these two co-operatives this apathy to participation could be argued to reveal that members do not understand their rights and responsibilities as members and owners in the co-operative. This shows that more training needs to be provided to co-operative members on the management of the co-operative business that should include issues relating to decision-making, members/owners' rights and responsibilities and the importance of members' meetings and Annual General Meetings.

In all three case-studies market access was noted as a problem. All three target mainly their local markets and rely on word-of-mouth. They all face competition from local players in the market. In two of the three case-studies it was argued that the low quality of products added to the marketing challenges. Of the three, Rossdav, is the only co-operative ready to expand its business to regional and national levels. However, working out the production constraints the business faces is the first step in this expansion plans. The local purchasing trends of respondents in the case studies reveals that the majority support local businesses and that therefore the majority of resources generated in the locality stays in the locality. It was argued that in this way local businesses are supported that in turn secures local jobs and potentially also generates new jobs that can impact positively on LED of the CoT.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Local Economic Development is the outcome that is achieved when various stakeholders, at different levels, co-operate to sustainably utilise available resources in a given locality, to improve the economic development of the area for the benefit of the local people. Its objectives are to create jobs, increase wealth and promote competitiveness. The success of LED is achieved by recognizing that local development initiatives cannot always be performed in isolation of external market forces. External regional, national and international markets can impact on local economies and LED planning should take these into account. There are four key activities that drive LED, namely, community economic development, enterprise development, locality development and promotion and facilitation of business networking.

The LED activity that was the focus of this study was *enterprise development* as it included the development of co-operative enterprises. The research question was to determine if the “co-operative business model contributes to Local Economic Development by critically appraising three co-operatives in the City of Tshwane.”²⁵ A qualitative research study was conducted and the information analysed.

Co-operatives have over centuries proven themselves as an alternative to the capitalist business models. Their focus on seeking to address the needs of their members as opposed to being motivated by capitalism has made them an alternative form of doing business for people who have made a decision to collaborate with other like-minded individuals. Flecha and Santa Cruz (2011) point out that often business efficiency is associated with capitalist enterprises and that equity is associated with co-operatives and that a choice needs to be made between the two. However, global co-operative success stories, like Mondragon Co-operative Corporation (MCC) and the Kenyan Co-operative Union, have shown that a co-operative enterprise can compete in a capitalist market without losing its identity.

When the Mondragon project was initiated it emphasized employment and education (Flecha and Santa Cruz, 2011: 158), which later led to the establishment of what is today MCC. In all three case studies job creation was the one common reason that motivated the establishment of the co-operatives. Now, as back in 1943, when the Mondragon project was initiated, the

employment crisis drove people to find alternative solutions to their unemployment that normal capitalist enterprises and government cannot address. Globally, co-operatives provide more than 100 million direct jobs, excluding the self-employed, those that are indirectly employed and the induced employment numbers (Chavez-Hertig, not dated: 1). According to the World Co-operative Monitor, 2032 of the biggest co-operatives globally have an annual turnover of 2,578.5 billion USD (World Co-operative Monitor, 2013: 11).

The Government of South Africa recognises the potential role of co-operatives in addressing the growing development challenges by providing jobs and alleviating poverty levels of the large numbers of economically active people in the population and in doing so, co-operatives enhance black economic empowerment. The B-BBEE strategy in its efforts to redress the inequalities of the past also influenced the development of the co-operative policy documents. The drive to promote and support a new co-operative movement in South Africa was thus born that saw a proliferation of more than 92 000 co-operatives in the last 10 years alone. However, the reality on the ground shows that co-operatives have failed to enhance black economic empowerment in South Africa. The multitude of support measures that are available have largely failed the co-operative movement. It is estimated that more than 90% of the co-operatives registered are not operational (DTI Interviewee), or are subsistence level businesses. In contrast the three co-operatives in this case-study, all 100% black-owned and managed, and economically viable have shown that co-operatives do have the potential to enhance the participation of black people in the economy, but more support is needed to ensure that the thousands of registered co-operatives become economic vehicles that can enhance black economic empowerment in South Africa.

This high failure rate can be attributed to the fact that the majority of co-operatives are initiated by people who lack resources and have low skills levels as noted by Philip (2003). The study has shown that research on successful co-operatives have indicated the importance of education and skilled management in the success of a co-operative (COPAC, 2008). The certainty that the lack of education and skills in a co-operative will lead to its eventual failure, is compounded by the fact that existing co-operative support measures fail to meet the demand for education and skills the majority of co-operative entrepreneurs require. However, this study, like all other reference works cited herein, has shown that there are co-operatives that are functional and that are making every effort to meet their member's needs. These enterprises, driven and motivated by individuals who want to address their economic and

social challenges, are making a small but meaningful contribution to the lives of their members and the communities in which they operate.

6.2 Motivations for co-operating

Co-operators are motivated by various factors to collaborate with one another. One of the key theories that explain this drive to collaborate can be explained by transaction cost economics (TCE). This means that in certain instances the need to reduce the costs of doing business is what drives/motivates people to collaborate with one another. These could be marketing products, costs of seeking employment and the costs of inputs. In the case of Sisiziwe and Sizameni it could be said that the members were driven to collaborate in order to reduce the costs of seeking employment on their own. In the case of Rossdav, individual members (self-employed) wanted to expand their existing businesses and decided to collaborate with one another to reduce business transaction costs such as marketing of products, purchasing of equipment and materials etc.

Through co-operation, these people can now engage more efficiently in the formal market economy. In the case of Sizameni, the co-operative decided to co-operate at a higher level with other local co-operatives in order to empower themselves further. However, co-operating at higher levels does not necessarily guarantee a stronger position in the market. It is important for co-operatives, as vehicles driven not purely for economic gain, to find a balance between their economic and social needs so that they are established in the market place as this special vehicle and are not mistaken for just another capitalist enterprise. Co-operatives should also understand the importance of applying sound business principles to their business operations because if they are not able to produce an economic benefit, they are not able to serve their members or impact on their communities. Sound business training should be a priority for all co-operatives and this is where government has failed many of them, by failing to provide the necessary training that is needed.

Co-operatives are still viewed by many development stakeholders not as enterprises but as some social project through which government support is being channelled to less fortunate people. There needs to be a re-focus on the co-operative as an enterprise, albeit one that is driven by both economic and social goals. In order to ensure that a viable, autonomous and sustainable co-operative movement is developed in South Africa, the support measures need to be adapted to recognize that we are dealing with enterprise development. The following

section will discuss how genuine co-operatives are able to support job creation and reduce poverty.

6.3 Job creation by co-operatives

The study revealed that the three co-operative case studies were able to generate new employment opportunities (both permanent and seasonal), sustain existing jobs and provide members with an income. The study showed that membership did not improve their standard of living of some respondents, but neither were they disadvantaged after joining the co-operative. This information could be used to argue that the co-operatives were able to sustain existing jobs. For other respondents their participation in the co-operative clearly improved their standard of living as prior to joining the co-operative, they were not able to support businesses that they are able to support now. This is because now they are earning a wage. However, whether these jobs that were created were decent jobs requires additional study.

6.4 Co-operatives in LED

Enterprise development is one of the four LED activities in South Africa. This then positions co-operative enterprise development as key to supporting LED. The Government of South Africa recognises the potential of co-operatives to create jobs and reduce poverty in the country by empowering larger numbers of economically active people in the population to participate in the formal economy. LED is operated within the boundaries of district and local municipalities. Notwithstanding the national and global recognition of this potential of co-operatives, local authorities are largely missing the opportunity to assist in the country's development agenda by not developing sound co-operative programmes that are effectively linked to their own local development plans. This can be attributed to a lack of training and competency on co-operatives, lack of human resources and not having a clear strategy at local level on how co-operatives are to be integrated more effectively in the Integrated Development Plans.

The findings show that co-operatives can help achieve LED objectives of job creation and an increase in wealth, although the results of the study reveal that this would be a small contribution. Job creation and wealth creation will lead to economic growth in a locality as a result of support to local businesses through the resources that are generated by the co-operative enterprise. It could be argued that co-operatives could play a bigger role than other capitalist enterprises in economic development within an area, as they are motivated by the

principle of co-operation amongst co-operatives to collaborate and support other co-operatives enterprises.

New revenue streams created by the co-operatives were mainly retained within the municipality. By analysing respondents' purchasing trends, it was revealed that 50% or more of the monies generated through the co-operative remains in the municipality (information from only 2 case studies).

CoT Interviewee indicated that not enough is being done to support co-operatives in the municipality. Support initiatives are not effective or helpful but in some cases purely for information purposes. The municipality has set a very high target for itself, and in this has set itself up to fail the co-operatives. There are a few potential programmes of support that do add some value, but in the main, more can be done.

6.5 Lessons learnt

There are a number of lessons that could be learnt from the observation of the practices of the three co-operatives and the literature. These are as follows:

- 6.5.1 education and training is necessary for the success of co-operatives;
- 6.5.2 managers need to be competent and skilled;
- 6.5.3 labour/membership in a worker co-operative should be determined by the abilities of the co-operative to provide employment;
- 6.5.4 ownership needs to be understood clearly by all members and the importance of exercising ownership rights and responsibilities through participation in decision-making processes must be emphasized; co-operatives require training on decision-making processes to ensure that these are implemented;
- 6.5.5 co-operative members provide skills training to one another and to new members; within the co-operative movement there is a pool of skilled professionals who can assist other co-operatives;
- 6.5.6 co-operatives are keen to collaborate with one another to secure bigger lucrative contracts;
- 6.5.7 finding local mentors to assist co-operatives can be a huge advantage and
- 6.5.8 co-operatives rely heavily on word-of-mouth as a marketing tool.

6.6 Recommendations

Four recommendations have been developed, based on the research, that could inform co-operative development at local level to ensure that co-operatives can play a much bigger role in LED:

- 6.6.1 Ensure that the Co-operative Training Academy provides training support to co-operatives that is accessible and speaks to the enterprise's training needs (conduct training needs analysis prior to training) and that proper recognition is given to business training programmes.

The importance of education and training cannot be over-emphasized. Much more robust efforts are needed to ensure that co-operatives are provided with the necessary education and training that they require to ensure that the entities become more sustainable. Education levels and skills are low in co-operative enterprises as many are set up by people with low skills levels. In order to ensure that efforts to support a viable co-operative movement are realised in South Africa, government needs to direct its efforts towards the provision of targeted training programmes such as business training, that encompasses elements such as marketing, costing, management, sales etc., and skills development. Members bring skills into the co-operatives but additional support is needed to develop these further.

- 6.6.2 Provide technical assistance to local municipalities to assist in the development of a coherent and coordinated co-operative strategy to ensure that co-operative programmes are developed and supported that can make a meaningful contribution to LED through the creation and retention of jobs and creation of wealth.

A more co-ordinated approach is needed at local level that will see local authorities developing co-operative strategies that are linked to local, provincial and national development policies and priorities. In this way resources may be made available for co-operative development support programmes at local level that will ensure that co-operatives are able to make a meaningful contribution to job and wealth creation at local levels. This will also ensure that co-operatives are integrated effectively in economic development agendas and initiatives taking place at local level. In this way co-operatives will not be viewed as ad hoc stand alone "projects" but will be integrated into the fabric of the local communities within which they operate.

- 6.6.3 Reduce the red tape to ensure that all local procurement opportunities are open to co-operatives and not just the usual services such as catering, cleaning and sewing services, etc.

For co-operatives to make an impact on local economies, all local stakeholders must recognize that co-operatives are not only for the poor, but that they are economic vehicles that have a lot of potential. Access to the more lucrative procurement opportunities (e.g. in the construction sectors) will ensure that businessmen and women who have the skills and competencies in these sectors can collaborate in order to secure and effectively implement these big projects.

- 6.6.4 Promotion of social media marketing platforms for co-operatives.

Securing markets for their products is a key challenge for all three co-operatives. Effective marketing strategies can be very costly which could explain why the co-operatives rely on word-of-mouth as a marketing strategy. However, the disadvantage of this is that it is a rather passive strategy. Co-operatives can be taught how to use social media platforms to market their products and services. Cellular phone applications are becoming very popular amongst co-operatives. Developing cellular phone applications will develop the existing word-of-mouth strategy in a more proactive way. Internationally there are many co-operatives that use cellular phone applications to market their products and services. Some of the examples include Supercard Coop, Alternative Food Coop, La Montanita Coop Food Market, Co-op Cabs, Belfast Co-op and Federated Co-operatives.

6.7 Conclusion

Co-operation amongst people has proven for centuries to be a way in which people with similar interests can support one another. The co-operative model has over time, proven that through co-operation, jobs can be created, wealth can be increased, poverty can be reduced and a range of social services can be made available to members and the surrounding community. What the study has revealed is that the three co-operatives in the study were able to impact positively on LED in CoT by creating a few new jobs, sustaining some existing jobs and reducing the poverty of those who were previously unemployed. However, the three co-operatives were only able to make a minimal contribution to LED.

What was observed was that the factors that have contributed to the successes of the various successful co-operatives that were mentioned in this study are lacking in two of the co-operative case studies. These include a lack of education and competent leadership. A third co-operative needs marketing and business expansion support. The importance of co-operatives in the economic and social development of South Africa cannot be over-emphasized. For this reason it is imperative that a supportive institutional framework is put in place that will ensure that these young enterprises succeed beyond the five year life-expectance of most enterprises in South Africa (Copac, 2005: 13) to become vibrant economic players within the social economy and the emerging solidarity economy in South Africa.



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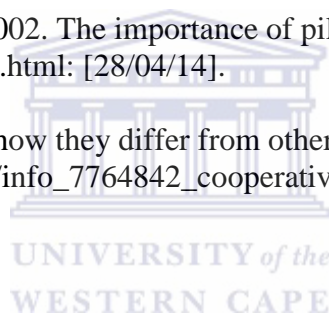
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ANNEXURE A: QUESTIONNAIRE PART I

Masters Thesis: Ursula Titus, 2013
 Institution: University of the Western Cape
 Title: Can the co-operative business model contribute to Local Economic Development? A critical appraisal of three co-operatives in the City of Tshwane, South Africa

QUESTIONNAIRE (PART 1)

Respondent Ref: _____

Date: _____

A		ENTERPRISE INFORMATION		
1.	Name of the co-operative			
2.	Level of co-operation (primary, secondary, tertiary)			
3.	Physical address			
4.	Contact number			
5.	Contact person			
6.	Sector			
7.	Type of operations	1. 2. 3.		
8.	In what year was the co-operative established?			
9.	Is the co-operative affiliated to a higher level (secondary/tertiary/apex)?			
10.	Does the co-operative participate in the activities of this higher structure?	YES		NO
	If not, why not?			
11.	What are the benefits of being a member of this structure (see xx)			

B		MEMBERSHIP/EMPLOYEE INFORMATION			
12.	What has been the member breakdown since the co-operative was established	YEAR	NUMBER OF MEMBERS	NUMBER OF WOMEN	NUMBER OF YOUTH (35 years and under)

13.	How many employees has the co-operative had since its establishment?	YEAR	NUMBER OF EMPLOYEES (PART-TIME)	NUMBER OF WOMEN (PART-TIME)	NUMBER OF YOUTH (PART-TIME)

14.	How many board members does the co-operative have?				

C GOVERNANCE				
15.	Does the co-operative have internal by-laws / policies governing the internal operations?	YES		NO
	If yes, what are they?			
16.	Who is the manager of the co-operative?			
17.	Is there a clear division of responsibility between the manager and the board members? (The manager runs the day to day operations; the board ensures that the policies are implemented)	YES		NO
18.	Does the co-operative have a business plan / annual work plan?	YES		NO
19.	How many General Meetings are held in a year?			
20.	Does the co-operative file annual returns with the Registrar of Co-operatives	YES		NO

D BUSINESS ENVIRONMENT				
21.	Is the co-operative's business improving in the area?	YES		NO
22.	Who are your competitors?			
23.	Have you seen an increase in competitors since the establishment of the co-operative?	YES		NO
24.	If yes, what strategies have you put in place or adopted to address this?			

ANNEXURE B: QUESTIONNAIRE PART II

Masters Thesis: Ursula Titus, 2013
 Institution: University of the Western Cape
 Title: Can the co-operative business model contribute to Local Economic Development? A critical appraisal of three co-operatives in the City of Tshwane, South Africa

QUESTIONNAIRE (PART II)

Respondent Ref: _____

Date: _____

NAME OF THE CO-OPERATIVE: _____

MEMBER PARTICIPATION				
25.	What position do you hold in the co-operative (<i>please circle 1 only; all directors must circle DIRECTOR and not MEMBER</i>)	DIRECTOR	MEMBER	NON-MEMBER/ EMPLOYEE
26.	What is your gender?	FEMALE		MALE
27.	In what year did you join the co-operative?			
28.	What were you doing prior to joining the co-operative?	WORKING SOMEWHERE ELSE	UNEMPLOYED	SELF- EMPLOYED
29.	Why did you join the co-operative / what were you expecting to gain when you joined the co-operative?			
30.	Have your expectations been satisfied?	YES		NO
	If NO, why not?			
31.	What benefits do you get from			

	being part of the co-operative?			
32.	Were you provided with information on the business of the co-operative when you joined?	YES		NO
33.	Did you make a <u>once-off financial/other contribution</u> when you <u>joined</u> the co-operative? Please explain. (e.g is a membership requirement / not able to contribute / contributed in some other way etc.)			
34.	Do you pay <u>annual membership fees</u> to the co-operative?	YES		NO
35.	Do you attend all members meetings?	YES		NO
36.	Do you attend all Annual General Meetings	YES		NO
37.	Does the co-operative offer you training / information <u>on the business of the co-operative</u> on an annual basis?	YES		NO
38.	Have you attended any formal <u>technical skills training courses</u> ?	YES		NO
	If YES, what were they?			
39.	Have you attended formal <u>co-operative training courses</u> ?	YES		NO
	If YES, what were they?			
40.	Do you participate in members meetings regularly?	YES		NO

41.	How many Annual General Meetings have you attended?			
42.	Do you participate fully in all activities of the co-operative?	YES		NO
	If NO, why not?			
43.	Would you say that your membership in the co-operative has improved your standard of living?	YES		NO
44.	If YES, how? (monthly salary, able to access services, higher income levels, etc.)			
45.	How many members of your family would you say benefit from your participation in the co-operative?			
46.	Do you <u>personally</u> support local businesses?	YES		NO
47.	What local businesses <u>are you now able</u> to support as a result of the income you receive from your participation in the co-operative?			
48.	Would you say that your <u>local</u> spending habits are different now that you are a member of the co-operative?	YES		NO
	If YES, how?			
49.	Would you support another local co-operative? (co-	YES		NO

	operation amongst co-operatives)			
	If NO, why not?			
50.	Would you say that you spend more money inside your local municipality or outside it? (Tshwane)	INSIDE		OUTSIDE
51.	If OUTSIDE why?			
52.	What percentage/portion of your salary would you say you spend <u>inside</u> the local municipality?			
	less than 10%	about 50 %	more than 50%	100%
53.	Where is the principle market for the co-operatives products and services?			
54.	Does the products being supplied by the co-operative benefit the community?	YES		NO
	If YES, explain how (e.g. cheaper, not previously available, etc.).			
55.	Any further comments?			

Should you have any queries, please contact Ursula Titus on 0827788674 or at ursula772@gmail.com

Thank you for your participation in this study!!

ANNEXURE C: INTERVIEW QUESTIONS

1. What do you understand by the term Local Economic Development?
2. Does your organisation implement LED programmes?
3. Would you say that these programmes have been successful or not? Could you explain why you think these have been successful or why they have failed?
4. Have you conducted monitoring and evaluation exercises or impact assessments of these programmes? What could you say has been the social and economic impact of these programmes on the livelihoods of the participants?
5. Have you documented your lessons and success stories? Is there some way that other LED practitioners could benefit from your programmes?
6. In the implementation of your LED programmes, has there been a link with co-operatives? In other words, how did co-operative promotion and support fit in with your LED programmes?
7. What do you think of co-operatives in South Africa? What do you think of co-operatives internationally?
8. Do you think that co-operatives in South Africa could play as big a role in employment creation and poverty reduction as our global counter-parts?
9. What do you think have been the successes in the current co-operative policy position and the implementation thereof in South Africa?
10. What do you think have been the failures in the current co-operative policy position and the implementation thereof in South Africa? What suggestions or recommendations would you make?
11. Do you think that co-operatives can create a positive economic and social impact on their members if supported properly?
12. What do you think can be done to provide the support failing co-operatives need to provide this support (refer 11)?



ANNEXURE D: INTERVIEW LIST:

CIPC Interviewee

COPAC Interviewee

CoT Interviewee

DTI Interviewee

DGRV Interviewee

Rossdav Interviewee

Sisiziwe Interviewee

Sizameni Interviewee

