The Role of Agricultural Cooperatives in Developing Previously Disadvantaged Black Rural Communities in the Eastern Cape Province since 2005: The Case Study of Cannon Farm in Queenstown.

BY

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DECLARATION

I, Bongiwe Gcotylewa Tshunungwa, student number 210265124, hereby declare that the treatise for Magister Artium: Development Studies (Course Work) to be awarded is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

B.G. Tshunungwa
I would like to express my sincere appreciation and gratitude to the following people:

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ABSTRACT

The purpose of this study is to investigate the role played by agricultural cooperatives in developing the rural areas of the Eastern Cape Province. It also looks at the contributions by Government in promoting the establishment and the success of these cooperatives. The focus area was Cannon Farm in the Chris Hani District Municipality, where most of the people live below the poverty line, but have started agricultural cooperatives with the aim of eradicating poverty and developing their communities.

The data for this research was gathered through group discussions and face-to-face interviews which were guided by a questionnaire. A document analysis was also conducted to fulfill all the research objectives.

It has been found that agricultural cooperatives, as compared to any other type of cooperatives, are a major tool to eradicate poverty and bring economic development to rural communities. This is made possible not only by the full commitment and determination of cooperative members, but also by government which has also committed itself to providing a supportive legal environment for cooperatives (Cooperative Act No. 14 of 2005). The findings also show that, due to the challenges they are currently facing, agricultural cooperatives in the Eastern Cape Province have not yet reached their full potential. Therefore, it has been recommended that, such challenges need to be urgently addressed. As the United Nations (2001) highlights, agricultural cooperatives present themselves as an important element that can contribute to the realization of the Millennium Development Goals by 2015.
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<td>Agri-Business Chamber</td>
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<td>ADM</td>
<td>Amathole District Municipality</td>
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<td>BEE</td>
<td>Black Economic Empowerment</td>
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<td>COPAC</td>
<td>Cooperative and Policy Alternative Centre</td>
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CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1 BACKGROUND TO THE STUDY

The Cooperative Act, No. 14 of 2005, defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise organized and operated on cooperative principles”. The Cooperative Act, No. 14 of 2005, was signed by the President on the 18 August 2005 and gazetted in Gazette No. 27912. This Act replaces the Cooperatives Act, No. 91 of 1981 which was repealed by Section 98 (1) of the Cooperative Act, No. 14 of 2005. The implementation date was 2 May 2007. The objectives of the Act are to uphold the values of self-help, self-reliance, self-responsibility, democracy, equality and social responsibility.

According to Mazibuko and Vishwas (2008:6), the history of the cooperative development in South Africa is linked to, and was shaped by the history of apartheid planning, organization of society and the economy. They mention that during the apartheid era, White farmer co-operatives were used as important instruments of agricultural commercialization and successful rural development. They claim that the relatively successful experience of White agricultural cooperatives testifies to the importance of the state in creating an environment conducive for the development of cooperatives.

Furthermore, the World Bank (2008) states that over several decades, agriculture has been seen as a vital development tool that can be used to reduce rural poverty, while also playing an important role in economic development in many ways. It further highlights that there is evidence in previous works that Gross Domestic Product (GDP) growth in agriculture is at least twice as effective in reducing poverty as GDP growth in non-agricultural based countries. According to the United Nations (2001), cooperatives as economic enterprises and as self-help organizations, play a meaningful role in uplifting the socio-economic conditions of their members and their local communities. They present themselves as an important element that can contribute to the realization of the Millennium Development Goals by 2015.
After the demise of apartheid and transition to democracy, the new constitution, The Constitution of the Republic of South Africa 1996 (Act 108 of 1996) provides for a common South African citizenship, with all citizens having equal access to the rights, privileges and benefits of citizenship. Now Blacks could start their own cooperatives as an income generating activities, and as a means of poverty alleviation. This is reinforced by the ideas of Hoyt (1989) who argues that the modern cooperatives originated as a self-help method to counter extreme conditions of poverty. Their objectives were to address members’ needs for better housing, employment, food, education and other social requirements.

A Cooperative Development Policy for South Africa 2004 asserts that government has acknowledged the existence, relevance and value of informal, traditional cooperative-type organizations. The policy highlights the importance of integrating them into the formal economy. It points out that one of the key benefits of the formation is access to state and private sector support financial or non-financial towards growing institutional capacity and the sustainability of informal cooperative entities.

Ortmann & King (2007:40) state that the Cooperative Act, No. 14 of 2005, sees a major role for cooperatives in promoting economic and social development, “in particular by creating employment, generating income, facilitating broad-based black economic empowerment and eradicating poverty” (RSA, 2005b:2). They also emphasize that government has committed itself to providing a supportive legal environment for cooperatives. It also promotes the use of cooperatives as organizations that could help enhance the development of small-scale farmers and other communities in South Africa.

It is in this context that in 2011, the residents of Cannon Farm came together and started the maize and chicken project in an attempt to alleviate poverty and improve their lives. Their project is supported by Siyakhula Programme, one of the programmes of the Department of Rural Development and Agrarian Reform in the Eastern Cape Province.

Cooperatives as they are understood in terms of the International Principles of Cooperation have a long history in the Eastern Cape. We have seen a further proliferation of cooperatives over the past few years as government has provided an enabling environment and support. In fact, 19% of all cooperatives, or 3 203 of a total of 16 994 cooperatives registered with the Registrar of Cooperatives in South Africa are here in the Eastern Cape. In addition to these cooperative enterprises and projects, there is a long tradition of collective forms of savings, such as burial societies, stokvels and ilima (DEDEA, December 2008).
The provincial government, with all its partners, has long supported cooperatives and we have over the past few years felt immense pressure from the ground to better coordinate this support and make it more widely available. Thus DEDEA has developed this strategy and programme in order to make human, financial and other resources available for the support of cooperatives in the Province. The strategy has been a long time coming and a range of initiatives already exist on the ground. This strategy will by no means quell these initiatives but rather seek to enhance them and provide leadership, resources and a set of principles according to which we all have to operate (DEDEA, ibid.).

1.2 PROBLEM STATEMENT

The situation at Cannon Farm before 2005 was characterized by poverty among the community. The community had a high rate of unemployment, especially among women, the youth and disabled people, and poverty, which was a dominant factor in the community. They even lacked the skills to make a better living for themselves.

However, in South Africa, there is an ongoing need to strengthen the collective capabilities of rural people so they may gain confidence, security and power – all invaluable attributes for overcoming poverty. In fact, empowering rural people is an essential first step to eradicating poverty. Any empowerment will generate positive results if rural populations adopt mechanisms to work together in cooperatives as a livelihood strategy. It is in this context that people of Cannon Farm decided to form cooperatives with the intention of bringing development to their communities.

In spite of this good intention, challenges are still many – varying from infrastructure for agricultural cooperatives, a startup fund for some cooperatives who still rely on outsiders before they look at the assets available to them in the community, to a lack of technical skills to run and manage cooperatives. On Cannon Farm, the researcher knew that the community was characterized by limited trust and social cohesion, limited appreciation of collective interest above individual interest and lack of compliance with legislation. This is coupled with a lack of strong and viable cooperative associations and organizations in the area of Cannon Farm.
Another challenge which is even highlighted by Nkondo (2012:2) is that South African cooperatives are faced with the persistent difficulties in accessing funds and markets which are now being worsened by the new threats arising from the global crisis. Samuels and Ngoma (2010:1) also discovered that, besides the lack of access to viable markets, cooperators have inappropriate levels of training and expensive input costs in running their cooperatives. As a direct result of such challenges, cooperatives at Cannon Farm and some other areas like Mtubatuba Local Municipality (poultry project) have been unsustainable.

Lastly, but not least, the presence of women farmers in decision-making bodies, especially in leadership positions - not only in the Eastern Cape but in the whole of South Africa - is still weak, and their needs as farmers are seldom accounted for in policy and resource allocation. As a result, women farmers do not produce to their full capacity. This was confirmed by the FAO report (2012:1).

1.3 RESEARCH QUESTIONS

- Do agricultural cooperatives create sustainable jobs especially for women, youth and disabled people at Cannon Farm?
- At what level are agricultural cooperatives at Cannon Farm able to eradicate poverty amongst cooperative members?

1.4 RESEARCH OBJECTIVES

- To investigate the success of agricultural cooperatives in bringing development in Black rural communities, taking into consideration the following indicators: access to
  1. Agriculture – the primary livelihood for most rural communities;
  2. Health;
  3. Education;
  4. Infrastructure (potable drinking water, electricity, sanitation and roads);
- To assess if agricultural cooperatives do create sustainable jobs especially for women, youth and disabled people;
• To investigate whether agricultural cooperatives are able to eradicate poverty;
• To determine how agricultural cooperatives provide skills which empower their members to make a better living for themselves;
• To measure the outcomes of agricultural cooperatives for the previously disadvantaged rural Black communities;
• To ascertain the challenges facing agricultural cooperatives.
CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

Literature review usually emphasizes the ability to review, and to report on relevant literature is a key academic skill. Hence, this chapter on literature review situates my research focus within the context of the wider academic community in my field and reports my critical review of the relevant literature, and finally identifies a gap within that literature that my research will attempt to address. In other words, this chapter identifies similar work done in the area of cooperatives and poverty alleviation.

In so doing, this chapter gives an overview of cooperatives in South Africa, cooperative values, seven principles of a cooperative, cooperatives and specific targeted groups, advantages of forming a cooperative business and some other points which help the researcher to establish a framework within which to present and analyse the findings.

2.2 OVERVIEW ON COOPERATIVES IN SOUTH AFRICA

A Cooperative Development Policy for South Africa (2004:2) quotes the statement made by Kofi Annan in 2001 that “the United Nations recognize the contribution cooperatives can make to achieve the Millennium Development Goals of full and productive employment, eradicating poverty, enhancing social integration and promoting the advancement of women”. He highlighted that for the cooperative movement to fulfill this potential, governments need to develop and sustain a supportive environment that allows autonomous cooperatives to grow. He further mentioned that the values of cooperation like equity, solidarity, self-help and mutual responsibility are cornerstones of our shared endeavour to build a fairer world.

Furthermore, a Cooperative Development Policy for South Africa (2004:10-11) points out that government also acknowledges that “a genuine, autonomous and economically viable cooperative movement and its membership have a vast development potential to:

- create and develop income-generating activities and sustainable decent employment;
• develop human resource capacities and knowledge of values, advantages and benefits of the cooperative movement through education and training;
• develop their business potential, including entrepreneurial and managerial capacities;
• strengthen their competitiveness as well as gain access to markets and institutional finance;
• increase savings and investment;
• improve social and economic wellbeing, taking into account the need to eliminate all forms of discrimination;
• contribute to sustainable human development;
• establish and expand a viable and dynamic distinctive sector of the economy which responds to the social and economic needs of the community; and
• enhance broad-based economic empowerment, thereby assisting the government in achieving the objectives of its micro-economic reform strategy, the IMS (Integrated Manufacturing Strategy) and the BEE (Black Economic Empowerment)

Coming to agricultural cooperatives chosen in this case study, the Cooperative Act No. 14 of 2005 (2005:10) defines an agricultural cooperative as a cooperative that produces, processes or markets agricultural products and supplies agricultural inputs and services to its members.

The Food and Agriculture Organization (FAO) (2012:2) further explains that agriculture involves farming, forestry, fisheries and livestock. It claims that agriculture is the main source of employment and income in rural areas where most of the world’s poor and hungry people live. It argues that agricultural co-operatives play an important role in supporting small agricultural producers and marginalized groups such as young people and women. They empower their members economically and socially and create sustainable rural employment through business models that are resilient to economic and environmental shocks.

They also offer small agricultural producers opportunities and a wide range of services, including improved access to markets, natural resources like land and water, information, communications, technologies, credit, training and warehouses. They even facilitate smallholder producers’ participation in decision-making at all levels, support them in securing land-use rights, and negotiate better terms for engagement in contract farming and lower prices for agricultural inputs such as seeds, fertilizer and equipment. FAO affirms that through this support, smallholder producers can secure their livelihoods and play a greater
role in meeting the growing demand for food on local, national and international markets, thus contributing to poverty alleviation, food security and the eradication of hunger.

FAO (2012:2-3) also highlights that the United Nations declared 2012 the International Year of Co-operatives (IYC) whereby the three Rome-based United Nations agencies, the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) would work closely with agricultural cooperatives and act as a driving force throughout the IYC and beyond, promoting the growth of cooperatives in many ways, such as:

- Raising awareness of the role of agricultural cooperatives in reducing poverty and improving food security;
- Assisting the development of capacity in agricultural cooperatives;
- Supporting the development of enabling environments and better governance frameworks for agricultural cooperatives.

### 2.3 COOPERATIVE VALUES

A Cooperative Development Policy for South Africa (2004:8) claims that cooperatives are based on the values of self-help, self-reliance, self-responsibility, democracy, equality, equity and solidarity. These are the values that also lead the agricultural cooperatives at Cannon Farm. Experience at Cannon Farm shows that, in the tradition of their founders, cooperative members believe in the ethical values of trust, honesty, openness, social responsibility, caring for others and their community.

### 2.4 SEVEN PRINCIPLES OF A COOPERATIVE

The researcher observed that cooperatives at Cannon Farm follow most of the principles of cooperatives as mentioned by a Cooperative Development Policy for South Africa (2004:9). In the policy, it is stated that these are the basic principles followed by cooperatives all over
Voluntary and open membership – Cooperatives are voluntary organizations, no one can be forced to join one. They are open to all persons who are able to use their services and willing to accept the responsibilities of membership without gender, social, racial, political or religious discrimination.

Democratic member control - Cooperatives are democratic organizations that are controlled by their members. The members take an active part in deciding on policies and making decisions. Members serving as elected representatives are accountable to the membership. They must carry out their responsibilities in the interests of the cooperative and keep the members informed on what they do. In a primary cooperative every member has an equal say in all major decisions.

Member economic participation – The goal of a cooperative is to provide services to its members at affordable prices, or to create work for its members. The needs of the members come first. For example, a farmer’s marketing cooperative should market mostly crops or livestock produced by its members, and not by persons outside the cooperative. Members contribute to the “capital” of their cooperative and control the economic affairs of the cooperative democratically. “Capital” is the money and equipment the cooperative uses to carry out its goals. Cooperatives can generate capital from money paid for shares issued to members, membership fees, grants, donations, loans and surplus money left over from previous years of operation.

Autonomy and independence – Cooperatives are independent self-help organizations controlled by their members. They can make agreements with government and other organizations, but they must make sure that they always remain under the democratic control of their own members. They must not be controlled by any outside party.

Education, training and information – A cooperative should provide ongoing education and training for its members, elected officers, managers and employees. It should teach all of its members about the administration and management of the cooperative, the rights and duties of membership, and the business of the cooperative. All members of the cooperative should be equipped to contribute effectively to the development of the cooperative. It should
also provide information to the general public, particularly young people, on cooperatives and how they work.

**Cooperation amongst cooperatives** – Cooperatives should work together with other cooperatives. This helps to strengthen the cooperative movement through local, national, regional and international structures.

**Concern for community** – Cooperatives work for the sustainable development of their community through policies approved by their members. Members are expected to show concern for community developments that benefit everyone.

### 2.5 COOPERATIVES AND SPECIFIC TARGETED GROUPS

A Cooperative Development Policy for South Africa (2004:11) asserts that once the cooperative is registered, the Department of Trade and Industry (dti) will be able to give it special support if it:

- Follows cooperative principles;
- Consists of black people, women, youth, people who live in rural areas, women or people with disabilities; and
- Promotes equity and participation by its members.

This support was also given to the Cannon Farm agricultural cooperative, mostly in terms of technical advice and the registration process.

### 2.6 ADVANTAGES OF FORMING A COOPERATIVE BUSINESS

According to the Cooperative Act No. 14 of 2005, cooperatives develop healthier communities. They prevent the outflow of money from their community. The services and products offered assist in keeping money in the community. Residents do not have to travel outside the community to spend their income. Since workers live in a community and spend their money in that community, it creates stronger communities.
Cooperatives also improve the quality of work. Since workers themselves control the business and appoint managers democratically, the managers are accountable to the workforce and will not simply exploit the workers. Workers are even empowered in this process because they control the workplace decisions.

Furthermore, the cooperative jobs are sustainable. The owners of a cooperative are the workers who live in the same community and will not close down the business to make profits elsewhere. Instead, if the profits are not large enough, they will find innovative ways to retain jobs and remain competitive.

2.7 FOUR MAJOR OPPORTUNITIES FOR SOUTH AFRICA TO TRANSFORM ITS COOPERATIVES INTO A FORCE FOR JOB CREATION AND ECONOMIC GROWTH

Nkondo (2012:2) points out the following opportunities:

- The advances in science, technology, and innovation worldwide offer South African cooperatives new tools to promote their development.
- Efforts to create regional markets will provide new incentives for the advancement of cooperatives.
- African governments, including South Africa, are helping small and medium-sized enterprises, especially cooperatives, to focus on sustainable development.
- Universities and research institutions are initiating research into enterprise development, drawing valuable lessons from Brazil, Tanzania, Kenya, China, and India.

In view of the above, the researcher observed that the Cannon Farm agricultural cooperative has benefited some education, training and information on what cooperatives are, and how to run a cooperative.
2.8 COOPERATIVES AND RURAL EMPLOYMENT

According to the International Labour Office (ILO) Cooperative Branch (2007:1) over 100 million jobs have been generated by cooperatives around the world. It argues that as agriculture remains the major source of income and employment in rural areas and the majority of cooperatives are found in the agricultural sector, cooperatives are significant in providing jobs in rural communities. They provide direct employment, as well as seasonal and casual work. They also maintain farmers’ ability to be self-employed. Furthermore, the fact that many farmers are members of a cooperative and derive income from this, enables them to continue farming and contribute to rural community development. Then the impact of cooperatives in providing income to rural populations creates additional employment through multiplier effects including enabling other rural enterprises to grow and, in turn, provide local jobs.

The ILO Cooperative Branch (2007:2) also claims that cooperatives place more emphasis on job security for employee-members and employees’ family members. They pay competitive wages and; promote additional income through profit-sharing, distribution of dividends and other benefits. They also support community facilities such as health clinics and schools.

In addition to job creation, the ILO Cooperative Branch (2007:1) highlights that cooperatives not only provide jobs but also real economic benefits to farm families through increasing the stability of the farming sector. They improve market access for their products and strengthen the farmers’ position in the agri-food chain. Improving farmers’ living conditions, supports rural development and preserves the viability of rural communities.

The ILO Cooperative Branch (2007:1) further argues that cooperatives are the only provider of services like electricity or management of water resources in rural communities since the traditional companies often find it too costly to invest in these areas, or anticipate unacceptable levels of economic return. In all, they provide means for addressing many social and economic concerns such as youth retention, community identity or spirit as well as a wide range of servicing needs.
2.9 CHALLENGES FACING COOPERATIVES

According to Nkondo (2012:2) South African cooperatives are faced with persistent difficulties in accessing funds and markets which are now being worsened by the new threats arising from the global crisis. Samuels and Ngoma (2010:1) also discovered that, besides the lack of access to viable markets, cooperators have inappropriate levels of training and expensive input costs in running their cooperatives. As a direct result of such challenges, the poultry project cooperatives in the Mtubatuba Local Municipality have been unsustainable.

Furthermore FAO (2012:1) states that the presence of women farmers in decision-making bodies, especially in leadership positions, is still weak and their needs as farmers are seldom recognized in policy and resource allocation. As a result, women farmers do not produce to their full capacity.

2.10 CONCLUSION

In conclusion, it is a fact that cooperatives are recognized for their contribution to communities and their members in terms of social, cultural and economic development. They are not strictly profit-making enterprises but rather collectives of people that organize to meet the needs of their members and their communities. We have seen in this chapter that cooperation can also be an empowering experience for members, if democratic decision making, collective responsibility and solidarity are practiced according to international principles.

This chapter also discussed how, with high unemployment and widespread poverty, the needs of most people in the Eastern Cape generally and Cannon Farm particularly, are closely linked to the need to work and earn an income. Thus most cooperatives in the Eastern Cape are aiming to be successful businesses and be in a position to employ their members and other people. However this is not the case for most cooperatives. There are of course some notable exceptions and some very successful cooperatives in the Province.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research methodology is a systematic method of solving a problem using the research process. In other words, it is the science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. Its aim is to give the work plan of research.

Hence, it is necessary for a researcher to design a methodology for the selected problem. It is important for the researcher to know not only the research methods necessary for the research to be under-taken, but also the methodology. All research is organized through different techniques. In view of this, this research will apply some methods to gather information, to analyze the findings and will show how to respect the rights of the respondents. Furthermore, some potential constraints will be mentioned here.

3.2 DATA COLLECTION METHODS

Data collection for this study was carried out in July 2013. Both primary and secondary data have been used. Wegner (2007:26) states that, primary data is the data which is captured at the point where it is generated. He further explains that, such data is captured for the first time and with a specific purpose in mind. It thus offers greater control over data accuracy. However, secondary data is the data collected and processed by others for a purpose other than the one at hand. Its advantage is that, it offers already existing information.

The primary data was obtained through unstructured group discussions, unstructured observations, photographs, unstructured interviews, reflective journal and open-ended questions. The questionnaire guided the interviews, and was administered to all the participants in Cannon Farm. Group discussions lasted for one and a half hours per session, while interviews took an hour each.
Group discussions encouraged participants to talk about the more general experience among people like them and in this way, participants helped to make the data more representative. Unstructured interviews and open-ended questions revealed project achievements and challenges in a non-threatening way.

Observations helped to collect accurate information about how a project actually operates. The researcher captured behaviour, how people interact, their activities and their physical site conditions. These observations have been used as a means of “on-the-spot” triangulation for the responses, discussions, and explanations given by beneficiaries (www.wfp.org). In the reflective journal, the researcher documented everything that happened (seen or heard) during observations, interviews and discussions.

Both journal and photographs validated the project, while triangulation established the reliability of the information gathered. For clarity, validity is defined as the accuracy of the information generated, while triangulation is the process of cross-checking information. Then, reliability refers to consistency (www.wfp.org). At the end of the interview, a synthesis of the answers to every question was written (see appendix c). Key issues were identified to help in the analysis of the data. These are the issues mostly highlighted by different respondents to every question. Together with the observation of the researcher, these issues were analyzed and developed in details.

The secondary data was gathered through reading several publications related to the subject matter. This document analysis provided the already existing information and also the information that was needed for quantitative data.

3.3 SCOPE OF THE RESEARCH

The study was conducted on agricultural cooperatives and rural development in the Eastern Cape Province. The main focus was on Cannon Farm which is situated in an isolated bushy area, between Queenstown and Cofimvaba, in the Chris Hani District Municipality.

The Chris Hani District is one of the seven districts of the Eastern Cape Province of South Africa. It is surrounded by Joe Gqabi district, formerly known as Ukhahlamba, to the north,
OR Tambo district to the north-east, Amathole district to the south, and Cacadu district to the south-west.

Figure 3.1: District Municipalities in the Eastern Cape Province

Source: www.chrishanidm.gov.za

Figure 3.2: Chris Hani District Municipality

Source: www.chrishanidm.gov.za
The Chris Hani District is considered a rural district since over 70% of the total population is rural or semi-rural, residing in rural areas but living in villages. The total population is about 822,291, dominated by Blacks at 94.1% while the Coloured population makes only 3.9% of the population. The overall unemployment rate is about 57% and 68.5% of the population lives in poverty. The majority of households are run by women (www.chrishanidm.gov.za).

The Department of Economic Development and Environmental Affairs (DEDEA) and the Eastern Cape Socio-Economic Consultative Council (2009:3) highlights that, according to official statistical data on South African Cooperatives which is recorded and kept by the Registrar of Cooperatives in the Department of Trade and Industry, there are more than 3000 registered cooperatives in the Eastern Cape Province. The Chris Hani District Municipality has the most cooperatives, while Cacadu District Municipality has the least cooperatives. The chart below shows the distribution of cooperatives per district municipality.

Figure 3.3: The distribution of cooperatives per district municipality

3.4 SAMPLING METHODS

The researcher decided to choose Cannon Farm because it is a small community with a total of 21 families, who largely depend on government grants. It is also one of the underdeveloped Black rural communities, which decided to form an agricultural cooperative with the intention of alleviating poverty and bringing development in their community.

Furthermore, the researcher decided to use this small sample to interact with the respondents face-to-face, allowing them to express themselves fully and also to put the researcher in a position to view what they really do and not only to rely on what they say they do. Davies (2007:140) states that, this gives a sense of increased validity to the data gathering process. Moreover, the interviewees have little formal education.

3.5 DATA ANALYSIS METHODS

The study used the qualitative research method as it needed to explore people’s feelings, thoughts and experiences in some depth. It also used the quantitative research method as it sought to measure the changes brought about by agricultural cooperatives in previously disadvantaged rural Black communities. A case study of Cannon Farm was conducted in order to fully understand the member’s experience in project input, process and results. An opinion survey was used to test how the members of the project feel about the contributions of the project to the community and how it is managed. In addition, the document analysis was conducted on some other projects in the Eastern Cape in order to fulfill all the research objectives.

The overall theoretical approach to this study was that of a development economist as it sought to measure how agricultural cooperatives alleviate poverty through looking at how patterns of survival change over time and how such projects contribute to a broader rural economy. Also a project management approach was used to examine how the project is managed, what resources and skills it offers, how sustainable the project is, and how it could be improved.
3.6 RESEARCH ETHICS

There are numerous reasons why it is imperative to adhere to ethical norms in research. Firstly, norms stimulate the aims of research, such as knowledge, truth, and avoidance of error. For instance, prohibitions against fabricating, falsifying, or misrepresenting research data encourage the truth and prevent error. Secondly, since research often involves a great deal of collaboration and harmonization among many diverse people in different disciplines and institutions, ethical standards stimulate the values that are crucial to collaborative work, such as trust, accountability, mutual respect, and fairness. For instance, various ethical norms in research, such as guidelines for authorship, copyright and patenting policies, data sharing policies, and confidentiality rules in peer review, are designed to protect intellectual property interests while encouraging collaboration. Most researchers want to receive credit for their contributions and do not want to have their ideas stolen or disclosed prematurely. Thirdly, many of the ethical norms help to ensure that researchers can be held accountable to the public (Resnik, 2011).

Gordon Marshall (1998) defines the research ethics as the application of moral rules and professional codes of conduct to the collection, analysis, reporting, and publication of information about research subjects, in particular active acceptance of subjects' right to privacy, confidentiality, and informed consent.

In view of all the above, permission to conduct this study was obtained from all the members of the cooperative. The purpose of the study was explained. Participation was voluntary and the participants had the right to withdraw any time they felt like doing so. Additionally, participants were assured that their names would not be revealed in the research reports emanating from the project. Furthermore, a written informed consent form was willingly signed by all participants. Oral feedback on the research was given to all the participants in a group sitting on completion of the entire project.

3.7 CONCLUSION

This chapter discussed different methods of collecting data during the fieldwork. It highlighted how some ethical issues needed to be taken into consideration while conducting fieldwork research. This research also traced the boundaries of the area of study and mentioned the sampling methods, and the way interviews were conducted.
CHAPTER FOUR: FINDINGS

4.1 INTRODUCTION

This section of the research shows how to discuss the results that the researcher has found in relation to both the research questions and existing knowledge. This is an opportunity to highlight how this research reflects, differs from and extends current knowledge of the area in which the researcher has chosen to carry out this research. Thus, this section is an opportunity to demonstrate exactly what the researcher knows about this topic by interpreting the findings and outlining what they mean. Even though we found similarities between the results and the existing work of others, this research extends knowledge of the area, by reinforcing current thinking. As mentioned in the previous chapter, some key issues were identified during the fieldwork and developed in this chapter.

Table 4.1: Profile of the study participants

<table>
<thead>
<tr>
<th>Participants</th>
<th>No</th>
<th>Age</th>
<th>Level of education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20-35</td>
<td>36-45</td>
</tr>
<tr>
<td>Male</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

NFE= No formal education     PS: Primary School     HS: High School     PRS: Professional School     UNV: University

The Cannon Farm Multipurpose Agricultural Cooperative is dominated by women and youth. Although their level of education is low, and no one has attended professional school and university, their self-determination and commitment contributed a great deal to their success. Even their Agricultural Technician commented that they have been doing an impressive work. They do exactly what he instructs them to do. They are very proud of the cooperative.
They boast that, since the formation of the cooperative, they are able to send their children to school to obtain a better education than themselves.

4.2 KEY ISSUES IDENTIFIED DURING THE FIELDWORK

This chapter presents the research findings for Cannon Farm Multipurpose Agricultural Cooperative in Chris Hani District Municipality (CHDM). For easy analysis, the data was grouped into the following key points identified during the fieldwork:

- Local government plays a crucial role in supporting cooperatives;
- Access to education and skills development;
- Access to health;
- A common goal, voluntary membership and democratic member control;
- Member economic participation;
- Gender balance;
- Infrastructure development;
- Job creation;
- Challenges facing cooperatives.

4.2.1 Local government plays a crucial role in supporting cooperatives

In question 2.1(a) (see appendix c), respondents revealed that the Department of Rural Development and Agrarian Reform has helped them with fertilizer, maize seed, 100 chickens, 11 bags of chicken feed and feeding dishes. They further revealed that the Local Agricultural Technician, from the Department of Rural Development and Agrarian Reform, visits them regularly to give advice and on-site training on how to run poultry operations. Through this, the cooperative got some initial training on poultry, although they feel that this is not sufficient.
This highlights how government is playing a major role in supporting the development of cooperatives and helping them to gain access to agriculture, by providing agricultural inputs and services. With the contribution of fertilizer and maize seed, in return Cannon Farm Multipurpose Agricultural Cooperative harvested 130 bags, of which a great deal has been already sold, thus reducing poverty.

The Khazimla Farmers’ Cooperative in Amathole District Municipality (ADM), which also practices poultry farming, applied to the Department of Land Affairs (DLA) for a grant to buy a farm, worth R360,000. The application took a year and the DLA granted a total of R400,000 with the extra amount helping with some capital and operating costs.

The ADM also financed the cooperative’s purchase of 6 chicken housing units which cost close to R100,000. Another cooperative in ADM, Izandla Zethu Farming Cooperative claims that, “We have now a truck from the Department of Trade and Industry (DTI). This came through because we are a coop”.

### 4.2.2 Access to education and skills development

While responding to question 2.2 found in appendix c, interviewees explained about positive changes their cooperative has brought to their community, and put specific emphasis on access to agricultural inputs and services, job creation, potable drinking water, reduction of poverty and poor health conditions, skills development on how to run poultry operations and to install water pipes. By managing to earn some income, cooperative members managed to send their children to schools.

A Cooperative Development Policy for South Africa (2004:8) claims that, amongst the seven principles of a cooperative, a cooperative should provide ongoing education and training for its members, elected officers, managers and employees. It should teach all of its members about the administration and management of the cooperative, the rights and duties of membership, and the business of the cooperative. All of the members of the cooperative should be equipped to contribute effectively to the development of the cooperative. The researcher has found out that all of this is experienced in practice by the members of Khazimla Farmers’ Cooperative, as she clearly states below:
The Khazimla Farmers’ Cooperative approached the Department of Labour for poultry training. The Department organized a service provider (Uluntu) which ran a month-long programme for the cooperative, and included financial and business management. The cooperative has also received financial management training from The Business Place and training on how to prepare tender proposals from the University of Fort Hare.

The Small Enterprise Development Agency (SEDA) helped the cooperative to develop its constitution and business plan, with the assistance of a service provider. The cooperative decided on the elements of the business itself. They highlighted that, “The business plan is your dream. We follow it quite closely”.

The Khazimla Farmers’ Cooperative has also attended several workshops organized by the ADM, including meetings of the Amathole Cooperative Forum. The cooperative has learnt a few things from these about cooperatives and also used these understandings to raise awareness of their interests and needs. They have already identified computer literacy as a skills need. They argue that, “We sell and we have to invoice. We lose invoices but computers can keep the invoices”.

More specifically, at Cannon Farm nine members were trained for a week, in laying water pipes and also got further training while on the job. They were trained by Independent Town and Around Civil Construction, awarded a tender by the Department of Rural Development and Agrarian Reform.

4.2.3 Access to health

Responding to question 2.4 (appendix c) about experiences they could share “before and after” the formation of a cooperative, respondents argued that before they formed the cooperative, their standard of living was really bad. Poverty was a dominant factor in their community. They did not have jobs and they were unable to provide for their families. They also had no access to potable drinking water; as a result, their health conditions were also poor. Now, that they have formed an agricultural cooperative, everything has improved. They are all working and able to provide for their families. They have clean drinking water. Poverty has been reduced and health conditions improved. They are also trained on how to
make a better living for themselves. They are hoping that, as time passes, with government support and also their commitment as cooperative members, a lot is still going to improve and enjoy a better life.

At present, the health institution, the clinic, in Cannon Farm has not yet been built but, as a result of the construction of the windmill and also the supply of Jojo tanks by the Department of Rural Development and Agrarian Reform to Cannon Farm, community members have now access to clean drinking water which contributes to better health conditions by preventing common illnesses like cholera. The improvement in food production reduces poverty which also has a positive impact on health conditions in the Cannon Farm community.

In support of the services provided in rural areas because of the presence of cooperative, the ILO Cooperative Branch (2007:1) argues that, cooperatives are the only provider of the services needed in rural communities since traditional companies often find it too costly to invest in these areas or anticipate unacceptable levels of economic return. In all, it claims that, cooperatives provide means for addressing many social and economic concerns.

4.2.4 A common goal, voluntary membership and democratic member control

To question 1.6 (see appendix c) on whether, since their formation of the cooperative, some members may have left, they answered “no”. This can be interpreted in many ways. On the one hand, one can say that the people of Cannon Farm Multipurpose Agricultural Cooperative have the common goal. They want to eradicate poverty and develop their community. They decided to register as a cooperative after an Agricultural Technician from Rural Development and Agrarian Reform advised them that a cooperative is an easy way to get help from government (question 1.2, appendix c). They are hoping that the cooperative can help them to achieve a better life (question 1.1, appendix c). They also decided on the name “Multipurpose” because they feel that they are not going to focus only on maize and chicken projects, as they have plenty of land, and also some sheep, goats, pigs and cattle.

This togetherness is also motivated by the fact that membership is voluntary and their cooperative is under democratic member control. This is highlighted in appendix c, question 1.6. Thus, every family on Cannon Farm, as they are a community of 21 families, joined the
cooperative voluntarily. No family was forced to join. Decisions to be made or wages are done by all the members. They compiled them as their constitution for future reference.

On question 1.5, appendix c, on how they manage to sustain their cooperative, respondents answered that they do it through their members’ commitment to the cooperative and also through the support given by government. Their cooperative follows its constitution closely. When some show signs of laziness, the cooperative uses its constitution and can write letters to the lazy ones. The constitution is clear, if you as a member are not active for 2 months, you forfeit everything.

### 4.2.5 Member economic participation

On the question, on how cooperative members sustain their cooperative financially, it was revealed that all members contribute to the “capital” of their cooperative and control its economic affairs democratically. “Capital” is defined as the money and equipment the cooperative uses to carry out its goals. They decided to pay a R50 joining fee and a monthly affiliation fee of R20 to cover the operating costs. They started in 2011 by collecting R400 from each family to plant maize. They could only raise R7000, as they depend largely on government grants. They paid for a tractor which only covered four hectares. Their dream is to farm the entire area which is about 48 hectares and sell their produce.

Through the intervention by the Department of Rural Development and Agrarian Reform, in 2012 they managed to double the area and covered eight hectares. It also assisted them with the chicken project which started with 200 day old chickens. They feed, treat and grow them over six weeks and sell them as live chickens. They sell their produce at local pension payout points and in the surrounding areas.

They are careful about their finances. They deposit the money in the bank immediately after they have collected it. Before any withdrawal, members meet and agree. They keep the receipts in a file and record them in the minute book for financial reports. Currently, the members do not get salaries every month. They share once they have accumulated enough money.
4.2.6 Gender balance

Another point identified during fieldwork is gender balance amongst cooperative members. In fact, referring to the section of “the profile of the study participants” (Chapter 4: Table 4.1) - there are nine men and 12 women in the cooperative. This shows a gender balance in the cooperative. At Cannon Farm there is no gender discrimination. Women also do men’s work and even their manager is a woman. They appointed her because she is able to offer her services and is willing to accept the responsibilities of membership.

But another explanation, if we say that the cooperative at Cannon Farm and cooperatives generally, come to address a poverty matter, one can explain that women experience poverty more intensively than men, or women are more concerned by the livelihood and survival of the family than men.

This is not a peculiarity of the Eastern Cape Province, in another study conducted in Limpopo, De Villiers (1995) states that the majority of African households in Limpopo areas are headed by old people, mainly women, who are also poor and with a high dependency ratio. Given high illiteracy rates, household remittance receipts are an important source of income for many as there are no employment opportunities. Moreover, Crothers (1997) complements the views of De Villiers (1995) by highlighting that another important effect of poverty on African women’s lives is its feminization as a key characteristic in many developing countries, including South Africa. Rural women in particular find it very difficult to get a job, to survive and take care of their children. To do this some of these women are forced to sell sexual favours, which leave them very vulnerable to sexually transmitted disease, including HIV/AIDS (New Africa 2000). Poverty has obvious negative effects on the development of children (Crothers 1997), and as a result it has been the major focus of this study.

4.2.7 Infrastructure development

Responding to question 2.2 in appendix c, respondents made it clear that since the chicken and maize projects require a lot of water, the Department of Rural Development and Agrarian Reform constructed a wind pump at Cannon Farm. It also supplied the cooperative with Jojo tanks for water storage and pipes to transfer water from the wind pump. The youth from the
community is busy installing the pipes all over the area, after having been trained to install the pipes. As a result of this agricultural cooperative at Cannon Farm, their community now has access to clean drinking water, which also contributes to better health conditions. The electricity which is also needed by the chicken project, is about to be installed. The cooperative has already had a meeting with Eskom.

4.2.8 Job creation

On the question about the kind of jobs that were created, varying from technical and clerical to general work, the agricultural cooperative at Cannon Farm has also created jobs for both women and youth. Some are working on the chicken project, others on maize project and also on water pipe installation. Refer to Appendix D for images taken at Cannon Farm. While the other cooperative, the Khazimla Farmers’ Cooperative, offers temporary jobs to 40 people, when its work demands more labour, in particular during selling time or when the cooperative needs extra hands for slaughtering and cleaning. Respondents revealed that since Cannon Farm is just a small community, everybody who is economically active is working, not only for his or her own benefit but for the entire community, especially now that they are not yet getting paid every month. They acknowledge that they are still at a developmental stage.

In fact, according to the International Labour Office (ILO) Cooperative Branch (2007:1) over 100 million jobs have been generated by cooperatives around the world. It argues that as agriculture remains the major source of income and employment in rural areas and the majority of cooperatives are found in the agricultural sector, cooperatives are significant in providing jobs to rural communities. They provide direct employment, as well as seasonal and casual work. They also maintain farmers’ ability to be self-employed. Additionally, the Food and Agricultural Organization (FAO) (2012:2) claims that, agriculture is the main source of employment and income in rural areas where most of the world’s poor and hungry people live. Furthermore, the Cooperative Act No. 14 of 2005 emphasizes that, the cooperative jobs are sustainable. The fact that, the owners of a cooperative are also the
workers who live in the same community, means that when the profits are not large enough, they will not close down the business to make profits elsewhere. Instead they will find innovative ways to retain jobs and remain competitive.

### 4.2.9 Challenges facing cooperatives

Responding to question 1.2, appendix c, about why the Cannon Farm Community chose to form a cooperative rather than each family working for its own benefit, respondents mentioned that, they were advised by the Agricultural Technician from the Department of Rural Development and Agrarian Reform that they should register as a cooperative. Cooperatives are the easy way to get help from government. This is a challenge on its own. People are encouraged to form cooperatives without knowing and understanding the necessary information on how to manage a cooperative. As a result, they end up not functioning or misuse the funds they were granted by government.

To be specific, the Cannon Farm Multipurpose Agricultural Cooperative, together with other cooperatives in the Eastern Cape Province, have not yet received a systematic information and education on what cooperatives are, how to run a cooperative, what cooperative principles and values are, and how to apply them. It does not have a vehicle for long-distance and bulk deliveries. It has to hire transport at high costs and the same applies to the tractor, which it has to hire it at high cost. Some other challenges include:

- No proper chicken coops;
- No irrigation scheme;
- No fencing;
- It has been in existence for less than 5 years, which is a critical stage of development in any enterprise;
- The Khazimla Farmers’ Cooperative competes with a bigger commercial poultry farmer from Mpongo, a nearby farm, which sells in bulks at a cheaper price than theirs, making competition tough.
Another challenges observed by the researcher is the tendency by cooperatives members to over-rely on government help and the local authority bureaucracy. Secondary to this, there is a kind of conditionality in getting help from the government. In fact, joining a cooperative is a condition for accessing government funding. This somehow undermines the individual business. The consequence is that in some cases, some people from the community may join cooperatives to get funds, and after getting funds they disappear.

In conclusion, quoting respondents on question 2.4, appendix c, about what experiences they can share before and after the formation of a cooperative, they said that before they formed the cooperative, their standard of living was very bad. Poverty was a dominant factor in their community. They did not have jobs. They were unable to provide for their families. They also had no access to clean drinking water; as a result, their health conditions were also poor. But now that they have an agricultural cooperative, everything has improved. They are all working and able to provide for their families. They have clean drinking water. Poverty has been reduced and health conditions improved. They are also trained on how to make a better living for themselves. They are hoping that as time goes by, with government support and also their commitment as cooperative members, a lot is still going to improve and they will enjoy a better life.

4.3 Conclusion

Through the data analysis presented above, it has been found that agricultural cooperatives are key tools to poverty eradication and socio-economic rural development, though they have not yet reached their full potential due to the challenges with which they are presently faced.
CHAPTER 5: CONCLUSION

5.1 INTRODUCTION

This research was conducted to find out whether agricultural cooperatives do bring development to previously disadvantaged rural Black communities. It also wanted to ascertain the role played by government in their success. As Mazibuko and Vishwas (2008:6) claim, during the apartheid era the White agricultural cooperatives were used as important instruments for successful rural development and also their successful experience testifies to the importance of the state in supporting the development of cooperatives.

The researcher decided to do case studies of poor, underdeveloped communities in the Eastern Cape Province, which had already started their agricultural cooperatives with the aim of eradicating poverty and developing their communities. All the research aims and objectives were met, and research questions were addressed.

5.2 GENERAL CONCLUSION

Throughout this research, it has been proved that agricultural cooperatives really are a major tool for socio-economic rural development. They are able to create jobs, especially for women, youth and disabled people. They generate income, facilitate Black economic empowerment, eradicate poverty and develop rural Black communities. All of this is made possible not only by the full commitment of cooperative members, but also by Government which has created an environment conducive to the development of cooperatives. Although these achievements are not yet fully accomplished in the Eastern Cape Province, due to the challenges with which they are presently faced, as time passes they will be addressed and agricultural cooperatives be able to achieve the millennium development goals.

In support of this, Nkondo (2012:2) highlights that the advances in science, technology, and innovation worldwide offer South African cooperatives the new tools needed to promote their development. He also states that universities and research institutions are initiating research
into enterprise development, drawing valuable lessons from Brazil, Tanzania, Kenya, China and India. The World Bank (2008) also confirms that there is evidence shown in previous works that the GDP growth in agriculture is at least twice as effective in reducing poverty as GDP growth in non-agricultural based countries.

Furthermore, although the members of Cannon Farm Multipurpose Agricultural Cooperative are not yet trained on cooperative principles and values, they know how to operate their cooperative due to the African culture which is more used to the values of self-help, self-reliance, self-responsibility, democracy, equality and social responsibility. They are all working for the sustainable development of their entire community. Hence culture is seen as a key contributor to agricultural cooperatives and rural development. The Cannon Farm community is also very positive about the idea of cooperation. They feel that ever since they formed a cooperative they have been more united, with one mind. They regard the cooperative as something that can develop them as individuals, their families and the broader community. They claim that, “It is not just for one person. It is for all of us. It can feed families”. Above all, they acknowledge that they are still in a critical development stage, only 2 years in existence, but they are already seeing a lot of improvement in their lives. Hence they have so much hope for the future. In fact, not only the Cannon Farm community has much hope in agricultural cooperatives, other communities in the Chris Hani District Municipality also show hope in this format, as it has been shown that the Chris Hani District Municipality has more cooperatives than any other District Municipality in the Eastern Cape Province (The Department of Economic Development and Environmental Affairs and the Eastern Cape Socio-Economic Consultative Council 2009:6).

5.3 RECOMMENDATIONS

With all the strength, opportunities and possibilities shown by agricultural cooperatives to our underdeveloped rural Black communities, it is imperative that all the challenges they are faced with need to be addressed in order for them to achieve their full potential. Again, if there could be on education, training and information awareness campaigns on what cooperatives are, how to run a cooperative, what the cooperative principles and values are, and how to apply those principles and values, rather than just simply saying cooperatives are
the easy way to get help from government. What is happening now, due to lack of knowledge, is that some cooperatives misuse the funds they have received, government fails to follow up and monitor those projects, and they end up collapsing. Hence monitoring and evaluation are also highly recommended.


APPENDIX A

ORAL INFORMATION GIVEN TO PARTICIPANTS PRIOR TO PARTICIPATION

INTRODUCTION

I am Bongiwe Tshunungwa, studying at Nelson Mandela Metropolitan University. I am doing research on Agricultural Cooperatives and Rural Development. I am going to give you information and invite you to be part of this research. You do not have to decide today whether or not you will participate in the research. Before you decide, you can talk to anyone you feel comfortable with about the research. As we go through the information, there may be words that you do not understand. Please ask me to stop and I will take time to explain. Also if you have questions later, you can ask them.

PURPOSE OF THE RESEARCH

I want to find out whether agricultural cooperatives bring development to previously disadvantaged Black rural communities. I want to know the factors influencing the success of your agricultural cooperative and the role played by government in your success. I also want to know the challenges facing your cooperative.

TYPE OF RESEARCH INTERVENTION

This research will involve your participation in a group discussion that will take about one and a half hour, and a one hour interview.

PARTICIPANT SELECTION

You are invited to take part in this research because I feel that your experience as a member of an agricultural cooperative will help me to understand their contribution to rural development.

VOLUNTARY PARTICIPATION

Your participation in this research is entirely voluntary. It is your choice whether to participate or not. If you choose not to participate, all the services you receive at this project will continue and nothing will change.
PROCEDURES

I am asking you to help me learn more about the contributions of a cooperative in your community. I am inviting you to take part in this research project. If you accept, you will be asked to take part in a group discussion and individual interviews which will be guided by me. Make sure you are comfortable.

I will ask you questions about the formation of the cooperative and cooperative contributions to rural development. Questions will focus on the cooperative in your community, on what the community knows about agricultural cooperatives, how they manage their cooperative, how do they feel about cooperatives, what experiences can they share before and after the intervention of a cooperative in their personal wellbeing and the community at large. If you do not wish to answer any of the questions during the interview, you may say so and I will move on to the next question.

Both the discussions and interviews will take place here in Cannon farm. Only you and me will be present unless you would like someone else to attend. I will be taking notes as we continue talking and some photographs. I will also request some documents like minutes, constitution, annual reports and updates, to understand how the project operates. The information gathered will be confidential and no-one will be identified by name.

DURATION

The research will take place over four weeks. I will visit you once a week. Two weeks will be for group discussions which will last for about one and a half hour each. Then, the other two weeks will be for interviews and will take about one hour each.

Risks

There is a risk that you may share some personal or confidential information by chance, or that you may feel uncomfortable talking about some of the topics. However, I do not wish for this to happen. You do not have to answer any question or take part in the discussion or interview if you feel the question(s) are too personal or if talking about them makes you uncomfortable.
BENEFITS

There will be no direct benefit to you, but your participation is likely to help me find out whether agricultural cooperatives bring development to rural communities.

REIMBURSEMENT

You will not be provided any incentive to take part in the research.

CONFIDENTIALITY

The information collected from this research project will be confidential. Any information about you will not have your name on it. Group participants will also be encouraged to respect confidentiality, though that cannot be guaranteed.

SHARING THE RESULTS

The knowledge I will get from this research will be shared with every one of you in a meeting situation, after the entire project is completed.

RIGHT TO REFUSE OR WITHDRAW

You do not have to take part in this research if you do not wish to do so, and choosing to participate will not affect your membership or services you receive from the project. You may stop participating in the discussion or interview at any time that you wish without your services being affected. I will give you an opportunity at the end of the interview or discussion to review your remarks and you can ask to modify or remove portions of those, if you do not agree with my notes or if I did not understand you correctly.

WHO TO CONTACT

If you have any questions, you can ask them now or later. If you wish to ask questions later, you may contact me at:

NAME : Bongiwe G. Tshunungwa

ADDRESS : P.O. Box 998

Queenstown

5320
CONTACT NUMBER : 083 478 4243

E-MAIL ADDRESS : btshunungwa@yahoo.com

This proposal has been reviewed and approved by Dr Celestin Hategikimana who is my Supervisor and also by the NMMU Research Ethics Committee (Human), whose task is to make sure that research participants are protected from harm.
INFORMED CONSENT FORM

This informed consent form is for community members in Cannon Farm, who are invited to participate in the research titled, “The Role of Agricultural Cooperatives in Developing Previously Disadvantaged Black Rural Communities in the Eastern Cape Province since 2005: The Case Study of Cannon Farm in Queenstown”.

NAME OF PRINCIPAL INVESTIGATOR : Bongiwe G. Tshunungwa

NAME OF ORGANISATION : Nelson Mandela Metropolitan University

This Informed Consent Form has two parts :

- Information Sheet (to share information about the study with you).
- Certificate of Consent (for signatures if you choose to participate).

You will be given a copy of the full Informed Consent Form.
CERTIFICATE OF CONSENT

DECLARATION BY THE PARTICIPANT

I have been invited to participate in research about Agricultural Cooperatives and Rural Development. The foregoing information has been read to me. I have had the opportunity to ask questions about it and any questions I have been asked have been answered to my satisfaction. I consent voluntarily to be a participant in this study.

Print Name of Participant..........................

Signature of Participant............................

Date.........................................................

Day / Month / Year

DECLARATION BY THE PARTICIPANT IF ILLITERATE

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had the opportunity to ask questions. I confirm that the individual has given consent freely.

Print Name of Witness............................... Thumb Print of Participant

Signature of Witness...............................

Date.........................................................

Day / Month / Year

DECLARATION BY THE RESEARCHER

I have accurately read out the information sheet to the potential participant, and to the best of my ability made sure that the participant understands that the following will be done:

- Group discussions.
- Individual interviews.
• Photographs.
• Document review.

I confirm that the participant was given an opportunity to ask questions about the study, and all the questions asked by the participant have been answered correctly and to the best of my ability. I confirm that the individual has not been coerced into giving consent, and the consent has been given freely and voluntarily.

A copy of this Informed Consent Form has been provided to the participant.

Print Name of Researcher............................

Signature of Researcher...............................

Date..............................................................

   Day / Month / Year
APPENDIX C

SUMMARY OF RESPONSES TO THE QUESTIONNAIRE

This questionnaire was administered in face-to-face interviews in order to produce more complete information. Both the individual interviews and group discussions were used to triangulate the findings of each. Individual respondents were chosen randomly and whoever came along. The questionnaire guided the interviews. Additional questions and expansion on the points raised were allowed.

The general opinion of the members of Cannon Farm Multipurpose Agricultural Cooperative interviewed indicated the following responses:

1. FORMATION OF THE COOPERATIVE

1.1 What caused you to form a cooperative?

“We are all not working. Our aim is to develop ourselves as business people, create work for the community and fight poverty. We are hoping that the cooperative can help us to achieve a better life”.

1.2 Why did you choose to form a cooperative rather than each family works for its own benefit?

“We were advised by the Agricultural Technician from the Department of Rural Development and Agrarian Reform that we must register as a cooperative. Cooperatives are the easy way to get help from government”.

1.3 Do you know the values and principles of a cooperative? If YES, please explain them.

“No”.

1.4 Do you have some records on how your cooperative operates? YES / NO?

1.4 (a) If YES, Name them.

1.4 (b) If NO, Explain why?

“Yes”.

“The Constitution, Minute Book, Diary and Receipt File”.
1.5 How do you manage to sustain your cooperative?

“It is because of members’ commitment to the cooperative and also the support given by government. Our cooperative follows its constitution closely. When some members started to be lazy, the cooperative use its constitution. We would write letters to the lazy ones. The constitution is clear, if you are not active for 2 months, you forfeit everything”.

1.6 Since your formation of this cooperative, is there any family that has left the cooperative? If YES, explain why?

“No”.

1.7 Why did you choose an agricultural cooperative rather than any other cooperative?

“We heard that agricultural cooperatives are seen as a major tool to create employment, generate income, facilitate economic empowerment and eradicate poverty than any other cooperative”.

2. COOPERATIVE CONTRIBUTIONS TO RURAL DEVELOPMENT

2.1 Has your production, both maize and chicken, improved? YES / NO?

2.1 (a) If YES, Why has it improved?

2.1 (b) If NO, Why has it not improved?

“Yes. The Department of Rural Development and Agrarian Reform has helped with fertiliser, maize seeds, 100 chickens, 11 bags of chicken feed and feeding dishes. The Agricultural Technician also from the Department of Rural Development and Agrarian Reform visits the cooperative regularly to give advice and on-site training on how to run poultry operations”.

2.2 What positive changes do you think your cooperative has brought to your community?

“Access to agricultural inputs and services, Job creation, Potable drinking water, Reduction of poverty and poor health conditions, Skills development on how to run poultry operations...
and to install water pipes, Able to send our children to schools, thus also access to education”.

2.3 Are there any changes or improvements that you feel they need to be done concerning how the cooperative is managed? If YES, Explain them.

“Yes. The education, training and information on what cooperatives are how to run a cooperative, what are the cooperative principles and values, and how to apply those principles and values. Rather than just saying cooperatives are the easy way to get help from government”.

2.4 What experiences can you share before and after the formation of a cooperative?

“Before we formed the cooperative, our standard of living was really bad. Poverty was a dominant factor in our community. We did not have jobs. We were unable to provide for our families. We also had no access to potable drinking water; as a result, our health conditions were also poor. But now that we have an agricultural cooperative, everything has improved. We are all working and able to provide for our families. We have clean drinking water. Poverty has been reduced and health conditions improved. We are also trained on how to make a better living for ourselves. We are hoping that as the time goes on, with government support and also our commitment as cooperative members, a lot is still going to improve and enjoy a better life”.

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION.
APPENDIX D

IMAGES TAKEN AT CANNON FARM

1-DAY OLD CHICKENS AND CHICKEN FEEDERS
GROWN UP CHICKENS
HARVESTED MAIZE
WINDPUMP AND JOJO TANKS
YOUTH WORKING ON WATER PIPES