

**CO-OPERATIVES AS DEVELOPMENTAL ORGANISATIONS FOR PEASANT
AGRICULTURE IN SOUTH AFRICA.**

by

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DECLARATION

I, HENRY CLIVE CHAWANE, do hereby declare that the work contained in this discourse is entirely my own work with the exceptions of such quotations or references which have been attributed to their authors or sources.

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ABSTRACT

Co-operative development had been reestablished in newly independent African countries like in Zimbabwe and Mozambique. The failure of many co-operatives especially the production co-operatives, has resulted in a decreasing interest. The less spectacular forms like rural service co-operatives or credit and savings co-operatives did not attract the same research initiatives and interests as producer co-operatives despite the fact that rural service co-operatives have played a considerable economic, social and political role in many African countries (Hedlund, 1988). Rural service co-operatives in South Africa have been initiated by the farmers and/or government. All too often, they ended up, both cases alike, being run by the government. Direct state control is unlikely to facilitate a creative environment in the local community or in a local community institution.

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1. INTRODUCTION

Agricultural production in the Homelands of South Africa is characterised by farming communities who have their hands both in rural economy and urban economy through migrant labour system. Farming in these areas takes place in a degraded environment and resource-poor households. There is a general consensus among many writers that poverty in the rural areas did not come about out of their own volition, rather it came as a historical evolution of racism and the savage capitalist economy which has side-lined them with an express purpose of creating a cheap labour pool.

Increasing rural populations has meant more pressure on the land to supply the food requirements of the population. The 1913 and 1936 Land Acts set boundaries within which the blacks can engage in the land market, the result of which was that no any other additional land could be made available to these communities. In effect, the farming units allocated to an individual household are very small and more often uneconomic.

The urban-biasness of the development policies in South Africa at the expense of the rural agricultural production has meant that an average male found it rational to sell his labour as it was meant he should. Left behind in rural areas to engage in farming are the wives and children of the migrant workers. Yet these people have been ignored by the local extension officers,

the very people who were supposed to help them. The lack of centres for the dissemination of technological innovations and the local organisational capacities to co-ordinate this information means that the traditional modes of agricultural production could not be done away with.

The small-scale producer in the rural areas also faces the problem of very narrow threshold for the local markets which he cannot even understand. Meanwhile he faces competition with the big white commercial farmers. The ability of the white farmer to make bulk purchases of farming requisites either directly from commercial wholesalers or through co-operatives enables him to make significantly large savings. Hence he can sell his produce at a relatively low price. Whereas the small-scale black farmer has zero savings, he is bound to sell his produce at a low price and incur the loss or get his produce to rot on the fields because of the lack of warehouses or cold storage. Invariably, he ends up in a big loss.

The long history of the unproductive and unprofitable nature of agricultural production in the Homelands has resulted in the underutilisation of the available land. And so farming in these areas is largely an ancillary activity.

This poses a very serious problem in dealing with poverty in the rural areas and providing an impetus to a viable and sustainable rural economy when such is primarily depended on an increased and sustainable rural agricultural production. The challenge

hitherto is the breakage of the traditional modes of production to bring about a farming community that will look at farming not as just the norms of the day in the rural life, but as an activity which brings about a self-reliant and prosperous society.

A blanket approach on rural development is flawed with many difficulties much as it treats the rural population as a homogenous community. Dealing with this problem of low agricultural production in these areas, a system approach is required which will be self-selective with regard to who is a farmer in these areas and who is not. In order to do this a set of principles or standards need to be laid out so as to select the target group. The target group in this paper is the peasant farmer.

An important factor to note is the environment within which the black rural communities in South Africa have been socialised. No matter how good a development approach or any idea could be, as long as it is introduced to them by an outsider, or through the Local Tribal Authorities, they always regard that with some contempt. Secondly development programmes in these areas have not been based on the basic community needs. Invariably the transformation of the present traditional mode of production to a viable commercial farming must be needs oriented and community-based as opposed to community participation.

Verhagen (1980) advanced the following questions with regard to

co-operatives in dealing with these problems outlined above, as they are community-based organisations:

.. "Are co-operatives in developing countries an effective instrument in combating rural poverty?

. What can they do to small farmers and landless individuals?

. How can they be prevented from flagrantly missing targets and target groups?

. How can international assistance promote development on the right lines?

In order to address these questions, I have described the South African peasantry and the problems inherent in peasant production. The description, which primarily intends to define the target group develops from a broader perspective of how the capitalist mode of production contribute to the success or failure of peasant farming, how the apartheid capitalist state of South Africa has related to him and finally, I dealt with the historical and theoretical problems and constraints the South African peasant is faced with. A case study material is provided in Section 2.4 to look at specific problems and constraints in the present situation of peasant production, and the contributions co-operatives have had in dealing with these problems.

Having suggested above that co-operative organisations inasmuch as they are community based, are a viable proposition in addressing the basic needs of the peasant farmer and playing a major role in his transformation to a semi-commercial/commercial farmer. The strengths of these organisations other than being community-based, are seen in the principles of the co-operatives which are discussed in Chapter 3. However, the international experience of co-operative developments provide a very disquieting results.

Whereas the reasons for establishing co-operative movements in many post-colonial African countries have been coherently economic, the underlying objectives and types of co-operative settlements have not been the same. However, their reasons of failure have generally been the same. Factors that have contributed to the failure in co-operatives are discussed in Section 3.6. This discussion has focused mainly on the international experience. Section 4.2 looks at the problems that coherently contribute to the poor performance of local co-operatives.

There are few cases though, where co-operative organisations have proved to be a success. The role of co-operatives in China's countryside as well as the Simukai co-operative in Zimbabwe has been discussed in Chapter 3, section 3.6 and 3.7. This discussion does not, by any means, suggest that there are success cases of co-operatives, few as they are, that can provide a model to be implemented elsewhere, other than pointing out that it is

sometimes worth-while to experiment them.

Chapter 4 gives the historical background of co-operatives in South Africa and how they have performed this far. A case study of a specific area in the rural areas of Mhala District in the Gazankulu Homeland on the role and performance of co-operatives in agricultural production is summarised in this chapter. This is intended to provide a background on the role of co-operative movements in South Africa, which will also draw from the international experiences.

In Chapter 5 the prospects of more co-operative organisations are looked at. Together with the present situation of co-operatives, co-operative planning becomes pre-eminent to minimise failure. Critical elements for co-operative success are discussed in this chapter.

2. PEASANTRY

2.1 INTRODUCTION

In considering the role of co-operatives in the development of the rural economy, with agriculture being the most important economic activity (besides community services) responsible for the greater part of the gross domestic product (GDP) (Bembridge, 1986), it is useful to conceive the strata of the population involved in farming, and their essential relations of the capitalist mode of production (Bernstein 1988). Secondly, it is essential to locate their positions in relation to other classes as expressed through social and political formations and functionalisms. The main purpose of this chapter is to identify and analyze the constraints that the farming household is faced with in the contemporary capitalist Apartheid South Africa.

2.2 Definition

Bundy (1988) defines African peasantry as a class of petty agricultural

producers who sought to sell a portion of what they raise in order to meet the demands of a cash economy and a colonial state that seeks its taxes. With their involvement with exchange and markets, the local traditional world and the market principle are maintained in balance.

According to Cooper (1980) peasantry has to many differing views

meant poverty, hopelessly backward-looking and politically fragmented society or a one real hope for revolution.

From the above definitions, there is obviously a significant disagreement in defining peasant and the typologies drawn up (Klein, 1980). Klein quoted three definitions in trying to highlight the differences in defining who the peasants are. Whilst one school of thought stresses the relationship between a folk tradition and a dominant tradition and the other culture, there is a general agreement on the phenomena discussed.

The following variables could be identified (Klein, 1980):

- peasants are agriculturalists who control the land they work either as tenants or small holders.
- they are organised largely in household units which meet their subsistence needs;
- they are ruled by other classes, who extract a surplus either directly by rent or through control of state power (taxes);
- peasants culture is distinct from, but related to, the large culture of dominant group.

According to Cooper (1980), the identification of the household as the key unit of peasant production does not reveal how a

household head can actually maintain control over family labour, and the very forces that turned relatively subsistence - oriented households into peasantries. An understanding of how the process of accumulation took place during the colonial capitalist state, which centred around the means of production and the relations of production as well as the market forces which all together entangled the subsistence oriented African, is required.

Cooper (1980) cites an assertion made by Bundy (1988) that peasants are not necessarily the hopeless lot as they have been portrayed by many writers as being unresponsive and their husbandry very poor. As Bundy (1988) argued, they were reduced to economic servitudes as the gold mining industry voraciously hungered for cheap labour. The consequence of this and the market forces and the capitalist forms of production made white owned farms viable.

2.3 Theoretical and historical problems of peasant production

2.3.1 Capitalist Production

In order to understand the relation between the capitalist state and the peasantry, it is imperative to understand capitalist production. As Karl Marx explained, capitalist production centres around the means of production and the relations of production. Primitive accumulation is, according to Marx, the

origins of capitalism, and tended to destroy the earlier modes of production: The African worker does not receive a wage that permits him to support a family or provide for his retirement, and the African cultivator does not sell enough cash crops to feed and clothe his family (traditional economy); the destruction of the traditional economy (pre-capitalist mode of production) through the subsidisation of industry and economy meant that black males in South Africa had no option any longer but to migrate; the destruction of the traditional economy meant the alienation of the worker and peasant from the means of production so that they are forced to sell their labour power.

During the capitalist colonial state, the processes of accumulation took place at three levels:

1. Level of the enterprise; colonial firms created themselves through local profits as through investments from abroad, using their relationship with the state.
2. Extraction of wealth from African producers through taxes to create a state that exploited them than to pay for its operation.
3. Accumulation by the elites.

The impact of the capitalist colonial rule, which converted large

areas in South Africa into labour reserves and strongly distorting the role of others, is discussed below.

2.3.2 Peasants and the capitalist society

Both the academics and the liberation movement (Levin and Neocosmos, 1989), have regarded the peasantry as doomed, painting them as a picture of decay and destruction under the imperatives of capitalism without even pausing to consider the transformations that took place in black agricultural areas. Marx asserted that the social structure of peasants was amorphous and atomistic which would make them unable to resist the erosion by capitalism (Klein, 1980). Most importantly is that official statistics and estimate indicated that black agricultural areas were characterised by poor husbandry and that they were not only technologically backward, but also were unresponsive to the demands of a modern economy (Cooper, 1980).

Bundy (1988) refuted this fact by showing that Africans have in fact responded with alacrity to the growth of a market in foodstuffs in the nineteenth century, a response which included technical innovation and crop diversification as well as expansion of output (Cooper, 1980). Lipton has also sought to explode this myth of poor black farmers by attempting to demonstrate how the diabolical hand of the state has prevented the emergence of the rational and efficient small family farming units (Levin and Neocosmos, 1989). This is pre-eminently an

acknowledgement of the fact that there are indeed some serious deficiencies in black agricultural areas which has made peasant production not an attractive venture, and has fallen in an ongoing debate.

Lipton (1986) argued that these deficiencies can be put down to the lack of incentives and social injustice than to inefficient farming methods. She asserts that it is not unequal distribution of land and small size of holdings which have been the major constraints on development in black rural areas but the risk of failure due to lack of capital for basic requirements including irrigation and credit, the difficulties of marketing produce, and the problems of competing with subsidised and favoured white farmers (Levin and Neocosmos, 1989 : 232)). Invariably the availability of land is meaningless without the means of production necessary to cultivate it.

Low (1986) argues that the provision of rural infrastructure, establishment of market organisations, making credit facilities available, strengthening of extension services, and developing new crop and livestock production technology, did not result in improved production in the indigenous sector. He says in spite of all these development strategies production has continued to fall. He asserts that the common interpretation of the underdevelopment of the indigenous sector in Southern Africa is a result of either historical neglect and policy discrimination or the current institutional bases that have favoured and continue to favour large - scale modern and capital intensive

production of small family farms. However, the limitations imposed by the lack of a conducive environment which are not policy oriented are deeply penetrating as it shall be seen in the discussions that follow.

The peasant also faces a state that wants its taxes and its large share of marketing board receipts, as well as a local authority system with powers to evict and intervene in every significant decision taking throughout the production process (Cooper, 1980). As Bundy has showed, peasants rose in response to the market and fell before the onslaught of the state, which in turn was pushed by the forces of industrial and agricultural capital their success of which depended on cheap labour. Peasants are a centrepiece periphery and their partial incorporation into the market reflects a distinct position of peripheral economics in the world system (Cooper, 1980) and the concept of underdevelopment it involves. The development of industries in a capitalist mode of production depends on the supply of cheap labour - power which is produced and reproduced outside the capitalist mode of production in the South African bantustans.

For the value of labour-power to remain low, it means that the necessities of life, which include, inter alia, food, must remain cheap to increase the rate of exploitation and capital accumulation (Levin and Neocosmos, 1989). As the prices of agricultural products become too low, the peasants reduce production levels and/or sell on a black market with the result that the urban proletariat no longer has access to cheap food.

The South African government has always responded by racial repressive measures, which included the grabbing of immense quantities of land, and kept productive land away from successful African farmers so as to drive even the small - scale tenant farmer into wage labour.

The heavy loading of economic incentives against potentially viable black farmers prevents them from farming more (Levin and Neocosmos, 1989).

Again the concentration of economic powers on few lands means that the peasant is not in the position to lobby for better prices for his agricultural produce.

Faced with this situation and the increasing powerlessness, and the development of new wants not only for consumption, but for goods that have become necessary for farming, cash became a necessity and wage labour the only alternative. Hence a sensible, rational man will probably judge that it is not worth his while to use his energy and skill to cultivate and increase the value of his land to get little return (Levin and Neocosmos, 1989). And so he looks for employment elsewhere as it is intended he should.

Consequently the wives and children of the migrants remain on the farms. The gender policies of the apartheid state have discriminated women against access to land, training and credit.

They have been marginalised and relegated to the level of being victims of unemployment and low wage employment (Treund, et al, 1990). At the same time, there was very little wage income given to the migrant worker to enable him to accumulate enough to buy the necessities for farming.

2.3.3 Peasants and the apartheid state.

Under the apartheid regime conditions have been clearly harsh for the survival of South African peasants. Bundy (1979) gives a clear and comprehensive account, based on empirical evidence, of the eventual fall of the African peasantry, which happens to be in line with Marx's assertion (Klein, 1980). Does this mean that peasants in South Africa have been completely wiped off? Mabin (1991; 34) and Vaughan (1990; 4) points out that rural South Africa does possess, though not to any considerable degree, a peasantry.

Nevertheless peasant farming has not been such an attractive production

activity in spite of the identification by the leading article in Financial Mail of peasant farming as one effective way of generating wealth for poor rural people. In fact Dolny (1990) expressed grave doubts about the future of blacks as small scale commercial farmers.

There are a number of constraints in the immediate environment of the South African peasantry which prevent them from

effectively utilising the available land. These constraints do not, however constitute a closed system. Vaughan (ASSA 1990) points to the extreme population pressures on the land in the reserves which is significantly overcrowding the land in relation to the possibilities of rural production which is without substantial capital investment (Mabin, 1991).

The traditional modes of land allocation does not allow for the participation in production for the marginalised rural people - most particularly women and children who have no source of income. As Cloete (1987) has pointed out "participation is largely confined to members of the Tribal Authorities and local elites moving away from the ideal of representing people's power which gave them their traditional sanction." Over and above, they have been very repressive, being given the powers by the state, on all expressions of discontent.

The allocation of land is hardly an equitable process in the first place (Vaughan, 1990), and have involved a corrupt practice on the part of the chiefs and indunas for the extortion of bribes from the people (Cloete, 1987).

The distribution of fields naturally favours the old established families. There are many who have no access to agricultural land and these people are automatically excluded from participation in production, even the would be productive peasant farmers. The illogical divisions of land arising from tribal allocations often do not give way to land units as dictated by the economics of the

crop to be established, effectively excluding the growing of some crops which would otherwise support a peasant family (Vaughan, 1990).

The concentration of economic power and the regional imbalances in economic relationships, as well as the white man's demand for cheap labour in both white farms and urban mines and industries, make balanced economic growth in the interest of all South Africans unattainable. The consequence of this is a permanent displacement of the economically active household members or head who would otherwise be productive if present on the land, leaving the unproductive and marginalised women and children.

Also, there is a lack of comprehensive training programmes to redress racial inequalities and to improve the productivity of labour. Moreover, the economic and educational exclusion has contributed to very low skills and awareness levels (Jackall and Levin, 1984). Whilst women contribute about 80% of the rural production (African Farmer, No.3 April 1990) they are ignored for training and hardly receive any extension services. Extension officers are systematically biased against small-scale farmers. This implies that the inefficient, traditional modes of agricultural production cannot be done away with. Such farmers are always looked at by governments as backward and resistant to change. They end up being isolated by the very people who are supposed to help them - research institutions, agronomists, bureaucrats and engineers. Consequently the son of the farmer goes to school not to become a better farmer, but to escape from

the farmer's world, which is considered a world of losers and drudgery. Hence the ancillary nature of farming, activity in rural areas.

The legitimacy of the Tribal authorities at the local level is another problem. Whereas development attempts are often directed to the small farmer, the political dispensation dictates the tribal authorities as the point of entry for access to tribal land and production in tribal areas (Vaughan, 1990). Invariably development processes and policies which deliberately preserve the status quo, preserve with them the inequalities in land distribution, and unacceptable and undemocratic allocation practices. Tessa Marcus was cited by Vaughan (1990) to be arguing that the state, and quasi-state institutions like the Development Bank of Southern Africa (DBSA), evade the gravity of the problem in the reserves by divorcing this problem from the broader economic crisis, and redefining it as a development issue.

Related to the above issue is the lack of political power and social privilege which are a major constraint to the development of the peasant farmer. Jackall and Levin (1984) summarised this as follows:-

These communities living on the periphery of the mainstream socio-economy are generally not mobilised in a way whether through union, political or community activity. Hence initiatives established in these communities tend to

be encouraged by either local leaders with particular vision or by outside organisation facilitating change.

According to Selden (1980) this is the basis for feudal control and causes the peasant to succumb to any permanent impoverishment. Over and above, this leaves a vacuumed communication channel which makes the flow of extension service of other sources, and often the local organisational capacity to co-ordinate these elements, impossible. As Mc Intosh (1989) explained, the unorganised nature of the peasants does not provide the basis for disseminating skills which many producers do not otherwise have access to.

Further it makes it difficult for peasant farmers to rally together to wage an effective struggle for a commonly felt need (Cloete, 1987; Vaughan, 1990). It is in this context of the rural people that Dolny, Marcus, and Wener and Levin stressed the imperativeness of mobilising and organising the rural poor in an attempt to improve their welfare status.

An example can be noted from an article published on the City Press, November 25, 1990, with the title 'A Paradise Lost' by Cedric Nunn which concerned the Mafefe farmers in Lebowa. A white Mr Nel came to this area in the authority of a contract signed with the Lebowa Department of Agriculture. He told the farmers to plough together with him using the government tractors, and reap together, then he would market the produce. Farmers were promised to receive R600 for their first crop, which

was to be wheat. Farmers were initially encouraged and worked very hard. Unfortunately at the end of it all Nel only gave them R93. Obviously he took advantage of the powerlessness of the community, most importantly because they were not organised.

Because of their unorganised nature, they cannot successfully lobby for better prices of their produce. At the end of the day they have to succumb to prices as dictated by market forces which they themselves cannot even comprehend. Meanwhile the small scale cultivator enters into the production of a crop without a guaranteed market, and compete on the same footing with the white commercial farmer (Vaughan, 1990), who receives support services from the state (Nicholson, 1990).

South Africa has, for the past few years or so, been experiencing a serious economic problem because of sanctions. Many of the young males have lost their jobs and have permanently returned to their homes in the bantustans. Since farming has largely been conceived as a fruitless venture in rural areas, and has been regarded as a part - time activity, very few have turned to farming as an alternative for earning a living. Hence the de facto farmers are still, by and large, women left behind in rural areas and less frequently retired men who have returned from urban areas.

The rural people are geographically isolated from urban markets, which creates vulnerability particularly due to lack of communication and access to expertise and their remoteness, and

are marginalised by being politically side-lined. Few of the marginalised have held permanent jobs and are therefore considered unemployable. This group rarely hold savings or other substantial resources which could be used for development purposes.

The lack of good infrastructure in many rural areas has meant a poor access to markets. Even those farmers who would manage to scratch a living from their meagre plots are more often than not frustrated by the lack of viable transport network for their produce. The unavailability of credit has severely impacted on small producers. The opportunity of using land productively is constrained and inhibits the entrepreneurial independence of farmers. The migrant wage that the South African peasant has always been depended on has just not been enough for anything, let alone for investment on their plots. They have turned more often to moneylenders who would not dare to leave an advantage of exploiting their plight by charging exorbitant interest rates, plunging them deeper into debts. Lack of finance also means that they are unable to fence their fields to protect their crops from cattle. This has adversely affected utilisation of land particularly on dryland cropping areas.

2.4 Current problems: Case Study - Mhala District of Gazankulu

In the preceding discussions I have tried to succinctly highlight the drastic effects of a capitalist production on the resource-poor, amorphous peasantry and the deliberate economical, social

and political marginalisation and isolation of the rural poor. The 1913 and 1936 Land Acts have resulted in a very skewed distribution of land, with blacks occupying only 13% of the total land. I have also discussed the inequity and inequality of land allocation systems in Tribal Authorities, which has compounded the problem of landlessness in the rural areas.

The purpose of this case study was to establish the problems and constraints that impede the productive use and optimal utilisation of the farming plots by those who were fortunate to be favoured by the Tribal Authorities land allocation system. Secondly is to look at the contributions that the agricultural co-operatives in this area (Kanana and Ngonini) have had in addressing members farming problems.

RESULTS

Respondents	= 20
Average sizes of plots	= 5ha (ranging from 1,5 to 15ha).
Average family size	= 7

Employment:

Depended on farm incomes only	= 12
Incomes supplement from migrant	

workers and other local sources of
employment, e.g local government. = 8

Land Utilisation:

Those who were unable to put all of
their fields under cultivation = 8
constraints are:-

- shortage of working capital
- shortage of labour
- lack of ploughing/tractor services
- water logging

The problems that in general affect every farmer are summarised
below.

- shortage of water for irrigation
- lack of extension services
- shortage of markets-farmers compete in the local
market with big
commercial white farmers
- farmers exploited by the local white market
- Lack of price control board
- profit from farms very marginal.
Consequently they are unable to invest more
on their farms as they are also depended on
these limited profits to support their

families, and for the education of their children.

Opportunities as perceived by farmers:

13 respondents expressed hopelessness.

7 respondents believed that hard work was the solution to the realisation of their dream as successful commercial farmers.

However, they reckon that hard work alone is not worthwhile unless accompanied by:

- joint efforts
- assistance from co-operatives through provision of credit and inputs at reasonable prices, organisation of markets and transport for their produce.
- extension services and training.
- government assistance with regard to irrigation schemes and marketing boards.

Agricultural co-operatives: Kanana and Ngonini

NB: The 20 interviewees is a combined number from both Kanana and Ngonini. Hence the results are a reflection of the two co-operatives. Where there are differences, they have been treated separately.

Table 2.1

Year of establishment	Ngonini: around 1967 Kanana : 1971	
Aim(s)	To sell farm requisites to farmers and to organise markets for their produce.	
Membership	Kanana = 317 Ngonini = Not available. AJ1 interviewees were members.	
Reasons for Joining	It was compulsory for all who owned irrigated plots in the irrigation scheme for the purpose of being given marketing and transport services. For benefits such as low input prices, credit, etc. Others regard themselves as members by virtue of their landlords or husbands having been once members.	

Commitment

Meeting attendance	Kanana: hardly 100 members turn up for meetings.	
Participation in meetings	Predominantly executive members.	
Meetings follow up	Non-existent.	
Checks	Non-existent.	
Management	Farmers executive committee	

and the government.

Performance

Poor.

NOTE: A detailed explanation of the issues that affect the performance of these co-operatives is given on Chapter 4 Section 4.2 - Co-operative performance in South Africa.

2.5 CONCLUSION

Doslin (1986) wrote that the economic process entails particular relations among those engaged in productive activities, so that all human beings enter into definite connections and relations with one another and only within these social connections and relations does their action on nature, does production, take place". He continued to say that it is in this view that the economy presents itself as a social and political expression through classes, segments of classes and their complex relations. Whilst the state is not posed as an intrinsic entity above and beyond the economy, it is nonetheless an integral element, an organic product, made necessary by the needs of societal reproduction". It is considered an institutional formation intimately related to economic structures and processes" (Doslin, 1986). Through formulation, implementation and effectiveness of policy instruments the apartheid state of South Africa has tilted the fundamental balance of class forces and their forms of organisation and systematically reduced the peasant to a landless and non-productive farmer.

The point of departure is the mobilisation and organisation of the South African peasantry to struggle against the backdrop of the socio-economic and political processes of the contemporary apartheid region and be transformed into a sustainable semi-commercial/commercial farmer through collective organisations.

Bembridge (1986) wrote that the nature, intensity and output of small - scale farming systems are depended upon the interactions between and within five groups of factors: physical and ecological; the agricultural; institutional and operational; the human potential; technology. He asserts that it is the interaction of these five systems which determines output and production levels and which brings about a general amelioration of life in rural areas.

The general trends in agricultural and rural development which took a form of big irrigation schemes and capital-intensive farming systems have resulted in growth in real terms, in the gross domestic product (GDP) and gross national income (GNI) of the less developed areas. However there has been little change in the plight of rural families (Bembridge, 1986). The result has been a widening gap in productivity between subsistence and commercial agriculture in Southern Africa. Zimbabwe is a case in point. Since independence, there has been an increase in the nation's agricultural productions through the Master farmer scheme. (Mufuka, 1991), whereas subsistence production has since stagnated.

This is not to suggest that capital-intensive projects are not important since they can increase and fulfil, if well managed, an important role in producing essential food and cash crops, creating employment, acting as venues for farmer training, and providing management expertise. An essential element is a more balanced integration of projects with the small-scale farming sector.

The current problems of the small-scale farmer in the Mhala district as summarised in section 2.4 above reveal the inability of the big, capital-intensive irrigation scheme which is about 12km away, to positively change the condition of these people. The development of this area which is in progress, to another capital-intensive irrigation project even threatens the small-scale farmer with displacement.

According to Low (1986) the provision of rural infrastructure, establishment of market organisations: making credit facilities available, strengthening of extension services, and developing new crop and livestock production technology, did not result in improved production in the indigenous sector. He argues that in spite of all these development strategies, production has continued to fall. He asserts that the common interpretation of the underdevelopment of the indigenous sector in Southern Africa is a result of either historical neglect and policy discrimination and the current institutional biases that have favoured, and continue to favour large-scale modern and capital-intensive production to small-scale family farms.

"There can be little doubt that a major reason for the successful development of commercial agriculture in Southern Africa over the past 75 years can be attributed to the provision of institutional support in the form of marketing and pricing policy, credit and farming inputs, as well as suitable technology developed by research, all of them conveyed to the farmers by various extension agencies" (Bembridge, 1986). Certain institutional problems are most easily rectified and are likely to have the greatest impact for improving the quality of life in the rural areas by providing incentives and opportunities (Spies, 1985 cited by Bembridge, 1986). But the prevalence of poverty in South Africa makes unattractive the approach of passively waiting for economic growth to solve the problems. (Simkins, 1984).

Against this background there is a clear need for greater co-operation and co-ordination between individuals and institutions involved in various aspects of agricultural and rural development. Effective representation of the interest and needs of powerless rural people will hinge upon the mobilisation and organisation of those people, and also on the identification of such feasible income generation opportunities (Vaughan, 1990). With this in mind, co-operatives organisations are not only a pre-eminent approach but also ensure that the co-operatives have full access to the management levels and the means of production as well as the wealth generated by the projects.

The concern of the next chapter is to analyze the co-operative organisations i.e how they function to ensure democratic

representation of their members, and how it contributes to the welfare of its members.

3. CO-OPERATIVES

3.1 INTRODUCTION

A precedence has already been set for co-operative organisations as a panacea to the problems of agricultural and rural development as they exist in the current environment of small-scale farming activities. In this discussion I hope to identify the specific conditions that facilitate, or conversely, that undermine the success of individual co-operatives, and the structural dilemmas in which these co-operatives find themselves. I will further examine the intellectual roots from which they draw their inspiration as the panacea for the upliftment of the rural poor above chance and circumstance. Whereas history is there not necessarily to direct our future, we, however, can draw some lessons from it.

Hence the discussion will look at the various types of co-operatives as implemented in various other countries, the lessons that could be learnt from them and whether there are models that could be implemented in South Africa to improve the condition of the present-day small-scale farmers.

3.2 Definition

There has been a number of attempts to find a comprehensive and universally accepted definition of the term "Co-operative".

However this has proved to be a very difficult task because of the multiplicity of organisations which are described as co-operatives, but still vary considerably (ILO).

Van Wyk (1983) wrote that the word "Co-operative" is derived from the Latin word "Co-operati" which means "to work together". Invariably many others have preferred to define co-operative as simply meaning working together. This definition is lacking in as far as the essential characteristics of a co-operative are concerned.

Seape (1983) defined a co-operative as a concept embodying the collective

reorganisation of the factors of production with the view of achieving viability. In the ICA Report "The Co-operative Development Decade 1971 - 1980", co-operative is defined as a voluntary, evolutionary, democratic process resulting from initiative and enterprise at the grass roots by individuals motivated by the principles of self-help and mutual aid. The report asserts that as a result of this, co-operatives cannot be imposed by edict from above. No government or institution can plan or direct their formation or expansion. Consequently a true co-operative grows spontaneously from below.

Maslennikov (1983) has refuted this definition of a co-operative as a socio-economic organisation uniting people for the purpose of raising their material situation and improving working conditions. He

argues that co-operative movement arose at a specific stage in the development of human society much later than so called "grass roots" people. Further he says that the principles of self-help and mutual aid have been used in the capitalist society by the bourgeois elements against the working people in the production and appropriation of surplus value. Meanwhile, under capitalism, co-operatives often compete with one another and the principle of mutual aid is forgotten.

His argument has practical evidence, where many governments have taken special steps to encourage the development of co-operative involvement on democratic principles, and give it all out assistance and support. During the post - colonial dependence for example, many countries in Africa and Asia tried to settle their social and economic development problems through co-operatives. There was a general consensus that co-operatives, especially in rural areas, should play a major role in the development process and therefore be included in development planning and not left to expand by themselves (ILO).

The discussion thus far indicates the complexity of the task of coining a co-operative definition that will receive a worldwide international acceptance because it is a term used all over the world to describe a multiplicity of organisations which, although they may have common features, still vary considerably. Many authors therefore prefer to define "co-operatives" by pinpointing certain essential characteristics without which an organisation cannot

be considered a genuine co-operative.

It is generally agreed that a co-operative is being set up by a certain minimum number of individuals as specified in the legal requirements for co-operative registration, motivated by principles of self-help through mutual aid, to jointly fulfil individual needs in a democratic decision -- making organisation in which all members participate and have a proportional share of gains and losses. The essential characteristics, as summarised in paragraph 12 of the ILO co-operatives (Developing Countries) Recommendations, 1966 (No.127), are as follows:

"an association of persons who have voluntarily joined together to achieve a common end through the formation of democratically controlled organisation, making equitable contributions to the capital required and accepting a fair share of risks and benefits of the undertaking in which the members actively participate".

These members have come together as equals for mutual benefit and are all individually and collectively responsible (Seape, 1983). A management committee, which is democratically elected, runs the co-operative. Of significance also about the co-operative is that it provided an alternative to economic and political process that result in an unequal distribution of wealth favouring certain groups in society. Such an economic development organisation would aim to raise individuals above chance and circumstances (Van der Merwe, 1987) and improve the situation of the member which is usually interpreted to mean increase income and liquidity (Turtiainen and Pischke, 1986)

Co-operatives are established under an Act of Parliament as statutory bodies and as such are fully autonomous (Seape, 1983). "This makes them legal personae, with a legal standing in the community, having powers to sue and to be sued (Seape, 1983). Before a co-operative can be registered as a legal body it has to satisfy certain legal requirements. Although each country has its own co-operative laws, the legal requirements for co-operative registration show some similarities (Van Wyk, 1983). The co-operative movements and legislation all over the world today have been influenced by the co-operative principles, which are discussed below.

3.3 Principles of co-operatives

The formation of the Rochdale Co-operative Society in England in 1844, incidentally the pioneers of co-operative movement, underlaid the following principles:

- democratic control;
- limited interest on capital;
- bonus based on turnover;
- transaction on a cash basis;
- education;
- neutral attitude towards political and religious matters; and
- voluntary membership.

There is, however, no uniformity about these principles amongst co-operative writers. Whether political or religious mentality

of co-operatives should be regarded as one of the principles of co-operatives could be left as an issue to be debated. None the less it should generally be accepted that the formation and success of co-operatives is affected by such issues as the socio-political economy of the country, the dominance of tribal chiefs and elders and the influence excited by traditional beliefs, etc.

I believe any co-operative movement would stand the risk of absolute collapse if it allows the attempts by the colonial or capitalist state to pre-empt its autonomous status and to create and maintain the most favourable conditions for exploitation of the working people in the face of popular demands for democracy.

However, there are major rules or principles which are essential in running a co-operative organisation and these are discussed below.

(a) Management and democratic control

All members are equal and constitute equal number of votes on the basis of one man one vote. Each member is free to contribute, discuss, criticise, elect or be elected in office. People elected in certain positions to perform special tasks have the mandate from the members to take decisions on their behalves but they still have to answer to the members by giving regular reports. If they do not perform their duties well, then the membership can ask them to step down.

b) Open and Voluntary Membership

Membership of a co-operative should be open to any one who wants to join irrespective of gender, ethnic group or religious belief. However, it is sometimes not possible to accept new members when the co-operative has started very small and can only operate successfully with a small number of members. Membership, practically represented by the payment of a membership admission charge gives the member or shareholder a voice in the management of the co-operative expressed primarily through annual general meetings and more importantly, the right of access to or use of a service, or a range of service provided by the farmer (Turtiainen and Fischke, 1986).

c) Share Capital

Every member need to contribute at least a minimum amount to the capital of the co-operative. This money is called share capital and remains the property of the member who paid it although it is used by the co-operative, it is not permanent to the co-operative.

d) Limited interest on share capital

Interest on member's share capital should not rise above a level which is fixed by members to be fair and reasonable when compared with the rates paid. For example on a savings deposit at a bank, even if the co-operative makes a big surplus.

Members invest in the co-operative to strengthen it and not for

profit, so the interest they receive for it must be limited.

e) Distribution of surplus

The surplus must be distributed equitably to avoid one member having to gain at the expense of others.

There are three ways of distributing surplus of the co-operative (Bottomley, 1988):

- i) by using or saving the whole or part to develop the business of the co-operative;
- ii) by providing services for members, such as education; and
- iii) by distributing surplus to members in proportion to the trade each member has done with the co-operative (patronage refund).

f) Promotion of education

A commitment to democracy means that the association has a social responsibilities and so will promote, inter alia, continuing education of its members (Van Der Merwe, 1987).

Education makes members to understand the principles on which the co-operative is based and how it works. And so they will use their votes wisely to control it. Secondly education makes the committee members and staff to see the co-operative efficiently

to serve their economic interests.

g) Co-operation amongst co-operatives

For the sake of sharing experiences in a practical way, co-operatives should co-operate with both local and international co-operatives where possible.

3.4 Scope of co-operative activities

3.4.1 Co-operatives during colonial dependence

The colonial governments saw in co-operatives an opportunity to maintain the most favourable conditions for exploitation of the working people by the British monopolies (Maslennikov, 1983). Hence the subsequent legislation on co-operatives organisations ensured that co-operative societies were isolated from the impact of advanced views and ideas. The colonial administration used co-operatives to try and forcibly implant capitalist relations of production in agriculture. Strict measures on African co-operatives were imposed and they could only be set up and function on the basis of laws issued by the colonisers. Things that came up against these regulations were persecuted and broken up, particularly those African co-operatives that came out against the low purchase prices and tried to get the colonisers' monopoly of agricultural exports abolished. Meanwhile the government supported the activities of narrowly specialised co-operatives producing crops for export.

Co-operatives which were organised by the colonial authorities took up a variety of functions and activities which included the organisation of markets, purchasing agricultural produce from peasants and marketing it, forcibly evicting indigenous peasants from good plots by white population, and, inter alia, uniting primarily foreign colonisers.

Whereas the development of co-operative was limited amongst the indigenous population because of their scepticism about them since they came from the colonial authorities and the low level of commodity - money relations which held back the process to draw co-operatives into the class struggle, their activities in many instances, involved waging a struggle against imperialism and colonization, as well as for social progress, and participate actively in politically educating the working people. However the road was long, difficult and contradictory before they became a real force.

Their slow development was also a result of isolation and the lack of co-ordination of activities, for example, in Ghana.

Shortly before the liberation of several African and Asian countries from the colonial dependence, there was a rise in the number of co-operative movements and they exerted a positive influence on the national liberation movement. Co-operative movements were used by the progressive forces heading the national liberation movement to invite the working people and make them more active in the struggle.

In some countries, Zanzibar for example, agricultural co-operatives were organised for peasants by the progressive parties. The peasants were helped in building homes and with funds for buying seeds. This was obviously meant to mobilise the rural masses to be engaged in the struggle by means of co-operatives. "The co-operative fulfilled the function of supplying the population with various goods and agricultural produce, and in a number of cases organised collective work on working the land and gathering the harvest (Maslennikov, 1983)". They also supplied the ranks of the patriotic forces with foodstuffs and helped in activating the struggle against the colonialists - "At the same time most co-operatives were organisationally weak and lacked any precise programme of action.

3.4.2 Co-operatives after liberation

The national liberation struggles received decisive support from the countries of socialist communities and the colonial system of imperialism collapsed rapidly. Co-operatives played a noticeable role in the upsurge of the struggle for liberation in both African and Asian countries. After independence each country tried to settle its social and economic development problems through co-operative movements, particularly in rural areas. The general consensus was that co-operative movements have organisational force capable of influencing both social and economic processes (Maslennikov, 1983). Hence co-operatives expanded.

Institutions were established by the independent countries to promote co-operatives as instruments for resolving their serious economic problems which were an aftermath of several years' struggle for independence (ILO, 1988). The functions these institutions took up were different and depended on the particular country. In some cases they were responsible for co-ordinating all assistance to co-operatives while in other governments they tried to increase agricultural production and improve the quality of products.

In a number of states great hopes were laid on co-operatives in the breaking of subsistence farming, strengthening commodity - money relations in the economic affairs, increasing the agricultural and industrial output, creating the infrastructure and organising the training of skilled local personnel. Particular attention was focused on the activities of co-operatives among peasantry.

Their activities included the distribution of improved seeds, fertilisers, pesticides, and water for irrigation, the granting of agricultural loans and the collection, transport, storage, processing and marketing of agricultural produce. They also provided the opportunity for acquiring and using agricultural machinery in common (ILO, 1988). In Egypt, the so-called "agrarian reform co-operatives" were set up to facilitate land redistribution. It became necessary for one to become a member of such a co-operative if a piece of land was to be allocated to him.

Co-operatives also engaged in food self-sufficiency programmes in a large number of food-deficit countries. In urban areas they were involved in a number of activities, predominantly mobilising savings, providing consumer services at reasonable prices, facilitating the acquisition of accommodation, creating employment, etc.

3.5 Types of Co-operatives

The setting up and development of co-operative movements are greatly affected by the social changes and the specifics of the economy, customs and traditions of each given country. They range from the vast commercial organisations supplying inputs and marketing facilities to the capitalist agricultural sector to small groups who see in co-operatives the key to worker control. (Cloete, 1987). "They cover the field from established agribusiness to the search for radical alternatives. Along the way there are many permutations.

Maslennikov (1983) explains how co-operative movements progressively developed in both Africa and Asia, and the material conditions that led to the setting up of such different types of co-operative movements during the colonial dependence and independence of these countries. Their establishment came as a response to a number of socio-political and economic conditions faced by individual peasant farm owners, handcraft workers, craftsmen and other population strata.

There appeared first simplest forms of co-operation in the exchange sphere: credit and marketing co-operatives. Their development was an attempt by the peasantry to rid themselves from the shackling conditions for marketing their output and obtaining credit.

In the industrial areas, it is primarily the consumer co-operatives that were set up among workers with the chief aim of easing the workers' material situation by organising shops where the prices of basics are lower than in private ones.

Co-operatives are established for a number of reasons which are predominantly economic, and as such there is an enormous number of co-operative organisations engaged in a variety of activities. More often than not the social composition of a particular type of co-operative will influence its objectives. The scope of discussion on the types of co-operatives shall be within the focus of this paper which seeks to deal with such co-operative movements that directly influence peasants production to an advanced level of output and quality.

3.5.1 Credit Co-operatives.

The main objective for the establishment of credit co-operatives was to ease the individual peasant farm owners, craftsmen, handcraft workers and other population strata from the exploitation of moneylenders who grew very rich at the expense of their clients. They would only grant credit on the security of the borrower's private property. They would charge very high

interest rates which plunged them into perpetual indebtedness. Where land was used as a collateral, the moneylender would expropriate it. This increased landlessness among peasant farmers.

When credit co-operatives were formed, loans were initially given to individuals. The disadvantage of this method was that it speeded up the social stratification of the population because of some individuals who were unable to use their services - small proprietors in particular. Later the system was changed and credit was given on a collective basis for various activities. The development of commodity production was greatly influenced by credit co-operatives.

Many co-operatives have very limited funds of their own and so cannot escape from having to depend on moneylenders who often charge them high interest rates because they seek to discredit them in the eyes of the working people. Sometimes they have to conclude shackling agreements with private financial agencies if they cannot get help from the government (Maslennikov, 1983).

Since they cannot make profit because of the low productivity of labour on the farms of the co-operative members, the substantial outlays on maintaining the officers of credit co-operatives, violation of financial discipline, etc., they are unable to pay back the loans on time. However, credit co-operatives whose shareholders are rich people and big land owners with considerable financial resources frequently manage to run at a

profit.

Because they usually cannot make profit their survival depends on the substantial inflow of financial resources from share contributions and government allocations. In some places Thrift and Credit Unions are formed. These unions act as small co-operative banks controlled by the people. They encourage members to save regularly and then use these savings thus collected to make loans to members who need them (Bottomley, 1988).

3.5.2. Marketing Co-operatives

Masleninkov (1983) pointed out that marketing co-operatives help peasants and craftsmen to join forces in the competitive struggle against land-owners and moneylenders, make it easier for co-operative members to market their output and supply them with the necessary goods and services they need for working their farms.

Duties of marketing co-operatives set up in rural areas are different to those in urban areas. In rural areas, co-operatives help in marketing of produce from private farms, supplying the peasants with transport, building material and machinery, and providing information about advanced working and production methods.

Marketing co-operatives have been used in a number of countries to help peasants market their produce, and to help them fight

private enterprises from dictating purchasing prices for their agricultural produce. In Botswana for example, peasants sell their livestock primarily through a meat co-operative functioning on the principles of co-operative. Another example is provided by a marketing co-operative in Ondo Village, Burma, which unites about 600 families in three neighbouring villages. Each family works its land independently and the co-operative market their produce the development of marketing co-operatives is hampered by a shortage of storage premises and equipment for them, transport, serious lack of skilled personnel for work in these co-operatives, financial weaknesses which make them dependent on money lenders or financial banks who charge them high interests, and the remoteness from the markets which is compounded by poor to bad roads and communication channels. Under such conditions marketing co-operatives are unable to fight against private trade enterprises and the detrimental impact of market fluctuations.

3.5.3 Agricultural co-operatives

The main activities of producers' co-operatives is to increase the productivity of labour which is facilitated by joint working of the land, processing of agricultural produce, harvesting, construction of irrigation installations and roads. Worth noting is that, in agricultural produce co-operatives farmers merge their lands for cultivation purposes but retain the ownership of the land and the crop produced, or else they may become joint owners of agricultural machinery, each using it in turn (Bottomley, 1988).

Agricultural producers' co-operatives in capitalist countries are practised by rich landowners who accept landless peasants and use them virtually as farm workers. India is a classical example where the land is being worked by labourers (small and landless peasants) who are not shareholders of the co-operatives.

The simplest forms of agricultural co-operatives were formed for the working of collective fields, which were either taken from the communities or allocated from state-owned lands (Maslennikov, 1983). The idea of these co-operatives was to use the income from the joint work to purchase chemical fertilisers, agricultural equipment and meeting the members' social requirements unfortunately their harvest was handed over to the state for no payment.

In other countries governments forced peasants, both landless and those who owned land, to join these co-operatives. Consequently the social composition of these co-operatives was not homogeneous. Agricultural producers co-operatives fulfil functions like the provision of the peasant farms with seeds and fertilisers, buy peasant's produce and market it, help to work the land and buying agricultural machinery. In spite of the substantial financial assistance from government, they operate inefficiently largely because they are short of young people. Their efficiency is also hampered by underdeveloped infrastructure, existing traditions and customs, market competition with companies and corporations of the developed capitalist states whilst they have low labour productivity and

limited financial resources.

3.5.4. Multipurpose co-operatives

Co-operatives which provide several services - granting loans to members, supply them with essentials, market finished output and provide information on the most efficient economic work methods, are called multipurpose co-operatives. They are usually set up in rural areas (Verhagen, 1987).

There are several advantages of multipurpose co-operatives: Poor peasants do not have to be members of several types of co-operatives at the same time, otherwise they will have problems in terms of capital contributions; the difficulty of having to find experts to work in various co-operatives is minimised; and finally, one big co-operative can better improve the work of peasant farms effectively than a small co-operative would - it also allows them to make use of extensive female labour.

Conflicts often arise in multipurpose co-operatives because of the heterogeneous social composition and diverse interests of shareholders over the distribution of profits and the expenditure of funds.

3.5.5. Ujamaa

The establishment of ujamaa villages in Tanzania were attempts to transform traditional communes into co-operative societies of

peasants. The recommendation to transform peasant agriculture through settlement schemes came from the World Bank and was a close reflection of the British thinking (Hyden, 1980). "Families were resettled on a large scale from small villages into new large ones, called ujamaa, which have shops, schools and medical centres" (Masleninkov, 1983). Effective, fundamental economic change was to be accomplished through a process of peasants passing through stages from unification of isolated farms to collective forms of labour. By taking people out of their traditional social environment the belief was they will be more open to change (Hyden, 1980).

Masleninkov (1983) wrote that "as the ujamaa village develops, the rural labour gains force; the peasant masses are drawn into active participation in decision making and forms of economic activity develop which encourage collective and co-operative work methods which effectively eliminate substantial differences in incomes". Productivity of labour in the co-operatives remained low. However, there has been a substantial achievement in the economy of Tanzania and a large number of ujamaa villages managed to improve their basic social services. The principal problems in these settlements related to government supervision and aid (Hyden, 1980).

3.5.6. Kibbutz

Kibbutz is a collective settlement in Israel built on the principles of collective production, self - labour communal

sharing of the fruits of that labour and absence of private property. It is an entirely voluntary society with the government having no more authority over it than it was over other citizens of the country (Spiro, 1972). It was also on the principle of equality that kibbutz was established, and equality in the context of equal rights and opportunities, and the absence of differentiation according to acquired or inherited wealth.

Kibbutz represents one of the three different types of co-operative agricultural villages in Israel. Their differences is explained by the extent of communal living and in the degree of collective ownership.

Kibbutz is an agricultural village in which all property, with minor exceptions, is collectively owned, in which work is collectively organised, and living arrangements - including the rearing of children - are to a great degree collective. The Kibbutz therefore represents "comprehensive co-operation" because all the essential interests of life are satisfied in a co-operative way (Spiro, 1972). Food and clothing are distributed by the elected elders of the co-operative (Maslennikov, 1983).

Kibbutz, from a stand-point of, inter alia, eliminating inequalities, freedom, self-labour and communal ownership, has a great measure of success. This is not to underscore serious problems and conflicts that the Kibbutz has, and is undergoing. Noteworthy equality is easily said and accomplished when nobody has anything, when there is sufficient resources to

satisfy members needs, and when there is an absolute limit to consumer's demands (Habonim 1962).

As the Kibbutz grew in size and with old members growing unproductive, it strived for equality and a classless society. "It was the realism of the Kibbutz in meeting these problems, and trying to find an answer to them instead of blindly following a rigid dogma..." (Habonim, 1962). The achievements and conflicts that prevail in Kibbutz is a manifestation of the possibilities of societies to evolve social structures which either produce or minimise the expression of aggression, but it is impossible to evolve personality structures from which the aggression is absent (Spiro, 1973).

The pioneers of Kibbutz have always upheld an ideal of brotherhood the experimentation of which has proved very difficult to attain. There has been important obstacles - physical, social and external - which have prevented the attainment of a higher degree of brotherhood. It was difficult to make the land both habitable and economically profitable. The unfortunate consequence of this is material hardships which in effect cause tensions amongst members of the Kibbutz. Most of the important obstacles are essentially irrelevant to the co-operative culture of Kibbutz.

Despite all difficulties and the present crisis in the Kibbutz which represents a conflict of values acquired earlier and those acquired later in the lives of the chaverim there has been a

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remarkable success in its co-operative and communal discussions, of which the measure of success is found in the behaviour of those who were born and reared in it, those for whom its values presumably are as natural as were the contrary values for the parents (Spiro, 1972).

3.5.7 Moshav

The Moshav, another type of co-operative agricultural village in Israel, is divided into two: the moshav ovdim and moshav shittufi. The moshav ovdim, or workers settlement, is an agricultural village in which all land is owned by the Jewish National Fund, but in which each family works its own allocated plot and retains its income for itself (Spiro, 1972).

The agricultural products are marketed collectively, and consumer goods (personal and agricultural alike), are bought collectively. The moshav shittufi on the other hand represents a compromise between moshav ovdim and Kibbutz. It combines the collective work and ownership of the Kibbutz with the private living of moshav ovdim.

The moshav ovdim, segmental co-operation as in field has termed it, is only practised for the attainment of specific economic ends, even then when there are promises of economic benefits.

3.6 Case against Co-operatives

As a result of governments' supports of the development of co-operatives immediately after independence of many Asian and African communities, there was a rapid expansion of the co-operative sector, with the result that in some countries it increased five fold or even more (ILO, 1988). This growth of co-operative enterprises somewhat faced a hostile environment in that the economic and political systems of these countries had produced economic formations which were not neutral: the set of capability and entitlement.

The co-operative movements became more compelled, and more difficult to administer particularly that the administrative support services did not expand in proportion to the number of co-operatives. Hence there was a severe burden of administration on them. This burden was compounded by the lack of positive experience amongst workers, peasants, craftsmen and other strata of population on the functioning of co-operatives and the overall poor infrastructure in rural areas. Because of the support incentive provided by most governments, people who normally organised and led co-operatives were, more often than not, unprepared people (Masleninkov, 1983). And those who were fortunate to be elected in managerial posts began to abuse their official position for their own personal ends (Cloete, 1987).

Some co-operatives proved inefficient soon after being set up.

In countries where government agencies were staffed with government officials there were very serious problems because the

staff members were not trained to run co-operative movements, or to understand the foundations of co-operative organisation and principles. And so they viewed co-operative development from the government standpoint, and they subsequently failed to fulfil farmers expectations. Farmers became disillusioned and were discouraged in joining co-operatives (ILO, 1988). Again plans for setting up co-operatives were not always based on a profound and thorough study of the objective and subjective preconditions for their activities (Maslennikov, 1983).

Further the management structures established for co-operatives were in most countries clumsy and inevitably led to restrictions on their activities and initiatives, thereby hampering the development of the peasants' active participation in deciding co-operative matters (Maslennikov, 1983). At times one and the same co-operative came under departments, which constituted a substantial brake, because of differing views and several approaches as well as expectations of the various departments on co-operative developments, and its further development. In many of the settlement there was an over capitalisation - more machinery than - necessary in relation to land and available labour. "Generally the peasant in the village settlements were both unwilling and unable to support the costs of the over-mechanised and over-administered schemes" (Hyden, 1980).

Whilst governments were more than keen to provide any form of assistance, particularly financial assistance for the necessary economic support of co-operatives, the newly liberated countries

were constrained by their serious economic problems which were a result of many years of struggle for independence. At the same time co-operatives were unable to make profits because of low purchasing prices for some of their commodities. More often than not they ran at a loss. The prices of agricultural produce at the world market dropped, whereas prices of agricultural machinery and spare parts rose. Co-operatives engaged in the production and marketing of agricultural produce were hardest hit, and their financial opportunities were undermined (Maslennikov, 1983).

The general educational level of the broad masses was low and lacked managerial experience. Hence the management and control of the co-operatives could not be organised from the rank-and-file members of the co-operatives. Invariably they relied on government officials who supervised their activities. Obviously, with the pre-occupation of the concept of a co-operative movement from the government's point of view, they would only tolerate initiatives and activities that would only subscribe to their point of view. Hence the maintenance of state control under these circumstances were attempted by means of manipulation, the creation of dependence and Coercion (Mars, 1986 and Santbrook, 1985 as cited by Gyllstrom, 1988) This left its mark on the failure of co-operatives. And in fact a lot of miscalculations were made in the setting up and running of co-operatives. Sometimes wrong decisions were taken. Maslennikov (1983) argues that the failure of co-operative movements to achieve socio-economic changes is a result of failing to draw working masses

into co-operative movements on a wide scale. Further he says that there is usually no sound management system to run the co-operatives. Turtainen and Pischke (1987) points out to the financial characteristics of co-operatives which make it difficult for them to meet the expectations placed on them.

According to Maslennikov(1983) the formation of classes within co-operatives is desirable in as much as they draw co-operatives into orbit of socio-economic changes, thus exerting a specific impact on the character of the co-operative movement. Unfortunately co-operative movements uniting big land-owners, top civil servants, money lenders, emerging indigenous bourgeoisie, poor and middle peasants, whereas working in a capitalist direction, have usually functioned in the interests of the indigenous bourgeoisie and big landowners. In countries like Burma and Syria, co-operative membership is confined primarily to poor and middle peasants.

"Agricultural co-operatives have been blamed not only for a mediocre record in terms of economic performance, but also for failing to contribute to the achievement of basic social objectives" (Gyllstrom, 1988). "The most common explanation seems to have been that the "Co-operative mode of organisation is incompatible with socio-political conditions in rural areas" (Hyden, 1983 and Stettner, 1973 as cited by gyllstrom, 1988). On this note, it is apparent that the co-operative organisations were bound to fail because of inadequate administrative support services, the staffing of the management structures by the

government officials who ran co-operatives from the government's stand point, restrictions on their activities and initiatives which hampered the development of the peasant's active participation in deciding co-operative matters and the serious economic problems.

When Zimbabwe became independent in 1980 for example, one of their immediate problems was the need to resettle freedom fighters who could not be absorbed into the national army, and displaced refugees.

As pointed out in Report III of the ILO, resettlement was attempted through co-operative farming. Three model systems, as listed below, were established as guidelines for resettlement farms.

- .a village settlement with individual arable allocation of five hectares per settler with grazing rights on the communal land.

- .a village settlement with communal living and co-operative farming on a relatively intensive basis. The limited grazing land was to be used communally and it was intended for use with a relatively high proportion of arable land so as to make maximum use of management personnel,

- .a village model similar to the first one inasmuch as it provided for individually owned arable land with communal

grazing, but it incorporated an estate which was to operate on a communal basis.

Mufuka (1991) and the ILO Report III (1988) indicate that from a clear examination it is clear that the co-operatives, although they appeared to be romantic innovations, have in practice failed dismally. Nine years after their reception they were still receiving food aid. Their reasons of failure stemmed largely from the following difficulties:

- decisions had to be made by consensus, which made it difficult to the advantage of early rains.
- the irrigation systems could not be used partly because the farmers did not know how to use them and partly because different crops were grown in different plots within the irrigation area;
- the land was owned by the collective and not by the individual. This the farmer lost the freedom which the tribal farmer has;
- financial records were not kept properly and an estimated 30% of these groups defaulted on their loans;

- many co-operatives were organised with the aim of receiving government financial aid. However it took years before the money was received.
- the co-operatives therefore, did not have the money to purchase the basic tools for the work at hand and by the time the money came the collective had already collapsed. An average of 100 co-operatives failed annually between 1988 and 1990 despite the government's intention;
- the government appreciated the political rather than the agricultural significance of the co-operatives;
- with the chairmen of the group invariably being important functionaries of the village branch of the ruling party, it was difficult to make them accountable to their members. Therefore monies received were not accounted for and this led to non-renewal of membership;
- the predominance of women among the resettled peasants who depended on outside help for a major portion of their food

requirements and their reliance on male relatives to plough their fields for them significantly constrained them towards taking advantage of the early rains;

- lack of individual social responsibilities from the settled peasants: fences and iron poles which separated the grazing paddocks from the crop areas were destroyed and stolen for individual use;
- the exclusion of master farmers from the settlement scheme was the fundamental weakness because it meant that the system was unable to take advantage of the wealth of farming experience that was already available among the peasant farmers.

This was also compounded by the exclusion of the Ministry of Agriculture which had over the years gathered a vast amount of knowledge in tropical agriculture.

3.7 Co-operatives: Do they have any impact on agricultural and rural development

After a discussion like this (outlined in section 3.6 above) it is very easy to reject completely the concept of co-operatives

as a panacea to the social, political and economic problems of the rural people. However, cases of successful co-operative development though to a limited extent, do exist. Two such cases are discussed below as examples, i.e the co-operative movement and China's countryside and the Simukai co-operative in Zimbabwe.

The second example is the co-operative movement and development in Tanzania. In Tanzania, co-operatives formed an important part of the Government's overall development strategy, including the achievement of social objectives. Their establishment was primarily for the promotion of agricultural production, with an important task of encouraging the production of certain strategic crops. They have always benefited from economic assistance. Consequently their activities have been state controlled. There have been some difficulties which surrounded and governed the Tanzanian agricultural co-operatives as a vehicle for rural development between 1961-1976. At the end of the country's Second Five Year Development Plan (1969-1974) co-operatives were left out to die. Massive co-operative failures were experienced in many African countries after colonial independence like Mozambique, Kenya, etc. Their reasons of failure are generally similar.

3.7.1 Co-operatives and China's Countryside

Selden described how co-operatives have been used in the

development of Chinese socialism so as to eliminate all forms of privilege and inequality and the collective transformation of agriculture. He based his analysis on the relationship between peasantry and leadership, focusing on the interaction of state, co-operatives and individual in a shared search for effective means to promote economic development while attempting to resolve conflicting perspectives over appropriate rates of accumulation, state revenues, and increased peasant incomes.

In Chinese countryside co-operatives and collectives became very popular in the transition of the political economy since their inception in the early fifties through to the social high tide of 1955-56. The modernisation strategies for rural development were challenged and by 1976 it was clear that they could not work.

Selden (1980) argued that the development of productive forces and the creation of socialist relations of production in rural China would not be accomplished except by the formation of co-operative labour to transform capitalist individual labour into socialist forms of ownership, management and distribution. But then he conceded that there would be a problem in trying to erect an institutional structure on highly developed co-operative foundation in nations whose agriculture constituted a mix of subsistence family farming and petty commodity production.

With the Bolsheviks (a profoundly urban-orientated party with no experience in organising the peasantry on agriculture, and with

a pre-occupation with the problems and prospects of the proletariat and industrialisation) coming to power in 1917, the socialist transformation through collectivisation was never realised.

They believed that the solutions to increased production and the formation of socialist institutions in the countryside rested on collectivisation with land ownership. Unfortunately the agricultural policies that were passed by the Bolsheviks, which were based on Lenin's agrarian program, resulted in the alienation of the government and the party-peasant. In the New Economic Program (NEP) emphasis was put on the importance of co-operatives as the centre piece of state policy during the transition, as well as the state financial and technical support to facilitate the transformation of rural social relations.

This approach only favoured the more prosperous peasants and did not significantly increase marketable grain. Agricultural production in the countryside remained almost exclusively subsistence and petty commodity production-based. The co-operative movement only attracted one third of the rural households.

Selden (1980) conceded that for the co-operative movement to succeed peasantry needs to overcome the orientation of household subsistence and petty commodity production and embrace a broader definition of community. He noted that the individual economy is the basis for feudal control and causes the peasants to

succumb to permanent impoverishment.

The emphasis on voluntary participation meant that the membership could not discriminate against rich peasants. However, this meant that the devised policies needed to ensure the protection and strengthening of poor peasant interest while guaranteeing the welfare of middle peasants whose contribution to the co-operative were essential to its economic success. This in essence proved to be very difficult to attain in practice. The challenge they also faced was economic viability in the nation whose economic priorities centred on accelerated accumulation for the construction of heavy industry. Unless they quickly produce visible result that would most particularly out-perform the private sector, the alternatives were a return to family farming or heavy and sustained state coercion to maintain the co-operatives.

The important thing to note is the strong relationship between the Communist Party and the countryside gained through the successful rural policy and practice in the 1930's and 1940's, which gradually initiated reforms, whereas restricting the power of the landlords and benefiting the poorer strata. Invariably the Chinese Communist Part depended on the peasantry for its support. Consequently in land revolution the party had aligned itself with the poor peasant design for private land ownership and a share of the wealth retribution to protect middle and rich peasant interests.

The successful state policies bent on centralising resources for efficient modern processing and export meant the losses of the sources of jobs and incomes for the rural families from the myriad handicrafts. Most important is that the cycle linking agricultural production, sideline industry and animal husbandry was broken, and the natural cycle of the pre-industrial economy in the countryside was shattered. By June 1955, there was substantial progress along the path of voluntary stage co-operative transformation particularly in the areas where land revolution was completed first. China saw a large-scale establishment of co-operatives.

Where great care was not taken in setting up the co-operatives, they usually collapsed. The national growth of co-operation coincided with a creditable agricultural production during 1949-1957. What land revolution had significantly achieved was the elimination of gross exploitation and extremes of wealth and poverty. It has not produced absolute equality but created foundations for co-operative unity. And the existence of class inequality never caused acute problems. What really constituted a major obstacle to effective co-operative formation was the general poverty of the countryside, the limited availability of improved means of production and skilled technical and administrative personnel, and the tension generated by high targets and extractive, centralising policies of five-year plan and the organizational and other difficulties faced with co-operation.

3.7.2 The Simukai

The Simukai co-operative conveys a very clear message of success, sacrifice and solidarity. I am immediately reminded of President Samora Machel's famous words, "The launching of the struggles and the victories we have won reveal that there is no such thing as fateful destiny"

It is somehow fascinating indeed to note how relevant his word have been in the case of Simukai co-operative when viewed against the background of an average 100 co-operatives collapsing each year in Zimbabwe between 1988 and 1990 (Mufuka 1991). Its success emerge from a barrage of problems and difficulties from all angles; old ones and new ones, political, personal and financial pressures, relatives and the temptations of a capitalist environment, all of which took their toll. Not to mention the difficulty of maintaining morale and cohesion in a environment where membership has significantly been fluctuating, of which it has been the case with Simukai membership.

Nyathi (1991) asserts that sacrifice and solidarity has always been upheld as priority number one, without which success would hardly have been attainable. Salaries would sometimes be very low, yet members have to work very hard. Sometimes they would wake up in the very early hours of the morning to carry out some farm operations, and sometimes knock-off late at night. He argues that co-operatives must not be looked at as a dumping ground for the unemployed - a kind of refuge for those who cannot

succeed in the market place. They need to demonstrate that they are superior to capitalist firms not only socially, but economically as well.

"Simukai is well-known today as the first Zimbabwean co-operative producing export-quality cattle" (Nyathi 1991). Their production increased in other enterprises and on March 10 1988, the Herald described the Simukai as a showpiece co-operative". Everything accounting to the growth of Simukai is only through belt-tightening and sacrifice.

3.8 Summary and Conclusion

A genuine co-operative is the one that is not established by edict, but comes spontaneously from the community. However cases did occur when the various governments took initiatives to establish and encourage co-operative development. The underlying objectives were quite different, though in many cases they were economic in nature.

Where the governments took active role in the co-operative matters, they failed to fulfil farmers' needs and expectations. Hence farmers would despair, which severely hampered the participation of the farmers.

It stands to reason that the establishment of a co-operative movement, whether from the government initiative or from the community is bound to fail as long as it fails to meet the needs

and interests of its membership to make them realise their goals of generating sufficient surplus for the market, and most importantly to meet their subsistence needs.

In Chapter 2 I have dealt with the problems and constraints that impede the optimal usage of the plots allocated to them. Chapter 3 dealt with the different types of co-operatives, and the co-operative agricultural village settlements.

The agricultural co-operative village settlements differ in the extent of communal living and the degree of collective ownership. One extreme case, the Kibbutz, is where all property with minor exceptions, is collectively owned, work collectively organised and living arrangements are to a greater degree collective. Whereas in the other extreme case, the Moshav Ovdim, families farm on plots which they have no security of tenure on them, but retain income for themselves.

An interview conducted at Mhala district reveals that nine of the twenty interviewees would prefer private land ownership to occupational rights which they now have, merely for a sense of an ownership feeling. One interviewee preferred private land ownership so as to have an access to credit. Ten interviewees had no idea of how land ownership would affect their production. Worth noting is that the main concern of land reform in the post-apartheid South Africa is the redistribution of land to tilt the current imbalances (Cooper, 1991). Irrespective of how land will be transferred, the crux of the matter is the use of

resources in an efficiently and environmentally responsible way to create a productive and viable agricultural sector.

This will be depended on a number of issues, but most important is a co-operative movement which will provide such services as marketing, credit, supply of inputs, etc, and above all socially and politically empower the rural poor.

4. CO-OPERATIVES IN SOUTH AFRICA

4.1 Historical Background

Over the past few years there has been interest shown by South African organisations in the formation of co-operatives (Jaffe, 1991) ranging "from the vast commercial organisations supplying imports and marketing facilities to the capitalist agricultural sector to small groups who see in co-operatives the key to worker control" (Cloete, 1987). Jaffe (1991) identified these organisations as including trade unions, community organisations black business groups and a variety of institutions involved in job creation programmes and development.

Community - based co-operative ventures became more prevalent in the 1980s, and increasingly more pre-eminent in urban environments where rising levels of structural unemployment have made it necessary for people to look for new ways of earning a living (Davies, 1989). The increasing levels of unemployment was a result of mass retrenchments and industrial restructuring. Unions were formed - the National Unemployed Workers Coordinating committee for example, which was formed within the congress of South African Trade Unions - to assist in the formation of co-operatives for their unemployed (Jaffe, 1991).

In urban areas, co-operation was called for by the increased

radicalised and working class, aware of their poor material conditions and lack of services in most townships, to fight against the apartheid state and to reinforce consumer boycotts. The black business sector also found co-operatives to be essential if they were to avoid isolation and further polarisation and class conflict, which would otherwise result in loss of property, closure of shops and threats to life. " In this regard, co-operatives were consistent with radical rhetoric; able to fulfil some of the requirements of people concerned about more democratic practices without being a threat to present business interests or contradicting the initiatives by capital and state to sell free enterprise to the black community" (Jaffe, 1991).

It is interesting to note that despite the fact that in practice co-operatives have never been able to achieve self-sustenance because of the insurmountable difficulties they meet, co-operatives are being started in many parts of the country. According to Verhagen (1980) in nearly all African and Asian countries there has been in fact a trend in the opposite direction.

Nonetheless co-operatives hold a tantalising promise of a more rewarding working life to workers and activists unhappy with autocratic control and inequalities in many capitalist enterprises (Berold, 1991). Jaffe (1991) points out to the fact that co-operatives are able to bring economic opportunities to economically disadvantaged populations by making full use of local skills or by increasing the institutional capacity of

communities by offering training and skills development.

Agricultural co-operatives have a long history in South Africa with its own distinct problems, which is not necessarily applicable to producer co-operatives (van der Merve, 1989). The main objective was to improve the position of small farmers and agricultural workers. However their growth has not been significantly as popular as the other types of co-operatives organisations during the 1980s.

In South Africa there are two types of co-operative movements in the agricultural sector (Machete, 1990). A modern co-operative movement for white farmers and an underdeveloped co-operative movement for black farmers. Their degree of performance and success is not comparable. Machete (1990) asserts that there has been a remarkable achievement on the part of white co-operatives, which has made agricultural development to be one of the most developed sectors in Africa. White farmers received state support, financially and were favoured by the educational systems of the country, from which they acquired necessary skills such as management, bookkeeping, etc. This element has also contributed greatly to their success.

"In contrast, co-operatives for blacks, have not with few exceptions, been successful in developing agriculture and improving the level of living in the rural areas" (Machete, 1990). In the homelands formal agricultural co-operatives were introduced in the 1960s. Because of the general lack of rural

community initiatives, the establishment of co-operatives tend to be encouraged by either local leaders with particular vision or by outside organisations facilitating change (Jackall and Levin, 1984).

The co-operatives in the bantustans have not been able to meet the challenge and in their present economic status do not seem even ready to meet the challenge of ensuring a viable agricultural production system and fulfilling the long list of demands for the radical restructuring of agricultural economy (Cloete, 1987) and the social upliftment of the poor and marginalised rural populations.

The agricultural production of food and raw materials in South Africa is characterised by surplus alongside starvation (Cloete, 1987). Nicholson (1991) points out to the undoubtful privileged situation of the white farmers who have had better educational opportunities, access to much more land, capital, infrastructure, as well as agricultural services and support. Consequently there has been a huge imbalances in the distribution of both products and productive resources (Cloete, 1987). In the next sections, an investigation is made, based on agricultural co-operatives in the Mhala district of Gazankulu homeland, on the general poor performance of agricultural co-operatives for blacks.

4.2 Performance of agricultural co-operatives in South African Bantustans

This discussion is based on the case study material as recorded in Section 2.4, Table 2.1. The history of Ngonini co-operative points out the establishment of this co-operative as an initiative from the farmers. The idea of a co-operative and assistance on management was from a white farmer in Sabie. The capital was raised from collective cutting of thatch grass by the members which was then sold.

The objective for setting up this co-operatives was the supply of seeds, fertilisers and farming equipments within farmers reach and to provide marketing services. Kanana was formed as a result of the local government initiative during the establishment of the irrigation scheme. The aim for setting up this co-operative was the provision of farming inputs (seeds, fertilisers, chemicals and farm equipments) and the emphasis was placed on the marketing of produce. Membership was spelled out in one of their meetings to be compulsory for those who had plots for they would need marketing services from the co-operative in anyway. And plots were allocated primarily to the members of the Tribal Authority and civil servants employed in the local government structures or in private employments nearby.

Along the line the Ngonini co-operative became attached to and the supply of inputs and the marketing of produce were organised by, the district agricultural department; the management service for both co-operatives is being provided by a government employee who is directly under the supervision of his immediate senior

from the Department of Agriculture and Forestry.

An executive committee is elected from the members by the members of the co-operative which is intended to work in collaboration with the government officials. The government officials report all co-operative matters to the local department of agriculture.

Over the periods the membership of the co-operatives has changed. There are three groups of the co-operative members : the first group is constituted by members who started with the co-operative and have paid the membership charge, the second group is formed by the wives of those who joined and have left farming to work in urban areas, living behind their wives and children to farm, and the last group are tenants who regard themselves as members by virtue of the fact that their landlords were once members. This problem arises from the fact that the membership is not subject to renewal - once a member always a member. The unintended result of this problem is the lack of commitment as a member to the co-operative. This has been compounded by the fact that the co-operatives have been unable to meet the production needs of farmers. Hence most farmers see these co-operatives as institutions not separated from the department of agriculture, which is there only to sell them inputs and to organise transport and markets for their produce. This has grossly affected member participation except for the few members of Tribal Authorities and local elites who are in position to make some use of the services on offer (Cloete, 1987). For example, Kanana co-operative registered 312 members (from

membership register book), but then attendance in meetings has hardly ever been 100 members (co-operative manager). Most of these attend meetings for the sake of attending, and by and large, to ratify the committees decisions. The question of member-satisfaction seems to be totally ignored, which would otherwise significantly contribute to the successful member participation and the success of the co-operative.

Democracy has effectively been removed and left in the hands of very few framework of technocrats and bureaucrats (Cobert, 1989). The discussion that follows looks at the factors effecting the performance of co-operatives.

4.2.1 Co-operatives and the market

Co-operatives are businesses collectively owned and controlled by their members, a dimension which distinguishes them from conventional businesses. All the same they have to face this partly visible enemy - the capitalist economy - which respects no democracy except price (Berold, 1991). This is an unfortunate uphill struggle for co-operatives because they have to strive for survival in the market against the financial institutions and commercial competition. Yet their record of economic inefficiency leaves much to be desired.

As Berold (1991) wrote the most different lessons that a new co-

operative has to learn is to understand the market. Irrespective of how one carefully plans his production, or how well organised his finances are, he does not have control over the market and a slightest mistake hit very hard to the members' incomes which are generally low, no matter how hard they work.

Co-operatives have not been able to lobby for better prices for agricultural produce of their members. Hence co-operative members have rather preferred to sell their produce by themselves to the local market. Meanwhile local markets thresholds within the rural areas are very narrow (McIntosh, 1991) and producers invariably face competition from imported products from industries and large commercial white farmers.

4.2.2. Lack of autonomy

The government is greatly involved in the management of the co-operatives. Hence the co-operatives' initiatives and activities remain to a very large extent within the orbit of the government's policies and point of view on co-operative movements. This, together with the fact that private developers approach agricultural development through the local Tribal Authority and the Ministry of Agriculture, reflects that co-operatives are not autonomous. This lack of autonomy hampers the growth of the co-operative movement. For example the manager for the Kanana co-operative indicated to me in our discussions that

in cases where he is not treated satisfactorily by the committee, or if his suggestions are ignored, there is some big daddy somewhere down the line who handles the situation, more often to his favour. Because the co-operatives are controlled and directed from outside, problems are not taken seriously by the membership. This kind of co-operative structure erodes away people's free commitment to a common goal.

4.2.3 Lack of member satisfaction and participation.

People joined co-operatives because it was made compulsory in that they would need, in any way, to make use of the transport and marketing services offered by the co-operatives. Secondly they hoped to get some benefits from being a member by a way of purchasing goods from the co-operative on credit and/or at lower prices. This turned out to be a fallacy as the co-operatives failed to meet these expectations. Some indicated that they expected the co-operative to provide them with small loans, unfortunately the executive committee would not allow this. The non-payment or non-renewal of membership does not give membership a voice in the management of the co-operative which would primarily be expressed through annual general meetings and more importantly, the right of access to or use of a service or a range of services provided by the co-operatives.

Of the twenty respondents that I interviewed, thirteen indicated

that they felt they were powerless so as to influence decision taking and policy formation of the co-operative. The lack of confidence among the people actually goes back a long way. People have been socialised in an environment where everything negates their very humanity. "This condition lies at the very core of the problem, and is attributable to a socio-political dispensation which has deliberately sought to exclude and marginalise the black majority in South Africa. One consequence of the condition is the ease with which people fall back into despair whenever the going gets tough; (Wilson and Ramphela, 1989). Consequently those who are able to use the co-operative for their benefits simply do so with no checks from the membership.

4.2.4 Lack of Capital

The economic conditions in the Mhala district, generally so in South Africa's black rural areas are bleak and people are poor by any material standards. These areas have generally had their productive bases denuded (Simkins, 1979 cited by McIntosh, 1991) and their profits from farming have become an exception, which is exacerbated by their dependence on imported inputs. Meanwhile people are faced with the burden of high inflation rates and massive unemployment, making savings to be virtually zero.

It is against this background that co-operatives are established

where members are unable to make significant contributions to the capital of the co-operative. This makes it difficult for the co-operatives to purchase and keep adequate stocks of requisites from these co-operatives, in which cases they have to sell inputs to their members at higher prices. This dispel patronage from members.

Whereas these co-operatives at times receive financial assistance from the government, the membership does not have the financial management abilities (Davies, 1989), or an understanding of the basic business disciplines and management and financial planning skills (Roberts, 1989). Coupled with funds misappropriation, co-operatives run at a loss.

4.2.5 Lack of support infra-structure

The co-operatives do not have an access to funding, expertise, skills training programmes and an ongoing accountability (Roberts, 1989). "Other aspects of a support infra-structure would include marketing, research, product development, etc - all aspects which an individual co-operative would have difficulty in undertaking for itself" (Roberts, 1989).

Jaffe (1991) points out that the study entitled "The role and impact of Local Co-operative support Organisations" carried out in Britain in 1985 reveals that local co-operative support

organisations have been a major factor in the growth of co-operatives since 1980."

4.3 Evaluation of co-operatives in South Africa

Whilst instances exist where co-operatives in developing countries have significantly helped the poorer members in the society, a number of cases do exist in the contrary, where co-operatives in these countries have left their poorer members out in the cold or raised obstacles to the poor's admission (Verhagen, 1980). Rob Berold (1991) points out the weak and unorganised nature of co-operative managements in South Africa, which has, inter alia, made literally hundreds of ventures a failure living very few to survive to become going concerns (Davies, 1989). In Davies's words success in co-operative ventures has become an exception, and failure the rule.

"Why then co-operatives after all, if the discussion of the result achieved only produces a variety of conflicting opinions" (Berold, 1991). In Africa, the great popularity of co-operative model seemed to provide a very close relation with the African way of life (Robert, 1987). Invariably "the African romance with the co-operative has however been shaken by many disquieting and intensely frustrating experiences.

The answer to the issue 'co-operatives or no co-operatives

(Berold, 1991) need to be a fairly clear idea from what co-operatives are or should be ideally and theoretically; the difficulty lies in translating the theory into practice (Davies, 1987). Again given the growing number of rural development studies which have identified people's participation as an essential component of any basic needs - oriented policy, reflects that the implementation of such policy leads almost inevitably to the promotion of genuine co-operatives and similar organisations (Vahargen, 1980).

Minkner is cited by Verhagen (1980) to have summarised this view as follows:

"Research workers agree(on)

-The importance of active participation of the small scale farmers or other groupings of the rural poor in planning, decision making and control of projects as well as participation with their own resources (land, money, labour)"

-The importance of the group approach, i.e of reaching the small scale farmers or farm workers not as individuals but in groups through informal and formal organisations which can serve as a basis for self-sustained growth and development."

The idea of group approach is also emphasised by Roberts (1989)

in his article "Towards co-operation." He asserts that in a community whose participation has been reduced to the level of the apathetic, there is always a sense of powerlessness - "you cannot fight the system" - which effectively disconnect the masses and forms the basis for the continuation of a condition of apathy. He argues that "where there is connectedness, where individuals come together and stay together, interacting in a responsible way, we find a situation of mutual support which grows into what he calls community."

Interacting in a responsible way invariably implies equal participation by all members of the community. There is an essential need for participation on the land in rural development if the problems of poverty and marginalisation are to be tackled (Cloete, 1987). The co-operative structure is essentially intended precisely to enhance this value of community participation as evidenced in its definition and principles, though in practice it is not altogether reflected in all co-operatives. The problem of bureaucracies is not altogether removed, none the less it enables a more meaningful control of bureaucracies and a more effective move toward community participation (Robers, 1989).

According to Write (1979) local co-operatives are an appropriate response to trends in society as a whole; partly a reaction to such negative trends as concentration in industry, centralisation in government and the increasing influence of automation and technology. He asserts that these trends have widely affected

commodity involvement in decision making and job opportunities through automation. According to Seape (1983) they have proved to play a meaningful, most appropriate and significant role in promoting agricultural viability in both highly industrialised Western Europe, Canada, Middle East and the far East and developing countries.

Apart from economic benefit, co-operatives give back to the people their human dignity, their self respect and their self-awareness (Seape, 1983). The social and political status that the Simnkai co-operative in Zimbabwe enjoys today is a classical example. It is through co-operative ventures that people are motivated and galvanised to free themselves from the bond of hunger and starvation (Seape, 1983). So much so, motivation to fight collectively derives from the members' increased awareness of the local potential that local social problems are more easily perceived and handled (Erasmus, 1988).

It is through co-operatives that the farmer can exert pressure on the market and thereby eliminate the middleman who normally reaps all the profits. The farmer also has the bargaining power and influence on market forces which result in a better price for his commodity (Seape, 1983).

4.4 Conclusion

Clearly co-operatives inasmuch as they call for equal participation and shared responsibility, may be seen as vehicles for improving the community environment (Erasmus, 1988). As pointed out earlier on in this paper the critique on co-operatives points out to the many cases co-operative failures than there are cases of successes. Nonetheless the co-operative movement must grow. It must rise above the pessimism and oppressed thinking that prevails in progressive circles where there is little belief that co-operatives are a nice idea but doomed to failure (Roberts, 1988). Special attention must be given to agricultural productive co-operatives for the transformation of the small-scale producer to a successful public production which could satisfy the whole national economy. And this could be implemented through the replacement of individual peasant production by collective production. Whilst there are few records of co-operative successes, they may not serve as models to be implemented on other areas. The crux of the matter is that the co-operative movement has greater potential because of its broad scope to break up old forms of production relations and the establishment of new ones. As Maslennikov (1983) points out, all what is needed is scientific investigation and experimentation in order to determine the best course of its development and the best ways of exerting a purposeful impact on many economic, social and political factors.

There is no doubt that co-operative movements in South Africa have sprung up and survived under severe, worse imaginable and repressive political environment which is today in the progress

of changing to a non-racial democratic state. The ensuing government is stared at by the profusely bleeding economic wounds, manifest in the massive unemployment and grinding poverty in rural South Africa, which are the result of the discriminatory policies of the apartheid regime.

5. A POSSIBLE WAY FORWARD

There are two purposes in this final chapter: to provide useful contexts for the consideration of the subjects of co-operatives as vehicles for dealing with the pertinent problems of agricultural production and rural poverty and to summarise some modest recommendations regarding their improvement in their spheres of activity.

The major factors that have led to the popularity of co-operatives in South Africa has now been discussed. That South Africa is in an era of political transition is a matter of fact. I have therefore made a brief investigation about the prospects of setting up co-operative organisations in the new South Africa.

The obvious challenge in the new South Africa is radical economic restructuring. Invariably this may not take place overnight because of limited resources, yet the survival reflex of the massive unemployed and starving workers is here to stay with us. The recent establishment of the Swaziland National Ex Miners Multipurpose co-operative Society in 1990 are efforts by the dismissed mineworkers to find an alternative for earning a living (Matlala, 1991). The financial support they received from the National Union of Mineworkers (NUM) and the visits they have had organised by NUM gave them morale and confidence to work very hard.

After independence both African and Asian countries adopted co-operative movements as principal vehicles towards economic restructuring. We know for now that the results have more often than not, been discouraging. Certainly South Africa is geared to have her slice of the cake and with the prospects of the future government being the African National Congress (ANC), where its constitutional guidelines on the economy of the

post-apartheid South Africa say that there should be a mixed economy, with a state sector, a private sector, and a co-operative sector. Meanwhile, the Congress of South African Trade Union has expressed its support for co-operatives in a resolution in its congress in 1989. NUM also, has also pronounced its support on co-operatives and pointed out that co-operatives can give practical experience of some of the skills needed to build democratic control of production (COPE). With non-governmental organisations like Co-operative Planning and Education (COPE) and the North Transvaal Regional co-operative Network (NET-CORN) for co-operative servicing and support being formed, an environment is being created for co-operative movements to be formed.

Further the ANC's approaches to land reform point out, inter alia, that redistribution of land should be based on need (Cooper, 1991) The government's white paper maintains that land redistribution should be demand-based and most importantly freezes land ownership to the present private owners. "Certainly, the market has an important role to play." These land reform measures usually provide for the establishment of co-

operatives (Youngjohns, 1987). "Many land reform laws, e.g. in Iran and Turkey, provide that a beneficiary under land reform must become a member of a co-operativeLand reform co-operatives in practice are usually familiar credit, supply and marketing types, but they might go further into joint cultivation or joint use of machinery. It seems very clear that post-apartheid South Africa is faced with a possible mushrooming of the co-operative movements. With lessons learnt from other countries where many co-operative movements have not been able to fulfil the promise, co-operators are faced with much greater challenge than never before.

The next sections objectively look at the possible way forward so as to meet these challenges, and "in developing a way forward it is important to accept failure and responsibility for considerable amounts of wasted resources spent with goodwill and good intentions" (Roberts, 1989).

5.1 Recommendations

A fact to appreciate thus far is the imminence of massive sprouting of co-operative organisations in the new South Africa. Debates on the development of black rural South Africa have by and large maintained that the agricultural sector, considering the present economic situation of these areas and the resource bases, would be the major development impetus. Hence co-

operatives established in the rural areas will be primarily for servicing agriculture. The problems these co-operatives are faced with are summarised below:

- . Predominance of subsistence farming in rural areas.
- . Poor infrastructure
- . Lack of draught power
- . Lack of working capital
- . Shortage of markets
- . Poor performance of agricultural co-operatives in rural areas
- . Strained co-operation amongst the co-operators because of the dominance of the local department of agriculture and the Tribal Chiefs in co-operative matters, the frequent corruption from the management structures and the use of the co-operatives by the elites to serve their own interests.
- . The lack of clarity amongst the rural poor on the co-operatives principles and objectives, makes them to easily fall in despair.

- . The incompetency of the co-operative enterprises in the market place as a business.
- . Lack of credit
- . Marginalisation of the rural women
- . Lack of experience on co-operative organisation

Given these problems an essential requirement for a co-operative structure to be successful in a long run is the need to address these basic problems facing production by the majority of the rural people (Cloete, 1983). Unless these problems are resolved to ensure that a large number of the rural people use their plots productively so as to derive a livelihood, that the local people are directly involved at the grassroots levels in setting up the co-operative and that the management structures are representative of and accessible to local people there is little chance of the co-operative organisations to succeed.

Youngjohns (1987) wrote that villagers may not necessarily need a co-operative for change in agriculture. The rise in agricultural production in Zimbabwe, which has been a significant achievement of the Master farmer in the midst of massive failure of co-operative movements is a typical example. However, this group of Master Farmer is constituted by a small group of individuals, their success of which does not impact the small

farmer. However they might certainly need a co-operative to bypass or deal with some issues like local moneylenders for example, "the essence of which is that they are doing something for their mutual advantage." Youngjohns (1987) asserts that a humbler concept is the one that sees the co-operative as a simple method of getting something done better than it would be done by individuals on their own.

McIntosh explained in his article 'Conceptualising rural industry: Some producer co-operatives in Transkei why co-operation is necessary among the rural producers.

They are able to save from the purchasing of inputs in bulk, sharing of the means of production and the dissemination of skills which many producers would not have access to as individuals.

Whilst we realise the potentially important role that agricultural co-operatives can play in the transformation of the African peasantry to a commercial farmer, there is no point in trying to be prescriptive as to the precise form the co-operative movement should take. Hence the discussion that follows should be regarded as guidelines reflecting the qualities of a would be successful co-operative in dealing with the basic farming problems.

5.1.1 Co-operative Structure

Verhagen (1983) has pointed out that co-operatives that are exclusively for the poor may identify them, isolate them and perpetuate them. Meanwhile a co-operative organisation that combines both the poor and the rich farmers are included to serve the interests of the rich farmers because of the little, or no representation at all, of the poor in the management committees. He argued that whether there should be a co-operative for the poor only or for all should be dictated by the structural circumstances and the co-operators need to decide for themselves. What he emphasises is that democratic control and self - reliance must be built in at the very outset of planning and action, based on the principles of co-operative organisation. It is also very important that the co-operative structures should be an expression of people's free commitment to a common goal. The fact of allowing the co-operative to have an independent decision making reinforces the point raised by Younjohns(1987) that the setting up of co-operatives should come either spontaneously from the villagers, or stimulated by the patient teaching of community development - oriented co-operative workers. Worth mentioning is the importance of the group to recognise the underlying rationale for embracing any type of co-operative structure (Jackall and Levin, 1984). Cloete (1983) asserts that the setting up of co-operatives should respond to the local needs rather than trying to mirror those of present commercial agriculture which holds very little prospect of providing a solution for the rural people who face unemployment, poverty and starvation in South Africa. However, Verhagen (1983) warns of

confusing, be it in practice or theory, a co-operative enterprise with welfare schemes for the benefit of the poor as this undermines a self-help orientation.

The advantages of a multipurpose co-operative for the rural poor are explicitly stated in Fotheringham (1983) definition: "It tries hard to be all things to all men at all times. The well funded, well organised multi-purpose co-operative is a finest insurance policy the farming community has for the future, producer ownership being a safeguard in a highly competitive, complex industry dominated by nationals and multi-nationals." Secondly it eliminates the problem of one farmer having to be a member of a number of co-operative organisations. Considering the state of poverty in rural communities, farmers may not be able to make the necessary financial contributions to all the co-operatives of which he is of necessary supposed to be a member. However, the decision for the multipurpose co-operative to engage in other activities should be based on its capacity.

5.1.2 Support services

The most important difficulty that the poor face in setting up a co-operative is the lack of starting capital. It is not easy for them to find loans from the banks. When they have finally succeeded in starting a co-operative, the means available to them and their production capacity are often so limited (Verhagen,

1983) and subsistence - oriented that the joining of forces does not yet provide a satisfactory basis for an economically viable enterprises. Even where a modicum of resources is pooled, they cannot run efficiently and productively because of the lack of the necessary business and managerial skills among the co-operators.

Support measures may vary widely, depending on the economic activity concerned (ILC, 1983). However, it is the responsibility of the government to create a favourable environment in terms of the:

- legislation which is flexible and adoptable to the local context and situation, as well as considerate to the multitude of local initiatives;
- development policies which promote development rather than play a regulatory role.

The assistance that the government gives for co-operatives is of great importance in the formation of co-operatives. Stettner (1981) pointed out the vital role that the governments of Ireland, Scotland and Wales played in assisting the formation of community co-operatives in these areas. Laycock (1987) asserts that it is to the governments political interest that the co-operative should benefit from the public policies rather than having the co-operatives to effectively lobby for such benefits.

Whilst this is so, there should be a power balance in the government - co-operative relationships which will not undermine the autonomy of the co-operatives; "giving the co-operatives legitimation in the eyes of authorities and improving its access to sources of external support; enabling local people to participate in a fundamental way in the problem solving process through which the co-operatives achieves effective maturity". It should be appreciated that the fulfilment must be a long process of involvement rather than an emphasis on quick results (Roberts, 1987).

Co-operatives also need support from the co-operators and the community. The rural populations are diffused in space, immobile and without significant income basis (Mc Intosh). The maximisation of support from the local businessmen, farmer inclusive, and the community is very vital. However, these various sectors of the community cannot be expected to base their buying decisions on ideology and the need to support the organisation (Tailor, 1983), even those who are direct beneficiaries of the organisation. It is very crucial therefore that the co-operative enterprise be noticeably run as a business and is able to compete in the market place.

This necessarily means that production inputs must be available at reasonably low prices and that the marketing and pricing services need to provide economic returns both to members and co-operatives. Mc Intosh points out to the difficulty of rendering such services in an environment where there is no economies of

scale, rendering co-operative enterprises uneconomical. Meanwhile co-operatives are more generally involved in a struggle for survival against small commercial and advanced capitalist agricultural economy in their efforts to create a niche for themselves.

Alexander (1989) in a seminar report on 'Encouraging the support and Development of co-operatives' suggested a politically informed 'alternative market', which could numerically be counted in millions of people who are all potential investors in the development of co-operatives through buying the products sold by co-operatives. Whilst this untapped alternative market could be a panacea to the capitalist market, a market research will be required to establish if the collective buying power is enough for the realisation of the potential support of the community based projects such as co-operatives. As another option McIntosh suggests that there should be alternative provision of such services as spring protection services, primary health care systems, etc which will allow the rural dwellers themselves to maintain such services.

The success story of co-operatives backed by local support organisations which have been linked to national support organisations has vividly been illustrated in other parts of the world. Such support organisations provide technical services, education, research facilities, finance and a protective environment for co-operatives (Van der Merwe, 1987). Alexander (1989) wrote that "in S.A it is highly unlikely that any service

agencies or co-operative educational projects could be of concrete and meaningful assistance without getting deeply involved in the day-to-day affairs of co-operatives themselves". Invariably the comation and skills training programmes for the co-operatives should enable the members to understand economic viability and self-governing within democratic structures, the entire process of production and the way in which management decisions are made.

Other support measures, as laid down in the ILD 91983) report III, include the following:-

- Infrastructure: access roads etc.
- Finance: Starting-up grants or loans, and the ability to secure low interest financing from conventional lenders such as banks or development agencies, or international funding without having to depend on it. As Phillip Dladla has pointed out, "it is important to expose absolutely clearly to the membership the money which comes from the donors." Otherwise this starts to fool members about their capacity to produce and at prices which are not able to sustain. There should also be measures to encourage savings and the mobilisation of co-operative capital.
- Agricultural machinery and other productive services

and equipment:

feasibility studies an economic returns on machinery versus labour costs;

availability of fuel, spare parts and repair facilities"

- Marketing and support services: Marketing and pricing policies which provide economic returns both to members and co-operatives. Where co-operatives are called upon, or even obliged, to take the risks in state marketing schemes, they should receive adequate compensation.

5.2 The need for planning

The lack of skilled management and the undercapitalised nature of the co-operatives impliedly mean an underdevelopment of planning activities. Yet the minimisation of risks, and the rational decision taking is dependant on the capacity to analyse data and put it together in the shape of a programme of the co-operatives work. As Diadla (1989) explains it means that a series of choices must ultimately be made, in detail, about the future production and general business activity of the co-operative. After all this the plan must be delivered in the form

which can be monitored, and then it must be monitored".

Before starting a co-operative, it is very important to make sure that the purpose is clear, followed by a careful decision making and a commitment to a process rather than to immediate results (Roberts, 1989). Before the commitment, the following steps need to be undertaken:-

- Feasibility study
- Start-up implementation
- Monitoring and evaluation

5.2.1 Feasibility study

The answer to the question of whether co-operatives or no co-operatives to service rural agriculture has already been given. And so a feasibility study will be intended to look at such issues as:-

- needs of the peasant farmer
- social conditions
- knowledge of co-operatives among members
- group commitment
- availability of the necessary skills

- market
- benefit to the members and community at large
- start-up capital: i.e whether this should be raised from members' contributions as share capital, or from grants, donors or loans.

5.2.2 Start-up implementation

This stage involves the putting up of ideas into action. The effective implementation of the ideas will depend on their clarity to members, and an understanding of the plan and how each one must act.

5.2.3 Monitoring and evaluation

A plan drawn under the best of circumstances would still be subjected to the uncertainties of the future. It is therefore indispensable that during and after implementation of the plan, monitoring and evaluation be carried out to establish the strengths and weaknesses of the co-operative.

Bearing in mind the uniqueness and diversity of the co-operative enterprise, the principles and criteria for the evaluation of its financial situation and performance applied should not be

necessarily the same as the ones applied for a conventional business. There should be appropriate modifications which will necessarily reflect the co-operative objectives, meanwhile be flexible to accommodate changes. According to Turtianen and Von Fischke (1986) the assessment of their performance should begin from its own premises and expectations, rather than from those designed or other entities.

They (Turtaininen and Von Fichke) suggested that the following benefits could be used to evaluate the performance of the co-operative:-

- value added by marketing services: such operations as grading sorting packaging and information offering about goods and by the marketing services to provide convenience to the purchaser and increase the value of the goods.
- value added by processing: Processing increases the value of commodity, e.g. flour mills, dairy mills, creamy and cheese factories, etc.
- Value added by services that increase basic production: This includes timely availability of fertilisers and seeds, as well as other farm requisites.
- Cost savings benefits: properly managed warehouses can

save storage losses resulting from produce or fertilisers kept in simple stores on small farms or out in the open under plastic sheets at co-operative centres.

- other direct benefits:

external benefits and costs: a road constructed by a co-operative for example, to facilitate the production of milk, will be used for other purposes not related to milk production.

5.3 Conclusion

There is clear evidence of interest on co-operative organisations among some members of communities (ex - mineworkers in particular) and the liberation movements as alternative means of earning a living. Whilst general recommendations might prove useful to provide some functional guidelines, the success of each co-operative movement will depend on the local conditions such as support services, infrastructure, proximity to markets etc. However, careful and thorough planning minimises the chances of failure.

6. SUMMARY AND CONCLUSION

"Co-operatives operate in many fields of economic activity. Their methods and practices differ from country to country and sector to sector. However certain elements are common to co-operative enterprise, and their variations do not preclude useful general observations and guidelines "(Turtianen, 1987).

A co-operative differs organisationally and institutionally from a conventional business enterprise, seen from its functional principles which combines its membership as equals in a joint pursuit of certain group aims and objectives. Because of their diversified activities, there is a whole range of different types of co-operatives. The focus of this paper was the role co-operatives can play in the transformation of the South African peasantry to a commercial or public producer for the benefit of the nation's economy.

The valuation of the benefits, tangible and intangible, will be based on the extent to which they ease the material conditions of the small-scale farmer, and result in an increased agricultural output. Co-operative enterprises that will reorganise farmers and provide services that will lead to an increased agricultural output have been discussed. These included agricultural production enterprises organised along co-operative lines of Israel, Kibbutzim and Moshavim, settlement co-operatives with some land owned in common as occasionally found

in Kenya, and Ujamaa villages in Tanzania, as well as service co-operatives which included marketing, credit, and multi purpose.

It must also be remembered that land in the less developed areas of South Africa remains in sacred trust for the vast majority of people. The system of land allocation is bound up with moral, social, legal and other concepts, which detract it from its economic value (Bembridge, 1986). The basic legal right to a piece of farming plot meant small farming units in an endeavour to accommodate every member of the community, which are undoubtedly uneconomic and are a constrain to achieving a viable small-holder class of farmer. Co-operatives are capable of empowering its members socially, economically and politically to intervene in the Tribal Authorities' land allocation systems which usually favour the elites and Tribal Authority Officials.

Not only can co-operators influence land allocation procedures, but the overall political structures of the local and/ or central government as can be seen in the case of Kibbutzim in Israel. Co-operatives are capable of bringing economic opportunities to its members.

Whilst their performance in developing countries is often less than impressive, the current economic and cultural conditions have nourished the most recent wave of co-operatives in South Africa. They continue to be favourable simply because their potential benefits remain despite all problems and failures.

The Institutional guidelines of the ANC, financial support on co-operatives by the NUM, the development of support organisations like COPE, etc, show this continued favour on collectivist organisations. Noteworthy is the expansion in both number and size of the co-operative projects and programs. However, even where co-operatives attempt to live up to co-operative ideals there are problems of skills shortages, management expertise, etc. The following five points summarises the constraints on organisational democracy:

- . Time

Democracy takes time because decisions have to be taken in meetings which sometimes go over a length of time as opposed to top-down bureaucratic orders. However, with practice, planning and self-discipline more can be accomplished during the meeting time, the outcome of which breed commitment as members participate in considering options and making decisions.

- . Emotional Intensity

A conflictive character of a meeting results in intense inter-personal emotions which may constrain participatory organisation. To allay these fears of conflict criticism is concealed or at least softened with praise, differences of opinion are immunised in the formulation of consensus, private jokes and intimate communications are used to give personal support during the meetings. Rothschild and Whitt

(1989) warns of the unintended consequence of such avoidance patterns of excluding the not fully integrated member, withholding information from the group, and violating the norms of open participation.

Environmental constraints

Alternative organisations, like all organisation, are subject to external pressures. Because they often occupy an adversary position vis-a-vis mainstream institutions, such pressures may be more intense. Extra-organisational constraints on the development of collectivist organisation may be legal, economic, political, or cultural? Law can be changed with relative ease, but social, cultural and economic pressures are difficult to change.

Individual differences

Different in individuals in terms of skill, talents, knowledge, and personality attitudes constrain the collective organisation's ability to realise equalitarian ideals. Being aware of this, collective organisations make every attempt to eliminate differentials in knowledge since it is not very easy to accept this, as is the case with other individual differences. Individually held knowledge is diffused and critical skills are redistributed through internal education, job rotation, task sharing, apprenticeship, or any plan seen as serving this end.

Non-democratic values and habits.

Whilst co-operative development and structures in Africa is not an institution alien to traditional society (Hedlund, 1988), the nature of their prior experience in an environment of capitalist culture, has shaped to a greater extent people's behaviours, attitudes and personalities which makes them not very well prepared for participatory democracy (Rothschild and Whitt, 1986). They have not learned the attitudes and behaviour that will be required in a co-operative

However an experience of democratic work in participatory democracy, can alter people the quality of their work, and ultimately identities.

The constraints as discussed above reflect to the received situations or facts of life about which the collective has little choice.

With these constraints in mind, what is worth emphasising is that they do not, by any means, constitute a closed system: change is attainable. Most important is the need to accept that co-operative development is not a magic means for change: instead it follows and reflects national development for good and for bad. The co-operative structure is not a short-cut to progress. Co-operative institutions are unlikely to have a positive effect, neither institutionally nor for their members, in a poor social

and economic environment and where there is highly centralised policy and implementation procedure.

One important issue mentioned in passing in the previous chapters, is the position of women in the co-operative development. Mayouse, et, al, (1989) indicated that co-operative development aimed at women has been in the form of isolated projects, and has generally been marginal to wider social and economic processes. She asserts that "co-operative groups have very rarely been linked into wider economic movements for change in gender relations, or intergraded into wider economy. This has severely limited their effectiveness in helping women overcome their problems, and significantly increase their incomes. They have done very little to address their well-documented problems of lack of resources, time, skills and power which hinder women taking up paid employment of any type. Poor women are often very demanding." This therefore suggests that whilst women make up 80% of rural population engaged in agricultural production (Cloete, 1987), a separate co-operative for women is not, in anyway, in the position to improve their condition.

The participants (researches and administrators) in two seminars arranged by the Scandinavian Institute of African Studies, one held in Uppsala and the other in Nairobi, identified the following themes on co-operative development:-

- . The need for co-operative development to be more genuinely participatory rather than imposing

externally imposed structures. This means giving greater attention to the type of structures desired by participants and appropriate in specific economic and market situations.

The need for co-operative to address the issue of unequal access to land and property, the gender division of labour, and unequal remuneration;

The need for careful considerations of the types of support structures needed for training, credit and marketing in order to avoid wastage of scarce resources and encourage rather than stifle initiative. In particular this should increase the range of activities open to women in co-operatives and give greater attention to economic viability and marketing;

The need for careful planning and greater attention to the problems of implementation.

Finally there is a greater need for research initiatives and interests on the apparent less spectacular forms of rural service co-operatives of credit and savings co-operatives to establish the political, social and economic role they have played in the rural areas of South Africa, as well as the strong links that can be exploited for the transformation and creation of a successful and viable South African peasantry.

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The purpose of this questionnaire is to try and establish the constraints facing the present day African Farmers.

Sample area Region.....

1. How many members are in your household
2. How many are employed other than on the farm
3. Do you personally have any other employment other than working on your farm?
4. Do any of your household assist you in your fields? If so how many?
5. How big are your fields?
6. a) Is any portion of your fields staying fallow most of the time?
 b) If so, can you explain why and how big the area is?
7. Do you have a farmers association?
8. a) If the answer in (7) is yes, are you a member?
 b) If yes, are you actively involved
 c) If no, explain why are you not a member
9. What functions or roles do you think a farmers association should perform or play?.....
10. Is there a co-operative in your area?
11. Are you a member?
12. Do you know how the co-operation was started? Please explain how

-
13. Do you know the objectives of the co-operative? Explain
14. As a member of the co-operative, are you actively involved in all matters of the co-op?
15. If the answer above is no, can you explain why are you not an active participant.
.....
.....
16. Who are involved in the management of the co-op?
-
.....
17. Who do you think should manage the co-op?
-
18. What articles or farming inputs are provided by your co-operative?
-
.....
19. What other services do you think a co-op should provide you with?
-
.....
20. Do you produce enough to sell in the market?
21.
22. Do you buy seeds for your next growing season or do you use seeds from the previous crop?
23. If you cannot produce for the market, is what you are producing enough for your family consumption or not?

24. Do you apply fertilizers in your fields?
25. a) If yes, do you know the correct fertiliser mixture to use and the quantity to apply?
- b) If yes, how do you determine this, and how often do you do it?
26. How often do extension officers visit you?
27. How often do extension officers visit you?
28. Do you receive any kind of training on good farming methods and how to improve your yield?
29. If yes, do you apply these methods?
30. If no, can you explain why are you not using these methods?
31. How would you like agricultural training to farmers be conducted? eg. on your fields, in a lecture room, by an experimental plot, or a combination of these?
32. Do you have anything to show that this is your land?
33. If no, would you like to have something that shows your legal rights of ownership?
34. What significance do you think this (ownership right) will have?
35. Do you have any access to credit? eg. loan from a commercial bank?

.....

36. What other problems do you face in your day-to-day farming activities?

.....

37. What do you hope to achieve out of farming?

.....

38. What opportunities do you think are opening up?

.....

39. Do you think these problems are only unique to you or affect other farmers?

.....

40. Do you envisage any other way of dealing with these problems?

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