

also position the small business sector in a way that it can contribute considerably to the economic development of regions and the country as a whole. “The cooperative as a business form actually serves as an instrument of development in the hands of the small business sector and the establishing of cooperatives by small businesses has become a worldwide trend.” (Hazen: 2000)

Amongst the measures envisaged to promote cooperatives are access to the same tax incentives as are available to micro, small and medium enterprises (SMMEs), which are currently being revised, and access to preferential procurement policies. Government is also committed to promoting cooperatives, specifically workers’ cooperatives and consumer cooperatives, in terms of its integrated manufacturing strategy, and in terms of local economic development strategies. The establishment of a Cooperative Development Fund for “technical assistance and capacity building” is also envisaged.

Currently, a Cooperative Banking Bill is being tabled in Parliament, which would mean greater access to funds for cooperative development. It is hoped government will emerge with, “more enabling policy that keeps control of emerging cooperatives in the hands of its members and which ensures that the state and state officials operate in a facilitating capacity only” (Opyene: 1993). This idea, based on cooperative values, is very important and advocated in the interest of democratic participation of members and the eventual self-sufficient and independent organisations.

“The importance of building financial cooperative institutions means that money generated by the cooperative enterprises is been kept within the community to be used for the benefit of the whole community as well as individual cooperative members.” (NCASA: 2003) This is the basis for economic empowerment within a small community and if duplicated by more people it has the potential to thrive and become a significant contributory factor to development of cooperatives as a unique sector within the economy. The nature of cooperatives also mean that

surplus money is reinvested in the local community and economy as apposed to outflows of profits by foreign investors.

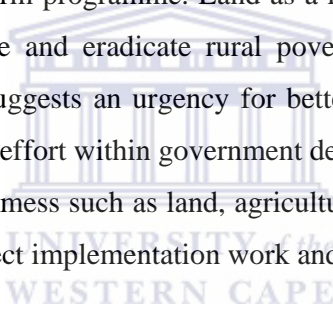
The programmes that accompany the New Cooperative Act (2005) should outline key strategies for partnerships between government and stakeholders within the cooperative movement. The legislation should also provide funding mechanisms for the development of cooperatives in two ways, namely the building of financial cooperative institutions (cooperative banks, credit unions, insurance) and state funding for creation of effective support institutions such as research and education for cooperative development.

Cooperative development in South Africa is one of the most exciting and promising initiatives taking place in the country. This is based on the potential that cooperatives have as a socio-economic model for dealing with community-based survival strategies at local level. The idea of community self-involvement being the foundation is necessary and important in order for cooperatives to sustain themselves and develop further. This chapter concludes that cooperatives have a place in South African society and fill an important space for rural agricultural development in a context of local communities taking the initiative to help themselves. Where government has the will and resources to encourage these initiatives, the potential for economic sustainability and prosperity exist in these communities.

Cooperatives need their independence and autonomy in order to sustain and develop into strong organisations. In order to get to this stage donor financial assistance and technical expertise are needed. The support can become very significant when government gives priority to its development. This would translate into a number of departments of government collaborating in order to stimulate cooperative growth. Cooperative development in the rural sector also translates into prioritizing agricultural development in the rural sector. In the words of Professor Richard Mkandariwe, agricultural adviser to NEPAD and internationally-recognised agricultural and socio-economist and rural

development expert, “Building Africa means building agriculture”. He says, “Agriculture is the conduit for poverty reduction”. (Du Plessis: 2008,15)

A vital link in the process to building agriculture and reducing poverty is access to land as a resource. The land reform agenda is the instrument for the redistribution of land to small-scale farmers and making a transition from people being farm workers to farm owners. There is a desperate need to address the socio-economic imbalances of the past that still exist today. Within the rural context an opportunity exists for the land reform programme to be used in conjunction with the programme for cooperative development, for example through the design and implementation of an integrated plan for land redistribution and economic development within the cooperative sector. There is an urgent need for land transfer in the land reform programme. Land as a resource is part of the solution to constructively reduce and eradicate rural poverty and unemployment. The cooperative idea also suggests an urgency for better cooperation and integration resulting in a combined effort within government departments. Inter-departmental cooperation on programmes such as land, agriculture and cooperatives, has to be taken seriously for project implementation work and sustain itself.



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INTERVIEWS

Leslie Henrie at Die Bergvrugteverwerking, Piketberg

Solly Jansen at Die Bergvrugteverwerking, Piketberg

Forgan Monk at Die Bergvrugteverwerking, Piketberg

Groot Oom Kotze at Melkkraal, Heiveld Rooibos Cooperative, Piketberg

Bet Sas at Melkkraal, Heiveld Rooibos Cooperative, Piketberg

Johan Freyer at Melkkraal, Heiveld Rooibos Cooperative, Nieuwoudtville

Drikka Kotze at Melkkraal, Heiveld Rooibos Cooperative, Nieuwoudtville

Elsie Louw at Bitline, Heiveld Rooibos Cooperative, Nieuwoudtville





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