

CCSE | Conference on Cooperatives
& The Solidarity Economy

CONFERENCE PROCEEDINGS

**3rd Conference on Cooperatives and the
Solidarity Economy (CCSE)**

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Table of Contents

Contents	Page
Message from the Conference Chair	2
An Ubu-ntu Cooperative Model	6
Cooperatives and Cooperativism	25
Savings Groups as a Pathway for Social Empowerment of Rural Women in Zimbabwe: Case of Umzingwane District	36
Assessing the Contribution of Woman Empowerment on Cooperative Success in South Africa	51
Quality Perspectives amongst Cooperative Financial Institutions in South Africa	69
Leveraging the Cooperative Model in the Resource-constrained Emerging Filmmaking Company	77
Concepts and Approaches for Pathways out of Poverty -A Literature Review	86
The Current State of Secondary Cooperatives in South Africa	101
Understanding Strategy Focusing on the South African Spaza Shops	116
Cooperatives contribution to local development amidst sharp policy shifts: the case of Nicaragua	147

Message from the Conference Chair

Welcome to the proceedings of the third edition of the Conference on Cooperatives and the Solidarity Economy. This edition of the conference was held 02-03 November 2023 at the Birchwood Hotel and OR Tambo Conference Centre, Johannesburg, South Africa. As part of endeavour to build the capacity of young researchers, we hosted a pre-conference young scholar workshop with scholars from Kenya, South Africa, Tanzania, Zimbabwe, France and Argentina. We thank the Cooperative Working Working Group, Young Scholar Initiative of the Institute for New Economic Thinking for sponsoring the workshop.

The main conference featured presentations that shed light on the dynamic landscape of cooperatives, social empowerment, and local development. From examining cooperative models to assessing their impact on communities, the manuscripts presented here offer valuable insights into the pressing issues facing cooperatives and the solidary economy globally and the opportunity to harness and scale their impacts. societies worldwide. In this proceedings, I am happy to share a selection of ten manuscripts from the papers presented at the conference.

The first manuscript, "An Ubu-ntu Cooperative Model", Molefe introduces us to a cooperative framework inspired by the African philosophy of Ubuntu. This model emphasizes collaboration, mutual support, and community solidarity, offering a promising approach to fostering inclusive economic growth and social cohesion. Building upon this theme, Reddy in "Cooperatives and Cooperativism" explores the principles and practices that underpin cooperative enterprises. By examining the cooperative movement's historical roots and contemporary relevance, Reddy highlights the roles of cooperativism in promoting economic democracy and sustainable development.

Moyo and Zimusi' manuscript on "Savings Groups as a Pathway for Social Empowerment of Rural Women in Zimbabwe: Case of Umzingwane District" examines the transformative potential of savings groups in rural women empowerment. Through case studies and qualitative analysis, the authors illustrate how access to financial services and collective action can enhance women's agency and socioeconomic well-being. In a similarly work, Nxumalo's manuscript on "Assessing the Contribution of Woman Empowerment on Cooperative Success in South Africa" explores the nexus between women's empowerment and cooperative performance. By analyzing data from South African cooperatives, the paper examines the multifaceted ways that women's leadership and participation influence cooperative governance, resilience, and outcomes. In the fifth contribution to the proceedings, Ratlhagane, Mkwanazi and Madonsela investigate quality perspectives within cooperative financial institutions (CFIs) in South Africa. They argue that CFIs play a crucial role in providing financial services to underserved communities,

contributing to economic development and social inclusion. Drawing on a mixed-methods approach, including surveys and interviews with CFI stakeholders, Ratlhagane, Mkwanazi and Madonsela examines the dimensions of quality perceived by clients, employees, and management within the South African CFI sector. They argue that the productivity and performance of CFIs could be enhanced if they work towards achieving financial sustainability through cost reduction strategies, credit risk management and reduced dependency on grant funding. In the sixth contribution to the proceedings, Mereyotlehe and Madonsela examine the implementation of a cooperative model within the resource-constrained emerging filmmaking industry in South Africa. They argue that in the context of limited financial resources and infrastructure, solidarity offers a collaborative approach to filmmaking, enabling collective resource pooling, skill sharing, and risk mitigation.

Magongo and Krrai, reviewed the Concepts and Approaches for Pathways out of Poverty. The review identified key factors contributing to poverty and presents a range of approaches and strategies that can be employed to eradicate poverty. They argue that a robust understanding of the underlying causes of poverty and the implementation of holistic and sustainable developmental interventions can support poverty eradication in South Africa.

Thaba explores the "Current State of Secondary Cooperatives in South Africa". Drawing upon empirical research and stakeholder, Thaba offers valuable insights into the challenges and opportunities facing secondary cooperatives in South Africa in the context of evolving market dynamics, policy environments and political interference in the cooperative sector.

In their manuscript on "Understanding Strategy Focusing on the South African Spaza Shops", Khumalo, Mkwanazi. and Nkosi offer a nuanced analysis of the strategic imperatives shaping the informal economy in South Africa. By examining the role of spaza shops – small, locally-owned convenience stores – the authors detail the strategic choices and adaptive strategies employed by micro-entrepreneurs to navigate complex market conditions. Finally, Sanchez-Bajo's manuscript explores the contributions of cooperatives to local development in the context of policy shifts using cooperative in Nicaragua as a case study. Against the backdrop of shifting policy frameworks and political dynamics, Sanchez-Bajo assesses the resilience and adaptive capacity of cooperatives in driving local development and poverty reduction efforts.

The manuscripts presented at the conference and included in the proceedings would not have been possible without the support of our reviews. All abstracts underwent double-blind peer review and authors of accepted abstracts were invited to submit their full manuscripts. The manuscripts were also subjected to double-blind peer review.

I extend my appreciation to the authors for their contributions and to the reviewers for their expertise and dedication. I also extend my sincere thanks to our keynote speakers, Prof Vishwas Satgar, COPAC and University of Witwatersrand, Mam' Ruth Bhengu, Board Chairperson of the National Development Agency, and Mr Leonard Okello, CEO of Uhuru Institute for Social Development, Uganda who provided valuable perspectives and perspectives that guided the conference's deliberations. Finally, my heartfelt appreciation goes to the National Development Agency for their support and contributions to the conference.

I hope that the insights shared in this volume will inspire further research, policy innovation, and grassroots action towards a more cooperative and sustainable future.

Okem Andrew Emmanuel
Conference Chair

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An Ubu-ntu Cooperative Model

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Abstract

The African philosophy of ubu-ntu is considered foundational to social and economic practices such as cooperation, solidarity and mutual aid. However, it has been overlooked in policies and laws on such matters, particularly in South Africa, where ubu-ntu has been invoked but debated, doubted and consequently overlooked as a constitutional value and guide for state action. A concrete instance is the philosophy's exclusion from the country's pivotal post-apartheid policy on cooperatives and its related laws and regulations. This paper identifies such disregard of ubu-ntu, and debates and doubts driving it, as epistemic injustice rooted in coloniality—a deeply ingrained set of patterns of power, knowledge and being forged through colonialism that continue to hold sway over postcolonial life. Breaking from these patterns, the paper critically reviews the literature on ubu-ntu through a decolonial epistemic perspective to assert that the philosophy's dynamic, multidimensional conception of personhood is distinct, valuable, and relevant to cooperatives and similar organisational forms constituted of people. Based on what appears to be the most cogent account of ubu-ntu, the paper furthermore explicates a cooperative organisational model implicit in the philosophy and proposes the notion of *homo transindividualis*, a theoretical dynamic intergenerational relational moral being that is at the heart of the model. The paper also sets out at least eight emergent properties that position the model as an approach to meeting human needs and aspirations in a holistic manner. The paper concludes with reflections on further possibilities and limitations of its analysis and areas of future research.

Keywords: Ubuntu; decoloniality; cooperative models; economic models; theories of value.

Introduction

Whether in its various phonological variants in Ntu languages or as humanness in English, the African philosophy of ubu-ntu is considered foundational to social worlds in and of Africa (Bujo, 2001; Ramose, 2005). Yet, the meaning, significance, and contributions of this philosophy to social imperatives such as public policy, law and justice, and economics have been subjects of seemingly deadlocked theoretical debates among scholars amid a dearth of empirical research on ubu-ntu itself as opposed to

its utility in this or the other field (Furman, 2014; Chimakonam, 2016; Nkondo, 2017; Maris, 2020). In these debates, ubu-ntu is said to be a contested concept (Praeg, 2014; Matolino, 2020). Some argue the philosophy is not just contested but that it is essentially contested in that consensus on its meaning can never be reached, making the philosophy, therefore, unsuitable as a guide for modern life and state action (Maris, 2020).

South Africa is particular in these debates as there have been efforts to read ubu-ntu into the liberal democratic post-apartheid constitutional framework, setting off cacophonous debates that have given rise to a small but significant body of largely theoretical literature devoted to the philosophy's meaning and worth. Some of these contributions are more cogent than others (Matolino, 2020). In its most compelling articulation, ubu-ntu offers a singular, dynamic multidimensional proposition on the empirical nature of reality (ontology), knowledge and knowing (epistemology), and ethics and values (axiology) (Ramose, 2005, 2009). The philosophy holds that a person is and becomes a person through relations with other beings (human or not, including those who were, are and will be, and nature) and, furthermore, that ceaselessly seeking harmony in and through these relations is both a condition for and a state of being and becoming a whole person (Ramose, 2005, 2009). Therefore, a person in this articulation of ubu-ntu is not only an individual but is also a relation or set of relations that transcend generations, the human-animal-object-phenomena divide, and similar arbitrary boundaries drawn to categorise and classify human existence.

In 2015, I was confronted by impacts of these debates as fellow freelance media workers, and I established a cooperative in South Africa to agitate for fairer economic relations and outcomes in our sector. We had elected ubu-ntu as the basis by which our cooperative would organize and operate, because the philosophy speaks to what a person is and how one becomes a person, and an ethical one at that. We believed the philosophy valuable in our cooperative's work since cooperatives are autonomous associations of persons by definition and judicial persons if legally registered. But to our surprise, South Africa's landmark post-apartheid cooperatives policy and laws and regulations flowing from it, which repealed those of the apartheid era, did not recognise ubu-ntu, even though the government's own research and some scholars suggest the philosophy is among the driving forces of cooperative organizational forms in the country, continent and diaspora (DTI, 2009; Okem and Stanton, 2016; Nyanhoga, 2019; Hossein, Austin and Edmonds, 2023). Instead, the policy, laws and regulations stipulate that cooperatives should abide by a set of values and principles promoted by the International Cooperative Alliance (ICA), which are rooted in western European histories, value systems and experiences since the late 19th-century, or face prohibition from identifying as cooperatives (Molefe, 2023). The values and principles in question are captured in the *Statement on the Cooperative Identity*, adopted by the ICA at its 1995 congress (ICA, 1995), the background paper to which explicitly names western Europe as the birthplace of 'modern' cooperatives (Molefe, 2023).

The ICA's Eurocentric framing became entrenched in the South African policy and legislative landscape, to the exclusion of ubu-ntu or any other cooperative value

system, after the country re-joined the International Labour Organization (ILO) and later ratified *Promotion of Cooperatives Recommendation, 2002 (No. 193)*, an international labour standard that guides global cooperative policies and laws. Recommendation 193, as it is commonly known, is non-binding but has been influential in ILO member states of so-called 'developing' countries, like its predecessor, which applied only to such countries, and its predecessor before that, which applied to Europe's colonies only (Molefe, 2023). The recommendation adopts the ICA's Eurocentric value system as the defining identity of all cooperatives everywhere, distinguishing them from other organisational forms. It also puts forward promoting and strengthening this cooperative identity as the aim of measures it prescribes to member states to "enable cooperatives, as enterprises and organizations inspired by solidarity, to respond to their members' needs and the needs of society, including those of disadvantaged groups in order to achieve their social inclusion" (ILO, 2002, para. 5).

While more can and has been said on Recommendation 193's Eurocentrism, lack of critical engagement with it and the outcomes thereof (see: Molefe, 2023), this paper is concerned instead with explicating a cooperative organisational model implicit in the philosophy of *ubu-ntu*. I argue *ubu-ntu* is a distinct, valuable lived and living philosophy and that it offers a conception of personhood relevant to cooperatives as both entities constituted of persons and as judicial persons in their own right. Thus, this paper aims to clarify the meaning and assert the significance and contributions of the philosophy to theories and models concerning cooperatives and comparable organisational forms constituted of people.

In pursuit of this aim, I deploy a decolonial epistemic perspective (Dastile and Ndlovu-Gatsheni, 2013) and the concept of re-membering as described in Section 2 to critically review the literature on *ubu-ntu* in Section 3 and to piece together in Section 4 a cooperative organisational model based on what seems the most compelling among the many articulations of the philosophy. At the heart of the model lies the idea of *homo transindividualis*, a theoretical cooperative being who does not limit cooperating with fellow beings to only matters of self-preservation or the common good. *Homo transindividualis* is a dynamic intergenerational relational moral being engaged in ceaseless pursuit of harmonious relations and realities, which tend to be cooperative relations and realities. The paper furthermore outlines at least eight non-prescriptive emergent properties that distinguish this *ubu-ntu* cooperative organisational model from dominant models of European tradition. As shall become clearer, these properties, their multidimensional nature, and openness to situational adaptation and reconfiguration position the model as a holistic approach to meeting human needs and aspirations. While theoretical and not without limitations, the model does, in fact, exist in the real world. Glimpses are evident in cooperative practices in and of Africa and the strivings of people engaged therein to embrace that each of our being is bound in that of other beings with whom we exist in relation.

Theoretical framework, key concepts, and methodology

A connection was apparent to me even if its details were not at first between the debates about *ubu-ntu* and the post-apartheid state's disregard of the philosophy. The debates seemed to have sown doubt over *ubu-ntu*'s merits and ensured the disregard and superficial engagement seen not only in the state's approach to cooperatives but also elsewhere in public policy, laws and other domains of state action (Furman, 2014; Nkondo, 2017). Providing vital context, Ramose (2005) asserts that debates over *ubu-ntu*, as African philosophy, are grounded in debates on whether Africans are human. Underscoring this point, Moyo (2021) highlights that the debates have been unfolding amid still-persisting colonial hierarchies and circuits of power, knowledge and being dismissive of African knowledge and Africans as bearers of knowledge relevant to the here and now.

The disregard of *ubu-ntu* was evident, too, in the ICA's Eurocentric cooperative identity that, through Recommendation 193, is the basis for global cooperatives policy. This outcome was produced through a Eurocentric narrative, repeated uncritically in scholarship, on the origins and identity of cooperatives. Through this narrative, cooperative economic theories and models of Africa and elsewhere subjected to European conquest and rule have been written either out of history or into the past, as ancient relics of little contemporary relevance (Molefe, 2023). This narrative holds that Europe birthed the 'modern' cooperative and introduced it to the rest of the world, drawing a line between pre-modern cooperative practices born of innate, 'spontaneous' human tendencies to cooperate and the ones dubbed modern with the express purpose of cooperating toward economic objectives. Remarkably, this act is often presented as benevolent or providing benefits to the rest of the world otherwise not attainable without European intervention (Molefe, 2023).

The situation called for a lens that could reveal such colonial distortions more fully and a means to restore, repair and reinstate the disregarded. For these, I turned to a decolonial epistemic perspective (Grosfoguel, 2007; Dastile and Ndlovu-Gatsheni, 2013) as the lens through which to read literature on *ubu-ntu* and the concept of remembering (Ndlovu-Gatsheni, 2023) as a way to put together an *ubu-ntu* cooperative model. Both interventions, which I describe shortly, are premised on understanding colonialism and coloniality to be related but distinct phenomena. Whereas colonialism "denotes a political and economic relation in which the sovereignty of a nation or a people rests on the power of another nation, which makes such nation an empire", coloniality, on the other hand, "refers to long-standing patterns of power that emerged as a result of colonialism, but that define culture, labour, intersubjective relations, and knowledge production well beyond the strict limits of colonial administrations" (Maldonado-Torres, 2007, p. 243).

A decolonial epistemic perspective is a lens through which one might pierce the veil that shrouds coloniality. It equips one with discursive tools that reveal patterns forged through colonialism that continue to determine and drive relations, knowledge production and circulation, and ways of being (Grosfoguel, 2007; Dastile and Ndlovu-Gatsheni, 2013; Mpofu, 2018). In so doing, a decolonial epistemic perspective equips one to both resist and combat these patterns and also surface more liberatory ways of

relating, knowing and being that may have been distorted, subverted or impeded due to colonialism and coloniality (Wynter, 2003; Dastile and Ndlovu-Gatsheni, 2013).

Similarly, re-memembering is a painstaking restorative process with roots in Black and African feminist work of putting one's personhood back together after the trauma of dismemberment such as that caused through colonialism and coloniality (Masola, 2020; Ndlovu-Gatsheni, 2023). Re-memembering is "predicated on the radical restoration of memory, knowledge and re-writing of history, as part of the broader agenda of attaining liberation and freedom" (Ndlovu-Gatsheni, 2023, p. 70). Central to the cause of re-memembering is reclaiming epistemic freedom, the foundation of other freedoms, which was and continues to be denied to Africans and fellow peoples of the world beyond Europe (Mkandawire, 2011; Ndlovu-Gatsheni, 2018, 2023). Epistemic freedom "is fundamentally about the right to think, theorize and interpret the world, develop [one's] own mythologies and write from where one is located and unencumbered by Eurocentrism" (Ndlovu-Gatsheni, 2018, p. 3). Reclaiming this freedom as Africans requires "demythologizing both the idea of Europe as a teacher of the world and the idea of Africa as a pupil" (Ndlovu-Gatsheni, 2018, p. 6).

To produce the findings in the next section, I deploy a decolonial epistemic perspective to read and thematically analyse debates on the meaning, significance and contributions of *ubu-ntu*. The literature examined is largely focused, geographically and temporally, on post-apartheid South Africa, where the initial explicit inclusion of *ubu-ntu* in the interim constitution and exclusion from the final document has given rise to furious scholarly debate on the philosophy's worth.

Seeing *ubu-ntu* through a decolonial epistemic perspective

Reading debates in post-apartheid South Africa on the meaning, significance, and contributions of *ubu-ntu* to the knowledge base recalls the parable of the blindfolded men and the elephant. In the parable, a group of blindfolded men are holding but one part of a never-before-seen creature called an elephant. Asked to describe the creature, the men, out of hubris or ignorance, use the one part they are holding to pronounce on what an elephant in its entirety looks like, while at the same time insisting that the other men's descriptions are wrong. Indeed, not only are most of the written accounts of *ubu-ntu* by men (Oelofsen, 2018), but they are also largely theoretical postulations (Moyo, 2021) that claim to be the most important.

Amid this want for empirical work, which might entail speaking with awareness of what is known or knowable with certainty or shifting position to examine a phenomenon from different perspectives for a more complete picture, a body of theoretical accounts of *ubu-ntu* have emerged. The accounts can be placed into three broad, overlapping camps claiming that *ubu-ntu* is either: meaningless, incoherent, oppressive, or not new and different enough to be considered philosophy let alone useful philosophy; similar to or compatible with Western philosophies like liberalism, humanism and communitarianism; or a different realm of thought that may not be understandable or translatable for those not socioculturally steeped in its meaning or

those blinkered by chauvinistic attitudes regarding knowledge beyond the Western paradigm.

Analysing the accounts through a decolonial epistemic perspective, four related themes—misrecognition, subordination, misconstruction, and oversimplification—appear to drive the disregard of *ubu-ntu*. Each is discussed below. Of these, the first, the misrecognition of and disrespect with which African knowledge like *ubu-ntu* and Africans as bearers of knowledge are regarded, appears to be causal and the others recurring results thereof. Thus, in this analysis, misrecognition is considered a main theme, and the others are subthemes.

Before presenting the themes, the section opens with an attempt to outline what appears a more complete, compelling account that emerges from the literature of the elephant that is *ubu-ntu*. As this account should make clear, *ubu-ntu* is a philosophical proposition on human existence in its entirety. It is descriptive of multiple dimensions and dynamics of human reality, knowledge and knowledge systems, and ethics and values. Accordingly, *ubu-ntu*, in one partial form or another, is likely to be glimpsed everywhere humans are found, but no one part can or should be taken as an account of the whole.

A compelling account of *ubu-ntu*

Of the competing descriptions, the account of *ubu-ntu* advanced in the work of philosopher Mogobe B. Ramose, which he hyphenates to set it apart, appears the most cogent. Described by Ramose (2005, 2009, 2014), *ubu-ntu* is both a lived and living philosophy offering a unitary descriptive, epistemological and axiological proposition on human existence. It is living in that it describes the realities of people not only in the past but also the present and future (Ramose, 2014), despite being described in various texts as ‘ancient’. *Ubu-ntu* is also lived in that it is not solely an abstract idea. It is embodied in and by *umuntu*, connoting both a person and a person with *ubu-ntu* (Ramose, 2005). Embodiment of *ubu-ntu* at the site of a person, *umuntu*, is captured in the isiZulu maxim *umuntu ngumuntu ngabantu* (Ramose, 2005), an expression that has phonological equivalents in other Ntu languages. Translated literally, it means that a person is a person through other people but is frequently mistranslated as ‘I am because we are’ (Chigumadzi, 2022) or wrongly as ‘I am because you are’. A perhaps more complete literal translation would be that a person is and becomes a person through relations with other persons.

Far from being tautologous, these three persons—the person who is, the person who becomes and the other persons—describe different aspects of the relations of being and becoming. These relations are dynamic. They operate at different scales and configurations. They are also dyadic at the basic unit level and triadic at the functional unit level. A frequently cited dynamic triadic relation is mother-father-child. But it extends beyond familial and sociobiological bonds to speak to the all-encompassing, multidimensional existence of *homo sapiens*, a single, self-aware species with a common ancestor, and our relations with fellow living beings and the universe within which life unfolds. Ramose (2005) highlights the inescapable relational triad, which is

both spiritual and sociobiological, between the living, living-dead (or ancestors) and yet-to-be-born as a vital dimension of human existence. He further contends that *ubuntu* applies to relations with fellow living beings, objects in nature and with nature itself (Ramose, 2005, 2009).

In these dynamics, *ubuntu* describes and prescribes both a state of being and a condition for becoming a whole person, which is through harmonious relations with others (Ramose, 2005, 2009). It considers human existence to be a dynamic, ceaseless unfolding or flow of being and becoming (Ramose, 2005, 2009). Thus, at a descriptive level, *ubuntu* is an account of human reality in its various shapes, proportions, configurations and dimensions across space, time and other yet-to-be understood dimensions of the universe within which life unfolds.

In addition to a descriptive account of human biological, social, spiritual, and other realities, *ubuntu* also speaks to the epistemological. A person, *umuntu*, who is engaged in the dynamic, ceaseless unfolding of being and becoming can understand the experience cognitively, sharing it with others through language and changing it through action, thus acquiring new ways to understand, share and change the experience (Ramose, 2005). Thus, the unfolding embeds and is embedded in a knowledge system and knowledge that through human thought, dialogue, and action “may crystallise into a particular form of social organisation, religion or law” (Ramose, 2005, p. 36) through which a person is and becomes a person through relations with other people. These crystallisations are not ends but mere points in a nonlinear continuum, or flow, of being and becoming. Thus, they are always conditional and subject to change.

Furthermore, possessing the capabilities to understand, share and change the experience of existence gives rise to certain ethical obligations for the person who is. From an ethical perspective, it is not enough merely to be a person. To be and become a person with *ubuntu*, one needs to recognise the humanness of other people, of *abantu*, and together, based on that recognition, seek to establish humane relations, which are harmonious relations (Ramose, 2005, 2010). Through this, a person would not only be affirming the humanness of other people but their own, too (Ramose, 2005). Thus, an even more complete translation of the maxim would be that a person is and becomes a person through relations with other beings (human or not, including those who were, are and will be, and also nature), and, furthermore, that ceaselessly seeking harmony in and through these relations is both a condition for and state of being and becoming a whole person.

In Ramose’s account of *ubuntu*, what constitutes harmony or how harmonious relations look like are neither predefined, dogmatically prescribed, nor eternal and universal (Ramose, 2005, 2009). Rather, the fact that such relations are predicated on recognising the humanness of others enjoins all people in a specific relational context to engage in thought, deliberative dialogue and action as equals in the ceaseless search for such relations and, together, to define and redefine how to pursue them as contexts change (Ramose, 2005). *Ubuntu*, therefore, eschews categorical enumeration and universalising of organisational form, law, values, norms, traits, behaviours and other

means to harmony as these are situated properties that emerge from actual harmony-seeking interactions of persons involved in the situational relation (Ramose, 2005, 2014). It is for this reason that Ramose (2005, 2014) rejects framing *ubu-ntu* in terms of humanism, liberalism, communitarianism, constitutionalism or any other -ism, where a social structure like a court or edict like a list of rights comes to be considered final and authoritative and is positioned as what people should strive to conform with and serve rather than the other way around. Such stagnation is antithetical to the flow of being and becoming.

However, there are certain means to harmony that have come to be associated with *ubu-ntu*, like sharing, solidarity and caring for one another (Ramose, 2005, 2014). This may be because such means among humans are likely a finite set, thus similar organisational forms, values, norms, traits and behaviours have emerged over time as conducive to harmony. However, it is worth emphasis, as I turn to themes that emerged from the literature, that it is a mistake to take these common and known means to harmony as all there is to *ubu-ntu*. Even if these means are known, people involved in the actual situational contexts may order, configure, and rank them in different ways.

Misrecognition of African philosophy as misrecognition of Africans

The first theme that emerged from the literature is the misrecognition of *ubu-ntu*. Authors point to the passing mention of *ubu-ntu* in the interim Constitution in the postamble, without elaboration, and subsequent omission from the final document as misrecognition. These authors identify the post-apartheid constitutional framework as being essentially liberal democratic and thus of the individualistic Western paradigm.

For instance, Himonga, Taylor and Pope (2013) hail the interim Constitution's explicit mention of *ubu-ntu* as historic—even though Gade (2011) suggests no one involved recalls how the word came to be mentioned—and further highlight that recognition in the final document of customary law is not the same as recognising *ubu-ntu* as the two are not synonymous. Similarly, Ramose (2014, 2015) contends that, taken together with the superficial mention of *ubu-ntu* in the interim Constitution and exclusion from the final text, the constitutional provisions recognising customary law only serve to ensure the supposed superiority of Western paradigms given that even this recognition of customary laws is only to the extent that they are compatible with the Bill of Rights. He argues that the search for truth amid African and Western paradigms was closed in this instance before it began as the latter was proclaimed supreme at the onset. Likewise, Cornell and Muvangua (2012) argue that, despite not being explicitly mentioned in the final Constitution, *ubu-ntu* casts a shadow nonetheless given that it was and is a fundamental basis for relating for most Africans. They argue that there has, however, “inevitably, been confusion as to what the precise role of *ubu-ntu* is now that it has lost its literal status on the face of the document that is the final Constitution” (Cornell and Muvangua, 2012, p. 14). Indeed, this confusion

is evident throughout the literature, despite post-hoc attempts to read *ubu-ntu* back into the constitutional framework, as described in more detail in the next section.

Some of the literature regards the misrecognition of *ubu-ntu* as “not merely an innocent insignificant disregard of a word” but as the misrecognition of Africans and our way of life and consequent exclusion from the foundations of post-apartheid life (Ramose, 2014, 2015). The loci of the exclusion, these authors argue, were the various processes of negotiation, compromise and intimidation—processes from which the interim and final constitutions emerged—in the transition from apartheid to the present (Ramose, 2014, 2015; Madlingozi, 2017; Modiri, 2021). These processes are said to have produced a chimera of a country in which the nominally democratic new was birthed in the still-churning bowels of the colonial-apartheid old (Modiri, 2021). As a result, the post-1994 constitutional framework, Modiri (2021, p. 75) contends: “(1) is an evolutionary legal, political, and epistemic rearrangement of ‘white South Africa’—an adjustment or ‘makeover’ (democratisation) rather than a fundamental rupture (decolonisation); (2) sustains colonial logics of state formation, political economy and racialisation and upholds the erasure of African cosmologies, legalities, and epistemologies; and (3) ultimately naturalises and normalises the settler-created world (or the conqueror’s South Africa) as the only possible world.”

Subordination, misconstruction, and oversimplification

In addition to misrecognition, three further related subthemes emerge from the literature that drive the debates, doubt, and disregard of *ubu-ntu*. The first of these subthemes is subordination of *ubu-ntu* to Western knowledge and flows from misrecognition. The theme captures the fact that *ubu-ntu* is seldom discussed in its own terms. Instead, it is repeatedly framed in terms of compatibility and reconcilability with Western logics, in particular liberal democracy, the basis of South Africa’s 1996 Constitution. In these debates, some argue that *ubu-ntu* fits with the post-apartheid constitutional order and tenets of liberal democracy more broadly (Mokgoro, 1998; Cornell, 2014; Furman, 2014; Metz, 2014), while others contend it is incompatible and undesirable (Keevy, 2014; Van Der Walt, 2014; Naude, 2019).

Those who argue *ubu-ntu* is reflected in or is at least compatible and reconcilable with liberal democracy rely on judgments from the Constitutional Court that read *ubu-ntu* into post-apartheid frameworks since the philosophy is neither mentioned nor described in the 1996 Constitution. However, as Himonga, Taylor and Pope (2013) and Furman (2014) note, these judgments and the interpretations thereof have not been successful in explicating a convincing account of *ubu-ntu* within the confines of the constitutional framework. In this regard, Ramose (2002, 2014) asserts that *ubu-ntu* is not the problem and that the problem is attempting to circumscribe realms of thought antithetical to dogma within a dogmatic constitutional framework that is considered supreme law.

While Praeg (2014) concurs that *ubu-ntu* itself is not the problem in this aspect of the debates but rather that the problem is what the philosophy represents politically to interlocutors, he proposes the solution lies in untangling and reconciling the

supposed tension between the constitutional framework, built primarily on the rights of the individual, and *ubu-ntu*, generally understood to be built primarily around community. However, not only conceiving *ubu-ntu* as giving primacy to community a common misconception (discussed further below), but such reconciliation is not possible if one pole in this supposed tension is perceived to be superior to the other. As Praeg (2014) concedes, the debates over *ubu-ntu* are not taking place on a level playing field but on one skewed, as a direct result of colonialism, in favour of individualistic conceptions of personhood.

Indeed, proponents for measuring *ubu-ntu* against the yardstick of the post-apartheid constitutional framework presume the latter, in particular the Bill of Rights contained therein, to be beyond reproach. They do not question or feel compelled to first defend its appropriateness as a yardstick. For instance, Keevy (2014) takes it at face value that the Bill Rights promotes human dignity, equality and freedom but does not engage critiques suggesting otherwise. In particular, the property clause in the Bill of Rights has been repeatedly flagged as unjust for legitimising the racial distribution of ownership of land and other forms of property produced through colonialism and apartheid, despite granting powers to the state in certain circumstances and subject to available resources to redistribute (Ramose, 2014; Mamdani, 2015). Thus, on that basis, Keevy argues that *ubu-ntu*, on the other hand, entrenches discrimination and erodes human freedoms, in particular those of women, queer people and others different to the patriarchal norm, in the name of upholding purportedly immutable African values and ways of life.

This claim, however, is a misconception of *ubu-ntu*, the second subtheme. It takes patriarchal interpretations of *ubu-ntu* and that many African societies have been and are patriarchal to be *ubu-ntu* itself. Questioning these characterisations, Magadla and Chitando (2014) contend that marginalisation of women is not an intrinsic, immutable feature of African societies and, moreover, that African feminists have and do advance *ubu-ntu* as an appeal to fluid, justice-oriented, non-hierarchical notions of gender. Likewise Oelofsen (2018, p. 49) argues that even if African societies have not or do not live up to certain ethical implications of *ubu-ntu* does not mean that *ubu-ntu* does not have such implications. Oelofsen adds that the ethical implications of *ubu-ntu*, when understood correctly to mean that the self is fundamentally relational and is good when recognising the humanness of others as a basis to seek harmonious relations, can and has been useful when critiquing the ways invocations of the philosophy have centred or held up patriarchal manhood above personhood.

The most common misconception of *ubu-ntu*, however, as noted earlier, is it that places community above the individual or at best the individual and community as diametric opposites. The literature is replete with such claims, which described the philosophy as communitarianism or Afro-communitarianism (Metz and Gaie, 2010; Praeg, 2014; Matolino, 2020). The problem, as Matolino (2020) notes, is that using such terms, which only partially describe *ubu-ntu*, subject the philosophy to the canonical struggles, debates and contestations associated with communitarian thought.

This leads to the third subtheme, the oversimplification of *ubu-ntu*, which seems to flow from attempts to describe the philosophy through Western logics. In efforts to measure *ubu-ntu* against a familiar yardstick, many interlocutors appear unable to regard *ubu-ntu* in its full complexity. For instance, in addition to the misconstructions, a range of simple interpretations of *ubu-ntu* have been given, from friendliness or love (Hoffmann and Metz, 2017) and compassion and solidarity (Mokgoro, 1998) to the more dismissive idea that the meaning of *ubu-ntu* depends on what you had for breakfast (Mackaiser, 2009). A common characteristic of these oversimplifications is that they take values, norms, traits, behaviours and other such embodied properties typically associated with the philosophy to be *ubu-ntu* itself. Many such accounts cite the embodied properties in this description of a person with *ubu-ntu* popularised by Tutu (1999, p. 35): “A person with *ubu-ntu* is open and available to others, affirming of others, does not feel threatened that others are able or good, for he or she has a proper self-assurance that comes from knowing that he or she belongs in a greater whole and is diminished when others are humiliated and diminished, when others are tortured and oppressed.”

While not incorrect, this is not a description of *ubu-ntu* but of its influence on a person with *ubu-ntu*. Moreover, as Ramose (2002, 2014, 2022) argues, that *ubu-ntu* eschews categorical enumeration and universalism (or any other -ism, which connotes finality). Since the values, norms, traits and behaviours typically associated with the philosophy are emergent, situated properties, they are therefore always subject to change and reconfiguration depending on the actual situation and persons involved. This stands in stark contrast with much of Western thought, shaped by the Kantian notion that moral theory is valid and worthwhile only when categorical and readily universalizable (Naude, 2019; Maris, 2020).

By not recognising *ubu-ntu*'s expansiveness, attempts to describe the philosophy within one or the other Western logic appear to drive the cacophonous debate. Such is the extent of the discord that Maris (2020) argues that, like art, justice or democracy, *ubu-ntu* is an essentially contested concept. Elaborating, Maris (2020, p. 319) adds that a concept is essentially contested if it meets these four criteria: “(1) it should be evaluative; (2) complex, i.e. have various dimensions; (3) can be described and ordered in different ways; and (4) open to new developments.” Two additional criteria are that the differing, completing descriptions and interpretations derive from traditional authoritative exemplars and that those advancing them claim that theirs is the only correct account. Dismissing the possibility that there exists, or could emerge, an account complete and compelling enough to produce consensus among interlocutors, Maris (2020, p. 322) concludes that *ubu-ntu*, being essentially contested, “should not be a decisive constitutional standard for the application of state force” and argues that the political liberalism of John Rawls, with its emphasis on mutual tolerance, is preferable over *ubu-ntu* as a constitutional model.

Unsurprisingly, this set of claims drew a direct reply from Ramose (2022), whose work on *ubu-ntu* served as the foil for Maris's arguments. In the reply, Ramose (2022) urges Maris to see and not merely look at his articulation of *ubu-ntu*, contending that

it is more expansive, significant, and radical than the unhyphenated *ubu-ntu* found in much of the literature, including Maris's work. Ramose (2022, p. 15) also laments that Maris, seemingly unable to "resist his will to impute claims and ideas upon Ramose" seemed "fatally predestined to look only at Ramose, and never to see him". For if he had truly seen Ramose, Maris would not have made the arguments that he did.

Ramose's call to be not merely looked upon but to be seen appears to be a call for recognition in the sense of his articulation of *ubu-ntu*. Calling for recognition, to be seen, as Ramose does, is not a call to be pitied or spared robust scholarly engagement. It comes from understanding the relational nature of human existence to mean that to not see a fellow human being, to denigrate and disrespect them "is in the first place to denigrate and disrespect oneself" (Ramose, 2005, p. 99). By merely looking and not seeing, many of the interlocutors involved in the debate like Maris appear not to understand that contestation is a key feature of *ubu-ntu* rather than a deficiency—not contestation of *ubu-ntu*'s tenets but of what constitutes harmony in a specific given relation.

Re-membering an *ubu-ntu* cooperative model

Being "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" (ICA, 2015, p. 2), a cooperative is one such form of social organisation described by Ramose (2005) into which *ubu-ntu*'s ceaseless flow of being and becoming can and has crystalised. That neither the ILO nor the post-apartheid state have recognised this in the Eurocentric Recommendation 193 and its domestication through the 2004 cooperatives policy and related laws and regulations does not make it any less true (Molefe, 2023). Nor does the fact that African forms of such social organisation past and present continue to be written either out of history or into antiquity as relics incompatible with demands of modern life (Molefe, 2023).

While some of the literature appears to concur (McAllister, 2005; Okem and Stanton, 2016; Nyoni and Ndlovu, 2019), there have been few attempts to explicate with any great detail what a model based on *ubu-ntu* and what it contributes to discourses in the current temporal context of overcoming coloniality, capitalism and other inequitable, unsustainable, destructive, inharmonious patterns.

With that being said, Kinyanjui (2019) provides a promising attempt to explicate a cooperative model based on *utu*, the Swahili phonological equivalent of *ubu-ntu*. Drawing on experiences of informal traders in Kenya, Kinyanjui (2019) argues that an *utu* model is embedded in 'nests', shorthand for the dynamic set and levels of organisation found in the country's informal settlements. These nests "contain the relational dynamics within which the production, exchange and conserving of surpluses take place" (2019, p. 118) and are sites of embodiment of values such as "endurance, loyalty, sharing, hard work, concern for the welfare of others, resilience and generosity" (2019, p. 115) that demonstrate that an *utu* model "is characterised by its embeddedness in the personal, community and divine domains" (2019, p. 121).

Likewise, Hutchison (2020) considers stokvels equivalents of credit unions found elsewhere in the world, noting that they languish in a state of informality as there is currently no formal policy or law for them save a provision in the Banks Act that exempts them from needing a banking licence and another in the National Credit Act exempting them from needing to register as credit providers. Hutchison (2020, p. 7) argues that stokvels are “a good example of the appropriation of practices and technologies which are distinctly modern and financialised in order to render a form of commercial association and practice which is Indigenous and adapted to the informality and culture of the environment in which it operates”. He furthermore identifies contracting norms stokvels use, which he contends are based on ‘vernacular law’ that operates outside of the orders of the post-apartheid state and is distinct from customary law in that it is more dynamic. The norms are the basis for relation between members. Hutchinson, however, does not set out these norms nor the systems that produce them beyond a variety of ordering rules and strategies, some of them illegal in the laws of the state, identifying them instead as areas for future research.

Building on these attempts and my own experiences, ancestral knowledge and understanding of *ubu-ntu*, I attempt to explicate a model that could be more generally applicable. The model is built on the notion of *homo transindividualis*, a person with *ubu-ntu* from the literature. Unlike similar theoretical beings of European tradition such as *homo reciprocans* (Dohmen *et al.*, 2009) or *homo cooperans* (De Moor, 2013), both being responses to *homo economicus*, the individualistic rational man of neoclassical economics (Urbina and Ruiz-Villaverde, 2019), *homo transindividualis* does not limit cooperation to only a matter of self-preservation or the common good but rather as a moral imperative that is defining of their being and who they become.

In the model, *homo transindividualis* is not a starting point but, rather, emerges through seeking harmonious relations through thought, dialogue and action among its constituent components, being relations through which people that constitute the cooperative (or similar organisation made up of people) meet their common needs and aspirations. These relations are actual relations and not merely contractual or similar formal relations, for example, from signing up to join as member. Because such relations are forever changing as people within interact and have new experiences that transform them, their needs and aspirations, and also as others leave and new people establish bonds, emergence is never-ending for as long as the constitutive units exist.

An implication of this association by dynamic relational bond is that membership is heterogenous by default, as are the types of goods, services and other resources that enable meeting needs and aspirations through the cooperative. This points to the first three emergent properties that can be logically deduced of an *ubu-ntu* cooperative model: relationality, heterogeneity of member and benefit type, and emergent scaling in that membership changes and is changed by the interactions of the cooperative’s constitutive units. As with the philosophy upon which it is based, the model does not come with a predefined structure or set of values, norms and practices to be applied dogmatically. Rather, these features are a product of and also change the harmony-seeking interactions of the constitutive units. This dialectic between the constitutive

units and the structure, values, norms and practices suggests to a fourth property of the model: dynamic transformation driven by harmony-seeking. As ubu-ntu calls for recognising the being of others, including fellow living beings and nature, as a state and condition for recognising one's own, polycentric governance and ecosophy are the fifth and sixth properties of the model. Polycentric governance entails decision-making that is non-hierarchical and that occurs through deliberation and consensus among the cooperative's constitutive units, while ecosophy denotes that fellow living beings and the environment in which life unfolds are constitutive of the cooperative to the extent that there are actual relation bonds. Given that harmony is the ultimate aim, not the acquisition of goods, services and other resources, which can only ever be means to harmony at best, such goods, services and resources hold value only to and by the extent that they enhance harmonious relations. This is the seventh property of the model: holistic valuation. An eighth feature emerges from ubu-ntu's demand for recognition of intergenerational relational being, setting up an approach to ownership and distribution of resources primed for meeting needs and aspirations of those who were, are and will be. This points to ownership and distribution that is communal, intergenerational, and geared to meeting the needs and aspirations of the constitutive units by virtue of the fact of their being and not what they can offer or pay in exchange.

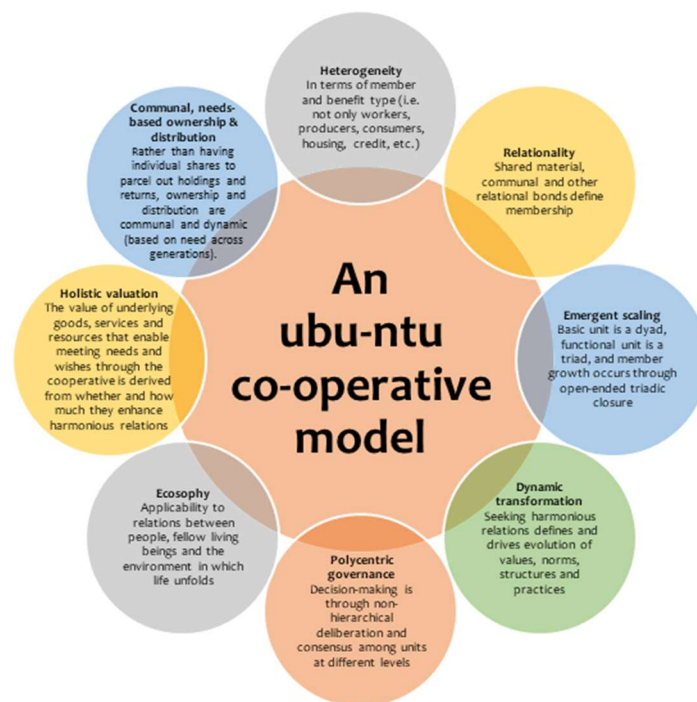


Figure 1 Emergent properties of an ubu-ntu cooperative model

Source: Author's deduction and ancestors

Figure 1 depicts the eight emergent properties. It is important to emphasise that these are not prescriptive nor are they a complete list nor does the numbering signify their rank or configuration. The properties and their rank and configuration, if any, become apparent and result from the nonlinear, harmony-seeking interaction of the

cooperative's constitutive units. The above explication comes from logical deduction and ancestral knowledge.

Conclusions

In this paper, I set out to affirm that the African philosophy of *ubu-ntu* is distinct and valuable and that it offers a conception of personhood relevant to cooperatives. To do this, I deployed a decolonial epistemic perspective to read debates about the meaning, significance, and contributions of the philosophy. I also used the concept of re-remembering to piece together an *ubu-ntu* cooperative model and set out eight emergent properties that prime to be a holistic approach to meeting people's needs and aspirations in ways that promote harmony with fellow living beings and nature.

These efforts and the model they produced are part and parcel of wider efforts to challenge coloniality and to uphold the epistemic freedom and agency of Africans amid historical and ongoing denials thereof. This is important because *ubu-ntu*, as a conception of personhood, is indeed valuable but has been debated, doubted and disregarded, largely for the fact that it is African in a world where "the West is the epistemic locale from which the 'world is described, conceptualised and ranked'" (Ndlovu-Gatsheni, 2020, p. 34). This outcome, ironically, emphasises the relevance of *ubu-ntu*'s call for the recognition of being as a foundation for ethical human relations.

There are, of course, perils with efforts like this, located by some within so-called 'narratives of return' to a putatively African way of life, which is presented as idyllic but ultimately serving often as cover for rule and accumulation by elites (Matolino, 2020). However, as Moyo (2021, p. 23) asks: "How can one return to what has never truly left us?" This is not to be glib about the perils but to point out that the framing of narrative of return in this case is incorrect or at best incomplete.

However, there are limitations with the analysis presented in this paper and linked areas for future research. One worth highlighting is the complete reliance on written theoretical accounts of *ubu-ntu*. Empirical research on *ubu-ntu*, which may be one way to access oral lived and living accounts, was few and far between and suffered the limitation of focusing on explicating either embodiments of *ubu-ntu* (and not *ubu-ntu* itself) or on understanding applications of these embodiments to one or the other field of human endeavour. Another limitation worth flagging is that, despite aiming to challenge coloniality, the model presented operates in a world where coloniality holds sway, risking the misrecognition it seeks to overcome. To be more specific, the model, like *ubu-ntu*, is resistant to capture and codification in ways that have typified the modern state and its rigid approach to policy and law as its sole domain, albeit with public participation, which in South Africa has been wielded to legitimise top-down decision-making (Sinwell, 2023). Thus, the model calls for a form of political governance capable of recognising it in its full dynamism and complexity.

A final limitation is that I have presented the model as theoretical. However, this is not entirely accurate. Some of the empirical literature that informed my thinking has attempted to understand, describe and interpret the ways people use *ubu-ntu* in how they organise and operate to meet their common needs and aspirations. My own

experiences as a coordinator of a cooperative that also uses ubu-ntu in this way, and as one raised through communities that do likewise informed my analysis. So, the model does exist in the real world, but not in a complete, fully fleshed out state as the word model might suggest. The model is likely not fully attainable as the unfolding that drives it is never ending. Instead, it is an ideal to strive toward.

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Cooperatives and Cooperativism

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Abstract

Economic incentives in the operations of cooperatives in Africa have displaced the "connectedness" ontology that underlies the primacy of social relations. To renew the cooperative's social anchoring, I propose using the principle of cooperativism. This means that members should be screened for their preparedness to give up their self-interest to serve the needs of the collective organisation. The primary outcome of a cooperative should be the wellbeing of the collective. Because of the institutionalisation of a "separateness" ontology over the last few centuries, this return to cooperativism is bound to be a difficult journey. I thus propose a pragmatic phased approach where cooperatives cater for members to give up larger portions of their property to the collective over time. This will allow members to build trust and become socialised to substitute their interests with collective interests.

Keywords: cooperatives; institutions; Africa; norms; self-interest.

Introduction

Despite cooperatives having the potential to fit within the traditional collectivistic values of African communities and their potential to address the socioeconomic problems in Africa, policy and management practice sees these organisations operated as businesses where members' benefits are proportional to their "shareholding." The notion of the traditional cooperative is frowned upon because it neglects the property rights of its members (Cook, 1995; Cook & Iliopoulos, 2000). Current norms view members as "investors" who should have the flexibility to structure their investments to their interests. Members think and act like investors rather than users (Borgen, 2004). African governments' regulations have gone beyond this to allow non-members to invest in cooperatives with some resistance from worker unions (Nganwa, Lyne & Ferrer, 2010).

This view prevails among scholars who rely on neo-institutional economics, property rights, transaction cost economics, and agency theories to analyze the efficiency of cooperatives. These theories assume individual self-interest as a significant incentive for members' decisions and behaviour. As a result, rather than being recognized as a vehicle for social cohesion, cooperatives are accepted as

business organizations designed to reduce transaction costs and protect individual assets (Diamantopoulos, 2012; Trejo-Pech, Servín-Juárez & Reyes-Duarte, 2023).

The cooperatives' turn to economic over social principles appears to be reified in financial efficiency being a precondition for social efficiency (Yobe, Ferrer & Mudhara, 2022). As a result, members are screened to meet performance-oriented rules such as lower transaction costs and increased market competitiveness (Bernard & Spielman, 2009). Thus, despite increasing economic performance and the welfare of their member households, agricultural cooperatives, for example, become less inclusive of the most vulnerable, who tend to be land-poor and illiterate (Wassie, Kusakari & Masahiro, 2019). Cooperatives have no problem rejecting members that reduce the economic efficiency of the cooperative (Bernard & Taffesse, 2012; Dohmwirth & Hanisch, 2018). They are more likely to exclude people experiencing poverty (Bijman & Wijers, 2019; Thorp, Stewart & Heyer, 2005). More capable members are also less likely to invest equity capital if these non-performing "free-riders" are allowed to join (Nganwa et al., 2010). In the agricultural sector, cooperatives tend to screen out small-scale farmers and risk becoming unions of agrarian elites (Fu, Peng & Shi, 2022).

But, compared to market-based business organizations such as closed corporations and limited liability companies who tend, in the main, to accommodate the self-interests of stakeholders, cooperatives were initially conceptualized to encourage the entry of members who are prepared to give up their self-interest to serve the needs of the collective organization (Borgen, 2004). The primary outcome of a cooperative should be the wellbeing of the collective. As we have come to experience, this is a problematic idea to practice within local and global playing fields where market-oriented political economy and norms of self-interest are entrenched as the rules of the game.

From an ontological basis, the problem is that members, whether producers or consumers, are viewed through their separateness. Economic incentives in the operations of cooperatives in Africa have displaced the "connectedness" ontology that underlies the primacy of African social relations. We need to renew cooperatives as a vehicle for the strong social relations that underpin the meeting of economic needs (Swagemakers, Domínguez García, Milone, & Wiskerke, 2019; Bauwens, Vaskelainen, & Frenken, 2022). This social anchoring must return to its strong influence on the cooperative's definition of success and strategic goals (Ajates, 2020).

To revive social anchoring, I propose a lens of cooperativism (Ratner, 2009). Cooperativism provides a solution to integrating economic needs with the social fabric indigenous to the African continent. It gives the primacy of social relations to drive economic considerations and not vice versa. This requires a return to substituting contractual relationships with trust relations. Thus, we need to return to an ontology underpinned by indigenous perspectives that view us less as separate and more as collective beings.

Because it is a difficult exercise to reengineer centuries-old institutions, Ratner (2009) takes a pragmatic approach to propose a phased approach where cooperatives continue catering to members' self-interests until they become socialized to substitute

their interests with collective interest. In the first phase, members can continue to hold onto their portfolio of assets such as land, cattle, implements, savings, and equity shares. Eventually, they will have to give up these to the collective and accept that the cooperative will cater to their needs and not benefits. They will also have to accept that some members may draw more from the cooperative in the short term because they have more significant needs. To facilitate this return to traditional cooperatives, I suggest stimulating the norms of Ubuntu in the cooperative space.

Theoretical approaches

The International Cooperative Alliance defines a cooperative as an "autonomous association of persons united voluntarily to meet their common economic and social needs through a jointly owned and democratically controlled enterprise organized and operated on cooperative principles" (MacPherson, 1995). However, these associations' strategic direction has turned to satisfying needs and exceeding needs to the extent of adopting an investment logic (Borgen, 2004). This investment intent is mismatched with the organizational design of a cooperative. It has led to an incentive problem that sees members behave like an economic rather than a social man (Borgen, 2004).

Ratner (2009) argues that investment behaviour and underlying rules of private ownership are autocratic because the public struggles to intervene when decisions are to their detriment. For example, workers who are desperate to earn a living accept the working conditions imposed on them by the owners and managers of private organizations. The communities providing labour may also accept any harmful conditions imposed on them by the same organizations. The private owner has become an influential stakeholder through intermediation between the workers (the original producers) and the consumers. If such stakeholders possess increased self-interest, they harm collective interests.

Workers sell their labour to the private owner or capitalist. The capitalist takes control of production and ascribes the role of a labourer to the producer. As part of this control, the capitalist determines the rules of the producer's labour. A significant rule is that in exchange for a wage, the product of the labour now belongs to the capitalist to sell as his own to the consumer.

I propose using the lens of cooperativism to set the organizational theory basis for cooperatives. According to Ratner (2009: p55),

"Cooperativism begins when individuals begin to give up their separateness, privacy, and self-interest, and contribute (integrate) their wealth, possessions, and rewards to a democratically run group in which they collectively decide how the resources will be used to benefit the members together. Group members develop group projects, identities, feelings, needs, motives, interests, and responsibilities. This group praxis results in social solidarity and support for the members. It also results in an active role for each member in shaping the activities of the group, which affect his behaviour."

Ratner (2009) argues that cooperativism is absent when individuals utilize the common space for their own ends. Ratner (2009:55) notes "An example is a farmer's market where individual farmers sell their crops in a public space provided by a city government. The farmers have no relation to each other. They do not aid each other. Of course, some of them contact the city government to plan the dates and format of the market. However, the farmers participate as individuals".

Ratner (2009) puts forward group insurance and the family as models of cooperativism. Group insurance helps the contributor who experiences an incident and has a need. Many members may not experience such incidents in their lifetime and, as a result, do not derive the material benefits of group insurance. The family also distributes goods based on need. Ratner (2009:59) observes, "When a child enters a family, it automatically possesses all the rights to be taken care of by the family. It has a right to shelter, food, transportation to school, etc., because it is a group member, not because it works or pays a quid pro quo. The child reciprocally works hard for the family out of love, respect, and duty" (p.59). This basis arises from the child's social anchoring. And so, an ideal cooperative includes its members' needs in the production and distribution plan from the outset. Members can be confident that will receive a distribution from the cooperative. Members do not have to struggle to assert themselves to access the cooperative's distribution.

Importantly, cooperativism promotes social relations over exchange-type economic ties. Our global economic system, which has greatly influenced cooperative design, ignores social relations. This economic thinking and corresponding systems lead to private ownership of resources, surplus value extraction by those who provide capital, unequal social classes, undemocratic control, and competition. Transforming to cooperativism means implementing collective ownership of resources, egalitarian distribution of wealth, democratic governance, and cooperation (Ratner, 2009).

Cooperativism provides a suitable model for Africa because it promises to resolve high levels of poverty and inequality. Cooperatives can reduce inequality because they do not follow the logic of prosperity based on intense individual work (Soto, 2019). Members cannot derive benefits based on greater personal input; benefits are distributed based on member needs. Despite members' unequal inputs, whether money or skills, cooperatives abide by one member and one vote (Satgar, 2007).

Cooperativism also offers the opportunity to revive traditional value systems such as Ubuntu discourages the separateness ontology. In pre-colonial Africa, people treasured their connectedness to other people and the natural environment. The idea of interconnectedness in African society is expressed in Mbiti's maxim: "I am because we are. And since we are, therefore, I am" (Mbiti, 1969, p.145). When people see and realize themselves through others, cooperation manifests as an integral part of African life. Through cooperation, pre-colonial African people shared scarce resources and left their wellbeing in the hands of society. This cooperation occurred even among strangers (Murove, 2012).

African cooperatives can bolster their resilience by observing these practices to the extent that they collapse when a given cooperative disregards them. Ubuntu and

other similar indigenous value systems can revive the social anchoring that leaves no person behind. As a result, indigenous value systems should return to the heart of African cooperative economics.

Transformation to Cooperativism

But it takes a challenging task to return to traditional values and accompanying social anchoring, considering the entrenched institutions that support private ownership and reward. African countries and their people must fit into a global institutional system that values "separateness" and resultant individualistic norms to prosper. We have accepted that "man" has dominion over nature. Science has consolidated this dominion to suggest that our ability to act rationally separates us from wildlife.

In many parts of the world, Africa not excluded, separateness and resultant values of self-interest have substituted for interdependency and resultant social anchoring, leaving only a small residue of traditional values. This has happened through coercive, mimetic, and normative institutional forces (DiMaggio & Powell, 1983). As a result, humans can no longer rely on communal support systems characterized by strong social relations. Instead, this has been displaced by the central government collecting our taxes to deliver hands-off services without the close social relations and related social anchoring that traditional peoples have lived in old times.

Institutional theory suggests that we apply the same coercive, mimetic, and normative forces to return to collective traditions. Mimetic behaviour describes how individuals, organizations, or groups imitate the behaviours, practices, or choices of others. This imitation can occur when there is uncertainty about what actions or decisions to take. If we begin with a few exemplars of social anchoring, we can trigger a process of imitation to launch more cooperatives that follow the dictates of cooperativism.

Coercive forces pertain to the use of force, pressure, or authority to influence or control the behaviour of individuals or groups. Coercive mechanisms involve imposition of rules, regulations, or sanctions to ensure compliance. In organisational settings, coercive power can be exerted through formal authority, rules, and punitive measures. For example, a government may use coercive power to enforce company policies or regulations by threatening legal action. Thus, the government can amend regulations to promote cooperative design based on cooperativism. But this must be carefully designed in a phased approach to manage the threat of disinvestment and underlying pressures from the prevailing "separateness" culture that dominates our world.

Normative forces refer to norms or standards that guide behaviour and reflect what is considered appropriate or acceptable in a particular context. Norms can be informal or formal and play a significant role in shaping societal and organisational behaviours. Normative influence often encourages individuals or groups to conform to established norms or ideals. Norms can be related to ethics, values, customs, and social expectations. For instance, professional ethics in medicine can provide

normative guidance for how doctors should interact with patients and make decisions. With the launch of a few cooperatives that practice social anchoring, we can set upon normative forces to create a set of expectations for new cooperatives.

Ratner (2009) proposes a gradual transformation in small steps from level-one cooperativism to level-three cooperativism, with the latter level being the highest level of cooperativism. Level-one sees members give up control over their resources to the cooperative. Members join as users rather than as investors but only give up a portion of their resources required to, for example, access the collective resources and product market of the cooperative. Outside of their contribution to the cooperative, members maintain control of other resources in their possession and retain their independence and self-interest. In addition, members who own more inputs—for example, crops—will derive more benefit than those who own less.

Level-two cooperativism involves members turning over some of their other resources to the cooperative. Level-two will also include collectivizing more activities in the operations of members. However, members continue to retain independence through the major assets they keep for their individual interests. For example, farmers may continue to hold more extensive tracts of land and the relatively larger produce that the cooperative helps to process and sell.

Level-three cooperativism involves collectivizing the majority of a member's resources. All products and services are owned collectively regardless of the members' contribution size. The cooperative can integrate the needs of both producers and consumers. For example, consumers may own the producer cooperatives serving them. Level-three does not follow a quid pro quo exchange process, which punishes those members for lower productivity from fewer tracts of land and less produce. These members continue to enjoy social support when they need it the most. Essentially level-three cooperativism is more personal than the transactional market. Members need not struggle to assert themselves against impenetrable, distant, independent, private others who work for their self-interest with resources that exclude them. In cooperativism, members own one another's resources to use as their own because they are all part of the community that agreed to surrender their assets to the collective. In this community, members must solicit one another's views about resource production, distribution, and use. Level-three cooperatives provide people with social support, leading to an intrinsic, organic social solidarity that underpins economic performance.

Discussion

With the turn of cooperatives to "investment" principles, this article proposed that we use the notion of cooperativism to return to the social anchoring of cooperatives. Cooperativism promotes social relations over exchange-type economic ties. Currently, our economic system, which has greatly influenced cooperative design, ignores social relations. Our economic thinking and corresponding systems lead to private ownership of resources, surplus value extraction by those who provide capital, unequal social classes, undemocratic control, and competition. Transforming

to cooperativism means implementing collective ownership of resources, egalitarian distribution of wealth, democratic governance, and cooperation (Ratner, 2009). The article results in several propositions.

Proposition 1: Policymakers promote the alignment of cooperative charters to the traditional values of Ubuntu. Moving forward, we must make a concerted attempt to design cooperatives aligned with the traditional values of Ubuntu. The values of Ubuntu will promote and revive social anchoring in cooperatives, which promises to alleviate poverty and inequality in the continent. Despite the social anchoring value of traditional cooperatives, the current political economy that impacts national sovereignty and prosperity requires us to tread carefully. The market-based political economy has been institutionalized, and nations cannot return to traditional cooperatives. It must be phased in with an initial accommodation of the realities of competitive market-based thinking and behaviour, often resulting in self-interest taking precedence over collective interest and a performance culture lacking empathy for "weak" members.

Proposition 2: Policymakers must promote small steps from level-1 to a level-3 cooperative. Level-1 cooperatives see cooperative members giving up a portion of the required resources to the collective to access benefits in the cooperative's charter. As a result, wealthy members continue to retain their assets and maintain their independence and self-interest with their remaining resources. Members with more assets derive more from the cooperative because the cooperative only views the required contribution and not the original assets of each member. Level one cooperativism offers an advantage to individuals who cannot afford the upfront capital to start an enterprise. The required capital is raised through small premiums so members can purchase the required technology, e.g., an agro-processing machine to run the coop. In return for taking turns to use this machine, individuals must give up control of their capital to the group for the group. Benefits are not distributed *quid pro quo*. Members benefit as part of a collective benefit, not competing with members. Members give up their individualism but not their individuality. Outside of the small contribution to the group, each member remains independent, self-interested, and unsupported. For example, members use the machine and arrange transport to the market. Outside of using the machine, they can compete with one another. Some members may have more land and more crops to process, thus advantageous to those with less land and fewer crops. Thus, level-one cooperativism still perpetuates the strong and wealthy privilege.

Level-2 cooperatives require members to turn over more of their private possessions to the collective for group management and support. For instance, they may turn over parts of their land to the cooperative instead of money. However, they continue to retain independence and self-interest with the remaining assets in their position. Maximum cooperativism is achieved at level-3. Members agree to contribute all their land, perhaps maintaining a small tract for their household. These assets are managed by the cooperative through a democratic body that they trust. This requires

a mindset where property is treated as social relations. To move into level-1 and onto levels-2 and 3, mimetic, coercive, and normative forces must come to the fore.

Proposition 3: Policymakers can utilise mimetic, coercive, and normative forces to help cooperatives move into level-1 and onto levels-2 and 3. The first organizations that practice level-1 cooperativism can trigger both the underlying mimetic and normative forces that encourage collective behaviour in existing and emerging cooperatives. Mimetic forces encourage existing and emerging cooperatives to copy the practices of level-1 cooperatives. Normative forces come to the fore when primary cooperatives and other industry bodies also adopt the ideas of the emerging level-1 cooperatives. Coercive forces emerge when government and industry bodies enforce level-1 cooperativism through regulations.

A heterogeneous membership with conflicting values may thwart the project to trigger level-one cooperativism. There is emerging evidence that including diverse households in a cooperative's membership is associated with lower market performance (Miller & Mullally, 2022). Institutional theorists have long recognized that heterogeneous socio-cultural backgrounds increase transaction costs (see, for example, North, 2016).

To set off level-one cooperativism, I suggest cooperatives seek a homogenous set of members. For example, asset-rich members must already be at a life stage where they voluntarily wish to return to the values of Ubuntu and give up property to the collective for collective benefit. In addition, cooperatives can develop partnerships with stakeholders who are already developing strategies to facilitate the integration of social concerns within the market structure.

Proposition 4: Policymakers can implement level-one cooperatives to promote the cooperatives screening for a homogenous membership group. Because income differentials are much less in rural areas, they make for an ideal context to implement cooperatives that substitute transactional relations with social relations. In addition, Ubuntu has been displaced by education, religion, and other colonial forces over the last three centuries in developed urban areas more than less developed rural areas. This has led to vast differences in the norms of people living in rural and urban areas. Seeking homogeneity among members also implies limiting the size of the cooperative to a small group with similar values to enable them, over the longer term, to accept the principle of eventually giving up self-interest for the collective interest.

Ratner (2009) proposes an accounting system by Flores and Sarandon (2004) that allows for factors without transaction value. I suggest that cooperatives adopt this system by including the socioeconomic wellbeing of members in accounting practices. Socioeconomic wellbeing can be allocated an ordinal value. For instance, socioeconomic wellbeing or an equivalent living standards measure can be assigned 1; medium-socio-economic wellbeing can be assigned 2; and high-socio-economic wellbeing can be assigned 3. These higher values strengthen the income and balance sheet of the cooperatives.

Proposition 5: Adopting an accounting system that integrates measures of the socioeconomic wellbeing of members into accounting practices will facilitate the transition from level-1 to level-3 cooperativism.

Conclusion

With pressures from international norms, African governments tend to design policies to redress socioeconomic imbalances around market approaches (Reddy & Ritchken, 2004). Cooperatives do not escape this approach. However, cooperatives must allow organizations to deliver value as social relations instead of isolated economic transactions. The cooperative form is not an adequate structure for people who pursue the logic of a rational investor. Apart from cooperatives providing an alternative business model, they are also social economy enterprises: they help meet the social needs of their members. Economic success is a means to an end: ensuring the long-term members' economic and social wellbeing and should not exclude weaker performing members unless they are deliberately freeloading.

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Savings Groups as a Pathway for Social Empowerment of Rural Women in Zimbabwe: Case of Umzingwane District

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Abstract

The aim of the study was to evaluate the role of savings groups in promoting social empowerment of rural women in Umzingwane district in Zimbabwe. This was done by focusing on the role of savings groups in improving women's ability to make decisions, access to opportunities and resources and the ability to influence the direction of social change. A case study research design was adopted. Data was gathered using interviews. Interviews were administered to female savings group members. The study revealed that savings groups have promoted the ability of women to make decisions at group, household, and community levels. The study revealed that owing to the participation of women in savings groups, women have control of the use of family financial resources, and they have acted as financial advisors to their spouses. The study found that participation of women in savings groups has improved the education status and skills of women. Savings groups have enabled women to gain respect and confidence in participating in male-dominated community initiatives, hence breaking gender norms and also influencing the direction of social change. The study recommends that women should be linked to formal banking. Government and Non-Governmental Organisations should come up with training programs on gender issues to promote symbiotic relationship between male and female savings groups members. The government should also ride on savings groups to bring community initiatives that seek to promote the plight of rural women.

Keywords: Savings groups; Social change; Gender-based discrimination; Non-Governmental Organisations; Social empowerment

Introduction

Introduction and Background

According to Modi, Patel, and Patel (2014), women are underprivileged and poor globally. This implies that women lack access to opportunities and control of resources. Manjoor and Manders (2009) supported Modi and Patel (2014) by stating that 70% of the poorest people in the world are women because of gender inequality. This implies that most of the opportunities favour men as compared to women. Modi, Patel and Pate (2014) believed that in India, women are still dominated by men.

Society is tough, and male-dominated, this has resulted in women being sealed in the four corners of the house (Najaf, Sultana, and Jamal, 2019). This means that women have been relegated to domestic roles and duties, and they find it difficult to seek opportunities which empower them from the dominance of men. Gaidzanwa and Chimhowu (2012) and Mugwinhi (2007), believed that in Zimbabwe women's empowerment is a major pillar of economic growth.

According to Modi et al. (2014), discrimination of women has resulted in lower standards of living, poverty, and slow economic growth. Modi et al. (2014) stated that women have weak position in the society which disadvantages them. Kumawat and Bansal (2020) contended that gender inequality was not only a social concern but an economic concern. This implies that gender inequality affects economic development in many countries. There should be balanced roles of men and women so that countries are able to advance their economies. According to CARE (2022), financial inclusion is one of the important pillars used by Uganda's government to fight against poverty. Women have limited access to credit hindering their economic empowerment (CARE, 2022). According to the Government of Zimbabwe (2014), savings groups such as Internal Savings and Lending Schemes (ISALs) are a very important approach to women's empowerment. The landscape of the rural areas is overwhelmed by the development partners who promote the establishment of ISALs. This implies that development partners recognise ISALs as a weapon for women's empowerment.

Modi et al. (2014) contended that in India, women have received empowerment through microfinance. Kumawat and Bansal (2018) believed that Self-Help Groups play a crucial role in the empowerment and development of women. Scholars such as Blattman et al (2016) and Namisango et al (2022), agreed that savings groups such as Community-Based Savings and Credit Associations (CSCGs) and Savings and Credit Cooperatives Societies (SACCOs) positively impact economic empowerment and outcomes of women. According to CARE (2022), CSCGs and SACCOs are voluntary organisations in which members make regular savings and lend to each other for various uses. CARE (2022) opined that in Uganda, savings groups consist of between 25 and 30 members of which 70% of the members are women. This implies that more women participate in savings groups than men. The authors noted that SHGs are identical group of rural poor who come together and voluntarily contribute savings. This implies that similar minded people are likely to unite and come together to save. Modi et al (2014) stated that a Self-Help Group is made up of between 10 and 20 impoverished females of similar socio-economic background who make a pool of cash into a fund. The authors stated that thereafter the members lend money to each other from the group pool. The authors also opined that members make regular savings and meetings. Modi et al. (2014) stated that SHGs have changed the mindset of rural women. The authors noted that SHGs have encouraged women to participate in community activities. Sivchithappa (2011) was of the view that SHGs is an effective tool for women empowerment as it has resulted in the improvement in the quality of lives of women and have improved their capacity to generate income. Studies have

been done on how various savings groups promote women empowerment. There is little evidence on the impact of savings groups on the social empowerment of rural women in Zimbabwe, specifically in the Umzingwane district in Zimbabwe. This study seeks to exploit the knowledge gap by evaluating the impact of savings groups on the social empowerment of rural women in Zimbabwe with reference to Umzingwane district.

Literature Review

According to the Food and Agricultural Organisation of the United Nations (2017), social protection schemes, which are formal and informal initiatives such as savings groups have facilitated access of women to labour markets, improved their opportunities to control income, facilitating the capacity to own productive assets and improving their income generating capacity. This implies that through social initiatives, women gain control of various aspects of their lives. FAO (2017) noted that through social initiatives, women have improved their self-esteem, their involvement in social networks, and their participation in politics and the community. This implies that the social initiatives have given women the power to express their capabilities and voices in the community and political spheres of life. Women have gained confidence to the extent that their self-esteem needs have been addressed. This implies an improvement in the status of women and the way that the society perceives them. De la O Campos (2015) believed that social protection schemes are creating an enabling environment for women's economic empowerment. On the other hand, Holmes and Jones (2010) stated that social protection initiatives help in exposing social risks that are connected to sociocultural norms. This leads to a reduction in the damaging effects of sociocultural norms on the active participation of women in society. However, Chopra (2014) warns that social protection initiatives such as savings groups should be done so that they are gender sensitive by recognising and involving women in activities such as decision making. Golla et al. (2011) opined that when women are economically empowered through the ability to share and control resources, the women can advance economically. This implies that social empowerment of women through social initiatives such as savings groups results in women's economic empowerment. This agrees with Pavenello et al (2015), who contended that economic empowerment of women is possible through social protection initiatives if social empowerment is in place.

CARE (2022) stated that participation of women in Savings and Credit Cooperatives Society and Community based savings groups in Uganda improved women's autonomy and household decision-making. This implies that participation of women in savings groups improves their ability to make decisions and gives them control over household's affairs of the. According to Adegbite et al (2022), savings groups have contributed to women's access to credit. This implies that women have access to finance which they can use to address certain challenges that they are facing, which has implications on their decision-making and ability to provide for their families. CARE (2022) stated that savings group female members (SACCO and CSCG

female members) in Uganda experienced empowerment through control over productive resource such as land, control over income decisions, access to credit, ownership of productive resources and autonomy on how productive income is to be used. Rahman (2013) stated that Internal Savings and Lending Schemes (ISALs) have improved the women's socioeconomic status leading to the redefinition of gender roles. The author was of the view that women have earned more freedom because of participation in ISALs (savings groups). The author opined that woman could make life-determining decisions and pursue their goals as a result of ISALs.

According to Kabonga (2015), ISALs have helped people in Chegutu district in Zimbabwe to pay for transport cost to access medical facilities. Zimunya (2015) was of the view that ISALs have assisted women in acquiring household assets, improve infrastructure and diet. This implies that ISALs have enabled women to acquire resources. Zimunya (2015) noted that ISALs have resulted in women solving unemployment problems by establishing small businesses such as tuck shops. Harelimana (2018) stated that the financial status of women improved because of their participation in ISALs. Machokoto (2014) on the other hand stated that ISALs graduate the businesses of the members from small business to big businesses. Machokoto (2014), Kesanta and Andre (2015) and Chikuvadze (2018) agreed that ISALs have assisted their members in meeting the school requirements of their children. They noted that the ability to meet household needs such as food and nutrition, health, education expenses and accumulation of household assets has improved.

Machokoto (2014) and Allen and Hobane (2004) agreed that ISAL members have improved ownership of productive and non-productive assets. Machokoto (2014) believed that social capital has improved due to participation in ISALs (savings groups). The author noted that unintended benefits of ISALs such as respect for others and camaraderie have manifested. The author noted that ISALs have improved the members' socialisation, bringing the spirit of working together of the members. This implies that ISALs improve the relations of people in the community leading to unity, empowerment, and eradication of poverty. Mutebi (2017), cited in Kabonga, Zvokuomba and Dube (2021) stated that village savings groups have assisted the group members in getting to know each other better. This fosters a better understanding of members and their needs. The authors noted that women who participate in savings groups begin to know each other, work together, recognise problems of fellow members, and develop strategies for solving those problems. Ashraf, Karlan and Yin (2006) cited in Kabonga et al. (2021) stated that there has been an improvement in decision making among women due to their participation in savings groups. Kesanta et al. (2017) stated that participation of women in ISALs in Zambia has resulted in a decrease in cases of sexual and domestic violence. This implies that the participation of women in savings groups has stabilised the family relations of female members. Harelimana (2018) believed that ISALs in Rwanda have improved financial education, livelihoods, and the communities. Kesanta et al (2015) stated that ISALs improve women's income, leading to women's respect by their male counterparts in the community.

Parker et al (2017), Lowicki- Zucca, Walugembe, Ogaba and Langol (2014), Miller and Gash (2010) agreed ISALs cause exclusion because of minimum contribution requirement. Parker et al. (2017) opined that minimum contribution requirements prevent economically vulnerable members of the community participating in ISALs. This implies that empowerment of women because of ISALs might happen to women who are not core poor. This agrees with the institutionalist approach which states that microfinance initiatives do not meet the needs of the core poor but meet the needs of entrepreneurial poor. Kabonga et al. (2021) in their study on Internal Savings and Lending Schemes and empowerment of women in rural Shamva in Zimbabwe, revealed that ISALs improved the ability of women to buy food for the household, pay school fees and access health care services. This agrees with Parker et al (2017) and Flynn and Sumberg (2018) who opined that savings groups have improved the ability of their members to purchase food, livestock, and clothing, to access health care, to lend to members and to repay group loans. Kabonga et al. (2021) noted that because of the participation of women in savings groups, they have gained resilience to the economic crisis affecting Zimbabwe.

Basavaraj Birdar (2014) believed that women's participation in Self Help Groups improved their social and economic empowerment. The author noted that after joining the SHGs, women felt independent. This implies that SHGs enables women to be independent of men and to have control of various aspects of their lives. On the other hand, Anju et al. (2015) stated that SHGs members could access money to renovate houses and meet requirements for reproduction health purposes. Gibbs Sarah (2008) believed that microcredit was ineffective in providing empowerment to women as the women remained in their traditional household role and could not control money. This implies that microcredit gives women power to have control over the household resources, making microcredit ineffective in improving women's empowerment. According to Samanta (2009), microfinance has failed to empower women since women have no control over credit. On the other hand, Hadi (1997) stated that the financial independence of rural women results in their improvement in decision making, bargaining capacity, and reduces violence against women. Gaiha and Nandhi (2007) opined that microfinance has resulted in women gaining autonomy in making housing decisions that relate to resource allocation, investment, and savings. Microfinance has resulted in women contributing to household decision making. Microfinance has resulted in the change of behaviour of husbands towards their wives. Mahmud and Sultan (2010) stated that their husbands asked women who participated in microfinance activities to participate in family decision-making. Aggarwal, Rawesh and Pahuja (2021) believed that Self Help Groups in India have combated poverty. The authors opined that SHGs have empowered rural women.

Signh and Signh (2003), Anjugam and Ramasamy (2007), Tripathy and Jain (2010) and Sane and Thomas (2011) all cited in Aggarwal et al. (2021), agreed that SHGs have helped in revamping the pitiable position of women by making them monetarily confident and giving them the autonomy to make choices. This shows that SHGs have improved the positions of women in the society. Alam and Nizamuddin

(2012) and Manimekalai (2004) believed that SHGs have provided funding which has resulted in capacity building and self-sufficiency of women. This has resulted in improved participation of women in the society. Scholars such as Amin et al (2001), Robison (2002), Rajendra (2015) and Rahman and Sultana (2012) stated that SHGs are initiatives that have brought political, social, and economic empowerment of women. Bansal and Aggarwal (2017) stated that SHGs have improved women's feelings, brought sisterhood among women, and made women feel more important and contribute financially to the affairs of their families.

According to Kelly et al. (2011), in Kenya, SHGs have changed of social norms by making women take ownership of businesses and working for their families. Deininger and Liu (2009), Goankar (2001) and Velanganni and Shanthi (2011) stated that the previously perceived as poor women have improved their financial conditions and acquired assets because of their participation in SHGs. Social empowerment of women because of their participation in SHGs has improved the position of the women in the society, women have a voice in social issues and have ability to make decisions (Gladis, 2008). Gladis (2008) and Ratten and Dana (2017) agreed that SHGs forced the families and friends of female SHGs members to look at them from a totally different angle of wisdom and positivity. Aggarwal and Raja (2018) stated that the participation of women in SHGs has resulted in women being able to overcome oppressive social barriers. This implies that savings groups have liberated women. Alam and Nizamuddin (2012) opined that SHGs have improved women's social and financial well-being. Studies such as those of Kasyanathan (2002), Agha et al. (2004), Aruna and Jyothimays (2011) and Anna, Saraswathy and Panicker (2008) were of the view that microfinance contributes a lot to the empowerment of women. This agreed with Mayoux (2001) and Morduch (1999) who agreed that microfinance provides a win-win solution to both the clients, mainly rural women and the financial institutions. Leach et al. (2002) believed that microfinance has provided women social and cultural empowerment. The author believed that the improvement of social and cultural empowerment of women through microfinance has led to the improvement in participation of women in households and improvement in the standard of living.

Agarwal (2020) stated that SHGs enable women help women in caning challenges and make decisions. The author noted that women can educate themselves through savings groups. This implies that women in savings groups acquire knowledge through participation, enabling them to make informed decisions. Agarwal (2020) noted that SHGs also help women to satisfy their economic and social needs. Pradeep (2019) stated that SHGs have led to the economic betterment of women and have empowered women in such a way that women have contributed to building solidarity and improving rural development. Sharma, Mishra, and Rai (2021) believed that Self Help Groups assisted women in India during COVID-19 pandemic by enabling them to establish alternative income-generating activities and, the women participated in community awareness programmes. This is supported by the World Bank article of 11 April 2020 which stated that the SHGs in India during the Covid 19 pandemic enabled

women to participate in awareness campaigns against COVID-19 and the women also participated in income-generating programmes such as the production of sanitisers, masks, and productive equipment. The World Bank (2020) article also stated that women members of SHGs run community kitchens across India, feeding standard workers, the vulnerable and poor people. This implies that through participation in SHGs, women have positively contributed to India.

Materials and Methods

The study adopted a case study research design by focusing on savings groups in Umzingwane district of Zimbabwe. Purposive sampling technique was adopted to solicit more information on savings groups and social empowerment of rural women. The members of the target population were female savings group members. Data was gathered using interviews which were administered to female savings groups members. The study used a sample of ten savings groups drawn from ward 3, 4 and 15 in Umzingwane district of Zimbabwe. This resulted in a total of 80 interviews being proposed among the rural female savings group members and 60 interviews were successful, giving an interview success rate of 75%. A pilot test for the interview guide was conducted to eliminate mistakes and ensure that the questions in the interview guide aligned to the study.

Results

Forty-eight out of sixty (80%) savings groups members who were interviewed stated that they reached secondary level of education and twelve out of sixty (20%) female group members stated that they finished primary education. This implied that rural women are literate and given proper training in financial management. They can develop themselves and embrace various savings products.

Fifty-six out of sixty (93%) of the interviewees who were female savings groups members stated that they were members of the group's committees. This implies that the women were in the leadership positions in the savings groups, and this enabled them to control and influence decision making. This is in line with women's social empowerment because of their participation in SHGs has improved their position in society, given them a voice in social issues and the ability to make decisions (Gladis, 2008). One of the female savings group members stated the following words:

In our savings group I am a secretary, I am responsible for keeping group records and also writing various group documents such as minutes and informing the group members about the meetings and any information related to the activities of the group.

Forty out of sixty (67%) of female savings groups members stated that they had control over their savings and loans. They noted that their spouses do not influence the savings and loans. They also stated that they have control over the household decisions and how to use their money. This implies that savings groups have given women control on the household decision making such as use of funds from the

savings groups and other family related business. This concurs with Alam and Nizamuddin (2012) who opined that SHGs have improved women's social and financial well-being. One of the female savings groups members said the following:

As a results of my participation in the savings club, I am now allowed to make the budget for the family and decide how the family money is used. My husband now depends on me on budgeting and advice on what assets to buy at home. I make decisions on the choice of schools for our children and on how the family income should be distributed.

Fifty out of sixty (83%) savings groups members stated that they have gained respect from the community. They stated that relatives and their spouses because of their participation in savings groups. They stated that there is a saying which say women *Imbokodo*¹ in their families and communities which literally mean, women are the rocks. This implies that they are now viewed as pillars of strength in their families and in the community. This agrees with Leach et al. (2002) who argue that microfinance has provided social and cultural empowerment of women. The author believed that the improvement of social and cultural empowerment of women through microfinance has led to the improvement in participation of women in households and improvement in the standard of living. One of the women had the following words to say.

I feel like elevated in the family and in the community as a result of my participation in the savings group. As women we have led to the design of the slogan, women Imbokodo, meaning women are the rock or the pillar. This shows that savings groups have made us to be respected members of the community. My community, relatives and family now respect me. Various members of the community and relatives are now able to approach me seeking advice on how to handle finances and they also borrow some soft loans from me.

Forty-eight out of sixty (80%) of female savings groups members stated that they participate in community activities without fear. They noted that savings groups enabled them to gain confidence to participate in community activities, even in male-dominated activities. One of the women said the following:

I am not afraid of participating in community activities. I am now a member of the community vigilant group (community neighbourhood police). We assist the law enforcement agencies to apprehend criminals in the community. I also make decisions in community meetings that are presided by the chief and village heads. I have gained more confidence as a result of my participation in Vuka Kusile Mama Savings Groups.

¹ Imbokodo means a pillar or cornerstone.

Fifty-one out of sixty (85%) of interviewees who were female savings groups members stated that savings groups assisted women in furthering education and skills in various ways. Some of the women stated that they used loans from savings groups to further their education and some of the women stated that they developed various skills such as agriculture, financial management, personal financial management, accounting, marketing, and entrepreneurship skills through training in the savings groups that are spearheaded by Non-Governmental Organisations. One of the women had the following words to say:

I thank God, because my participation in savings groups has been a blessing to my education. I managed to supplement Ordinary Level Mathematics and English Language and I passed them, I now have six ordinary level subjects and I am able to apply for nurse training. Besides my attainment in ordinary level studies, savings groups have equipped me with various skills such as networking, marketing, communication, personal financial management, business management, entrepreneurship and agricultural skills. I attended many NGOs trainings and I have slept in hotels as a result of the NGOs training. I am now able to start and manage my business. The skills have also enabled me to develop a poultry business and also to find the market for my poultry produce.

This supports Agarwal (2020) who stated that SHGs help women in overcoming challenges and making decisions. The author noted that women can educate themselves through savings groups. This implies that women in savings groups acquire knowledge through participation, enabling them to make informed decisions.

All (100%) of the savings groups members stated that their savings groups have experienced a situation where women Chair the savings groups composed of women and male and where women are community leaders. This implies that participation of women in savings groups have improved women's leadership abilities. One of the women said the following words:

Many women, who participate in savings groups have once chaired savings groups composed of both male and female members. In our community women have female savings groups' members who are chairpersons of the village, ward and district committees such as irrigation schemes. Some of our female members are village heads and active political leaders in the villages, wards and the district.

This implies that savings groups have increased participation of women in leadership position. Savings groups have increased the confidence of women to participate in political activities of the district.

Discussion of Findings

The study revealed that most women are in leadership positions of savings groups and hence have control and influence on savings groups' decision making. The study found that women who participate in savings groups have control over household financial decisions, their savings, and loans. This is supported by Gaiha and Nandhi (2007) who opined that microfinance has resulted in women gaining autonomy in making housing decisions related to resource allocation, investment, and savings. Microfinance has resulted in women contributing to household decision-making.

The study highlighted that women who participate in savings groups also participate in community activities such as village neighbourhood police and hence they have influence on law enforcement in the community. This supports Agarwal (2020) who stated that SHGs enable women help women in caning challenges and making decisions.

The study reported that savings groups have assisted women to further their education and to acquire various skills such as networking, marketing, personal financial management, accounting, and agriculture. This is in line with FAO (2017) noted that through social initiatives, women have improved their self-esteem, improved their involvement in social networks and improved their participation in politics and the community.

The study revealed that savings groups are a vehicle for promoting social capital among rural women. The study revealed that some women who participate in savings groups have led or chaired community initiatives and participated in community political activities. This concurs with World Bank (2020) article, which reported that women who are members of SHGs run community kitchens across India, feeding standard workers, the vulnerable and poor people.

Conclusions and Recommendations

The study revealed that most of the female savings' groups interviewed were literate because they completed primary and secondary levels of education. This implies that they might be able to understand various savings products if such products are made known to them. Most of the women are members of the savings groups committees. This implies that women are in leadership positions of savings groups and hence have control and influence on savings groups' decision-making. The study revealed that women who participate in savings groups have control over household financial decisions, their savings, and loans. This might enable women to productively use financial services from savings groups in situations where their husbands do not interfere on the use of finances. Women who participate in savings groups also participate in community activities such as village neighbourhood police and hence they have an influence on law enforcement in the community. Savings groups have assisted women in furthering their education and acquiring various skills such as networking, marketing, personal financial management, accounting, and agriculture. This also implies that women have developed social networks due to their participation in savings groups. Savings groups are a vehicle for promoting social capital among rural women. The study revealed that some women who participate in

savings groups have led or chaired community initiatives and participated in community political activities.

Based on the research findings and conclusions, the study makes the following recommendations:

- 1) The government should ride on the savings groups to avail various initiatives to improve the status of women. Government ministries such as Ministry of Women Affairs should use savings groups to promote women.
- 2) Government and NGOs should advocate for the promotion of the status of women by involving a certain percentage of women in the leadership of community and social programmes.
- 3) Female savings groups' members should have access to formal banking. This will enable women to explore diverse financial services and improve their access to bigger loans, savings and insurance products.
- 4) Government and NGOs should train savings groups on gender issues. This will enable the savings group members to promote a symbiotic relationship between male and female group members.

Declaration of Interest.

The study is the product of the research by the authors (Givemore Moyo and Linnet Zimusi). All the references are cited in the study.

Author Contribution Notes

Givemore Moyo contributed to literature review, data analysis and conclusions and grammar corrections. Linnet Zimusi contributed to introduction, literature review, methodology and grammar corrections.

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Assessing the Contribution of Woman Empowerment on Cooperative Success in South Africa

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Abstract

In South Africa, studies that explore the role of women empowerment's contribution to cooperative success are particularly limited and contradictory. This contributes to the literature by examining the role and contribution of women empowerment on cooperative success using a qualitative research approach. It draws on empirical evidence from publications within the last 8 years (2015 to 2023). The findings showed that factors such as resources and opportunities (structural empowerment), level of education, personality attributes and access to information (human capital empowerment), and member loyalty and commitment (psychological empowerment) lead to cooperative success, even though education does not guarantee success. Furthermore, psychological empowerment mediates structural empowerment and cooperative success. The study concluded that empowerment of women in cooperatives greatly influences job satisfaction and creativity positively impacting cooperative success. Additionally, it was noted that some form of informal or formal training is necessary for women's success through cooperatives and that screening of cooperative applications and subsequent monitoring and mentoring is necessary to ensure women's entrepreneurial and cooperative success.

Keywords: women empowerment; structural empowerment; psychological empowerment; human capital empowerment; cooperative success.

Introduction

Cooperatives have a long and successful tradition worldwide and have proven to be amazingly flexible in meeting a wide variety of social and economic human needs. International experience shows that countries that have achieved economic development also have a vibrant and dynamic cooperative sector, contributing substantially to the growth of their economies (DTI, 2012). Nippierd (2012) affirms that a growing number of cooperatives run by women has greatly helped to absorb the increasing number of women entering the labour force. New cooperatives created by women are a veritable laboratory of new methods of work sharing and methods for positive flexibility.

Empowerment in the workplace means increasing employee self-efficacy, giving a chance for decision-making, delegating authority, motivation, and accountability for their decisions (Dahou & Hacini, 2018). Therefore, the main sub-dimensions of women empowerment at the workplace are access to education, knowledge, resources and

support, opportunity and promotion, participation in political life, and psychological empowerment (Al-Qahtani, Elgzar, Ibrahim, Abd, & El-Sayed (2020).

Ndenisa and Tshabangu (2014) postulate that empowered females are more interested in transforming people's self-interest into organizational goals by encouraging feelings of individual self-work, active participation and sharing of power and information. In a cooperative context, success is defined as receiving financial and non-financial achievements such as assets owned in cooperation, membership stability, and turnover (Davidsson and Honig, 2003; Kakabadse, 2015).

Tlaiss (2013) argues that these cultural values and social expectations regarding what women should and should not do hinder their advancement. Furthermore, in this collectivist society, which makes group conformity paramount and expects individuals to adjust their personal and career aspirations to maintain social order, women who choose to pursue careers outside the home are often perceived as social deviants who challenge cultural traditions. Although South Africa has promoted cooperative ventures, little is known about the business model compared to other types of economic enterprises, such as SMEs or corporations. Women face major obstacles when joining and being active members of typically male-dominated cooperatives (Woldu and Tadesse, 2015). Hence, this research intends to focus mostly on female empowerment because of the hierarchical power relations between men and women that tend to disadvantage women.

The definition of empowerment as specified by Al-Qahtani et al (2020) and its sub-dimensions of empowerment were used in this study to define empowerment. Furthermore, this research focuses on three sub-dimensions of empowerment: human capital empowerment, psychological empowerment, and structural empowerment. Raineri (2017) asserts that performance depends on workers' capacities, willingness, and opportunities to perform.

In South Africa, studies that explore the role of women empowerment's contribution to cooperative success are particularly limited and contradictory hence the main objective of this study is to review and discuss the literature on the role played by different dimensions of women empowerment and provide insights on how it impacts cooperative success.

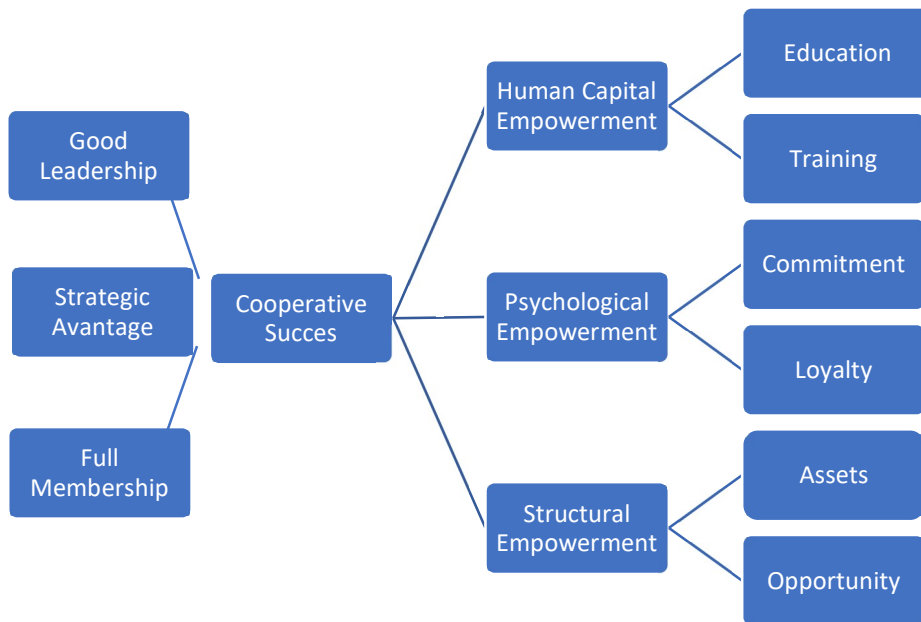


Figure 1: flow of literature drawn.

Materials and Methods

This study used a qualitative research approach to contextualise how women's empowerment contributes to cooperative success. It draws empirical evidence from 20 articles within the last 8 years (2015 to 2023) to analyse the role of women empowerment (human capital, psychological, and structural empowerment) on cooperative success. Records were identified through google scholar and Scopus database constituting to $n = 759$ articles, inclusive of books and conference papers. When the duplicates were removed $n = 325$, and the key words were limited to structural empowerment, human capital empowerment, psychological empowerment, and cooperative performance. All the articles that were not relevant, not focusing on cooperatives and women, and published before to 2015 were removed leaving a total of 20 articles. The study only focused on articles published as from 2015 to 2023 so that the literature studied, and its findings are recent with updated research on cooperatives and women empowerment. The approach used in the study was limited by empirical literature addressing women empowerment focusing the three sub-dimensions of empowerment in South African. Future research could consider using quantitative and qualitative approaches using empirical data to analyse the role of women empowerment on cooperative success.

Results

Human capital empowerment

Becker (1962) defines human capital theory as the idea of humans increasing their productivity and efficiency through a greater focus on education and training. Human capital empowerment refers to the stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform

labour for production (Sharaunga et al. 2016). Education ensures competence, increases the stock of knowledge, and contributes to an individual's attributes. Hence, this research uses education and training to explain the concept of human capital empowerment. Education is generally construed as a tool for freedom (Schiller, 2018) and referred to as an enabler of business success (Cheraghi and Schott, 2015).

Barry (2001) argues that education ensures that its recipients can make a living by working at some legal permissible occupation and engage in commercial transactions without being exploited. Education enables better understanding and knowledge of marketing and business, which are key factors for organising the product value chain, contracts, and negotiations (Ismail, Kavoi, and Eric, 2013; Tray, Garnevaska, and Shadbolt, 2021). The proponents of this approach argue that non-formal education compared favourably to formal education in terms of practicality, cost, flexibility, and ability to reach lower income groups. Hence, there have been many successful non-formal education projects in basic education, family education, community education, and occupational training. Cooperatives are often viewed as a business platform for the non-formally educated, but to be successful, members need to be formally educated or informally to be able to competently run this form of enterprise.

Maleko and Msuya (2015) identified various challenges hindering the success of women in cooperatives, such as women involvement in decision-making, socio-cultural, economic, and political restrictions, control over resources, cooperative training and education programmes, gender bias in cooperative policies, and lack of cooperative support by the state and other cooperative support institutions and organisations. Education is expected to build a woman's capacity for income generation, thereby reducing poverty (Obi-egbedi and adeyemi, 2023).

Twumasi et al., J (2021) affirm that a cooperative association may lack effective and efficient leaders who can promote the development of the association to improve the wellbeing of the members; thus, farmers' performances may decrease rather than increasing. However, with well-educated and enthusiastic cooperative leaders, joining a cooperative association will likely empower members' welfare. Contrary, education as a form of women empowerment makes women highly vulnerable to domestic violence (Guarnieri & Rainer, 2021) due to overcommitment, and power imbalances in a male-controlled household.

The existence of an entrepreneurial education process that is not optimal contributes to the difficulty faced by business actors in developing marketing from every business activity (Rachman and Sugiat, 2021). Providing relevant onset and continuing entrepreneurial education for women can foster entrepreneurial success, thereby reducing disparity in economic participation. Women entrepreneurs are encouraged to engage in lifelong learning to succeed and improve their performance as entrepreneurs (Ojo, Anitsal and Anitsal, 2019).

Table 1: Empirical review of education and knowledge transfer as factors of human capital empowerment

Author(s)	Geography	Specialty	Technique(s)	Sample size	Findings
Tray et al (2021)	Cambodia	Vegetable farming	Logistic Regression Model	122	Education enables a better understanding and knowledge of marketing and business, which are the key factors for organising the product value chain, contracts, and negotiations.
Ankrah Twumasi et al. (2021)	Ghana	Fish farming	ESR model	131 households	With a well-educated and enthusiastic cooperative leader in a fish farm, a cooperative association is likely to empower the cooperative and improve the farm household welfare.
Maleko and Msuya (2015)	Tanzania	Agriculture	Case studies	-	Women's involvement in decision-making, control over resources, cooperative training and education programmes, and lack of cooperative support hinder the success of women in cooperatives.
Obi-egbedi and Adeyemi (2023).	Nigeria	Vegetable farming	Probit regression model.	150	Years of formal education, primary occupation and farm income significantly reduced the probability of poverty among the women farmers at different levels of significance.
Ojo, Anitsal and Anitsal (2019)	Nigeria	Entrepreneurship	Preliminary empirical research	-	Providing relevant onset and continuing entrepreneurial education for women can foster entrepreneurial success, thereby reducing disparity in economic participation.
Rachman and Sugiat, (2021)	Bandung District	Culinary	MLR Analysis	50	The existence of an entrepreneurial education process that is not optimal contributes to the difficulty faced by business actors in developing marketing from every business activity.

Psychological empowerment

Organizations increasingly use empowerment as a management technique to promote employee engagement and performance. According to Spreitzer (1995), psychological empowerment theory it includes four cognitions that reveal a personal orientation, which are: competence, meaning, self-determination, and impact and demonstrates cognitive orientations about their job role (Gong, Wu, Huang, Yan, and Luo, 2020). It further demonstrates an important motivational source that enhances employees' engagement with their work (Ugwu, Onyishi, and Rodríguez-Sánchez, 2014; Eldor and Harpaz, 2016) and according to Seibert, Wang, and Courtright (2011) and Blaique, Ismail, and Aldabbas (2023), it is a critical antecedent for work outcomes.

The negative attitude toward women's empowerment in the workplace is a crucial barrier to their creativity and leadership. Khan, Fleva and Qazi (2015) identified that self-esteem influences the perception of work conditions, daily life decision-making, personal growth, and coping strategies that a person can choose in different situations. People with high self-esteem and self-worth are more likely to recognize stress as an opportunity for personal growth. Therefore, improving women's attitudes toward workplace empowerment is an essential step that helps them reach their maximum potential (Al-Qahtani, Ibrahim, Elgzar, El-Sayed, Abdelghaffar, Moussa & Alenzy, 2021). Hence, this study uses member commitment, participation, and satisfaction as factors of psychological empowerment.

A cooperative's strength and success also depend on maintaining member commitment, member participation, communication, and satisfaction (Dejene and Regasa, 2015). Satisfied and highly committed members are more likely to support their cooperative by participating in all cooperative activities. Awoke (2021) explored the determinants of member commitment in agricultural cooperatives in Ethiopia using survey data collected among farmer-members. Ordinary Least Squares (OLS) model was employed to investigate factors that determine members' commitment. Economic factors, psychological factors, members' satisfaction with the performance of their cooperative, distance from the main market and the type of the cooperative were found to be significant in explaining members' loyalty to their cooperatives. Moon and Lee (2020) pointed out that lacking a sense of ownership by cooperative members, diligence, and self-help, financial and human resources, and the ability to manage cooperative operations are major contributors to cooperative failure. Mojo, Fischer, and Degefa (2017) examined the determinants and economic impacts of cooperative membership using household survey data gathered from coffee farmers in the Jimma Zone of Oromia, Ethiopia. Findings indicate that the probability of farmers' membership decisions increases with educational level, age, social networks, family size, land property and accessibility to cooperatives.

Cooperatives in rural communities are often aligned with inefficient business activities because they emphasize more on social aspects. Malik, Sarwar, and Orr (2021) believe that psychological empowerment increases the likelihood of a team/cooperative engaging and influencing project outcome. Furthermore, successful project outcomes are largely the result of teams which are empowered to succeed

(Wu, Fang & Li, 2015). Maria, Darma, and Nurfadillah (2019) believe that a cooperative's failure often occurs due to weak management quality, less participation by members, weak support employees and environmentally counter-productive.

Most cooperatives sometimes encounter difficulties getting their members involved in the organization. Hence, low engagement can reveal itself in various ways, but often indicates itself through poor attendance at AGMs, vacancies in leadership roles, or declining sales (White, 2018). Dutt, Grabe, and Castro (2016) examined the relationship between women's participation in financial markets and different indices of empowerment. Their results suggest that women's involvement in business cooperatives is associated with a reduction in physical violence and increased psychological wellbeing partially because the opportunities afforded through cooperative membership are directly related to women's experiences with partner control and agency.

Trust is a preconditional factor prior to commitment and, thus, affects commitment and participation positively. However, there is a weak relationship between satisfaction and commitment (Mukherjee and Nath, 2007; Puusa, Tuominen, Tuominen, and Havukainen, 2017). Levine, Lin and Xie (2018) show that trust increases trade financing thus alleviating the negative effect of liquidity crises on cooperative activities. Suwangsih, Fatimah, & Sukatmadiredja (2021) believe that cooperative members who implement and obey the rules that exist in joint liability cooperatives unconsciously have an impact on their behaviour changes, they have discipline and a high sense of solidarity towards other members.

Table 2: Empirical review on member commitment, participation, and satisfaction as factors of psychological empowerment

Author(s)	Geography	Specialty	Technique(s)	Sample size	Findings
Awoke (2021)	Ethiopia	Agriculture	Ordinary Least Squares (OLS) model	240 members	The type of cooperative is the most important factor for members' loyalty, which positively associated with cooperative success.
Mojo et al. (2017)	Ethiopia	Coffee	PSM and ESR models	305	There is a need for a mechanism to enhance the participation of poorer farm cooperatives, and to further improve member benefits to make cooperatives more meaningful, attractive, and sustainable.
Dejene and Regasa, 2015	Becho Woreda, Southwest Shoa, Oromia Region.	Agriculture	Descriptive statistical tools	220	The success of a cooperative depends on member commitment, member participation, communication, and their satisfaction, and cooperative promoter, government, and prospective members should prioritize factors with greater impact on success such as members' commitment and their participation.
Moon and Lee (2020)	Rwanda	Agriculture	Case study	-	Lacking a sense of ownership by cooperative members, diligence, and self-help, financial and human resources, and the ability to manage cooperative operations as the weaknesses and major contribution to cooperative failure.
Puusa, Tuominen, Tuominen, & Havukainen (2017)	Finland	All cooperative types	SEM	3637	Continuous commitment towards their cooperative is positively associated with the benefits they receive from their cooperative.

Structural empowerment

The structural empowerment theory developed by Kanter (1977) focuses on organisational mechanisms instead of individual values such that when organizational leaders influence and inspire others, their power is expanded. Hence, high level of organisational performance is achieved. Furthermore, it is postulated that when individuals are provided with resources, knowledge, and encouragement, their skill sets are strengthened, and they can make decisions based on facts or information. Hence, performance depends on non-motivational factors such as the availability of requisite opportunities and resources such as time, money, skills, and cooperation (Ajzen, 1985) to the extent that when a person has the required opportunities and resources and intends to perform the behaviour, he/she should succeed in doing so.

Identifying and selecting right opportunities, particularly right market environment, sufficient finance and the right market for cooperatives are among the most important abilities of a cooperative to be successful (Stevenson, Roberts, & Grousbeck, 1985). Lafleur and Burtak (2018) advocate that for a cooperative to be successful, it must develop a strong strategic advantage for its market and for new members to join. As more people feel hesitant and uncertain about finance, while the necessary renovation of infrastructure and education do not follow closely, emerging markets face more challenges than other markets (Emara and Kasa, 2021). According to Pedro, Koentjoro, and Meiyanto (2020), the structural empowerment of cooperative members in rural areas was found to be higher as compared to urban areas. Women living in rural areas had higher structural empowerment than their counterparts in urban areas, while men living in urban and rural areas showed no significant difference.

Limsong, Sambath, Seang, Hong (2016) suggests that external factors of a cooperative such as resources and business factors, lead to cooperative success. Johnson, Kovarik, Meinzen-Dick, Njuki, and Quisumbing (2016) believe that an asset as a form of resource controlled by individuals, households, or formal or informal groups may serve as a means of storing value and may provide a stream of benefits over time. Xanthopoulou, Bakker, Demerouti, and Schaufeli (2009) advocate that having enough resources at work relates positively to work engagement because employees feel that they possess higher levels of personal resources when working in resourceful environments. Sharaunga et al. (2016) define women empowerment as the expansion of assets and capabilities that enable them to participate, negotiate, influence, control and hold accountable the institutions that affect their lives. Furthermore, make purposive choices and transform them into a desired action and outcome.

Table 3: Empirical review organizational assets and opportunities as a factor of structural empowerment

	Geography	Specialty	Technique(s)	Sample size	Findings
Pedro, Koentjoro, and Meiyanto, 2020	Indonesia	All cooperative types.	Analysis of Variance technique	251	Structural empowerment of cooperative members in rural areas was found to be higher as compared to urban areas. Women living in rural areas had higher structural empowerment compared to their counterparts in urban areas while men living in urban and rural areas showed no significant difference.
Limsong, Sambath, Seang, Hong, 2016	Cambodia	All successful enterprises	SEM	222	External forces such as resources and business factors have the greatest positive influences on entrepreneurial success.
Godfrey, Muswema, Strydom, Mamafa, & Mapako, 2017.	South Africa	Recycling	Case study	30	Cooperatives still face numerous challenges relating to infrastructure, operations, and capability. Moreover, some cooperatives are operating as traditional with the five cooperative members taking on management roles instead of employing staff to undertake other cooperative activities.
Haynes, and Nembhard, 2018.	Italy	All cooperative types	Preliminary empirical research	-	Common resources in the mist of social dilemmas can represent a fundamental and empowering tool allowing members to achieve higher welfare, both monetary and non-monetary, and empowerment.

Degree of cooperative success

Dejene and Regasa (2015) define success as maximizing different developmental goals such as Service delivery and members' satisfaction. This study follows a definition by Lafleur and Burtak (2018) to describe cooperative success: it is believed to be good leadership, strategic advantage, and full membership. Where, good leadership means establishing good leadership with members and delivering value for the cooperative; strategic advantage means capacity to deliver good product quality; full membership means attracting and keeping quality members.

Moon and Lee (2020) examined the factors that contributed to the success and failure of the two agricultural cooperatives in Rwanda. The results point out lack of members' sense of ownership, diligence, and self-help; limits of financial and human resources; and lack of ability to manage cooperative operations as the weaknesses of cooperatives. Kontogeorgos, Sergaki, Kosma, and Semou, (2018) compare the performance level between the traditional agricultural cooperatives and the cooperatives with capital-seeking entities in the Greek food sector. Findings show differences in the economic results and the factors affecting profitability between these two types of cooperatives, providing evidence that the organizational type affects performance.

Maleko and Msuya (2015) points various challenges hindering the success of women in cooperatives, such as, low level of women participation in cooperatives, women involvement in decision-making, socio-cultural, economic, and political restrictions, control over resources, cooperative training and education programmes, gender bias in cooperative policies, regulations and practices, and lack of cooperative support by the state and other cooperative support institutions and organisations. Hambolu, (2021) also advocates that the methods to be successful in businesses include, micro credits, micro-savings, financial advice, support services, training and social services rendered to the organisation.

Financial, human, and social capital as an asset is important for understanding mechanisms to reduce poverty, increase women's empowerment, and improve livelihoods (Kilic, Doss and Kieran, 2020). Pfeifer, Sarlija, and Zekic Susac (2016) believe that enterprise growth and success are key drivers of competitiveness, employment, innovation, economic development, and social inclusion. Graikioti, Sdrali, & Klimi-Kaminari (2020) argue that integrated support should be considered as the most important factor contributing to the sustainability of social cooperative enterprises. Lafleur and Burtak (2018) found that the optimum transfer of knowledge leads to success given the development of four competencies: working constantly with various actors of the cooperative, use different educational tools, work on associative and business aspects, and training.

Table 4: Empirical review on leadership, strategic advantage, and full membership as factors of cooperative success

	Geography	Specialty	Technique(s)	Sample size	Findings
Lafleur and Burtak (2018)	Ukraine	All cooperative types	Case study	111	Optimum transfer of knowledge leads to success given the development of four competencies: working constant with various actors of the cooperative, use different educational tools, work on associative and business aspects, and training.
Kontogeorgos, Sergaki, Kosma, & Semou, (2018)	Greece	Agriculture	Panel data analysis methods	34	There are differences in the economic results and the factors affecting profitability between these two types of cooperatives, providing evidence that the organizational type affects performance.
Hambolu, (2021)	Nigeria	Finance	ANOVA	54	Financial advice from microfinance banks positively influences rural women's entrepreneurial success while social services rendered by cooperative societies also show a high influence on women's entrepreneurial success.
Moon and Lee (2020)	Rwanda	Agriculture	Case study	-	Lack of members' sense of ownership, diligence, and self-help; limited financial and human resources; and lack of good management within a cooperative weakens the cooperatives.
Pfeifer, Sarlija, Zekic Susac, (2016)	Croatia	All business types	Preliminary empirical research	-	Growth and success are key drivers of competitiveness, employment, innovation, economic development, and social inclusion whilst entrepreneurial education has a positive impact on success.

Discussion of Research findings

This study contributes to the discussion on human capital, psychological, and structural empowerment in the cooperative context and its impact cooperative success. In South Africa, cooperatives historically play an important role in economic development and helping to alleviate poverty and reduce unemployment. According to SME South Africa (2022), there are various support measures in place to strengthen the development of cooperatives in South Africa, including incentives, non-financial and financial support. Cooperative members living in rural areas perceive cooperatives as providing more access for cooperative members to develop, obtain valuable information for businesses, get support, resources, and formal and informal power. Sharaunga, Mudhara, and Bogale (2016) argue that women living in traditional rural areas of South Africa, and in most other developing countries form part of the most economically and socially disempowered groups. Different perceptions of women in rural and urban areas regarding the structural empowerment of cooperatives show that rural women have higher hopes for cooperatives than urban women (Pedro, et al., 2020). cooperative

Cooperatives often fail due to weak management quality, less participation by members, weak support employees and environmentally counter-productive. Member commitment is crucial in a cooperative setup due to its unique characteristics and the values in which cooperatives are embodied. Satisfied and highly committed members are more likely to support their cooperatives by participating in all cooperative activities (Dejene and Regasa, 2015).

Education enables better understanding and knowledge of marketing and business which are the key factors for organizing the product value chain, contracts, and negotiations, this is in line with the human capital theory stance. Although human capital contributes positively to economic performance, given the presence of graduate employees and value-added per employee, economic performance is negatively affected by the yearly training per employee (Bontis, Ciambotti, Palazzi, and Sgro, 2018).

Assets generate and help diversify income, provide collateral to access credit, alleviate liquidity constraints in the face of shocks, and are key inputs into empowerment. It is also argued that women may have various use rights to an asset but often have more restricted rights to control how it is used, how the benefits generated by the asset are used, or when and where to buy or sell an asset. Rights to the asset itself may not be sufficient if they do not extend to control over the income derived from use of the asset (Doss, Deere, Oduro, and Swaminathan (2014).

According to Godfrey, Muswema, Strydom, Mamafa, and Mapako, (2017) there are several challenges that impacts the operation and success of cooperatives in South Africa, including infrastructure, operational or technical issues (markets for goods/services, networks with municipalities), knowledge/skills (training), administrative, governance, and finance. South Africa has mechanisms for supporting cooperatives including, as financial and non-financial resources. Consequently, financial support from sources outside the cooperative may lead to

cooperative failure since people crowd the cooperative sector due to the funding available. This method contradicts one of the core values of cooperative (member economic participation), where members are expected to pull together their resources. This study suggests that the South African government should revisit the cooperative support mechanism and move towards a new funding model that will only offer support to cooperatives that are in existence but not those at an infant stage since the sector gets crowded because of grants not entrepreneurial motives. It needs to be emphasised that there are grants such as the Cooperative Incentive Scheme which are issued without conditions for repayment, may applicants register cooperatives with the sole interest of accessing grants than commitment to business. Hence, screening of entrepreneurial intent, and business ideas for novice entrepreneurs and, business plans, sustainability, financial cash flow model and the like are desperately needed. Moreover, the subsequent development of the business within the Cooperative scheme needs to be both monitored and mentored if grants are to be continued.

Conclusions

Human capital and psychological empowerment contribute positively to a cooperative's success. Assets generate and help diversify income, provide collateral to access credit, alleviate liquidity constraints in the face of shocks, and are key inputs into empowerment. Furthermore, cooperatives should reinforce their sense of ownership to achieve the long-term goals of self-reliance and sustainability by setting clear and feasible short-term goals and achieving them one by one through cooperation among members. Many cooperatives appear to be opportunistic in their registration, targeting cooperative grants and responding to procurement policies that support cooperative development, rather than aiming for long-term sustainability.

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Statement on data availability: data for this research is not readily available.

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Quality Perspectives amongst Cooperative Financial Institutions in South Africa

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Abstract

The use of Cooperative Financial Institutions (CFIs) as an effective tool for grassroots innovation in developing local sustainable development is proving successful. This paper reviews the literature on CFIs in South Africa using a qualitative research approach drawing on both interviews and a systematic review of literature focusing on the performance of CFIs. The review is based on 8 manuscripts that met the study inclusion criteria from a total of 103 manuscripts. The review was supplemented by an interview of 3 purposively selected CFI leaders. The databases used for the search were: Emerald, African Journal Archive (A Sabinet Gateway Project), Sabinet, other articles were obtained through Google search using the key search terms. The study found that CFIs play significant roles in improving their members' social and financial well-being. Younger developing CFIs have lower productivity in operations compared to mature ones. The study also found that a CFI's productivity and performance could be improved if they work towards achieving financial sustainability through cost reduction strategies, credit risk management and reduced dependency on grant funding. The paper recommends that leaders of CFIs deploy quality techniques such as Total Quality Management and customer-oriented techniques to improve member satisfaction and to be competitive in the financial sector. Furthermore, the industry should think about factors contributing to decreasing investment and asset allocation and enhance its managerial skills, technological adoption, governance frameworks, and public image.

Keywords: Cooperative Financial Institution; Quality perspectives; Cooperative principles; Quality techniques; Members; Financial well-being.

Introduction

Cooperatives have improved peoples' social and economic circumstances. The cooperative movement has come to be seen as an essential tool for human and economic development as an economic model that aims to enhance the collective interests of its members (Okem and Lawrence, 2013). Cooperatives are economically feasible, robust, and lively alternatives to conventional investor-owned businesses (Rena, 2017). According to Fourie and Malan (2021), cooperatives have established themselves as successful business models for generating employment, financial advantages, and social advancement over time. Rena (2017) asserts that despite competing in a global market, cooperatives can accomplish numerous economic and

non-economic benefits for members. Studies show that cooperatives have historically been quite adaptable in meeting diverse social and economic requirements. The cooperative model's significance in social and economic development has been emphasized over time (Okem and Lawrence, 2013).

Cooperatives provide a platform that enables citizens to fully explore the nation's resources, combat poverty, create jobs, and increase household income (Shava and Hofisi, 2019). Because they are created with the objective of meeting people's basic needs, cooperatives have evolved to present a robust, vibrant, and sustainable economic alternative for the fulfilment of society's objectives (Mahlala, 2020). In South Africa, where poverty, unemployment, and inequality have remained persistent challenges, cooperatives provide a potential platform for addressing these challenges. Cooperatives provide a platform for citizens to fully explore the country's resources, eliminate poverty, provide employment, and increase household income (Shava and Hofisi, 2019).

The South African Cooperatives Act [No. 14 of 2005] define a cooperative as “an autonomous association of persons united voluntarily to meet their common, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (Fourie and Malan, 2021). The Cooperatives Act of 2005 emphasizes that all cooperative groups must be self-sustaining and self-reliant (Rena, 2017).

The government of the Republic of South Africa has previously underlined the significance of cooperatives to address some of its socio-economic problems considering the proclaimed values and recognised benefits of the cooperative movement. Following South Africa's democratic transition in 1994, the new government selected the cooperative model as one of the options for addressing the triple concerns of poverty, unemployment, and inequality. South Africa recognizes that cooperatives provide a chance for disadvantaged populations to engage more effectively in the economy (Rena, 2017). However, the cooperative movement has not been able to transform itself as anticipated, despite the government's efforts to foster cooperative development (Okem and Lawrence, 2013).

According to Okem and Lawrence (2013), several challenges have prevented cooperatives in developing countries such as South Africa from realizing these ambitious objectives. Among the variety of challenges that South African cooperatives face, the most significant is a lack of knowledge. Most members who form cooperatives have no idea what a cooperative, thus undermining their capacity to administer the cooperatives in accordance with the values and principles of cooperatives. These values and principles empower members since they have control over invested resources and can make informed decisions (Thaba and Mbohwa, 2015). In addition to the lack of understanding of cooperative's principles and values, other problems facing the cooperative sector in South Africa include a lack of awareness about the purpose and activities of cooperatives, a lack of marketing skills, and a lack of financial resources (Okem and Lawrence, 2013). These challenges contribute to the extremely low survival rate of cooperatives.

According to Rena (2017), there appears to be a shift in the global situation of CFIs nowadays. CFIs have continued to emerge in South Africa despite the collapse of the National Cooperative Association. However, CFIs encounter have struggled to expand. The success of any cooperative's establishment is partly dependent on financial stability, which should originate from inside the cooperative. Failure of cooperative members to pay their monthly contributions brings the organization to its knees, resulting in an unavoidable collapse.

Poor administration, a lack of training, dispute among members, and a lack of funds are some of the reasons for cooperative failure, according to Zantsi (2021). According to Ismaila, Gamede, and Okeke-Uzodike (2022), financial inclusion remains a major concern in South Africa. Members do not comprehend the cooperative's goal, how it operates, or what their rights are. This is due to a lack of education and training. These variables, along with inadequate managerial competence, age, size, and government, have been determined to be key influencing factors in cooperative failure. This paper aims to explore the Quality Perspectives amongst Cooperative Financial Institutions in South Africa.

Research Methods

This article adopted a qualitative method approach using a systematic review of literature and interviews with three purposively selected leaders of CFIs. The systematic review of literature gathered and structure the literature to identify and reveal the body of knowledge and research gaps. The review is conducted in three processes namely; search, selection and synthesis. Articles are chosen based on a set of criteria yes or no questions. A total of 8 articles assessed and included in the final review out of a pool of 103 articles obtained from databases mentioned. The databases used for the search were: Emerald, African Journal Archive (A Sabinet Gateway Project), Sabinet, other articles were obtained through Google search using the key search terms. The key search terms used were: Cooperatives; Cooperatives in South Africa; Cooperative Financial Institutions (CFI's); Cooperative Financial Institutions in South Africa. The search terms covered the following: cooperatives, cooperative financial institutions in South Africa, cooperative financial institutions (CFI's) and cooperatives in South Africa. In addition, a PRISMA flow diagram is utilized to demonstrate the article selection process (see Figure 1). The interviews are conducted with CFI leaders to gain information on the performance of their CFI. The interviews provided further overview of expectations of potential CFI members.

Results and Findings

The search retrieved 103 articles, 11 duplicates were removed, and the titles and abstracts of the remaining 92 were reviewed. 59 articles were removed as having insufficient information on CFI's. A PRISMA diagram is represented in Figure 1. Thirty-three articles were selected for full-text review, and a further five were identified following a further reference search, in total 38 articles were included for

the full-text review. Of the 38 articles subjected to full-text review, 28 were excluded from the review as these articles focused on CFI's outside of South Africa.

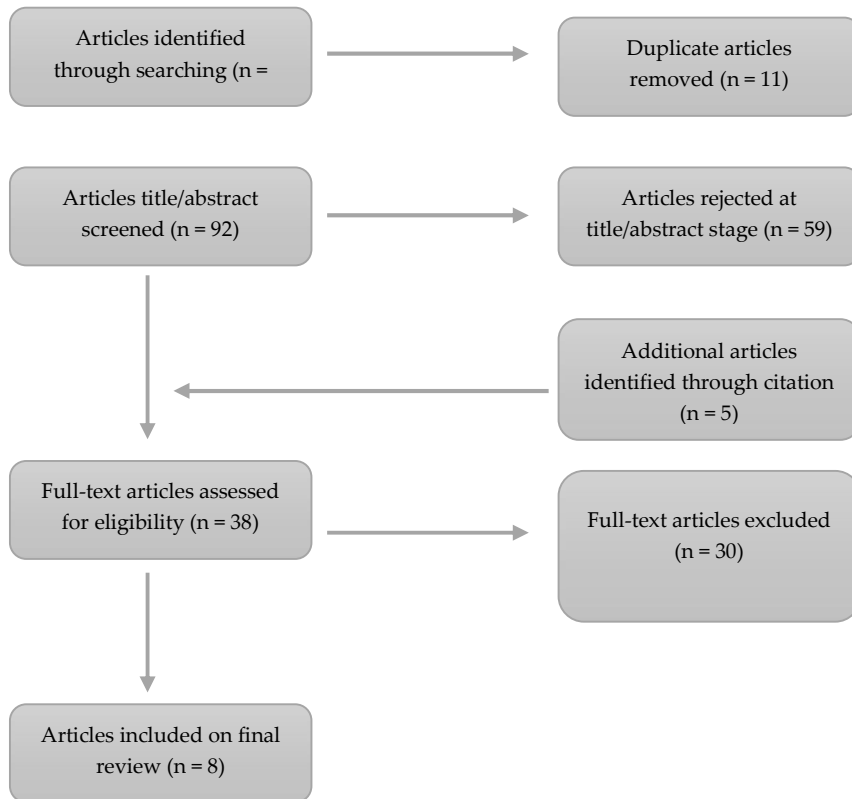


Figure 1. PRISMA Flow diagram of articles identified for use in the review.

The review attempts to provide an overview of the quality perspectives among cooperative financial institutions in South Africa by focusing on the performance of CFIs.

Table 1. The study characteristics of the included articles.

Authors	Characteristics			Title of article
	Year	Does the article focus on cooperatives?	Provide overview of cooperative performance?	
R. Rena	2017	Yes	Yes	Cooperatives in South Africa: A Review
A. E. Okem & R. Lawrence	2013	Yes	No	Exploring the opportunities and challenges of network formation for cooperatives in South Africa
D. Fourie & C. Malan	2021	Yes	Yes	Cooperatives in South Africa: Towards addressing the skills gap
E. Shava & C. Hofisi	2019	Yes	No	Cooperatives as strategies of local economic development in the city of Tshwane
M. Christian, T. Hans & L. Gidi	2018	Yes	Yes	Factors affecting performance of youth and women's agricultural cooperatives: A case of some selected cooperative societies in Eastern Cape, South Africa
S.T Xaba, N. Marwa & B. Mathur-Helm	2019	Yes	Yes	Efficiency evaluation of agricultural cooperatives in Mpumalanga: An empirical study using the DEA approach
B. Ismaila, V. Gamede & O. Okeke-Uzudike	2022	Yes	Yes	Causes of the low penetration rate in the South African co-operative financial institution sector: A consumer perspective
B. Ismaila & V. Gamede	2021	Yes	Yes	Assessment Model Measuring Key Success Factors in Co-operative Financial Institutions to Improve Penetration Rate

The articles in the review provided a wide overview of the performance of CFIs in South Africa. The articles largely focus on the challenges faced by cooperatives in South Africa, not particularly CFIs but all types of cooperatives including CFI's. The articles provide lessons for future cooperatives to fully understand the critical factors that impact success as well as factors that may weaken the development process of a cooperative.

The performance of CFIs in South Africa

Xaba, Marwa and Mathur-Helm (2020) state that there are concerns about the performance of cooperatives in South Africa. There is a high mortality rate after registration and no significant progress has been made.

According to Marcis, Bortoluzzi, de Lima and Gouvea da Costa (2019), the use of practices, systems, and processes to help the management of sustainability within cooperatives needs to be put in place. This requires an assessment of organisational performance that can significantly contribute to decisions among those currently at hand. The performance evaluation of the cooperatives is even more complex, as the cooperative financial environment is fluctuating and rapidly changing in the market. Furthermore, the assessment of the market by means of financial indicators assist to attain organisational performance targets, distribute wealth, and satisfy members and provide high quality services.

As an organisation with the capability of integrating communities within the broader economy, it is important to evaluate its performance to sustain cooperative financial institutions. Through performance measurement, management can identify the existing underlying problems, strategize rational decision units and benchmark with other firms on how to effectively allocate resources (Xaba, Marwa and Mathur-Helm, 2020). The lack of capacity to retain talent in the form of competitive market remuneration, which has led to poor results and not enough interest from the public, is an important factor hindering CFI's performance. The fact that they lack talent retention based on competitive market salaries is one of the reasons for CFI's poor performance. Interviewees' responses did not appear to show that CFI, in the context of its strategy for increasing membership and performance, have employed job offers on behalf of members. It appears that the main engine of CFIs' achievement in eradicating poverty seems to be using social capital (Ismaila, Gamede & Okeke-Uzodike, 2022).

The interviews generated varying responses and shed light on the participants' understanding of the performance of their CFI. Cooperative members interviewed were from different positions within the CFI. They were proud to own the cooperative financial institution used for training and finance services at a competitive savings rate. Some attributed their success to the common bond. As one participant pointed out that CFI success was made possible by the fact that they support the institution's services in so far as they save money through purchasing equipment such as computers and paying staff salaries regularly.

All members of a cooperative society gain from it. Although this unique type of business will benefit all members, it will require significant dedication, energy, time, and technical resources to develop effectively. A recognized mutual need is required for the cooperative to function successfully. This acknowledgement is critical for the cooperative. Potential members must develop the business by coming up with new ideas and business plans. These members must also appoint informed directors who will hire a capable manager. Furthermore, such members must be willing to lend money to the cooperative.

Conclusions

The Quality Perspectives of CFIs reveal that they have a vital role to play in promoting their members' social and financial well-being. When compared to younger developing CFIs, mature ones have reduced operational productivity. To be competitive in the financial sector, CFI leaders must implement quality techniques such as Total Quality Management. This technique is also a customer-oriented technique, which means that when implemented, customers' needs are prioritized, which will help to improve member satisfaction. The article proposes that instead of spending more effort into identifying and describing the challenges that cooperatives face, and their high failure rate, researchers should devote equal and matching efforts towards establishing their significance in community development. The argument here is that providing comprehensive analyses of thriving CFI's could shed light on how effective they are in terms of their role in community development, what could be considered success factors and thus the building blocks for successful CFI's and infusing these lessons into the formation of new or revitalizing existing CFI's.

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Leveraging the Cooperative Model in the Resource-constrained Emerging Filmmaking Company

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Abstract

This research proposes the collaborative way of filmmaking within resource-constrained business environment. This study makes a theoretical contribution to operations management's subfield of workflow and film production management. Research questions focused on how filmmakers can use cooperative values to manage resource constraints. The objective of the paper is to determine filmmaking can be managed within a constrained business environment and to identify the role of solidarity in filmmaking. A qualitative research design was employed, and convenience sampling comprising of ten participants including employees and stakeholders of Film Production Company in Soweto FPCS, were interviewed using semi-structured, face-to-face interviews. The qualitative data were coded using NVivo software, and the content analysis revealed that filmmaking equipment acquisition proved to be one of the most important factors in the workflow activities of the film production company. Key findings show the importance of solidarity among emerging filmmakers. For instance, borrowing film production equipment from other filmmakers instead of renting or buying reduces film production costs and increases efficiency. The study findings show that although upgrading or buying advanced filmmaking equipment will increase productivity and workflow efficiency, financial constraints are a greater obstacle for achieving this.

Keywords: Cooperative; Model; Constraints; Processes; Management

Introduction

The independent media introduced several initiatives that flourished under the cooperative model (Couldry & Curran, 2003). Against the backdrop of the pro-austerity reporting and the disconnection between the mainstream press and society, informal self-organised groups and networks of independent journalists, filmmakers, documentary producers and other media personnel started emerging, exploring new models of production based on social values such as trust and collaboration rather than economic benefits (Iosifidis & Boucas, 2015; Siapera & Papadopoulou, 2016). Collaboration and partnerships, especially with local organizations, are typically important and leveraged in resource-constrained. Partners, such as non-governmental

organizations (NGOs), international organizations, local entrepreneurs, government agencies and universities, can hold a diversity of roles within the solidarity economy (Hietapuro and Halme, 2015; Hyvärinen *et al.*, 2016; Hyvärinen, Keskinen & Levänen, 2020).

Implementation of the cooperative model has displayed significant resilience even through phases of economic recession, and they have also proven to have a great capacity to innovate in terms of what they do and how they do it in response to the social needs of the context in which they operate (Esim & Katajamaki, 2016). Responding to resource constraints, measuring deviations from the plan, and reviewing various efficiency measurements are the best ways to monitor and control the progress of projects (Chen *et al.*, 2010). The basic schedule of a film production shoot is based on an efficient order, not a direct progression of the script. The assistant director uses a traditional production board or equivalent software as a display and shift device, often stemming from the required positions and subsequently available cast members (Archibald, Filippo & Filippo, 2012). Film operations need to be managed like any other project, so the techniques of project management are designed and carried out in a strategy that enables the director to deliver a good project (Pogaru, 2016). Good film project completion can be achieved using advanced equipment, such as specific cameras, grip equipment and special effects. However, however, most emerging film production companies cannot afford to buy advanced filmmaking equipment. Film companies need to buy equipment and use the latest technology to run the process smoothly and improve quality (Pradhan & Tatenda Mauyakufa, 2017).

In the 1950s, British independent film producers formed a profit-oriented cooperative enterprise, the Bryaton Films Limited, to provide a better integration between film production and distribution, in response to a lack of financial support from big film production financing institutions and a tough economic period. Since the late 1980s, the growth of the Nigerian film industry has been positive; Nigerian films are screened all over the world; the world simply cannot ignore the high volume of film productions originating from Nigeria (Olayiwola, 2007). According to Makhwanya (2023), by 2009, Nollywood had overtaken Hollywood to become the second-largest producer of films by volume, and India's Bollywood was on top. South African government's efforts to promote cooperatives in the country through funding and policy, among other things, have simplified the registration process (Khumalo, 2014). While initiatives such as building of ReaGile cinema complexes was introduces to have, public private partnership since funding for the co-ops is mainly in the form of a government grant, commercial loan, and land to build those cinema complexes in municipality land to support emerging filmmakers (Mboti, 2012).

The film industry is usually rooted in discourses about clusters and global networks, largely ignoring the role of governments and public institutions. However, governments are active participants in the creation and development of cooperative production networks (Zin & Mossig, 2022). According to Stokes (2006), constraints effectively foster creativity in many different industries. According to Philipsen (2009), film schools agree that working within an inevitable set of constraints can be a very

useful and exciting aspect of filmmaking. Table 1 presents the types of film co-production, which are characterised by government funding and collaborations of countries in filmmaking. However, the study intends to determine the role of collaborative enterprises to reducing filmmaking costs and increasing production efficiency.

Table 1: A typology of film co-production

Type	Characteristics
(A) Co-production for creative reasons	<ul style="list-style-type: none"> ● The creative elements of a film require cross-border production (such as road movies) or benefit greatly from creative contributions from multiple countries. ● Low-budget and medium-budget films, mainly European.
(B) Co-production promoted by finding (industry-led)	<ul style="list-style-type: none"> ● The film is organised as a collaboration to pool funding from different countries. Financing creative factors are adjusted to raise funding. ● Low-budget and medium-budget films. ● Single-picture financing.
(C) International capital-led co-production (capital market-led)	<ul style="list-style-type: none"> ● A movie organised as a co-production to take advantage of private equity tax credits. ● Mid-to-high budget movies aimed at the international mainstream audience, often studio delivery guarantees. ● Film that are part of a series

Materials and methods

Qualitative method was used to conduct and manage data collection from the film production company employees and stakeholders. The essence of qualitative data is to obtain an in-depth understanding of the phenomenon under study from the knowledge of the participants acquired through experience and perception (Sibeoni *et al.*, 2020). Both purposive and convenience sampling methods were used, and participants were selected from FPCS employees and their stakeholders. The primary participants were employees of FPCS. However, other participants were conveniently selected from stakeholders of the FPCS solidarity network. Others were suggested, depending on the established requirements and the objectives of the study, to enable the requested data to be collected as efficiently as possible.

To achieve the purpose of purported sampling, the research interviewees were selected from the following positions: Ten participants were interviewed from different roles within the filmmaking process. Three FPCS solidarity network stakeholders, which are, freelancer Script Writer, Camera Operator and Equipment Owner. The solidarity network was formed to reduce film production costs. The other four participants are part-time employees, and the last three are full-time employees/FPCS owners.

Data were collected using semi-structured interviews with open-ended questions. This determines the direction of the interview and ensures that the interview does not lose meaning or understanding of the questions (Mohajan, 2018). A qualitative method was used to obtain the required information using both primary and secondary sources. Primary sources included questions, which were developed to collect information from participants. Secondary sources included conference papers, journal articles, online sources, and other sources. The following is the information and evidence from conducting content analysis using Nvivo.

Results and Discussion

Table 2 shows codes developed during data analysis on NVivo software, followed by the two main themes, namely the lack of adequate resources to manage filmmaking stages or processes and using cooperative values to reduce the impact of filming resource constraints.

Table 2: Data sets

Name	Files	References
Filmmaking process management	10	67
Film production locations	5	10
Having tools	7	15
Job description	7	16
Managing logistics	2	3
Process planning	7	18
Team work	5	5
Managing resource constraints	10	65
Cooperative values application	7	15
Managing equipment	4	13
Managing finances	5	14
Production process challenges	9	23

Two main linked themes were identified from the analysis. The themes best present FPCS filmmaking stages management and operational challenges caused by resource constraints.

Lack of adequate resources to manage stages of filmmaking

Lack of adequate resources is experienced both at the production and post-production phases. In the production phase, a planning document helps filmmakers to create a complete list of equipment and cast who made it for the final callbacks for the project. A detailed, comprehensive list is very effective when it is used in film

production. Almost all equipment is needed on the day of film shooting. The equipment manager and camera operator (FPCS stakeholders) recommended the use of checklists to manage the following film production equipment packing and production locations.

In the production phase, solidarity partner is the person who borrows FPCS film production equipment, suggesting that South African filmmakers should adopt cost-efficient and mass film production strategy like the Nigeria filmmakers. According to Solidarity partner,

'The goal is for us to operate our Soweto film industry like the Nigerian film industry. We should be brave enough to start our film projects. We should encourage most people to work behind the scenes and need to share skills within the industry. The vision is to one day have a film studio that is managed and owned by the people of Soweto.'

The post-production stage is vital to the output of the film project transformation process. The FPCS executive producer is more interested in producing films and less in marketing, promotion, and distribution of the film project. The executive producer of FPCS takes his time when it comes to finalising the product process. Editing in-house or outsourcing are the options to be used. The FPCS production team is always keen to see the final project, especially the scriptwriter and film director. During data collection, the film producer informed the researcher about the perceptions of actors regarding the internal screening of the complete film project. Film Producer, in his words:

'The next step is a viewing session, by the FPCS production team and partners to observe our work and check mistakes. After that stage we submit our work at film festivals and digital platforms. We then promote by sharing digital links to our audience to view our films. Cast members do not like post production viewing sessions. They don't like to watch themselves acting.'

We edit our own work and we don't see any reason to have another company to edit our work. We are building a company that is capable of managing all the stages of film production.'

Challenges inherent in the filmmaking process

Figure 1 shows words related to resource constraints and operational challenges faced by FPCS. Filmmaking resources are the tools needed by any company to produce the end products. In the case of FPCS the resources that stand out appear on the below word clouds image exported from NVivo are finance, equipment, and stakeholders. The words were selected based on their significance towards the challenges facing FPCS.

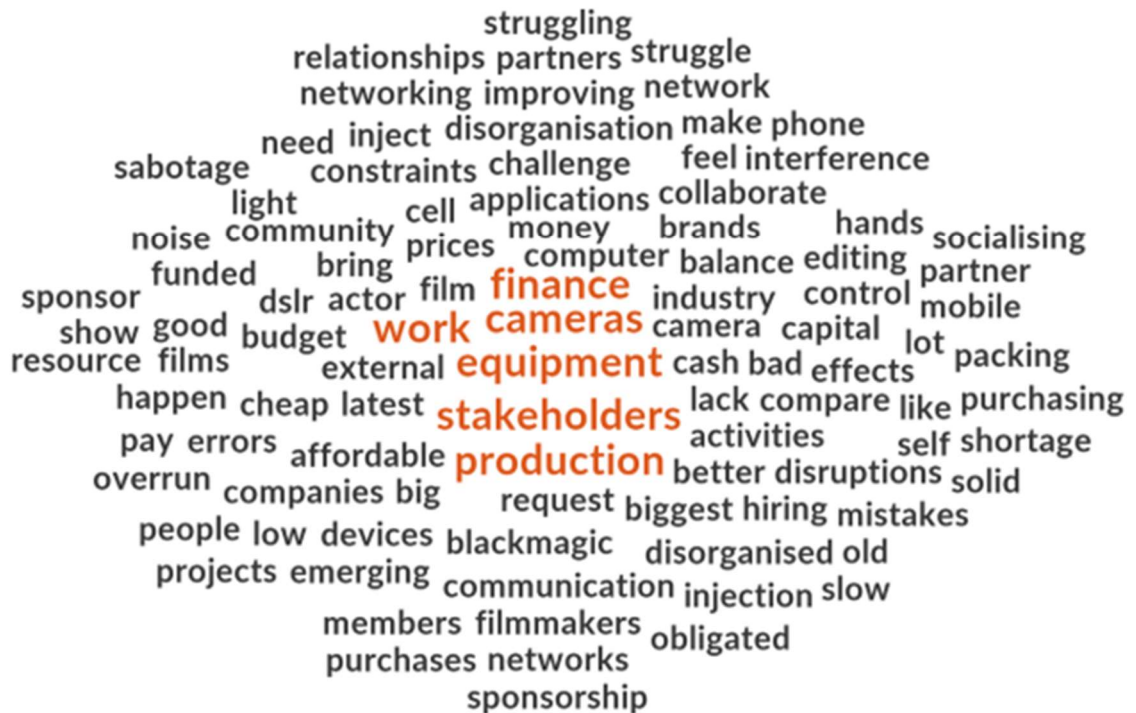


Figure 1: Word clouds

Using cooperative values to reduce the impact of resource constraints

The financing of film projects often requires an elaborate strategy and a deep understanding of the film business when approaching potential investors, banks, family members, crowd-funders and more; some companies specialise in financing specific stages of the film transformation process. One of the common themes in FPCS that makes monetisation difficult is the risk involved in filmmaking, many of which have very little tangible value at the end of the process. The executive producer of FPCS indicated that the company has created relationships of equipment borrowing agreements or equipment solidarity with other film industry players, and the strategy allows the company to produce films at a very low cost because that agreement allows the company to borrow filming equipment instead of buying. The risk occurs only if the FPCS production team loses or damages the borrowed equipment. All the feature films produced by the company were self-funded, excluding music video projects on which the clients pay 50% of the total amount before production starts and another 50% after project completion. FPCS has not received funding from any South African government departments or agencies due to the executive producer's lack of enthusiasm for governmental funding applications. Executive producer, in his words:

'I am not the one who is responsible for the budget but the project planning meetings with my team determine the amount to be used for production. The script guides how many locations to be used, transportation, building rental and car rental. We count costs based on the script to be produced and approve the budget based on the availability of resources because we are self-funded.'

Equipment is the backbone of the company. FPCS has few features of film equipment. However, they supplement the shortage by borrowing from other filmmakers around Soweto and vice versa. Pre-production, production, and post-production form part of FPCS's filmmaking processes research investigation. According to the Solidarity partner/The person who borrows FPCS film production equipment, in his words:

'Latest cameras, currently we are using Dslr cameras for our films which are used to photography but they take great videos as well. Film production cameras like Blackmagic and Red (brand names) are very expensive and they take beautiful pictures. Cameras that we are using; Full G, C3, FOGFH1, Canon RP, Canon 5D2, 5D3 and 5D4. For us the latest technology we have is what we can afford. We are also controlled by what the basic camera requirements need by music TV channels. If you are shooting a movie, Netflix has a camera that they recommend only. You can make a beautiful movie and they reject the submission because the camera used to shoot the movie. If money was not a problem, we were going to buy a Blackmagic camera.'

Many interviewees acknowledged that FPCS needs proper film production management tools to avoid unstructured production processes. Film project value chain like the production process, advertising, and negotiating with broadcasters and independent distributors, is costly. Most of the FPCS's challenges are related to a lack of film project funding. However, FPCS does not have many options to raise working capital, a cash injection, whether through sponsorship from the government or private investors. However, FPCS upload their films on the internet for audience development, not to make a profit.

There is an element of operations management that is needed, which entails project planning. Small film productions should know how to make budget projections also how to control and monitor daily production activities within operations management principles. In this case, the film producer and manager are not aware of operations management principles and the project management aspect of things. Film production teams that understand project management will know how to budget, plan, and schedule production activities. According to Marchessault (2017), filmmaking in South Africa is chaotic, and production teams tend to step on each other's toes, while filmmaking in the United Kingdom is much more process-oriented and organised. FPCS' executive producer mentioned that having knowledgeable managers in the field of operations management, will reduce many operational challenges faced by the film production company.

Conclusion and Recommendations

Lack of film production equipment and managing the process of financial gain are the key takeaways from the company's filmmaking process management. In terms of film financing, the study identified that FPCS does not put any effort into fundraising methods, which makes it financially independent. The company should try other

methods of film financing and engage with government agencies like National Film and Video Foundation NFVF. The Nigerian film industry should be a model or blueprint for FPCS and the South African film industry. Nigerian cinemas date back to the expansion of the filmmaking business in the late 1960s, with increased investment in production and a centralised distribution network. The value of forming or registering a filmmaking cooperative instead of just applying cooperative principles should be considered by Soweto's emerging filmmakers. FPCS filmmakers require further training, support, and development to be able to produce appealing film projects even under resource resource-constrained business environment. And the government should assist in funding such initiatives.

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Concepts and Approaches for Pathways out of Poverty -A Literature Review

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Abstract

The paper employed a secondary data collection and analysis approach to investigate concepts and approaches for pathways out of poverty. It was informed by a discussion paper that the Research and Development Units produced in June 2023 as a National Development Agency (NDA) internal discussion paper to understand the context of poverty and interventions that are effective for poverty eradication strategies. The data collected were both peer-reviewed and grey literature. It focuses on concepts and approaches that the National Development Agency (NDA) can use in its quest for meaningful contributions to poverty eradication programmes in South Africa. It examines key factors contributing to poverty and presents a range of approaches and strategies that can be employed to eradicate poverty. By understanding the underlying causes and implementing holistic and sustainable developmental interventions, the country can work towards poverty eradication and create pathways out of poverty for those in need.

Keywords: Poverty Eradication; Sustainable Development; Social Enterprises; Community-Owned Enterprises; Cooperatives.

Introduction

Poverty is conventionally defined as defined as a “multifaceted *concept*, which may include social, economic, and political elements. Absolute *poverty*, extreme *poverty*, or destitution refers to the complete lack of the means necessary to meet basic personal needs such as food, clothing and shelter” (The World Bank, 2018). Poverty, in all its categories, remains one of the main challenges facing post-apartheid South Africa. South Africa’s vision is to eradicate extreme poverty by 2030, meaning no one should live on less than the food poverty line. However, since the National Development Plan pronounced this commitment in 2011, poverty has proven to be a stubborn problem that has intensified recently (The Presidency, 2023). According to the latest report on South African living conditions, the estimated poverty headcount was 55,5% of the population in 2015 for the upper bound poverty line, meanwhile, the headcount for the Lower bound poverty line (LBPL) was 40,0% with approximately a quarter of the population (25,2%) living below the Food Poverty Line (FPL). The

poverty gap measures the distance poor people are from the poverty line and thus, the higher the gap, the poorer the individual. At the UBPL the gap was measured to be 27,7% declining to 16,6% for the LBPL and 9,0% for the FPL (StatsSA, 2018). As of 2023, around 18.2 million people in South Africa are living in extreme poverty, with the poverty threshold at 1.90 U.S. dollars daily. This means that 162,859 more people were pushed into poverty compared to 2022. Moreover, the headcount was forecast to increase in the coming years. By 2030, over 19.1 million South Africans will live on a maximum of 1.90 U.S. dollars per day (Cowling, 2023).

The state entrusted the NDA with a legislative mandate to contribute to the eradication of poverty and its causes in South Africa. This mandate suggests that the NDA's main preoccupation is to implement innovative developmental solutions to move those classified as poor out of that condition to a position of productivity and self-sustenance. South Africa grapples with what poverty is, how it can be eradicated and what methods can be used to eradicate poverty. Despite the NDA's concert effort in partnership with relevant government ministries, departments and agencies, poverty remains a persistent challenge in South Africa. To improve on its poverty reduction mandate, the NDA recently developed a turnaround was approved in July 2023. The strategy informs NDA' development interventions and programmes through an integrated and coordinated approach with other state organs that contribute to poverty alleviation and eradication (National Development Agency, 2023). The approval of the NDA turnaround strategy coincided with the government's Acceleration Plan to achieve NDP targets by 2030 (The Presidency, 2023). An Interdepartmental National Working Group developed this plan convened by the Presidency to focus on impactful and at a scale, targets related to job creation and poverty eradication efforts in the remainder of the years of the National Development Plan Vision 2030. The Acceleration Plan to achieve NDP targets by 2030 identified livelihoods, skills and apprenticeships, public employment and micro and small enterprises as areas that can significantly impact the creation of a comprehensive and sustainable pathways to employment or income opportunities in South Africa's formal and informal sectors (National Planning Commission, 2011).

In the reflections made by the interdepartmental working group on its mapping analysis across ten national government departments and their entities on interventions to address poverty, unemployment and inequalities, the working group notes that "R1.3 trillion has been spent with no adequate results on poverty outcomes, poverty eradication and breaking the cycle of poverty" (The Presidency, 2023). The analysis points out the following weaknesses that contributed to the failure to achieve positive outcomes from the investment by the government: small scale interventions not matching the needed scale; extreme fragmentation of interventions resulting in duplication; absence of vision and scalable strategy on small, medium, and micro enterprises (SMMEs), informal and livelihoods sectors focusing on inputs not results in monitoring and evaluation frameworks; and the failure to maximise results of social wage interventions.

The literature review explores viable developmental concepts that empower communities to actively participate in developing their abilities and capacities for improving their economic and social for a sustainable livelihood. The concepts are mainly based on community-initiated, owned, and managed enterprises to address poverty and reliance on others for their basic needs and survival. The paper reviewed three social enterprise concepts widely used to address poverty at a community level: cooperatives, community-owned, and social entrepreneurs' models.

Materials and Methods

In this study, we conducted a general search by the keywords of social entrepreneurship development, poverty alleviation, pathways out of poverty, social enterprises, and sustainable development in online database sources such as Google Scholars, JSTOR, Wiley, ResearchGate, Emerald full text, Scopus, and EBSCO HOST. The literature review used a combination of peer-reviewed and grey literature. The preliminary search of academic databases, journals, books, reports, and other reputable sources was used to identify key literature related to poverty alleviation and pathways out of poverty. Furthermore, abstracts and summaries of sources were reviewed to determine the relevance of each source to the research questions. The selected literature was then organized into themes based on the key aspects of pathways out of poverty, such as self-sustenance, employment, social support, economic development, etc. The key findings and themes from the selected literature were then synthesised to identify patterns, trends and gaps in the existing research on pathways out of poverty and gaps in the literature.

Results

The Context of Poverty in South Africa

The persistent challenges of poverty, inequality, and unemployment in impoverished South African communities necessitate sustainable development strategies that empower communities and promote economic self-reliance (African Development Bank, 2019). Despite being an upper-middle-income country, South Africa has high levels of poverty and income inequality. The Southern African Customs Union (SACU), which is comprised of Botswana, Eswatini, Lesotho, Namibia, and South Africa, indicates that South Africa is the world's most unequal region. Based on Gini coefficients of consumption (or income) per capita, South Africa, the largest country in SACU, is the most unequal country in the world, ranking first among 164 countries in the World Bank's global poverty database (World Bank Group, 2022). South Africa's national upper-bound poverty line is set at a monthly income of R1,471 per person per month (as of 2022). This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line (StatsSA, 2022). Understanding the dynamics and dimensions of poverty is crucial for developing effective eradication strategies.

The government has identified poverty, unemployment, and inequality as the main stumbling blocks to achieving sustainable and dignified livelihoods for the

majority of the South African population. However, for the state to deal with these three social and economic constructs, it needs to understand the context and drivers of these outcomes. All three phenomena are outcomes of a range of economic, developmental and social issues that an individual, family or society has to experience. In other words, someone at any of these levels must feel, based on their needs, that they are poor, unemployed or unequal. The difficulty is creating an environment where an individual, a family, or a community can feel or perceive themselves as not being in a state of poverty.

In South Africa, poverty is defined as chronic, based on the segments of the population that fall under categorised poverty levels. The first level is those who are defined to be living in persistent poverty. These are people who live within the upper-bound national poverty line, and they constitute 50% of the population. The other segment of the population group are those who may be living above average but have a chance of falling into poverty. The last segment is those who might not be poor but are vulnerable to falling into poverty through changes in social and economic environment factors that will make them fail to meet their basic needs. These segments constitute 76% of the total population, which means the country has a huge population threatened by poverty daily (National Treasury, 2007).

Poverty levels in South Africa tend to be higher amongst female-headed households, black Africans, less educated, unemployed, large families and children. These population descriptors constitute most of the population, translating to a nation made up of a population living in poverty. In South Africa, female-headed households are up to 10% likely to fall into poverty versus 2% likely to escape poverty (The World Bank, 2018). Living in households where the head of the family has attained some tertiary education reduces the average risk of poverty by about 30%; large families, children and people living in rural areas are likely to be in poverty for a very long time. In such a context, one has to acknowledge the role played by social protection programmes in reducing poverty. The World Bank report states that, in 2015, government social transfers were estimated to have reduced poverty headcount by 7.9% and the poverty gap by 29.5% (The World Bank, 2018).

Importance of Identifying Pathways out of Poverty

The fundamental goal of community-owned enterprises is to serve the community's common interests and requirements rather than maximizing profit for individual shareholders. Community-owned enterprises strive to contribute to the local community's economic development and well-being. They might specialize in agriculture, renewable energy, healthcare, housing, transportation, or retail (Mkhize, et al., 2020). Community-owned enterprises offer several benefits, including poverty reduction, wealth creation, job creation, skills development, and improved social capital by empowering individuals and communities (Ebrahim, 2020) indicates that. Moreover, these enterprises create pathways for inclusive growth and sustainable livelihoods. Thus, community-owned enterprises can play a significant role in poverty eradication by providing employment opportunities, income generation, and fostering

community development. Mkhize et al. (2020) further argue that community-owned enterprises have the potential to empower marginalized communities, reduce dependency on external aid, and create sustainable livelihoods.

Empowering underprivileged communities through community-owned enterprises has emerged as a potential strategy to promote sustainable development in the face of global economic inequalities. These businesses provide underprivileged communities with economic possibilities, social cohesiveness, and environmental awareness while solving their problems (Mkhize, et al., 2020). Creating sustainable models for community-owned enterprises in poor communities is essential for fostering economic development, social cohesion, and environmental consciousness. Successful models of community-owned enterprises have been implemented globally, providing valuable lessons. Cooperative enterprises, community land trusts, social enterprises, social entrepreneurship, microfinance and microenterprise development, social cooperatives and community-based tourism initiatives are some notable examples. They provide viable approaches to empower marginalized communities and promote self-reliance (Moyo, et al., 2020). These models have demonstrated their effectiveness in promoting community ownership, economic empowerment, and poverty reduction. Adaptation and contextualization of these models to the specific needs and challenges faced by poor communities in South Africa are essential (African Development Bank, 2019). Social entrepreneurship development is a key tool for poverty reduction, employment creation and fast-tracking the realisation of universal prime education and promoting gender equality. (Lateh, et al., 2018) found

Despite their potential benefits, community-owned enterprises face various challenges. Limited access to capital and financing is a significant constraint (Chengeta, et al., 2018). Additionally, a lack of technical skills and knowledge, inadequate infrastructure, insufficient market access, and regulatory barriers pose obstacles to their success and sustainability (Moyo, et al., 2020). Governance, leadership, and conflicts within the community can also hinder the effective functioning of these enterprises (Ebrahim, 2020).

Given these challenges, the adoption of community-owned enterprise models requires supportive government policies and institutions to create an enabling environment for these enterprises to thrive. However, despite these challenges, community-owned enterprises present significant opportunities for poverty eradication in South Africa, particularly in sectors such as agriculture, renewable energy, and microfinance. The South African government's efforts to address poverty have often been inadequate, necessitating innovative approaches such as community-owned enterprises to create sustainable and locally driven solutions. It is through the collective effort and commitment to sustainable development that community-owned enterprises can truly transform the lives of individuals and communities in need.

While community-owned businesses can be effective, they require continuous support, access to resources, and favourable legislative frameworks to develop and attain long-term sustainability. Supportive policies and interventions are crucial to

promote the development and sustainability of community-owned enterprises in South Africa. These may include access to finance, technical assistance, capacity-building programs, and regulatory frameworks that enable community ownership and participation (Chengeta, et al., 2018) Moreover, collaboration among government, civil society, and the commercial sector is essential for building an enabling climate for these models to flourish and have a substantial influence on poverty reduction (Ebrahim, 2020). Cooperative enterprises have been shown to be invaluable in the context of poverty eradication and sustainable development.

Sustainable Concepts for Poverty Alleviation (Cooperative Enterprises)

There is a perception in South Africa that co-operatives are subsistence institutions, which has contributed to the diminishing status of conventional businesses. (Twalo, 2012). This is crucial because co-operatives are established to play a significant role in the country's economic growth, job creation and poverty reduction. However, what they could potentially achieve is compromised due to a lack of skills, challenges with accessing markets and other internal co-operatives dynamics that include poor work ethic. A study on strengthening cooperatives development in South Africa found that cooperatives act more like some non-profit organisations. (Thaba, et al., 2015), They argue that some people form cooperatives to access government grants. After receiving free grants, members tend not to know what to do with the money. In addition, unemployed people form most cooperatives in South Africa And they often do not have much in common (Thaba, et al., 2015). It is for these reasons that cooperatives have to be framed, designed, and executed as businesses owned by the people for the benefit of the people and the communities in which they operate.

After the United Nations International Year of Cooperatives (IYC) session in 2012, overwhelming success stories came from developing and developed countries, including India, Brazil, China, Kenya, Rwanda, Ethiopia, Italy, France and the United States. Over the past decade, developing countries have reduced their unemployment rate, increased their economic growth and had sustainable economies. Some of their economic success can be partly attributed to the cooperative policies and strategies adopted and implemented by these countries (United Nations, 2012).

Sustainable Concepts for Poverty Alleviation (Community-Owned Enterprises)

The community-owned enterprises (COEs) (also referred to as community-owned businesses (COBs)) are often confused as small or medium size businesses owned by individuals for economic reasons. However, community-owned enterprises is a concept that needs to provide key and useful elements for community development, especially in tackling unemployment and poverty. The fundamental reason for creating such enterprises is to contribute towards reducing poverty through the creation of business enterprises to address developmental needs in a community to achieve a collective sustainable livelihood and sharing of income and resources to uplift the standard of living in the community. Therefore, community-based entrepreneurship is a shift from the traditional economic development initiatives of attracting private companies'

investments in local economic development purposes to creating developmental vehicles for local communities to create their productive capacities towards ownership of means of production. This development concept can be used as a viable tool for bridging the development gap between poor communities and affluent communities.

A major issue in developmental activities is that projects are generally conceived and implemented by agencies rather than by community members. This often leads to a lack of ownership on the part of the local population and beneficiaries. It is exemplified by the fact that once the finances of a project dry out, the interest of the local population also recedes. Identification of this trend has forced several international and domestic agencies to conceive and implement projects with enhanced local participation (Parwez, 2017). Community-based entrepreneurship (CBE) is considered a viable approach for bridging the gap between people living in the mainstream economy and the Bottom of the Pyramid (BoP), especially in rural communities of developing nations such as South Africa (Mkhize, et al., 2020). Although it is commonly acknowledged that enterprise development is a crucial element in the process of economic development, numerous projects aimed at promoting small businesses have not been successful. The conditions under which community-based enterprises could be an alternative model of entrepreneurial activity to enhance rural livelihoods and promote Socio-economic development (Torri, 2010) Community-based entrepreneurship is a concept that emerged from the need to provide sustainable local economic development among the poor populace, mostly located in rural areas (Parusottama, et al., 2018) This involves creating cooperative relationships in which resources are exchanged to create value among all parties. Many governments globally have seen the benefits of CBE because of its potential to transform society and improve the standard of living of the people (Ratten & Welpel, 2011).

The design of legislation and policy at the national and global level uses concepts of entrepreneurship and economic development that fail to understand the effect and, to some extent, the implications on essential features of venturing into impoverished communities in developing countries such as South Africa. The entrepreneurship concept is understood and approached as business ventures created by an entrepreneur acting solely or as part of a small team of individuals to create wealth or income for the individual or small group owner. The concept of entrepreneurship or enterprises applies to not only those who created means of production from an economic sense but even those who create economic activities for social and developmental reasons. Community-based enterprises are created by community members acting corporately as the solution to respond to poor communities and address poverty challenges through income generation for members of the community (Peredo & Chrisman, 2004). This suggests that community-based enterprise concepts have to be seen as a developmental solution to an economic problem, in this case, high poverty levels and creating economic participation and means of production for those in poor communities (Ratten & Welpel, 2011).

Community ownership models are characterised by local stakeholders who own most of the venture, and voting rights and control rest with a community-based

organisation. The socio-economic benefits of the venture are therefore distributed at the local community level. The innovative aspect of community-ownership business models lies in the role of the community and its participants, which goes beyond the core business of the venture. Nowadays, community ownership models cover the entire venture. For example, an agricultural venture to provide vegetables can include the growing of the vegetables, packaging, supply chain and end-user markets.

While community-owned ventures have various purposes, they typically focus on creating social benefits. One major benefit of community ownership models is that communities are reluctant to expand their benefits or return on investment. Opposing ideas to grow their production capacities to meet the demand for products and services provided by the venture are significantly reduced, and the “not in my backyard” effect is diminished as communities become part of and actively involved in the project. This creates a sense of ownership that, in turn, can empower a community greatly, especially if the venture is addressing their socio-economic needs for a sustainable livelihood and less dependency. They develop a greater sense of attachment to the venture and the community through their active involvement. This is observable in rural areas and poor communities where attachment – together with job creation (decent jobs) – can play a crucial role in (particularly young) people’s decision to stay or return to places with an otherwise declining and ageing population. Another important social benefit of community ownership is the consciousness and ability to take control of the lives and future created among members of a community, which can go beyond consumption to the production of goods and services.

The advantages of community-ownership models allow costs to be shared, which lowers upfront investments and, therefore, enables larger deployment of decentralised products and services at the local level. They also encourage people to unite and act on socio-economic challenges specific to their communities while encouraging solidarity and cooperation. While community-owned ventures have various purposes, they typically focus on creating benefits for the community. In addition, products and services developed under community ownership can provide flexibility in how the products are financed, produced, packaged, and accessed by community members, including the payment system used to improve revenue collection mechanisms.

Sustainable Concepts for Poverty Alleviation (Social Enterprises)

Academic interest in Social Entrepreneurship (SE) has identified two important contextual considerations. First, a historical review finds that the meaning of SE has changed over time (Teasdale, 2012). From a contemporary perspective, SE is not a new organizational form but a product of the evolutionary development of non-profit or voluntary organizations (Kerlin, 2010; Peattie & Morley, 2008), cooperatives and mutual organizations (Nyssens, 2006). The concept of social enterprise mainly refers to a dynamic of commercialization at work within the non-profit sector – a phenomenon of NPOs which increasingly rely on the market to finance their activity. This concept can also be associated with the dynamics of ‘social entrepreneurship’ developed by businesses which seek to stress the social impact of their productive activities (Nyssens,

2006). Social enterprise does not seek to supplant existing concepts for the third sector such as the social economy or the non-profit sector. Rather, it is intended to bridge these two concepts by shedding light on features of the third sector that are currently becoming more prevalent: entrepreneurial activities focused on social aims (UNDP, 2015).

Social entrepreneurs emphasise social problems and then come up with innovative initiatives to build new social arrangements, which helps to mobilize resources for the problem of the market or commercial criteria (Rao, et al., 2018). There are different definitions of social entrepreneurship in the literature. Literature reveals more than a dozen different definitions of social entrepreneurs and social entrepreneurship.

Encouraging the growth of social enterprises combine business models with a social or environmental mission that creates economic opportunities while addressing social challenges. Poverty reduction in rural areas is an important development goal of the the international community, but the traditional poverty-reduction methods have certain drawbacks. Social entrepreneurship, with its innovative ways of solving social problems, has gradually become a new sustainable development path to solve rural poverty. Social entrepreneurship is the process of identification, development, and realization of social opportunities. Multidimensional rural poverty creates different social opportunities, including social opportunities in social, economic, and ecological poverty. Enterprises integrate farmers into their value chain to develop and realize social opportunities, which is a sustainable means of poverty alleviation (Zhang, et al., 2022).

Steiner and Teasdale (2019) argue that social enterprise could represent a means of tackling rural challenges of providing sustainable economic development, addressing the withdrawal of public services, and promoting community cohesion. They further suggest that social enterprises can potentially enable an integrated approach to addressing local issues at the local level. Moreover, they can create locally responsive services that fit the rural context. However, unlocking the potential of rural social enterprise may require moving beyond traditional policy silo approaches that treat economic development, community cohesion and public services as separate and disconnected since national policy-making frameworks have not always translated into practice at the rural level (Steiner & Teasdale, 2019).

Additionally, policy treatment of social enterprise needs to move beyond efforts to 'scale up' and achieve economies of scale. Collaborations between groups of social enterprises and between social enterprises and public authorities can lead to economies of scope, particularly where strong trust-based relations within communities harness self-help and the co-production of services. With appropriate guidance and support, many rural challenges and needs could be transformed into opportunities for social enterprise development.

Discussion of Research Findings

The literature shows that various models can be used to turn around poor communities from being sole consumers of goods and services imported elsewhere to becoming producers of the goods and services consumed by local communities. These models are usually presented as distinctly separate units of approaches towards achieving a similar goal. It is, however, clear that these models, social enterprises, cooperatives, and community-owned enterprises are applied as a mixture of parts or components of the application required to achieve urban centres, thereby stemming the tide of rural-urban migration (Parusottama, et al., 2018).

The literature suggests a developmental approach to be effective and achieve poverty reduction outcomes is critical in poverty eradication interventions. It also cautions against using economic solutions to deal with poverty, especially the chronic poverty that South Africa is facing. It also states that the approach should be designed to complement both developmental and economic approaches – not use one at the expense of the other. Even the draft accelerated plan developed by the Interdepartmental National Working Group on poverty alleviation recommends five (5) areas of departmental interventions one of these areas is “enabling productive livelihoods” (The Presidency, 2023). It aims to create 5 million sustainable livelihoods opportunities through income-earning opportunities outside the formal employment sector by 2030 It identifies sustainable livelihoods or income earning programmes, personal skills development, an ecosystem of support, social capital and institutional development as drivers of this recommendation to meet the NDP targets for poverty alleviation. Out of these four sustainable livelihoods opportunities, and outside the ecosystem of support, which is defined as job search, job linkages, finance, mentoring and counselling –other three areas are critical for income earnings outside formal employment.

Sustainable livelihood interventions in South Africa will not yield the positive results expected in poverty alleviation and eradication if they are aimed at creating employment as opposed to productive capacity to earn a sustainable income without being employed. The models presented in this discussion paper are aimed at building productive capacities from those who are seen to be outside productivity abilities because they do not have the skill sets, levels, complexities, and capabilities, including experience, to find a job in the formal labour market. However, all poor communities, low-income families and poor individuals have the skills, capabilities, and human resources to make a sustainable livelihood for themselves and their families.

As the literature has pointed out, the abilities of cooperatives, community-owned, and social entrepreneurship can provide sustainable models for poverty eradication strategies and plans in a community faced with poverty challenges (Lateh, et al., 2018). These concepts target the population, the required interventions, and the investments in resources. The skills development used in these concepts is not directed to acquiring academic qualifications but to match the productivity needs of all those who are participating to ensure they are earning or are guaranteed a

sustainable income. The financing invested in these concepts is not for consumptive purposes or short-term income but for investments in sustaining productivity. South Africa has invested huge resources over the years in the consumptive economy, which by its very nature and design are meant for short-term poverty relief (The Presidency, 2023). Poverty eradication efforts are more complex and multidimensional. They go beyond relief of those living in poverty but create environments through policies and legislative frameworks, strategies and plans that permanently move poor people out of poverty.

The success stories of these models demonstrate the potential for sustainable business models to address poverty, promote local economic development, and drive social transformation. Their success stories showcase the power of innovative approaches, community engagement, and a focus on long-term impact to create positive change in the lives of individuals and communities. Moreover, cooperative enterprise models demonstrate how cooperative ownership, democratic decision-making, and shared benefits can empower individuals, reduce poverty, and drive local economic development. They showcase the potential of cooperative models to create sustainable businesses that prioritize social impact and foster inclusive economic growth.

The NDA turnaround strategy, which has adopted a poverty eradication approach and the government's "Acceleration plan on poverty alleviation to achieve NDP targets by 2030", would not require only reform of its operational intervention designs but also to influence changes in the legislative and policy environment to support efforts to eliminate poverty among those targeted by the interventions. The NDA has the advantage of demonstrating its contribution towards poverty eradication and is better placed to lobby for policy and legislative environment that impedes the achievement of poverty eradication and its causes.

Understanding the current environment for creating sustainable livelihoods for those with no means of production and control of their local economies, the concepts of cooperatives, community-owned and social enterprises become an effective approach for business ownership and productivity at a local level for people experiencing poverty.

The current regulations and laws need to be reformed to provide an enabling environment for these individuals and formations to be recognised as contributors to the growth and sustenance of the South African economy (International Labour Organisation, 2016). For example, street traders, Spaza shops, stokvels, backyard farmers or communal land farmers or small smallholder farmers, individual plumbers, carpenters, builders, and garden maintenance trading their services in the streets are not recognised as formal contributors to enterprise ownership, economy, and productivity. The success of the three concepts, cooperatives, community-owned and social enterprises discussed in this paper is based on cooperating in the whole business value chain. Their possibility to succeed is founded on their ability to cooperate as opposed to competing amongst themselves (National Development Agency, 2023).

Conclusions

The literature and examples demonstrate the invaluable roles of cooperatives in poverty eradication. In the South African context, cooperatives, community-owned enterprises and social enterprises must be targeted, planned and resourced as tools for poverty reduction. However, the literature cautions against state institution interference in the formation and management of these enterprises. The NDA and government institutions operating in the space of poverty alleviation and eradication must entrench these principles and values to communities to foster ownership of these enterprises and avoid interfering in their operations. The role of the state institutions is to educate, support and provide an enabling environment for these enterprises to achieve objectives defined by members who joined voluntarily to be part of these enterprises. The main role of government is to ensure there is a conducive and supportive environment and fair practices through policies and legislative frameworks that treat these formations as businesses with the potential to grow and contribute not only to the economy but also to create local ownership of means of production and their local economies.

Although well-developed legislative frameworks and principles guide the cooperative sector, there is an urgent need to build the capacity of cooperatives through education and training on the legislation, principles and values that guide them. In addition, other forms of community enterprise that embody the principles and values of the cooperative movement can also register as cooperatives. The outcome of supporting cooperatives should go beyond job creation to the creation of productive capacities to claim ownership of the economy so that the people who own these enterprises can dictate their future, sustainable livelihoods and prosperity. The literature suggests that enterprises formed on these concepts have the potential to grow into large enterprises in any sector of the economy.

For South Africa to significantly reduce the high levels of poverty and eventually eradicate poverty and its causes, it needs to invest in sustainable livelihood programmes for those who currently do not have access to the economy and its benefits. The current economic policies and legislative frameworks would need to adopt a developmental approach towards poverty eradication so that it does not heavily rely on the free market and capitalist economy that keeps the majority of people, especially black Africans from economic means for survival. Appropriate skills development and supportive ecosystems are key for cooperatives, social enterprises and community-owned enterprises' survival and are effective tools for eradicating poverty and its causes.

Supplementary Materials: No supplementary materials.

Statement on data availability: All the consulted secondary data is available upon request. No raw data is available as the research was a secondary literature review.

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Authors' contribution note: Both Authors, Bongani Magongo and Nthabiseng Kraai played a pivotal role in conceptualizing the scope of the study, designing the methodology for the literature review, and drafting significant portions of the manuscript. Furthermore, we conducted an extensive review of existing literature, identifying key concepts and approaches related to pathways out of poverty. Additionally, we analysed data extracted from the literature, offering valuable insights and interpretations that informed the overall narrative of the literature review. This study benefited significantly from the diverse expertise and collaborative efforts of both authors. Each contributor brought unique insights, skills, and dedication to the project, resulting in a comprehensive literature review on the concepts and approaches for pathways out of poverty, thus guiding the NDA on how to implement its turnaround strategy using these pathways out of poverty paper.

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The Current State of Secondary Cooperatives in South Africa

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Abstract

This study provides the current state of secondary cooperatives in South Africa, focusing on the factors influencing their sustainability and performance. Based on a content analysis of 50 academic and governmental articles using Atlas.ti, the study outlines the importance of secondary cooperatives in creating employment opportunities, reducing the mortality rate of primary cooperatives, and increasing their performance. Legal challenges, political interest, and government funding are the critical factors impacting the sustainable performance of secondary cooperatives. These contribute to the high mortality rates experienced by the secondary cooperatives due to the limitations of income generation and the insufficient turnover of the businesses. It is recommended that secondary cooperatives reduce reliance on government funding and be formed by at least two primary cooperatives. Instead of solely relying on government formation, they embrace continuous learning and training. The study also recommends the formation of a movement of secondary cooperatives and cooperative tribunal courts to address disputes. It further recommends the support of different stakeholders, including the cooperative community, policymakers, and other entities interested in the cooperative movement, to enhance the effectiveness and sustainability of South African secondary cooperatives.

Keywords: Secondary cooperatives, Government funding, Cooperative sustainability, Corruption impact, Local economic development.

Introduction

Cooperatives are viable, vibrant, and strong economic factors. They contribute to poverty reduction by uplifting the communities they operate (Rena, 2017; Maoto, 2017). However, the cooperative movement in South Africa, for many years, has been performing poorly (Boadu, 2016). Lack of awareness, access to sufficient finances, and capacity building are among the challenges faced by South African cooperatives (Okem, 2016). In South Africa, the development of cooperatives into the mainstream economy is affected by limited recognition and a lack of tailored support (Guliwe and Venter, 2018). Skills shortage, lack of market and finance and limited improvement support are among other challenges faced by the sector in South Africa. The opportunities and challenges of network formation for cooperatives can help overcome barriers and facilitate access to resources (Okem, 2012).

Cooperatives are vital to the economy of every country, and hierarchical structures (primary, secondary, and tertiary) of cooperatives should be functional to ensure the success of the cooperative sector. Networks could be realised through active secondary cooperative movement, improved state support, and training institutions that will enhance the contribution of cooperatives to economic development. According to Rena (2017:117678),

"Secondary cooperatives play an important role in the cooperative sector by providing a range of services to their members, such as capacity building, advocacy, and access to finance. However, secondary cooperatives face a number of challenges, including lack of awareness, access to finance, and capacity building. There is a need for more support for secondary cooperatives from the government and other stakeholders."

Although the hierarchal structure of the model of cooperatives does not appear in the literature, the model developed by the International Cooperative Alliance (ICA) shows the relationship of primary, secondary, and tertiary cooperatives (see Figure 1). According to the ICA (2005), the model has been proven to effectively organise cooperatives in a way that balances local autonomy with collective strength, ensuring that cooperatives can operate effectively at different scales and contexts. The framework of primary, secondary, and tertiary cooperatives provide a structured approach to cooperative collaboration, enabling individuals and organizations to work together effectively. Primary cooperatives are the foundation of the cooperative system, representing the individual members and their direct involvement in the cooperative's activities (Misra, 2006). Secondary cooperatives serve as intermediaries, bringing together multiple primary cooperatives to achieve economies of scale and enhance their collective bargaining power (Galor, 2003). Tertiary cooperatives provide support and coordination to secondary cooperatives, facilitating collaboration and knowledge sharing among cooperatives at a higher-level Companies and Intellectual Property Commission (CIPC, 2023). By understanding the importance and functions of each level of cooperation, stakeholders can leverage the strengths of primary, secondary, and tertiary cooperatives to achieve common goals, promote economic development, and enhance social well-being (Bezus et al., 2020).

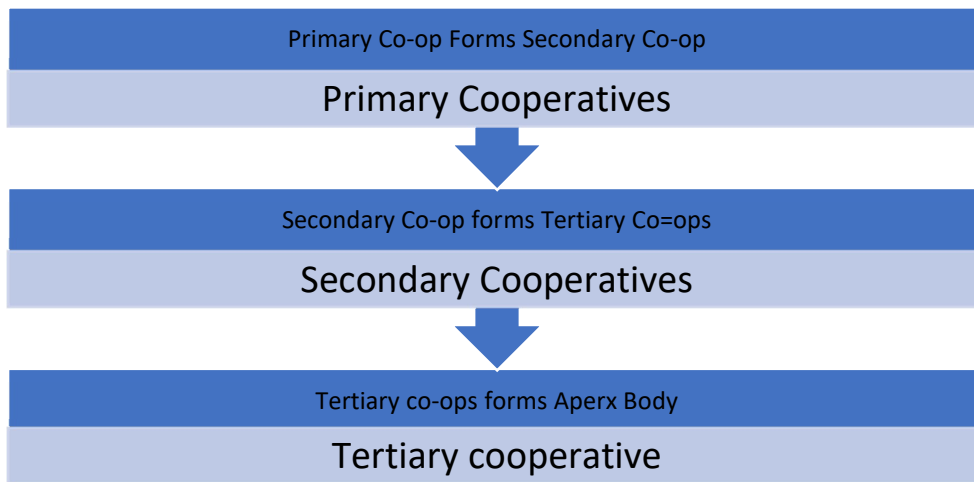


Figure 2.: Hieratical Structural of Cooperatives (Author Compilation)

The framework of primary, secondary, and tertiary cooperatives is a key aspect of cooperative development, particularly in rural areas (Galor, 2003). Secondary and tertiary cooperatives, such as dairy service cooperatives, play a crucial role in supporting small-scale farmers and addressing the challenges of a competitive business environment with restrictive legislation (Bezus, 2020). The governance of cooperative firms, including inter-firm coordination and consistency of values, is a critical factor in the success of cooperatives (Sacchetti, 2012). However, cooperatives in developing nations, such as South Africa, have been unable to realize these esteemed ideals due to a lack of knowledge regarding the purpose and functions of cooperatives (Okem and Lawrence, 2012). This study aims to assess the current state of South African secondary cooperatives and identify the factors influencing their performance.

According to Okbandrias and Okem (2016) over 50 000 cooperatives in South Africa are registered, which shows that the cooperative sector in the country has significantly grown. However, these cooperatives did not form secondary, tertiary, or apex body cooperatives (Fourie and Malan, 2021; Steinman and van Rooij, 2020). The flawed cooperative movement seriously impacts the growth and resilience of cooperatives that support South Africa's socioeconomic development (Khumalo, 2014).

According to Okem (2016), South African cooperatives are reliant on government funding. The secondary cooperatives are not immune to this challenge. The South African National Apex Cooperative (SANACO) is a good example of an apex cooperative fully reliant on grants. SANACO's dependence on grants and external funding was revealed during a discussion with the Small Business Development Committee of Parliament (Parliamentary Monitoring Group, 2014). During the 2018 discussion between the Small Business Development Committee and SANACO, concerns were raised about financial management and transparency, particularly regarding a reported payment of R39 million to the President of SANACO (Parliamentary Monitoring Group, 2018).

Political interests and corruption impact secondary cooperatives in South Africa by influencing the allocation of government funding and disadvantaging cooperatives that are not aligned with the ruling party (Van Rensburg, 2006). Gwiriri and Bennett (2020) emphasize the competition between cooperatives for government programs, leading to a skewed distribution of benefits and the election of powerful actors who may prioritize their interests over member engagement (Kanyane and Ilorah, 2015). The political agendas and corruption can impact the financial stability, member engagement, and proper management of funds and assets in South African secondary cooperatives

Legal Challenges and the Need for Cooperative Tribunal Courts

A tribunal court is a type of court that is typically specialized in nature and deals with specific types of legal cases, Kaniaru, (2007). Unlike traditional courts, tribunals often focus on areas of law and are designed to provide a more specialized, often faster, and sometimes less formal judicial process. The Cooperatives Amendment Act 2013 establishes the Cooperatives Tribunal in South Africa, detailing its composition, functions, adjudication powers, and supplementary provisions for inspectors and conflict resolution, The Presidency (2013). The challenges faced by tribunals in dispensing justice, highlight the need for these bodies to fulfil their intended functions. As part of the Cooperatives Amendment Bill introduced by Dr. Rob Davies, Minister of Trade and Industry in South Africa, shown the need to establishment of a Cooperatives Tribunal, South African Government (2012). This Tribunal is supposed to have aimed at enhancing the sustainability and economic impact of cooperatives in the country. The creation of the Tribunal is intended to support the cooperative sector by providing a specialized legal platform for addressing disputes, regulatory compliance, and other legal aspects pertinent to cooperatives. This move is part of a comprehensive approach to reduce the high mortality rate of cooperatives and ensure their long-term viability and effective contribution to South Africa's economy, (South African Government, 2012). The challenges faced by cooperatives in South Africa, emphasizing the importance of governmental support and the development of social capital, Kanyane (2015). Botha (2015) explores alternatives to collective bargaining, including the potential role of workplace forums. The challenges faced by cooperatives can be addressed through the establishment of cooperative tribunal courts, governmental support, and the development of participatory structures.

Methodology

The study uses Atlas.ti to analyse the current state of secondary cooperatives in South Africa. The research approach for this study is the archival strategy. A total of 75 documents were retrieved using keywords such as secondary, Apex body, and tertiary cooperatives in South Africa. I searched academic databases, South African government departments and agencies' websites, and non-governmental and research institutes. A content analysis approach was employed in analysing 50 peer-reviewed publications and grey literature, including reports from government ministries,

departments and agencies and non-governmental organisations using Atlas.ti. It was found through the government gazette that the function of the secondary cooperatives and their form of generating income is clear and aligned with other countries, regardless of whether government departments and agencies have incentives that they grant the secondary cooperatives.

Data was collected by searching for published peer-reviewed and grey literature. The search terms used included ["South African Secondary cooperatives", "tertiary cooperatives in South Africa", and "National Apex Cooperative Body in South Africa"]. A search for peer-reviewed publications was performed on Science Direct. At the same time, grey literature were sourced from non-governmental organisations are the International Labour Organization (ILO), International Cooperative Alliance (ICA), governmental agencies such as the Company Intellectual Property Commission (CIPC), National Development Agency (NDA), and Land and Agricultural Development Bank of South Africa (LADBSA), and Small enterprise development agency (SEDA), The departments are the Department of Trade and Industry (DTI), Department of Agriculture, Land Reform and Rural Development, (DALRRD).

The papers were then screened based on their title and abstract to determine their relevance to the research question. Only papers directly addressing the research question and providing relevant data and insights were selected for further analysis. After the articles were screened, only relevant 50 articles from 2015-2023 were selected and used for the analysis of this study. The limitation of the archival strategy is reliance on existing data which may be biased and not provide a robust overview of the South African secondary cooperatives.

agencies, and governmental departments.

The relevant papers were selected and analysed using Atlas.ti. Atlas.ti is a data analysis tool that is used by social studies researchers to analyse qualitative data. The Atlas.ti analyzing tool was chosen for this analysis due to its ability to handle large amounts of qualitative data and its features for organizing and coding data. This tool allowed for efficient management and analysis of the data collected from the selected papers. The word clouding feature in Atlas.ti was particularly useful for visualizing the frequency of different words in the data. In contrast, the machine learning search and code feature helped in identifying and coding the most counted words. Overall, using Atlas.ti facilitated a systematic and comprehensive analysis of the data.

The first step in the analysis was to create the word cloud using the Atlas.ti word cloud. After cleaning the word cloud on irrelevant words such as "and there, the, is, that, and other", the most counted words were coded using the Atlas.ti machine learning search and code. I later reviewed and analysed through the writing of memories and comments within the Atlas.ti application which was then used to construct the networks.

Findings and Discussion

Interpreting the data, the network and statistical analysis tools features of Atlas.ti were used. The relationship of coded concepts was analysed through the concepts network feature in Atlas.ti. Additionally, the statistical analysis tools in Atlas.ti enabled the exploration of correlations and trends among various variables. This was to establish the relationships and connections between the concepts analysed.

Factors contributing to the operational longevity of secondary cooperatives South Africa

The study analyses the factors contributing to the operational longevity of secondary cooperatives, focusing on government funding, corruption, and legal challenges (see Table 1). The data shows that challenges and government funding have equal coefficients (0.02). Atlas.ti relies on the Code Co-Occurrence Coefficient: This coefficient indicates the strength of the relationship between two codes, which is the number of codes in the documents. The concept challenges, and government funding frequently appear on the same level within the documents analyzed using Atlas.ti and together with their impact functionality of South African secondary cooperatives. The low coefficient for corruption and trial suggests they have less impact on operational functionality.

For the structure of cooperatives, government funding is the most influential factor, with the highest coefficient (0.02), indicating that how the cooperative is funded significantly affects its structural setup. Corruption also has some impact but to a lesser extent than government funding.

Sustainability on government funding has the highest coefficient (0.03), showing the importance of the need for long-term viability in South African secondary cooperatives. Challenges also show a significant impact on sustainability, while corruption and trial have less influence in this respect. Where challenges are indicated, there are no chances of sustainability.

The study emphasizes the importance of financial management and addressing operational challenges to achieve business sustainability. How funds are sourced and managed is very important to the longevity of a secondary cooperative. Primary cooperatives using the services or buying products from secondary cooperatives lead to sustainable income for secondary cooperatives.

Table 1 Secondary Cooperative Governance

	Operation/Functionality Gr=208		Structure Gr=153		Sustainability Gr=121	
	count	coefficient	count	coefficient	count	coefficient
<i>Challenges Gr=468</i>	14	0,02	3	0,00	14	0,02
<i>Corruption Gr=270</i>	2	0,00	3	0,01	0	0,00
<i>Government funding Gr=428</i>	12	0,02	13	0,02	15	0,03
<i>Tribunal Gr=101</i>	2	0,01	0	0,00	2	0,01

The role of primary cooperatives in supporting the growth and sustainability of secondary cooperatives

As per the International Cooperative Alliance (ICA) and the South African context, secondary cooperatives are established when two or more primary cooperatives come together to share a similar need. These requirements can include exchanging knowledge and skills and gaining access to markets and resources. By offering a solid basis, primary cooperatives are essential to the expansion and survival of secondary cooperatives. For secondary cooperatives to succeed, they can provide training and development, access to networks and markets, and financial support. Moreover, primary cooperatives can facilitate cooperation and group decision-making, allowing secondary cooperatives to successfully confront the social, political, and economic difficulties they encounter.

Table 2 shows that the sustainability element is related to economic, political, and social when measuring the coefficients. Sustainability is prominent in economic and social categories, highlighting their importance across different dimensions. Sustainability is crucial in terms of the primary cooperative members' buy-in and economic factors in terms of using the services of the secondary cooperatives and paying membership and affiliation fees.

The economic benefits and challenges of forming alliances between primary and secondary cooperatives

The principal cooperatives support the cooperative's operations by collecting membership and affiliation fees. The financial dependence of the secondary cooperative on the primary cooperative facilitates the provision of services by the secondary cooperative to the primary cooperative. The economic benefits of these alliances may include access to larger markets, increased purchasing power, and economies of scale. Nonetheless, the establishment of alliances leads to various

obstacles, including the possibility of power differentials between primary and secondary cooperatives, conflicts of interest, and complexities in the execution of decision-making procedures. To ensure the success of these alliances, cooperatives must meticulously contemplate the economic ramifications and establish transparent governance and communication systems. Cooperatives can be more resilient with funds from the primary cooperatives, for whom the secondary cooperatives provide a service, as opposed to government funding. Government funding may be one-time only; once it is determined that the secondary cooperative can be self-sufficient through primary cooperatives, it may be renewed.

In Table 3, The economic factors seem to be dominated by 'Challenges' and 'Sustainability', indicating these are significant areas of concern. The higher count and coefficients suggest these are more prevalent or impactful topics in the economic context of secondary cooperatives.

The political factors that impact the performance of secondary cooperatives and how they can be addressed.

Political factors play a significant role in the performance of secondary cooperatives, as government policies and regulations can either support or hinder their operations. For example, if the government provides tax incentives or subsidies to secondary cooperatives, it can encourage their growth and success. On the other hand, if the government imposes excessive regulations or fails to enforce them, it can create barriers and challenges for these cooperatives. Therefore, it is crucial for the government to actively engage with secondary cooperatives, listen to their concerns, and take the necessary actions to address any political barriers that may hinder their performance. This can be done through regular dialogues, policy reforms, and effective enforcement mechanisms. Ultimately, a supportive political environment can help sustain and promote the growth of secondary cooperatives in South Africa. In Table 3.2.2., In the political dimension, 'Corruption' and 'Effectiveness' stand out with the highest counts and coefficients. This suggests that corruption is a significant political issue affecting cooperatives, and the effectiveness of political support or intervention is also a key topic.

The contribution of social factors to the success or failure of secondary cooperatives

The secondary cooperatives, which are formed by the primary cooperatives, have strong ties with their members. The secondary cooperatives will be formed based on the needs agreed upon by the cooperative members. the formation of secondary cooperative in the absence of the existing primary cooperatives may lead to the failure of the secondary cooperative. The success of a secondary cooperative also depends on the social cohesion and trust among its members. The members of primary cooperatives will need to feel a sense of ownership in the secondary cooperative, so the secondary cooperatives that are owned and controlled by the primary cooperative members will be more sustainable as compared to the primary cooperatives that were once established.

In Table 2., in the social category, 'Challenges' and 'Sustainability' have the highest count and coefficients, like the economic factors. This indicates that these issues are also perceived as significant in the social context of secondary cooperatives.

Table 2: Secondary Economic, Social, and Economic Factors

	Economic Gr=118 4		Political Gr=19 2		Social Gr=11 34	
	count	coefficient	count	coefficient	count	coefficient
<i>Capacity building Gr=98</i>	5	0,00	0	0,00	6	0,00
<i>Challenges Gr=468</i>	46	0,03	2	0,00	27	0,02
<i>Corruption Gr=270</i>	11	0,01	13	0,03	11	0,01
<i>Effectiveness Gr=330</i>	25	0,02	8	0,02	19	0,01
<i>Government funding Gr=77</i>	5	0,00	1	0,00	12	0,01
<i>Sustainability Gr=121</i>	35	0,03	3	0,01	26	0,02

Factors contributing to the operational longevity of secondary cooperatives

Table 3 highlights the multifaceted and interconnected nature of factors like government funding, operational challenges, and corruption in influencing the governance and longevity of secondary cooperatives. The table reveals that challenges and government funding are significant factors in the daily operations of secondary cooperatives, with low coefficients for corruption and trial. In terms of structure, government funding is the most influential factor, with challenges substantially impacting sustainability.

Regarding sustainability, government funding is the most significant factor, with challenges also having a substantial impact. However, corruption and trial have less influence. Overall, government funding is a crucial factor across all governance aspects, particularly in sustainability and structure, emphasizing the importance of stable and effective funding strategies for the longevity of secondary cooperatives.

Challenges consistently impact operation/functionality and sustainability, suggesting that addressing operational challenges is key to ensuring long-term success. Corruption impacts the structure of cooperatives but is less significant in terms of operational functionality and sustainability. Legal challenges seem to have a minor impact, suggesting that legal issues might not be a primary concern in the governance of these cooperatives. A focus on stable funding and addressing operational challenges is crucial for their sustainable operation and growth.

Table 3: Secondary Cooperative Governance: Functionality, Structure and Sustainability

	Operation/ Functionality Gr=208		Structure Gr=153		Sustainability Gr=121	
	count	coefficient	count	coefficient	count	coefficient
<i>Challenges</i> Gr=468	14	0,02	3	0,00	14	0,02
<i>Corruption</i> Gr=270	2	0,00	3	0,01	0	0,00
<i>Government funding</i> Gr=428	12	0,02	13	0,02	15	0,03
<i>Tribunal</i> Gr=101	2	0,01	0	0,00	2	0,01

The operation and functionality, structure, sustainability, and addressing challenges such as corruption, government funding, and the tribunal system are all crucial factors to the overall success and sustainability of secondary cooperatives. By addressing these challenges and ensuring proper functionality and structure, secondary cooperatives can thrive and make a positive impact in their communities. Secondary cooperatives in South Africa encounter significant operational sustainability challenges due to their dependence on government funding and incentives. The establishment of secondary cooperatives ought to be achieved by leveraging sustainable primary cooperatives. When cooperatives completely rely on government assistance, their prospects of success become extremely low, and they might encounter difficulties in generating adequate revenue to ensure their survival.

Several secondary and tertiary cooperatives in South Africa were not established on the foundation of operational or sustainable primary cooperatives. This represents the primary and most significant obstacle, as it sets the stage for these cooperatives to become dependent on government assistance and other financial aid mechanisms.

Most times, secondary cooperatives that the government mandates to establish the primary cooperative revert to top-down endeavours that ultimately fall short of attaining adequate success and surpassing their own. The apex body cooperatives are distinct entities that operate based on cooperative principles, emphasizing democratic ownership, participation, and shared benefits among members. as defined by the Cooperative Act 6 of 2023 as amended by the Company Intellectual Property Commission (CIPC: 2023).

Conclusion and Recommendation

For cooperatives to be sustainable, they require strong procedures in the cooperative framework. Primary cooperatives need to form secondary cooperatives, while secondary cooperatives need to form tertiary cooperatives. Due to the historical background of South Africa, cooperatives at all levels need grants and funding for assistance as a form of capital or growth for the business. However, being reliant on grants and government funding does not lead to sustainability; it can compromise cooperatives' autonomy. In cases where politicians interfere in the governance of cooperatives or their formation, such cooperatives are not sustainable as, in most cases, they are reliant on funds from the government instead of relying on their products or services. Further investigation of empirical studies is required to investigate the importance of the formation of secondary cooperatives by the primary cooperatives. Investigations must be made in the form of surveys or interviews with both the existing secondary and primary cooperatives. Secondary cooperatives will invest in the root formation of their cooperatives, while primary cooperatives will find out how many members are in any secondary cooperatives and who formed the cooperatives. This is when the primary cooperatives are operational, and members of the secondary cooperatives are primary cooperatives can be the cornerstone of secondary cooperatives through their self-sufficiency and economic viability. The following are the suggestions offered by this research to ensure the sustainability of a secondary cooperative that is sustainably operational:

- **Government Support:** It remains very important that the government financially support the operational activities of the secondary cooperatives. However, it is critical to ensure that the primary cooperatives have primary cooperatives that are self-reliant, self-sufficient, and economically viable. In this way, the members will be able to pay the affiliation fee and the annual membership fee and use the services of a secondary cooperative, generating income from different streams. This strategy will guarantee solid financial base sources and less reliance on government funding and other grants. In the case of South African cooperatives, training and resources are needed to instil

cooperative knowledge among members and stakeholders. The cornerstone of the cooperative sector is primary cooperatives. The government has a role to play, which is to promote and support sustainable primary cooperatives.

- **Continuous Education:** It is the responsibility of all the stakeholders to embrace continuous education within the cooperative sector. The implementation of ongoing training and education initiatives to educate the communities, government officials, and cooperative members. The failure to understand the procedures and processes of cooperatives leads to inefficient operations of cooperatives. Continuous education should be advocated for and included in the policies and procedures of the cooperative sector. For example, a certification awarded for training should only be valid for a certain period so that when the time elapses, the certificate holder can renew it through updated training.
- **Legal Framework:** The cooperative sector in South Africa is faced with a lot of challenges, governance being one of them, which can be resolved through the cooperative tribunal court. Promoting accountability and transparency within the cooperative and its members' implementation of a tribunal court may offer such legal redress. The tribunal court can be in a good position to oversee disputes and conflicts within the cooperative sectors. The cooperative tribunal court can enforce adherence to cooperative values and principles as it possesses the authority to oversee the regulations and policies of cooperatives. This is because the cooperative tribunal court specializes in legal frameworks that activate credibility and reliability within the cooperative sector.
- **Transparency Measures:** Transparency is one of the important cooperative principles. The cooperative movement embraces transparency as one of the principles that makes cooperative members resilient within their cooperative. Transparency instils trust in cooperative members due to their understanding of the practices and processes. Transparency measures are crucial for members of cooperatives and their governance. It is pivotal to cooperative governance to put measures in place measures that will ensure routine financial audits, the publishing of annual reports, and making information available to members and the public.

There are risks for secondary cooperatives to run their businesses because of government support and theft of money and assets meant for primary cooperatives. The government should support the secondary cooperatives that have a strong link with active primary cooperative members with certainty of sustainability.

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Understanding Strategy Focusing on the South African Spaza Shops

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Abstract

The South African spaza sector is crucial for socioeconomic growth, supporting businesses and providing access to goods and services in local communities. However, it faces challenges like competition from monopolies, limited credit availability, and the lack of managerial expertise among owners. Even with these challenges, some successes in the spaza shop and informal sector are linked to the development and implementation of plans to achieve organisational and personal goals. This study uses a systematic literature review drawing from studies in strategic management to understand how research in this field explains cooperatives as an option to build sustainable spaza shops and a more dependable informal sector. The systematic literature review explores research published between 2008 and 2022 to observe evolving debates on strategic management in the South African spaza sector. The focus is on understanding how strategic management shapes objectives, formulates plans, and allocates resources within South African spaza shops. It also offers light on various areas of strategic management in the South African spaza sector. The selection criteria include studies published in peer-reviewed journals focusing on the South African context and uses the search terms: 'spaza shop', 'strategy', 'informal trade', 'South Africa' and 'cooperative spazas'. To analyse these studies, databases like Google Scholar, Web of Science, EBSCOhost, ProQuest, and Scopus were used to search for the literature on spaza shops in South Africa. The search identified 62 studies. However, only 55 studies that met the study inclusion criteria were included in the final review. The findings reveal that strategic adaptation is a common theme in strategy research focusing on the South African spaza sector. These findings also assert that successful spaza shop owners leverage relationships within the community, suppliers, and other stakeholders to negotiate better deals and secure customer loyalty. The study recommends framing spaza shop strategic management within the cooperatives and solidarity economy to address unique challenges of spaza shops including their small size. Future research should consider empirical data to probe the links between spaza, informal sector and solidarity economy to advance understanding of research perspectives about strategic management in these sectors.

Keywords: Spaza Shops; Informal Business; Strategic Management; Cooperative; Competitiveness; Solidarity

Introduction

Over the past few decades, significant growth and change in the South African spaza sector has occurred. During the past decade, the formal business sector in South Africa failed to create more job opportunities. In fact, it experienced a decline of approximately 20 000 job opportunities. As a result, many people began experimenting with spaza shops as a means of generating income (Moyo, 2022). Spaza shops are small, independently owned retail businesses operating in neighbourhood areas. They make up the informal micro-business sector (Hare and Walwyn, 2019) and provide small groceries for the populace and are a major source of income for owners across the nation. Spaza shops have increased in numbers from the years 2012 to 2023 (Koen, 2022). Today, spaza shops handle vast turnovers and their existence cannot be overlooked by companies marketing consumer products. Spaza shops have become a prominent member of the South African economy. The recent acceptance and success of spaza shops is due to several reasons, not only is it because they are located near the consumers, but they also offer convenience in respect of trading hours, products offered, and prices asked – all of which are aimed at need satisfaction. Spaza shops are now legalised on the condition that they obtain a trading licence in accordance with Business Act 71 of 1991 (Khumalo and Sisulu, 2020). Despite their significance, spaza shops face various difficulties, including restricted credit availability, fierce competition, and a lack of management expertise (Mafuwane and Muchie, 2022). Strategic management practices could enable them to survive and expand.

Setting objectives for an organisation, creating plans and policies to attain those objectives, and assigning resources to carry out the plans are all included in strategic management (Hare and Walwyn, 2019). Strategic management in the spaza sector entails comprehending the competitive environment, spotting development prospects, and developing plans to take advantage of these changes. It also involves managing the company's financial, operational, and human resource components to guarantee long-term sustainability. The difficulties experienced by spaza shops in South Africa have been the subject of multiple studies (Fatoki, 2016). However, very few studies have been done on the role of strategic management in the spaza sector. By analysing studies in strategic management, this research provides a useful account of how the spaza sector has been researched and how it is currently studied by South African scholars. We have seen evidence of strategic management in the spaza shops over recent decades:

Example 1: Stocks purchased by foreigners who own local spaza shops usually buy these stocks in groups, this strategy allows traders to purchase at wholesale prices.

Example 2: Product diversification – this is whereby spaza shops adjust their product offering from basic household goods to consumer electronics and hardware products.

Example 3: The use of informal marketing by spaza shops owners (a lot of spaza shops partner with brands such as Mobile Telecommunication Network, Lucky Star, and Coca Cola) advertising for these above-mentioned brands, in exchange for discounted prices.

Our review offers a thorough examination of the body of information already available on strategic management in the context of the South African spaza sector. There will be four primary sections to be covered in the literature review: An overview of the South African spaza sector, the concept of strategic management and its applicability to micro-enterprises, the effect of strategic management on the performance and competitiveness of spaza shops, and the underlying variables affecting the successful implementation of strategic management practises.

Theoretical framework

A theoretical framework serves as the conceptual base of any research study by providing the foundation on which it stands. Researchers use it as a lens through which they analyse data, interpret findings, and generate meaningful insights. According to Patten (2021), theoretical frameworks are essential tools in research as they act as roadmaps for investigating specific phenomena while making sense of the data collected during fieldwork.

The theory of strategic management

The theory of strategic management provides organisations with a framework for developing and executing strategies to reach long-term goals while gaining competitive advantages within their industries (Güven, 2020). It incorporates principles, concepts and tools which aid organisations in analysing both internal and external environments to make informed decisions that maximise performance while adapting quickly to changing conditions. Hitt, Arregle, and Holmes (2021), propose that strategic management encompasses long-term organisational direction and performance, specifically how organisations can gain a sustainable competitive advantage by aligning internal resources and capabilities with external opportunities and threats in their environment. Furthermore, strategic management includes developing, implementing, and evaluating strategies which help organisations meet their goals and objectives. Strategic management is a crucial concept in the realm of business administration. It involves the development and execution of strategies aimed at attaining organisational objectives and securing a competitive edge in the market (Güven, 2020).

With reference to seminal literature review of Sun Tzu, an ancient Chinese military strategist, who holds significant influence in the realm of strategic management. His conceptualizations of strategy have had a lasting impact on this field of study. The purpose of this literature is to examine Sun Tzu's understanding of strategy and strategic management, and to analyse how it relates to the ongoing strategy

discussions in South Africa. Additionally, this study aims to present a practical example of the strategic approach employed by the South African spaza shops.

Sun Tzu's understanding of strategy, as portrayed in his famous book "The Art of War," centres on the idea of comprehending the competitive environment, taking advantage of favourable circumstances, and reducing potential risks (Joshi, 2019). Ploumis (2021), highlights that Sun Tzu places great emphasis on the significance of conducting comprehensive analysis and gathering intelligence prior to undertaking any strategic endeavours. This is consistent with current strategic management practices, which also highlight the importance of conducting environmental analysis and evaluating the internal strengths and weaknesses of an organisation (Sheh, 2019).

On the other hand, the discussions surrounding strategies in South Africa have developed within a specific framework, influenced by the nation's exceptional socio-economic and political environment. According to Joshi (2019), there has been a change in the way strategic management is discussed in the post-apartheid era in South Africa. This change involves a greater emphasis on transformational strategies that aim to tackle past inequalities and foster inclusive growth. The significance of Black Economic Empowerment (BEE) policies is apparent due to the focus placed on them. These policies aim to encourage economic involvement and ownership among individuals who have faced historical disadvantages (Gaffley and Pelsler, 2021).

When comparing Sun Tzu's conceptualization of strategy to the strategy debates in South Africa, it becomes apparent that both emphasise the importance of comprehending the surrounding environment and capitalising on favourable circumstances. The emphasis that Sun Tzu places on gathering intelligence is in line with the requirement for comprehensive environmental analysis in modern strategic management practices. In a similar vein, the strategy discussions in South Africa recognize the significance of comprehending the socio-economic and political environment to develop strategies that tackle past disparities and foster all-encompassing progress.

To elucidate the fundamental approach of spaza shops, it is imperative to grasp the essence of these enterprises. Spaza shops, which are commonly found in various townships across South Africa, are modest and casual retail establishments that play a crucial role in providing necessary goods and services. According to Oyewobi, Windapo, and Rotimi (2016), spaza shops usually function in tightly knit communities, where the owners possess extensive understanding of customer preferences and behaviour. This allows companies to customise their products and pricing strategies to accommodate the unique requirements and budgetary limitations of their clientele.

The approach utilised by spaza shops can be described as a blend of cost leadership and market differentiation. Due to the constrained financial resources of their target market, spaza shop owners frequently procure their merchandise from wholesalers at competitive prices, enabling them to provide goods at more affordable rates in comparison to formal retailers. Moreover, these establishments have the

potential to offer a wide variety of merchandise, encompassing essential food items, fundamental household necessities, and handcrafted products. This strategy allows them to stand out from major retailers, which often have a more limited assortment of goods. The primary objective of this diversification strategy is to appeal to customers and maintain a customer base that places importance on both convenience and personalised services (Oyewobi, 2016).

In this research, the theory of strategic management provides a solid theoretical base, the researcher aims to investigate strategic management practices and challenges within the South African spaza sector which involve small informal retail businesses. By applying the theory of strategic management, this study seeks to understand how these businesses can create strategies to successfully navigate competitive markets and achieve long-term success. Guven (2020), notes that strategic management theories provide researchers with a framework for understanding how organisations make strategic decisions, allocate resources, and adapt to changing environments.

When specifically applied to South African spaza shops, the theory of strategic management may shed light on specific challenges they are experiencing and offer insights into effective strategies they could employ to overcome those hurdles. By adopting the theory of strategic management, this study recognizes the significance of context sensitivity when understanding strategic practices within the South African spaza sector. Teece (2019), emphasises this approach since different industries or regions may possess distinct characteristics and dynamics which impact decision-making; this study accordingly recognizes that spaza shops operate within specific socioeconomic and cultural conditions in South Africa and that may differ from practices found in other industries or regions.

These findings will add to the existing knowledge on strategic management and offer practical insights for spaza shops operating in South Africa by understanding unique challenges and opportunities within their specific context. By doing this, these spaza shops can develop tailored strategies, tailored specifically to their needs and circumstances, this is an approach that is consistent with Bromiley, and Rau's (2022) claim that context-sensitive approaches to strategic management lead to improved performance and competitive advantages for organisations .

The South African Spaza Sector

The informality of the spaza sector in South Africa and its crucial place in the socioeconomic structure of the nation defines it. Spaza shops are modest, unofficial retail establishments that primarily serve the requirements of the surrounding neighbourhoods (Basardien, 2014). Groceries, home goods, and mobile phone services are just a few of the goods and services that are available at these unofficial shops. The spaza sector is crucial to the South African economy because it gives many entrepreneurs a place to make a living and gives locals access to necessities like food and medicine (Peter Welman, 2021).

The spaza sector, however, confronts numerous difficulties, including fierce rivalry from foreign-owned businesses, restricted finance availability, and a lack of

managerial expertise among local business owners (Basardien, 2014). Due to these difficulties, there is a performance gap between locally owned and foreign-owned spaza shops, as well as a significant failure rate for newly founded businesses. Strategic management is now seen as a key topic of investigation, sparking a growing interest in understanding the elements that contribute to the success and sustainability of spaza shops in South Africa (Lamb, 2019).

Strategic Management and its Relevance to Micro-Enterprises

To accomplish the goals of an organisation, a process known as strategic management must be developed, put into action, and evaluated (Koen, 2022). This process is essential for businesses of all sizes because it directs resource allocation, makes it easier to build competitive strategies, and makes it possible for the company to react quickly to changes in the external environment (Lamb, 2019). Strategic management is crucial for micro-enterprises like spaza shops because they frequently compete in situations that are both resource- and highly competitive.

There is a growing body of research on the applicability of strategic management to micro-enterprises, with various studies emphasising the positive correlation between strategic management practices and business performance. For instance, according to Moseki and Scheers (2016), strategies for strategic management, like market segmentation, competitive positioning, and resource allocation, were positively related to the success of spaza shops in South Africa. The implementation of strategic management practices, such as market analysis, strategic planning, and the creation of marketing strategies, helped to the competitiveness and sustainability of spaza shops in the nation (Mafuwane and Muchie, 2022).

There is little understanding of the precise practices that contribute to the success of spaza shops in South Africa, despite the growing recognition of the significance of strategic management in micro-enterprises (Ligthelm, 2005). This information gap affects how well initiatives targeted at fostering the expansion and sustainability of the spaza sector are designed and put into action.

The Impact of Strategic Management on the Performance and Competitiveness of Spaza Shops

There is little research examining the effect of these practices on the performance and competitiveness of spaza shops in South Africa, even though the existing literature has established a positive relationship between strategic management practices and the performance of micro-enterprises (Nilson and Bonander, 2019). The available evidence on this subject will be summarised in this section of the literature study, with a focus on the specific strategic management techniques that have been shown to help spaza shops succeed.

According to Moseki and Scheers (2016), when conducting a survey of the relationship between spaza shops' success in Cape Town, South Africa, and strategic management practises, the authors discovered that competitive positioning, market analysis, and

strategic planning were all favourably related to firm performance. The survey also emphasised how crucial it is to take a customer-centric approach and consistently adapt to changes in the outside environment to stay competitive in the spaza sector.

Koen, (2022) conducted another study in which they looked at the contribution of strategic management practises to improving the competitiveness and sustainability of spaza shops in Johannesburg, South Africa. Market segmentation, differentiation tactics, and resource allocation were among the major practices that the authors found to be positively related to these micro-enterprises' competitiveness. To enhance their managerial capabilities and overall business performance, spaza shop owners must forge strategic connections with suppliers and invest in human resources, according to the study.

The success of foreign-owned spaza shops in South Africa was the subject of an investigation by Fatoki (2016), in a related study, with an emphasis on the role of strategic management practises. The implementation of successful strategic management practices, such as cost leadership, differentiation, and focus strategies, was primarily to blame for the authors' discovery that foreign-owned spaza shops performed better than local spaza shops. The study emphasised the importance of strategic management practises for neighbourhood spaza shop owners to boost their competitiveness and guarantee the longevity of their enterprises.

Underlying Factors Influencing the Successful Implementation of Strategic Management Practices

Up to this point, the literature review has emphasised the beneficial effects of strategic management techniques on the effectiveness and competitiveness of spaza shops in South Africa (Basardien, 2014). However, little is known about the underlying variables that affect how well these strategies are applied in the South African spaza sector. This section will examine the information that is currently available on the subject, concentrating on the elements that either help or impede spaza shop owners from implementing strategic management practises.

According to Peter Welman (2021), there are obstacles that spaza shop owners in Cape Town, South Africa faced when implementing strategic management practises, the author identified several barriers to the efficient use of strategic management practises, such as restricted financing availability, a lack of managerial expertise, and the absence of formal business training. The study also emphasised the importance of cultural and social elements, such as family dynamics and community norms, on spaza shop owners' decision-making processes and, consequently, on their capacity to embrace strategic management practises.

In a related study, Mafuwane and Muchie (2022), investigated the conditions that made it easier for foreign-owned spaza shops in Johannesburg, South Africa, to embrace strategic management practises. The authors discovered that strong social networks gave foreign business owners access to resources, knowledge, and support that aided in the adoption of strategic management practises. Furthermore, the study found that foreign shop owners were more likely to have entrepreneurial experience

and skills than their local counterparts, allowing them to recognise and seize market opportunities more successfully.

It has become clear that strategic management is crucial to the success and long-term viability of spaza shops in South Africa. Even though strategic management practices and business performance are positively correlated, more research is needed to determine the precise procedures that help spaza shops in South Africa remain competitive.

Materials and Methods

This is a research methodology and design section. The section comprises the research approach, research design, data collection and data analysis methods to be used for this research based on the literature review. The methods used aligns with the research objectives.

Research approach

To achieve research objectives, a technique known as a systematic literature review will be employed, which is a methodical and structured procedure. A systematic literature review is a strategy designed to evaluate and synthesise the available research on a specific topic to draw conclusions about that study (Snyder, 2019). It is necessary to conduct a search that is both methodical and open to examination to discover relevant research (Hopia, 2016). Following this, is an evaluation of the quality of the included studies, followed by the extraction and synthesis of data from those studies (Munn, 2018).

To conduct a systematic literature review, the researcher must first outline the research query and establish specific inclusion and exclusion criteria. The search strategy that will be conducted across a variety of academic databases, relevant journals, and other information sources will adhere to these criteria and be guided by them as well. The search criteria will be selected with great care to retrieve not only the most relevant but also the most recent literature of its type (Linares-Espinós, 2018).

After the initial search has been completed, the researcher will evaluate all the found papers using the established criteria. These criteria include the quality of the research, the study's methodology, and the applicability of the findings to the issue at hand. After that, the selected papers will be scrutinised in-depth as part of a comprehensive evaluation, during which their levels of methodological rigour and potential biases will be assessed. This evaluation will be conducted using tried and true assessment instruments, such as the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) program's recommendations (Mengist, 2020).

Following an evaluation of the quality of the work, the pertinent information from the selected studies will be extracted, followed by a synthesis of that information. The retrieved data will be categorised and organised during this phase of synthesis. Patterns and themes will be identified, and conclusions will be derived based on the studies' overall findings. During the data extraction and synthesis

process, if any disagreements or disputes arise, the research team will have discussions and reach a consensus on a course of action (Stern, 2020).

It is essential to remember that secondary data sources will be the primary focus of this investigation. Performing a systematic literature review entails performing an analysis and synthesis of the data obtained from previously conducted research as well as articles, reports, and other types of published literature. The researcher will not collect primary data utilising any of these three methods: surveys, interviews, or experiments. Instead, to gain an understanding of the strategic management processes utilised in the South African spaza sector, they will conduct an in-depth examination and interpretation of the information provided by the selected studies. It is advantageous to rely on secondary data because doing so enables a broader and more comprehensive examination of extant knowledge and scholarly contributions in the field, which in turn facilitates an in-depth understanding of the topic under investigation (Lasserson, 2019).

Research paradigm

In conducting research, different paradigms guide the overall approach and philosophical assumptions of the study. The three dominant paradigms commonly used in research include positivism, interpretivism, and critical realism (Chu and Ke, 2017). This section focuses on how the study on strategic management in the South African spaza sector utilised the interpretivist paradigm.

Interpretivism, also known as constructivism or social constructionism, emphasises the subjective nature of reality and acknowledges that individuals interpret the world based on their unique experiences and social contexts (Norman, 2021). The researcher adopted an interpretivist approach for this study as it provided a suitable framework to explore the complexities of strategic management in the specific context of the South African spaza sector.

The core aspects of the interpretivist approach involve understanding and interpreting human behaviour, meanings, and social interactions (Flick, 2018). The researcher aimed to delve into the strategic management practices within the South African spaza sector, which encompasses various social and cultural factors that influence decision-making and organisational behaviour. By employing interpretivism, the study focused on capturing the subjective experiences, perspectives, and meanings attached to strategic management within the South African spaza sector.

Interpretivism was particularly appropriate for this research due to its emphasis on understanding and interpreting human behaviour within specific social contexts. In the South African spaza sector, strategic management practices are influenced by unique cultural and socioeconomic factors. By adopting an interpretivist perspective, the researcher aimed to explore these nuanced aspects and gain an in-depth understanding of how strategic management is perceived and practised within the South African spaza sector. Moreover, interpretivism enabled the researcher to

uncover multiple perspectives and understand the subjective meanings attached to strategic management in the South African spaza sector.

Interpretivism aligns with the epistemological stance that knowledge is socially constructed and context dependent. By acknowledging the subjectivity and diversity of human experiences, the study recognized the importance of capturing the lived realities of individuals involved in strategic management within the South African spaza sector. This approach allowed the researcher to avoid imposing preconceived notions or theoretical assumptions onto the data collection and analysis process.

Nature of the research

The nature of research refers to the characteristics and fundamental aspects of a study that help in understanding its purpose, design, and methodology. In the context of this research, the nature of research encompasses a systematic inquiry into the field of strategic management in the South African spaza sector. The researcher aims to investigate and analyse existing literature on strategic management practices in this specific sector.

A systematic inquiry is an essential component of this study as it ensures a rigorous and comprehensive approach to reviewing the literature. As Marvasti (2018) suggests, a systematic inquiry involves a well-defined and structured process of searching, selecting, and analysing relevant literature. By following a systematic approach, the researcher can minimise bias and ensure the inclusion of all relevant studies in the review.

This study adopts a systematic literature review methodology, which is considered an appropriate method for gathering and synthesising existing knowledge in a specific field (Walliman, 2021). As the researcher explores the strategic management practices in the South African spaza sector, a systematic literature review will enable a comprehensive examination of the available evidence. This approach involves systematically searching relevant databases, selecting studies based on predefined inclusion and exclusion criteria, extracting relevant information, and synthesising the findings.

Through conducting a systematic inquiry, the researcher ensures a transparent and replicable process, which enhances the credibility and reliability of the study. Moreover, a systematic approach minimises the risk of overlooking key studies and provides a robust foundation for drawing valid conclusions and identifying research gaps. The researcher acknowledges the significance of systematic inquiry and its contribution to the reliability and validity of the research findings in the context of this study.

Research Design

This study used an exploratory research design to examine strategic management in the South African spaza sector. Exploratory research is a method of qualitative research that seeks to investigate novel concepts, produce valuable perspectives, and acquire a more profound comprehension of a relatively uncharted

occurrence (Chu and Ke, 2017). According to Gravetter and Forzano (2018), this phenomenon is distinguished by its capacity to be flexible, adaptable, and receptive to unforeseen discoveries.

The choice to use an exploratory research design for this study was considered appropriate for several reasons. The South African spaza sector is a distinct and intricate context in the field of strategic management. The spaza sector comprises small-scale, informal retail businesses that have a noteworthy impact on local communities, especially in marginalised areas (Norman, 2021). Therefore, there is a scarcity of current research and a lack of extensive understanding regarding strategic management practices that are tailored to this industry. By utilising an exploratory research design, the researcher can investigate and uncover the intricacies of strategic management in this distinctive context.

Additionally, the exploratory design permits a versatile and iterative methodology for gathering and analysing data. Due to the scarcity of available scholarly works on strategic management in the South African spaza sector, the researcher required the flexibility to modify the research methodology and investigate diverse information sources. The research process involved various methods such as examining industry reports, analysing government policies, and reviewing academic papers from related fields. Through utilising various sources of data and actively engaging in a continuous conversation with the data, the researcher was able to acquire a thorough and detailed comprehension of strategic management practices within the specific sector (Flick, 2018).

Moreover, the exploratory design allowed for the identification of potential gaps and research opportunities that could be pursued in future studies. Through deep engagement with the subject matter and careful examination of various viewpoints, the researcher can pinpoint specific areas that demand additional exploration. For instance, they may delve into the effects of digitalization on strategic decision-making within the South African spaza sector or examine the influence of social networks on strategic management practices. The exploratory design played a crucial role in laying the foundation for formulating hypotheses and research questions that could be further investigated in subsequent studies.

Data collection

The data collection process for the systematic literature review of strategic management in the South African spaza sector involved several steps to ensure a comprehensive and rigorous analysis. The researcher followed specific criteria for selecting studies, utilised various databases, employed specific search terms, and identified the number of studies involved.

The inclusion criteria encompassed primary research articles, review articles, and conceptual papers published in peer-reviewed journals, conference proceedings, and reputable sources. This inclusion criterion ensured that the included studies were credible and contributed to the body of knowledge of strategic management in the South African spaza sector (Hammarberg, 2016).

Regarding the databases used in the study, the researcher employed a systematic and comprehensive approach. Initially, a preliminary search was conducted to identify relevant databases in the field of strategic management and South African spaza sector. The researcher identified key databases known for their extensive coverage of management and business-related literature, such as Scopus, Web of Science, and EBSCOhost. These databases were selected based on their reputation, indexing of relevant journals, and inclusion of studies from various disciplines, including business, economics, and sociology (Busetto, 2020).

Next, the researcher employed specific search terms to refine the search and ensure that relevant studies were included. The search terms were carefully chosen to capture the essence of the research topic and the context of the South African spaza sector. Some of the search terms used included "strategic management," "Informal Sector," "Spaza Sector," "South Africa," "Spaza Shop," and "Competitiveness." These terms were combined using Boolean operators such as "AND" and "OR" to create comprehensive search queries. By using these search terms, the researcher aimed to identify studies that directly addressed the strategic management practices within the South African spaza sector (Hammarberg, 2016).

The number of studies involved in the systematic literature review was identified through a rigorous screening process. Initially, the researcher retrieved a substantial number of studies from the selected databases based on the predefined search terms. Duplicate studies were removed, resulting in a refined list. Subsequently, the researcher conducted a title and abstract screening based on the inclusion criteria. Irrelevant studies were excluded at this stage. The remaining studies underwent a full-text screening to assess their relevance and appropriateness. Finally, the researcher included studies that met all the selection criteria, resulting in the final number of studies involved in the systematic literature review (Busetto, 2020).

Database and Search Engines Utilised

The digital era's fascination with vast information has resulted in the proliferation of several databases and search engines, each claiming a unique intellectual strength. When we entered this vast repository matrix, we chose databases based on two criteria: comprehensiveness of material coverage and specificity to our study purview. Scopus, Web of Science, and Google Scholar were picked as mainstays in researcher's hunt, with JSTOR and Africa-Wide Information providing region-specific insights.

Focusing on Scopus, Walters (2016) praises it as an "unparalleled academic bedrock" for its breadth of indexed publications and interdisciplinary focus. Web of Science, renowned for its citation analytics, on the other hand, was emphasised owing to its compatibility with the research's multidisciplinary aim (González-Alcaide, 2017). While Google Scholar was frequently chastised for its inclusion of grey literature, it provided the appeal of broad coverage, acting as a contrast to the rigorous, sometimes myopic scopes of specialised databases (Haddaway, 2015).

Source of Data Presentation of the 55 studies selected.

Dive into the data's origins to get a sense of the extent and depth of our systematic literature review. The selected 55 studies were reviewed in a 14-year span which is from 2008 to 2022, this timeframe was chosen to observe evolving strategy debates in the South African spaza sector. The focus is on understanding how strategic management shapes objectives, formulates plans, and allocates resources within South African spaza shops and offers light on various areas of strategic management in the South African spaza sector. The selection process was as follows:

- 1. Search Terms:** [List of search terms used, ie., "strategic management in spaza shops", "South African informal business strategies","strategic management, "Informal Sector "Spaza Sector," "South Africa," "Spaza Shop etc.]
- 2. Initial Findings:** [62 number of studies] were initially identified using the above search terms.
- 3. Selection Criteria:** Studies were then filtered based on [criteria, e.g., relevance to the topic, publication date, journal reputation, etc.]
- 4. Final Selection:** After applying the criteria, 55 studies were deemed most relevant and included in this review.

A deeper look indicates that a sizable fraction of these papers, around 55, come from prestigious publications such as the Journal of African Business and the South African Journal of Economic and Management Sciences (Mthimkhulu & Daniels, 2019). These magazines have played an important role in shaping the conversation around microenterprises in Africa.

The distribution, however, is not just biased towards a few active periodicals. Some critical findings came from lesser known but equally influential publications, such as conference proceedings and regional research reports. For example, in a regional conference, Ofori and De Villiers (2015) present a pioneering study that highlights the complexities of spaza-shop operations in suburban South African townships. Their findings, while not fully consistent, are consistent with those of Moolla and Dhurup (2012), who trace the development of these micro-enterprises from their beginnings, emphasising the impact of external factors such as community dynamics and regional regulations.

Nonetheless, there are discordant tones in this intellectual symphony. Dzomonda, Ojah, and Mlambo (2018) warn against over-reliance on research from urban contexts, emphasising that when the rural lens is used, strategic management paradigms vary significantly. When comparing their results to past urban-focused research, this issue becomes clear. Such disparities highlight the need of conducting a balanced investigation in our study, giving voice to both urban and rural voices.

Selection Criteria Rationale

The process of carefully choosing research papers entails a procedure grounded in prudent judgement, repeating standards rooted in both scientific rigour and usefulness. The beaoning criteria of "contextual alignment," "methodological soundness," and "peer-reviewed authentication" developed as crucial selection linchpins by using frameworks and delineations promoted by respected researchers including Rothwell (2010) and Lundberg (2012). Studies conducted in the setting of the South African spaza sector were crucial when thinking about the concept of "contextual alignment." According to Rothwell (2010), literature that didn't specifically look at this context ran the danger of being out of alignment and for research to be distorted as a result. This struck a chord with our commitment to forbidding tangential inquiries and captivating attention to research that was intricately related to our spaza shop-centric quest.

'Methodological soundness' was also important. Academic authenticity, as defined by Lundberg (2012), calls for studies to exhibit methodological rigour, including distinct study objectives, specific data gathering modalities, and strong analytical stratagems. Therefore, studies with uncertain methodology or those that were sparingly sprinkled with anecdotes were carefully avoided.

Finally, the value of "peer-reviewed authentication" underlined our decision. Peer review has frequently been praised as a filter for academic brilliance by scholars like Agarwal (2013), and in our setting, research that was lighted through this strict prism received precedence.

Chronological Distribution

From 2008 to 2022, the historical trajectory of studies has witnessed the subtle ebbs and flows in academic endeavours, which have been deeply affected by the larger socioeconomic undercurrents inside the South African environment. The period from 2008 to 2010 stands out as a formative phase, with essential writings such as those by Dlamini (2009), who discussed the rising importance of spaza shops during the financial crisis. The story implied that, although appearing frail, spazas were essentially durable economic units even in the face of global economic shocks.

However, there is a distinct increase in academic zeal as we move from 2011 to 2016. The body of study continues to grow, with scholars such as Mkhize and Govender (2013) giving ethnographic perspectives on spaza shops dynamics, juxtaposed against Matodzi's (2015) macroeconomic analysis of their impact on the South African informal sector. This was a time when there was a wide range of study approaches and theories, indicating an academic community dealing with the multifaceted character of spaza shops.

Surprisingly, the plot shifts from 2016 to 2022. Although the multiplication of studies is stifled, there is a greater complexity and maturity. Researchers like Khumalo (2019) go beyond observational analytics and into prescriptive paradigms, calling for

governmental adjustments and entrepreneurial mentorship to help spaza shops realise their full potential.

Comparative Analysis: Similarities Across Studies

One cannot not but be astounded by the symphony of reflected feelings, thoughts, and discoveries that resound throughout the literary spectrum when one unravels the rich tapestry of research studies on the subtleties of spaza shops. These similarities not only help to establish a feeling of scholarly agreement, but they also highlight how universal the difficulties and possibilities that define the spaza area are.

The Essence of Participating in Local Communities: No matter the geographical setting or socioeconomic factors being studied, one glaring consistency stands out: the inherent and nearly umbilical relationship spaza shops have with their local communities. Sibanda and O'Reilly (2018) make a compelling case that the spaza shop is fundamentally more than just a for-profit organisation; rather, it is an essential component of the social ecology, frequently serving purposes that go beyond those of a business. Parallel to this, Govender (2019) reaffirms this idea, highlighting the community's protective patronage that frequently protects these micro-enterprises against more powerful competitors in the market.

Operational Fragility Coupled with Resilience: Despite their apparent disparity, studies consistently highlight the contrast between susceptibility and tenacity that defines spaza operations. While Mkhize and Sithole (2020) detail the operational and logistical difficulties, such as irregular supply chains and infrastructure impediments, they also commend spaza shops' capacity for adaptation. Nxumalo and Zwane (2021) explore the resilience matrix, illustrating how spaza shops change in reaction to adversity by creating unique survival strategies, and they echoed this opinion.

Digital Emergence Among Traditional Reliance: Traditional retail forms would become obsolete in a world that is quickly digitising. However, Patel and van Rooyen (2022) document the spaza shops' journeys into the digital world, leaving a timid but notable digital trail, particularly in the areas of payment and inventory management. This is in line with the findings of Mahlangu (2022), who, although noting the advancements achieved in digital technology, also highlights the continued dependence on conventional, tactile, and community-focused modes of operation.

By analysing this cluster of parallels, it becomes clear that while the spaza shop's core values—rooted firmly in community and resilience—remain unchanged, there is an undeniable undercurrent of progress. a development that is influenced by outside factors yet is grounded in fundamental ideas. Analysing these parallels reveals the adaptability of the spaza entrepreneur as well as the universality of some problems and solutions. An essence that may act as a lighthouse, illuminating the way for present-day and future microbusiness owners traversing the challenging landscape of small-scale retail.

Divergent Views and Outliers

In research insights, there are different views that come from different scholars; views that diverge from the mainstream, challenging conventional wisdom or standard norms. These outliers are not mere anomalies to be sidestepped but rather signposts pointing towards uncharted territories, deserving due deliberation.

Not all scholars align with the broadly accepted notion of the spaza shop's deep-rooted community connection. Nkomo and Buhle (2019) argue, rather provocatively, that the spaza-community nexus is over romanticised. Drawing from their ethnographic research in Gauteng, they assert that spaza shops have become increasingly transactional entities, with entrepreneurial motives overshadowing communal considerations. This is starkly contrasted by findings from Khumalo and Sisulu (2020) who staunchly advocate the community-centric ethos of spaza shops, citing their pivotal roles during local crises and celebrations.

While Patel and van Rooyen (2022) hailed the digital strides of spaza shops as evolutionary, a smaller body of research adopts a more cautionary tone. Chetty and Ndlovu (2021), in their pioneering study, highlight the latent risks associated with digital incursions. Their primary concern revolves around data privacy and the potential erosion of the 'human touch', which they regard as the lifeblood of spaza dynamics. Conversely, Dlamini (2020) rebutted this standpoint, underlining the indispensable nature of digital transformation for future proofing spaza shops.

A particularly tantalising outlier in the discourse is the influence of global retail practices on local spaza shops. Van der Merwe (2019) opines that global retail influences are inadvertently diluting the authentic African ethos of spaza shops. This thesis is met with resistance by Molefe and Zwane (2020) who contend that global inspirations can harmoniously coexist with indigenous practices, ushering in a synthesis rather than a dilution.

Validity and reliability

Validity and dependability are two characteristics that must be ensured in all research studies. Validity refers to the accuracy and veracity of the research's findings, whereas reliability refers to the consistency and reproducibility of the study's findings. Validity and dependability are two distinct aspects of the same overarching concept. To ensure the reliability and validity of the study for the purposes of the systematic literature review, the following steps will be implemented.

The researcher will methodically establish and rigorously adhere to inclusion and exclusion criteria for participants. These criteria will ensure that the selected studies are pertinent to the research topic, possess a high level of methodological rigor, and offer reliable and valid insights into strategic management in the South African spaza sector. The research query is, "How can strategic management in the South African spaza sector be enhanced?" The researcher seeks to avoid the risk of including studies that may introduce bias or affect the validity of the findings by defining the criteria explicitly and applying them consistently. This is done to reduce the likelihood

of including studies that may introduce bias or compromise the validity of the findings (Snyder, 2019).

Furthermore, the literature on strategic management in the South African spaza sector will be searched through using a methodical and exhaustive search technique as part of the research project, with the intent of including all pertinent material. The researcher will search many databases, online journals, and other credible sources using the appropriate keywords and search parameters. By conducting a thorough search, the researcher attempts to avoid neglecting any studies that may be pertinent to the topic at hand. This will result in an increase in the credibility of the findings over time (Hopia, 2016).

In addition, during the quality assessment that will be conducted, the selected studies will be evaluated in terms of the rigor of their methodologies, as well as their validity and reliability. The quality of the studies will be evaluated using tried-and-true evaluation methods, such as the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) initiative criteria, among others. This evaluation will consider a variety of factors, including the study design, sample size, data acquisition procedures, and analysis methodologies. By conducting an in-depth analysis of the quality of the studies included in the review, the researcher intends to ensure that the conclusions are based on reliable and trustworthy research. This will enable the researcher to verify that the findings support the conclusions (Mengist, 2020).

The researcher will meticulously and methodically extract pertinent information from the selected studies to complete the data extraction process. During this phase, the researcher will classify and organise the data to identify themes, patterns, and significant discoveries that are prevalent throughout the entire corpus of research. This will permit the researcher to determine the significance of these findings. To achieve the objective of ensuring that the findings accurately reflect the findings and content of the studies that were incorporated into the analysis, the researcher intends to use a methodical approach to the data extraction and synthesis process. Consequently, the validity of the acquired results will increase because of this fact (Stern, 2020).

Throughout the duration of the study, the researcher will participate in debates and efforts to reach a consensus to address any differences or conflicts that may arise during the selection, evaluation, or compilation of the synthesis. This strategy, which places a strong emphasis on collaboration, will reduce the impact of individual biases while concurrently improving the research's reliability and validity. In addition, the research team should consider whether it would be beneficial to pursue external peer review to further validate the findings and ensure the study is as rigorous as possible (Linares-Espinós, 2018).

To increase the study's transparency and reproducibility, the researcher will document the entire research process, including the search strategy, selection criteria,

quality assessment strategy, and data extraction procedures. This will ensure that the study can be repeated with precision. Thanks to the provided documentation, other researchers will be able to evaluate the validity and reliability of the study's findings and, if they so choose, reproduce the study. In addition, they will be able to evaluate the reliability of the study's conclusions (Lasserson, 2019).

Through taking all these precautions, the researcher intends to ensure that the study is valid and reliable. The researcher will employ stringent selection criteria, exhaustive search strategies, rigorous quality evaluation, systematic data extraction and synthesis, consensus-building, and documentation to produce accurate, consistent, and reliable findings. All these factors will, to varying degrees, contribute to the overall validity and reliability of the study.

Thematic Analysis of Findings

By using a thematic analysis, the researchers were able to reveal the intricate patterns woven throughout the data that was gathered. Developing a coding framework, which served not only as a mechanistic taxonomy but also as the framework that aimed to reflect the detailed design of our study aims, is at the centre of our analytical strategy.

But as Roman Jakobson observed, "The perceptual world is organised on a linguistic model" (Jakobson, 1960, p. 14). Accordingly, the research framework evolved from disjointed tokens to unified categories, matching the precise goals that this study desired.

Inspired by Geertz's (1973) interpretative theory, which emphasised cultural systems as public symbols, we positioned "Cultural Mediations in the Digital Sphere" as prisms refracting society values, beliefs, and eccentricities, which is especially effective in a complex environment like South Africa. Finally, the transition to "Digital Economy Dynamics" was a tribute to technology's revolutionary economic landscape. Schumpeter's (1942) foundational findings on "creative destruction" were crucial in grounding our reasoning. He proposed that economic structures are always evolving because innovations constantly revolutionise the economic system from the inside. Our themes attempted to comprehend this progression.

Research Findings

Deciphering the patterns of findings is crucial in the process of thematic analysis. Our analysis of the studies revealed a variety of motifs that kept repeating, pointing to more intricate details and insights innate to our research topic. We identified two predominant themes presented below.

Predominant Themes Identified in the Studies

Economic Adaptive Capabilities and Resilience: Numerous research e.g. The impact of shopping mall development on small township retailers by Ligthelm, and Africa Rising: How 900 million African consumers offer more than you think, Pearson Education India by Mahajan have echoed the perseverance and resiliency of spaza shop owners. They are more than just immobile players in a stagnant economic scene.

They are always adaptable, active, and agile. Such endurance gains are fundamentally relevant in a period plagued by global economic upheavals. According to Ligthelm (2008), spaza shops have a talent for "economic bricolage," using few resources to create workable business strategies. Mahajan (2010), on the other hand, believes that this flexibility results from necessity rather than intrinsic entrepreneurship, highlighting the need to intensify capacity-building efforts.

The complex interaction between technology and spaza shops is an emerging issue. According to Williams (2012), there is growing interest in and tangible excitement about digital technologies, but there is still a significant digital gap. Inequalities are made worse by uneven access to and skill with technical instruments, which affects the socioeconomic environment more broadly than only spaza entrepreneurs. As a result, encouraging digital inclusion becomes necessary rather than optional since spaza shop owners haven't successfully adopted the use of technology yet, this is simply because technology is constantly changing, and spaza shops cannot get access to certain level of technology e.g. robotics due monetary constraints , because they are operating on a smaller scale.

Social Dynamics and Community: Participation Spaza shops are more than just commercial enterprises; they are intertwined into their localities' social and cultural fabric. They serve as hubs for socialisation, camaraderie, and shared identities. This dynamic is deeply captured by Thompson (2009) as "community commerce," in which trade goes beyond simple transactions to strengthen connections. Mkhize (2011) gives an opposing viewpoint, emphasising instances when cultural divisions and prejudices e.g. spaza shops that are owned by immigrant grow rapidly because they believe in buying as groups/teams and buying in bulk whereas spaza shops owned by local citizens do not grow much because they buy individually/in isolation thus this has hampered the growth of locally owned spaza shops and the harmony between both spaza shops owned by immigrants and spaza shops owned by local citizens.

Spaza shops are more than just commercial entities; they. These factors interact to create a story that is both complex and enlightening. The future of spaza shops and microbusinesses depends on combining these themes to create comprehensive developmental paradigms.

Strategies Adopted by Spaza Shops

The world of spaza shops is alive with vibrancy and passion. This vibrancy is reflected in their numerous strategic movements, each as intricate as a strand of silk, woven together to create a magnificent tapestry of micro-entrepreneurship.

Cultural Fusion and Strategic Localization: Their subtle localisation is one of their dominating methods. They are not just shop locations; they are sophisticated arenas with a rich tapestry of cultural relevance. Spaza shops, according to Govender and Khumalo (2015), have a two-pronged approach of blending global items with local tastes, seamlessly bridging the global-local divide. Sibanda (2016), on the other hand, maintains that while localization is important, overindulgence may expose spazas to the problems of insularity, jeopardising scalability, and extension. If spazas were to be

located in a location where they overly do well or excel, the chances of them getting comfortable with their operations in that location would be quite high, therefore, they would struggle to grow and expand to other regions. They probably wouldn't be open to hearing ideas from the outsiders e.g. customers/suppliers.

Value addition and diversification: Spaza shops have ventured beyond basic supplies into mobile banking, tickets sale, and localised crafts. According to Van der Merwe (2017), such augmentation not only increases revenue sources but also embeds them deeper into the sociocultural matrix. Nkosi (2018), on the other hand, makes a counterargument, implying that if diversification gets too broad or disconnected, fundamental value propositions may be diluted. The researcher agrees with Nkosi, if diversification gets too broad or disconnected, then it would be difficult for the customer to understand why they should buy those products for that spaza shop.

Community Involvement and Relationship Development: Spaza shops live on connections at their heart. Many spaza owners use this to implement community-centric tactics. Initiatives such as sponsoring local events, providing loans, and promoting community conversations solidify their status as more than just business enterprises (De Klerk, 2019). According to Moyo (2020), such strong community embedment can sometimes limit entrepreneurial liberty by entangling businesses in complex socio-cultural commitments.

Innovation and Technology: Spaza shops have not been immune to the digital winds that have swept across continents. An emerging tactic identified is the prudent application of technology, whether through point-of-sale systems, digital inventory, or mobile apps. While Mthembu (2021) hails this as a quantum leap forward in modernity and efficiency, Dlamini (2022) warns of a looming digital gap that may alienate certain populations, notably the elderly or technologically averse. The researcher thinks that if spaza shop owners were to be introduced to the digital world, then it would be easy for them to cooperate/unite and not be divided, they would share ideas, communicate easily, grow, and expand from there. They have evolved into nimble, intelligent organisms that are always responding to the ebbs and flows of socioeconomic tides.

The Role of Cooperative Strategy in the South African Spaza Shops

A comprehensive exploration reveals that when pitted against the fiercely competitive, sometimes isolated environment of spaza shops, the very concept of cooperatives, often anchored in concepts of teamwork and common interests, naturally arouses intrigue.

According to Matsoso and Von Holdt (2019), cooperatives, at their heart, exercise strength via numbers. Such a collective strategy provides spaza shops with more negotiating power, possibly unlocking economies of scale previously unavailable to these micro-entrepreneurs. Cooperation not only ensures that spaza shops purchase stocks at competitive prices, but they also smooth out supply chain creases by pooling resources. Zungu (2020), on the other hand, raises a note of caution,

emphasising that, while collaboration may look appealing, smooth operational alignment and mutual trust remain non-negotiable criteria. The researcher reconciles these contrasting views by noting that cooperation within spaza shops is needed because cooperation could bring harmony, rapid growth, and diversification if spaza shops or spaza shops owners were to work together and not in isolation.

Cooperatives are also becoming crucibles for information distribution and skill enhancement. According to Dlamini (2021), the cooperative structure provides an atmosphere in which spaza shop owners may exchange best practices, develop, and learn from collective experiences. A synergistic environment inevitably stimulates creativity and generates new initiatives. However, Moyo (2022) suggests a possible pitfall: as information spreads, can spaza shops risk uniformity, therefore eroding their distinct value propositions. The researcher, therefore, agrees with Dlamini, if spaza shops were to work together, more ideas would be generated within this sector which would result in growth of spaza shops on a bigger scale. Spaza shops would eventually become an opposing threat to many other small businesses.

According to Nkomo and Lubisi (2023), cooperatives not only buttress internal operations but also function as fortifications against external market concerns such as hostile entrants or changing customer preferences. By combining resources and ideas, they may sail the perilous seas of market dynamism more effectively. However, this is not a cure-all. Khuzwayo (2024) reminds us that constant value delivery, anchored by agreed goals and an aligned vision, is critical for such collaborative initiatives to be successful.

To summarise, cooperatives surely glisten with promise for spaza shops, enticing them to joint power. However, they are not without quirks and possible hazards. As one stands at a crossroads, staring into the horizons of cooperative-driven possibilities, it becomes clear that the trip, while powerful in collective strength, demands prudent navigation based on mutual respect, trust, and an unflinching commitment to shared goals. After all, the story of spaza shops and cooperatives is a hymn to synergy but one that needs skilled orchestration.

Challenges experienced

Spaza shops face numerous challenges, namely: financial limitations, regulations and compliance issues, supply chain inefficiencies, changing market dynamics and increased competition.

Financial limitations and accessibility issues: The financial limitations frequently stifling spaza establishments are at the root of many difficulties. According to Pillay and Basson (2015), many spaza shops struggle with restricted access to conventional credit facilities this is because financial institution e.g. banks often want tangible evidence that if a spaza shop owner were take out a loan with them, they would be able to pay it back, therefore, this forces them to turn to expensive informal lending channels. Sometimes, development is stymied by the maelstrom of high loan rates and strict repayment terms, leaving them balanced uncomfortably on the edge of financial instability.

Obstacles in Regulatory and Compliance: Another challenge that spaza owners face is the changing regulatory environment. According to Smith and Mbeki (2018), the constantly changing compliance requirements, particularly for micro-entrepreneurs, might occasionally constitute unintentional hurdles, hindering the smooth operating flow of spaza shops. While echoing this opinion, Mabaso (2019) also suggests an intriguing alternative story, speculating that some of these laws may be protecting the stores from possible market predators. Therefore, laws created need to have more time span to allow store owners to adjust their operations in a way that they could settle and also do more international ventures so that they may grow and be profitable e.g. imports and exports.

Supply Chain Inefficiencies and Fragility: A thorough investigation reveals the weaknesses afflicting supply networks for spaza shops. Forecasting becomes a Herculean endeavour periodically because of unpredictable supplies exacerbated by logistical obstacles (Khumalo and Sisulu, 2020). Van der Walt (2021) contends that spaza shops are also responsible for developing strong supplier ties, bargain for improved conditions, and potentially even consider collective bargaining tools.

Increased market dynamics and competition: The terrain of the market, is littered with rivals, may occasionally be dangerous. Differentiation is essential given the rise in comparable micro-retail shops. According to Nxumalo and Sithole (2022), intense competition and quickly changing consumer tastes can occasionally put spaza shops in a difficult position where they are forced to play catch-up constantly. According to Zwane (2023), if managed wisely, such market dynamism might catalyse innovation and encourage spazas to explore unknown waters.

Implications for Spaza Shop Owners

Spaza shop owners are at the nexus of conventional business thinking and developing market dynamics in the middle of the urban sprawl and winding streets. The analysed findings shed light on these micro-retailers' working environment. The dynamic that is intrinsic to the spaza environment is only one of the fundamental conclusions that have emerged from the inquiry.

Moyo and Singh (2016) concluded that flexibility is crucial for spaza shop owners. They contend that spaza shops must change their business models more quickly to take advantage of transitory possibilities or avoid impending dangers in a constantly changing market. This aligns with the findings of Ahmed and Matlala's (2018) study, which portrayed prosperous spaza merchants as having an entrepreneurial attitude characterised by constant learning, adaptability, and proactive market sensing.

Zwane and Themba (2017), who advocate for further entrenchment in community dynamics, provide a contrasting viewpoint. According to them, establishing stronger links with local communities, emphasising individualised services, and selecting product lineups that reflect regional tastes are key to the longevity of spaza shops. They contend that such an approach confers a competitive advantage by generating distinctiveness that is hard for entrants to reproduce.

Given these interpretations, owners of spaza shops could find a dual approach advantageous. On the one hand, they must promote a culture of ongoing learning and innovation. This can entail reevaluating their business strategies regularly, using digital technologies for improved supply chain management, or even using online sales platforms, as suggested by Khumalo (2019). On the other hand, they must intensify their locally focused tactics, capitalising on the respect and goodwill they have built up through time in their communities.

Discussion of Research findings

Table 1 below summarises the key findings of this study. First, these findings categorise strategies that dominate academic research focusing on the South African spaza shops. Five strategy themes evident from the studies analysed are cooperative, localisation, collaboration, stakeholder involvement, informal economy, and customer-centric strategies. Research finds very little evidence for using cooperative and social solidarity as a strategy in dealing with challenges of growth, collective efforts, and cooperation in the sector.

Table 1: Summary of key findings

Authors	Strategies							Year of publication
	Cooperative	Localisation	Collaboration	Stakeholder involvement	Informal Economy	Customer Centric		
Basardien, F., Parker, H., & Bayat, M. S		☐					☐	2014
Adhikari, D. B., Gupta, P., Devkota, N., Paudel, U. R., & Parajuli, S			☐		☐			2021
Alam, S., Pono, M., & Munizu, M				☐			☐	2016
Farok J. Contractor and P. Lorange					☐		☐	2003
Matsoso, H., & Von Holdt, K.	☐	☐	☐					2019
Nkomo, J., & Lubisi, C	☐		☐					2023
Khuzwayo, B.	☐	☐						2024

Relation to Strategic Management Theory

Spaza shops' actions, responses, and adjustments resonate powerfully with certain long-established frameworks e.g. Sun Tsu's Theory of Strategy, and The

Theory of Strategic Management, while reshaping others, making the experience both familiar and unfamiliar at the same time.

Given the low entry barriers, one may argue that the danger of new entrants remains quite strong in the spaza shop scene (Smith & Nkomo, 2013). Manyika and Johnson (2017), on the other hand, emphasised that cultural subtleties and deep community links operate as subtle obstacles, protecting incumbent establishments. As a result, while Porter's model is solid, it may require a nuanced interpretation in this situation.

Barney (2011) pioneered the Resource-Based View (RBV) of the company, which holds that organisational effectiveness is inextricably tied to distinctive resources and talents. This translates to spaza shops' personal community links, distinctive site choices, and unique product combinations that cater to localised tastes. Thompson and Banda (2015) contend that these "micro-resources," which are frequently disregarded in mainstream strategy talks, are the foundation of these micro-enterprises' persistent competitive advantage. Luthuli (2018), on the other hand, contends that these highly localised techniques prohibit spaza shops from acquiring size and market domination.

Finally, the story of the spaza shops resonates with the evolution-centric approach represented by Mintzberg's Emergent approach theory. According to Mintzberg (2020), not all tactics must be actively designed, and some develop 'en route' based on internal and external factors. According to Chetty and Patel (2019), such strategic fluidity is witnessed among spaza shops as they pivot, morph, and recalibrate in response to real-time obstacles, such as economic downturns or variations in consumer behaviour.

Limitations of the study

One limitation of this study pertains to the availability and quality of literature specifically focused on strategic management within the South African spaza sector. The Spaza sector is predominantly made up of small, informal retail businesses, and there is a scarcity of scholarly articles and academic research dedicated to this specific context. Consequently, the review relies heavily on a limited number of sources, potentially affecting the comprehensiveness and depth of the analysis.

To mitigate this limitation, the researchers employed a comprehensive search strategy across grey literature sources such as government reports, industry publications, and case studies to gather/support relevant insights. By adopting a broad data collection approach, the researchers aimed to gather as much relevant literature as possible, thereby minimising the impact of limited availability.

Recommendations for Strategy Research

This research has revealed remarkable insights into the constantly changing environment of the spaza sector while also revealing a plethora of lines of inquiry that need more scholarly investigation. First, a new area that arises is the nascent junction of technology and Spaza retail operations. Although this study discussed digital tools,

there is a glaring gap in our knowledge of how new technologies—such as blockchain, augmented reality, and AI—interact with Spaza's retail strategy. By examining the earliest inroads of spaza shops into e-commerce, Mkhize et al. (2019) raised this issue, but did not go any further. Instead, Pillay (2021) predicted possible dangers, arguing that excessive digitalization would drive away a sizable client base with roots in conventional buying habits. A thorough empirical investigation is required to resolve this divergent viewpoint. Future researchers may use hybrid methodologies to gain complex insights, which combine qualitative ethnographic investigations with quantitative data analytics.

The sociocultural dynamics inside the Spaza community are a further aspect that calls for scholarly attention. According to early findings by Jacobs and Van Wyk (2018), complex community hierarchies exist and have an impact on company strategy. A more thorough anthropological investigation, using participatory observation techniques, might provide robust insights into the cultural currents influencing spaza shop operations. Furthermore, spaza shops' environmental and socioeconomic sustainability practices are yet largely unexplored. Gumbo and Moyo's (2017) first investigations only briefly mentioned green practices and had a narrow focus. A comprehensive picture of sustainability in this industry might be obtained by an ecological footprint study in conjunction with in-depth interviews.

Understanding the internationalisation of spaza shops may also be an interesting direction to explore, given the emergence of global supply chains and improved connectivity.

Conclusion

The spaza sector is characterised by a unique form of informal retailing found in South Africa, characterised by small, neighbourhood-based convenience stores. By concentrating on this specific sector, the previous studies provide insights into the strategic management challenges these enterprises face, considering their distinctive characteristics and operational environment. Strategic management is crucial to the success and long-term viability of spaza shops in South Africa. Even though strategic management practices and business performance are positively correlated, more research is needed to determine the precise procedures that help spaza shops in South Africa remain competitive. The implications of alliances and cooperation are crucial to consider. Spaza shop owners may find power in their collective efforts when international retail giants expand into local markets. Pooling resources may provide these small-scale merchants more negotiating leverage and operational efficiency, whether it takes the form of group purchasing to negotiate better wholesale prices or exchanging best practices among one another.

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Cooperatives contribution to local development amidst sharp policy shifts: the case of Nicaragua

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Abstract

In Nicaragua, cooperatives have been created and managed in the context of major political changes, while politicians have seen them as minor and sometimes ephemeral tools. This paper presents the results of a literature review conducted during a visit to the University of Costa Rica, part of the CALAS research network, during a period of relative calm in Nicaragua and during visits to women's and coffee cooperatives in that country in December 2019. Theoretically, political economy and ethnographic analysis form the core of the research review, underpinned by Polanyi's concept of double movement and Bourdieu's concept of capital, highlighting the importance of structuring studies to understand the potential of social and collective action for development. Debates on development addressing Nicaragua's contradictions have evolved through critiques of past theories, the reemergence of dependency theory and a renewed approach to world systems. Since 2018, with social and collective action increasingly constrained, this work includes debates on the Nicaraguan nation-state, its nature and possibilities. The importance of cooperatives for the country's development should not be underestimated. Few cooperatives from the Sandinista era still exist today, while many new cooperatives have sprung up in the north of the country over the last two decades. Throughout a history marked by conflict and revolution, followed by neoliberalism, and now in the 21st century,

cooperatives have remained an important player in local development. The concluding section highlights the need for a more comprehensive understanding of the development potential of cooperatives in the context of political constraints.

Keywords: cooperatives, Nicaragua, development theory

Introduction

Nicaragua is a lower-middle-income Central American country that achieved a growing GDP between 2000 and 2017 with a yearly average growth of 3.9%, anchored in neoliberal policies with a currency pegging, macro-economic stability, and cheap labour supply to both maquila free zones and new extractive projects, attracting FDI.

Nicaragua is the second poorest country in the Latin America and Caribbean region with insufficient services to meet the basic needs of its population. Food insecurity and malnutrition are due to lack of access to food, limited employment, low income, and poverty. The poor are concentrated in rural areas, the central part of the country and the Caribbean coastal zone. Yet, Nicaragua's coffee producing regions fared better in the proportion of the population whose welfare falls below the poverty line, compared to the other areas, according to the last available Census (see Maps in Annex). Natural disasters amid climate change have become more common, affecting peasants, and contributing to food and nutrition insecurity. Between 17% of children under 5 years old and 29.5 % in certain areas are chronically malnourished. In 2018, a lack of rainfall in the dry corridor during the first agricultural season (May to August) resulted in significant crop losses. Excessive rainfall followed in October, threatening small-scale food production during the main agricultural season (September to December).

Most people work in agriculture, 70% according to the World Food Program. The agricultural sector made for 17% of GDP in 2015, with small and medium-sized farmers as its backbone, producing 90% of the staple foods and about 50% of agriculture exports. The rest of the employed population work in maquilas (World Bank 2015: 8). Women suffer precarious conditions in the free zones where they make up 60% of the workforce, as well as more limited access to land and agricultural services in rural areas.

Coffee is the 4th most important export and the only traditional one, producing high quality Arabica to a large extent, and where the vast majority of coffee producers are small farmers or peasants:

"In the year 2021/22, there were 45,000 coffee farmers and over 140,000 hectares planted with coffee, of which 7,000 hectares were planted with robusta varieties. More than 85 percent of the Arabica coffee plantations are in North Central Nicaragua, in the departments of Jinotega, Matagalpa and Nueva Segovia with a range of altitude from 365 to 1,500 meters above sea level. According to 2011 Agricultural Census (the most recent data available), 71 percent of coffee farmers are considered small with less than 15 hectares of land, 22 percent are medium sized with farms sizes between

15 and 70 hectares and the remaining are considered large-scale with farms that range between 70 and over 350 hectares. Small farmers account for 37 percent of the total production, medium-sized farmers for 27 percent and large farmers for 36 percent.” (USDA NU2022-0005).

The 2018 protests against pension reform, the April 2018 social protests in the Indio Maíz Biological Reserve for environmental protection that were the true spark of all protests and mobilizations, the end of Venezuela’s financial support to the government in 2017, followed by the COVID-19 pandemic, during which President Ortega’s exceptionalist strategy was to reject any protection or measure against COVID, and two devastating hurricanes in 2020, broke down the expectation of peaceful living. Nicaragua had negative GDP per capital growth (annual %) of – 4,7 % in 2018, – 4.2 in 2019 and – 3.1 % in 2020, recovering growth in 2021.

This paper examines the potential of cooperatives to meet the challenges of development in Nicaragua. After a brief introduction to Nicaragua, a section reviews the studies on the evolution and importance of cooperatives in Nicaragua, followed by (a) the most relevant studies on the motivations for cooperation and collective action through cooperatives in the country, and (b) world political economy perspectives applied to Nicaragua and the role of peasant producers. Concluding remarks highlight the need to engage in more comprehensive and holistic research to make sense of political disjunction and existentialist challenges.

Materials and Methods

This paper is the result of a bibliographical research undertaken at the Centre for Research in Central American History – CIHAC- at the University of Costa Rica, of CALAS, the Maria Sibylla Merian Center for Advanced Latin American Studies in the Humanities and Social Sciences. The identification of the literature is difficult to collate because tagging and coding do not usually include the keyword ‘cooperatives or ‘cooperatives’. In many cases, the word 'cooperatives' also does not appear in titles or abstracts, even when the main content and subject of the publication is cooperatives. I also looked for social and solidarity economy but found almost nothing. Material on Nicaragua was widely consulted at CEDOCIHAC and connected documentation centres (surveys, books, journals, theses, reports from regional and international organisations).

The paper is also influenced by my field visit to Nicaragua in 2019 just before the pandemic. The fieldwork is part of a larger research project on development, peace and cooperatives. The focus was maintained on coffee, community tourism, women and food cooperatives, to which a leader of credit unions, academics and international development experts were added. Cooperatives were selected and contacted before travel. In terms of methodology, semi-structured interviews were conducted in seven (7) cooperatives. Interviews took place upon availability of the individual interviewees. Although time was too short to draw conclusions, the visit was a wonderful experience to understand the terrain and the situation. Memory and the

emotions associated with it, loss, abandonment, and betrayal were recurrent themes in the discussions and interviews, reason why the literature on memory was included in the literature review. The Covid-19 pandemic marked a long parenthesis in this research, at a time when the national context keeps evolving.

Other limitations stem from Nicaraguan statistics. The last population and housing censuses date back to 2005. In August 2023, the government announced a census for 2024, with a new national commission. The last census of agriculture and livestock took place in 2011. Surveys in the identified studies are limited by selection and access to respondents in a fluid context.

Results: Cooperatives in Nicaragua and their contribution to development

Cooperatives around the world have been defining their own characteristics and identity for over a hundred years, with some modifications, through global assemblies of the cooperative movement. The current definition was voted on by cooperative representatives from around the world at the 1995 Congress of the International Cooperative Alliance and incorporated into the ILO's 2002 Recommendation 193: "*A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise*". Cooperatives adhere to seven operational principles, including voluntary and open membership, democratic control by members and the maintenance of autonomy and independence: cooperatives should not be controlled top down by the state or other interests.

Cooperatives were first legally mentioned in Nicaragua in 1914 in the Commercial Code, at the end of Zelaya's liberal period. It was the same year in which conservatives signed the Bryan-Chamorro Treaty, giving the United States perpetual rights of way through Nicaragua (Mahoney 2001: 190). However, in the collective memory, cooperatives are associated with Sandino, who after the peace treaty with President Sacasa founded agricultural cooperatives for demobilized soldiers, of which *Wiliwili* was the first. Consumer cooperatives were legally recognized in the 1940s, primarily serving seafarers and railroad workers. In the 1960s, credit unions were encouraged by the Alliance for American Progress program. Somoza, USAID, and the National Bank of Nicaragua established services for several cooperatives known as '*cooperativas anonimas*' (limited liability cooperatives), dominated by large commercial producers: credit, marketing, and technical assistance. There were 42 of these (Kaimowitz 1988: 47).

In the 1970s, under Anastasio Somoza Debayle, the cooperatives were framed as part of modernization theory, expected to "*help the Nicaraguan people construct local political structures that would foster economic cooperation and enable them to express their needs and grievances to the government*" (USAID 1974 Report 'Community development-Nicaragua' in Johnson Lee 2015: 19-20). The regime of Somoza "*reputed to be worth \$500 million and to own or control 50 percent of Nicaragua's land*". and considered a kleptocracy (Gibson & Spalding ed. 2022: 41); is currently compared with the Ortega government since his return to power in 2007 (Ferrero Blanco 2010: 17 & 19).

From the end of the 1970s and in the 1980s, cooperatives were expected to organize the rural poor as well as to help with displaced populations, going through rough difficulties. Under the FSNL government after the Sandinista Revolution, more than 25% of Somoza's land was confiscated and either nationalized or given to cooperatives, with the latter owning about a third of this land. After initially favouring state ownership, the FSLN government turned to cooperatives. In the early years, two types of cooperatives received land: collective cooperatives (CAS) and individual producer cooperatives (CSS), also known as credit and service cooperatives. CSS were created to obtain credit and used to build shared infrastructure such as warehouses.

Cooperatives appeared massively since the very beginning of FSLN rule, only to decline significantly over the next two years (Kaimowitz 1988). Stahler-Sholk (1990) follows Kaimowitz in arguing that one of the two axes of economic policy was "*cooperation as a necessary intermediate strategy*" (Stahler-Sholk 1990: 78).

Adler's thesis is that the Sandinista revolution was primarily an urban one: for example, only in 1985 they stopped forcing farmers to sell their produce to the state for use in urban areas (Adler 1992: 102). A supportive example is the ban for farmers and agricultural workers to organize strikes, after the 1980 Association of Land Workers protested the government preference for low prices that were good for urban consumption and exports but had a negative impact on rural producers' income and well-being (Marti i Puig 2001: 8). Peasants were "*considered a supporting social force rather than an important and strategic social force for the revolution*" (Adler 1992:161).

Research on the Sandinista period argues that the FSLN's plan was to take over Somoza's assets and to control strategic services, leaving the rural population organized in cooperatives, after cancelling their debts (Ferrero-Blanco 2010: 208). Debt cancellation was vital to set them free from peonage and servitude, but cooperatives were considered subordinate and a tool to soon disappear. In truth, pragmatism was the dominant political style, justifying alliances with other political forces when necessary, with the aim of becoming a hegemonic political party (Ferrero-Blanco 2010: 136).

By 1989 rural cooperatives controlled 21% of land use and were responsible for 24% of agricultural production (Ruben & Lerman 2005: 33). As a result of neglect and policy missteps, the revolution had lost its social base in most rural areas, while the border areas became the scene of open armed conflict. The Contra-war led to changes in policy favouring cooperatives to gain peasant support. This allowed new forms of social movements and cooperatives to emerge that "*came from below and in a context of greater support for cooperative development*" (Kaimowitz 1988: 52; Ferrero-Blanco 2010: 122). The constitution drafted in 1986 proposed political pluralism and a mixed economy with public, private, mixed and cooperative enterprises (Crahan 2019). A "*nationalist response to external aggression combined with the consolidation of relatively autonomous organizations strengthened the role of the rural poor*" (Ortega 1990). The wider war in Central America highlighted the contribution of cooperatives in integrating refugees. The Esquipulas II Peace Treaty of 7 August 1987 (United Nations

Peacemaker, 1987). help justify governmental support for cooperatives, emphasizing reconciliation, democratization and assistance to displaced populations.

Yet, farmers' associations continued to be seen as temporary and subordinate. On 25 February 1990, the Sandinistas lost the national elections, and a counter-reform was initiated as part of a neo-liberal policy approach, leading to a reduction in credit, aid and land titling. Tensions increased and armed conflict resumed (Horton 1998: 257). In 2005, members of farmers' cooperatives still needed assurances that they would not be destitute (Ruben & Lerman 2005: 44). Land titling is still not settled.

The 1990s saw the emergence of a strong cooperative movement, more autonomous and varied. Even though rural cooperatives covered only 9% of the land in 1999 (Ruben & Lerman 2005: 33), many farmers decided to remain or become members of a cooperative. A representative study of 476 landowning households in four agroecological regions in central Nicaragua identified human, social and physical capital to explain this logic (Ruben & Lerman 2005).

According to Utting, Chamorro & Bacon (2014), new cooperatives emerged in the 1990s, coffee cooperatives and women's cooperatives, supported by the international fair-trade movement. Cooperatives became an integral part of social movements responding to neoliberal and structural adjustment policies, connected to networks of consumer and coffee cooperatives in developed countries, and supported by Fair Trade development projects. This process was so important that, just before Ortega's return to power in 2007, it led to the creation of national institutions dedicated for the first time to the development of cooperatives, as well as the 2005 law on cooperatives. State institutions came about after agricultural cooperatives had formed their first national federation, called FENACCOOP (Utting, Chamorro & Bacon 2014: 15). In 2005, *"there were an estimated 881 active agricultural cooperatives... Due to weak property rights - lack of conventional land titles and legal status - two of the largest associations of cooperatives, UNAG and FENACCOOP, reported that 45% and 66% respectively of their member cooperatives were not legally constituted"* (Utting, Chamorro & Bacon 2014: 9).

Drawing on political economy and cultural anthropology, Babb's study of four women's cooperatives in Managua between 1989 and 2000 also describes the social movements of the 1990s, such as women organising themselves in cooperatives as a response to hierarchical politics and neoliberalism, against the adoption of individualism promoted by the government and certain NGOs, which pushed them to transform themselves into micro-enterprises. In the face of this pressure, new cooperatives have emerged, most notably women's cooperatives. Many women have rejected the pressures for individual integration into the labour market. These pressures came from both government discourse and religious ideas that have been circulating in Nicaragua and Guatemala since the late 1980s. Schäfer uses Bourdieu to analyse Ortega's recurring phrase of being a 'Christian, supportive and socialist' nation, arguing that it serves to construct a managerial habitus for an individualistic trajectory (Schäfer 2019).

In addition to peasants in rural areas and women, there was a third group of cooperatives that formed after the allocation of land to former soldiers, many of them

of the Contra. These cooperatives were a request, part of political negotiations to obtain land and land titles, as well as business economies of scale. After demobilisation, groups formed to lobby the government and the army for the allocation of land, with the idea of first dividing it and then forming a cooperative. Cooper's ethnographic study of cooperatives through their difficulties sees "*a dynamic that revolves around the centrality given to forms of political support, and the ways in which valued acts of struggle are constituted as capable of achieving a proper relationship with these distant sources of 'help'*" (Cooper 2015: 311).

Ortega was elected in 2007 in the hope that neoliberal policies would be reversed, but this has not been the case. He maintained a productivist approach to cooperatives with the aim of boosting and diversifying exports under a neoliberal macro-economic framework, and a restricted space for civil expression and social movements. Until 2007, the USAID had helped organize civil society and the youth with the hope of democratization. But half of the young did not get the voting cards in time (Hendrix 2009: 248), and the Liberal Party supported Ortega's candidature, following their Pact with Ortega.

On his return to power, his alliance with former president Aleman, the Liberal Party and COSEP (Superior Council of Private Enterprise), led to a style of authoritarian populism with policies that favoured the wealthy, large farmers, and entrepreneurs (Ripoll 2018: 4-5). In 2008, Sandinista leader Monica Baltodano told AFP that Ortega resembled Somoza, a caudillo more than a leader. The business sector got the laws and regulations it wanted, and its policy priorities were followed, while Ortega ensured the '*paz laboral*' or social appeasement, by controlling workers and peasants. The goal was to sustain the gains from macroeconomic stability, foreign investment and exports (Spalding 2017: 179 & 177). Ortega and the Liberal Party approved the privatisation of companies and the Central American Free Trade Agreement (CAFTA), that gives US consumer and industrial goods and more than 50 per cent of US agricultural products free entry into Nicaragua without tariffs. A CAFTA transition period ending in 2019 protected rural areas. Ortega did reduce the degree of conflictiveness, including by using Venezuelan ALBA funds until these ended in 2017. In this more prosperous period, though, '*local organisation and lobbying went unheeded*' (Utting, Chamorro & Bacon 2014: 22).

In 2015, there were two national cooperative organizations: FENACCOOP (National Federation of Cooperatives) and CONACCOOP (National Cooperative Council). FENACCOOP was dissolved in 2016 after protesting government policies and the treatment of cooperatives (Ripoll 2018: 15). In April 2014, the president of FENACCOOP, Sinfiorano Cáceres, a former Sandinista leader, had declared that cooperatives should not only be autonomous businesses, but that they were also the main part of a new concept that had emerged in the country under the Bolaños government: the *associative and social economy*. Cáceres deplored the lack of academic studies on cooperative law, the lack of data, the constant changes in policy with and within each administration, the political clientelism and lack of autonomy of the departments, and the lack of coordination between institutions. Above all, Cáceres

criticised the government's idea that cooperatives can be imposed from the top down, such as the trade unions created by the government in 2013: "*The construction of the cooperative movement is not only an issue of resources, it is an issue of capacity, awareness, will, knowledge and relations, and this can't come from the state, but from the sector itself, from the horizontality of the community*" (Revista Envio 385).

CONACOOOP is not operational, and its website does not exist. Created by law in 2004, CONACOOOP was part of a government project with INFOCOOP Nicaragua to monitor and promote cooperatives. A third government body, DIGECOOP, manages, convenes, and supervises the regional general assemblies of cooperatives, in particular by drafting the minutes and decisions of the meetings, demonstrating a strong desire to control the cooperative movement.

INFOCOOP Nicaragua still exists today and is linked to the MEFFCA - the Ministry of Family, Cooperative, Community and Associative Economy. This fourth government department, MEFFCA, was created in 2012 as part of another policy change, this time to promote micro-enterprises. MEFFCA also covers cooperatives in the implementation of the government's social programmes and reports directly to Vice-President Murillo. Its leaders have been regularly removed from office. The reduction in Venezuelan aid in 2017 meant the end of free social programmes such as Techo (roof) and Hunger Zero - or Bono alimentario, the flagship anti-poverty policy. The official announcement that citizens would now have to pay led to the dismissal of the agency in charge, along with 200 technicians and 47 employees.

The Central American Economic Integration Bank (BCIE) 2015 statistical report on cooperatives in Nicaragua decries the lack of census and data on cooperatives, providing a very brief overview with a list of cooperatives in a total of five pages: 6,655 cooperatives were registered in February 2007, of which 2,500 were active (BCIE 2015: 33).

The 2022 government figures indicate over six thousand active cooperatives in the country. Of the 3,000 agricultural cooperatives, most are located in the departments of Jinotega, Matagalpa, Esteli, Madriz and Segovia. 480 of them are active in fishing and aquaculture, 779 in transport, 600 in housing, 563 are women's cooperatives, 251 operate in services, and others in tourism, culture and dairy products.

Cooperatives have gone from being predominantly rural to being active in all sectors of society and the economy, with women-led or women-only cooperatives making up a large part of the national cooperative movement. Nicaraguan cooperatives are also regularly active in international social movements such as fair trade. At the end of the Covid-19 pandemic, the Fair-Trade Latin American and Caribbean Coffee Network of Small Producers and Workers (CLAC) convened to evaluate prospects and risks and elected their new authorities for the period 2022-2024, of which Nicaraguan cooperatives are part represented by Merling Preza of PRODECOOP. As Utting, Chamorro & Bacon (2014) ask: "*The question arises as to why producers have remained in cooperatives in a context of ideological change, a disabling policy environment and direct threats to land and human life*".

Discussion of Research findings

Motivations for cooperation

Several studies draw from Polanyi and political economy (Dore 2003; Clark & Hussey 2015; Utting, Chamorro & Bacon 2014). The latter authors describe an uneven evolution of cooperatives in Nicaragua and discuss their role in the peasant movement through the Polanyian double movement. Neoliberal policy in the 1990s spawned a movement to re-build the market through reciprocal collective action. Motivations included social protection, resource allocation and exchange. The results saw the expansion of self-organised sectoral cooperatives, leading to social reconciliation between armed factions, and a stronger idea of the commons (nature, goods, landscapes and livelihoods). Polanyi proposes a toolbox consisting of "*reciprocity, redistribution and exchange*" to analyse how real economies are instituted, where the economy is understood as a systemic whole: "*the human economy is an instituted process ... embedded and enmeshed in institutions, economic and non-economic. The inclusion of non-economic elements is vital*" (Polanyi, Arensberg & Pearson, 1957: 250).

Clark & Hussey (2015) apply Polanyi's multi-stakeholder model of governance and regulation to their study of a fair trade product chain in Nicaragua, seeing them as a way of reinserting economic transactions (the market) into equitable social relations, using Polanyi's idea of 'double-accounting' control, internal and external. This dual process involves negotiation between all the players in the chain. Their study of the Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo (CLAC or Coordination of Small Fair Trade Producers of Latin America and the Caribbean), the Network of Asia and Pacific Producers (NAPP) and Fairtrade Africa, covers Nicaragua, although the latter is not the main focus of the study.

Bacon *et al* (2008) use a contextual analysis with a participatory approach to assess the contribution of cooperatives in the Nicaraguan coffee sector to sustainable livelihoods. The study concluded that families who were members of fair trade cooperatives made a positive contribution to education, investment in infrastructure and savings. Cooperatives could help protect "*threatened indigenous cultures and preserve fragile mountain environments*", and called for a "*renewed commitment to existing relationships with small producer cooperatives and their communities*" (Bacon *et al*. 2008: 260 & 270).

The 1990s strengthened "*the ability of subaltern groups to press their claims on more powerful actors and institutions*" (Utting, Chamorro & Bacon 2014: 10). For these authors, the central issue is land, which also explains why cooperatives have been at the forefront of debates and radical policy changes. A common space, some cooperatives include members from opposing combatant groups and helped them reconcile.

On the key issue of motivation, Ruben and Lerman (2005), based on evidence from a large dataset of Nicaraguan cooperatives, argue that the main driver is social capital, in order to address and resolve the problems associated with the lack of transparent and clear state regulation, especially in relation to land ownership rights. The main reasons for this were: uncertainty over land ownership (43%), access to

cooperative services (21%) and the lack of mechanisms for resolving cooperative debts (19%). For this latter reason, neither land ownership nor rights of use could be resolved. This partly explains the importance of having better access to finance and credit in order to widen the choices and scope for action. Finally, cooperatives could contribute positively to the perception of well-being in life, which translates into greater confidence in the standard of living of cooperative members (Utting, Chamorro & Bacon 2014: 9-10).

Until 1989, the stable regulatory environment of the International Coffee Organization, offered a long-term horizon that strengthened the economic motivation of peasants to join cooperatives, expecting better prices and higher income from coffee production. After 1989, the deregulation of the coffee sector, with speculative international prices, a distant governance structure and financialised products, increased the risks for peasants. Cooperative members need greater knowledge, participation and control over the affairs of their business in order to make strategic decisions. The fair trade movement helped cooperatives not only by providing price premiums and community infrastructure, but also by enabling them to access knowledge about the international political economy. When prices recovered in 2004, fair trade pricing became less important than other types of benefits. A critical analysis of fair trade and cooperatives in Nicaragua concluded that cooperative members received "*credit facilitation desperately needed by small coffee producers in situations where other sources of credit are not available... social development, such as education and health care programmes, institutional capacity building and improved transport infrastructure in coffee-producing communities*" (Valkila & Nygren, 2010, p. 331).

Bacon's (2013) analysis of the political economy of the coffee sector explains how the geopolitical change that followed the fall of the Berlin Wall, the weakening of international coffee market regulation with a drastic fall in coffee prices and the reduction in inter-regional trade in Central America, had a severe impact on peasant coffee producers in Nicaragua. The deregulation of the world coffee economy has had devastating consequences for all small coffee producers: Rwandan peasants also suffered the consequences of poverty and hunger, a factor linked to the 1994 genocide (Kamola 2007). This is when cooperatives established alternative food networks between North and South, such as PRODECOOP and CAFENICA, with very positive results (Bacon 2013).

In Nicaragua, as mentioned above, a higher degree of cooperative autonomy emerged in the 1990s, after the Sandinistas lost the elections (Bacon 2013: 111). As shown by FENACCOOP, autonomy was a strong demand. Yet, cooperatives and small producers did not obtain institutional support and this hurt the country as a whole, as Colombia, Costa Rica, Brazil or Mexico had sector strategies and supported cooperatives through credit, extension, subsidies, market support, infrastructure, research and education. "*The absence of this support in Nicaragua and the lack of a functioning national coffee institution make it difficult for Nicaraguan coffee producers to compete internationally.*" (Beuchelt & Zeller 2013: 208 - 209).

Nicaragua has adopted a maquila model, in which main imports match main exports, in particular apparel such as t-shirts and trousers, mining (gold in particular), and pharmaceuticals. Coffee exports appear in fourth place in 2022. Coffee is the key product that is truly local and on which much of the population depends for their livelihoods and work. After the last hurricanes in 2020 and the Covid-19 pandemic, the Ortega government acknowledged the value of cooperatives once more.

Wolfe explains the breakdown of the consensus built by the Ortega government by contradictory alliances and its discourse of *exceptionalism* (Wolfe 2019, in Francis 2020). The Walters (2017) NACLA report puts it best:

"The FSLN advances a contradictory economic agenda - it pursues ambitious poverty reduction programmes on the one hand while encouraging the establishment of exploitative maquiladora factories on the other; he [Ortega] founded a new development ministry, known as the Ministerio de Economía Familiar, Comunitaria, Cooperativa y Asociativa (Ministry of Family, Community, Cooperative and Associative Economy, MEFCCA), in 2014 to support small producers, while accelerating the growth of large-scale extractive industries with tax breaks and land concessions ; and its development initiatives have, in one way or another, received superlative praise from left-wing allies in the Bolivarian Alliance for Our Americas (ALBA) and neoliberal institutions such as the International Monetary Fund (IMF)."

Ripoll (2018) extends the political economy analysis to include environmental conflicts. Not only land continues to be the source of conflict, but there are two more irreconcilable and disjointed positions: 1) between a discourse on unity and heroism and a policy framework for a dual rural economy (favouring large plantations while distributing safety packages to poor peasants) and 2) a doublethink in rural policy (from an inclusive and environmentally friendly discourse, with peasants' choice for organic farming and diversified production ; to drive policy choices of palm, sugar cane and potato coupled with a strong push towards mining and forestry that deplete eco-systems). All this went on while the government received funds from Venezuela and the CAFTA transition period still protected rural areas, which ended in 2019. Ripoll concludes on the fragility of these disjointed policies:

"I fear that in Nicaragua, contradictions will continue to emerge on two fronts: the environmental, economic and social impact of the economic model will be too obvious to ignore and, secondly, safety nets and sustainable development programmes will be less likely to be funded in the future.... Zero Hunger programmes will disappear or be converted from grants to loans. The new reality will leave the FSLN leadership at a crossroads, either moving further towards authoritarianism, or shifting the balance of power to truly represent the FSLN's traditional constituencies: the rural and urban poor, small farmers, the 'squeezed middle class'... Despite the rhetoric of absolute control, there is room for manoeuvre in the margins, through work in the municipalities and at community level." (Ripoll 2018: 14).

This politics of disjunction adds to the collective memory of the FSLN's agrarian attempts to transfer resources to small and medium-sized peasants in a rejection of the agro-export mode of the Somoza era, with Ortega ending up closer to the latter. The concept of *politics of disjunction*, whereby political hegemony seems out of reach and state power is exercised through pacts and alliances between particular interests, takes place in the absence of an imagined community to be respected and protected. "Collective memory can serve as a therapeutic practice for a community and its members, as it comprises an active constructive process in which community members participate in interpreting and processing shared past experiences (especially trauma)" (Wang 2008: 305, in Bosch 2016: 5). But unresolved land conflicts in the rural and peasant economy leave deep scars of trauma and disappointment in the collective memory (Francis 2020: 9), and the politics of disjunction does not advance solutions and healing.

Conclusions

Governments in Nicaragua have established various types of relationships with cooperatives. In general, they have diminished or denied the possibility for autonomous collective and cooperative action, as they tend to see peasants as backward beings to be manipulated (Francis 2020: 48; Horton 1998: 13 & 141). Meanwhile, peasants have tried to protect their agency from both control and violence (Gould, 2014; Dore 2003). Charlip (1999) claims that peasants did not want cooperatives due to the way the latter were portrayed during the Sandinista revolution. Peasants saw themselves as producers and not as workers, while the ideological choice of Sandinistas was to see them as either workers or as peasants incapable of defending their own interests, or having their own consciousness.

In Nicaragua, at very different times, both governments and revolutionary forces have used cooperatives to provide livelihoods for demobilized soldiers, from Sandino in the 1930s to the policies of the Chamorro government in the 1990s. Cooperatives have been encouraged by different types of actors, both foreign, such as USAID in the 1960s under a modernization approach or fair trade networks in the 1990s to respond to the collapse of international institutions, as well as national, such as fair trade and the women's movements since the 1990s.

Much of the literature shows two levels of analysis: the micro level with one or few cooperatives, and the macro level that places cooperatives in a historical context. Only a few studies choose the meso-level as a focal point, be it value chains, cooperative federations, or cooperatives at the regional level (on second-level cooperatives, see Bacon et al. 2008; on federations, see Beuchelt Zeller 2013; on commodity chains, see Clark and Hussey, 2015). These meso-level structures are essential for development, as half of the activity and impact of cooperatives takes place through networks, chains, federations, and platforms. Knowledge about national cooperative umbrella organisations is sometimes erroneous: some authors argue that there are none, although FENACCOOP played such a national role. National political conditions make self-organisation from below exceedingly difficult at the national level, if not

impossible. Local cooperative groups with a purely economic rationale are easier to set up and maintain.

From a sociological point of view, Polanyi's double movement and Bourdieu's capital, field, and habitus (Bourdieu 1992) have been used to explain cooperatives and cooperation in Nicaragua. In fact, both Polanyi and Bourdieu wrote about the importance of studying the structuring of social and collective action. Finally, the debates on the return of the peasant as a chosen role within the world system perspective proposes a novel understanding of global challenges and underscores the struggles for collective action defending emancipatory practices, autonomy, and the safeguarding of natural resources.

Cooperatives in Nicaragua have been created and managed in the context of radical political change, while nevertheless being constantly perceived as subaltern and sometimes transitory. Contradictions between government discourse and policy, or between declared ideology and pragmatism follows a *politics of disjunction*, whereby political hegemony seems out of reach and state power is exercised through pacts and alliances between interests at the top, without the basis of an imagined community to be honoured and protected. Further research is necessary to delve into these debates.

The review of studies on cooperatives in Nicaragua shows that, on a daily basis, cooperatives help manage land and agriculture through trust and personal relationships in a system that has neither built a transparent and clear land register, nor a policy on land use and risk-preparedness in the face of climate change. Several studies claim that secure access to land would be the main way of resolving rural poverty, increasing incomes and improving family well-being. But individual access would not be enough due to lack of access to credit and the history of peasant peonage and indebtedness. Bottom-up autonomous self-organisation is necessary to manage natural resources sustainably and equitably as commons. The distribution of land to individuals and families should include sustainable sharing and safeguarding of common resources, including in the form of cooperatives. Against all odds, imperfections and constraints, Nicaragua's cooperatives have created spaces for security, reconciliation, livelihoods, access to education, investment in local infrastructure, among other benefits for members and communities. A thorough understanding of Nicaraguan cooperatives' contribution to development in the context of political constraints is necessary to help the country find peace and development for all.

Statement on data availability:

The data is available upon request.

Declaration of interest:

There is no conflict of interest. The work is completely independent.

Author contribution note:

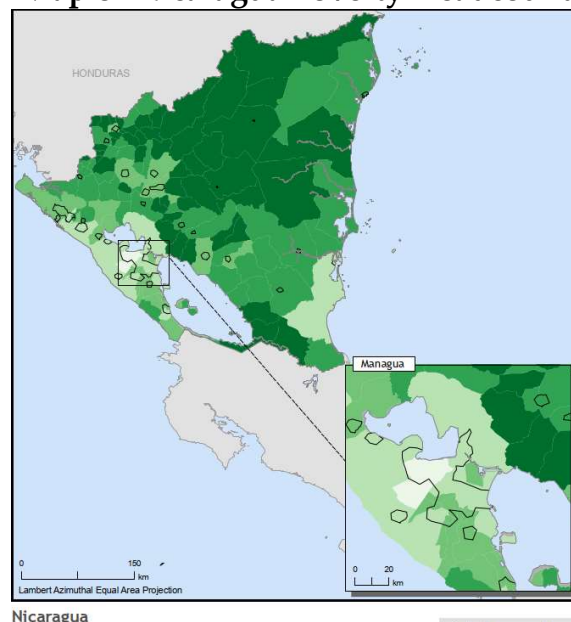
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Appendix:

1) Map of Nicaragua coffee producing areas (Source: Shutterstock)



2) Map of Nicaragua Poverty Headcount Index.



Proportion of the population whose welfare falls below the poverty line. Source: CIESIN (2005) Columbia University.

<https://sedac.ciesin.columbia.edu/downloads/maps/povmap/povmap-small-area-estimates-poverty-inequality/nic-adm2-fgt-0-primary.pdf>

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