



UNIVERSITÄT HOHENHEIM

An assessment of institutional and governance structures to achieve a socially and financially sustainable model for smallholder farming cooperatives. Case study from South Africa

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Summary

Background

Women who live and / or work on farms are regarded as one of the most vulnerable groups among the South African population. Participation in smallholder farming, through the creation of women's cooperatives, is an example of a strategy that could help realise food security and autonomy for women at the household and community level.

Objectives

This study focuses on smallholder farming cooperatives in the Western Cape Province of South Africa that are supported by a non-governmental organisation (NGO) which aims to facilitate the cooperatives becoming socially and financially sustainable.

Methodology

Drawing on the Sustainable Livelihoods Framework and employing a mixed methods approach, the study explores through participant observation and interviews how institutional and governance structures enhance or hamper the women's efforts and those of the non-governmental organisation.

Results

At the level of the NGO high staff turnover was identified as a key factor hampering the efforts of the NGO aimed at assisting the women's cooperatives. Contributing factors to staff turnover included: difficulties in securing funding for staff and programme costs; staff concerns over job security; and a policy shift in government policy regarding funding NGOs. The dearth of funding for the NGO was found to be further exacerbated by South Africa's transition to a 'newly industrialised' nation in 2011 and the policy shift by Northern donor nations in the wake of the 2008 financial crisis to reallocate aid volumes to the most vulnerable nations and sectors. Other challenges to the NGO included human capacity constraints such as: reduced manpower and institutional memory loss due to staff turnover; the lack of agricultural skills; and the lack of drivers' licenses. Issues with communication (internal and external) and the decision-making process were also observed to hamper the efforts of the NGO in assisting the women's cooperatives. Lastly, reliance by programme beneficiaries on the NGO was also found to be one of the challenges to establishing self-sustaining women's cooperatives.

At the level of the women's cooperatives the lack of access to land and the bureaucratic hurdles to accessing land were identified as the most formidable obstacles to establishing

a sustainable cooperative model. While access to land is a necessary condition for establishing women's agricultural cooperatives, it is not in itself a sufficient condition. In instances where land was obtained to set up agricultural cooperatives, the absence of tenure security was found to be a significant challenge, resulting in some cooperative ventures being forced to shut down. Inadequate infrastructure, such as lack of mass public transportation, was identified as a major challenge to the chances of success at the cooperatives. The absence of transportation was found to influence the frequency of visits by cooperative members to the cooperative sites and presented challenges with getting inputs to the cooperatives and the produce out to markets, resulting in a sub-optimal agreement (low prices for produce and poor quality inputs) with a middleman. Other challenges linked to inadequate infrastructure, i.e. the lack of farm fencing, resulted in the theft of farm supplies and produce that affected the morale of cooperative members and led to the eventual closure of a cooperative. The lack of adequate extension services to provide training for agricultural production and marketing was also identified as a significant challenge to the success of the women's cooperatives studied. Lastly, legal statutes regarding water use rights were identified as failing to serve the interests of the women's cooperatives concerned, giving rise to issues with efficiently managing common pool resources (CPR).

Conclusions

Although the women's cooperatives were found to be unsustainable, the current situation is not completely tenebrous. The members of the women's cooperatives have gained a wealth of skills that can serve them in many other ways and, more importantly, they are not resigned to accepting the situation they find themselves in. The mere fact that they are willing to fight against all odds is a huge achievement in itself.

Recommendations

At the level of the NGO

To tackle the issue of reliance by programme beneficiaries on the NGO, the NGO indicated it would reiterate the message of the need to break away from the cooperatives on a regular basis. In doing so, it may be useful to have a list or plan showing what still needs to be achieved before the break off. Doing so will enable the cooperative members to see how close or far away they are not only from the date, but from what will make them successfully independent. It is hoped that such a strategy would also encourage the cooperative members to take ownership of activities instead of relying fully on practical assistance from WFP.

At the level of the women's cooperatives

Horizontal integration through the formation of secondary cooperatives is recommended as a possible strategy to improve the chances of success of the women's cooperatives studied. It is hoped that by exploring this strategy, the challenges faced in terms of sourcing inputs and marketing produce (i.e. scale of production) could be overcome. Another recommendation that could be explored further involves drying farm produce to reduce losses, therefore facilitating better price negotiation terms with buyers.