



# **THE ROLE OF CO-OPERATIVES IN ENTERPRISE AND SMME DEVELOPMENT**

**(LOCAL ECONOMIC DEVELOPMENT)**

**Paper prepared by**

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## **1. INTRODUCTION AND CONTEXT**

Since 1994 small micro and medium enterprises, farmers, craftsmen and -women in South Africa are affected by deep social and economic changes. This transition causes many adjustment problems in many sectors of the society. Despite many efforts of the new Government the majority of South Africans still lack adequate access to support and services for sustainable livelihoods and enterprise development, as well as sustainable access to financial services (savings, credit, insurance, housing).

This situation calls for a much stronger emphasis on mutual self-help and reliance on own resources of people especially in rural and semi-urban areas and a reduced expectation that Government intervenes to assist them. People who form a co-operative or a self-help group have recognised that it is more successful to join hands with others and to start together an initiative from the "bottom" than to wait for help from the "top". The "bottom up" approach is typical for co-operatives and other self-help groups. This form of self-help and self-organisation ensures that mainly those people collaborate who have similar interests and who are convinced to obtain benefits and advantages by operating the co-operative way. By joining a co-operative or a self-help group, members benefit primarily from the services provided, whereas in enterprises the owners expect to benefit from the return on their investment. The fact that owners and customers/ clients/suppliers of a business are identical is the characteristic feature of a co-operative. Central to the legal concept of a co-operative or a similar self-help group is its legal obligation to promote the economic interests of its members.

However, members are ill prepared to manage and run their own co-operatives and other self-help groups. It is not only lack of support and services to self-help structures but also an incorrect perception about co-operatives. These perceptions are often based on mainly negative experiences of the past when co-operatives e.g. in the former homelands were established by government. Therefore, there is a need to start from what the people know especially their own experiences with stokvels, burial societies and other societies and clubs.

Usually self-help in groups arises in times of need. If this self-help is to be lasting, and if it is organised in a form of a co-operative organisation, this usually indicates a level of social commitment by its members. Co-operative organisations are serving their members and not

necessarily the entire community. One should keep in mind that one is born into a community whereas in a co-operative one has to acquire membership.

Sustainable operation and growth of a co-operative organisation is an organic process which requires a balance between resources and tasks and the gradual gaining of experience by both members and management. The provision of "cheap" capital or material resources reduces the motivation of members to contribute their own resources. Further demotivation results from the expectation that further inputs of cheap or free capital can be expected. A dependence perception arises which is opposed to the co-operative commitment necessary for the sustainable operation of the co-operative. External assistance is often arranged between local support organisations and donors, and managers or leadership directly, without allowing sufficient participation by members, thus compromising the basic principle of co-operative organisations.

Assistance is best provided in the form of supporting activities and institutions beyond the reach of individual co-operative organisations, thereby contributing to an upgrading of their human resources, managerial capacity, and business opportunities. Such activities include training, information contacts, advice and guidance, consulting and auditing services. Care must be taken that this process is based on a mutual dialogue, exchange of experiences, identification of needs, priorities and available resources. Too strict external provisions must not undermine self-help, self-financing, self-administration and self-control.

The degree of member participation within any co-operative organisation depends largely on the impact, which these organisations have on the daily lives of their individual members. If the co-operative for instance fails to deliver what the members need and want, then its future will be in jeopardy.

Entrepreneurship at grassroots level and thus small and medium enterprise development could be strengthened through the creation and development of co-operative organisations. Co-operatives and their members have a small and/or medium business character. However, through their integrated structures they are able to compete with other enterprises without losing their independence, their ability to adapt to local capacities, their acceptance by members, their innovative potential and their individual risk taking capacity. The delegation of functions from co-operative/group level to for example a second tier co-operative structure will change with their development process and most probably also with internationalisation or globalisation tendencies. The co-operative structures have to compete

in liberalised markets, which tend towards concentration and continuous technological improvement processes.

In such a way existing entrepreneurs could also contribute to decreasing the gap between the “First” and “Second” Economy as they become more competitive. There is an enormous scope to develop goods and services to meet so far unmet needs and thus considerable potential for new sources of jobs at local level. Existing small, micro and medium enterprises at local level can make a very important contribution to local employment by co-operating in co-operatively organised structures. They enhance the employability of the vulnerable and often socially excluded in local areas and consolidate partnership and empower local actors as was demonstrated in various places in South Africa.

Mobilisation of local communities in combating unemployment and poverty is crucial. There is a need that the Local Government and local actors such as co-operatively organised structures become partners in delivering economic and social development across the Municipality. Decentralisation is a way to improve the quality of services and responds to the needs and opportunities in the local economy. It is at local level that the potential for job creation can be tapped: In sectors from crafts, retail to agriculture and tourism, in manufacturing and marketing of local produce and goods and in housing improvements. It is at that local level in particular that education and training will be organised, developed and delivered.

It is in this context that the Government of South Africa has put a major emphasis on co-operatives as it is reflected in the President’s State of the Nation Address in 1999, who said that “The Government will also place more emphasis on the development of a co-operative movement to combine the financial, labour and other resources among the masses of the people, rebuild our communities and engage the people in their own development through sustainable economic activity”. However, this intention has to be implemented now at local level.

## **2. PROBLEM SITUATION**

The lack of entrepreneurship capacity especially at local or Ward level has been identified among others by the City of Tshwane. SMME’s and Enterprise Development appear high on the agenda.

Small, micro and medium enterprises (SMMEs) do not contribute as expected to Local Economic Development (LED). The existing enterprises have not accomplished what they are able to do. It has become evident that these enterprises are and will be even too weak to survive on their own disregarding their potential to contribute to employment and income generation.

### **3. THE CO-OPERATIVE MODEL TO GROW ENTREPRENEURSHIP**

#### **3.1 THE ROLE OF THE CITY OF TSHWANE**

The task of the City of Tshwane would be to promote, to support and to facilitate the co-operative development process in the coming years. This does not mean that the City is a decision-maker for co-operatives. Especially, the City should not intervene into internal co-operative affairs, such as determining objectives and activities, decide upon the use of profits/surplus, intervene in the election processes of co-operative leaders and other management decisions which must be left to co-operative members themselves. The City should not strive at forming co-operatives itself but leave it to interested members. Thus, it would also be avoided to look for quantity or co-operative numbers instead of quality.

The City and other funding agencies should not provide direct subsidies to co-operatives. This might prevent co-operatives from generating their own resources and will compromise the self-help nature of co-operatives. Instead, funds should be made available to support the capacity building process within co-operatives. Assistance to qualified service providers that can provide genuine co-operative training, consultation, advice, extension services, market information and other services will prove to be more efficient and sustainable. Thus, emphasis should be laid upon indirect financial and technical assistance and support following the motto "Do not give money to the co-operatives but teach them how to earn money themselves."

Rights and responsibilities of municipal institutions need to be clarified so that entrepreneurs and their co-operatives are not getting confused about different directives. As long as there are no other institutions in the country, the City of Tshwane definitely can play a role in co-operative development. However, co-operative autonomy must not be undermined. Once, co-operative institutions at municipal level that represent co-operatives from the bottom to the top level are fully functioning, several activities initially performed by the City could be taken over by the movement. Experience all over the world has shown that it is difficult to build a house (co-operative movement) starting from the roof without a strong (co-operative)

basis. As mentioned in the Co-operative Act, co-operatives should create their secondary and tertiary structures from the bottom level.

It is suggested to sensitize Municipal Government personnel in a number of workshops with the co-operative development approach so that they can provide the necessary support to entrepreneurs, as well as to the co-operative development process.

### **3.2 THE ROLE OF CO-OPERATIVES AND THEIR MEMBERS**

The process of development of co-operative organisations is best undertaken by the members and prospective members themselves with the assistance, if they feel it to be necessary, of promoters, facilitators, co-operators etc., familiar with the prevailing situation. This best responds to:

- the need to start from the subjectively felt needs, common interests, aims and risk-perception of the members;
- the importance of an educative, motivating and participatory approach;
- the promotion of small homogenous and cohesive (local) groups;
- the integration, as far as possible, of local co-operative-oriented structures and indigenous forms of self-help and co-operation;
- the assurance of support of local leaders and
- the development of institutional arrangements and management systems which are adapted to the local conditions.

Since the initiation of a co-operative self-help organisation is usually an innovation in its (local) environment, and needs to be seen as a "learning process approach" of the participants, it is not appropriate to plan this process in a deterministic sense or regulate it through straightjacket procedures. The (external) promotion of co-operative self-help requires motivated, capable and experienced (local) promoters, who have to act as innovators and facilitators of development processes. They must be carefully selected and trained in co-operative development work, as well as in participatory training techniques. Their task is to facilitate the co-operative's capacity to organise and manage its activities. They must work side by side with the members, building up their confidence in their own abilities and promoting their self-reliance. The thorough training of promoters should precede their contacts with the selected areas.

The development of concrete forms of institutionalised co-operation, which are adapted to the local conditions as well as to the needs of the members, and which can serve as "illustrative models", will considerably facilitate the processes of "imitation" and "diffusion" of the co-operative self-help organisations. External assistance must be kept to the minimum, and should be directed towards forms of general, indirect and long-term support for the co-operative structures as a whole.

At first, contacts should be made with the existing businesses within the municipalities to raise their awareness about doing business the co-operative way. In this meeting as well as in other subsequent meetings the whole concept of the co-operative approach should be explained carefully including aspects such as:

- what are the common interests to form a co-operative
- what will be the advantages to become a member
- who would be eligible to become a member of the co-operative
- what legal provisions are required
- how does the co-operative function
- role of the members, the committees, the management, the leadership
- democratic management and control (democratic principles in decision-making)
- administration, internal control systems
- information on education and training of members, staff, leadership, management

Primary co-operatives of SMME members have often proven too small to compete with other enterprises. Therefore it will soon be necessary to establish an integrated structure of co-operatives such as a second tier central co-operative that is made up of a number of primary co-operatives. It needs to be explained that through these co-operatively organised self-help structures individual members are linked to a powerful integrated system that provides economies of scale and improved access to markets, information and knowledge.

The co-operation within the integrated system follows the basic co-operative principles such as voluntary membership. Although the co-operation is based on this voluntary basis, member co-operatives and groups must be willing to jointly co-operate on a sustained basis.

In comparison, the integrated system shows its advantages over other enterprises through its flexibility, its member/client/customer proximity whereby the small business character is compensated by the integrated system.

The manifold “economies of scale” and the increased access to markets, information and knowledge continue to justify the transfer of functions from co-operatives/groups to their integrated structure.

However, the “economies of skills” will gain importance in the future, too. The dynamics of markets will put too much demand upon co-operatives and groups and their limited capacities. The necessary specialised and professional experience as well as management and marketing know-how can be best accumulated on a higher level. Integrated co-operative structures will have a definite added value. They can more easily detect new trends, push through product innovations in the marketing offers of the entire group, can advertise and market products and services, create brand names and support co-operative employees and members through an intensive training and counselling programme.

Individual small primary co-operatives with a limited market potential, insufficient financial means, in many cases still part-time administrators and difficulties in recruiting qualified personnel for honorary offices have hardly any chance for survival. Within the integrated system they can stay as near to the members and customers as possible. Thus, the membership-based structure is maintained.

Co-operative organizations differ from other businesses in three key ways:

a) A Different Purpose:

Co-operatives have to meet the common needs of their members, whereas most investor-owned businesses exist to maximize profit for shareholders.

b) A Different Control Structure:

Co-operatives use a system of one-member/one-vote, not one-vote-per-share. This helps them to serve common interests and to ensure that people, not capital, control the organization.

c) A Different Allocation of Surplus:

Co-operatives share surplus among their member-owners on the basis of how much they use the organization, not on how many shares they hold.

There are a multitude of benefits that come from successful co-operatives:

- Opportunities to strengthen community bonds by helping one-another
- Definition of own needs instead of letting somebody else do it for the municipalities
- Product and service development by the people for the people
- Control of one’s own future



- Greater community autonomy
- More honest and ethical business practices
- Freedom from homogenized mass-market-driven goods and services
- Community benefits
- Better access to quality products and services
- Fair market prices
- Strong customer/client loyalty
- Greater employment opportunities
- Ability to change things that don't work
- Economic and social growth in the community
- Access to new markets

#### **4. SUGGESTED SUPPORT AND SERVICES PROGRAMME**

##### **4.1 TRAINING AND CAPACITY BUILDING PROGRAMME**

The purpose of all training is to develop skills and encourage behavioural and attitudinal changes in participants. Training however can solve not all problems. For example lack of access to financial services or lack of resources are not training issues. Training needs arise when knowledge or skills needed are lacking, or when new activities are to be started, new products are to introduced etc.

The following training content and subjects are recommended:

- Co-operative basics: principles, Act, constitutions, and formation and registration procedures;
- Co-operative accounting, auditing and financial reporting;
- Co-operative management
  - Running of day-to-day co-operative activities
  - Business plan preparation;
  - Input supply
  - Co-operative marketing
  - Processing, diversification of products

##### **Co-operative basics: Principles, Act, Constitutions, Formation and Registration Procedures**

This course will introduce the Co-operative Act and provide information on how to prepare own co-operative constitutions. Emphasis will be laid upon traditional co-operative

structures, approaches and organisations that the people know and are familiar with, such as “UBUNTU” and “kgomo go tso swa ye e ka tso sago (help yourself to get up)”. It is important to help leaders and managers understand the basic principles of co-operatives: voluntary participation, democratic decision-making, member-based management, and autonomy. The key issue is to educate co-operative managers to represent members, be elected by members, and include members in co-operatives as both decision-makers and service users. Leaders should also be trained in the procedures of registering a co-operative.

### **Co-operative Accounting, Auditing and Financial Reporting.**

Co-operative operations must be transparent. That is, members should know about co-operative performance and have access to financial data such as revenue generation, expenses and capital efficiency. It is one of the main duties of a board of directors of a co-operative and of the accountants to make the financial management transparent for all members.

Basic training courses should be provided to all members of the board of directors and intensive training should be designed for accountants. The ultimate objective is to assist accountants to be able to accurately document the finances, to prepare financial reports, including profit and loss statements, balance sheets, cash flows and equity capital, and to interpret financial indicators.

Auditing skills are also needed. Auditing should be recognised as an important tool to drive business and provide transparency. Auditing training will also help co-operatives to access bank loans.

### **Co-operative Management**

Co-operative management will provide the board of directors with the essential skills to run day-to-day co-operative business. This includes human resources management and development, staff training, report writing, chairing members’ meetings and conflict management. Practical training will assist the management to draw up operational procedures and policies for their co-operatives, including a salary and wages policy and incentive systems.

#### **- Business Plan Preparation**

A good business plan is the key to the success of any new business venture. It serves as an effective tool that assists managers to communicate with bankers and clients. In addition, it

provides a detailed blueprint for activities needed to finance the business, develop the product or services, marketing or managing the new business.

Although banks insist on their borrowers having a good business plan before they can be granted a loan, rural entrepreneurs, co-operative managers and farmers are not familiar with the ways to prepare a good business plan before they embark on a new business venture. A course on preparing a business plans will form a core component of the training program.

- **Co-operative Input Supply**

Members join co-operatives in order to obtain goods and services to a cheaper price or at better quality as they could on an individual basis. The objective of co-operative supply should be to keep the prices at a reasonable level by using bargaining power based on bulk buying, shortening the supply lines through direct purchases from factories or importers, and effective handling to avoid losses. Input supply issues will be covered through practical examples provided by the trainees. Advice on bulk buying will be given as well.

- **Co-operative Marketing Management**

Production and provision of services must be guided by market demand. Product design, packaging, distribution channels, and promotional activities should all aim to satisfy customers' needs and tastes. The co-operative could improve the members' income by ensuring a better return for their produce through combined bargaining power, price stabilisation, lower trade margins and the identification of better markets. Selected marketing issues will be covered, with the aim of introducing a conceptual framework as well as the necessary practical skills.

- **Diversification and Processing**

Diversification is the introduction of new products or activities to the co-operative. Diversification needs careful planning and market research before being embarked upon. Reasons for diversification include reducing dependence on markets, products and buyers, improving of economic viability and competition. Rather than offering completely new products or services, it may be more practical to broaden the spectrum of what is offered through processing of members' products. ("Add value to the products"). Processing could take place at the level of an integrated co-operative structure.

## **4.2 SUPPORT TO ESTABLISH AND FURTHER DEVELOP CO-OPERATIVES**

### **Integrated Co-operative Structure**

In order to achieve sustainability and self-reliance, primary co-operatives and other self-help groups should be encouraged to form their own(ed) integrated structure (second tier). Such a support and services co-operative for example was established and registered in Pretoria in March 2003 under the name of "Yebo Co-operative Ltd." Yebo is a co-operative of member co-operatives and other self-help groups, thus owned, run and managed by representatives of these groups.

### **Create favourable conditions for the development of co-operatives**

This proceeding is directed towards a close co-operation of city authorities and local levels through together sharing opinions and ideas to develop co-operatives. As one of the South African government's important policies, the co-operative development activities have received a big attention and concern from government.

### **Conclusion**

The support of member-based self-help organisations is a development approach that empowers people to take charge of their lives. They build up their own(ed) locally rooted organisations and by integrating in a network of such organisations profit from economies of scale (bulk buying) and economies of skills (advice and counselling) that can be provided more effectively and efficiently through an integrated co-operative system.

Local economic development (LED) with locally generated resources for local benefit is encouraged and promoted. Mobilising of local savings for channelling into local loans increases not only the growth of the local economy but also the benefits of the local community.

The self-help approach also leads to economic cooperation of many (Broad Based Black Economic Empowerment) instead of the concentration in the hands of a few. It increases incomes, contributes to employment creation and thus to poverty reduction

**PROFILE OF THE DGRV, CDI, YEBO CO-OPERATIVE AND SH CONSULT  
AS SERVICE PROVIDERS**

**1. DGRV**

DGRV - Deutscher Genossenschafts- und Raiffeisenverband e.V. (German Co-operative and Raiffeisen Confederation) is the national apex organisation of the German co-operative sector. Today, some 6.340 local co-operatives with all together 16 million members, regional and national co-operative centres and a system of specialised federations are affiliated to DGRV. The co-operatives predominantly operate in three sectors (agriculture, banking, small scale industry/commodity and services). In addition, also housing and consumer co-operatives exist.

Since more then 20 years, DGRV is involved in technical co-operation programmes with partners in many countries all over the world. In the Republic of South Africa, first contacts date back to 1995. It is our aim to assist in the development of co-operative organisations, both co-operatives on local and regional/national level as well as co-operative apex-institutions.

The development and consultancy activities are performed with the objective to foster both local and economic development (especially SMME) and to contribute to poverty alleviation through:

- strengthening partner co-operative organisations
- promoting co-operative know-how transfer through training activities;
- strengthening savings and credit co-operatives in rural and peri-urban areas;
- introducing co-operative auditing systems and
- advising national governments, banking supervision authorities and other public bodies on co-operative law, auditing and supervision of co-operatives.

In its international work, DGRV co-operates with the German Federal Ministry for Economic Co-operation and Development (BMZ), which to a large extent provides financing of the projects.

In fulfilling its mandate, DGRV consults co-operatives in South Africa. Activities range from agricultural co-operatives, co-operatives in the SMME sector, to savings and credit co-operatives, as well as other self-help initiatives.

DGRV's approach is to start from what the people know and have. Co-operatives should be sensitive to the customs, local structures and experience of local people. People are already involved in many co-operatively organised self-help activities such as stokvels (rotating savings and credit associations) and burial societies. Group association, group-cooperation and group responsibility are basic elements of African societies.

The underlying principle for DGRV's work is that co-operatives are institutions led by economic principles to serve the economic and social interests of their members within the market economy.

The DGRV is a strategic partner of the CDI, the Yebo Co-operative and SH-Consult and provides its experience to these institutions.

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## **2. CDI: CO-OPERATIVE DEVELOPMENT INITIATIVE**

Together with the Agricultural Business Chamber (ABC) (an organisation of mainly commercial co-operatives and companies) the DGRV has launched the Co-operative Development Initiative (CDI).

**Business Thrust:** CDI's core focus is to act as linkage agent between emerging farmers/groups and the mainstream of commercial agriculture; the approach is to create linkages around business benefits in both directions; CDI acts as agri-business information broker to arrange access to the required business components

**Business Network:** The CDI network is widespread and well-established amongst all players in and around the agricultural chain ; we have access to providers of all the crucial technical/financial/ training/marketing/logistical requisites ; we operate in all the provinces ; we connect to all levels of government ; CDI is lean and free, we remove barriers and create contacts.

**Customer Profile:** Our typical customers on the demand side are new farmers and entrepreneurs, mostly in self-help groups ; on the supply side they are agri companies, cooperatives, banks, input suppliers, marketers, commodity organisations, trainers, agencies, consultants ; members of ABC and capacity of DGRV are core to our linkages

## **Project Portfolio**

CDI has in the region of 110 projects on its books of which 50% are firmly and actively linked, the others are in process and we experience a steady growth ; most of our linkages are with ABC member companies and cooperatives, banks, trainers, suppliers of inputs and some markets ; we are in contract with Dept of Agriculture to establish linkages in eleven (11) nodal areas

## **CDI Logistics**

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### **3. YEBO CO-OPERATIVE LTD.**

Yebo is a support and services co-operative which is geared towards addressing the challenges facing self-help member-based organisations in South Africa.

The following are the challenges that led to the formation of Yebo:

- Lack of access to support and services for sustainable livelihoods and enterprise development
- Lack of sustainable access to financial services by the majority of the South Africans (savings, credit, housing, insurance, etc.)
- Lack of sustainable support to self-help structures
- Incorrect perception about co-operatives.

Various groups, burial societies, and co-operatives from all the provinces of South Africa formed Yebo as their own(ed) support and service organisation. Currently Yebo has a membership of about 70 groups and co-operatives. Yebo offers a variety of services to its members, and the services are: -

- Advice and Counselling: - Yebo is offering its members advice and counselling in terms of running their businesses.
- Co-operative Training: - Yebo is offering co-operative training which is demand driven and outcome based, for example basic rules of member based organisations, rights and obligations of members etc.
- Co-operative Audit: - Yebo is offering co-operative (financial, management, social) audit to its members.
- Business Advice: - Yebo is assisting the small enterprises in drawing up their business plans, marketing strategies and the marketing of their products.

- Bulk Buying: - Yebo is co-ordinating the bulk buying of consumables (e.g. maize meal, flour) and other commodities (e.g. fertiliser, seeds, cement, paraffin, etc.)
- Agricultural Services and Linkages: - Yebo through the Co-operative Development initiative (CDI) is facilitating the linkages between the new farmers and the commercial farmers, in terms of sharing the expertise and marketing of their products
- Small Business Development: - Yebo will support and facilitate small businesses' development and management, (e. g. bakeries, painters, hawkers, spaza shops, etc.)
- Financial Services: - Yebo is offering credit to its member groups and co-operatives; Central Liquidity Management (pool savings); Insurance (funeral, life and non-life schemes); housing scheme.

Yebo has proven to be different from other co-operatives in SA, due to the following:

### **The Approach:**

The approach that Yebo uses is to start from what the people know, for example people have a culture of saving and working together through various ways, to mention a few:

- (a) stokvels: - People with the same idea come together and save their money for later use-like for buying Christmas grocery. Normally the people will start saving their money from beginning of the year until the end when they buy in bulk and then divide the goods among themselves.
- (b) Burial Societies: - People will save their money and some tangible goods like (candles, washing powder, matches, etc) for the dark days in the family (when the family has lost a member) those savings will then be used accordingly, either to buy a coffin, food, and other funeral related needs.
- c) Clubs: - the club is the same as the stokvel, people save their money for a specific purpose and for a specific period.

### **Enhancement of existing initiatives**

Yebo unlike other organisations, does not seek to establish new business ventures, but start by enhancing the existing businesses by way of providing advice on proper business management, record keeping, financial management, management and social audit of those businesses to ensure that that particular business becomes sustainable and viable.

### **Help member co-operatives and groups to generate their own funds**

This is a very unique character of Yebo especially in South Africa, where everyone is used to receive funds from government and donors without any effort. Yebo teaches its members not to be dependent on the government or donors but to be able to generate their own



money. This is done through the process of bulk buying of consumables and other commodities. People are able to save money through the discounted prices that they get when they buy in bulk also the transport cost is minimised.

### **Building of sustainable and locally rooted organisations**

Yebo promotes and facilitates the establishment of locally rooted organisations by way of ensuring that the money that is generated from the particular community is not taken out to places where it was not generated to develop the community where it came from and the people located there.

### **Member-based**

Yebo is a genuine member organisation because it is owned, managed and controlled by its members.

### **Pre-qualification Assessment**

All the groups and co-operatives that join Yebo are being assessed if they meet the Yebo criteria which are:

- a) Groups should be co-operatively organised,
- b) Business oriented and
- c) Committed to help themselves

### **Adherence to self determined rules and regulations**

E.g. “co-operative audit”. Yebo members have determined their own rules and regulations that they want to adhere to.

### **Immediate benefits**

Yebo members have a comparative advantage to other groups in that they are able to reduce the price of goods and services through bulk buying, transport cost, access to markets, access to financial services, access to advice and training, etc.

### **Yebo Co-operative Logistics**

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#### **4. SH CONSULT**

SH Consult for Self-Help Promotion Reg.No. 2003/022605/23 is a close corporation, with expertise and capacity to carry out economic self-help projects on an International, National, Provincial and Local level.

The **mission** of SH Consult is to make a difference in the lives of people by providing skills, expertise, and opportunities to enhance a self-help business approach.

**Business approach of SH Consult:** SH believes in a proper assessment of the need and value of the business idea, coupled with the value of member-based organisation, business orientation, sustainability and active commitment of the people involved.

**Experience and Competence's:** SH through its core members and partners are recognised locally and internationally as leaders in co-operative development matters, SMME development, and business linkages, as well as in mobilising self-help activities.

#### **Core activities of SH Consult:**

- Business needs analysis
- Co-operative/ groups training
- Poverty alleviation
- SMME development
- Business planning
- Group leadership identification
- Solicit Human and financial resources
- Institutional development of self-help groups
- Creating business linkages
- Follow-up (mentoring of institutions and businesses)
- Co-operative banking

#### **SH-Consult Logistics**

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