



**PERCEPTIONS OF UNEMPLOYED GRADUATES ON THE ROLE OF  
COOPERATIVES IN REDUCING UNEMPLOYMENT IN CAPE TOWN**

**by**

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## DECLARATION

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## **ABSTRACT**

An analysis of the prevailing macro-economic trends in South Africa reveals growing unemployment, especially amongst the youth and graduates who are not economically active which in turn increases poverty and other social phenomena. The burden is thus borne by the national government to provide essential social services and at the same time stimulate the development of the economy. To achieve the foregoing, the national government issued the National Development Plan 2030 as well as the promulgation of appropriate legislation to stimulate and strengthen the economy which include the establishment of cooperatives. However, there appears to be a reluctance by the youth and graduates in particular to participate in the economy by adopting this initiative. The purpose of the research study was, therefore, to establish the awareness and perceptions of unemployed graduates on the role of cooperatives in creating employment opportunities

The literature review provided the premise for the development of the qualitative exploratory research design within an interpretative framework. Focus group sessions were convened as the data collection method with registered graduates in four purposively selected academic departments within a selected University of Technology located in the Western Cape Province. The selected academic departments represented the economic sectors identified in the National Development Plan, 2030 as essential in stimulating the economy.

Thematic analysis was the method employed to analyse the primary data collated arising from the focus group sessions which was structured in accordance with the seven questions formulated on each of the focus group guidelines.

The findings and conclusion arising from the research study revealed that the graduates experienced a fear of failure and a lack of funding and capital. Furthermore, the graduates could not understand the distinction and benefits between creating employment opportunities and seeking jobs. Finally, the graduates were unaware that funding was available and that there were procedures and support structures available to access this funding.

In view of the foregoing, the following recommendations are suggested:

- To conduct a further research project by increasing the research population with the inclusion of other Higher Education Institutions (HEIs) to validate the findings arising from this single case study;
- To design, develop and convene communication and information sharing workshops on the role and benefits of cooperatives with unemployed graduates within the four HEIs located within the Western Cape Province;
- To follow up with participants to establish whether or not there is increased understanding of the essence of cooperatives as well as its purpose and benefits; and

- To follow up with participants to ascertain if any of them had established a cooperative.

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## **DEDICATION**

I dedicate this research project to my parents and grandparents who have given me their support and made sure I got what I needed until the last days of their lives. Sadly, I did not get a chance to see my grandfather, Jackson Gagalam Gwebityala, my father's father.

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## **ACRONYMS AND ABBREVIATIONS**

CIS	Co-operatives Incentive Scheme
CK	Cooperative Knowledge
CWS	Cooperative Wholesale Society
DTI	Department Trade Industry
EMIA	Export Marketing and Investment Assistance
HEI	Higher Education Institution
HOD	Head of Department
ICA	International Cooperative Alliance
ILO	International Labour Office
NDP	National Development Plan
NYDA	National Youth Develop Agent
PetroSA	Petroleum Oil and Gas Corporation of South Africa
QLFS	Quarterly Labour Force Survey
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SME	Small Medium Enterprise
StatsSA	Statistics South Africa

## **GLOSSARY**

**Cooperatives** - A cooperative is a private business organisation controlled by a person who uses his products, supplies or services. Although the types and numbers of members of a cooperative vary, all members must meet the specific goals of the members and are designed to adapt to the changing needs of the members (Warner & Christenson, 2019:12).

**Economic development** - Economic progress or qualitative measurement; economic development usually refers to the adoption of new technologies, the transition from an agricultural economy to industry and the overall improvement of people's living (Nel, 2019:25).

**Empowerment** - Empowerment is defined as becoming stronger and safer, especially the process of controlling life and claiming rights (Hollerich, 2019:481).

**Entrepreneurship** - Entrepreneurship is the creation or exploitation of value. With this definition, entrepreneurship is conceived as a change, which generally involves greater risk than what normally occurs at the beginning of a business, which may include values that are not purely economic (Abisuga-Oyekunle & Fillis, 2017:60).

**Poverty** - Poverty is defined as a situation in which one's earnings from work are insufficient to meet fundamental human requirements (Adato et al., 2006:227).

**Unemployment**- Unemployment occurs when a person is actively looking for a job but cannot find work. Unemployment is often used as a measure of the health of the economy (Albanesi & Sahin, 2018:49).

**Youth** - Youth is the period of life when someone is young and usually means the period between childhood and adulthood (maturity) (Abisuga-Oyekunle & Fillis, 2017:60).

**Worker Society Cooperative** - According to Schlachter (2017:126), a worker cooperative is owned and governed entirely by its members. This control can refer to a firm in which each worker-owner makes choices democratically or a corporation in which the management is chosen by each worker-owner, one vote at a time.



# **CHAPTER 1**

## **INTRODUCTION AND BACKGROUND TO THE STUDY**

### **1.1 Introduction**

A cooperative is an autonomous group of volunteers who fulfil economic, social, cultural and common ideals through a common and democratically controlled enterprise. Cooperatives play an important role in facilitating access to credit, procurement, storage, distribution of information and the marketing of products. Cooperatives create employment opportunities, particularly in the township or rural areas in South Africa for disadvantaged groups, thus facilitating the development of social and economic benefits (Guttman, 2021:37).

The purpose of this study is to determine the perceptions of unemployed graduates of the role of cooperatives in creating employment. The study's scope includes the orientation of unemployed graduate students on the role of cooperatives in reducing unemployment. The research study investigates the perceptions of unemployed graduates on the role of cooperatives and encourages the establishment and awareness of cooperatives. The beneficiaries of the study are the general population but specifically the targeted unemployed graduates. The study is located in a selected University of Technology (UoT) in the Western Cape of South Africa.

To contextualise and provide perspective to the study, this chapter includes a background and information on cooperatives. The chapter includes an introduction, the problem statement, the rationale and significance of the study, the research question, the research purpose and objectives, a preliminary literature review, the research design and methodology, the research target population, purposive sampling, data collection instruments, data collection, data analysis, chapter classification, delimitation of the study, ethical considerations and, limitations of the research. A chapter summary concludes the chapter.

### **1.2 Background to the problem**

According to the International Labour Office (2014:1), there is a crisis in youth employment where young people are three times more likely to be unemployed than adults. The International Labour Office (2014:2) estimates that more than 73.6 million young people are looking for work globally. Since 2007, the number of young unemployed people has increased significantly by 4.1 million globally.

In South Africa, cooperatives have not yet gained much popularity. They have only been perceived to be for small-scale farmers, small and developing merchants as well as low-income earners. This could be the possible explanation why there are many cooperatives for farmers in South Africa. Apart from the history of cooperatives, there appears to be no consistency with

regards to the exact origin of cooperative societies although there are some arguments that it started in Europe.

The government of South Africa is committed to providing support for the growth of cooperatives in South Africa, especially amongst previously disadvantaged communities. The government has put in place the Cooperatives Advisory Board which acts as a representative for all cooperatives and gives advice to the Minister of Trade and Industry on all related matters. Notably, it is clearly stipulated that only genuine cooperatives that are registered under the International Cooperative Alliance (ICA) and who follow the principles of the ICA will receive support when seeking assistance.

According to Statistics South Africa (StatsSA) (2020), the unemployment rate in South Africa increased to 30.1% in the first quarter of 2020. The unemployment rate has been persistently high and youth aged 15-34 years accounted for 63.3% of the total number of unemployed persons. This confirms the highest unemployment rate since StatsSA started measuring unemployment using the Quarterly Labour Force Survey (QLFS) in 2008.

Governmental and non-governmental organisations have played an important role in developing policy programmes to combat youth unemployment. Given the low profile of young people's qualifications, interventions could be introduced to increase their employability through, for example, internships, apprenticeships and work-integrated learning. Organisations like Anglo American South Africa and PetroSA have attempted to decrease the unemployment rate. However, graduate students are unable to find employment because of the lack of job opportunities.

Given the above statistical exposition, the number of unemployed graduates is on the increase every year in Cape Town and interventions such as the establishment of cooperatives should be investigated to reduce this unemployment trend. Although cooperatives have been widely analysed in the international community, a comprehensive investigation has not been conducted on the subject in South Africa.

### **1.3 Rationale and significance of the study**

The beneficiaries of the study are the population in general but specifically the unemployed graduates to whom the research is targeted. The study sought to establish the perceptions of unemployed graduates on the role of cooperatives in creating employment and is significant because an awareness of cooperatives could:

- Encourage graduates and members of society to adopt entrepreneurship skills through cooperatives;

- Minimise the unemployment of graduates and thus reduce the unemployment rate; and
- Contribute to the body of knowledge on cooperatives as it relates to the establishment of cooperatives by graduates, thereby facilitating economic growth and development.

#### **1.4 PROBLEM STATEMENT**

The growing unemployment trends in South Africa reveal growing unemployment especially amongst the youth and graduates who are not economically active which increases poverty and other social phenomena. To stimulate the development of the economy the National Government issued the National Development Plan, 2030 which included the establishment of cooperatives. However, this weal economic scenario as sketched above is compounded by the reluctance by the youth and graduates in particular to participate in the economy. In view of the foregoing, the following problem statement has been formulated:

Unemployed graduates display a lack of awareness and knowledge of the role and advantages of cooperatives in the development of the local economy.

#### **1.5 Research questions**

The following research questions guided the study.

##### **1.5.1 Main question**

What are the perceptions of unemployed graduates regarding cooperatives?

##### **1.5.2 Sub-questions**

The following sub-questions were formulated to demarcate the research study:

- What is the level of awareness of cooperatives amongst graduates?

- What are the limitations amongst unemployed graduates in the establishment of cooperatives?
- What support structures are necessary to identify, develop and sustain business initiatives within a cooperative?

## **1.6 Research purpose and objectives**

The purpose of this research study is to establish awareness amongst unemployed graduates of the role of cooperatives in creating employment opportunities.

To achieve this purpose, the following objectives were formulated:

- To explain the level of awareness of cooperatives amongst graduates;
- To identify and elaborate on the limitations amongst unemployed graduates in the establishment of cooperatives; and
- To highlight support structures necessary to identify, develop and sustain business initiatives within a cooperative.

## **1.7 Preliminary literature review**

The following sections underpin the discourse around cooperatives, adding to the conceptual framework of the study:

- Definition of cooperatives;
- History of cooperatives;
- Regulatory framework;
- Types of cooperatives;
- Roles of cooperatives and youth unemployment initiatives; and
- Countries utilising cooperatives.

Entrepreneurship and self-employment can serve as sources of new jobs and economic momentum and can improve livelihoods and economic independence in developing countries (Banshree et al., 2006:6).

According to Nuggusie (2010:134), entrepreneurship presents huge benefits such as creating employment for young entrepreneurs and young people. Young companies provide valuable goods and services to society, while emerging small businesses improve market competition, produce markets and bring benefits to consumers. According to McInerney (2014:3), extreme poverty continues to be concentrated in rural areas, affecting many subsistence producers, family farmers and the landless.

Cooperatives, used as a type of entrepreneurial activity, can be an effective tool for reducing unemployment and poverty for the targeted unemployed graduates as well as unemployed graduates throughout South Africa.

### **1.7.1 Definition of and history of cooperatives**

According to Tshabalala (2013:12), a cooperative is an autonomous group of volunteers who fulfil economic, social, cultural and common ideals through a common and democratically controlled enterprise. Cooperatives are based on the values of mutual aid, personal responsibility, democracy, equality and solidarity.

Cooperatives are private commercial organisations owned and controlled by people who use their products, services or suppliers. Although the types and sizes of cooperatives vary, they are all established to meet the specific objectives of members and their structure is designed to meet the changing needs of members (Kalogiannidis, 2020:455).

A cooperative is a business owned by its members - people who buy goods or use services and who are not controlled by investors. Cooperatives operate on the principle of one vote per member. In other words, unlike a company owned by investors (where the voting rights are based on ownership shares), each member of the cooperative has equal voting rights. Unlike companies owned by investors, the percentage of return on the income of cooperative members is proportional to the percentage of cooperatives used and not proportional to the shareholding (Bauwens, 2019:843).

The word 'cooperative' comes from the word 'cooperation', which simply means working together or working together for a common purpose or benefit (Merriam-Webster, 2014:55). Cooperatives need mutual support to achieve common goals. Cooperatives are voluntary organisations open to all who can use their services and are ready to take responsibility for the association without discrimination on the grounds of gender, society, race, politics, religion or other forms of bias. Cooperatives are democratic organisations controlled by their members, who actively participate in policy development and decision-making (Ajates, 2020:470).

Cooperatives include voluntary networks that are owned or controlled by individuals who distribute benefits based on use or ownership, with ownership being widely considered among individual members. The resulting benefits are, for example, surplus or profit, better working conditions and benefits, lower prices, product quality, more suitable product types and varieties for members and more accessible credit. Members control the cooperative on a member-by-vote basis and have a platform that guarantees their own opinions. Members invest in cooperatives and, therefore, have a financial interest in the organisation (Altman, 2016:6).

Gibson et al. (2005:6) state that the cooperative movement was fuelled by a variety of social needs such as community identity and control over the main aspects of daily life. The weakening of community identity and the development of the South African market economy have seen cooperatives as an organisational response. The ingenuity of the cooperative movement has responded to the needs, tensions and opportunities arising from social and economic modernisation.

The cooperative movement in South Africa began in earnest after the end of the local War in 1902. Agriculture in the old Free State and the Transvaal ceased during the war. In many cases, houses and outbuildings were deliberately burned and cattle were killed as part of British policy against Boer guerrilla forces. Economic reconstruction would take place despite the lack of development capital. The first decades of the cooperative movement in South Africa were slow and often fraught with danger but, ultimately, cooperatives play a crucial role in the success of the South African farming community. Above all, it has shifted agriculture from subsistence farming to commercial agriculture which is very successful today (Department of Agriculture, 2000:7-8).

Most authors seem to agree on the definition of a cooperative. The definition provided by ICA (2018) summarises the essence of a cooperative by stating that 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.

### **1.7.2 Regulatory framework**

Curl (2009:15) states that cooperatives are institutions that democratically own and control their members. Members are often closely associated with the company as producers or consumers of products or services or as employees. Members are open which means anyone who meets certain non-discriminatory conditions can participate. The economic benefits are distributed in proportion to the extent to which each member participates in the cooperative, for example, through dividends in sales or purchases rather than dividends in investment capital. Cooperatives can be classified as worker, consumer, producer (marketing), purchaser or housing cooperatives. Cooperative programmes are designed to increase the participation of poorer population groups to increase economic growth (Schwettmann, 2016:6).

The importance of professional management in cooperatives was introduced to promote the development of vertical cooperatives (companies that share the advertising costs of the company) and horizontal cooperatives (companies that operate on the same level, for example, to establish exchanges between network cooperatives, information and experience).

The concept of cooperatives includes the planning, education, training and development activities to build economically effective organisational capacity (Soni & Saluja, 2013:64).

### **1.7.3 Types of cooperatives**

According to Kindie and Tsugaye (2012:184), in accordance with global trends in market liberalisation and globalisation, the role of cooperatives as forms of economic and social development—including poverty reduction—remains prominent. The creation of cooperatives is often the case in response to market failures, which is common in developing countries. As a result, market failures have paved the way for cooperatives to improve equity, inclusiveness and democratisation. Changes in market liberalisation have provided cooperatives with new resources to support the livelihoods of their members. Therefore, in the post-liberal period, cooperatives have become increasingly important as commercial organisations in developing countries. There are different types of cooperatives, namely worker, consumer, producer (marketing), purchaser or housing cooperatives.

The first consumer cooperative was established in Chennai, a city in India, in 1903. Consumer cooperatives and similar self-help groups allowed the poor to buy food at lower prices and sometimes on credit (Schwettmann, 2016:7).

Marketing cooperatives are particularly suitable for selling agricultural products. They try to protect producers from exploitation by middlemen, combining members' production, processing, sorting and selling of products at the best prices. Proceeds from the sale are distributed among members based on their contribution to the group. It also provides credit information, on-demand storage facilities and market quotes (Otieno, 2019:9).

Housing cooperatives are made up of people who want to get housing. They carry out activities related to purchasing land, obtaining government authorisation, developing sites, constructing houses or flats and allocating houses or apartments to their members (Soni & Saluja, 2013:65).

The type of cooperative in which people get involved depends on their needs but all of them serve the purpose of reducing poverty. Unemployed participants in this study would benefit from starting market cooperatives because they would be making ends meet for themselves and they would also be reducing unemployment.

### **1.7.4 Roles of cooperatives and youth unemployment initiatives**

Youth entrepreneurship is a process through which young people can become aware of independent professional choices, develop and manage ideas, take risks and learn the process of proactively developing and managing businesses (Mwangi & Wanjau, 2013:114).

Cooperatives can reduce poverty (Schwettmann, 2016:9). Poverty reduction is the original aim of the concept of cooperation and remains the engine of cooperation initiatives in many parts of the world. Cooperatives mobilise self-help mechanisms while creating opportunities to increase protection and promote empowerment.

According to Soni and Suluja (2013:65), cooperatives play an important role in self-service in rural areas, especially in areas where private companies are reluctant to go and where the government does not provide basic services. Creating employment and income opportunities and increasing the availability of goods and services also contribute to economic growth, performance and competitiveness, as its members are also beneficiaries. The youth are deeply rooted in their communities and are, therefore, more likely to have a positive impact. Generally, the youth are driven by a series of basic values and ethics, social dialogue and democracy (Soni & Saluja, 2013:66).

According to Johnston (2020:28), social dialogue encompasses all types of negotiation, consultation or information between a government and businesses regarding issues of economic and social welfare. Youth, therefore, can play an integral role through the awareness of social dialogue in alleviating unemployment and poverty.

#### **1.7.5 Countries utilising cooperatives**

India's cooperative credit system has the largest network in the world and cooperatives receive more credit in the Indian agricultural sector than in commercial banks. India's cooperative organisation consists of several voters. Based on this structure, there are junior associations of which about 80% are related to agriculture. Most of these companies (about 60%) deal only with credit. Therefore, most major companies are related to agriculture and credit. The cooperative perform various functions such as credit, irrigation, marketing and transportation. The type of cooperatives is generally divided into two categories, namely (i) credit societies and (ii) non-credit societies (Banshree et al., 2006:2).

Tesfamariam (2015:39) states that cooperatives have played an important role in implementing poverty reduction and growth strategies, thereby promoting income-generating activities and improving the use of the banking system by urban and rural households. The cooperative movement operates in key sectors such as the savings and credit field, the coffee industry, beekeeping, fishing and construction. As a result, cooperatives in Ethiopia have played a multifunctional role in rural and urban areas. In addition to their contribution to the economy, cooperatives also play an important role in the social conditions of the weakest sectors of society, such as the economies of fisheries, construction, beekeeping, animal husbandry and handicrafts. Ethiopia also operates through retail stores which provide basic agricultural and non-agricultural products. The development of cooperatives in agriculture, small industries,



sales and processing, distribution and suppliers have now changed and have contributed to agricultural development (Tesfamariam, 2015:39-40).

According to Otieno (2019:14), the first cooperative registered in Kenya dates back to 1900. The country registered cooperatives only after Kenya became independent in the 1950s, when there were about 1,000 registered cooperatives. Until the year 2019, there are approximately 22,833 partner companies registered in Kenya. Cooperatives play an important role in employment in Kenya. Cooperatives have raised more than \$ 6 billion (about half of the country's GDP) and more than \$ 5 billion in deposits and assets.

Prinz (2002:12) states that cooperative organisations in Germany merged in 1972. Cooperative banks, rural product and service cooperatives, and small cooperatives operate at the local level. Primary cooperatives have created several central organisations at the regional level, such as collective banks and product and service centres. Cooperatives are thus common in Germany. Almost all farmers are members of one or more cooperatives. Sixty per cent of all cooperatives are artisans, 75% are merchants, 90% are bakers and butchers and more than 65% are independent tax consultants. Housing cooperatives have 3.2 million members and manage about 10% of rental apartments in Germany.

According to Samiala and Lawal Kamaldeen (2014:19), throughout the history of mankind, certain exercises have been performed by groups and not individuals simply because it is a superior and cheaper method of doing things. The positive development of Nigeria advantageously affected the financial situation of the country, mainly in the marketing of agricultural products by making commitments like granting loans. Provincial cooperatives in Nigeria have become open bankers, to provide assistance to urban and rural occupants and to access credit lines.

Danish cooperatives have achieved great success not only in increasing production and quality but also in terms of the number and size of cooperatives. This is the only reason why cooperatives tend to have a larger market share in products and can simply be classified as one of the countries that have had a success of having cooperatives in their country (Henriksen et al., 2016:15).

The countries identified above clearly indicate how cooperatives can transform economic growth and development and, therefore, reduce unemployment and poverty.

## **1.8 Research design and methodology**

A qualitative approach was adopted within an interpretive framework to describe the perceptions of the unemployed graduates. The study also attempts to explore the possibility of graduates establishing cooperatives to reduce unemployment in Cape Town in the Western

Cape Province. A qualitative methodology is regarded as relevant due to the nature of the topic and the profile of the participants involved to explore the purpose statement.

Exploratory research design was undertaken to investigate the perceptions of unemployed graduates on the roles that cooperatives will play in economic development in the creation of jobs. The target population was graduates registered in the Entrepreneurship and Business Management, Marketing, Tourism and Events Management and Retail Business Management academic departments located in the Faculty of Business and Management Sciences at the identified UoT. The departments represent the economic sectors as contained in the National Development Plan (NDP) 2030 (National Planning Commission, 2012), the Economic Review and Outlook (Western Cape Government, 2015), as well as Abisuga-Oyekunle and Fillis (2017:62) have identified the same sectors as the focus areas for economic development with the resultant reduction in unemployment. Focus group guidelines were adopted to address the research objectives.

### **1.9 Research target population**

The total target research population was 428 graduate students. It comprised 312 students from both the Advanced Diploma and Bachelor of Technology degrees (undergraduate studies) and 116 Master's degree students (postgraduate studies). The rationale for these levels of academic study is to ensure that the participants had obtained a qualification and are deemed *bona fide* graduates. Furthermore, to qualify, the participants also had to be unemployed.

The number of registered graduates per department are detailed hereunder:

#### **1.9.1 Advanced Diploma/Baccalaureus of Technologiae**

Entrepreneurship and Business Management - 63 students

Marketing - 80 students

Tourism and Events Management - 78 students

Retail Business Management - 91 students

#### **1.9.2 Master's Degree/Magister Technologiae**

Entrepreneurship and Business Management - 20 students

Marketing - 26 students

Tourism and Events Management - 28 students

Retail Business Management - 42 students

(Source: Office of Assistant Dean, Research and Innovation, Faculty of Business and Management Sciences, July 2020).

### **1.10 Purposive sampling**

Purposive sampling, also known as critical, selective and subjective sampling, was conducted. This method is a form of non-probability sampling, in which the researcher uses their own judgement when selecting members of the population to participate in the study. Purposive sampling facilitated the selection of the unemployed graduates in the above selected departments who agreed to participate in the research study. The UoT departments were selected using the National Development Plan 2030, which highlights the same sectors in the bid to reduce unemployment.

A letter of invitation was sent to each participant who qualified in terms of the criteria (a registered graduate student and is unemployed) via the relevant Head of Department (HOD), which is the correct protocol.

### **1.11 Data collection instrument**

Focus group sessions were conducted. A PowerPoint presentation was shown at the commencement of the focus group session to explain and orient the participants to the concept of cooperatives. Thereafter, their understanding of cooperatives and their perceived limitations for the establishment of cooperatives were discussed. The ethical requirements were also expressly stated. The sessions were recorded. Two types of online platforms were used for the focus group sessions due to the pandemic in the country, making sure the regulations of COVID-19 were followed. Blackboard Collaborate and Microsoft Teams were the platforms that were used for undergraduates and postgraduates. The focus group guideline presented the questions that each participant responded to. The instrument was approved by the Faculty Research Ethics Committee in the Business and Management and Sciences and it was stored so that the information was not misplaced.

### **1.12 Data collection**

An invitation letter was sent to each participant who qualified in terms of the criteria, that is, that they are registered for postgraduate or undergraduate study (having graduated from their national diploma) and are unemployed.

The focus groups were conducted twice per department for the Advanced Diploma and Bachelor of Technology as well as for the Master's degree participants. Eight focus group sessions took place—two focus groups in each of the four departments (Entrepreneurship and

Business Management, Tourism and Event Management, Marketing and Retail Business Management). Focus group sessions comprised:

- A1) Undergraduate Entrepreneurship and Business Management - 10 students
- A2) Postgraduate Entrepreneurship and Business Management - 10 students
- B1) Undergraduate Marketing - 12 students
- B2) Postgraduate Marketing - 7 students
- C1) Undergraduate Tourism and Events Management - 8 students
- C2) Postgraduate Tourism and Events Management - 8 students
- D1) Undergraduate Retail Business Management - 11 students
- D2) Postgraduate Retail Business Management - 14 students

Each focus group session commenced with an introduction, followed by the focus group guideline questions. The Protection of Personal Information (POPI) Act (2020) was followed in terms of requesting their permission to do the recording.

The research project was regarded as low risk as it tested the perceptions of the students on the role of cooperatives. Each participant was allocated a number at each focus group session to ensure anonymity and confidentiality of the participant.

### **1.13 Data analysis**

Thematic analysis was applied to the text which was transcribed from the oral recordings on the recording device. The method offers a means to finding patterns that reveal the participants' understanding of the context, concepts and constructs in narratives that reveal practices and knowledge. According to Welman et al. (2005:217), different topics or themes are identified by a line-by-line analysis of each transcription. Underlying themes were brought to the fore. Differences and deviations were recorded to identify patterns.

The data analysis identified common themes arising from the findings of the focus group sessions. Arising from this qualitative analysis, conclusions and recommendations were formulated.

### **1.14 Delimitation of the study**

The focus of the study is cooperatives and the geographical area or locus is the Cape Town Metropole in which the identified UoT is located in the Western Cape.

### **1.15 Ethical considerations**

All information and data collected in this research study, including that which can identify a participant, will be treated as confidential and may only be disclosed with their permission or as required by law. All participants may decide if they want to participate in this study or not. Participation was voluntary and respondents could withdraw at any time without consequences. Participants also had the option of declining to answer any questions. The researcher may remove any participant if undesirable circumstances arise that warrant doing so. Participants may direct any questions or concerns regarding this research study freely to the researcher. The data were stored in a hard drive and also in Google drive for security measures and to be kept safe.

### **1.16 Limitations of the research**

The research was conducted in Cape Town and may not be a reflection of the country at large, that is, its generalisability is reduced. The plan was to help the unemployed graduates in Cape Town specifically. Furthermore, the study used the qualitative method approach with a sample size focused on one faculty, not the whole institution. This increases the risks of credibility because it will only be taking into account the participants' opinions of cooperatives.

### **1.17 Structure**

The study is structured in five chapters as follows:

**Chapter 1:** This chapter introduces the study and provides the background. The problem statement, objectives of the study and its significance are stated.

**Chapter 2:** Chapter 2 presents the literature reviewed with the focus on the conceptualisation of cooperatives.

**Chapter 3:** The chapter discusses the methodology applied in the study as well as the research design. It covers the research population, sampling, the focus group method, data collection procedure and thematic analysis. Lastly, the principles of ethical research are addressed.

**Chapter 4:** Chapter 4 discusses the data analysis and presents the findings of the study.

**Chapter 5:** This chapter concludes the study. It presents the conclusions, gives an overview of the study's limitations and makes recommendations.

## **1.18 Chapter summary**

This chapter introduced the study which aimed to explore the perceptions of unemployed graduates on the roles of cooperatives at the selected UoT. The chapter outlined the research design and methodology, presented a preliminary literature review, outlined the limitations, presented the delimitations of the study, addressed the ethical considerations and provided an outline of the chapters of the study.

The following chapter details the analysis of the review literature on cooperatives, as a framework within which cooperatives operate (or intend to operate).

## **CHAPTER 2 LITERATURE REVIEW**

### **2.1 Introduction**

The chapter provides a review of the literature relevant to cooperatives. The history of cooperatives in developed countries, in developing countries and in South Africa is discussed. Furthermore, the regulatory framework outlining the rules and regulations of cooperatives and their funding is highlighted. Finally, the advantages and constraints of cooperatives are presented. The basis of the chapter is to develop a conceptual framework to present the different elements relating to cooperatives.

### **2.2 History of cooperatives**

According to Perkins (2019:190), the cooperative movement started in Europe in the 19<sup>th</sup> Century, primarily in the United Kingdom and France. The Shore Porters Society, which was created in Aberdeen in 1498 and claimed to be one of the world's first cooperatives, has subsequently become a private corporation. According to Singh (2016:612), the Industrial Revolution and economic growth altered society and put many workers' livelihoods in jeopardy. The milieu of the time was characterized by social movements, concurrent work and the challenges they were attempting to tackle.

The beginnings and development of cooperatives around the world can be traced in the cooperative movement. Although cooperative arrangements and ideas, such as mutual insurance, had long existed, the cooperative movement began with the application of cooperative ideals to corporate organization (Department of Agriculture, 2000:4).

According to Vieta (2019:410), the cooperative movement was one of the first contemporary social movements, originating at the dawn of the industrial revolution and serving as a vital component of the First Workers' National Movement.

Crouch (2018:68) states that cooperatives can offer a decent life to millions of people who would otherwise be unemployed or disenfranchised. In response to the decline of globalism and the serious degradation of the world, basic social movements have turned to cooperatives to improve people's living situations. Many new social enterprises emerge from grassroots initiatives and many organisations are managed and sponsored by non-profits, government agencies and community-based organisations (Igalla et al., 2019:1177).

Cooperatives are groups of people who have similar needs. The pioneer desire to move toward cooperation was motivated by the mounting pressures that were experienced as a result of the continuously changing market system (Ridley-Duff & Bull, 2019:247).

According to Komape (2019:12), there are seven cooperative principles, namely voluntary and open membership, democratic member control, members' economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community. Industrialization and job specialization have created an environment in which the Rochdale principles (Voluntary and Open Membership, Democratic Member Control, Member Economic Participation, Autonomy and Independence, Education, Training and Information, Cooperation among Cooperatives and Concern for Community) have succeeded. By offering alternatives, cooperatives are helping people to obtain goods and services that they would not have been able to obtain otherwise, by adapting to the needs of members, by building stronger communities. Poli (2019:63) states that since the merger of numerous independent retail associations and their wholesale associations and federations, cooperative organisations have gradually been formed over more than 140 years.

In 1863, 20 years after the Rochdale pioneers founded the cooperative, the Northern England Cooperative Association was created by 300 individual cooperatives in Yorkshire and Lancashire (Balnave & Patmore, 2017:456). In 1872, the Cooperative Wholesale Society (CWS) was established (Webster, 2012:884). In the 20<sup>th</sup> Century, smaller companies such as the Scottish Cooperative Wholesale Association (1973) and the Southern Suburban Cooperative (1984) merged with the CWS (Robertson, 2016:37).

With the global increase in mass production during the early 1900s, entrepreneurs who were previously able to continue producing high-quality products found themselves in competition with large industries that sold cheap and substandard products. For example, in the tea industry, large producers added cut grass to increase the volume of the tea, sacrificing quality. To meet consumer demand, cheap and plentiful products started evolving. This series of rapidly produced products could then meet the changing needs of the market (O'Donovan, 2020:255).

Small businesses that do not wish to adjust their business practices to that of cooperatives are beginning to fail in new markets. Local (South African) producers generally use the highest quality materials and rely on traditional production techniques. These small producers are reluctant to use work practices that do not respect the rights of each worker. Therefore, they cannot meet the new demands of the market in terms of quantity and speed (Calo, 2018:369). This situation requires the use of new forms of organization, not only to preserve the old methods of production but also to ensure the economic security of individual producers (Durmanov, 2018:116). Since the Rochdale pioneer era, cooperative education has continued



and the concept of the cooperative organization has spread to many parts of the world (Kurimoto & Dongre, 2020:37).

According to Hilson et al. (2017:30), the global increase in cooperatives is partly due to the work of the ICA. Founded in 1895, the ICA was made up of E.V. Neale, Rochdale, and Edward Owen Greening, who aimed to end the war between capital and labour, organize industrial peace based on workers' cooperation and promote the creation of central institutions to help people build and maintain independent seminars. Hilson et al. (2017:31) further state that Neale and Greening recognize that cooperatives have the right to react to emerging market trends, empowering employees to manage their business actions and manage themselves. They also understood that a global organization capable of supporting corporate missions owned by employees would help promote unity and sustainability. Neale and Greening established the ICA on the principles on which the Rochdale cooperative had been operating successfully for 50 years.

Iliopoulos and Valentinov (2018:1271) state that over the past century, the ICA has flourished, particularly in parts of Europe, Canada and Africa. In the United States, some of the main cooperatives and research centres (mainly focused on agriculture) also adhere to the values of the International Cooperative Alliance. Whether or not the cooperative has formal contacts with the ICA, they will share the same basic principles. Therefore, in terms of promoting the value of cooperative organisations, the ICA is recognized as a leader in cooperatives.

A brief history of cooperatives across the world shows how they have emerged and developed and illustrates how they play an important role in improving the lives of citizens.

The following section highlights the emergence and classification of cooperatives in developed countries, developing countries and South Africa.

### **2.2.1 Cooperatives in developed countries**

Among the industrialized market economy countries, most countries have cooperative organisations that belong to the ICA. Consumer cooperatives dominate these countries, followed by agricultural and insurance cooperatives. In industrialized countries, the cooperative model is more diverse and although the levels of credit unions and housing cooperatives have increased, they still represent only a small part of the whole cooperative sector. Credit unions are the main partners, particularly in the United States, Canada and France (Benos et al., 2018:38).

Reform of cooperative law has become an area of international cooperation. Governments are increasingly constrained by international laws on public cooperation and the field of legislation passes from national parliaments to supranational and international mechanisms, which has

led to the coordination of cooperation laws at the regional level and even across the world. It is a challenge that the international community must take up to find a law of cooperation that better reflects the cultural particularities of certain countries (Anania & Rwekaza, 2018:41).

Canada's cooperative development model is based on a strong relationship between the government and the cooperative movement (Fonte & Cucco, 2017:293). Through a legislative framework that emphasizes strict adherence to worldwide cooperative principles, the state creates a very supportive environment for flourishing cooperatives to operate. This has proven to be very effective and provides cooperatives with a favourable tax environment. The legislative framework applies at both the federal and provincial levels, ensuring that federal and provincial programmes are aligned and that effective coordination is achieved. The Cooperative Secretariat, an intergovernmental forum for all departments with cooperative legislation, policies and strategies, is in charge of coordination (Anheier et al., 2019:3).

The model that Spain adopted for promoting cooperatives was one in which the state leads. Under the Spanish Constitution, the government is obliged to promote cooperatives. The lead department for cooperative development in the Spanish government is the Department of Labour. The Department works with other entities, under the auspices of a Cooperatives Advisory Council. This comprises the Presidency, representatives of the autonomous regions, cooperative associations and the Departments of Economics, Finance, Education, Agriculture, Housing and Transport (Bretos & Errasti, 2017:157). The Cooperative Apex Organization signifies the complete cooperatives movement in Spain, containing 23 organisations and demonstrating 47,000 cooperatives and other associations. The association represents a two million workforce and an additional 10 million who are involved in the social economy programme. The primary role of the Apex Organization is governmental policy issues, while it also receives aid from the government on a cost-distribution basis (Miller et al., 2019:10).

Cooperatives have emerged in the consumer, credit, transport, education, production (worker) and agriculture sectors (Mushonga, 2018:80). The most successful cooperative sector is that of the worker cooperatives—the cooperative which was formed by workers in an agricultural sector since the Spanish government has deliberately focused on growing worker cooperatives as a means of creating employment. Partial grants were introduced to help the unemployed form cooperatives. The youth, women, disabled persons, immigrants and select minority groups receive larger grants. If a person is retrenched and elects to join a cooperative, the government pays their unemployment insurance in one lump sum, which can then be invested in the cooperative. This encourages people to form cooperatives rather than rely on state grants (Božić et al., 2019:1).

### 2.2.2 Cooperatives in developing countries

Oya et al. (2018:284) advocate that in areas controlled by different external forces, there are important differences between the introduction and management of cooperatives. In Portugal and Africa, local cooperatives have never been an important tool for controlling or acquiring agricultural surpluses. Portugal has limited administrative capacity and prioritizes the purchase of land and labour for mining and plantation companies (in Guinea-Bissau, Angola and Mozambique) and rarely tries to improve or to market farmers' agriculture.

Otieno (2019:9) states that to increase agricultural production in French West Africa and Equatorial Africa, the *Indigènes de Privoyance de la Société* (the Association of Indigenous Retirement Funds) was created at the village level and tax and work obligations were also planned. Since farmers have not joined these societies, each head of the family must become a member. However, the social and economic role of this cooperative remains limited and its main impact could be the long-term existence of social inequalities (Otieno, 2019:9). It is not surprising that the French form of cooperation in West Africa and sub-Saharan Africa has led to the development of a general distrust of public aid, in particular the application of methods of cooperation between indigenous peoples. On the other hand, it is believed that in English-speaking African countries, it was relatively good to introduce cooperatives under the colonial regime. This is a surprising statement because in Kenya and the old northern and southern Rhodesia (now Zambia and Zimbabwe respectively), the expansion of cooperatives was influenced by a large number of white settler communities and the special interests that they protect.

According to Moore et al. (2018:120), in Ethiopia, where Africans tend to exchange goods, indigenous cooperatives involved in the transport and sale of cocoa developed in the 1920s. With the continued efforts of the colonial government, they transformed these popular organisations into controlled institutions. Despite the preferential prices for British businessmen (in particular after the cocoa suppression of 1937–1938), the farmers would have succeeded in taking control of the cooperative of the colonial government and would, therefore, have used this government to reach their objectives (Moore et al., 2018:120). However, this seems a bit of an exaggeration as limited freedom was indeed maintained until the Second World War.

For many of these young countries, the call for cooperation was based on the conviction that cooperatives, emphasizing solidarity, also fit well with the traditional ideas of development in the industrialized world of the time, which implicitly or explicitly gave a country a driving role in development and economic growth. Since the countries' (Kenya and Ethiopia) financial resources are generally negligible, fundraising through cooperatives would help solve this problem and reduce the administrative burden in Kenya. In these countries (Algeria, Egypt,

Ghana, Tanzania, Tunisia, Zimbabwe), cooperatives have been given an important role as a guide to production and as a tool for mobilization of the population to join cooperatives (Samiala & Lawal Kamaldeen, 2014:21-22).

Also, these countries may have predecessors from different types of cooperatives, for example, informal working groups belonging to ancient cultures. In contrast, 25% of developing countries have cooperative organisations belonging to the ICA. Most seem to be made up of credit unions, followed by agricultural, consumer, fishing and workers' cooperatives. In newly industrialized countries such as Southeast Asia, the ICA has many members, while cooperative organisations have developed since the 1970s. Agriculture, credit, consumer and multifunctional cooperatives are the main types where the cooperative does not only focus on manufacturing but also on selling the products (Audebrand, 2017:370).

Control of local cooperatives is often maintained or acquired by loyal elites, allowing them to transform the assets of the cooperative into additional resources and establish its status as a private creditor. However, by authorizing these abuses, the colonial forces were able to find the necessary allies in the rural areas of the colony (Manyozo, 2017:86).

The Indian cooperative movement, to date, has become one of the largest in the world. Sixty-seven per cent of households and 99% of rural communities are involved in one way or another in the cooperative sector (Okoyo, 2019:112). This success can be attributed to a series of legislative instruments on cooperatives, based on the Western model, which dates back to 1904 when a commitment to developing cooperatives began in Kenya. The Cooperative Societies Act No 2 of 1912 was promulgated to enable socio-economic transformation, particularly in underdeveloped rural areas, where subsistence farmers were at the mercy of unscrupulous moneylenders—their only source of credit. In 1912, the law was amended in India to include all types of cooperatives across the country—a change that empowered cooperatives to implement their own laws (Sahoo et al., 2020:114). At the time of independence in 1947, the government considered cooperatives as integral to poverty alleviation and the economic growth of the country. Cooperatives continue to play an important role in development in rural India. The applicable law currently is the Multi-State Cooperatives Societies Act of 2002, which governs the movement (Sharma Neupane, 2018:57).

### **2.2.3 Cooperatives in South Africa**

The history of cooperatives in South Africa is long and its development is intertwined with that of the state. Its history as an economic vehicle dates back to the early 19<sup>th</sup> Century. South Africa started agricultural cooperatives for White farmers and focused on building a more vibrant White-owned agricultural community with financial support from the government. The cooperative movement started in the late 19<sup>th</sup> Century with the Afrikaner nationalist movement,

which organised agricultural and consumer cooperatives. However, this movement hardly observed international cooperative principles and looked towards the state for the creation and development of cooperatives, embracing a top-down approach (Duggan et al., 2020:195). The Pietermaritzburg Consumer Cooperative, founded in 1892, was the first registered cooperative. However, the increase in consolidation and market power of large chain stores has caused consumer cooperatives to fail and only agricultural cooperatives have been successful.

The history of cooperative development in South Africa has been documented by several authors. The first cooperative in South Africa was a consumer cooperative, founded in 1892, based on company law since cooperative law did not exist at the time. Until the adoption of the first cooperative law in 1908, several other cooperatives were registered under company law, in particular, agricultural cooperatives (Faulkner et al., 2020:313). It was followed by the law of 1922 on cooperative societies—Law No. 28 of 1922 (Mushonga et al., 2019:262), which mainly concerned agricultural activities. Based on the recommendations of the Cooperative Research and Agricultural Credit Commission of 1934, the South African Parliament adopted the Cooperative Law No. 29 of 1939 (Malomane, 2019:28), which still focuses on agricultural activities. This law, in turn, was repealed by the Cooperative Companies Act No. 91 of 1981, which also regulates commercial cooperatives. The 1981 law has been revised at least eight times (Malomane, 2019:35). The current government has several reasons to fund the new cooperatives. For example, the definition of cooperatives is inadequate and there is no clear requirement that registered cooperatives must follow the cooperative principle. The current government believes that the 1981 text is not suitable for the development of cooperatives in the current era, claiming that it plays a strong interventionist or paternalistic role in cooperatives. It is mainly focused on agricultural cooperatives, the protection of the interests of members, particularly concerning the interests of the board of directors and the strict requirements of registered cooperatives. Consequently, the process of formulating a new bill based on international principles (ICA) has started. This process began with the publication of the bill in 2000 and other preliminary amendments in 2003 for comments (Finan et al., 2017:35).

The number of recorded cooperatives in South Africa is growing rapidly. Since 2009, 22,030 cooperatives have been registered with the Companies and Intellectual Property Commission (CIPC). This is 15 times greater than the cooperatives registered between 1922 and 1994. The biggest challenge is the pace of the cooperatives. Of the 22,030 registered cooperatives, only 2,644 are still operational. This means that 88% of the cooperatives went bankrupt. One reason may be that the idea of forming cooperatives is not exclusive to members. In addition to the fact that cooperatives can arise naturally, the government and agencies assume that members can be trained and accept what is planned by the government. However, it is necessary to

educate new members, as well as to educate existing members about the meaning of cooperatives. The basic philosophies and definition of a cooperative are crucial to differentiate a cooperative from other companies so that the members and all attracted parties fully understand the rights, responsibilities and expectations of all events involved. For a cooperative to be successful and aid its determination, associates must have cooperative knowledge (CK) (Mushonga, 2018:45).

Thaba and Mbohwa (2015:22) argue that a cooperative is not a new intervention and has been utilized in South Africa since the 1800s, mostly in the form of stokvels (informal cooperatives mainly formed by Blacks). Many South African people for centuries and even today participate in stokvels. People come together and form a stokvel where they collect money, whether monthly or quarterly. The money is used for functions such as funerals, birthday parties, weddings and family gatherings. Most of the stokvels were informal and could not be registered as a cooperative or any other type of organization due to the past Apartheid laws. During the reign of the Apartheid government, the only people who could benefit from cooperatives were people classified by the South African government as falling under the first economy. The cooperative sectors started with the establishment of the mostly White agricultural cooperative, aimed at developing and building the White farming community. These cooperatives eventually developed into powerful business ventures, which controlled agricultural production, marketing and processing in rural areas. Blacks participated as general workers within cooperatives because of the unjust past laws of South Africa. The South African democratic government of 1994 did not consider the Cooperative Act of 1981 as a suitable vehicle for the development of cooperatives and, therefore, developed the Cooperatives Act No. 14 of 2005 that is based on international cooperative principles (Mcata, 2018:89).

The section above provides insight into how cooperatives started in South Africa, where farmers in agricultural stokvels supported one another to build businesses. Stokvels emerged as informal cooperatives before a more formal constitution developed. It can also be seen that cooperatives in South Africa have been successful in that their numbers have increased and they have contributed to economic growth. The next section focuses on the regulatory framework of cooperatives.

### **2.3 Regulatory framework**

Cooperative legislation is part of the Cooperative Act No. 14 of 2005, a repeal of Cooperative Act No. 91 of 1981 in South Africa. Cooperative law is made up of all national, supranational, and international regulations, administrative and judicial documents; the principles generally accepted among cooperatives are the creation, structure, operation and dissolution of cooperatives. Cooperative legislation helps and supports real cooperatives separately and collectively (Arana Landin, 2020:35).

The legal nature of cooperative law depends on the definition of its objectives. It is a standard for the activities of the cooperative sector, it will be part of public economic law and, in addition to the standards on the creation, structure, management and dissolution of cooperatives, it must also include the standards related to the Constitution and the Constitution cooperatives' regulatory authority in South Africa. If only an organizational model is offered to potential employees so that they can exercise their activities, it will be part of private law (Gostin et al., 2019:1877).

Cooperatives are commercial structures owned by members of at least five members and all members have equal voting rights, regardless of their level of participation or level of investment. Jensen-Auvermann et al. (2018:102) state that all members can help the cooperative. Cooperatives are independent legal entities and members, directors, officers and employees are not liable, except in the case of debt caused by negligence or fraud. Cooperatives generally allow members to distribute only limited income. This corporate structure promotes a democratic management style and supports the concept of shared resources and authorizations to improve competitiveness (Jensen-Auvermann et al., 2018:104).

Cooperatives are commercial organizational structures for democratic control and joint decision-making. There is no single format for forming cooperatives, as the activity of each cooperative is designed to reflect the attention and enthusiasm of its members. Regardless of the uniqueness of cooperative organisations, they share key elements that can be modelled creatively and uniquely. Decisions regarding the nature of the cooperative structure must be considered and caution must be taken to avoid confusion and conflict (Fanasch & Frick, 2018:285).

According to Thompson and Valentinov (2017:1067), not all members of cooperative organisations are individual producers. Some cooperatives use branches to perform tasks that normally belong to the central office of cooperatives. These branches are part of the cooperative. For example, senior cooperatives may choose to acquire an accounting firm to perform financial tasks for the entire cooperative instead of hiring an external firm and integrating it into their existing regulatory framework.

The cooperative organization can choose to collaborate with another cooperative, commercial enterprise, or individual on a specific project. During the project, other entities should not participate in the cooperative. Instead, these joint ventures allow the entities to maintain their separation when they achieve common goals. This agreement allows the cooperative to use the resources of its members while maintaining its democratic structure (Capellán-Pérez et al., 2018:218).

Due to the development of agricultural industrialization, many local cooperatives are adopting new structural models. Many cooperatives are moving from an initial mutually beneficial model to an investor-oriented profit model. This modification generally involves the conversion of the rights of members into the rights of ordinary shareholders. Some organisations in other sectors, notably financial services, insurance and professional services, have abandoned the cooperation model and adopted listed companies to attract investment capital (Benos et al., 2018:36).

Hatak et al. (2016:1231) point out that the cooperative members must receive training in advance. The search for competitive advantage can no longer be found in lower cost or higher quality or better service, but in adaptability, flexibility, rapid aggressiveness and innovation. These five components imply the importance of entrepreneurship. The cooperative members must, in addition to training in entrepreneurship, be an elite of the sector.

Lyons (2020:68) states that capacity was used when people were committed to the company's mission and life and have the power to respond to their capabilities. Commitment is crucial in cooperative enterprises and all members must strive to achieve the overall goal of the cooperative. If members are sharing profits, they also need to make sure that there is money for future investments.

Bellotti et al. (2014:357) argue that the ability to manage an entrepreneurial mindset is a crucial requirement for business success. A cooperative means that people work together. Even whilst working together, cooperative members still need an entrepreneurial mindset to grow, which means embracing change and managing it. The cooperative must learn to function like any company that is continually developing, adapting to the rapidly changing world or becoming obsolete. Research on cooperatives indicates that the foundation of successful cooperatives are self-determination, self-responsibility and collective action, rather than government intervention and mobilization through incentives for cooperatives to be economically developing and also to last longer.

The cooperative structure may vary depending on the size of the service area, that is, whether it is local or regional. Local (South Africa) cooperatives generally operate in one or two countries or regions. People are members of these local cooperatives. Regional cooperatives generally serve the whole province or more than one province and can conduct business across the country (Eichhorn & Towers, 2018:120).

The section above elaborated on the regulatory framework guiding cooperatives in South Africa with regards to the type of cooperative that has to be taken into account, the cooperative principles that need to be underpinned and the legislation to be considered. Below, cooperative funding in the context of South Africa is discussed.



## **2.4 Cooperative funding in South Africa**

Feather and Meme (2019:1486) indicate that the objective is to provide loans to members at reasonable rates of interest and to develop the habit of thriftiness among members. They accept deposits from members and provide loans to members at a reasonable interest rate. There are two types of cooperative credit societies, namely agricultural credit societies (formed in villages) and non-agricultural credit societies (formed in urban areas).

Financial cooperatives were initially consumer-based cooperatives offering financial services to their members. Financial cooperatives were started in rural communities, providing farmers with micro credit in the beginning of the 1800s in South Africa. These special types of cooperative legislation were developed for the uniqueness of the financial services being provided to their members like deposit-taking, loans, trust services and insurance (Ahurira, 2018:102).

The Cooperative Incentive Scheme was established in 2005 in South Africa to provide a 100% grant up to the amount of R350,000.00 for registered primary cooperative enterprises (a primary cooperative consists of five or more members); the funding may be accessed in one application or in a number of applications, depending on what suits the individual cooperative enterprise (Department of Trade and Industry [DTI], 2014:9). The scheme is funded by the National Treasury and administered by the Department of Small Business Development with a focus on Broad-Based Black Economic Empowerment (BBBEE) and historically disadvantaged communities. This is to encourage cooperative enterprises to participate in the mainstream South African economy, generate income for their members and lower the cost of doing business (Forbes, 2018:89).

The promotion of cooperatives, a flagship project of the DTI for the year 2004/05, had the additional purpose of serving as an initiative to address people's needs. Within this context, the Cooperatives Act No. 14 of 2005 and the Cooperative Banks Act No. 40 of 2007 provide the legislative framework for promoting and regulating cooperatives in the country (De Lannoy et al., 2018:97).

In addressing the needs of this sector, the government established agencies with the sole aim of supporting small businesses and cooperative enterprises. The provision of cooperative support services—such as education and training, business advisory services and access to loans, funding and linkages—is the collective responsibility of the accredited institutions and organisations that provide these sought-after services to cooperatives. Technical support services are also extended via a cost-effective support service system that makes use of existing support service providers, for example, the cooperative movement, non-governmental

organisations (NGOs), trade unions, employer organisations, private companies, government offices, parastatal agencies and development programmes and projects (Sutton, 2019:1084).

As mentioned previously, the government launched various programmes to ensure that the 2004-2014 objectives for the cooperative sector are timeously and effectively met. Among these are the DTI's Cooperative Incentive Scheme (CIS), which is a direct cash grant, as well as the Export Marketing and Investment Assistance (EMIA) scheme in South Africa (Kagiso, 2018:90).

The development of cooperatives is critical to the effective functioning of the South African economy. As such, the government will continue to provide much-needed support to cooperatives through public education and training, as well as the promotion of cooperative development initiatives in society at large. Furthermore, the DTI will remain steadfast in its commitment to aid and grow this sector of the economy (Kagiso, 2018:90), in terms of reducing unemployment.

## **2.5 Advantages of cooperatives**

Brummer (2018:112) opines that the main advantage is that cooperatives exist and operate for the benefit of their sponsors. At the same time, since the members are also owners, they have a financial interest in the success of the cooperative, which pushes them to provide their full support and sponsorship. The members of the cooperative also have a voice in controlling the organization and, therefore, within the limits of the majority rule, the members of the cooperative can provide the necessary services. These advantages are generally linked to the organization, making the sponsor an official partner, thus helping to secure turnover. This, in turn, contributes to the proper functioning of cooperatives (Brummer, 2018:113).

According to Sacchetti and Birchall (2018:87), the advantages of cooperatives—which made many countries' use of the cooperative successful—included being easy to form, allowing open registration, being democratically managed, having limited liability, being stable, fostering economic functioning, securing government sponsorship, having low administrative costs, sharing value, encouraging economic benefits and reducing taxes. The advantages are evident and inspire people to open cooperatives to reduce poverty, to increase economic development and reduce unemployment. The advantages are also particularly important for unemployed graduates to broaden their knowledge of the role of cooperatives.

## **2.6 Constraints of cooperatives**

The most common reason for the restriction of a cooperative is the presence of an over-dominant or over-ambitious chief executive officer (or manager), as this may lead to decisions that have not been considered and approved by the Board of Directors (the internal members

cooperative who were the founders of the cooperative). This is the reason why it is recommended that the chairperson of the board and the chief executive officer of a cooperative should always be separate. The role of a chairperson could, for example, prevent an over-ambitious chief executive officer from losing sight of the needs of ordinary members and from entering into investments that are detrimental to the cooperative and its members (Sadler-Smith et al., 2018:11).

Cooperatives fail if boards are not well informed of the duties of chief executive officers, directors or managers. Boards should always be allowed to improve their skills and knowledge whenever training opportunities arise. Boards may also be uninformed as a result of insufficient information from their management team. That is another reason why board members should have the necessary skills to oversee the activities of their management teams and to evaluate the information passed on to them (Golensky & Hager, 2020:56).

Heavy reliance on borrowed money can also place a crippling burden on a cooperative. It is, therefore, one of the duties of the Board of Directors to monitor the capital requirements regularly and to keep a healthy balance between borrowed capital and equity (the cooperative's resources, made up of reserves and the share capital paid by members of the cooperative). A rapid expansion of activities can also land a cooperative in trouble. When business is going well, management often tries to expand and offer more services to members. Member satisfaction is vital to any cooperative but trying to offer too many services too quickly can just as easily over-extend a cooperative's resources. It is always better if a cooperative concentrates on its core business of increasing its profitability for all members before new activities are exploited (Paradza & Chirisa, 2017:162).

A cooperative belongs to its members and ideally, members should jointly take all necessary decisions. However, in practice, it is often not possible. When a cooperative consists of only a few members, it might be possible for all members to take an equal share in the running of the daily affairs and the making of business and management decisions. In a small cooperative, members might even be able to perform all the duties that would normally be performed by paid employees on a rotating basis. For example, a cooperative consisting of a group of ladies who bake cakes for sale might take turns to work in the shop and perform the necessary duties. In this way, members can work in shifts, one day per week, and take care of their own baking on the other days (Czernek-Marszałek, 2019:45). It might then require a full-time manager to direct the services of employees like marketers, bookkeepers and shop assistants (Liu et al., 2018:265).

Management, marketing and external support are some of the more common constraints. These will now be discussed.

### **2.6.1 Management**

Due to a lack of conflict management skills, infighting within cooperatives remains an obstacle. Limited technical skills result in poor quality services and products that cannot compete favourably in the market (Mohammed & Lee, 2015:104).

### **2.6.2 Marketing**

Cooperatives face challenges in reaching larger markets. If an individual wants to increase financial contributions, marketing needs to improve. Undeveloped networks and value chains negatively affect cooperatives. Given the limited access to finance, technology and other critical business infrastructure, existing and emerging cooperatives are limited to small local markets. This, in turn, affects profitability, which affects the ability to keep trading. The lack of sufficient governmental commitment to buy products from cooperatives makes it difficult for these companies to survive the difficult market conditions; public procurement of cooperatives has been identified as one of the strategies to support them (Nilsson et al., 2012:189).

### **2.6.3 External support**

As disadvantaged people are still embracing the cooperative concept and success stories are still limited, the need for external help cannot be overemphasized. One of the challenges facing cooperatives is the lack of targeted support, given the inadequate economic and social impact statistics on cooperatives (Cheruiyot et al., 2012:42).

## **2.7 Chapter summary**

Chapter 2 highlighted contributions in the literature on cooperatives. The chapter discussed the history of cooperatives in developing and developed countries, the legislation surrounding cooperatives, the advantages of cooperatives and the constraints curtailing the functioning of cooperatives. These insights serve as important tools for improving the living and working conditions of unemployed graduates in South Africa.

The next chapter outlines the research design and methodology employed.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The research design and methodology adopted to achieve the purpose and the objectives of the research study are presented in this chapter. The chapter explains the research design and methodology, the target research population, purposive sampling, data collection, the data analysis techniques, the ethical research statement, the delineation of the research and the limitations of the study.

#### **3.2 Research design**

The research design is the plan detailing the research methodology and techniques selected by a researcher. The design supports the research methods appropriate to the topic and research purpose. A research design is a plan or strategy that moves from the underlying philosophical assumptions to specifying the selection of participants, the data-gathering methods to be used and the data analysis to be done. The research design is based on the researcher's ontological and epistemological perspectives, research skills and research practices, and influences how the data are collected (Davies & Fisher, 2018:24).

The study employed a qualitative exploratory research design. The study used focus groups to collect primary data and selected literature to collect secondary data. An invitation was sent to specific departments within the economic sectors identified in the National Development Plan 2030 at the selected UoT. The selection of participants was purposively done. The reason for the selected method was that perceptions of the selected participants in the identified departments would best be elicited through focus group discussions.

#### **3.3 Research Philosophy**

A conceptual framework for the study is context specific based on the use of cooperative effectiveness models and elements mentioned in the literature that help to lower graduate unemployment. The current study project needs a conceptual framework to categorize factors that affect cooperatives' ability to succeed and generate jobs and to assume linkages between the component clusters. Almost every country in the world and every industry sector have cooperatives.

A conceptual model has been defined in a number of ways. For the sake of this study, a conceptual model is seen as an example of a plan made up of several concepts that is used to aid understanding of the subject it represents (O'Donnell, 2008:33–84). In most circumstances, models can be either physical or abstract. For example, some models are physical, like a toy pistol that can be put together and used like the real weapon it depicts,

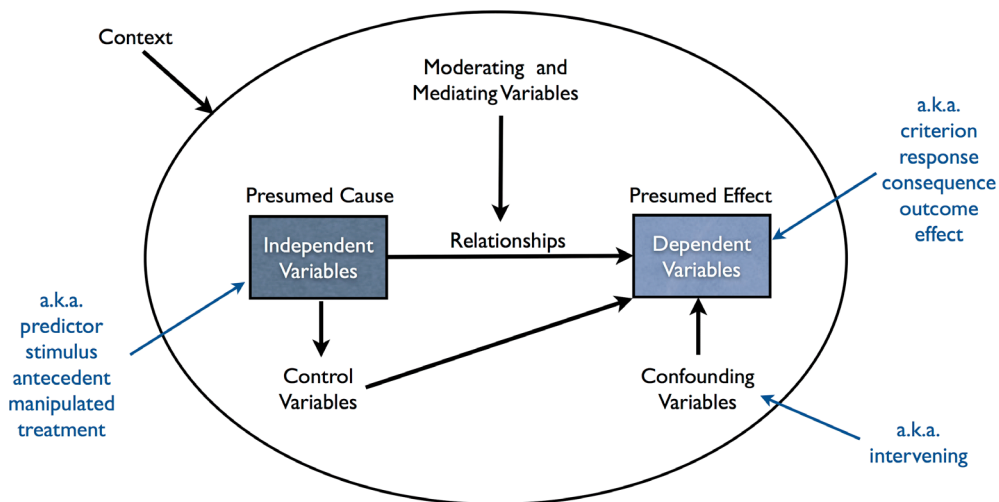
while others are abstract, like social and mathematical models, which do not appear as mental images (Brewer, 2011:1-14).

Schwaborn, Thillmann, Opfermann & Leutner, (2011:27,89-93) a conceptual model is described as a photographic illustration that describes the illustration of the niche area to be examined in graphical format and also highlights the variables related to the topic under examination. Williams & Moser (2019:45-55) A conceptual model is a framework first employed in research to illustrate potential courses of action, ideas, or thoughts. A conceptual model will more accurately depict the research process when it is built rationally.

**Figure 3.1: Conceptual Framework Fundamentals**

## Conceptual Framework Fundamentals

Note 1: Two Benefits are Focusing and Bounding the Study

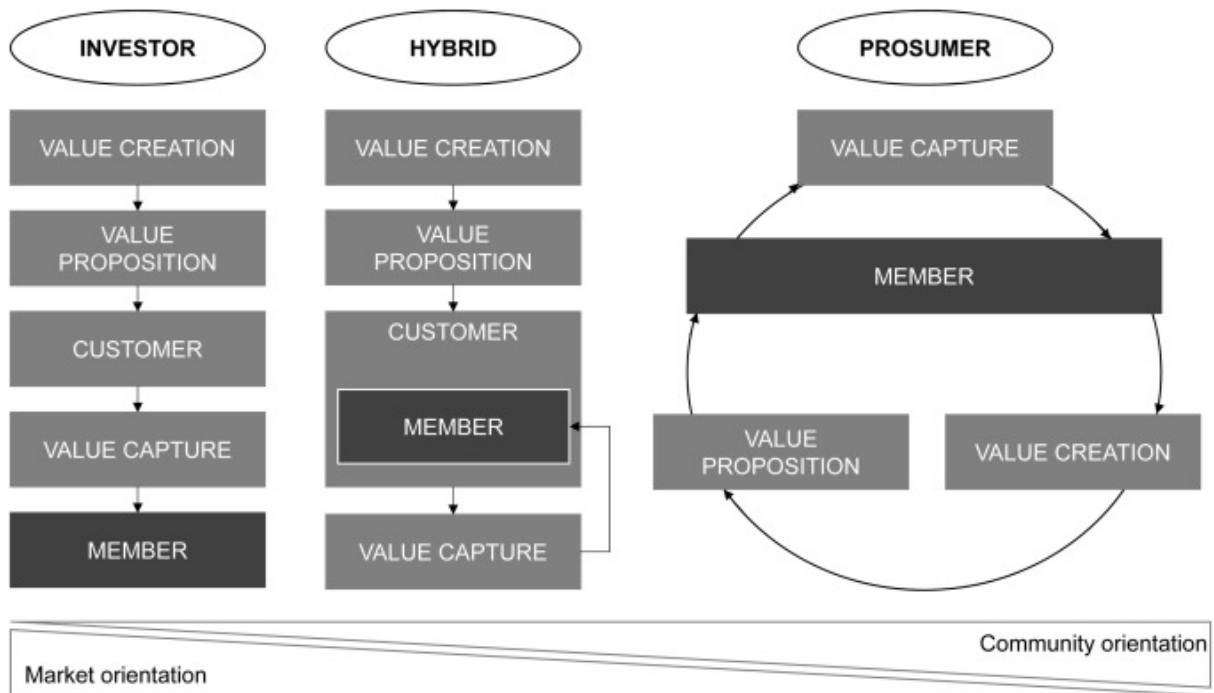


Note 2: Variables and Relationships are Identified from Theory and Experience

**Source: Adopted from Latham, (2012:46)**

How the conceptual framework fundamental functions and what it focuses on when one is interacting with the conceptual framework are shown in the diagram in figure 3.1. On the diagram's left side, there is an independent variable that is assumed to be the factor that decides the study's outcome. This independent variable, which is also a control variable, is the factor that decides the study's outcome because it ensures that the research produces an appropriate result. Presumed effect, which is a dependent variable and depends on the study's independent variable, is shown on the right.

**Figure 3.2: Cooperative specific business model**



Source: Dilger, Konter & Voigt, (2017:28-38)

Figure 3.3: The Seven Key principles of Cooperative model

### 7 Key principles of a Cooperative

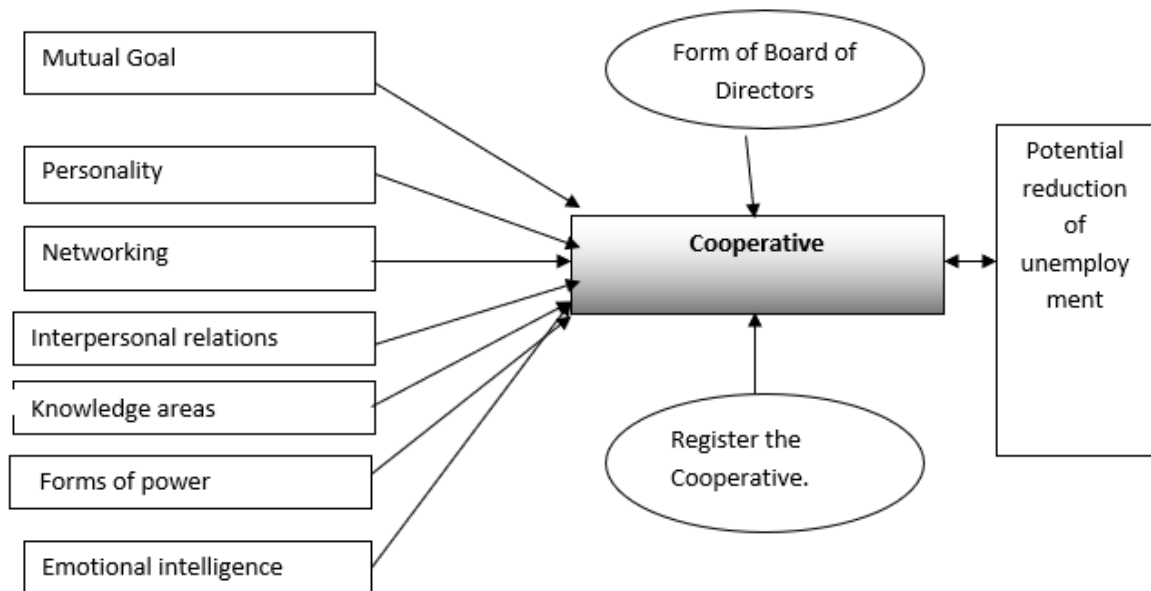


Source: Heras-Saizarbitoria, Sáez, Allur and Morandeira, (2018:1036-1043)

A cooperative is open to all persons who can reasonably use their services and who are willing to accept participating responsibilities, regardless of race, religion, gender or economic status. Cooperatives are democratic organizations controlled by their members, actively involved in decision-making and political process. Representatives (administrators/trustees) are elected from among the members and are responsible for them. Members also contribute to the capital

of their cooperative and democratic control. At least some of this capital remains the joint property of the cooperative. Cooperatives are self-governing organizations controlled by their members. The training and training of members, elected representatives (administrators/trustees), Chief executive officers (CEOs) and employees helps them contribute effectively to the development of their cooperatives. By working together through local, national, regional and international structures, cooperatives improve services, strengthen local economies and respond more effectively to social and community needs. Cooperatives work for the sustainable development of their communities through member-supported policies.

**Figure 3.4: Proposed Cooperative model for efficiency.**



**Source: Own Construction**

In this figure the study suggests this kind of diagram would do justice to the selected department and with their participants on when they would to collaborate and form a cooperative company and become employers to the youth and who ever that might need employment. The diagram on the left side shows the things that is needed in order to be in one group and to make sure that the cooperative becomes a successful.

### 3.4 Target research population

The research population for the study was all the registered students in the Faculty of Business and Management Sciences at a selected UoT in Cape Town, South Africa. The population was deemed appropriate for this research, considering the research design that was selected.



The research population comprised active students from the Advanced Diploma and Master's degree programmes who are unemployed and had obtained a previous qualification (diploma) at the identified UoT in Cape Town. The population of the study was 438 registered students. The population represented students from the departments of Entrepreneurship and Business Management, Marketing, Tourism and Event Management and Retail Business Management in the Faculty of Business and Management Sciences. These departments were selected as they are major fields of contribution to economic growth and poverty alleviation mentioned in South Africa's National Development Plan 2030.

### **3.5 Purposive sampling**

The most important type of non-probability sampling is purposive sampling. The research draws on the knowledge, imagination and past research findings to select units of analysis in such a way that the sample obtained could be considered representative of the target research population (Ritchie et al., 2013:111). An invitation was sent to each participant and whoever replied was given an opportunity to participate. The focus group comprised a maximum of 15 and a minimum of 6 members.

As with all other types of qualitative data-gathering techniques, taking notes, recording the proceedings and capturing non-verbal cues are all of extreme importance.

### **3.6 Focus group method**

One of the most common applications for exploratory research is the use of focus group discussions. The group setting makes focus groups an ideal method to explore a research area of which little is known and to understand issues from the perspectives of the study population. Focus group discussions are particularly useful in the early stages of a study where they may be used to understand the research issues before developing the latter stages of the project and before the questions asked at the end of the session. This approach is particularly valuable if the topic is complex or the issues are unclear at the outset. It may also uncover defining characteristics of the study population that can be incorporated into the study at a later stage, for example, distinct subgroups of the study population from which separate data should be collected (Ritchie et al., 2003:219).

Focus group discussions fall within the qualitative research tradition. The name of the method defines its key characteristics, in that it involves a focus on specific issues, with a predetermined group of people, participating in an interactive discussion—hence, a focus group discussion. The method may be described as an interactive discussion amongst selected participants. The aim of a focus group discussion is to gain a broad range of views on the research topic over a 90-minute period and to create an environment where participants feel comfortable to express their views (Hennink et al., 2011:116). The focus group method

differs from other qualitative methods in its purpose, composition and nature of data collection. Eight focus groups contained a total sample of 80.

The study adopted focus groups as the means of collecting data from the unemployed graduates to explore the perceptions of cooperatives in reducing unemployment.

Participants were selected based on their shared background experience, they were from the same department and at the same level of study which was undergraduate and postgraduate, and they were unemployed. To explore each subject in-depth, an introductory section served as the first part of the focus group session providing basic insight into cooperatives and stating why they were selected. The presentation was done online due to COVID-19 restrictions. A PowerPoint presentation explained the study. Thereafter the seven focus group questions were posed and discussed. The responses were recorded and collated. The data were then analysed for specific themes which are detailed in Chapter 4. The goal was not to establish consensus on the topic but to learn about a variety of viewpoints and experiences. To acquire the type of data specific to this mode of data collection, participants had to talk to each other. The researcher facilitated the discussion to acquire breadth and depth from the comments of the participants. The researcher's questions were carefully crafted to elicit conversation, and moderators were taught to effectively probe group participants to uncover a diverse spectrum of viewpoints.

One of the distinguishing characteristics of focus groups is combining oral data with observation as a data-gathering technique. Audio or video recordings are frequently used to capture the group discussion as well as the non-verbal elements that may escape the attention of the moderator to facilitate much richer data analysis. Transcripts should be written in a question-by-question format to capture what the group had to say regarding each question.

### **3.6.1 Focus group guideline**

Successful focus groups start with thorough planning (Al-Ababneh, 2020:77). Two key components of planning focus groups are selecting and inviting the participants and developing the focus group guide. The focus group guidelines were guided by the objectives of the study to get the perceptions of the participant. The focus group guideline is attached as Appendix A.

### **3.6.2 Advantages of Focus Groups**

#### **1. Measure reactions, not just opinions**

Visual cues like their looks or gestures and audial signals like the tone and volume of their speech can also provide important information. Focus groups' direct format makes it simple to gauge how participants react to a product's physical attributes, packaging, or branding.

## **2. Easily replicable**

Focus groups are a recurring phenomenon. They are replicable in various contexts, societies, and neighborhoods. Yes, a true "cross-section" of your audience will rarely be represented in your focus group. Nevertheless, they nevertheless permit perceptions that might be viewed as being somewhat typical of larger society.

## **3. Time-saving**

The first (and most obvious) advantage of focus groups is time savings. Instead of having to sit down with several respondents for separate interviews, you can facilitate a session with many respondents at once. This not only enables the emergence of a range of viewpoints, but also cuts down on the time, hassle, and cost associated with data gathering and aggregation.

## **4. Provides a hands-on approach literally!**

You may do market research more dynamically by using focus groups. They make it possible for participants to interact physically with the exam subject. Any feedback you get (in the moment) will be more valuable than any results you get from an internet survey. The secret to successful focus group research is the utilization of visual stimuli.

## **5. More detailed insights into key questions**

Focus groups' more direct, face-to-face format gives you a deeper understanding of the requirements and preferences of your members. Focus groups provide you the chance to explore certain remarks and reactions and ask follow-up questions.

## **6. Engaged participants**

Nobody enjoys doing surveys since they are tedious and time-consuming, and we usually lose interest in them. Participants in focus groups are often willing volunteers who frequently agree to participate for free. Many customers will seize the opportunity to use a product or service.

### **3.6.3 Disadvantage of Focus Groups**

#### **1. 'Groupthink'**

The term "groupthink" refers to a phenomena when individuals are under pressure to adhere to the standards or values of a group. Groupthink still exists in many focus groups today, despite being plucked from a book. Your participants might become hooked into thinking as a

group for a variety of psychological reasons, which would negate the whole point of doing a focus group.

## **2. Dishonest responses**

'Groupthink' operates largely on the level of the subconscious, dishonest responses are a conscious decision. This makes focus groups unsuitable for topics that deal with more sensitive issues. If people aren't willing to tell pollsters who they voted for, how likely will they be to open up to strangers about similar subjects?

## **3. Squeaky wheels get the oil**

The "squeaky wheels" — the smaller, more vociferous subset of responders who might sway opinion and skew results — may not represent the views of the full group in the results. Extroverts are likely to be more forthright, whereas introverts can feel less comfortable speaking up.

## **4. It doesn't capture a cross-section of society**

Focus groups aim to represent a cross-section of the public, although it is very difficult to do so in reality. The focus group itself might not be representative of your larger target market, just as the more engaged individuals in a focus group have the potential to bias the results.

## **5. It's expensive**

Focus groups cost money. They are not the least expensive method of market research available due to the planning and hiring of a skilled facilitator.

## **6. Moderator bias**

Focus group moderators can influence the exchange of ideas in a group. Moderators may ask leading questions, or unintentionally provide positive reinforcement for certain responses. This can 'snowball', causing a group to come to an inaccurate or unrepresentative conclusion. Participants may also hesitate to share their true feelings for fear of disappointing the moderator.

### **3.7 Data collection procedure**

An email was sent to Heads of Departments (HODs) to request the list of registered students who were in the postgraduate (Masters) and undergraduate (BTech and Advanced Diploma)

programmes (see Appendix B). After receiving the go-ahead from the HODs, the Invitation and Research participant informed consent form (Appendix C) was sent to the identified students. Positive responses from students were noted and a link was sent to them for participation in the focus groups. The focus groups were completed on Blackboard Collaborate for undergraduates and Microsoft Teams for the postgraduate students. Both platforms were dealt with in the same way; the same process was followed and the same questions were asked. Firstly, a link was sent to participants to access the focus group session. The session then commenced with an introductory section. The guideline was distributed to them in the session of the focus group via their email and also shared to the presented screen. A discussion ensued regarding the ethical aspects of the research. Finally, an explanation on cooperatives was given and then seven questions were posed that the participants answered. The proceedings were recorded on both platforms. Each platform had four sessions.

### **3.8 Thematic analysis**

The qualitative data had to be analysed, explained and developed into a concise format. Thematic analysis was done to find themes that related to the data collected. Thematic analysis involves breaking data down into smaller segments by using the issues raised by participants to define the segments (Terry et al., 2017:17). It is an inductive approach to analysis that involves immersion in the data. This analytic process is built on evidence-based descriptions or explanations about social phenomena. Thematic analysis requires a verbatim transcript of the group discussion so that participants' own expressions and perspectives can be identified. One of the hallmarks of thematic analysis is the use of quotations to illustrate specific issues in participants' own words (Ritchie et al., 2003:223).

The collected data were analysed in depth. Thematic analysis was employed to analyse the primary data collected from each focus group, which was guided by the seven questions in the focus group guideline which, in turn, were guided by the study's research objectives. Patterns in the data were identified to build an understanding of the participants' perspectives. Codes were identified and themes were assigned according to the emerging codes (Braun & Clarke, 2006:79).

### **3.9 Ethical considerations**

Ethical behaviour is important in research, as in other fields of human activity. Certain ethical considerations, such as plagiarism and honesty in reporting results arise in all research but additional issues arise when the research involves human subjects. The principles underlying research ethics are universal and encompass issues such as honesty and respect for the rights of individuals (Welman et al., 2005:181).

Confidentiality refers to the scholar's agreement to handle, store and share research data to ensure that information gained from and about research participants is not improperly divulged. Anonymity is a condition in which the identity of an individual subject is not known to the study. Providing anonymity of information collected from research participants means that either the project does not collect identifying information of individual subjects, or project information cannot link individual responses with participants' identities (Martin & Murphy, 2017:139).

In the study, the questions were clearly stated, and it was emphasised during the session that responding to the questions was voluntary and no one was under any obligation to participate. Further to that, no names, names of companies or any form of identification was included.

Prior to the focus group sessions being conducted, appointments were made with the respondents. Respondents were given an informed consent form to sign, which provided them with an opportunity to decline participation in the focus session or withdraw from the focus group at any given time. Also, respondents were asked for permission to record the focus group session. Ethical clearance from the UoT's research committee to conduct the study is attached as Appendix E.

### **3.10 Strategy for the assessment of the qualitative research**

De Vos et al. (2013:420) propose four alternative constructs to assess the quality of qualitative research. The first is credibility or authenticity, the alternative to internal validity, which has been selected for this research study, as it is deemed to be the most appropriate and important. The remaining three are transferability, dependability and conformability. In this study, transferability did not apply. Dependability was applied in terms of the participants trusting the researcher and honest answers were given. Conformability was applied where participants knew what was required and also accepted what was needed from them and the researcher. Credibility also applied because the participants remained the focus group session until the end. Furthermore, the ethical clearance certificate (Appendix E) received from the UoT reinforced trust in the researcher. De Vos et al. (2013:420) propose various strategies for increasing the credibility and the following strategies were selected, namely peer debriefing and member checks.

Peer debriefing occurred when the results and findings were presented to the unemployed registered graduate students and the member checks entailed the presentation of the same results and findings to the lecturers of those departments selected for this research study.

### **3.11 Chapter summary**

This chapter detailed the research design and methodology used to meet the objectives of this study. A qualitative research methodology was applied in the study. Using purposive sampling,

participants were selected from the identified departments at the selected UoT. Data collection from this research sample was done through focus group sessions. Given the qualitative nature of the study, the thematic data analysis technique was used to elicit significant themes relating to the objectives of the study.

## CHAPTER 4 DATA ANALYSIS AND FINDINGS

### 4.1 Introduction

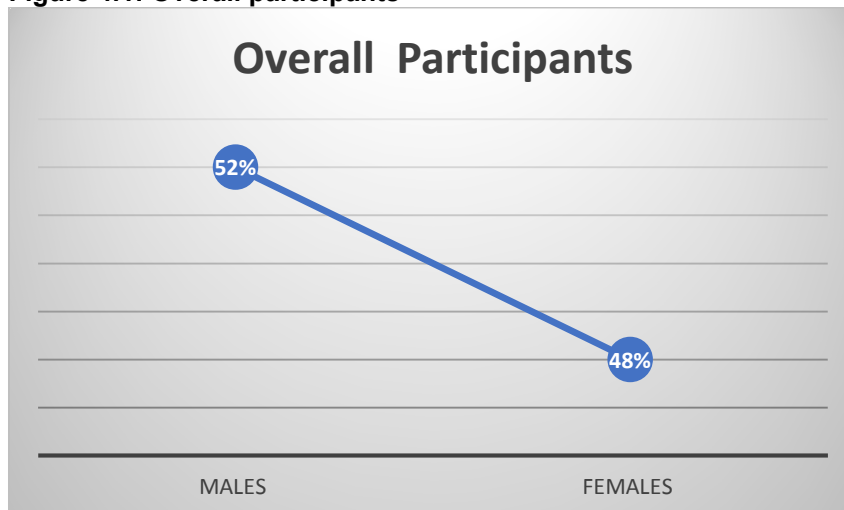
The methodology applied in this study was explained in the previous chapter. This chapter presents the data analysis and findings of the study. It will do so by keeping the dissertation's goal in mind, namely, to comprehend the perceptions of unemployed graduates on the role of cooperatives at the selected UoT. The discussion of the findings will be done in conjunction with the reviewed literature presented in Chapter 2.

### 4.2 Demographics

In this section, the study presents the demographics of the participants. The study had 80 participants—40 participants were undergraduates and 40, coincidentally, were postgraduates. The diagrams below depict the demographics of gender, age and race.

#### 4.2.1 Gender

Figure 4.1: Overall participants



Source: Author's own construction

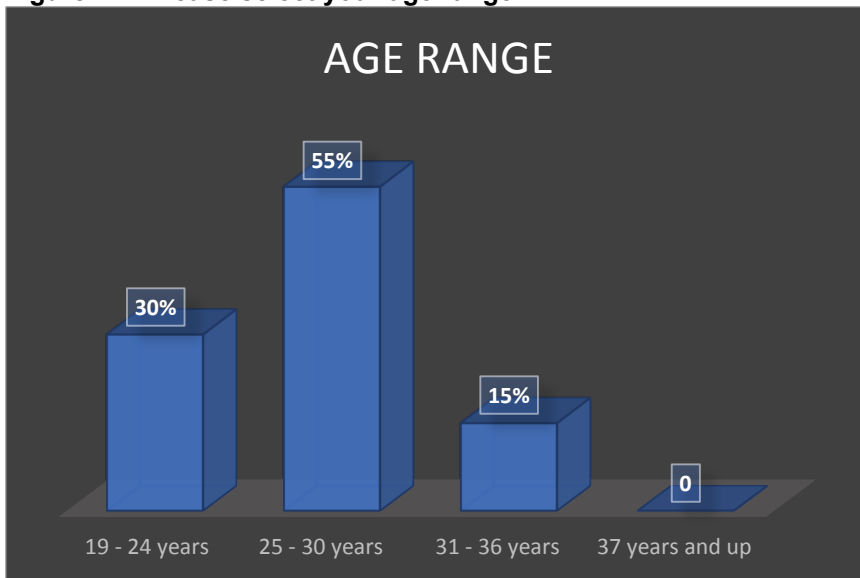
The line graph presents the overall gender representation of both undergraduate and postgraduate participants—52% (42) males 48% (38) females. The participants were unemployed graduates from the selected departments.

In the next search of the demographic it shows the age range of the participants that were part of the focus group that had happened.



#### 4.2.2 Age Range

Figure 4.2: Please select your age range.

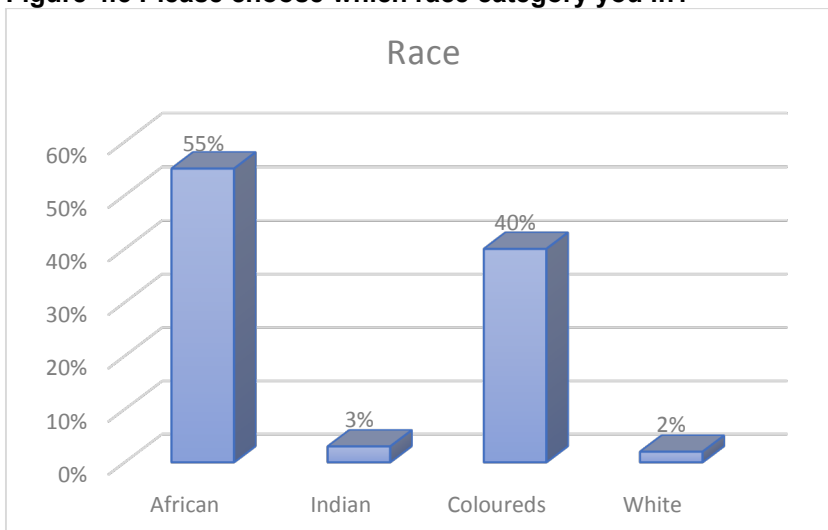


Source: Author's own construction

The bar graph shows the participation percentage of the different ages that participated in the study if one can see that the 37 years and up there were no participants cause there were none who were not working. The bar graph showed that 30% of them were from 19 – 24 years old, 15% were the ages between 31 to 36 years and 55% were 25 to 30 years old participated. The study was looking more to the unemployed graduates which is more basically the youth that is there.

#### 4.2.3 Race

Figure 4.5 Please choose which race category you in?



**Source: Author's own construction**

The bar graph shows the race that participated to the study on the data that was collected on them. It shows that there were 55% were Africans, 3% were Indians, the 40% were coloureds and only 2% were whites. The study race is leaning more to the races that have the high rate of unemployment.

### 4.3 Presentation of qualitative findings

In this section, verbatim responses from the participants are presented. The seven questions posed to the focus groups, both postgraduates and undergraduates for each department, are contained in the tables below.

#### 4.3.1 Tourism and events management - Undergraduates

**Table 4.1: Focus group question 1**

Question 1	In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
Participants' verbatim responses	<ul style="list-style-type: none"><li>• To gain the knowledge and experience.</li><li>• Having a job provides a sense of security and not everyone is created to have the next big thing. Graduates have a fear of not becoming successful while chasing passion or being entrepreneurs.</li><li>• Graduates believe that if they gained substantial communication skill and critical thinking skill/ability. They think being employed will help them learn how to work with others and grow in their profession.</li><li>• For most of the graduates they come from unprivileged background which makes it hard for them to be able to create employment opportunity with the lack of knowledge and resources.</li><li>• Some they always thinking that they do not have the ability, they consider themselves as those that cannot create employment.</li><li>• The mindset believes that they are studying to be employed more than anything, their end goal is to work for a big company more than owning a company.</li><li>• Lack of motivation in terms of starting your own business, all in all there is no support.</li><li>• They do this because they first want to support their parent families as most of the graduates are the first graduates in their families and which they are the ones with a promising future and it's not easy finding a job without any qualification hence they graduate and look for jobs.</li><li>• Ultimately, I've learned a lot in my current role, but I'm looking for the next step where I can continue to grow and use the skills, I've honed to contribute to a company I love, and this opportunity seems to be the perfect fit. The only reason fear creating employment for others is the fear of the risks and not having capital.</li></ul>

	<ul style="list-style-type: none"> <li>• Graduates want to gain work experience, build network and earn salary to make a living.</li> <li>• The education system has taught that get educated and good look for the job of your qualification. It is now difficult to for graduate to initiate business because they do not have the entrepreneurial skills or drive for example a nurse, they are never taught how to open a business they must study and go work at the clinic or hospital.</li> <li>• It is also because they want to gain experience as most of the graduates have never been exposed to the work environment, they only get exposure when they are doing experiential trainings which are few months for some graduates.</li> </ul>
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**Table 4.2: Focus group question 2**

Question 2	What are the limitations in the successful establishment of a cooperative?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Start up cash it is one the limitation hinders the cooperative success.</li> <li>• Finance and network have to be the biggest limitations. You need finance to get you going but your product or service has to be promoted by the network you have to reach your market at its best</li> <li>• Lack of confidence are results of the limitation on cooperative.</li> <li>• Lack of knowledge leads to limitation on successful cooperative.</li> <li>• The lack of motivation is one of the limits into cooperative because people end up not being interest in it.</li> <li>• Delay in decision making leads to failure.</li> <li>• Deficient motivation.</li> <li>• Limitation size.</li> <li>• Restriction of capital.</li> <li>• Lack of unity.</li> <li>• Limited funding.</li> <li>• The things which limits graduates in not opening their own businesses are things like capital, they struggle to find capital to start their business because banks only borrow money people who are employed.</li> <li>• Limited resources: The financial strength of cooperative societies is low due to limited supply of capital.</li> <li>• Lack of resources.</li> <li>• No capital.</li> <li>• Lack of capital.</li> <li>• Lack of resource.</li> <li>• Find cooperative in debts.</li> <li>• Lack of skills.</li> <li>• Legal requirements like they process of following the legal route like registering businesses for them to be able to get funds from big companies.</li> </ul>

**Table 4.3: Focus group question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Having the experience of having worked in the same industry.</li> <li>• Networking, education and money.</li> <li>• Good leadership style.</li> <li>• Unity amongst members.</li> <li>• Trust.</li> <li>• Loyalty.</li> <li>• Enough funds.</li> <li>• Entrepreneur trainings and workshops would assist is helping graduates to establish their own cooperative.</li> <li>• If people can get financial workshops at an early age or grades and for Universities as well to give students the opportunity of going to career exhibition or all courses to offer student with part time opportunity which will assist.</li> <li>• Financially self-sustaining.</li> <li>• Innovation and adaptation.</li> <li>• Effective structure and operations.</li> <li>• Networking with other co-ops.</li> <li>• Communications.</li> <li>• Common member interests.</li> <li>• Education.</li> <li>• The vision needs to be succinct and goals and objectives need to be common.</li> <li>• Teamwork can facilitate success.</li> <li>• Sufficient resources (capital).</li> <li>• When the brand equity is in place.</li> <li>• To be able to make profit.</li> <li>• Good working environment.</li> <li>• Enough resources.</li> </ul>

**Table 4.4: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• I do not know any.</li> <li>• No.</li> <li>• None.</li> <li>• No not at all.</li> </ul>

**Table 4.5: Focus group question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Most cooperatives do not last long.</li> <li>• Inclusivity, customer satisfaction and growth.</li> <li>• To provide good and service to members and enable them to attain increased income, savings investments, productivity and purchasing power.</li> <li>• Equal voting rights amongst them.</li> <li>• Member being liable.</li> <li>• Support.</li> <li>• I expect cooperatives to give graduates experience of knowing how they can be equipped in starting their own businesses.</li> <li>• Act in good faith.</li> <li>• Expect dedication.</li> <li>• Expecting returns on cooperative.</li> <li>• Excepting food security and employment security.</li> <li>• To give graduates the opportunity to prove themselves in the working spaces using the academic experience they have.</li> <li>• Treat employees fairly at all times.</li> <li>• Create sustainable jobs.</li> <li>• Steinbright expects that co-op employers will: Provide meaningful work that relates to the student's field of study and is consistent with the advertised job description. Provide appropriate training, mentorship, and supervision. Provide an appropriate office or project location for students to work.</li> </ul>

**Table 4.6: Focus group question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No, I was not aware.</li> <li>• NYDA has a programme that helps entrepreneurs start their own businesses.</li> <li>• Banks offer loans to businesses also.</li> <li>• Yes, I know the procedure. NYDA.</li> </ul>

**Table 4.7: Focus group question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No.</li> </ul>

### 4.3.2 Entrepreneurship and business management - Undergraduates

**Table 4.8: Focus group question 1**

Question 1	In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Current uncertain times in SA.</li> <li>• Urgency to have a guaranteed stable income.</li> <li>• Clear separation of work-life and personal-life.</li> <li>• Graduates prefer employment due to lack of experience, first experience in workplace, then in order to be able to open an own company or open a create jobs.</li> <li>• Easy to submit cv then jotting down a business plan and doing a lot of research then thinking for what type of business I can open.</li> <li>• The reason why graduates prefer to see employment rather than creating employment is simply that they do not have the patience to create employment, or they do not know what opportunities they have to open up businesses. They lack entrepreneurial skills and too afraid to take risks.</li> <li>• Lack of financial support and information about how to start their own business.</li> <li>• Graduates are scared to take risks. They also believe after obtaining a qualification you must go and work for the company to earn big money rather than investing in business.</li> <li>• Also, lazy to start up business plan.</li> <li>• It is because of the security where one is basically there will be a salary or a wage that will come in for the work that has been putted in, rather than be uncertain where the next income will come from.</li> <li>• Lack of information.</li> <li>• Lack of experience.</li> <li>• Capital.</li> </ul>

**Table 4.9: Focus group question 2**

Question 2	What are the limitations in the successful establishment of a cooperative?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• I do not know.</li> <li>• Lack of trust.</li> <li>• Politics.</li> <li>• Lack of funding.</li> <li>• Controlling of other members or we call it bullying these days.</li> <li>• There is a lack of unity among members.</li> <li>• Some team members demotivate others.</li> <li>• Too many skills can limit the decision-making process.</li> <li>• Roles and responsibilities.</li> <li>• Competitors.</li> <li>• Exposure in cooperative.</li> <li>• Investors.</li> </ul>

**Table 4.10: Focus group question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate the successful establishment of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Proper management structures.</li> <li>• Funding.</li> <li>• Continuous upskilling of members.</li> <li>• Connections to more people.</li> <li>• Experience businesspeople.</li> <li>• Funding for business.</li> <li>• Mutual understanding and agreement.</li> <li>• Establish the same goal through members.</li> <li>• Trust.</li> <li>• Reliability accountability.</li> <li>• Members should all share the same goal.</li> <li>• Internal processes.</li> <li>• Good organisation structure and culture will facilitate successful cooperative.</li> <li>• Good leadership.</li> </ul>

**Table 4.11: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• None.</li> <li>• No cooperative legislations aware.</li> <li>• Not aware of any legislation.</li> <li>• No, not aware of any.</li> </ul>

**Table 4.12: Focus group question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Job security.</li> <li>• Job creation.</li> <li>• Creating of jobs.</li> <li>• Good working relationship through members.</li> <li>• Cooperatives are expected to assist and help with the upliftment of communities and societies.</li> <li>• Effective and efficient.</li> <li>• Service deliveries.</li> <li>• Well established organisational structure.</li> <li>• Work ethics.</li> <li>• Effective and reduce unemployment.</li> </ul>

**Table 4.13: Focus group question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Yes, I know the procedures how to apply for funding.</li> <li>• Yes, SME and also known procedures.</li> <li>• Unfortunately, no.</li> <li>• No.</li> <li>• Yes, NYDA and know the procedure.</li> <li>• Yes, but not the procedures.</li> </ul>

**Table 4.14: Focus group question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No, I have not.</li> </ul>

### 4.3.3 Marketing - Undergraduates

**Table 4.15: Focus group question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• In my opinion this is mainly because most modules in university focus on how an individual should use their learned skills to fit-in and add value to a workplace, and never about how they should establish their own businesses and provide employment opportunities for others.</li> <li>• First of all, graduates seek experience and practical skills within the job opportunities, they want to gain and acquire the skills and also there's a lack of resources (capital investments, materials etc) to start up their own business/ create employment from themselves and guidance and leadership skills/principles they do not have to start up their own business.</li> <li>• According to my option, graduates they do not open their own business precisely because they lack knowledge on how to start a business from stretch as the are many requirements that have to be followed and observed for instance, the process of registering a company one need to have a knowledge or else people with knowledge will charge ridiculous amounts, second to the most the is no motivation in the initial stages because financial institutions may reject your business proposal and not give feedback on went wrong.</li> <li>• There's a stereotype that after graduation we are supposed to go out look for jobs in order to earn salaries that will enable us to take care of our families.</li> <li>• Graduates prefer to seek employment rather than creating employment opportunities because graduates do not have capital and banks cannot offer graduates loans because one must have experience, background and assets that the bank can reposes if one fails to make the loan payment.</li> <li>• It's because they are afraid of failure because the starting of the business has no guarantee that it will succeed. And the limited funds (capital) to start a business.</li> </ul>



	<ul style="list-style-type: none"> <li>• It is much easier to get a job than creating a company. The knowledge and skill is needed, finances and patience too.</li> <li>• Ultimately, I've learned a lot in my current role, but I'm looking for the next step where I can continue to grow and use the skills, I've honed to contribute to a company I love, and this opportunity seems to be the perfect fit. The only reason I fear creating employment for others is the fear of the risks and not having capital.</li> </ul>
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**Table 4.16: Focus group question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Successful establishments are usually limited by legislations, lengthy application processes and the expenses associated with being in a cooperation.</li> <li>• There's a lack of confidence, lack of funding.</li> <li>• I think lack of finances.</li> <li>• Lack of market research can play a huge role in the limitations of a successful cooperative because there are things such as product, price and target market that need to be considered.</li> <li>• The small companies get to be swallowed with the cooperatives as they are in the shadow of those that are doing well.</li> <li>• When money starts coming, wars also arise.</li> <li>• Limited resources: The financial strength of cooperative societies is low due to limited supply of capital.</li> </ul>

**Table 4.17: Focus group question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Hiring an attorney, as well as tax advisors for guidance will help facilitate a successful establishment of cooperatives.</li> <li>• I do not know.</li> <li>• Reading are articles and attending business seminars relevant to your business Industry to gain knowledge on how to run the successful would be advantageous as many misunderstandings could be put to rest.</li> <li>• Funding.</li> <li>• Factors that will facilitate a successful establishment of a cooperative are factors such as proper market research, appropriate product, price and target market.</li> <li>• Respect for one another to have a mutual cooperative. Sharing of ideas, I the field where one has the most experience or knowledge.</li> <li>• Members of the same mindset (goals), everyone willing to contribute equally (financially, effort, time, dedication).</li> <li>• Financially self-sustaining.</li> <li>• Innovation and adaptation.</li> <li>• Effective structure and operations.</li> <li>• Networking with other co-ops.</li> <li>• Communications.</li> <li>• Common member interests.</li> <li>• Education.</li> </ul>

**Table 4.18: Focus group question 4**

Question 4	Which cooperative legislation are you aware of?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• None that I am aware of.</li> <li>• I'm not aware of any.</li> <li>• Trademarks.</li> <li>• Growth and success.</li> <li>• The South African cooperative legislation.</li> <li>• Not aware of any legislation.</li> <li>• None.</li> </ul>

**Table 4.19: Focus group question 5**

Question 5	What are your expectations of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• To provide employment and opportunities for individuals to buy shares from them.</li> <li>• To mention few of my expectations, is to develop south African Economy, to reduce the high unemployment rate and this would result to decrease of crime in the country.</li> <li>• Growth and success.</li> <li>• Tackling poverty and creating food security. Cooperatives enable smallholders in partner countries to market products together and get a stronger voice in the global supply chain.</li> <li>• Providing affordable finance.</li> <li>• Building local expertise and profits.</li> <li>• International cooperative.</li> <li>• Creating decent jobs.</li> <li>• Empowering women.</li> <li>• Growth and success not to forget to create more jobs.</li> <li>• Nothing in mind for now.</li> <li>• Expects that co-op employers will: Provide meaningful work that relates to the student's field of study and is consistent with the advertised job description. Provide appropriate training, mentorship, and supervision. Provide an appropriate office or project location for students to work.</li> </ul>

**Table 4.20: Focus group question 6**

Question 6	Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No.</li> <li>• Yes, NYDA is one of them, according to their procedures one has to make a business proposal, secondly to financial accredited, a male is expected to be 35 and less, women are allowed until to the age of 55.</li> <li>• NYDA, I am not quite sure of the process of how one can access funding.</li> <li>• Government gives support by offering loans at a lower rate, subsidies and by charging less tax.</li> <li>• NYDA, I do not know of any procedure to be adopted to access these funds.</li> <li>• Nope.</li> </ul>

**Table 4.21: Focus group question 7**

Question 7	Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.

Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No, I was never involved in the cooperative.</li> <li>• Yes. Business failed to multiple factors. One being our clients. We were doing direct sales for a technology company with a small unknown brand. The company wanted customers to pay 70% upfront, resulting in customers who were interested in the product moving away.</li> <li>• Nope.</li> <li>• Yes, I worked as a lab assistant and an opportunity raised to work in the field of my studies but that opportunity fall through with the start of COVID.</li> </ul>
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#### 4.3.4 With retail business management - Undergraduates

Table 4.22: Focus group question 1

Question 1	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• I think our education system is designed in such a way that we are taught to work instead of creating work for ourselves.</li> <li>• Graduates seek for employment because owning a business is risky are afraid to take risks.</li> <li>• They have an interest in creating jobs opportunities is the best way but they want to first have a capital to invest in the business.</li> <li>• Because it's in our mentality that once u have graduated, you have to look for a job, secondly scarcity of resources because once u have graduated chances of being financial Independent are slim because like myself I do not come from a rich family so in order to have money I have to get a job first where I will earn my salary then use that salary to maybe come up with a business venture.</li> <li>• It is foundation of the education it encourages graduates to study and try find a job and it focuses less on the entrepreneurship.</li> <li>• Even the entrepreneurship that is there does not motivate graduates to be entrepreneurs cause most of the graduates that did entrepreneurship they are seeking for jobs.</li> <li>• Another milestone is that the investors are not willing to take risks with people that have no experience.</li> <li>• The education system does not encourage entrepreneurship, it only serves us to work for other people than be the one that create employment.</li> <li>• It's mostly because of the expectations we create for ourselves, we plan to graduate and then be employed in the industry we have studied towards. We lack confidence to create employment opportunities as we mostly lack resources, field experience and we also lack the knowledge of how to acquire financial assistance.</li> <li>• There's no capital to create their own businesses.</li> <li>• They do so because they are lacking funds, most graduates would work first while saving up for an ideal business.</li> </ul>

**Table 4.23: Focus group question 2**

Question 2	What are the limitations in the successful establishment of a cooperative?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Corruption.</li> <li>• Lack of mutual interest.</li> <li>• Limited resources. Most people start their business with limited resources (capital, material and equipment) but tell themselves that they will cover it up as time goes by when the business starts making money.</li> <li>• Constantly changing technology.</li> <li>• Lack of expertise.</li> <li>• Changes in interest rates.</li> <li>• Lack of sufficient resources.</li> <li>• I do not know anything.</li> <li>• Trust amongst members.</li> <li>• Autocratic leadership style.</li> <li>• Growth opportunities, many co-operatives are stuck on their working ways and are unwilling to open up the gap for new talent.</li> <li>• Members that are push overs.</li> <li>• Not having legislation for the cooperatives.</li> </ul>

**Table 4.24: Focus group question 3**

Question 3	What factors in your opinion will facilitate the successful establishment of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Open membership: The membership of cooperative societies is open to all irrespective of gender, colour and economic status.</li> <li>• Democratic management: The Management of cooperative society must be democratic. They must focus more on improving the lives of people rather profits.</li> <li>• Being updated with the latest technology trends.</li> <li>• Identifying and understanding your target market.</li> <li>• Identifying and understanding the business location.</li> <li>• Have a target market. You will what and who to attract.</li> <li>• A supply of all necessary resources such as funding and needed equipment.</li> <li>• In order for cooperative to be successful, they need to be educated about cooperative, what are the requirement to open cooperative.</li> <li>• Well crafted strategic plan.</li> <li>• People knowing, they roles and responsibilities.</li> <li>• A supply of all necessary resources such as funding and needed equipment.</li> <li>• In order for cooperative to be successful, they need to be educated about cooperative, what are the requirement to open cooperative.</li> <li>• Have a target market. You will what and who to attract.</li> <li>• Being updated with the latest technology trends.</li> <li>• Identifying and understanding your target market.</li> <li>• Identifying and understanding the business location.</li> <li>• Sufficient resources, motivation, staff, connections.</li> </ul>

**Table 4.25: Focus group question 4**

Question 4	Which cooperative legislation are you aware of?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• I don't have any knowledge of cooperative legislation.</li> <li>• BBBEE.</li> <li>• I do not know any.</li> <li>• None.</li> <li>• No.</li> </ul>

**Table 4.26: Focus group question 5**

Question 5	What are your expectations of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Job creation.</li> <li>• To acknowledge that graduates also have potential, they too know how to get the work done all they need is to be given an opportunity.</li> <li>• A business is expected to be successful since cooperatives sit in a meeting and brainstorm ideas.</li> <li>• A graduate service - improving the lives of the community.</li> <li>• My expectations of co-operatives is to fill up the gap of lack in our communities and they should bring forth employment opportunities.</li> <li>• Business development opportunities.</li> <li>• teach our graduates how to sustain themselves while also giving back to the communities they grew up in.</li> <li>• So that we don't waste or misuse the resources we will be provided with instead they will be pushed forward to continue to better our lives.</li> <li>• Cooperative is working together towards achieving common goals, so the outcome is expected to be successful cause there are many people working towards goal.</li> <li>• No errors are expected.</li> <li>• Risks are minimized as possible.</li> <li>• Create employment.</li> <li>• Efficient.</li> </ul>

The question sought to determine from the participants what their expectations were of cooperatives, which aligns with the objectives of the study in terms of their awareness. The themes which arose from their expectations were job sustainability, support, job creation and food security.

**Table 4.27: Focus group question 6**

Question 6	Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Yes, I am aware and also the procedure.</li> <li>• No.</li> <li>• Yes. SEDA and DTI offers funding for cooperatives.</li> <li>• Yes, NYDA, also aware of the procedures.</li> </ul>

**Table 4.28: Focus group question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No, I was not.</li> <li>• No.</li> </ul>

#### 4.3.5 Tourism and events management - Postgraduates

**Table 4.29: Focus group question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• All a graduate want is financial freedom and stability.</li> <li>• Creating employment needs a whole lot more focus and drive. Besides the fact that the education system destroys drive it also teaches us to be loyal employees.</li> <li>• Firstly, graduates need work experience to learn more about how money is managed, finances in business, how much planning and amount of time needs to be invested in a business. In that way, graduates can go, out with the experience they have gathered, and create opportunities. Reality is that funds are available support business but are still not available for everyone. Most finders require the applicant to having an already running business, when one is just a graduate with no history of running a business, nor capital to even begin as to allow the business to mature so that funders are able to trust that there will be returns paid and the business is a good investment.</li> <li>• Most graduates prefer to seek employment so that they can pay their loans. Others do not have capitals to bring their ideas to life so they go seek employment than to waste time creating an opportunity that might not work. Other graduates don't know the basics of starting a business, so they seek employment to avoid the risk of not succeeding in the long run.</li> <li>• Creating a business is a very long process and it requires lots of money, patience and time. The economy is bad out there so having patience of waiting on a business to grow and generate lots of money might not work for most people/graduates. Therefore most graduates will prefer getting a secure job and save some money to start a business and keep both jobs or resign from the secure jobs and focus on the business but some graduates are hesitant to open a business because it is not so secure like government employment for example, the scary part about a business is a downfall of it and maybe leading to the closing of the business. Besides, not everyone is business minded.</li> <li>• Lack of funding and resources.</li> <li>• Lack of knowing where and how to begin.</li> <li>• Individual choices.</li> <li>• Lack of motivation.</li> <li>• We grow up we the saying that says <i>Indlela ibuzwa kwabaphambili</i> and that leads us to seeking knowledge from those who have been in the industry for long and for one to prosper in the knowledge transfer you need to shadow them and grabs more knowledge as you can possibly can. More and above that we are the generation that want to enrol in a risk-free path meaning for one to know and master the risks for running a company need to first have an insight watch from far others doing it and that can only happen if you employed by an organisation of choice and be exposed to daily-to-daily running of the business.</li> </ul>

**Table 4.30: Focus group question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Too many people with too many options of what can work and can't work.</li> <li>• Processes.</li> <li>• Favouritism.</li> <li>• In the establishment of each business you will meet limitations. Starting a business with a concept that has already been established as its limitations such as tough competition, businesses that has been doing the same thing for many year and have built a good network in the industry. The shortage of capital, inefficient skills, poor marketing, little to no innovative/ updated business concepts as our target market evolve with time. But also having a new business concept means that it will take time for investors to buy/ invest into the business. There needs to be more time spent on marketing the business and teaching about what it can offers, reintroducing and reintroducing the business again and again, decline in growth, losing money etc. New businesses led by fresh but inexperienced staff/people can be on its own a limitation in the successful establishment of a cooperative.</li> <li>• Ineffective communication.</li> <li>• Misuse of funds.</li> <li>• Taking unnecessary risks.</li> <li>• Incapable management.</li> <li>• I do not know any limitations.</li> <li>• Capital.</li> <li>• Resources.</li> <li>• Giving up.</li> <li>• Incapable management.</li> <li>• The short fall is that at the begin it may be possible to have people working as volunteers as time goes, we may cover transportation. Which may be a struggle to get young innovative minds to join also to maintain the team spirit high and productive as people need that little appreciation for them to keep working hard and smarter. Having to do all the work as a volunteer, we might hit a pothole as a cooperative.</li> <li>• Technology is growing and had shown that less people will be needed to undertake certain tasks as a company we will in a long run start to implement robots, meaning the loyal employees whom we started the company with will have to be trained or channelled on other possible skills which will need the company to fund or worse recruit.</li> </ul>

**Table 4.31: Focus group question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Clear vision, communication, commitment and a sound understanding of what it is you want.</li> <li>• In very few words I would say good intention.</li> <li>• Sponsorship, partnership, funding availability, collaborations, spreading word of mouth, using media platforms etc. will help facilitate the successful establishment of a business. Coming up with updated, trendy business concepts, good planning, spending time working on the business and</li> </ul>

	<p>making sure that every employee understands the vision and mission of the business or cooperative.</p> <ul style="list-style-type: none"> <li>• Creativity.</li> <li>• Quality improvement- being able to take feedback and continuously improving the product or service.</li> <li>• Leadership - with good leadership and management the chances of success are high.</li> <li>• Trust.</li> <li>• Equal share.</li> <li>• Good cooperative idea that will boost not only you but the economy .</li> <li>• Securing financial freedom.</li> <li>• Consistency.</li> <li>• Clear indication of the target market and the excellent advertising platform. Which will be easily accessed by the target market. Positive response of the target market/end user, them showing interest and using the services being rendered will indicate success for the cooperative.</li> <li>• The economy, the rand strength compared to other countries as the long-term goal will be to be an international brand. Inflation will have direct impact to the success as the pricing will be determined by the market also bearing in mind that it is not the charity making money and getting a chance to employee young people is the main goal.</li> </ul>
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**Table 4.32: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Governance, but I all power exercised should be in pursuit of the purpose of the coop.</li> <li>• None.</li> <li>• Privacy and data protection, I think it Act of 2012.</li> <li>• Cooperation amongst cooperatives.</li> <li>• Autonomy and independence.</li> <li>• Democratic member control.</li> <li>• Open and voluntary membership.</li> <li>• Concern for community.</li> <li>• Labour Relationship Act.</li> <li>• Basic Employment Act.</li> <li>• Employment Act.</li> </ul>



**Table 4.33: Focus group question 5**

Question 5	What are your expectations of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Customer satisfaction.</li> <li>• To comply with the laws, and proactively positively impact they employees' lives.</li> <li>• Well I have a small clothing boutique that have been operating for 8 months. now, and my expectation was that it would grow quicker, make a large farther market that trust the services and the quality of the products. I expect cooperative to produce money, hire skilled people to do certain tasks in the business, give service that is worth the money. Reach people of different countries and continents.</li> <li>• Cooperatives should be willing to take more risks and giving graduates with no experience a chance to prove themselves. They should also fund start-ups in order to create more jobs/employment for South Africans. They should also work with tertiary institutions, to get graduates immediately, so they don't have to go around seeking for employment or add to the unemployment stats.</li> <li>• Create sustainable jobs for themselves and others to better the economy.</li> <li>• Reduce unemployment.</li> </ul>

**Table 4.34: Focus group question 6**

Question 6	Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Banks offer loans to businesses.</li> <li>• No.</li> <li>• I only know of the NYDA.</li> <li>• <i>Vuk'uzenzele</i>.</li> <li>• NYDA/SEDA.</li> <li>• Present a proposal which fully describe the project, cost implication, duration, also your profile as the shareholder. Get assigned an agent that will assist you, one positive thing about is that it accepts joint, partnership or team shareholder. Beneficials if it's a project aimed to make a difference to a certain group of individuals. However, during the process one shareholder might be forced to give up other side hustle for any example permanent employment which can seem as a bad thing but it ensures that the project is the priority.</li> </ul>

**Table 4.35: Focus group question 7**

Question 7	Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No I was not.</li> <li>• Yes a few actually, personal issues I am not willing to share.</li> <li>• I was and still am. I have though tried to bring up partners in the business, but it never tends to workout because of the different understanding concerning the mission and Vision of the business. It is hard to get someone on board when they do not understand the purpose or even the goal of the business, so I have had to drive this business solo, until there is a partner that thirsts for success and building a job opportunity for many more other young, skilled professionals.</li> <li>• No, I haven't been involved in any cooperative business yet.</li> <li>• No, but I will touch on growth, independence, creating more job opportunity of the society.</li> </ul>

#### 4.3.6 Retail business management - Postgraduates

**Table 4.36: Focus group question 1**

Question 1	In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Lack of knowledge or have not been to a university level institution where the skills are shared.</li> <li>• Fear of Failure of not been successful.</li> <li>• Seeking employment is more stable and has benefits whereby if starting your own business, you are always in risk of how the business does.</li> <li>• To gain experience and confidence in their field of study, before opening a company with no experience or practical idea of what the market has or how it is run.</li> <li>• Starting a business takes a lot of time, effort, expertise, and risk. Other people are not ever in a position to take that kind of risk. Many don't have the ability to raise the money needed to create jobs/start a business, and don't have the knowledge or skills for running a business.</li> <li>• You know mos <i>abantu</i> (people) coming from school they need <i>imali</i> (money) and experience and also we live <i>kwixesha</i> (now times) whereby we take <i>izinto</i> (things) to social networks and brag about them being employed is very exciting the feeling of buying yourself a new car and a new house, so if you consider creating jobs chances that u will succeed are very low because everything nowadays needs money and that dream of buying a car and house will take forever.</li> <li>• We believe that is the only way graduates can make money.</li> <li>• The lack of funding to support the business idea.</li> <li>• Not all the graduates are risk-takers.</li> <li>• I believe that graduates prefer to seek employment rather than create employment because immediately after an individual graduate they believe that they should at least be employed by a company that will give them an opportunity to practice or apply their knowledge and skills that they gained in the process of completing their degrees. In most cases graduates seek employment because their focus is on being employed. Other graduates are not passionate about starting their own business and creating jobs. And some of them do not know what resources they can utilize to help them launch their businesses.</li> </ul>

**Table 4.37: Focus group question 2**

Question 2	What are the limitations in the successful establishment of a cooperative?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• The limited number of members can affect the decision-making process in launching a successful cooperative. These members may lack skills and may not have the required experience needed to establish the cooperative. The limited financial resources can pose limitations in the successful establishment of a cooperative. Lack of these resources mean that the cooperative will not be in a position to hire competent professionals with managerial personnel.</li> <li>• Legislations.</li> <li>• Funding.</li> <li>• Politics.</li> <li>• Connections.</li> <li>• I don't know.</li> <li>• Not being fully exposed to the entire cooperative and how it is run.</li> <li>• Lack of understanding of why something operates the way it does.</li> <li>• Limited resources.</li> <li>• Lack of funding.</li> <li>• Lack of skills.</li> <li>• Limited consideration.</li> </ul>

**Table 4.38: Focus group question 3**

Question 3	What factors in your opinion will facilitate, the successful establishment of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• A well-balanced team of skills.</li> <li>• Getting funding from government where there is funding available for small businesses.</li> <li>• Effective communication among stakeholders.</li> <li>• Everyone on the same page.</li> <li>• Seeking proper guidance from mentors/ stakeholders who have done it before.</li> <li>• Embracing continuous learning in the workplace.</li> <li>• Offering graduates, the platform to gain experience with remuneration that can afford them basic living.</li> <li>• Transparency with complete disclosure.</li> <li>• Taking interest and active participation in all co-op activities.</li> <li>• Dedicated leadership and effective management.</li> <li>• Unity.</li> <li>• Legislation.</li> <li>• Law.</li> <li>• To facilitate the successful establishment of a cooperative it is important to identify your mission and core values. Develop a plan and a timetable for researching and developing the organization. Coordinate a meeting of potential members to test out the level of interest in the co-op idea. Therefore, conduct a feasibility study which will help identify the availability of finance. The other important factor that can help contribute to the successful establishment of cooperatives is by writing a business plan which clearly communicates the objectives of the cooperative.</li> </ul>

**Table 4.39: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Not aware of any legislation.</li> <li>• None.</li> </ul>

**Table 4.40: Focus group question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• To be well balanced and make a profit.</li> <li>• All members are equally contributed of skills and profits.</li> <li>• For them to be clearly communicated, adhered to and practised daily.</li> <li>• Contract must be signed by employer and employee.</li> <li>• Employees are expected to conduct themselves in a professional manner at all times. e.g., poor attendance, punctuality.</li> <li>• Protection of members.</li> <li>• Job's security.</li> <li>• I expect a cooperative to create jobs. Give back to the community by offering bursaries and scholarships.</li> </ul>

**Table 4.41: Focus group question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• NYDA offers funding to help in establishing new cooperatives. To be able to access the funding you can visit NYDA website, or you can go to their offices directly to get application forms.</li> <li>• No.</li> <li>• I don't know.</li> <li>• Yes, I am vaguely aware.</li> </ul>

**Table 4.42: Focus group question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No.</li> <li>• No, I was not.</li> <li>• Nope.</li> <li>• I was never involved in any cooperative.</li> </ul>

#### 4.4.7 Marketing - Postgraduates

Table 4.43: Focus group question 1

Question 1	In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Lack of experience makes graduates eager to than to create. How can one creature something they have never seen or experienced. Gaining experience gives them understanding and knowledge about employment - something they're familiar with. Another reason could be lack of funds.</li> <li>• Fear of responsibility.</li> <li>• Doubt of one's opportunities, the lack of self-confidence, low self-esteem.</li> <li>• Lack of capital.</li> <li>• Risk of failure (the loss of the invested capital).</li> <li>• Inefficient and complicated rules and procedures relate to the implementation of business activity.</li> <li>• Lack of the precise business ideas.</li> <li>• High competition.</li> <li>• High taxes.</li> <li>• Lack of knowledge and skills.</li> <li>• Creating employment means one must have already had a business that is already in operation or be in a process of starting one, and that requires one to have capital which most of us don't have and the funding takes time or it might not cover your expenses.</li> <li>• Starting your own business is difficult and owning your own business can be volatile. So, we seek permanent job security.</li> <li>• I personally think it's a bit too hard to start a business than seeking employment, because business needs funding so some rather start by working to fund their business and create job opportunities.</li> <li>• Basically, graduates seek employment opportunity to tap into their qualification industry work field to put their theoretical knowledge to practical work performance, therefore it gives them a sense of understanding and rundown of what their capabilities and what to look out for if they were thinking of venturing into their own business/company in the future. It plays a huge role in them familiarising themselves with all the other different departments that are needed in running a company.</li> <li>• They fear starting something without any experience and the responsibilities it entails. They prefer to seek employment in order to gain experience and courage.</li> </ul>

**Table 4.44: Focus group question 2**

Question 2	What are the limitations in the successful establishment of a cooperative?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Delay in decision making and decision implementation.</li> <li>• Inefficient management.</li> <li>• Lack of unity and cohesion.</li> <li>• Inadequate motivation.</li> <li>• Size limitation.</li> <li>• Start-up funds and lack of innovation.</li> <li>• Lack of unity.</li> <li>• Limitation of size.</li> <li>• Lack of public confidence.</li> <li>• Delays in decision making and implementing.</li> <li>• Limitation of capital and profit.</li> <li>• Not everyone might be fully committed and willing to work as hard as others. Some might have other permanent jobs and some may have this co-operative as a soul means of income, thus not everyone will work as hard.</li> <li>• Lack of commitment amongst members, and focusing on the financial side of the business rather than to focus on growing the business.</li> <li>• Constraints of capital: Profit, the fundamental power drawing in capital.</li> <li>• Unproductive management.</li> <li>• Absence of solidarity and attachment,</li> <li>• Delays in decision-making and decision-implementing,</li> <li>• Deficient inspiration,</li> <li>• Incapable management due to untrained managers, inexperienced or lack of management skills and people skills. Lack of motivation. Strong competition and government interventions and high rates.</li> </ul>

**Table 4.45: Focus group question 3**

Question 3	What factors in your opinion will facilitate, the successful establishment of cooperatives?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Diversity and inclusivity.</li> <li>• Social utility: this can promote personal liberty, social justice and cooperation. They will help to prevent concentration of economic power in a few hands.</li> <li>• Government support: Government must provide support by giving loans at lower interest rates, subsidies and by charging less taxes.</li> <li>• Commitment, goals, good plan and ideas, focus and hard work.</li> <li>• Everyone should have permanent other jobs or everyone should have the co-operative as a soul means of income.</li> <li>• History of cooperative action or common governance.</li> <li>• Formalization and transparency.</li> <li>• Equitable investment.</li> <li>• Economic factors.</li> <li>• Secure financing.</li> <li>• Understanding of the common goal.</li> <li>• Reliability.</li> <li>• Respect.</li> </ul>

	<ul style="list-style-type: none"> <li>• Understanding one another.</li> <li>• Conducting research, networking and resilience.</li> </ul>
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**Table 4.46: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Employment equity.</li> <li>• Providing professionalism to its members and financial reporting.</li> <li>• Currently none.</li> <li>• I don't know any cooperative legislation.</li> <li>• Cooperatives in South Africa are regulated by the Cooperatives Act 14 of 2005.</li> <li>• Not aware of any.</li> </ul>

**Table 4.47: Focus group question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• To give equal opportunities to everyone especially targeting youth so that the coming generation could believe and see that there is life after graduation - employment.</li> <li>• Democratic control: Management and control must lie with the managing committee elected by the members by giving vote. Every member has one vote irrespective of the number of shares held by him.</li> <li>• Service motive: The main aim must to serve its members and not to maximize the profit.</li> <li>• State control: Cooperatives must abide by the rules and regulations framed by government for them.</li> <li>• Distribution of surplus: The profit must be distributed on the basis of volume of business transacted by a member and not on the basis of capital contribution of members.</li> <li>• To creating huge numbers of employment.</li> <li>• Currently not clued up in the topic as I am an Electrical Engineering Graduate and I'm not from a business or entrepreneurial background.</li> <li>• They must have their finances on record.</li> <li>• Treat all their employees with mutual respect.</li> <li>• Social report.</li> <li>• Cooperatives represent a resilient, vibrant and viable economic alternative by bringing people together to work towards a common goal &amp; meeting their shared needs through cooperation, however while most of the cooperatives in South Africa are largely weak or failing, there remains a few strong and vibrant cooperatives able to provide an economic boost for their communities.</li> <li>• To create equal opportunities for all.</li> </ul>

**Table 4.48: Focus group question 6**

Question 6	Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Yes I am knowledgeable about funding from the Cooperative Incentive Scheme. However, the cooperatives must match the 90/10 funding grant for registered primary co-operatives and consisting of five or more members.</li> <li>• NYDA - one needs to submit a business proposal.</li> <li>• Yes, most of the times you must be youth and have a business plan.</li> <li>• No.</li> <li>• NYDA does give funding to cooperatives but must be registered in order to be able to access the funding.</li> <li>• The Co-operatives Incentive Scheme (CIS) - the requirements is that entities must be incorporated and registered in South Africa in terms of the Co-operatives Act of 2005. The scheme offers a minimum of R400,000 and a maximum of R1.5 million in funding to each co-operative. Some of the guidelines of the scheme include that 70% of the funding may be used for infrastructure, machinery and equipment, commercial vehicles, technological improvements and tools. 30 percent of the funding may be used for working capital.</li> <li>• Small Enterprise Finance Agency (sefa)- To qualify for funding at sefa, the cooperatives must be/have: Duly registered with CIPC as a co-operative; Valid deposit-taking License (duly registered with SARB and/or CBDA); Certified Constitution and NCR certificate etc.</li> <li>• South African Micro Finance Apex Fund (Samaf) - Samaf gives financial services to small-scale entrepreneurs living in rural and outer urban areas. Samaf does not lend money directly to the public. It uses existing institutions within communities to handle the funds and lend to qualifying entrepreneurs.</li> </ul>

**Table 4.49: Focus group question 7**

Question 7	Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• I was involved in an academic cooperative created for academic purposes the project coming to an end was the reason for the terminated the relationship.</li> <li>• Yes, it was a partnership and the members pursued other interests.</li> <li>• No! I've absolutely never been involved in any cooperative.</li> <li>• No.</li> <li>• Yes, the was no commitment amongst us the members.</li> </ul>

#### 4.3.8 Entrepreneurship and business management - Postgraduates

**Table 4.50: Focus group question 1**

Question 1	In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Graduates they seek for employment because they want to practice what they studied for gain experience.</li> <li>• They believe that they have studied enough to be employed, than to create employment.</li> </ul>



	<ul style="list-style-type: none"> <li>• They seek employment for experience to be exposed within the industry before pursuing business opportunities.</li> <li>• Graduates prefer to look for employment rather than creating it due to such reasons: graduate without any work experience.</li> <li>• Therefore, they tend to seek for employment thinking that it will make things much easier by working at already established workplace, rather than creating your own business with no clear direction of business plan and building a clientele base.</li> <li>• Simple answer is that graduates seek for employment as they are unable to completely provide capital to create employment or not motivated enough to start business.</li> <li>• I believe it is because they want to obtain practical work experience before going on a mission to create jobs for others.</li> <li>• Work experience allows a person to learn, improves personal motivation and drive.</li> <li>• Provide a sense of decision-making, flexibility and strengthens societal ideas and cohesion.</li> <li>• Because some believe that where they go to school and become graduates they will get employed in big company and earn a lot of money and some of them does not have that mentality to create employment opportunities for others.</li> </ul>
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**Table 4.51: Focus group question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Lack of unity and cohesion.</li> <li>• Limited capital.</li> <li>• Inadequate motivation.</li> <li>• I do not know.</li> <li>• Market research.</li> <li>• Product development.</li> <li>• Autocratic leadership.</li> <li>• Not getting funds.</li> <li>• Not getting consumers.</li> <li>• Motivation and knowledge how to start.</li> <li>• Start-up capital.</li> <li>• Support.</li> <li>• Capital and profit restrictions.</li> <li>• Insufficient motivation.</li> <li>• Decisions are delayed due to a lack of managerial abilities.</li> <li>• Government rules and regulations.</li> <li>• Lack of accountability.</li> </ul>

**Table 4.52: Focus group question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Trust.</li> <li>• Loyal.</li> <li>• Leadership.</li> <li>• The cooperative leaders must be capable and committed, they must give the cooperative with the direction and support.</li> <li>• It is necessary to be trustworthy.</li> <li>• It is necessary to have committed leadership and management.</li> <li>• Constant support.</li> <li>• Universal agreement.</li> <li>• Willingness to succeed.</li> <li>• Ability to create more than what was.</li> <li>• Proper guidelines.</li> <li>• Mentoring enabling one to reach their full potential.</li> <li>• Adequate funding.</li> <li>• Marketing team and mentoring.</li> <li>• Finance.</li> <li>• Technology.</li> <li>• Presence of capability.</li> <li>• Dedicated leader.</li> </ul>

**Table 4.53: Focus group question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• None.</li> <li>• I do not know.</li> <li>• I do not know any.</li> </ul>

**Table 4.54: Focus group question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Hold the public and private sector accountable for youth employment from entry level as well as in a strategic position.</li> <li>• I do not know.</li> <li>• A group of graduates becoming a successful into cooperative. Reduce unemployment.</li> <li>• Job opportunities.</li> <li>• Economic development.</li> <li>• Make more profit.</li> <li>• Business growth.</li> <li>• Reduce unemployment.</li> <li>• Create employment.</li> </ul>

**Table 4.55: Focus group question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• Yes, NYDA and its procedures.</li> <li>• Yes, and the procedures yes.</li> <li>• Yes, I am aware of the funding's and also, I am aware of the procedures to access to the funding.</li> <li>• No.</li> </ul>

**Table 4.56: Focus group question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Participants' verbatim responses	<ul style="list-style-type: none"> <li>• No.</li> <li>• Yes, main reason lack of support and confidence and no motivation to drive the success of cooperative.</li> </ul>

The next section discusses the analysis of the findings, looking at the pattern and whether there were common themes, still using the thematic analysis, that arose from the data collection.

#### **4.4 Thematic analysis**

##### **4.4.1 Tourism and events management - Undergraduates**

**Table 4.57: Themes from Question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Gain knowledge and experience.</li> <li>• No belief in themselves.</li> <li>• Lack of resource.</li> <li>• Lack of motivation.</li> <li>• Fear of failure.</li> </ul>

**Table 4.58: Themes from Question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Start up capital.</li> <li>• Lack of Confidence.</li> <li>• Lack of knowledge.</li> <li>• Lack of Motivation.</li> <li>• Delay decision making.</li> </ul>

**Table 4.59: Themes from Question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Experience.</li> <li>• Trust.</li> <li>• Funding.</li> <li>• Leadership.</li> <li>• Enough resources.</li> <li>• Teamwork as members.</li> </ul>

**Table 4.60: Themes from Question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> <li>• Do not know of any.</li> </ul>

**Table 4.61: Themes from Question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Create employment.</li> <li>• Treat customers fairly and squarely.</li> <li>• Last longer.</li> <li>• Members treated equally.</li> <li>• Educate the graduates in opening business.</li> </ul>

Most participants highlighted the creation of employment, treating customers fairly and square, cooperatives lasting longer than business ventures, members being treated equally and the education of graduates in opening businesses as their main expectations of cooperatives.

**Table 4.62: Themes from Question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Known of funding.</li> <li>• Uncertain.</li> </ul>

This question sought to establish whether the unemployed graduates were able to get the required capital or funding to assist their plan in establishing a cooperative. The participants' indicated that they are aware of funding options and also knew about the procedures regarding application of funding and even named the funding sectors. A few participants replied that they did not know of any funding opportunities or the procedures of how to apply for the funding.

**Table 4.63: Themes from Question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"><li>• No experience.</li></ul>

The data revealed that participants were not familiar with cooperatives. Participants were never involved in any kind of cooperative, nor were they aware of any cooperatives.

#### **4.4.2 Entrepreneurship and business management - Undergraduates**

**Table 4.64: Themes from Question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"><li>• Lack of funding to open cooperative.</li><li>• Lack of experience.</li><li>• Patience.</li><li>• Lack of information.</li></ul>

The question attempted to establish why unemployed graduates preferred looking for employment rather than creating employment. Most participants indicated that lack of funding, experience, patience and information hampered their drive to create a cooperative. It would be easier to seek employment and be assured a regular income.

**Table 4.65: Themes from Question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"><li>• Lack of funding.</li><li>• Lack of exposure.</li><li>• Lack of trust.</li><li>• Inequality.</li><li>• Politics.</li></ul>

Participants stated that a lack of trust meant members were unable to work together. If inequality was prevalent, where some members were treated more importantly than others, the cooperative would not be fulfilling its purpose and members would be unhappy. A lack of exposure—members not equipped with knowledge of cooperatives—would also place constraints on the establishment of a cooperative since members would have to first find the time to become familiar with its dynamics or find experts to assist them. Finally, as stated previously, funding often limits a start-up initiative.

**Table 4.66: Themes from Question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Mutual understanding.</li> <li>• Experience.</li> <li>• Trust.</li> <li>• Reliable.</li> <li>• Leadership.</li> <li>• Funding.</li> </ul>

Participants highlighted the above as the major factors that would facilitate a successful of cooperative.

**Table 4.67: Themes from Question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> </ul>

Most participants were uncertain of the existence of cooperative legislation.

**Table 4.68: Themes from Question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Job creation.</li> <li>• Job security.</li> <li>• Work ethic.</li> <li>• Good organisational structure.</li> <li>• Effective and efficient.</li> <li>• Reduce unemployment.</li> </ul>

The expectations of the participants were very high. The themes particularly highlighted job security, with participants highly valued and placed emphasis on having a job for a long time and that cooperatives were a sure route to job creation. The work ethic was also discussed and participants felt members needed to be committed and be punctual at all times to ensure the success of the cooperative. The organisational structure of the cooperative needs to be effective and efficient to reduce unemployment since this would positively affect the economy and the lives of unemployed citizens.

**Table 4.69: Themes from Question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Aware of funding.</li> <li>• Uncertain.</li> </ul>

The participants stated that they were aware of funding and also the procedure of how to apply for it and even mentioned the funding sectors that they knew of. The discussion around funding also revealed that some participants were not aware of the procedures regarding cooperatives but only knew of procedures regarding small businesses.

**Table 4.70: Themes from Question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"> <li>• No experience.</li> </ul>

In this focus group session, no participants indicated they had any experience in being involved in a cooperative.

#### **4.4.3 Marketing - Undergraduates**

**Table 4.71: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Learned skill to fit in the workplace rather entrepreneurial mind.</li> <li>• Seek experience.</li> <li>• Lack of resources.</li> <li>• Lack of knowledge.</li> <li>• Lack of funding to open cooperative.</li> <li>• Patience.</li> </ul>

The participants stated that they prefer seeking employment rather than creating employment. Participants stressed the importance of being passionate about entrepreneurship and felt that passion was not encouraged by lecturers, instead, lecturers tried to impart skills sought by the industry. Participants also emphasised the need for knowledge and experience to have a successful cooperative.

**Table 4.72: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Legislation.</li> <li>• Lack of confidence.</li> <li>• Lack of funding.</li> <li>• Lack of knowledge.</li> <li>• Limited resources.</li> </ul>

The main themes limiting the establishment of cooperatives were legislation, lack of confidence, lack of funding, lack of knowledge and limited resources.

**Table 4.73: Themes from question 3**

<b>Question 3</b>	<b>What factors, in your opinion, will facilitate the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Have legal representative.</li> <li>• Funding.</li> <li>• Attend seminars for better knowledge.</li> <li>• Mutual goal of team members in the cooperative.</li> <li>• Market research.</li> <li>• Communication.</li> </ul>

Participants felt legal representation, securing funding, attending seminars for better knowledge, mutual goals of team members in the cooperative, market research and communication were key to the establishment of a successful cooperative.

**Table 4.74: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain</li> </ul>

Most participants were not aware and only a few were aware of the legislation.

**Table 4.75: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Create employment.</li> <li>• Reduce unemployment.</li> <li>• Develop economy.</li> <li>• Creating food security.</li> </ul>

Participants emphasised the creation of employment, the reduction of unemployment, the development of an improved economy and the creation of food security as their main expectations.

**Table 4.76: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> <li>• Aware of funding.</li> </ul>

Participants indicated an awareness of the funding for cooperatives. A few participants also had some knowledge of what is needed to submit as part of the application for funding for a cooperative. Other responses indicated uncertainty around the procedures.



**Table 4.77: Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"><li>• No experience.</li><li>• Experience of being member in a cooperative.</li></ul>

Some participants have never been involved in any cooperative but there were a few who were but were not registered and therefore, it was just considered as a stokvel.

#### **4.4.4 Retail business management - Undergraduates**

**Table 4.78: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"><li>• Education system designed to seek for employment.</li><li>• Lack of capital.</li><li>• Lack of resources.</li><li>• Lack of motivation.</li><li>• Lack of entrepreneurship encouragement.</li><li>• Lack of confidence.</li><li>• Lack of funding.</li></ul>

Most of the participants indicated that the education system was designed for students to seek employment rather than foster an entrepreneurial mind. Furthermore, lack of capital, lack of resources, lack of motivation, lack of entrepreneurship encouragement by others, lack of confidence and lack of funding also significantly contributed to why employment was sought rather than initiated.

**Table 4.79: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"><li>• Corruption.</li><li>• Lack of mutual interest.</li><li>• Lack of resources.</li><li>• Lack of trust amongst members.</li><li>• Autocratic leadership style.</li></ul>

Corruption, lack of mutual interest, lack of resources, lack of trust amongst members and autocratic leadership style were elicited as themes from these participants. It was felt that these were the main limitations of successfully implementing a cooperative.

**Table 4.80: Themes from question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Motivation.</li> <li>• Sufficient resources.</li> <li>• Roles and responsibilities.</li> <li>• Crafted strategic plan.</li> <li>• Funding.</li> <li>• Educate about cooperative.</li> </ul>

Motivation for setting up a cooperative, sufficient resources, defining roles and responsibilities of members, crafting a strategic plan, securing funding and education about cooperatives were felt to be vital aspects of a successful cooperative.

**Table 4.81: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain</li> </ul>

Most participants were uncertain about the legislation of cooperatives but a few were aware of the legislation.

**Table 4.82: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Job creation.</li> <li>• Business opportunities.</li> <li>• Achieving common goal.</li> <li>• Efficient.</li> </ul>

The expectations of the participants included job creation, increased business opportunities, having common goals and being efficient. These were felt to aid and achieve the objective of economic development.

**Table 4.83: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain</li> </ul>

Most participants indicated an awareness of funding and the procedures of how to apply for it but there were a few who were not aware of funding or how to apply for it.

**Table 4.84: Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"><li>• No experience</li></ul>

No participants indicated experience with regards to being involved in a cooperative.

#### **4.4.5 Tourism and events management - Postgraduates**

**Table 4.85: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"><li>• Financial freedom.</li><li>• Lack of motivation.</li><li>• Lack of funding to open cooperative.</li><li>• Individual choice.</li><li>• Lack of experience.</li></ul>

Participants stated that the reasons why they seek employment as opposed to creating employment included the need for financial freedom, a lack of motivation to initiate their own employment, a lack of funds, it was an individual choice and that they needed the experience.

**Table 4.86: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"><li>• Favouritism</li><li>• Processes</li><li>• Misused funds</li><li>• Ineffective communication</li><li>• Limited resources</li><li>• Incapable management</li><li>• Unnecessary risks</li></ul>

The participants highlighted factors around favouritism within a cooperative, ineffective processes, ineffective communication, misuse of funds, limited resources, incapable management and the tendency to take unnecessary risks as being the main factors limiting the successful establishment of a cooperative.

**Table 4.87: Themes from question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Creativity.</li> <li>• Planning.</li> <li>• Leadership.</li> <li>• Trust.</li> <li>• Equally share.</li> </ul>

Participants emphasised creativity, planning, leadership, trust and equal share as factors underpinning the successful establishment of a cooperative.

**Table 4.88: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> <li>• Certain about cooperative legislation.</li> </ul>

The participants indicated some knowledge and understanding of the legislation linked to cooperatives.

**Table 4.89: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Customer satisfaction.</li> <li>• Reduce unemployment.</li> <li>• Create jobs.</li> </ul>

Customer satisfaction, reduced unemployment and creation of jobs were the most common expectations amongst participants.

**Table 4.90: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain of funding.</li> <li>• Aware of funding.</li> </ul>

Most participants indicated they are aware of the funding, the procedures of how to apply for the funding and also mentioned the funding sectors that they knew of. A few indicated knowledge of funding but not the procedures involved in cooperatives and also highlighted knowledge around small businesses.

**Table 4.91 Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"> <li>• No experience.</li> <li>• Experience of being member in cooperative.</li> </ul>

Some participants were involved in cooperatives and indicated that the reasons for leaving were that there were determinations from some of the members and to some the cooperative was just a temporary initiative. A few participants showed interest in establishing a cooperative.

#### 4.4.6 Retail business management - Postgraduates

**Table 4.92: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Lack of knowledge.</li> <li>• Fear of failure.</li> <li>• Lack of funding to open cooperative.</li> <li>• Stereotype.</li> </ul>

Participants had a robust discussion around the factors why they felt graduates prefer to seek employment rather than create employment opportunities for themselves and others. One of the verbatim responses, “We believe that is the only way graduates can make money”, indicates how strongly they feel about a secure income as well as the stereotyping surrounding cooperatives. Often it is assumed that cooperatives are not a secure job opportunity, implying that a salary or income is not a definite possibility. Lack of funding was another factor cited by graduates as a reason to not create their own employment because it is believed that businesses need money to start up and then generate money. Fear of failure was also expressed by the participants. Participants felt that a lack of knowledge or not enough information leads to many unnecessary problems.

**Table 4.93: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Funding.</li> <li>• Politics.</li> <li>• Lack of skill.</li> <li>• Lack of exposure to cooperative.</li> <li>• Limited resource.</li> </ul>

Most participants highlighted limitations as lack of funding, politics, lack of skill, limited exposure to cooperatives and limited resources to initiate a cooperative.

**Table 4.94: Themes from question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Effective communication.</li> <li>• Mutual goal.</li> <li>• Funding from government.</li> <li>• Strategic plan.</li> <li>• Legislation.</li> </ul>

Effective communication, cooperative legislation, funding from government, mutual goals of cooperative members and having a strategic cooperative plan were the main factors cited by participants to ensure a successful cooperative.

**Table 4.95: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> </ul>

Most participants indicated that they were uncertain about legislation underpinning cooperatives in South Africa.

**Table 4.96: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Job security.</li> <li>• Protection of members.</li> <li>• Create jobs.</li> <li>• Well balanced cooperative.</li> <li>• Make profit.</li> </ul>

Participants provided much insight into their expectations of cooperatives. The discussion revealed the main themes of job security, protection of members, creating jobs, having a well-balanced cooperative and making profit.

**Table 4.97: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain about funding.</li> <li>• Certain about funding.</li> </ul>

The participants were not aware of funding or the processes to apply for funding.

**Table 4.98: Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	No experience

None of the participants indicated having any experience in running a cooperative.

#### **4.4.7 Marketing - Postgraduates**

**Table 4.99: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"><li>• Lack of experience.</li><li>• Fear of responsibility.</li><li>• Lack of self-confidence.</li><li>• Lack of capital.</li><li>• Lack of knowledge.</li></ul>

The main responses from participants were lack of self-confidence to run their own cooperative, lack of knowledge about cooperatives, lack of capital, lack of experience and fear of responsibility to take charge of their business. They would rather allow other people to lead or tell them what to do than being managers themselves.

**Table 4.100: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"><li>• Lack of unity.</li><li>• Lack of commitment on members.</li><li>• Lack of managerial skill.</li><li>• Lack of funding.</li><li>• Lack of motivation and innovation.</li></ul>

Participants discussed several limitations, which resulted in the main themes. These were lack of unity within a cooperative, lack of funding to start a cooperative, lack of managerial skill to run a cooperative, lack of commitment to the functioning of a cooperative and lack of motivation and innovation to ensure the success of a cooperative.

**Table 4.101: Themes from question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Common goals.</li> <li>• Reliability.</li> <li>• Diversity.</li> <li>• Government support.</li> <li>• Financing.</li> <li>• Respect.</li> </ul>

Participants felt there were key factors that would contribute to the longevity of a cooperative, namely common goals amongst members, reliability of members, diversity within the cooperative, government support, financing a cooperative and respect amongst members.

**Table 4.102: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> <li>• Certain legislation.</li> </ul>

Only a few participants were aware of cooperative legislation and mentioned some of the legislation.

**Table 4.103: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Democratic control.</li> <li>• Equal opportunities.</li> <li>• Create employment.</li> <li>• Mutual respect.</li> </ul>

Democratic control within a cooperative, cooperatives as the creation of employment, equal opportunities presented to all members and mutual respect within a cooperative arose as themes from the participants' discussion.

**Table 4.104: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Aware of the funding.</li> <li>• Uncertain.</li> </ul>

Most participants were aware of funding and also the procedures of how to apply for the funding. A few participants named the funding sources they were aware of and others indicated that they only knew of funding and application procedures for small businesses.



**Table 4.105: Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"><li>• Experience of being member in cooperative.</li><li>• No experience of being a member.</li></ul>

The participants were not involved in any cooperatives. Most participants indicated that this was the first time they were hearing of cooperatives and saw it as a productive business venture that could be considered for future use.

#### **4.4.8 Entrepreneurship and business management - Postgraduates**

**Table 4.106: Themes from question 1**

<b>Question 1</b>	<b>In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?</b>
Theme/s	<ul style="list-style-type: none"><li>• Patience.</li><li>• Seeking employment.</li><li>• Lack of funding to open cooperative.</li></ul>

Most participants expressed a preference for seeking jobs rather than creating their own. The most common themes that emerged were patience, seeking employment and lack of funding to open a cooperative. It is assumed that unemployed graduates lacked the patience required to open businesses, seeking employment was to make ends meet to survive and lack of funding prevented them from opening a cooperative.

**Table 4.107: Themes from question 2**

<b>Question 2</b>	<b>What are the limitations in the successful establishment of a cooperative?</b>
Theme/s	<ul style="list-style-type: none"><li>• Lack of unity.</li><li>• Lack of funding and capital.</li><li>• Lack of motivation.</li><li>• Absent managerial abilities.</li></ul>

The limitations to successful cooperatives included lack of unity within a cooperative, lack of funding and capital to start a cooperative, no motivation to set up a cooperative and absence of managerial abilities within a cooperative.

**Table 4.108: Themes from question 3**

<b>Question 3</b>	<b>What factors in your opinion will facilitate, the successful establishment of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Trust.</li> <li>• Leadership.</li> <li>• Funding.</li> </ul>

The themes that arose from participants' discussion were trust amongst cooperative members, funding to set up a cooperative and good leadership within a cooperative.

**Table 4.109: Themes from question 4**

<b>Question 4</b>	<b>Which cooperative legislation are you aware of?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Uncertain.</li> </ul>

There was great uncertainty shown by most participants around legislation linked to cooperatives. A few indicated some awareness but most were uncertain.

**Table 4.110: Themes from question 5**

<b>Question 5</b>	<b>What are your expectations of cooperatives?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Economic development.</li> <li>• Make more profit.</li> <li>• Business growth.</li> <li>• Reduce unemployment.</li> <li>• Create employment.</li> </ul>

The discussion around expectations of cooperatives elicited the main theme of development of the economy, which will in turn lead to better profits. Business growth is seen as the expectation that will lead to a reduction in unemployment and the creation of employment.

**Table 4.111: Themes from question 6**

<b>Question 6</b>	<b>Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?</b>
Theme/s	<ul style="list-style-type: none"> <li>• Knowledge of funding and procedure uncertain.</li> </ul>

Most participants were aware of the funding options, the procedures of how to apply for funding and also mentioned the funding sectors of which they were aware. A few participants named the funding sources of which they were aware and others indicated that they only knew of funding and application procedures for small businesses.

**Table 4.112: Themes from question 7**

<b>Question 7</b>	<b>Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.</b>
Theme/s	<ul style="list-style-type: none"><li>• Experience of being member in cooperative.</li><li>• No experience.</li></ul>

Most participants had never been involved in a cooperative. They indicated that they thought it would be a constructive option to generate money. One participant was involved in a cooperative and stated that the cooperative is inactive as "...yes, main reason is lack of support and confidence and no motivation to drive the success of the cooperative".

#### **4.5 Findings**

This section presents the main findings from the eight focus groups of the study which include postgraduates and undergraduates from all departments.

##### **Question 1: In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?**

- A lack of resources prevents undergraduates from creating employment (2 of the 8 focus groups).
- Experience is first needed before starting a cooperative (5 of the 8 focus groups).
- Knowledge around cooperatives is needed to create employment (4 of the 8 focus groups).
- Motivation is a key component in setting up a cooperative (2 of the 8 focus groups).
- Fear of failure is a constraint in setting up a cooperative (2 of the 8 focus groups).
- Lack of funding limits the establishment of a cooperative (6 of the 8 focus groups).
- One needs patience to set up and maintain a cooperative (3 of the 8 focus groups).

##### **Question 2: What are the limitations in the successful establishment of a cooperative?**

- Lack of capital (2 of the 8 focus groups).
- Lack of confidence (2 of the 8 focus groups).
- Knowledge of cooperatives (2 of the 8 focus groups).
- Motivation to set up a cooperative (3 of the 8 focus groups).
- Funding for cooperatives (4 of the 8 focus groups).
- Exposure to cooperatives (2 of the 8 focus groups).
- Trust amongst members (2 of the 8 focus groups).
- Politics (2 of the 8 focus groups).
- Resources to set up a cooperative (3 of the 8 focus groups).
- Managerial skill/abilities within cooperatives (2 of the 8 focus groups).

**Question 3: What factors, in your opinion, will facilitate the successful establishment of cooperatives?**

- Experience running cooperatives (2 of the 8 focus groups).
- Trust amongst members (4 of the 8 focus groups).
- Funding to run a cooperative (5 of the 8 focus groups).
- Leadership within a cooperative (3 of the 8 focus groups).
- Mutual goals of members (3 of the 8 focus groups).
- Strategic plan of cooperative (2 of the 8 focus groups).
- Resources to start a cooperative (2 of the 8 focus groups).

**Question 4: Which cooperative legislation are you aware of?**

- All the groups expressed some degree of uncertainty around legislation relating to cooperatives.
- A few members in 3 of the 8 groups indicated some knowledge of legislation.

**Question 5: What are your expectations of cooperatives?**

- To create employment (3 of the 8 focus groups).
- To reduce unemployment (4 of the 8 focus groups).
- To make a profit (2 of the 8 focus groups).
- To have equal opportunities (3 of the 8 focus groups).

**Question 6: Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?**

- Most participants in all 8 focus groups expressed uncertainty around funding.
- A few participants in 7 of the 8 focus groups commented that they were aware of funding.

**Question 7: Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.**

- No experience: Most participants expressed having no experience. However, one participant had some experience but stated that the cooperative was now inactive.
- Experience of being a member in a cooperative: 4 members out of the 8 focus groups indicated having experience of being a cooperative member.

## **4.6 Discussion**

The section below discusses the predominant themes, across departments, emerging from the focus group guideline questions and how they link to the study's objectives, namely the level of awareness of cooperatives, the limitations amongst unemployed graduates in the establishment of cooperatives and the possible support structures needed to initiate a cooperative.

**Question 1: In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?**

### **Lack of motivation**

Tourism and Events Management undergraduates, Retail Business Management undergraduates and Tourism and Events Management postgraduates stressed a lack of motivation as the key reason for not creating employment themselves. It was felt that if they were personally motivated and received motivation from other significant parties to start a cooperative, they would do so. Starting a cooperative would then be easier because they would be more driven and would also get support from others.

### **Lack of resources and gaining knowledge and experience**

Both undergraduate and postgraduate students from the Department of Marketing and Entrepreneurship expressed that a lack of resources and also gaining knowledge and experience are reasons that impact students' decision to seek employment rather than create their own employment. Cooperatives fail because of limited resources (like equipment, for example) being available to set up a cooperative. One would also need to first gain knowledge and experience relating to cooperatives to mitigate failure and to better interact with people in a cooperative. Lack of knowledge and fear of failure are strong factors impacting the preference to have a job that ensures a regular, stable salary (Banshree et al., 2006:6). The participants seem to be unaware or fearsome of how cooperatives could provide an income (Banshree et al., 2006:6), adding to their demotivation.

### **Lack of funding to open a cooperative**

The study showed that five groups expressed that the lack of funding to open a cooperative is a key factor to its successful implementation. Entrepreneurship and Business Management and Marketing undergraduates, Tourism and Event Management, Retail Business Management and Entrepreneurship and Business Management postgraduates agreed that sometimes people have some knowledge of cooperatives but then funding limits their plan to set up a cooperative. Participants needed to become aware of cooperative credit societies that could assist with funding as the intention is to provide loans to members at reasonable rates of interest and to develop good fiscal habits among members (Feather & Meme (2019:1489).

### **Fear of failure**

Two departments, namely the Departments of Events Management (undergraduates) and Retail Business Management (postgraduates) believe that the theme fear of failure is the reason for not creating employment as they do not feel equipped to take on the responsibility of setting up and maintaining a cooperative. The Tourism and Event Management students believe that once they overcome the fear of failure it would make things much easier. Even though the desire to move toward cooperatives was motivated by pressures in a continuously changing market system (Ridley-Duff & Bull, 2019:247), there still seems to be fear to initiate cooperatives.

### **Patience**

The theme of patience arose amongst participants in the Department Tourism and Events Management and Entrepreneurship Business Management. The participants recognised the effort that needed to be made in setting up and maintaining a cooperative and therefore felt patience would be crucial to its success. Patience would be particularly needed in instances where technical ability is lacking (Mohammed & Lee, 2015:1042), lack of government support is prevalent (Nilsson, et al., 2012:190) and where external support is still sorely needed (Cheruiyot et al., 2012:42).

## **Question 2: What are the limitations in the successful establishment of a cooperative?**

### **Lack of confidence**

Tourism and Events Management, Marketing and Retail Business Management undergraduates emphasised a lack of confidence as a key contributor to the unsuccessful establishment of a cooperative. It was felt that if they did not have the confidence to set up and maintain a cooperative, they would be unsuccessful. Hence, the recommendation is to design, develop and convene communication and information-sharing workshops on the role and benefits of cooperatives with unemployed graduates within the four HEIs located within the Western Cape Province.

### **Lack of knowledge**

The undergraduates in the Departments of Tourism and Events Management and Marketing believe that the lack of knowledge is a serious limitation to the successful establishment of cooperatives. Sacchetti and Birchall (2018:89) state that the benefits of cooperatives are clear, and they motivate individuals to form cooperatives to alleviate poverty, promote economic development, and reduce unemployment. The benefits are especially valuable for unemployed graduates who want to learn more about how cooperatives function. Knowledge will therefore arm the unemployed and they will be in a better position to successfully create cooperatives.

### **Lack of motivation**

Lack of motivation is one of the common themes emerging from four of the focus group sessions. The undergraduates in Tourism and Events Management and Retail Business Management and the postgraduates in Marketing and Entrepreneurship and Business Management believe that without being motivated, one could not successfully run a cooperative. If unemployed graduates were aware of the advantages of creating cooperatives, the motivation to do so could increase if cooperatives are seen as a viable option to reduce poverty (Sacchetti & Birchall, 2018:90).

### **Lack of funding**

As stated before, in response to Question 1, funding is needed to set up a cooperative. This theme arose again in Question 2 where participants were asked to express their views on factors limiting the successful establishment of a cooperative.

### **Limited resources**

According to undergraduates in Marketing and Retail Business Management, and postgraduates in Tourism and Events Management and Retail Business Management, having limited resources means that it would not only be difficult to start a cooperative but it would also be difficult to move things forward. Unemployed citizens and graduates would benefit from information-sharing sessions to see how countries across the world approach the use of resources. Fundraising through cooperatives, for example, will help solve this problem. In countries such as Algeria, Egypt, Ghana, Tanzania, Tunisia and Zimbabwe, cooperatives have been given the roles as guides to production and as a tool for the population to join in the cooperative and become productive (Samiala & Kamaldeen, 2014:21-26).

### **Politics**

Participants felt that politics could hinder the success of the establishment of cooperatives because in many places in South Africa it can be seen how politics is used for the benefit of only a few. The departments that agreed to this theme were Entrepreneurship and Business Management undergraduates and Retail Business Management postgraduates.

### **Lack of exposure**

Retail Business Management postgraduates and Entrepreneurship undergraduates stated a lack of exposure limits the establishment of a successful cooperative. Exposure to the functioning of cooperatives is imperative to success. Many participants expressed their desire to broaden their knowledge of cooperatives to better understand its functioning and benefits.

### **Question 3: What factors in your opinion will facilitate the successful establishment of cooperatives?**

#### **Experience**

Undergraduates in Tourism and Events Management and Entrepreneurship and Business Management agreed that experience is crucial to facilitate the successful establishment of cooperatives; members in cooperatives need to have experience so that the cooperative has people who are skilled and knowledgeable and can drive the success of the cooperative. Golensky and Hager (2020:56) add the importance of board members having the necessary skills to oversee the activities of their management teams and to evaluate the information passed on to them.

#### **Trust**

Without trust, it becomes difficult for people to work together and the cooperative could fail. Five focus groups believe that this theme is essential to facilitate the establishment of cooperatives. They are Tourism and Events Management undergraduates and postgraduates, Entrepreneurship and Business Management undergraduates and postgraduates, and Retail Business Management undergraduates.

#### **Funding**

Cooperatives need funding to function. Five of the eight focus groups, about 51%, believe funding is the engine of the cooperative to sort out the administration of the cooperative and also to buy all the necessary items or resources for the cooperatives. The departments that mentioned this theme were Entrepreneurship (both postgraduate and undergraduate students), Retail Business Management (postgraduates) and Tourism and Events Management and Marketing which both were undergraduates. It is apparent that graduates are not aware of the funding opportunities available for starting cooperatives in South Africa. According to DTI (2014:9), depending on the needs of a cooperative, funding may be acquired through a single application or a series of applications. Unemployed graduates need to educate themselves on the funding options available in South Africa.

#### **Leadership**

The Departments of Tourism and Events Management and Entrepreneurship and Business Management (both postgraduates and undergraduates) and Retail Business Management (undergraduates) emphasised leadership as key to a successful cooperative. Leadership is the ability to influence others into accomplishing the same goal (MSG, 2022). Good leadership will facilitate the successful establishment and maintenance of a cooperative. The discussion brought leadership styles to the fore where “good” leadership styles were stressed as opposed to an “autocratic” leadership style, indicating an awareness and importance of leadership to bring about change and success.



### **Enough resources**

The theme of resources emerged again as a factor crucial to establishing a successful cooperative. This theme was also evident in Questions 1 and 2.

### **Mutual goal**

According to Tshabalala (2013:12), a cooperative is an autonomous group of volunteers who fulfil economic, social, cultural and common ideals through a common and democratically controlled enterprise. When there is a mutual goal, it is believed that members do not forget what is the mission and vision of the cooperative are. The departments that share this sentiment were Marketing undergraduates and Retail Business Management postgraduates.

### **Communication**

Good communication was expressed as key to the establishment of successful cooperatives. Marketing undergraduates and Retail Management postgraduates agreed that effective communication fosters better working relationships.

### **Question 4: Which cooperative legislation are you aware of?**

#### **Uncertain about legislation**

Uncertainty around cooperative legislation was evident. The majority of the participants in all departments, at both levels, were uncertain about cooperative legislation.

#### **Certain about legislation**

A few postgraduate participants in Tourism and Events Management and Marketing expressed some knowledge of cooperative legislation.

The South African government has issued the National Development Plan (2030) as well as legislation to strengthen the economy and this includes the establishment of cooperatives.

Cooperative legislation is part of the Cooperative Act No. 14 of 2005. Cooperative law principles generally accepted among cooperatives are the creation, structure, operation and dissolution of cooperatives. According to Arana Landin (2020:35), cooperative legislation helps and supports cooperatives and therefore, it would be advisable for unemployed graduates to become familiar with the legislation guiding the structure and formation of cooperatives in South Africa.

### **Question 5: What are your expectations of cooperatives?**

#### **Job creation**

All departments mentioned job creation as one of the expectations of cooperatives. Entrepreneurship and self-employment can serve as sources of new jobs and economic momentum and can improve livelihoods and economic independence in developing countries

Banshree et al. (2006:6). Nuggusie (2010:134) states that entrepreneurship can serve as a valuable source of income—improving livelihoods, presenting benefits for the young and unemployed and reducing economic independence and poverty (McInerney, 2014:3).

### **Customer satisfaction**

Tourism and Events Management and Marketing undergraduates are often taught how to deal with customers and therefore found this factor important. A cooperative needs to make sure the customers are taken care of, are happy and are reaping the benefits of the cooperative.

### **Lasting cooperative**

The participants believe that when the cooperative is established, it should not just be a short-term goal. Both undergraduate and postgraduates in Tourism and Events Management and postgraduates in Retail Business Management believe a cooperative should be a lasting endeavour that should exist for future generations. According to Bellotti et al. (2014:357), successful cooperatives are underpinned by self-determination, self-responsibility and collective action, which then leads to cooperatives that develop better and last longer.

### **Mutual respect**

Tourism and Events Management undergraduates and Retail Business Management and Marketing postgraduates agreed that mutual respect is important within a cooperative.

### **Reduce unemployment**

Entrepreneurship and Business Management undergraduates and postgraduates and Tourism and Events Management postgraduates agreed that reducing unemployment is of high importance. These two departments represent one of the major sectors in South Africa that aim to reduce unemployment. Furthermore, the DTI is committed to aiding and growing this sector of the economy (Kagiso, 2018:90), in terms of helping the unemployed to gain access to cooperatives.

### **Question 6: Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?**

#### **Knowledge of funding**

The results show that the departments were aware of funding and the procedures to apply. All departments revealed that they were aware of funding and that CIS that is known to be a cooperative funding option.

**Question 7: Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.**

#### **Experience of being a member of a cooperative**

Most participants across the departments were not involved in cooperatives. However, one of the participants was involved in a cooperative but it did not last.

#### **No experience**

Most of the participants were never in a cooperative which meant that they had no experience (except the one participant mentioned previously).

### **4.7 Discussion on the findings in general**

A review of the findings premised on the results collated from the primary themes and sub-themes has revealed that all the participants have an extremely limited knowledge and understanding on the role and advantages of cooperatives in the development of the local economy and thereby reducing the high levels of unemployment especially amongst graduates. The general responses also reveal that the awareness of cooperatives in terms of the structure, processes and regulatory framework is also limited. The finding confirms the view that there is a lack of confidence and thereby motivation to become involved.

The foregoing is compounded by the general finding that there is a perception that there is a lack of financial support and funding amongst the participants. However, isolated responses revealed that there was a general awareness of available funding to be involved in various initiatives such as the establishment of cooperatives. The perception is further compounded by the lack of knowledge on the policy guidelines and processes in the establishment of cooperatives.

A further concern was that the participants were generally not aware of any legislation and policies which regulated the establishment and administration of cooperatives. The majority of participants acknowledged that cooperatives were a good intervention and strategy to foster job creation and thus reduce unemployment.

Finally, the participants confirmed that they were not aware of available funding and that they did not possess the knowledge with regard to the available procedures to apply for said funding. The majority of the respondents conceded that they had no previous experience or knowledge of cooperatives.

The problem statement is confirmed by the findings and the assumption that a weak perception prevails amongst graduates with regard to the purpose of cooperatives is also confirmed due to the lack of knowledge and understanding.

#### **4.8 Chapter summary**

This chapter presented the primary data and the themes emerging from the focus group sessions. The themes linked to the perceptions of unemployed graduates of the role of cooperatives. The aim was to investigate the awareness of the participants about cooperatives and the role they play in the reduction of poverty and the fostering of employment opportunities. The most significant themes arising from the data in the eight different focus group sessions were discussed and analysed. Some of the themes were common to different groups (or departments). The most common themes arising from the findings were a) No experience, b) Knowledge of funding, and c) Trust. These answer to the objectives of the study.

The next chapter concludes the study. Recommendations and areas for future research are presented.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the conclusions reached from the findings of the study on perceptions of unemployed graduates on the role of cooperatives in reducing unemployment in Cape Town. Recommendations are made for future research. The recommendations are expected to serve as further suggestions for unemployed graduates on the role of cooperatives.

#### **5.2 Objectives and findings**

The research questions were addressed by the researcher and the objectives of the study were met. The findings show that much research and information-sharing needs to occur on the role of cooperatives, the way cooperatives are perceived by the respondents and how cooperatives can reduce unemployment. The level of awareness of cooperatives is very low amongst the participants. Their perceptions were that a cooperative is a second industrial revolution type of business and that it requires great patience of them to see the prosperity of the business.

The study sought to establish the awareness of cooperatives. The findings discussed in Chapter 4 link to the objectives of the study, namely to explain the level of awareness of cooperatives amongst graduates, to identify and elaborate on the limitations amongst unemployed graduates in the establishment of cooperatives, and to highlight support structures necessary to identify, develop and sustain business initiatives within a cooperative.

The findings were presented through thematic analysis and the main themes that arose from the focus groups were lack of experience, lack of funding to start a cooperative, uncertainty around legislation and funding, reduced unemployment, creation of employment and having no experience. The main themes emerged from questions 1, 3, 5 and 7. All 7 focus group questions were linked to the objectives of the study.

Most of the participants had never been involved in a cooperative before, therefore, this study was the first opportunity for them to learn about cooperatives. This links directly to the low level of awareness of cooperatives and implies that information-sharing would be ideal to increase their awareness. Many limitations were highlighted in the focus groups that could prevent them from establishing cooperatives. Knowledge and experience understandably pose a barrier since the participants are not informed of the cooperative structure and other dynamics. The participants also expressed fear of failure of a business they initiated. The other limitations cited were lack of funding and lack of capital; they believe that the business would require funding to set it up and thereafter the pressure to generate capital. A lack of motivation was

also noted as a factor that would slow them down in opening a cooperative. Another factor that could be seen as a limitation is the participants' preference for seeking employment rather than creating their own (Question 1) since many assume that being employed provides a more secure income. Again, with information sharing, this may be debunked. These limitations highlight the profound negativity towards the establishment of cooperatives which in turn delays economic benefit and poverty reduction.

### **5.3 Overview of the limitations of the study**

One limitation was that the study could only accommodate the 80 participants that responded to the invitation. The other limit was that the study only investigated the perceptions of unemployed graduates and not other aspects like testing the cooperative as a tool for employment. The study was restricted to four departments, although the rationale for this decision was that these departments represent the areas crucial to the country in the NDP 2030. The study was only carried out at the selected UoT and also only in one faculty, not at all the faculties in the institution. Finally, due to the presence and restrictions of COVID-19, the focus groups were forced to happen online because no face-to-face interaction was allowed at the time of the data collection, making it difficult to analyse and comment on the non-verbal cues during the focus group discussions.

### **5.4 Recommendations**

The research study suggests the following recommendations based on the above findings and conclusions:

- Conduct a further research project by increasing the research population with the inclusion of other HEIs to validate the findings arising from this single case study;
- Design, develop and convene communication and information-sharing workshops on the role and benefits of cooperatives with unemployed graduates in the four HEIs located in the Western Cape Province;
- Follow up with participants to establish whether or not there is increased understanding of the essence of cooperatives as well as their purpose and benefits; and
- Follow up with participants to ascertain if any of them had established a cooperative.

### **5.5 Conclusion**

The study sought to ascertain the awareness levels of unemployed graduates on the role of cooperatives in Cape Town in creating employment opportunities. The study employed a qualitative methodology, using thematic analysis to identify the main themes emerging from

participants' verbatim responses in the focus group sessions. The findings revealed that the graduates experienced a fear of failure and lack of funding and capital to be the main reasons impeding the establishment of cooperatives. Furthermore, the graduates did not see the benefits of creating employment opportunities versus seeking a job. Finally, the graduates were unaware that funding was available and that there were procedures and support structures to access this funding. Based on the findings of the study, recommendations were made to foster greater awareness of cooperatives and to track the occurrence of participants taking up the option to establish a cooperative in an attempt to alleviate unemployment and poverty.

## **5.6 Future areas of study**

The study presents a number of areas of interest which are suggested below for further or future areas of study:

- Further research could be invested in (using a constructive research design) creating greater awareness amongst unemployed graduates around cooperatives.
- Future research could employ mixed methods in order to effect triangulation for further validation of findings.
- More departments, representative of more varied participants, could be invited to participate.
- Other universities could also be invited to participate in future research on cooperatives to establish if unemployed graduates share the views of the selected university.
- Modelling the structures that the government has put into place for youth to understand the cooperatives in order to increase the youth into cooperative.

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## APPENDICES

### APPENDIX A: FOCUS GROUP GUIDELINE QUESTIONS



#### **FOCUS GROUP Guideline Questions**

1. In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for themselves and others?
2. What are the limitations in the successful establishment of a cooperative?
3. What factors in your opinion will facilitate, the successful establishment of cooperatives?
4. Which cooperative legislation are you aware of?
5. What are your expectations of cooperatives?
6. Are you aware of any funding available for the establishment of cooperatives and the procedure to be adopted to access these funds?
7. Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.

## **APPENDIX B: INTRODUCTION AND REQUEST FOR ASSISTANCE**

### **INTRODUCTION AND REQUEST FOR ASSISTANCE**

Dear Sir/Madam

I wish to introduce myself as a postgraduate candidate registered for the M Tech degree in Business Administration at the Cape Peninsula University of Technology. I have attained ethics approval for my research project which is a partial requirement for the attainment of the degree in question. The purpose of the research study is to assess the role of cooperatives for unemployed graduates in Cape Town.

To achieve this research purpose I need to purposively select graduates who are unemployed and registered for a postgraduate qualification. Your department, together with three other academic departments, located in the Faculty of Business and Management Sciences (FBMS) have been selected for this exercise. Permission to proceed with this exercise has been attained from the Assistant Dean, Research and Innovation, Prof Rampersad.

In view of the foregoing and in terms of the research protocols prevailing in the FBMS, I am required to approach your office and not the Faculty Office to obtain the lists of the registered students in question, so as to select and invite the students as participants in the data collection exercise.

I shall be pleased if you and I could meet at a time, date and venue at your convenience so as to expedite this task.

Should you have any further queries/enquiries, please do not hesitate to contact my supervisor, Ms Megan Alexander at [AlexanderMF@cput.ac.za](mailto:AlexanderMF@cput.ac.za).

Your assistance and co-operation are highly appreciated.

Yours in research.

-----

Y Gwebityala

## **APPENDIX C: INVITATION AND RESEARCH PARTICIPANT INFORMED CONSENT FORM**



### **Invitation and Research participant informed consent form**

Dear Participant, you are kindly invited to participate in a research study conducted by Mr Yanga Gwebityala Registered for the degree Master of Technology in Business Administration.

#### **1. PURPOSE OF THE STUDY**

The purpose of this research study is to establish the awareness amongst unemployed Business and Management Sciences graduates on the role of cooperatives in creating employment opportunities.

#### **2. WHAT WILL BE ASKED BY ME?**

Should you consent to participation in this study, you will be requested to participate in a focus group session to discuss the role of cooperatives in reducing unemployment.

#### **3. POSSIBLE RISKS AND DISCOMFORTS**

No risks are anticipated.

#### **4. POSSIBLE BENEFITS TO PARTICIPANTS AND/OR TO SOCIETY**

There are no direct benefits - no payment will be made. However, the potential benefits arising from the study will be gaining more knowledge on cooperatives and evaluating the possibility of establishing a cooperative yourself.

#### **5. PROTECTION OF YOUR INFORMATION, CONFIDENTIALITY AND IDENTITY**

If you volunteer to participate in this study, please note the following:

- The research will be explained to you in advance, so that you are informed of what to expect.
- All focus group participants will be treated with respect.

- The main research procedure will be described in advance, so that you are informed about what to expect.
- Permission will be requested to record the session.
- In a case where there is no clarity, the participant will be allowed to ask for clarity or confirmation of words/sentences/phrases to ensure accuracy of the data collected.
- Data received from participants will be treated with full confidentiality and, if published, it will not be identifiable as theirs.
- Participants will be given the option to withdraw from the session should they feel uncomfortable.
- The session will not pose any risk of distress or discomfort, either physically or psychologically, to participants.
- At the end of each session, all the participants will be thanked for their time and information provided for this study.
- Participants will be debriefed at the end of their participation (i.e. summarise the study and allow for questions).

## **6. PARTICIPATION AND WITHDRAWAL**

You are invited to contact the researcher should you have any questions about the research before or during the study. You will be free to withdraw your participation at any time without having to give a reason.

## **7. RESEARCHERS' CONTACT INFORMATION**

If you have any questions or concerns about this study, please feel free to contact Yanga Gwebityala at [gwebityala@outlook.com](mailto:gwebityala@outlook.com) / [213139251@mycput.ac.za](mailto:213139251@mycput.ac.za)

## **8. RIGHTS OF RESEARCH PARTICIPANTS**

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights, or remedies because of your participation in this research study. If you have questions regarding your rights as a research participant, contact the researcher.

## **9. STATE OF CONFIDENTIALITY**

Confidentiality of responses will be ensured, and no person will be prejudiced for participating in this study, while quality control and secure storage data will be maintained. All participants will remain anonymous, and no probability of harm is expected.

## DECLARATION OF CONSENT BY THE PARTICIPANT

.....

As the participant I confirm that I have read the above information and ....

- I have had a chance to ask questions and all my questions have been answered.
- All issues related to privacy and the confidentiality and use of the information I provide, have been explained.

By signing below, I \_\_\_\_\_ (*name of participant*) agree to take part in this

research study, as conducted by \_\_\_\_\_ (*name of principal investigator*).

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

## DECLARATION BY THE PRINCIPAL INVESTIGATOR

As the principal investigator, I hereby declare that the information contained in this document has been thoroughly explained to the participant. I also declare that the participant has been encouraged (and has been given ample time) to ask any questions.

\_\_\_\_\_  
**Signature of Principal Investigator**

\_\_\_\_\_  
**Date**

## APPENDIX D: PERMISSION TO COLLECT RESEARCH DATA



Assistant Dean  
Research & Innovation Unit  
Faculty of Business and Management Sciences, Room 4.32, 4<sup>th</sup> Floor Commerce Building District Six  
Campus  
8000  
Tel.: +27 (0)21 460 8339  
E-mail: rampersadr@cput.ac.za

22 June 2020

### Permission to collect research data


I grant Mr Yanga Gwebityala (Student No.: 213139251) permission to collect data from staff and students at the Cape Peninsula University of Technology (CPUT). He is a registered student for the MTech: Business Administration. The thesis is titled **Perceptions of unemployed graduates on the role of cooperatives in reducing unemployment in Cape Town**. The supervisor is Alexander Megan and Prof Harry Ballard.

This consent no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at any point.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate):

	Thesis	Conference paper	Journal article	Research poster
Yes				
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Yours sincerely



PROF R. RAMPERSAD

Assistant Dean, Research and Innovation Unit

## APPENDIX E: CPUT ETHICAL CLEARANCE



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za  
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	FACULTY: BUSINESS AND MANAGEMENT SCIENCES
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The Faculty's Research Ethics Committee (FREC) on **20 October 2020**, ethics **Approval** was granted to **Yanga Gwebityala (213139251)** for a research activity **M Tech: Business Administration** at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	The role of cooperative in creating jobs for unemployment graduates in Cape Town  Lead Supervisor (s): Prof HH Ballard / Mrs. M Alexander
---------------------------------------	---

### Comments:

Decision: APPROVED

 <hr/> Signed: Chairperson: Research Ethics Committee	2 November 2020  <hr/> Date
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Clearance Certificate No | 2020FOBREC821



## APPENDIX F: GRAMMARIAN LETTER

Napier  
7270  
Overberg  
Western Cape

15 March 2022

### LANGUAGE & TECHNICAL EDITING

Cheryl M. Thomson

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### PERCEPTIONS OF UNEMPLOYED GRADUATES ON THE ROLE OF COOPERATIVES IN REDUCING UNEMPLOYMENT IN CAPE TOWN

Supervisor: Mrs M. Alexander

Co-supervisor: Professor H. H. Ballard

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled Master's dissertation of **YANGA IRVIN GWEBITYALA**, student number **213139251**, at the CAPE PENINSULA UNIVERSITY OF TECHNOLOGY in preparation for submission of this dissertation for assessment.

Yours faithfully



CHERYL M. THOMSON

Email: [cherylthomson2@gmail.com](mailto:cherylthomson2@gmail.com)

Cell: 0826859545

# PERCEPTIONS OF UNEMPLOYED GRADUATES ON THE ROLE OF COOPERATIVES IN REDUCING UNEMPLOYMENT IN CAPE TOWN

*by Yanga Irvin Gwebityala*

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**Submission date:** 23-Feb-2022 02:48PM (UTC+0200)

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# PERCEPTIONS OF UNEMPLOYED GRADUATES ON THE ROLE OF COOPERATIVES IN REDUCING UNEMPLOYMENT IN CAPE TOWN

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**APPENDIX H: POWERPOINT FOR FOCUS GROUP PRESENTATION**



**YANGA IRVIN  
GWEBITYALA**

MTECH BUSINESS ADMINISTRATION  
**THE ROLE OF COOPERATIVES IN  
CREATING JOBS FOR  
UNEMPLOYED GRADUATES IN  
CAPE TOWN**

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DEPARTMENT:  
GRADUATE CENTRE FOR  
MANAGEMENT

FOCUS GROUP PRESENTATION  
2021





# CONTENT

- **Introduction**
  - Welcome and thank you
  - Who is the researcher?
  - Why are we gathered here?
  - What are the criteria that determine one's participation?

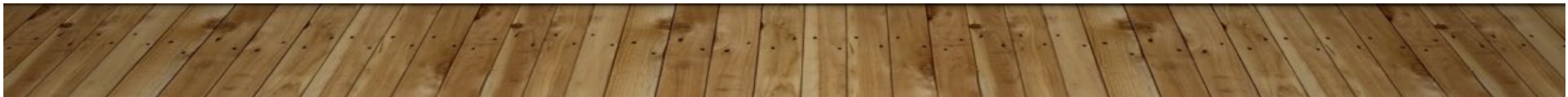
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- **Processes and considerations**
  - Steps
  - Ethical consideration
  - Findings
- **What is a cooperative?**
  - Definition
  - Principles
  - Cooperatives vs other kinds of business initiatives
  - Advantages of cooperatives
- **Why should one form a cooperative?**
- **What are the advantages of cooperatives?**
- **Focus group questions for participants**

# INTRODUCTION

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- Welcome and thank you
- Who is the researcher?
- Why are we gathered here?
- What are the criteria that determine one's participation?



## PROCESSES AND CONSIDERATIONS

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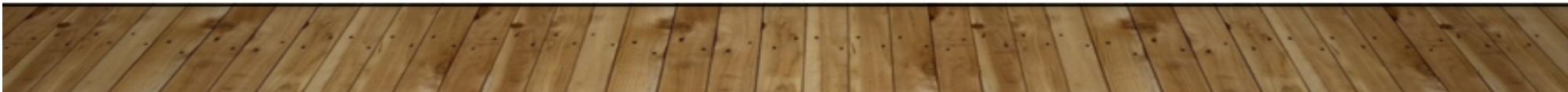
THE STEPS THAT WILL BE  
FOLLOWED FOR THIS  
RESEARCH TO BE VALID



ETHICAL  
CONSIDERATIONS



WHAT WILL BE DONE  
WITH THE FINDINGS?





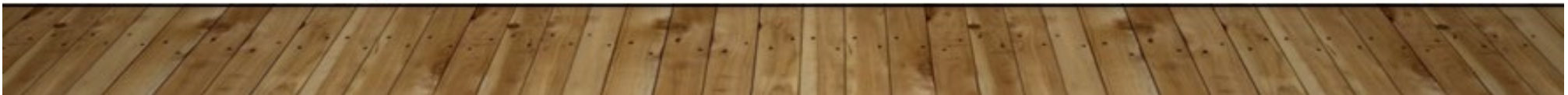
## WHAT IS A COOPERATIVE - DEFINITION

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Formed to meet a common need

Democratically owned and controlled by its members

Designed to provide benefits to its members



## SEVEN COOPERATIVE PRINCIPLES

1. Voluntary & open membership
2. Democratic member control
3. Member's economic participation
4. Autonomy & independence
5. Education, training & information
6. Cooperation among co-ops
7. Concern for community



Source: Viardot, (2013:756-764)

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# COOPERATIVES VS OTHER KINDS OF BUSINESS INITIATIVES



## Sole proprietorship/partnership:

A business owned by one or more people, usually to provide employment and return on investment to owners.



## Investor-owned Cooperation:

A business whose stock is traded publicly by any number of investors.



## Cooperative:

a member-owned and member-controlled business that operates for the mutual benefit of all members. The cooperative form of business is one that one brings

---

## WHAT ARE THE ADVANTAGES OF COOPERATIVES?

- Tackling poverty and ensuring food sources
- Providing affordable finance
- Building local expertise and profits
- International cooperation
- Creating decent jobs
- Empowering women

## WHY SHOULD ONE FORM A COOPERATIVE?

- Generally inexpensive to register
- All members will be active in the cooperative
- Members have an equal vote at general meetings regardless of their level of investment or involvement.
- Other than directors, members can be under 18 years of age, however, these members cannot stand for office and do not have voting rights.

# FOCUS GROUP QUESTIONS FOR PARTICIPANTS

- In your opinion, why do graduates prefer to seek employment rather than create employment opportunities for others?
- What are the limitations in the successful establishment of a cooperative?
- What factors, in your opinion, will facilitate the successful establishment of a cooperative?
- Which cooperative legislation are you aware of?
- What are your expectations of cooperatives?
- Are you aware of any funding available for the establishment of cooperatives and the procedures to be adopted to access these funds?
- Were you ever involved in any cooperative? If you were, furnish a reason why you terminated this relationship.

## REFERENCE LIST

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**THE END**  
**THANK YOU FOR YOUR PARTICIPATION**