

Co-operatives



Purpose

The main purpose of the presentation is to provide basic information on the following concepts around Co-operatives:

- What is a Co-operative,,
- What are the Co-operatives principles,
- Steps of Forming a Co-operative
- Levels and Kinds of Co-operatives,
- Support offered to Co-ops in the Northern Cape,
- Co-operatives as Tourist guides



Co-op Defined

- A co-operative is a voluntary organisation formed by a group of people who have a common need that they want to address jointly, or a group of people who want to create employment for themselves.
- A co-operative's primary duty is to its members, not to anyone else outside the co-operative. The benefits of the co-operative are shared by all of the members.
- In a co-operative, people can unite their ideas, their skills and their resources to do things, which they would not be able to do on their own. It is important to remember that a co-operative is a kind of business. It is NOT a welfare organisation.



Co-operatives Principles

- There are seven co-operative principles that are followed by co-operatives all over the world. Everyone who is involved in a co-operative should know and understand these basic co-operative principles.
 1. Voluntary and open membership
 2. Democratic member control
 3. Member economic participation
 4. Autonomy and independence
 5. Education, training and information
 6. Co-operation among co-operatives
 7. Concern for community



5 Basic Steps of forming a Co-op

- **Hold a first meeting of interested members:**
At this first meeting the group should determine the objective of the co-operative (i.e. exactly what does the co-operative plan to do);
- **2. Appoint a steering committee:**
A steering committee may be elected to drive the formation process; two key tasks that they need to carry out is: Draft initial plan of action **and the** Draft a constitution
- **3. Hold a formation meeting:**
Draft initial plan, Constitution and the election of the board of directors
- **4. Convene a first meeting of the board:**
Those people elected, as directors will convene a first meeting of the board to elect the chairperson, vice-chairperson, secretary etc.;
- **5. Registration:**
An application for registration of the co-operative should then be lodged with the registrar of co-operatives;



Levels and of Co-ops

- **Primary Co-operative**
 - Formed by a minimum of five persons
- **Secondary Co-operative**
 - Formed by two or more primary Co-ops,
- **Tertiary Co-op**
 - Formed by Secondary co-ops or both secondary and primary co-ops



Types of Co-operatives

- Workers Co-operative,
- Services offering co-operative,
- Multi-purpose Co-operative



Support to Co-ops in the N. Cape

- Co-ordinate the development of Provincial Co-operative Strategy,
- Convene and chair the provincial Co-operatives forum,
- Mobilise co-ops in the Northern Cape to form a provincial co-ops movement (APEX Co-op),
- Assist with registration of new co-operatives,
- Offer business mentoring to 10 identified Co-ops from all regions for the 2012-13 financial year,
- Expose product ready co-ops to exhibitions for enhancing their product marketability,
- Link Coops to SEDA and other DFI and business support organizations for ongoing capacity building and or financial and none financial support,
- Assist co-operatives with linkages to markets by (eg. Exhibitions at



N. Cape support Cont..

- Assist Co-ops with application for Tax Clearances,
- Assist Coops with accessing the Dti Support Scheme namely the Cooperative Incentive Scheme (CIS/ R 350 000)
 - It is not a Cash Financing Scheme,
 - Often used to purchase start up equipment or goods,
 - For Agricultural Co-ops, it will not be used to purchase livestock, but rather equipment required to advance farming or purchase feed,
 - None refundable,
 - Expectation of development and sustainability,
- Assist Co-ops in facilitating JV's with possible investors



Co-operatives in Tourism

- Formation of Tour guide co-ops
 - May apply for CIS to be supported with tourism tools of trade eg: Transportation vehicles, information brochures, office equipment etc,
 - Tourist guides especially those who are HDIs and find themselves in a common bond which is within the same local or district municipalities, may form a co-operative,
 - They may also acquire business management capacity building from co-operatives support stakeholder organizations such as SEDA, NDA or Francis Baard SMME Trust,



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THANK YOU

