

Wholesale & Retail LEADERSHIP CHAIR

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COOPERATIVES LAGGING IN RETAIL SECTOR

South Africa has a rich history of cooperatives in the agricultural sector, but in recent times, cooperatives have failed to thrive in the retail sector due to a lack of focus and finance and limited access to business infrastructure, among other factors.

Nevertheless, cooperatives have the potential to enhance economic development, alleviate poverty, promote self-employment and give members the power to pool their resources and harness their collective buying power.

These are among the findings of a study into the nature of existing and emerging cooperatives in the wholesale and retail sector in South Africa.

Professor Roger Mason, Wholesale & Retail Leadership Chair at the Cape Peninsula University of Technology, comments: "While the study found that the legislative frameworks exist for the development of successful cooperatives, in practice this is not the case due to a variety of limiting factors. The study points towards the need for much more to be done for this form of business practice to achieve its full potential."

Among the barriers to successful [retail](#) cooperative development are a lack of government support and finance, a lack of understanding about the mechanisms for successful cooperatives, a need for infrastructure and technological support, and a lack of market knowledge.

One of the suggestions for the way forward is the development of intermediary, regional "[secondary](#)" [retail](#) cooperatives, with the support of the Wholesale & Retail SETA, which could help to stimulate the sector. Another is for the establishment of a [more effective](#) apex ([or tertiary](#)) [retail](#) cooperative that could organise and lobby [government and big retailers](#) for the establishment, [development and support](#) of [more sustainable](#) primary [retail](#) cooperatives.

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