



## Barriers towards enterprising of cooperatives in Sesheke district: A participatory action approach

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### Abstract

The study aims to explore the barriers towards the enterprising of cooperatives in Sesheke District of Western Province in Zambia. This is against the background that cooperatives have not been enterprising for over a decade. Thus, the research took a phenomenological approach and enlisted its participants using Maximum Variation Sampling. The information which was gathered was analysed using Qualitative Content Analysis. The findings of the study revealed that cooperatives of Sesheke District are not involved in any enterprising activity. This is attributed to internal and external barriers towards the enterprising of cooperatives. To overcome these barriers, the study provided policy recommendations and suggested areas for future research.

**Keywords:** barriers, enterprising, cooperatives, Sesheke district

### 1. Introduction

This paper is an excerpt of the principal researcher's Doctoral Thesis in Business Administration at the University of Zambia in conjunction with Zimbabwe Open University. The study whose duration span from 2015 to 2018 strives to; explore what cooperatives of Sesheke District are doing in their quest to enterprise, why they are in their current state of non-enterprising and how practical solutions would be devised to enable them start enterprising. In view of this, the paper provides a background to the study, statement of the problem, research questions and objectives, delimitation of the study, literature review, methodology applied, research findings and discussions coupled with the implications of the study.

#### 1.1 Background

Cooperatives as enterprises have been acknowledged as the engine of socio-economic growth of most developed countries of the world. This is attributed to the fact that cooperatives greatly help to empower their members and communities in which they serve (ICA, 2007) <sup>[5]</sup>. However, most cooperatives in developing countries have generally been characterized with entrepreneurial stagnation. This is not exceptional to cooperatives that are found in Zambia and Sesheke District in particular (MAL, 2015) <sup>[8]</sup>. Much as this problem is historical, there are various internal and external impediments towards the enterprising of cooperatives that need concerted effort by all stakeholders.

#### 1.2 Statement of the Problem

Arising from the background, inspections that have been conducted by the Department of Cooperatives in order to assess the level of enterprising of Cooperatives of Sesheke District i.e. for the past 5 years, revealed that these cooperatives were not enterprising. Conversely, these

inspection reports have not accounted for the barriers affecting the enterprising of cooperatives and it seems little is being done to stimulate the entrepreneurial prospects of these cooperatives. Therefore, if the status quo remains unabated and if no research is carried out to advance possible solutions to the problem, the cooperative movement in the district will remain stagnant. Thus, little is known about what cooperatives are doing in order to enterprise, why they are in their current state of low or non-enterprising to which this study endeavored to fill in this knowledge gap by way of suggesting practical solutions to the problem.

#### 1.3 Research Questions

In view of the problem statement, the study endeavored to answer the following research questions.

1. What activities are the cooperatives of Sesheke District doing in order to enterprise?
2. Why are cooperatives of Sesheke District not enterprising?
3. How could enterprising be enhanced among the cooperatives of Sesheke District?

#### 1.4 Research Objectives

The study was guided by the following research objectives:

1. To describe activities which cooperatives of Sesheke District are doing in order to enterprise?
2. To understand challenges (internal and external) affecting the enterprising of cooperatives in Sesheke District.
3. To suggest measures that would help to enhance the enterprising of cooperatives in Sesheke District.

#### 1.5 Delimitation of the Study

This study was limited to only agricultural cooperatives that have been in existence for more than five (5) years in Sesheke District of Western Province. The study took a blend of the

qualitative and pragmatic paradigms rooted in phenomenology.

## 2. Literature Review

There are various pieces of literature explaining issues related to the enterprising of cooperatives. For instance, studies done by Charinda (2015) <sup>[2]</sup>, Dejene (2014) <sup>[4]</sup> and Nkhoma (2011) <sup>[9]</sup>, identified many success factors towards the enterprising of cooperatives. These included; participation of members in cooperative governance, mutual trust, membership homogeneity, interpersonal skills and market access. Besides this, the study conducted by Yubai (1999) <sup>[10]</sup> pointed at lack of clear objectives, no business plans, non-adherence to cooperative principles and external interference as factors affecting the enterprising of cooperatives. Further studies done by Lolojih (2009) <sup>[6]</sup> and Bhuyan (2007) <sup>[1]</sup>, asserted that, unfavorable government policy, lack of harmony, mutual trust and commitment towards the cooperative goals affected the enterprising of cooperatives. Lastly, Liu (2010) <sup>[7]</sup> identified factors for cooperative success as; good policies and prudent management.

## 3. Research Design and Methodology

The study's overriding philosophical assumption was premised on pragmatism, as it took a blend of the nominalist and pragmatic ontologies. The research was guided by the anti-positivist epistemological stance, particularly the interpretivist (Creswell, 2008) <sup>[3]</sup>. The study was conducted in Sesheke District of Western Province of Zambia. The research employed a phenomenological approach which used purposive sampling. The nominalist part of the study answered the 'what and why' research questions through the Focus Group Discussions (FGDs). While the Pragmatic part of the study answered the 'How' research question using the Workshop Based Method. Thus, under the FGDs, 6 to 10 participants were purposively drawn by way of maximum variation sampling from each of the 10 cooperatives. This brought the total number of participants to 80. While as, under the Workshop Based Method, 12 participants were purposively selected using maximum variation sampling. These comprised 10 chairpersons from the 10 cooperatives and key informants i.e. 1 from the Department of Cooperatives and 1 from Action Aid, a donor agency. The information elicited from the participants was analyzed using Qualitative Content Analysis technique. The study's trustworthiness was premised on the fact that the findings were credible, transferable, dependable, confirmable and ethical.

## 4. Results and Discussion

In response to the three research questions, the findings and analysis of the results were as follows;

### 4.1 Research Question 1: Activities which cooperatives are doing in order to enterprise.

The findings indicated that cooperatives of Sesheke District were not doing any activity. It was only at individual level where some members were involved in either crop farming or livestock rearing as illustrated by *Group 4, Participant 1*: Currently the cooperative is not doing any activity, except for its members that are involved in peasant farming or livestock

rearing i.e. at individual level.

### 4.2 Research Question 2: Reasons cooperatives are exhibiting levels of non-enterprising.

The findings revealed that there were internal and external barriers towards the enterprising of cooperatives as;

#### Internal barriers

Six internal barriers towards the enterprising of cooperatives emerged. The first barrier was on lack of a vision as expressed by; Group 8, Participant 7: My cooperative has been in existence without any vision, thus our failure to enterprise. The second barrier was on lack of a business plan as espoused by; Group 9, Participant 1: These days, we are not enterprising because of not having a business plan, as was the case in the past. The third barrier was premised on poor internal resource mobilization as amplified by; Group 8, Participant 7: My cooperative has a weak financial base due to poor internal fund raising mechanism from its members. The fourth barrier was on lack of cohesion of members, as highlighted by; Group 7, Participant 4: Our cooperative lacks a unit of purpose as members are doing things in their own way. The fifth barrier was on poor leadership in cooperatives, as illustrated by; Group 2, Participant 10: Our executive board is failing to move the cooperative forward due to poor leadership traits. The sixth barrier was on poor investment decisions, as stressed by; Group 5, Participant 2: My cooperative is failing to come up with profitable investment decisions, as they choose consumption unlike productive related projects.

#### External barriers

Three factors emerged as external barriers towards the enterprising of cooperatives. The first barrier was a weak regulatory framework as amplified by; Group 10, Participant 1: My cooperative is not growing as there is no pro-cooperative legal framework. The second barrier pertained to lack of external aid, as pointed out by; Group 3, Participant 2: My cooperative is failing to access loans due to the prevailing high interest rates from lending institutions. The third barrier was premised on the poor market environment as expressed by; Group 8, Participant 7: Due to lack of preferential trade policies, my cooperative is failing to have a good market share.

### 4.3 Research Question 3: Enhance enterprising among Cooperatives.

The participants of the workshop based method came up with the following resolutions in an effort to mitigate the internal and external barriers towards the enterprising of cooperatives as;

#### Internally

To resolve the problem surrounding the vision, the participants resolved to; sensitize cooperatives on the importance of vision statements coupled with a training in vision formulation. While as, to resolve the problem associated with business planning, they stressed on; the need for cooperatives to undertake exposure visits and be trained in business planning and management. On resource mobilization, participants resolved to; ensure change of mind set of

cooperative members, prosecute erring cooperative leaders

and reduce price per share in cooperatives. With regards to cohesion of members, they suggested the need to; *strengthen* arbitration of conflict stricken cooperatives. While as, to resolve the leadership crisis in cooperatives, they suggested that; minimum requirements be set for prospective cooperative leaders. Lastly to resolve the making of unprofitable investment decisions in cooperatives, they suggested that; all projects should be subjected to an appraise system.

#### **Externally**

To resolve the problem related to a weak regulatory framework, participants of the workshop suggested that cooperatives; should be lobbying for pro-cooperatives policies to the government. On external aid, they resolved to ensure; the sensitization of cooperatives on how to access external aid, government acts as guarantor for cooperatives when borrowing and the establishment of a revolving fund. Finally, on the market environment, they suggested that; the government should give cooperatives trading incentives in order for them to enterprise.

#### **4.4 Significance of the Study**

The findings of the study would influence policy implementers to push for pro-cooperative policies and help practitioners of cooperatives to be resilient to barriers towards their enterprising. This is together with the findings' contribution to the existing body of knowledge.

#### **5. Conclusion and Recommendations**

In conclusion, the study aimed to explore on what cooperatives of Sesheke District are doing in their quest to enterprise, why they are in their current state of non-enterprising and how practical solutions would be devised to enable them start enterprising. Thus, the following were the study's findings viz-a-vis the three research questions/objectives. Firstly, the findings revealed that cooperatives of Sesheke District were not doing any activity in their quest to enterprise. Secondly, it was established that cooperatives were not enterprising due to internal and external barriers. The internal barriers included; lack of vision statements, business plans, internal resource mobilization, cohesion of members, good leadership and good investment decisions on projects. Externally, the study established that cooperatives were not enterprising due to barriers related to; weak regulatory framework, lack of external aid and unfavorable market environment. Thirdly, the study devised ways of resolving the internal and external barriers towards the enterprising of cooperatives through a workshop based method. Internally, the study resolved to ensure that all bottlenecks surrounding the; vision, business plan, resource mobilization, cohesion of members, leadership and investment decisions be ironed out. While, externally the study pointed out that matters related to; the regulatory framework, external aid and market environment be resolved if cooperatives are to enterprise. Thus, in a bid to overcome the internal and external barriers towards the enterprising of cooperatives in Sesheke District, the study's policy recommendations were to; strengthen cooperative legislation, capacity build (train) cooperatives and establish a cooperatives bank. Finally the study suggested areas for future research on; the effect of the legal framework,

literacy levels of cooperative leaders and levels of empowerment viz-a-vis the enterprising of cooperatives.

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