

the structure of South African business is now changing dramatically

- black sub-contractors willing to supply intermediate production services;
- the franchise system of establishing branches or outlets inside black townships - with black management - has caught on in a big way;
- bigger companies are getting interested in selling off some of their activities (like delivery services) to black staff, whom they treat as independent entrepreneurs;
- with the rapid increase in black matriculants and a variety of post-matric training, the range of black people able and willing to undertake entrepreneurial functions is increasing rapidly;
- almost every month new black business interest groups are established, contributing to a change in the image and leverage of black enterprise - until recently the 'Cinderella' and 'Uncle Tom' of the black political economy - and making people much more aware of opportunities in this field;
- efforts to strengthen the informal sector, train its participants and expand the interac-

tion with the formal sector are also increasing rapidly, with institutions like SBDC, Get Ahead and Get Up, company-specific projects and broader training efforts supplementing each other.

What does all this mean? Undoubtedly formal-sector business still controls the bulk of all economic activity in South Africa. Yet, with more than 50% of all (measured and estimated) consumer spending passing through black hands, the structure of South African business is now changing dramatically. The informal sector is an important factor in this transformation and its growing strength is playing an important role in black/white economic relations.

Till very recently critical observers of the black socio-political scene in South Africa considered the trade union movement (and the clergy) as virtually the only significant grassroots force(s) reshaping the black/white interface of power. With the growth of the black informal sector and its intricate link with the formal business sector this perception may be in need of revision. □

co-operatives

Research is currently being undertaken at the Institute of Social and Economic Research at Rhodes University into the co-operative model as a means towards social and economic empowerment. According to the researcher, Neal Barratt, the work seeks to answer a number of questions about co-operatives.

The first of these asks, quite simply, what a co-operative is. In South Africa, the term has been used to explain practically any activity in which people get together and make something - a definition which is not entirely accurate. The research aims to arrive at a more concrete explanation of the term.

Secondly, so-called co-operatives have had an alarming record of failure in South Africa. The work hopes to identify what the major problem areas are, and suggest ways of overcoming them.

Thirdly, a distinction needs to be made between the different kinds of co-operatives that exist, as some

types have proved more successful than others. Producer co-operatives, for example, involve a group of people who produce items, such as a sewing co-operative that makes dresses. Many difficulties have been experienced in setting up this kind of venture. Consumer co-operatives have generally been more successful. For example, a group of people may get together and decide what basic foodstuffs they are going to need for a certain period of time. Each member contributes a given amount, and the group is able to buy what they need in bulk, at very low prices. Service co-operatives also exist. A group may set up a baby-sitting service or undertake shopping or gardening for one another. Worker co-operatives aim to gather unemployed people together, to pool their resources and attempt to find jobs for as many of their members as possible. Housing co-operatives, which are rare in South Africa, involve people joining together to buy a house or large

building in which they live communally. There are also house-building co-operatives where a group pools together to build houses for its members.

The philosophy behind co-operatives is one of mutual aid. The aim is to develop a co-operative community spirit. Co-operative philosophy has much to offer communities, not only from an economic point of view, but also in terms of community empowerment and co-operation.

The research is to be accessibly recorded and is intended for use by groups interested in forming co-operatives. The researcher will also produce a manual which will introduce people to what a co-operative is, the problems they are likely to encounter when setting one up, and a series of exercises on how best to overcome these problems. The research findings and the manual will be available early next year. □

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