A balanced scorecard analysis of agency and structural challenges in agricultural cooperatives

Millicent Malomane
Sizwe Mkwanazi
University of Johannesburg, South Africa

Keywords
Cooperatives, Structure, Agency, Balanced-Scorecard and Agriculture

Abstract

Entrepreneurship This study investigates the challenges faced by agricultural cooperatives in the agri-business sector of Bushbuckridge, Mpumalanga Province. The research sought to understand the motivations for cooperative formation, the contributions of cooperatives to community livelihoods, and the operational, financial, and governance challenges that constrain their sustainability. The study draws on the structure and agency literature in unpacking the challenges facing cooperatives. The body of literature explored covers financial constraints, governance and leadership challenges, market access challenges, infrastructure challenges, social and cultural barriers, and climate change risks. Data were collected through interviews with cooperative members and were analysed thematically. The findings reveal recurring themes including water scarcity and infrastructural deficits, financial constraints and dependence on limited government support, governance and leadership challenges, market access barriers, and youth disengagement. Despite these constraints, cooperatives contribute significantly to food security, household income, and social cohesion, demonstrating resilience in the face of adversity. The study further tests these findings against the Balanced Scorecard (BSC) framework. While the BSC captures financial and customer-related aspects, it fails to adequately account for the social, environmental, and generational dimensions that are central to cooperatives. In particular, the BSC does not address youth involvement, resilience strategies, or the developmental role of cooperatives in rural communities. This critique highlights the need for an expanded evaluative framework that integrates financial, social, and environmental indicators. The study contributes to both academic debates and policy discussions on rural development by highlighting the limitations of applying conventional business frameworks to community-driven agricultural enterprises.

Introduction

Agricultural cooperatives play a major role in rural development, particularly in areas with limited economic prospects and small-scale farming (Malomane, 2019). In the Bushbuckridge municipality of Mpumalanga Province, agriculture is both a livelihood and a key component of local economic survival. Despite their potential, many cooperatives face structural, managerial, and financial barriers that impede their effectiveness (Shava & Hofisi, 2019; Balana & Oyeyemi, 2022).

The importance of this study lies in its exploration of how these challenges manifest in rural cooperative contexts, where members often have limited access to markets, capital, and technical knowledge. By investigating the internal and external barriers to cooperative success in Bushbuckridge, the research contributes to policy debates around cooperative governance and sustainable rural entrepreneurship.

The study aims to identify and analyse the key challenges faced by agricultural cooperatives in Bushbuckridge, assess their implications for sustainability, and propose practical recommendations to improve their performance.

Literature Review

The paper builds on three sets of literature that are widely recognized in the broader study field of cooperatives. These are the literature on challenges facing cooperatives, structure and agency, and the balanced score card. The challenges facing cooperatives have been a subject of concern for several decades and this subject has continued to enjoy the attention of researchers throughout the years. Thus, it is important that this paper finds expression in the broader challenges of cooperatives. The structure and agency theory is a well-established body of literature and is used in this study to characterize the nature of the challenges of cooperatives. The balanced score card literature clarifies the tool and its strategic role in enterprise.

Firstly, the challenges that face cooperatives are a deep reflection of broader societal issues and problems (Okem and Lawrence, 2013). By nature cooperatives seek to address socio-economic problems that face societies and depend on the capacities of their members to function (Wadesango and Mabunda, 2017). This means that cooperatives as entities are established with the view of addressing the needs members and these needs are often a reflection of societal issues and problems. In other words, cooperatives by their nature assume a responsibility to address societal issues and problems of their own members. Societal issues and problems vary from infrastructural to social issues where cooperatives are set up to deal with energy, water, food, education and production challenges posited as opportunities (Nakayiso and Andrew, 2023).

The fact above can be attributed to the Rochdale Pioneers' experience in 1844. The Rochdale Pioneers were ordinary factory workers producing various products i.e. textiles for the industrial complex and also offering their services often as cheap labour (Walton, 2015). The Rochdale story has become an explainer in literature of the ways that cooperatives have assumed broader societal issues by their work and character. This legacy has stayed with the cooperative sector and dealing with broader societal issues is inseparable from cooperatives because of such a legacy. More importantly, the role of other cooperative forms also approach community in similar ways. For example, community schemes in Africa, Asia and in the Americas have demonstrated that digging of graves, supporting emergencies and ploughing fields these activities have been organised as community activities seeking to address societal issues (Kaswan et al., 2026). This is evidence that theoretically and historically cooperatives assume wider responsibility for society through its membership and trade activities; and seek a more just application of labour and fair pay (Nakayiso and Andrew, 2023). Therefore, literature is bound to contextualise the societal issues as part of those challenges that face cooperatives.

This literature review now turns to explore the operational and financial performance challenges that face cooperatives. In doing this the review flows from the broader societal issues to the specific challenges. Operational challenges facing cooperatives have since been labelled as lack of finances, membership decline in some contexts, loss of cooperative values due to operational procedures and shifting economic patterns (Bretos and Marcuello, 2017). The South African case of cooperatives has also provided a unique set of challenges that include dependence on state funding and the subsequent decline of such resources over the years (Okem and Lawrence, 2013). The ability of investor-owned firms to raise large sums of capital investments has since put aspirant and high performing cooperatives under pressure to seek growth. Although desirable, literature shows that cooperatives seek to preserve their values and this presents an interesting challenge about the investment readiness of cooperatives when seeking "profit" whilst having to maintain the basic values of cooperation (Wadesango and Mabunda, 2017).

The second part of this literature review turns to literature on agency and structure to characterize the nature of challenges facing cooperatives. Fewer studies have used agency and structure to frame the challenges facing cooperatives. Agency explains the capacities and the freedoms of an individual to act independently and to make choices (Archer, 2003). While structure refers to frameworks, rules, policies and systems that shape or bound choices (Elder-Vass, 2010b). Agency literature is premised on the assumption that individuals can and must act individually as a way of expressing their freedoms. It also extends on this by adding the element of choice, again an assumption that individuals have a choice. However, structure exposes the limitations of agency since the freedoms and choices are to exist within the confines of rules, frameworks and systems.

Archer (2003) has since clarified that structure does not directly influence agency:

There is no ontological consensus whatsoever about what they are within social theory. The sole and slim agreement is that in some sense 'structure' is objective, whilst in some sense 'agency' entails subjectivity. Both logically and traditionally, this minimal accord was compatible with accounts of the process by which one influenced the other that are diametrically opposed. Either structure or agency could be held to be dominant, and the other element to be correspondingly weak, so weak that it was deprived of causal powers such that structure melted into 'constructs' or agents faded into 'trager'. Pg. 1

The theoretical framing of structure and agency shows that there is no direct relationship between the two concepts. The existence of structure and presence of agency does not present automatic influence on either (Elder-Vass, 2010b). Systems, laws and policies premised on structure do not limit or impact choices automatically; nor do they undermine agency (Cadot, 2015). Similarly, agency is not dependent on structure even though it may recognise its implications (Elder-Vass, 2010a). It can be concluded on this part that structure and agency co-exist but can be maintained with some degree of independence from each other.

Performance Measurement Framework for Agricultural Cooperatives

BSC is one of the well-known performance measurement frameworks that gives managers the tools they need to measure performance in the marketplace (Kaplan & Norton, 1996). It transforms the goals and objectives of an organisation into a range of performance criteria that serve as the basis for a system of strategic measurement and management (Kaplan & Norton, 1996). Although BSC is widely used, an increasing amount of research identifies flaws in it, mainly in its theory, implementation, and practice. These constraints may reduce BSC's efficacy or lead businesses to disregard it entirely in favour of more effective performance assessment options (Awadallah & Allam, 2015).

However, to present a more "balanced" perspective of organisational performance, the balanced scorecard incorporates both financial and non-financial data, attempting to solve the shortcomings of typical performance assessment methods (Ittner & Larcker, 2003). In the context of cooperatives and rural development, Harisudin, Adi and Kusuma (2020) in their study, express that BSC could be used as a strategic intervention to address gaps, therefore, improving cooperative performance.

The following balanced scorecard was aimed at organising the insights across the four standard BSC perspectives and an additional perspective applicable to the performance of the agricultural cooperatives for this study:

Table 1: Performance measurement framework (balanced scorecard)

Perspective	Strategic objectives	Key questions/indicators
Financial	Improved financial sustainability, secure access to funding	How does access to funding and financial support impact the sustainability and growth of the cooperative?
Customer and market	Improved market access, increased competitiveness	How do market access and competition affect the profitability and sustainability of the cooperative's agri-business activities?
Internal processes	Improved operational efficiency, strengthened governance and leadership	What are the main challenges in day-to-day operations? What are the key leadership and management challenges of the cooperative, and how do they influence performance?
Learning and growth	Build member capacity, enhance sector knowledge	What knowledge and skills do the cooperative members possess? How effective are training interventions from government or other stakeholders?
External environment	Align with supportive policies, strengthen government and institutional support	What role do government policies, agricultural departments, and local institutions play in supporting or undermining cooperative development? How accessible are government programs?

The BSC framework presented in Table 1 was adapted as a possible tool to evaluate the performance of agricultural cooperatives in Bushbuckridge. Each perspective was aligned with strategic objectives and guiding questions that reflected the unique operational and developmental context of cooperatives. This section interprets each perspective and presents a research-based argument for its relevance and application.

Financial perspective

Financial viability is fundamental for the survival and growth of agricultural cooperatives, especially in rural settings (Yobe, Stuart & Mudhara, 2021). Cooperatives often rely on multiple sources of funding, including member contributions, governmental grants, donor support, and internal capital accumulation, but these are frequently insufficient (Shava & Hofisi, 2019). Access to affordable credit is another critical factor. In China, for example, a study showed that membership in a farmers' cooperative improves smallholders' access to credit because cooperatives reduce information asymmetry and transaction costs for financial institutions through organised supply chains (Jiang, Li & Mi, 2024). As a result, cooperatives enable farmers to secure loans that they would otherwise not qualify for, which then allows investment in inputs, equipment, or infrastructure, thereby enhancing productivity and long-term viability (He & Chen, 2024).

Customer/market perspective

Market access is essential for cooperatives to sell produce at fair prices and compete with commercial agribusinesses (Manganyi et al., 2024). According to Pingali, Aiyar, Abraham and Rahman (2019), market access is not simply about finding buyers, but also about negotiating fair terms, reducing transaction costs, and managing marketing logistics. Cooperatives that have strong linkage networks, either through associations, formal buyer contracts, or collective marketing strategies, can often negotiate better prices and reduce exposure to price volatility (Ibikoule, Lee & Godonou, 2024).

Research conducted by Yobe et al. (2021) found that agricultural cooperatives in South Africa tend to access more lucrative or stable market channels when they demonstrate higher financial and social efficiency, better management and governance, and have access to credit. Moreover, in collective marketing, issues such as product quality, standardisation, branding, and transport/logistics often act as barriers (Magakwe & Olorunfemi, 2024). Cooperatives that invest in ensuring consistent quality, such as training and quality control, or that aggregate produce to meet quantity thresholds demanded by buyers, are often more successful (Ma, Chen, Su, Zhang, Wen & Hou, 2024).

Internal processes perspective

This dimension considers how well internal systems, governance mechanisms, leadership, decision-making and operational workflows support cooperative goals. Literature emphasises that poor governance, weak internal controls, and unclear decision-making structures lead to inefficiencies, member dissatisfaction, and even failure of cooperatives (Zwane & Mzanywa, 2025). For example, a study on rural cooperatives in South Africa found that compliance with internal control practices was positively correlated with both financial and social efficiency (Yobe et al., 2021). This suggests that strong internal process structures contribute significantly to both economic and social outcomes.

An adaptation of standard BSC indicators is necessary for cooperatives because of their unique qualities such as member participation, decision making, and shared ownership. For example, in smallholder marketing cooperatives, participants highlighted governance, management committee capacity, transparency, and accountability as critical internal process features for enabling market access and trust among members (Gouët & Van Paassen, 2012).

Operational efficiency is also influenced by internal factors such as transaction costs, economies of scale, and the cooperative's organisational structure (Handoyo, Suharman, Ghani & Soedarsono, 2023). This perspective assesses internal workflows, decision-making structures, and leadership capacity. Issues such as weak governance can lead to mismanagement and member disengagement (Chivundu-Ngulube & Li, 2019), therefore BSC could provide a structured way to monitor these issues, but its standard indicators may need to be adapted to reflect participatory decision-making and democratic governance, which are central to cooperative models (Madsen, 2025).

Learning and growth perspective

This perspective evaluates training programs, knowledge sharing, and innovation adoption. Studies have shown that targeted training improves productivity and member engagement (Liu, Shi, Liu, Qiu, Wang, Liu & Fu, 2022; Wonde, Tsehay & Lemma, 2022). However, BSC's traditional focus on training and development may not fully align with the informal learning and peer-to-peer knowledge transfer common in cooperatives (Noy, James & Bedley, 2016).

According to Cawley, Heanue, Hilliard, O'Donoghue and Sheehan (2023), informal learning and peer-to-peer knowledge transfer are particularly significant in agricultural cooperatives, where formal training may be limited by costs or geographic remoteness. These modes of learning allow faster diffusion of best practices in but not limited to farming, quality control, and marketing, especially where cooperatives serve remote smallholder farmers (Cawley et al., 2023).

External environment perspective

This additional perspective was introduced to address a key limitation of the traditional BSC, its lack of attention to external socio-political factors. Cooperatives operate within complex policy environments, and their success often depends on institutional support, access to extension services, and alignment with development programs (Zwane & Mzanywa, 2025). Given the institutional, policy, and socio-political contexts in which the agricultural cooperatives operate, this perspective is essential to capture external forces that enable or constrain performance. Cooperatives often depend on government policy frameworks, extension services, infrastructure, subsidies or tax incentives, and market regulation (Ribašauskienė, Šumylė, Volkov, Baležentis, Streimikiene & Morkunas, 2019).

External environment also includes market-level factors such as price volatility, climate risk, input supply chain stability, and infrastructure constraints, all of which disproportionately affect rural cooperatives (OECD, 2020). Cooperatives' performance is sensitive to transportation, regulatory consistency, such as food safety and grading, and access to extension/technical support (Aamohammed et al., 2025). The policies that support collective marketing, product standards, or subsidised inputs can shift the competitive dynamics for cooperatives (Aamohammed et al., 2025). Without favourable external conditions, even well-managed cooperatives may struggle to maintain performance or scale (Valette, Amadieu & Sentis, 2024).

Methods and Design

The study adopted a qualitative research study grounded in the interpretivist paradigm, which seeks to understand the lived experiences and perspectives of participants within their specific social contexts (Oranga & Matere, 2023). This approach was deemed appropriate for exploring the challenges faced by agricultural cooperatives in Bushbuckridge, where issues are embedded in the socioeconomic and institutional realities of rural life.

Data were collected through semi-structured interviews conducted exclusively with cooperative leaders. This group was purposively selected due to their firsthand knowledge of cooperative operations, governance dynamics, and financial and managerial challenges. The use of semi-structured interviews allowed for flexibility in probing participants' insights while maintaining consistency across the discussions.

A total of ten (10) cooperative leaders were interviewed across various agri-business cooperatives in the Bushbuckridge Local Municipality.

Interviews were conducted virtually and recorded with participants' consent. The data were transcribed and analysed using thematic analysis, which involved coding, categorization, and identification of emerging themes related to financial management, governance, infrastructure, market access, and institutional support.

The study obtained ethical clearance from the University of Johannesburg, ensuring adherence to ethical standards of confidentiality, voluntary participation, and informed consent. Participants were assured that their identities would remain anonymous, and data would be used solely for academic purposes.

Findings

These findings are based on the interviews with cooperative leaders in a region of South Africa, called Bushbuckridge (alongside the internationally renowned Kruger National Park). The findings reveal the challenges faced by agricultural cooperatives in the region. Below are summarised interview findings covering the interview guide questions which sought to investigate the challenges faced by the agricultural cooperatives, the effect of these challenges on performance and ability to achieve their goals. The findings are in two parts. First section focuses on the interviews and the second section on the balanced-scorecard linking the interview data.

Interview findings

As an introduction, the interviews probed the motivation for forming a cooperative. The first respondent explained stated that community upliftment was their main motivation and reason for the formation of their cooperative. In a statement the respondent said: “I wanted to uplift my community, particularly the youth, by providing them with farming skills” (Participant 1). Another participant referred to their motivation as seeking to give opportunity to educated but unemployed youth, as quoted “We have children who went to school but are unable to find employment” (Participant 5). The recruitment of members became easy as some of the projects were seen to create meaningful opportunities to many unemployed youths as stated by one participant that “It was relatively easy because of the high youth unemployment rate. I met with interested youth in the community” (Participant 4).

The second focus was on the state of infrastructure. In response the participant stated: “We also face storage issues due to limited space, which affects our ability to store products properly. Additionally, transportation is inadequate, making it difficult to deliver products to customers” (Participant 1). Another participant added, “We also lack proper storage, so when we harvest maize, we hire transport to take it to our homes” (Participant 5). Especially during crucial harvesting seasons, this dependence on few resources caused inconvenience and delays. The vulnerability of current infrastructure worsens the problem, with another member expressing that, “The animal handling infrastructure occasionally collapses” (Participant 6). For numerous members, a lack of dependable water sources forced them to suspend operations for an entire planting season. As one participant stressed, “We pause crop farming until the rainy season arrives” (Participant 6).

Crop health and yield quality were other challenges raised during interviews. Asked about this, the participant emphasised, "Our main challenges are pest infestation" (Participant 4). Water shortages intensified the issue by making stressed plants even more vulnerable. Another participant mentioned, "We struggle with pests. If we go a few days without watering the plants, the pests cause significant damage to our crops” (Participant 9).

As it has been common that government would play a role in addressing these challenges. The interview put questions about government support to participants and the response from a participant highlighted a challenge with regards to interventions by the state, expressing that: “The government provides some support, but mostly, we fund our activities from profits generated through sales. We also sometimes obtain small loans, and some members pay subscription fees, which help keep the cooperative operational. However, these resources are limited, and more support would be beneficial” (Participant1). Equally, another participant emphasised the dependence on their produce, stating that, “We grow crops, sell the produce, and then use that income to fund the project” (Participant 2).

Cooperatives also must employ the principle of self help in dealing with challenges. This question was also asked to participants about the extent of their own initiative in dealing with challenges. A participant responded saying that: “Our cooperative is self-funded. We are still looking for sponsors. At one point, we did receive some assistance from government officials based in Pretoria, but it was only temporary” (Participant 9). Also, another participant stated that, “We are self-funded. However, we once rented out part of our land to the Agricultural Research Council for R30,000, though we were only due to receive that payment after five years. Generally, we use our personal funds to buy seeds and maintain the farm” (Participant 10).

Another participant stressed how traditional leadership structures and higher-level politics could not offer sufficient assistance: “The Department of Agriculture in Thulamahashe is aware of our leadership issues. They recommended that we address these challenges through our Tribal Leader. Unfortunately, he hasn’t engaged with us, possibly due to time constraints. With the rise of corruption in South Africa, the political nature of this project also complicates matters. Still, if these issues could be addressed, the project has real potential" (Participant 7). This demonstrates the impact of larger sociopolitical factors on cooperative functioning in addition to leadership differences.

Even with self-help participants still cited other challenges such as "Entry into formal markets is challenging due to storage and transportation limitations. This hampers our ability to distribute products widely" (Participant 1). Because of this, a lot of cooperatives depend significantly on unofficial and local markets. Most participants stated that they sold produce to small-scale buyers and within local communities. For example, a participant mentioned, "We sell to the local community, nearby villages, street vendors in town, and we also supply formal supermarkets" (Participant 2).

Crucially, not every participant thought that institutional support was adequate or consistent. Some claimed that the lack of training workshops contributed to their challenges. One participant plainly stated: "The lack of government support, including the absence of training workshops, has contributed to the decline of our operations" (Participant 5). This demonstrated the importance of institutional support to socioeconomic development, particularly in rural areas where opportunities are limited.

It was pointed out that farming was a source of survival and livelihood in addition to producing food. For example, one participant stated, "I aim to combat hunger through farming initiatives" (Participant 1). Correspondingly, another participant emphasised the connection between agribusiness and unemployment, remarking, "The main motivation was unemployment. Many of us are still of working age but lack job opportunities. We decided to try and make a living through farming." (Participant 2).

Participants highlighted initiatives to diversify product offerings beyond crop farming to increase revenue streams and build resilience. One participant stated, "We are involved in livestock, poultry, and crop farming" (Participant 6). This kind of diversification showed an effort to manage risks and capitalise on various opportunities, however, not every attempt at diversification was fruitful, looking at another participant's experience: "We also attempted to start a sewing project under the cooperative, but it failed due to lack of resources" (Participant 5).

The next sections of the paper focus on the thematic findings of the study and are broken down into five categories and attempts to draw parallels to the balanced-score card.

Theme 1: Financial Constraints

Financial challenges were identified as one of the major obstacles facing agricultural cooperatives. Most cooperatives relied on government grants and member contributions for operational funding. A lack of financial literacy and weak internal controls often led to mismanagement of resources and unsustainable financial practices. Cooperative leaders reported that limited access to credit facilities prevented them from investing in essential agricultural inputs and infrastructure, thereby constraining growth and productivity.

Theme 2: Governance and Leadership Challenges

Poor governance and leadership were recurrent issues across most cooperatives. Many leaders lacked the managerial and administrative skills necessary to run cooperative enterprises effectively. Decision-making processes were often centralized, leading to dissatisfaction among members. Some cooperatives also experienced internal conflicts and poor communication between management and members, resulting in low morale and diminished participation.

Theme 3: Inadequate Infrastructure and Resources

The findings revealed that many cooperatives operate under severe infrastructural limitations. Challenges such as unreliable water supply and insufficient storage facilities were frequently mentioned. These infrastructural deficits limited production capacity, increased post-harvest losses, and hindered timely access to markets. Cooperative leaders indicated that the lack of equipment and technical support further reduced productivity and competitiveness.

Theme 4: Limited Market Access

Cooperatives in Bushbuckridge struggled to access reliable and profitable markets. Many participants stated that they lacked marketing knowledge, networks, and logistical capacity to transport products to larger markets. As a result, cooperatives depended on local markets with low demand and poor price margins. The inability to negotiate favourable prices and contracts limited profitability and discouraged members from active participation.

Theme 5: Weak Institutional and Policy Support

The study found that government and institutional support for cooperatives was inconsistent and poorly coordinated. While cooperatives occasionally received training or funding, these interventions were not sustained and often failed to address structural challenges. Participants felt that policies intended to support cooperatives were not effectively implemented at the grassroots level. This lack of institutional follow-through left cooperatives vulnerable to collapse once external support ended.

Discussion of Research findings

The findings of this study confirm that agricultural cooperatives in Bushbuckridge operate within a context of severe structural and socioeconomic constraints, which significantly influence their sustainability. The cooperatives' struggles with finance, governance, infrastructure, and institutional support mirror broader national trends in South Africa's rural cooperative sector (Shava & Hofisi, 2019).

Most cooperative leaders reported ongoing financial instability, primarily due to limited access to credit and weak internal financial management systems. This aligns with Balana and Oyeyemi (2022), who argue that credit constraints and inadequate financial literacy undermine smallholder and cooperative performance in developing contexts. Similarly, Ndlovu and Masuku (2021) note that financial dependence on external support diminishes cooperatives' autonomy and sustainability. The results from Bushbuckridge reinforce the need for tailored financial inclusion programs and cooperative financial education to strengthen accountability and long-term resilience.

The findings revealed that weak governance structures, limited leadership skills, and internal conflicts often prevent effective decision-making and member participation. These observations echo Mbokazi and Maharaj (2024), who found that ineffective leadership and insufficient managerial capacity hinder cooperative success in local economic development initiatives. Poor internal communication and lack of transparency reduce member trust, weakening cohesion and long-term vision. Leadership training and participatory governance models are therefore essential for improving accountability and performance.

Infrastructure deficiencies, particularly limited storage and lack of irrigation, were among the most frequently cited challenges. These findings correspond with Cishe and Shisanya (2019), who emphasize that infrastructural weaknesses severely constrain smallholder cooperatives' ability to reach stable markets. In Bushbuckridge, the cooperatives' restricted access to formal supply chains mirrors national issues of market exclusion and spatial inequality. As noted by Mbokazi (2021), connecting cooperatives to markets through improved logistics and information systems is critical to their competitiveness and sustainability.

Participants highlighted inconsistent institutional support, with government programs perceived as fragmented and reactive rather than developmental. This finding supports Shava and Hofisi's (2019) argument that policy incoherence and poor monitoring weaken cooperative development efforts. Furthermore, Rena (2017) observed that South African cooperative policies often fail at the implementation stage due to bureaucratic inefficiencies and inadequate local capacity. A more integrated policy approach, linking agricultural extension, finance, and infrastructure, would therefore enhance cooperative sustainability.

Theoretical Context and Contribution

The findings can be interpreted through the participatory development and institutional frameworks underpinning the study. The participatory approach emphasizes member ownership, collective decision-making, and empowerment, all of which were constrained in practice. The institutional perspective explains how policy, financial systems, and local governance structures shape cooperative outcomes. The Bushbuckridge case illustrates that without enabling institutions and consistent support systems, even the most motivated cooperatives struggle to achieve self-sufficiency.

In terms of agency and structure, the study contributes an understanding that cooperatives are by nature agentic. This means that when they exercise self-help from below and within their cooperative structure or membership can achieve their goals. However, in the context of poverty and scarcity such agency does not always exist as it is in the case of Bushbuckridge. This study has shown therefore that in some context agency cannot be enjoyed in full and it becomes a goal than a choice or reality. In addition, the study extends the understanding of structure when tested via the balanced scorecard. Finance, infrastructure and sustainability (operationally and financially) are some useful score-card indicators that can continue to advance research understanding the challenges and prospects of cooperative enterprises. Also focusing the tool on cooperatives stands to broaden its application to non-investor-owned firms as it is mostly applied in such research contexts.

Policy Implications

For policy this paper suggests interventions from policymakers that enable a sense of agency amongst cooperatives and how they interact with government as a system. Presently the state has a relationship that seeks to hand out help to cooperatives instead of policy empowerment that breaks barriers to accessing formal markets for their agricultural produce. Also access to affordable agri-finance requires policy to prioritize micro-finance products and offer incentives to financial institutions that create access to finance for small scale cooperatives. Furthermore, an integrated support system for agricultural cooperatives is necessary and must be designed to respond to the critical issues such as market access, finance and infrastructure. Equally cooperatives must seek to exercise full agency responsibility and reduce their dependence on government. If this is left unchecked, cooperatives risk undermining the principle of self-help and this means finding ways to drive cooperation between cooperative financial institutions and agricultural cooperatives thus design micro finance packages that can be backed by government, and other independent players.

Overall, the Bushbuckridge case reinforces the argument that sustainable cooperative development requires holistic and locally adaptive policies that combine financial empowerment, institutional coordination, and leadership capacity-building.

Conclusions

This study highlights the multifaceted challenges facing agricultural cooperatives in Bushbuckridge. These challenges are deeply interrelated and cannot be addressed in isolation. An integrated, context-sensitive strategy that considers the cultural, political, and geographic realities of rural areas like Bushbuckridge is essential for enhancing cooperative sustainability. Despite these constraints, cooperatives demonstrate resilience by contributing to food security, household income, and social cohesion.

Future research should explore agency through innovative internal funding models, such as blended finance or rotating savings systems, to reduce reliance on external support. Strategies to enhance youth engagement through training and entrepreneurship programs are critical to ensuring long-term viability. Further investigation into integrating cooperatives into formal supply chains, adopting climate-smart agricultural practices, and evaluating the impact of governance structures as they relate to improving cooperative performance and sustainability in rural South Africa.

References

Aamohammed, C., Behera, E. & Ok, E. (2025). Cooperatives and farmer organizations: The role of cooperatives in enhancing farmers' bargaining power and access to resources. Available at: https://www.researchgate.net/

Archer, M.S. (2003). Structure, Agency and the Internal Conversation. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/CBO9781139087315

Awadallah, E. & Allam, A. (2015). A critique of the Balanced Scorecard as a performance measurement tool, 6(7), p. 91. Available at: https://www.researchgate.net/

Balana, B.B. & Oyeyemi, M.A. (2022). Agricultural credit constraints in a smallholder farming in developing countries: Evidence from Nigeria. World Development Sustainability, 1, 100012. Available at: https://doi.org/10.1016/j.wds.2022.100012

Bretos, I. & Marcuello, C. (2017). Revisiting globalization challenges and opportunities in the development of cooperatives. Annals of Public and Cooperative Economics, 88(1), pp. 47–73. Available at: https://doi.org/10.1111/apce.12145

Cadot, J. (2015). Agency costs of vertical integration—the case of family firms, investor-owned firms and cooperatives in the French wine industry. Agricultural Economics, 46(2), pp. 187–194. Available at: https://doi.org/10.1111/agec.12150

Cawley, A., Heanue, K., Hilliard, R., O'Donoghue, C. & Sheehan, M. (2023). How knowledge transfer impact happens at the farm level: Insights from advisers and farmers in the Irish agricultural sector. Sustainability, 15(4), 3226. Available at: https://doi.org/10.3390/su15043226

Cishe, B.E. & Shisanya, S.O. (2019). Transforming smallholder agriculture through cooperatives for improving households food security at OR Tambo District Municipality, South Africa. African Journal of Agricultural Research, 14(34), pp. 1878–1882. Available at: https://doi.org/10.5897/AJAR2019.13530

Elder-Vass, D. (2010a). Social ontology and social structure. In: The Causal Power of Social Structures: Emergence, Structure and Agency. Cambridge: Cambridge University Press, pp. 64–86. Available at: https://doi.org/10.1017/CBO9780511761720.004

Elder-Vass, D. (2010b). The Causal Power of Social Structures: Emergence, Structure and Agency. Cambridge: Cambridge University Press. Available at: https://doi.org/10.1017/CBO9780511761720

Handoyo, S., Suharman, H., Ghani, E.K. & Soedarsono, S. (2023). A business strategy, operational efficiency, ownership structure, and manufacturing performance: The moderating role of market uncertainty and competition intensity and its implication on open innovation. Journal of Open Innovation: Technology, Market, and Complexity, 9(2). Available at: https://doi.org/10.1016/j.joitmc.2023.100039

Harisudin, M., Adi, R.K. & Kusuma, A. (2020). Performance improvement strategies based on balanced scorecard for rural cooperative: The case of Indonesia. International Journal of Trade and Global Markets, 13(2), pp. 161–176. Available at: https://doi.org/10.1504/IJTGM.2020.106757

He, Y. & Chen, Y. (2024). The impact of agricultural cooperatives on farmers' agricultural revenue: Evidence from rural China. Sustainability, 16(24), 10979. Available at: https://doi.org/10.3390/su162410979

Ibikoule, G.E., Lee, J. & Godonou, L.A. (2024). Smallholders' vulnerability in the maize market: An analysis of marketing channels to improve the role of cooperatives in Benin. Heliyon, 10(6), e27746. Available at: https://doi.org/10.1016/j.heliyon.2024.e27746

Ittner, C.D. & Larcker, D.F. (2003). Coming up short on nonfinancial performance measurement. Harvard Business Review, 81(11), pp. 88–95.

Jiang, M., Li, J. & Mi, Y. (2024). Farmers' cooperatives and smallholder farmers' access to credit: Evidence from China. Journal of Asian Economics, 92, 101746. Available at: https://doi.org/10.1016/j.asieco.2024.101746

Kaplan, R.S. & Norton, D.P. (1996). The Balanced Scorecard: Translating Strategy into Action. Boston, MA: Harvard Business School Press.

Kaswan, M. et al. (2026). Cooperatives and social transformation. In: [Book title required], pp. 17–40. Available at: https://doi.org/10.4324/9781003534006-3

Liu, Y., Shi, K., Liu, Z., Qiu, L., Wang, Y., Liu, H. & Fu, X. (2022). The effect of technical training provided by agricultural cooperatives on farmers' adoption of organic fertilizers in China: Based on the mediation role of ability and perception. International Journal of Environmental Research and Public Health, 19(21), 14277. Available at: https://doi.org/10.3390/ijerph192114277

Madsen, D.O. (2025). Balanced Scorecard: History, implementation, and impact. Available at: https://www.mdpi.com/

Magakwe, N. & Olorunfemi, O. (2024). A systematic review of the trends, effects, and deterrents of collective marketing participation among smallholder farmers in sub-Saharan Africa. Sustainability, 16(21), 9578. Available at: https://doi.org/10.3390/su16219578

Malomane, M.A. (2019). The Role of Smallholder Farmers' Cooperatives in Rural Development: A Case of Umgungundlovu District Municipality, KwaZulu-Natal. [Master's dissertation].

Manganyi, B., Sotsha, K., Rambau, K. & Chiloane, D. (2024). Improving market access for smallholder farmers in South Africa: Policy brief. Available at: https://www.namc.co.za/

Mbokazi, N.M. (2021). Assessing the Role of Agricultural Co-operatives in Contributing to Local Economic Development (LED): A Case of Waterloo Township. University of KwaZulu-Natal.

Mbokazi, N.M. & Maharaj, P. (2024). Agricultural cooperatives as a means of promoting local economic development in a township in South Africa. South African Geographical Journal. Available at: https://doi.org/10.1080/03736245.2024.2419548

Nakayiso, E. & Andrew, N. (2023). A historical review on the global evolution, benefits, challenges and performance of cooperatives. Journal of Humanities and Social Sciences, 8(1), pp. 51–75.

Ndlovu, C. & Masuku, M.M. (2021). The efficacy of agricultural cooperatives towards enhancing food security in rural areas: Mbombela Local Municipality, Mpumalanga Province. Technium Social Sciences Journal, 21, pp. 661–674.

Noy, M., James, H. & Bedley, C. (2016). Reconceptualizing Learning: A Review of the Literature on Informal Learning.

OECD. (2020). Strengthening Agricultural Resilience in the Face of Multiple Risks. Available at: https://doi.org/10.1787/2250453e-en

Okem, A.E. & Lawrence, R. (2013). Exploring the opportunities and challenges of network formation for cooperatives in South Africa. KCA Journal of Business Management, 5(1), pp. 16–33.

Oranga, J. & Matere, A. (2023). Qualitative research: Essence, types and advantages. Open Access Library Journal, 10(12), pp. 1–9. Available at: https://doi.org/10.4236/oalib.1111001

Pingali, P., Aiyar, A., Abraham, M. & Rahman, A. (2019). Linking farms to markets: Reducing transaction costs and enhancing bargaining power. In: Transforming Food Systems for a Rising India. Available at: https://doi.org/10.1007/978-3-030-14409-8_8

Ribašauskienė, E., Šumylė, D., Volkov, A., Baležentis, T., Streimikiene, D. & Morkunas, M. (2019). Evaluating public policy support for agricultural cooperatives. Sustainability, 11(14), 3769. Available at: https://doi.org/10.3390/su11143769

Shava, E. & Hofisi, C. (2019). Cooperatives as strategies of local economic development in the City of Tshwane. Journal of Contemporary Management, 16(2), pp. 23–42. Available at: https://doi.org/10.35683/jcm18028.0025

Valette, J., Amadieu, P. & Sentis, P. (2024). The challenging assessment of agricultural cooperatives’ performance: A balance-oriented approach. Finance Contrôle Stratégie. Available at: https://doi.org/10.4000/14bcy

Wadesango, N. & Mabunda, Q. (2017). Sustainability of cooperatives: Issues and challenges. International Journal, 73(11), pp. 231–266.

Walton, J.K. (2015). Revisiting the Rochdale Pioneers. Labour History Review, 80(3), pp. 215–248. Available at: https://doi.org/10.3828/lhr.2015.10

Wonde, K.M., Tsehay, A.S. & Lemma, S.E. (2022). Training at farmers training centers and its impact on crop productivity and households’ income in Ethiopia: A propensity score matching (PSM) analysis. Heliyon, 8(7), e09837. Available at: https://doi.org/10.1016/j.heliyon.2022.e09837

Zwane, H.C. & Mzanywa, M. (2025). Evaluating the prospects and challenges of cooperative organizations in rural community development in South Africa. Available at: https://doi.org/10.21303/2504-5571.2025.003805