

ANALYZE OF FACTOR AFFECTING DEVELOPMENT OF PRIMARY AGRICULTURAL COOPERATIVES, THE CASE OF BULE HORA DISTRICT, OROMIA REGIONAL STATE, ETHIOPIA

Haile Tamiru, Bule Hora University
Amenu Leta, Ambo University

ABSTRACT

Agricultural cooperative is an essential weapon for development and it played important role to facilitating the market power of producers. However, the contribution of agricultural cooperative for economic development is not satisfactory. This study assess factors affecting development of primary agricultural cooperative. A total of 134 sample households were randomly selected. The descriptive statics and logistic regression model were used. Descriptive result show that 9% and 91% of respondent are female and male Agricultural cooperative respectively. Logistic regression model identified that professional management, information, training, bylaws and planning of the respondents have positive and significant influence while committees, dividend and political interference have negatively significant influence development of primary agricultural cooperative societies. Therefore, to promote development of primary agricultural cooperative in the broad context, the professional management, information, training, bylaws committees, dividend and planning are involved and give attention to this important variables in development of primary agricultural cooperative are recommended.

Keywords: Primary, Agricultural, Cooperative, Socio-Economic, Development.

INTRODUCTION

A cooperative is an independent association of people joint willingly to meet their collective economic, social, and cultural needs and objectives through a jointly-owned and democratically-controlled enterprise. Even though the consistency of records is poor, associations look like to operate on a substantial scale in developing countries: different researches have shown that more than seven percent of the African population are joined to primary cooperatives, and this number is increasing (Wanyama et al., 2008). In Ethiopia, the foundation of traditional and outdated associations (e.g. `Edir`, `Ekub`, `Debbo`, etc) was dated many years ago. The farmers long understood the importance of cooperation for enhanced productivity and for the task that require collective effort. For example, 'Guza or Debbo' is one of the traditional self-help organizations prevailing in agrarian societies of Ethiopia. By this form of traditional cooperation people living in a given particular geographical boundary help one another in ploughing, weeding, harvesting, house construction.

In terms of groups served, cooperatives may be classified as producer cooperatives and consumer cooperatives (Munkner, 2016). While agricultural cooperatives are best examples of

producer cooperatives; credit cooperatives, consumer good cooperatives and health care cooperatives are of consumer cooperatives. Cooperatives can also be classified as local and regional cooperatives based on the areas served. While generally local cooperatives operate from a trading center and have individuals as their members, regional cooperatives have their territories ranging from several countries to several states. As far as the functions of cooperatives are concerned, agricultural cooperatives perform one or a amalgamation of the different tasks for farmer-members including marketing purchasing services and bargaining (Tefera et al., 2016).

The history of modern cooperation traced to the impact of industrial revolution that brought immense wealth to the capitalists and poverty to unorganized labor (Chukwu, 1990). For example, argue that cooperatives make an important contribution to sustained economic growth and to making markets function better for poor people. The UN has acknowledged important direct and indirect impacts on socio-economic development in terms of promoting and supporting entrepreneurial development, creating productive employment, raising incomes and helping to reduce poverty while enhancing social inclusion, social protection and community-building (Dorsey & Assefa, 2005). Several studies argue cooperatives not only directly benefit their members, but also have positive effects for the rest of society (Dorsey & Assefa, 2005).

Cooperatives are often described as promoting both economic and social goals the evidence in regard to the latter is weaker, and sometimes contradictory. finds that whilst cooperatives may have a significant direct impact on people's life through the services they deliver (e.g. credit, agricultural inputs, access to markets, storage and transport, housing, among others), evidence of their significance in other social and societal domains has not been particularly forthcoming.

Cooperatives are also promoted to facilitate the general economic and social improvement of work and living conditions, foster self-help activities through mutual help and to popularly participate in general development and income creation throughout the country and in rural communities in particular (Chukwu, 1990). In Bule Hora district there are different types of multipurpose primary cooperatives that play a crucial role in solving the socio-economic problems of the community. In line with these all realities, the research attempt to analyze the factors that affecting the development of primary agricultural cooperatives societies. Besides, in this research, an attempt made to find out issues which require further research and investigations so that other researcher can easily come up with outstanding recommendations to enhance the factors that affects the development of primary cooperatives and its contribution in particular in Bule Hora district.

Statement of the Problem

Cooperatives have expected to provide efficient and effective service to the members. In order to do so cooperatives like saving and credit cooperatives societies, multipurpose and consumer cooperative carried out and provide different informal ways of doing together service to the members (kindie, 2002). The unsuccessful story of cooperatives and dissolution of most cooperative societies of Ethiopia is attributed mainly to managerial and lack of awareness problems (Tasfaye, 2006).

The economic development of the country is the outcome of several factors of which improving the sustainability of economic organizations such as cooperatives is of importance. Cooperatives are considered as a means to increase the production and quality of crops intended for export, to drag the indigenous population into far economy condition (Tasfaye, 2006) has

found out that “*During Derge Rigime, cooperatives were faced with organizational, operational, leadership as well as production and distribution problems. In a situation where member’s participation was so passive and leadership was appointed by political cadres, wastefulness and embezzlement were inevitable*”. As a result, the cooperatives during Imperial and Derge regime were not autonomous organizations, they had purely political character and were considered as the extension of state institutions, and almost all lost their cooperative identity. Because of these problems, the cooperatives during Imperial and Derge regime were not sustained. This consequence created a bad image in the mind of population till now. This bad image was affecting the developments of multi- purpose primary cooperatives. Thus, the development of multi-purpose primary cooperatives is critical issue in Ethiopian context at large and in the study area in particular. Obviously, there is no adequate study on the developments of multi -purpose primary cooperatives in Ethiopia. As a result, cooperative planners, policy makers and promoters had no enough information on the developments of multi- purpose primary cooperatives in Ethiopian context at large and in the study area in particular. That is why the researcher was eager to conduct this research.

This paper effectively reviewed different research articles and journals about the contribution of agricultural cooperative for socio-economic development. Also the paper gives information for individuals to be members of agricultural cooperative, policy makers, supporting agencies and consumer to get different service. The effective performance of this paper describes the contribution of agricultural cooperative for socio-economic development and helps the government bodies who are responsible to promote cooperative, to fill gap, to provide appropriate support and to give attention for further expansion of agricultural cooperative. Nowadays, developed country expanded agricultural cooperatives in order to achieve their goal, to fulfill needs of citizens, to fully achieve women participation in all aspects, to provide agricultural inputs at a reasonable price, to create employment, to develop good relation among members; therefore, this activity provides good condition for their development. Agricultural cooperative play a crucial role in different countries, but it is limited in our country. Agricultural cooperative is used for facilitation of marketing, improve women participation, enhance innovation, increase food security, employment creation, improve production and productivity, generate income for individuals and nations, facilitate agricultural financing. Therefore objective of study was to analyze factors that affecting development of primary agricultural cooperatives in the study area.

LITERATURE REVIEW

Concept of Multipurpose Cooperatives

Cooperatives, as economic enterprises and as self-help organizations, play a meaningful role in uplifting the socio-economic conditions of their members and their local communities. Over the many years back, cooperative enterprises have successfully operated locally owned people centered businesses while also serving as catalysts for social organization and cohesion. With their concern for their members and communities, they represent a model of economic enterprise that places high regard for democratic and human values and respect for the environment (Tefera et al., 2016). As the world today faces unstable financial systems, increased insecurity of food supply, growing inequality worldwide, rapid climate change and increased environmental degradation, it is increasingly compelling to consider the model of economic enterprise that cooperatives offer. The cooperative sector, especially in developing countries,

also presents itself as an important element that can contribute to the realization of the Millennium Development Goals (MDGs) by 2015.

The current financial crisis characterized by the massive public bail-out of private, investor-owned banks worldwide has underlined the virtues of a customer-owned cooperative banking system. Cooperative banks in the form of credit unions, building societies and cooperative banks, by focusing primarily on the needs of their members, have displayed prudence and avoided the excessive risk-taking that plagued many large global financial institutions. As cooperative banks continue to operate and provide loans to their clients and enjoy the trust and confidence of their members and depositors, they play an even more critical role as consumers and businesses face a credit crunch (Koang, 2013).

The World Bank estimates that food demand will double by 2030 as the world's population increases by another two billion people. There is an urgent need for developing countries to increase the output of food yet, as the World Bank's 2008 World Development Report on Agriculture for Development has shown; the rural economy has been badly neglected. One solution is to encourage farmers to mobilize collectively in agricultural and marketing cooperatives that engage in the production, processing and marketing of agricultural products and gives them access to markets. Farmer cooperatives are growing in most developing countries (Koang, 2013; Melak et al., 2018; Muthyalu, 2013). For example, India's 100,000 dairy cooperatives collect 16.5 million liters of milk from 12 million farmer members every day, making a significant contribution to India's food supply. Nevertheless, farmer cooperatives have yet to reach their full potential as they address their requirements for financing and technical support. Cooperatives can contribute to the achievement of the MDGs by 2015 because of their inherent characteristics. Because cooperatives are economic associations, they provide the opportunity for poor people to raise their incomes.

Theoretical Framework

The evolution of the economic functions of co-operatives in linking farmers to markets. The economic organization is an effort to 'align transactions, which differ in their attributes, with governance structures, which differ in their costs and competencies, in a discriminating (mainly, transaction cost economizing) way'. Available governance structures range from pure markets to pure hierarchies, although most real-life governance structures are so-called hybrids, combining elements of markets and hierarchies (Tefera et al., 2016). Co-operatives have been conceptualized as hybrid governance structures that reduce the transaction costs that smallholders face in their transactions with suppliers of farm inputs and buyers of farm products. These transaction costs are high because farmers are geographically dispersed, have limited resources to obtain market information, have low bargaining power, often face uncompetitive market structures and experience constraints in accessing credit and technical assistance.

While we acknowledge that co-operatives often also have social and political functions, leading to the multidimensionality in benefits of co-operatives. This paper focuses on the economic services provided to members. The provision of economic services to farmers helps in increasing agricultural production and thus improving food security (Shiferaw et al., 2011). These services are often solutions to constraints that farmers experience in transacting with other economic entities. We distinguish between purchase transactions with suppliers of farm inputs, credit and technical assistance and sales transactions with traders and processors.

Factors Affecting Multipurpose Primary Agricultural Cooperatives In Ethiopia

Cooperatives are considered as an appropriate tools of rural developments, that facing critical problems; some factors affecting the developments of cooperatives society in the worlds are; low institutional capacity, unqualified personal, low entrepreneurship skills, lack of financial resource, lack of market information and poor market participation in the different activities such as, financing the cooperatives, lack of control and evaluation (Dawit, 2005). Lack of Professional Management was positively correlated and statistically significant explanatory variables at 0.011($p < 0.05$) probabilities level related to the development cooperatives. This implies that Professional Management is a mandatory in any business to provide better and modern techniques for providing goods and services. The more skilled and profession leaders play a better role in the cooperatives developments. Therefore, the majority management committee and board of directors are better to hiring from competent potential profession rather than Cooperative development have endured and thrived in many African countries that are still developing. Most primary cooperatives in the developing countries focus more on product marketing and input supply as opposed to production (Ortmann & King, 2007). Majority of people in less-developed countries lives in the rural areas and survives on a low income earned through subsistence agriculture. The cooperative development in developing country like Asia, Africa, and Latin America, where it is overcoming various obstacles and difficulties (Edoho, 1998) such as lack of funds and cadres, competition with private small entrepreneurs, the resistance of big landowners and moneylenders to the creation of producers' and other kinds of cooperatives that would threaten the size of their incomes and undermine the cheap labor market. The further growth of the cooperative system in the developing countries will depend primarily on the path of social development chosen and on the rate and depth of socioeconomic transformations.

Conceptual Frame Work

According to Adane et al. (2020) multipurpose primary cooperative in the study area affected by government. There are several governmental factor that can affect the performance and development of multipurpose primary cooperative in different developing countries of the world. In Ethiopia Multipurpose primary cooperative development is affected by Political interference, Gov't technical support Bylaws. In Ethiopia Multipurpose primary cooperative development is affected influenced by leadership development, professional management and Committee commitment (Fekadu, 2019). Cooperatives help build "*stakes in stability*" by providing economic opportunities during and after conflict and by rebuilding the social capital and trust needed to provide a sense of collective identity and shared destiny. The societies successfully created jobs for returning minorities and ex-combatants to conflict regions, and have been particularly effective in creating new links to distant and high-value markets (Munknerand, 1993) Figure 1.

In some African country especially in Uganda Cooperative Transport Union has had its drivers and members of staff sensitized on how to avoid getting the virus. The UCA has also been instrumental in offering social protection to its members specifically for women and youth development. For instance, the Cooperative Food Security Project (CFSP, 2000) targeted women

with the objective of increasing food production and storage. The study conceptualized with in the frame work of factors that directly affecting development of primary agricultural cooperative society by the outcomes problems.

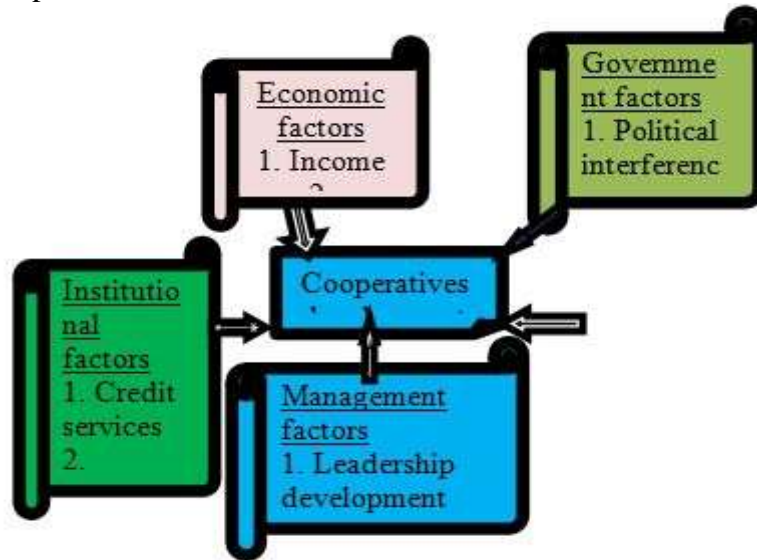


FIGURE 1
CONCEPTUAL FRAME WORK

RESEARCH METHODOLOGY

Description of the Study Area

Bule Hora woreda is one of the woreda of west Guji zone of Oromia region. It has 48 kebeles which has total population of 265877. Bule Hora Woreda is greatly influenced by Dega, winedega, and kola climatic conditions which characterized by dry and warm condition.

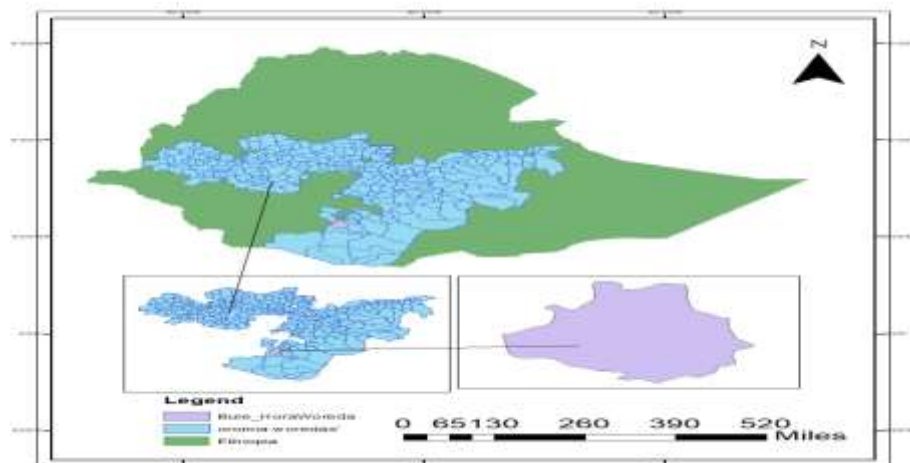


FIGURE 2
STUDY AREAS FROM WIDER SCOPE TO NARROWER SCOPE

This map shows study areas from wider scope to narrower scope as seen from the map. The larger map represent Ethiopia and the researcher separate Oromia from Ethiopia in second stage next the researcher separate west Guji from Oromia region using arrow and last separating Bule Hora from from west Guji using arrow Figure 2.

Sampling Techniques

Two stage sampling techniques was employed. In the first stage from ten woreda's of west shewa Zone, Toke kutaye woreda was selected by simple random sampling techniques because of the homogeneity of the all districts of the zone. In the second stage, from a total of Twenty Five (25) multipurpose primary cooperatives societies all are taken as sample frame or target population /universe from which due to resource time scattered five (5) of multipurpose primary agricultural cooperatives were selected purposively based on their year of establishment, number of members they have, representativeness and accessibility of data. In the third stage, on the basis of statistical random sampling technique of probability proportional to size (PPS) a total 134 of sample respondents from each multipurpose primary cooperative societies was determined.

Sample Size Determination

Kothari (2004) was used to determine the required sample size. sampling design formula.

$$n = \frac{p * q * N * z^2}{(N - 1) * e^2 + z^2 * p * q}$$

Where n = sample size (number of the respondents)

N=Total population size (4516)

Z=95% confidence interval under normal curve (1.96)

e = acceptable error term (0.05) and p and q are estimates of the proportion of the population to be sampled (p=0.1 & q=0.9).i.e p=0.10, q=1-0.10=0.90.

According to the formula above, the number of respondents was

$$n = \frac{(0.10)(0.90)(4516)(1.96)^2}{(4516 - 1)(0.05)^2 + (1.96)^2 (0.10)(0.90)} = 134$$

Types and Sources of Data

Both qualitative and quantitative types data were used in the study. The data was collected from both primary and secondary sources data.

Methods of Data Collection

In order to meet the objective of the research, the data were collected through personal observation (interview), Focus Group Discussions (FGD), and key informant interviews using checklists, semi- structured questionnaire or interview guided questionnaire and open ended questionnaires.

Methods of Data Analysis

Both descriptive and econometric models was used to address the specific objectives of the study.

Descriptive Statistics

Specifically, descriptive statistics like percentage and frequency values were analyzed by employing statistical soft ware called SPSS Version 20. It is the computer soft ware's that are used to run the analysis. The chi-square test was used to test the association of dummy explanatory variables with the dependent variable and t-test uses to test the association of continuous explanatory variables with the dependent variable.

Econometric Models

The Logistic regression models are comparable, the main difference being that the logistic function has slightly flatter tails that is, the normal curve under logit function approaches the axes more quickly than in the case of probit function.

$$p = \frac{e^{a+bx}}{1 + e^{a+bx}}$$

where P is the probability of a 1 (the proportion of 1s, the mean of Y), e is the base of the natural logarithm (about 2.718) and a and b are the parameters of the model. The value of a yields P when X is zero, and b adjusts how quickly the probability changes with changing X a single unit (we can have standardized and unstandardized b weights in logistic regression, just as in ordinary linear regression). Because the relation between X and P is nonlinear, b does not have a straightforward interpretation in this model as it does in ordinary linear regression.

RESULTS AND DISCUSSION

Description of Household Characteristics

The survey result revealed that about 9% of sampled respondents were female agricultural cooperatives and 91% of sampled respondents were males agricultural cooperative. The computed value of chi-square indicated that there was a significant relationship between development of cooperatives and sex in cooperatives at 0.004(p< 1%) level of significance.

Regarding Age of respondent, out of total respondents of the study 14-30 age group were 20.9%, while 31-50 age group were 53.7% and the rest of respondent were above 51 years above were 25.4% respectively. The result shows that the younger members have the opportunity to use their full time in carrying out their cooperatives activities, being they are physically strong when compared with old aged one. The computed of t-value indicated that there was a significant relationship between development of cooperatives and age in cooperatives at 0.000(p< 1%) level of significance.

Out of the total sample respondents 53.0% of them are who can't read and write, 17.9% of them are who read and write, 17.2% of them attained primary education, 11.9% of them are attained secondary education respectively. The result shows that, less educated respondents are

more participants in cooperative than educated members, since educated members shift or turn out their membership after one or two years to other activities. As the results shows and sample respondents of focus group discussion and key informant suggest that majority of cooperatives members haven't education and that cooperative doesn't give education opportunity for their member's.

Economic Factors on Agricultural Cooperatives Developments

According to survey result shows that 47.0% of sampled respondents suggest that cooperatives have income source from different activity annually in the area. While, 53.0% refuses cooperatives doesn't have income source. However 29.1% and 29.1% of the developed sampled members respondents opined "Yes" and "No" about the existences of income sources in cooperatives in the area. Likewise 17.9% of undeveloped sampled respondents opined the availability of the income source in the area. While 23.9% opined that there is no income source in cooperatives.

The survey result shows that 63.4% of sampled respondents suggest that there is dividend distribution in cooperatives. While 36.6% refuses the existences of dividend distribution in cooperatives. However 48.5% and 9.7% of the developed sampled member's respondents opined "Yes" and "No" about the existence of dividend. Likewise 14.9% of undeveloped sampled respondents opined the presence, while 29.9% opined there is no dividend distribution in the area. The review of chi- square implies that there was significance relationship between cooperatives developments and dividend distribution at 1% level of significance.

The result of field survey shows that 72.9% of sampled respondents suggest that cooperatives have capital source from different institutions in the area. While, 27.1% refuses cooperatives doesn't have source of capital. However 45.9% and 10.5% of the developed sampled members respondents opined "yes" and "No" about the existences of capital sources in cooperatives in the area. Likewise 27.1 % of undeveloped sampled respondents opined the availability of the capital source in the area. While 16.5% opined that there is no capital source in cooperatives. The computed value of chi-square indicated that there was a significant relationship between development of cooperatives and awareness on cooperatives at 1% level of significance.

Institutional Factors on Agricultural Cooperatives Developments

As sampled respondents of focus group discussion and key informant suggests that the majority of cooperatives have no access to credit either to start activities or for reinvest. The survey result exhibited that 44.0 % of sample respondents replied that there is credit facilities in the area, while 56.0 % refuse the accessible. However, 26.9% and 31.3 % of the developed sample members respondents opined "Yes" and "No" about the existence of credit in the study area respectively. Likewise, 17.2 % of undeveloped sample respondents opined the availability of the credit, while 24.6% opined that there is no credit access. The review of chi-square implies that there is no significant relationship between cooperative development and credit facilities in the study area.

As sampled respondents of focus group discussion, and key informant suggests that nobody can transmit latest and up to date information to the cooperatives and nobody can give attention on how to share and shift information in cooperatives in the study area due to different

reasons; such as distance of cooperatives from site, unavailability of infrastructure like (road, telecommunication and transportation) and unwillingness of experts to move to the sites of the cooperatives. The survey result exhibited that 37.3% of sample respondent's replied that there were information facilities in the area, while 62.7% refuse information existence. However, 5.2% and 53.0 % of the developed sample members respondents opined "Yes" and "No" about the existence of information in the study area respectively. Likewise, 32.1 % of undeveloped sample respondents opined the availability of information in the study area, while 9.7% refused to accept. The result shows that more than half of the cooperatives members' doesn't get any information from the concerned body. The review of chi-square implies that there was a significant relationship between cooperative development and information access in the study area at 10% significant level.

The survey result exhibit that 50.7% of the sampled respondents suggest that who got training opportunity in cooperatives with principle, benefits and ethical values. While 49.3 % of them did refuse about existence of training in cooperatives. This shows that there was no more enough training is given to members of cooperatives in early foundation. However, 20.9% and 37.3% of the developed sample members respondents opined "Yes" and "No" about the existence of training in the study area respectively. Likewise, 29.9% of undeveloped sample respondents opined the availability of training in the study area, while 11.9% refused to accept. This shows that the majority of members are not accessed to cooperatives training opportunity. The computed value of chi-square indicated that there is a significant relationship between development of cooperatives and training services at 10% level of significance.

Trust is one of the presences of positive image of the member on cooperative. The survey result exhibit that 43.3% of the sampled respondents suggest that who have trust on cooperatives. While 56.7 % of them did refuse about trust on cooperatives. However, 26.1% and 32.1% of the developed sample members respondents opined "Yes" and "No" about the existence of trust in the study area respectively. Likewise, 17.2% of undeveloped sample respondents opined members trust on cooperatives in the study area, while 24.6% refused to accept. Result shows that and as sampled respondents of focus group discussion and key informants suggest that cooperatives didn't practiced and exercises to achieve their goals smoothly according to their plans. The survey result exhibit that 49.3 % of the sampled respondents suggest that cooperatives have plan and undertake different activity through planning. While 50.7 % of them did not accept. However, 29.9% and 28.4 % of the developed sample members respondents opined "Yes" and "No" about the existence of planning in the study area respectively. Likewise, 19.4% of undeveloped sample respondents opined the existence of planning in the study areas of cooperatives, while 22.4% refused to accept.

Leadership Developments in Agricultural Cooperatives

The survey results show that 40.3 % of sampled respondents suggest that there is professional management in cooperatives. While 59.7 % of sampled respondents refuses that there is no professional management in the study area. However 17.2% and 41.0% of the developed sampled member's respondents opined "Yes" and "No" about the existence of professional management. Likewise 23.1% of undeveloped sampled respondents opined the availability of professional management, while 18.7% opined that there is no professional

management in the area. The result shows that the absences of professional managements which leads to fundamental obstacles in cooperatives developments.

The survey exhibit that 47.8 % of sampled respondents suggests that there is technical support through government body in area, while 52.2 % refuses the existences of technical support in the cooperatives. Likewise 19.4% of undeveloped sampled respondents opined the availability of government technical support, while 22.4% opined that there is no technical support under taken through governments in the area. The computed value of chi-square indicated that there is a significant relationship between development of cooperatives and technical support in cooperatives at 10% level of significance.

Committees Participation in Agricultural Cooperatives

The survey result exhibit that 43.3 % of sampled respondents suggest that there is committees who carry out actions in cooperatives effectively, while 56.7 % refuses the existence and effectiveness of committees in the study area. However 32.1% and 26.1% of the developed sampled member's respondents opined "Yes" and "No" about the existences committees in cooperatives in the area. Likewise 11.2% of undeveloped sampled respondents opined the availability of committees, while 30.6% opined that there is no committee in the area of sampled cooperatives. The computed value of chi-square indicated that there is a significant relationship between development of cooperatives and committees in cooperatives at 1% level of significance.

Political Interference in Agricultural Cooperatives

The survey exhibit that 60.4% of sampled respondents suggest that there is political interference which influences the decision of cooperatives, where as 39.6% of sampled respondents refuses the existence of political interference on cooperatives decision in the study area. However 36.6% and 21.6% of the developed sampled member's respondents opined "Yes" and "No" about the existence of political interference on cooperatives. Likewise 23.9% of undeveloped sampled respondents opined that there is political interference in cooperatives, while 17.9% opined that there is no political interference in cooperatives in area. The result shows that the large numbers of respondents are understand the influence of politics on decision making in cooperatives.

Legislation of Agricultural Cooperative

The survey result shows that 42.5% of sampled respondents replied that legislation designed by government is favorable for cooperatives development, while 57.5% refuses the conduciveness of legislation, because restriction establishment of further higher level structural set up and discouraging the interaction of cooperatives that reversely affect. However 23.9% and 34.3% of the developed sampled member's respondents opined "Yes" and "No" about the legislation favorability. Likewise 18.7% of undeveloped sampled respondents opined the conduciveness of legislation in cooperatives developments, while 23.1% opined that legislation is not restricted cooperatives development.

Member's Participation in Agricultural Cooperatives

The survey result shows that 48.5% of sampled respondents suggest that members are participate in effective manners, while 51.5 % of sampled respondents refuse members doesn't participate effectively in the area. However 26.1% and 32.1% of the developed sampled member's respondents replied "Yes" and "No" about the effective participation of members in cooperatives. Likewise 22.4% of undeveloped sampled respondents opined the member's participation, while 19.4% opined that there is no effective and equal participation in cooperatives.

Members Confidence in Agricultural Cooperatives

The study result indicated that 46.3% of sampled respondents replied with the existence of members confidence in their cooperative, while 53.7% respondents replied there is no confidence in their cooperatives. however 25.4% and 32.8% of the developed sampled members respondents opine "Yes" and "No" about the existence of confidence in cooperatives. Likewise 20.9% of undeveloped sampled respondents opined the presence of members confidences, while 20.9% opined that there is no self confidence in cooperatives in the area. Therefore, the result shows that majority of the members refused the confidence in the cooperatives and this influences the development of cooperatives.

Member's Awareness in Agricultural Cooperatives

As result indicated shows 44.8% of sampled respondents replied that there were awareness about cooperative values and principles associated with the importance, while, 55.2% of the members replied there were no awareness about cooperative principle, values, ethics and advantages, therefore, as sampled respondents of focus group discussion and key informants and the study shows that peoples are not well aware and informed about the aims and objectives of the cooperatives even though they are members of cooperatives societies. This low level of awareness among sampled respondents from all sampled cooperatives members is the result and effect of education and training for member of cooperatives.

Analyze of Factor Affecting Development of Primary Agricultural Cooperativs

Logistic regression model was used to analyze factors affectin development of primary agricultural cooperative. Before analyze the data existences of econometricv proble was checked by using variances inflation factor among the variables and the value of VIF shows there is no econometric problem between the variables. Among 20 independent variables were hypothesized to factors that affect development of primary agricultural cooperatives, only eight of them were found to be significantly influencing the development of primary agricultural cooperatives in the study area with less than 10% probability level in the model. Therefore, the variable listed and discussed are those variables which have significant relationship with development of primary agricultural cooperatives were Professional Management (PFMT), PoliticalInterference, Dividend (DVDND), Information(INFRMN), Training(TRNNG), Bylaws (BYLW), committees (CMMTS) and Planning (PLNNG). The interpretation and discussion of these significant variables are presented as follows:

Professional Management (PFMGT): it was positively correlated and statistically significant explanatory variables at 0.011($p < 0.05$) probabilities level related to the development

cooperatives. This implies that Professional Management is a mandatory in any business to provide better and modern techniques for providing goods and services. The more skilled and professional leaders play a better role in the cooperatives developments (Mojo et al., 2018). Therefore, the majority management committee and board of directors are better to hiring from competent potential professional rather than selected and elected from local members of cooperatives. The odd ratio of $EXP(\beta)$ 13.435 for the professional management indicate that, other things kept constant, the odds ratio of professional management in favor of cooperative developments increases by a factor of 13.435 as professional increases by one unit.

Political Interference (PLCLI): it was negatively correlated and statistically significant explanatory variables at 0.050($p=0.05$) probabilities level related to the development cooperatives. This implies that political interferences are the government strategies that designed to take apart and exert pressures on issue of decision making in cooperatives development (Tesfay & Tadele, 2013). As sampled respondents of focus group discussion and key informants replied that interference is happen especially when cooperatives establish structures, election of committee and management takes places, when government provides the social services like supplying improved seeds, fertilizers, pesticides are used to influence on deciding the issues of cooperatives. The odd ratio of $EXP(\beta)$ 0.165 for the political interferences indicate that, other things kept constant, in favor of cooperative developments decreases by a factor of 0.165 as political interference increases by one unit.

Information (INFRMN): it is positively correlated and significantly explanatory variables by 0.00($p<0.01$) probability level related to development of cooperatives. This indicates that it has strong association with the dependent variables the same association with Tesfamariam (2015) studies. This implies that members get current information about new technology in cooperative programs have developed with immediate use of information towards cooperatives developments. Therefore, information gained through media or chains through channels of information might give chance to cooperatives members developed in their cooperative issue. The value its odd ratio of $EXP(\beta)$ 470.120 for the access to information opportunity indicates that with the assumption of *ceteris paribus*, the odds ratio in favors of cooperative development increases by a factor of 470.120 as access to information increased by one unit.

Training (TRNG): it was positively correlated and statistically significant explanatory variables at 0.043($p<0.05$) probabilities level related to the development cooperatives. This implies that members who have participated in cooperative training program have developed their knowledge and more skilled towards multipurpose primary cooperatives development. According to Tesfamariam (2015) study training also have positive association with cooperative performance. Therefore, knowledge gained through training from union, cooperatives experts, managements and others concerned body might give a chance to the beneficiaries or members to be pertinent in their cooperative issues. The odd ratio of $EXP(\beta)$ 7.988 for the access to training opportunity indicate that, other things kept constant, odds ratio of training in favor of cooperative developments increases by a factor of 7.988 as training increases by one unit.

Dividend (DVDND): in accordance with expectation, the variable dividend for members affects cooperatives developments negatively influence/relationship between two variables and significantly explanatory variables at 0.001($p<0.01$) level of significance. The implication is that when the cooperatives members' discountenance in the cooperatives due to different reasons

certain amount of money paid/loosed based on either share or participation through cooperatives and vice versa. Therefore, Members who have better participation and large share in cooperatives than those who have never participate in their cooperatives. The value of its odd ratio of EXP (β) 0.025 for dividend distribution indicates that other things kept constant, odds ratio of dividend in favor of cooperative development decrease by a factor of 0.025 as patronage refund increases by one unit.

Credit service: The variable is statistically significant 0.073($p < 0.1$) significance probability level and has positively association/correlated with the development of cooperatives. This indicate that credit service possible to construct formal cooperatives. According to Tesfamariam (2015) reported that credit service is positively associated with development and performance of cooperative. The odd ratio of EXP (β) 6.479 Bylaws indicates that with the assumption of ceteris paribus, the odds ratio of bylaws in favor of cooperatives development increases by factor of 6.479 as acceptance of bylaws of cooperatives increases by one unit.

Committees Participation (COPT): The variable is statistically significant 0.015($p < 0.05$) significance probability level and has negative association/correlated with the development of cooperatives. As the cooperatives committees perform activity effectively devoted and more honestly in their cooperatives. Moreover as members increase the effective participation of committees in their multipurpose primary activities, results in improvement of their development cooperative society and vice versa. Also study conduct by Koang (2013) also committes participation is posetivel associated with performance of multipurpose cooperative. The effect of this variable indicates that effective committees of cooperatives with members' involvement encourage the members to take part in to their cooperatives. The odd ratio of EXP (β) 0.121 committees indicates that with the assumption of ceteris paribus, the odds ratio of committees in favour of cooperatives development increases by factor of 0.121 as effectiveness of committees become increases by one unit.

Awareness (Aware): The variable is statistically significant 0.023($p < 0.05$) significance probability level and has positively association/correlated with the development of cooperatives. Awareness is the basic management function involving formulation of one or more detailed plans to achieve optimum balance of members needs or demands with the available resources. According to Koang (2013) member awareness is positively affect the development as well as performance of cooperative in socio-economic developmet. The odd ratio of EXP (β) 9.225 planning indicates that with the assumption of ceteris paribus, the odds ratio of planning in favor of cooperatives development increases by factor of 9.225 as function of planning become increases by one unit Table 1.

Variables	B	Sig.	Exp(B)
LDRSHDIC	.448	.603	.565
PFMGT	2.59	0.01**	13.4
PLCLI	-1.80	.050**	.165
GVTs	.339	.720	1.40
MBPR	-1.44	.138	.235
MAWRNS	.933	.291	2.54

INRMS	6.15	.000*	470.1
TRNGS	2.07	.043**	7.98
TRST	.263	.739	1.30
CRDTS	-.555	.514	.574
INCM	-.523	.539	.593
SCPTL	.261	.757	1.29
PRFTBLTY	-.461	.626	.631
DVDND	-3.68	.001*	.025
LGSLTN	.263	0.79	768
CRSERV.	1.86	.073***	6.47
COMPRT.	-2.11	.015*	.121
ENTRPRN	-.945	.319	.389
AWARE	2.22	.023**	9.22
MCNFDNC	-.715	.498	.489
Constant	-3.002	.165	.050

Log Likelihood..... 58.154

Pearson chi-square.....123.981

Sample size.....134

*, ** and *** Significant at 1%, 5% and 10% probability level

RECOMMENDATIONS

Based up on the findings of the study, the following points are suggested for consideration to improve the development of multipurpose primary cooperatives societies and there by facilitating to improve the socio- economic, political and institutional problems of members. In this cognizance, the following recommendations are put forwarded for cooperative societies and Cooperative experts in charge to take certain pertinent necessary steps to develop better cooperatives and strengthen the already existing status and operating ones. Firstly, It is obvious that members have developed the tendency that multipurpose cooperatives were not fully serving their wider range of needs and interests with the exception of the provision of consumable products in their own shops for their members, this was strongly forwarded by FGD participants and even the management bodies as a key informants fully admitted the existence of dissatisfaction gaps between members' needs and services provided. Thus, cooperative should look into its present position of service rendering to members and the community. Strengthening the existing services and activities based on the current feasibility study are the order of the day to be implemented.

Secondly, the other impeding factors affecting the development of multipurpose cooperatives were found to be: lack of members' awareness which is interlinked with the benefits of cooperation, which needs to be, avoided through gradual efforts of management committees and promotion offices, so that it positively contributes to the development of cooperatives. Increased member awareness about cooperatives, undoubtedly results in bringing real attitudinal shifts and knowledge in the minds of members which in turn brings about increased commitment towards the activities of cooperatives.

Thirdly, during the field study work the respondents confirmed that interferences of the government was high directly or indirectly but less compared with the "*derg regime*". This implies that members and management bodies perceived the interventions of the government bodies was high, the reason without which they could not operate normally. Conversely, to the management committee, this puts threats for the autonomous, independent and economically

viable cooperative institutions, unless government officials, authorities and others at different hierarchical levels were clearly informed the implementations of cooperative laws and strategies. The state also revisited its policies which considers cooperative institutions as a target groups for the implementations of national economic development which the tendency carries top-down approach in cooperative development which favors bottom-up approach (Wanyama et al., 2008; Tesfaye, 2006).

Fourthly, According to the guiding cooperative principle; cooperative societies provide education and training for their members, elected committees and other employees, so as to enable them to contribute effectively to the development of multipurpose primary cooperatives societies. But majority of the members and management committees did not get education and training in the study area. This has a great contribution greatly to cooperative development among members.

Fifthly, The Woreda Cooperative Officials provide training/awareness for management committee and members on the principles of cooperatives not only when the cooperatives are established but continuously since knowing the principles helps to identify what is expected of him/her and helps them to shoulder their responsibilities.

Sixthly, Cooperatives should be provided with access to credit and this can be done by interlinking the cooperatives and the financial institutions with the help of the Federal Cooperative Agency. i.e., as well as promising cooperatives should be identified by the agency and make them save a certain amount of money in the financial institutions and then provide them credit access after they save for certain period of time.

Seventhly, Transparent and timely appropriation of net profit distribution: according to cooperative proclamation No. 147/1998, the profit gained by the cooperative must be distribute to the members annually. It is evident from the study that half of the multipurpose cooperatives in the study area do not distribute the net profit to its members since 1997 E.C. it is understood that the members lost their confidence on their cooperatives and dissatisfied on the cooperatives undertaking, dividend has a power to motivate members' in order to increase members' economic benefits and satisfaction. Therefore, management committee and the board must understand the advantage of dividend distribution and distribute according to their participation and shares they have in their cooperatives.

Eighthly, further improving members' access to additional services: like supplying consumable items that are not found and that are to be significantly related to increase members' participation in cooperative. This calls for the importance of extending additional services by the cooperatives to their members towards improving their participation. The financial constraints' cooperatives often faces also calls additional members and the collaboration of other development stakeholders' in this regard towards meeting the credit demand of stakeholders.

Ninthly, buying additional share has great contribution for the development of cooperatives, so cooperative management committees should influence those members to buy additional share in the cooperative. It helps the cooperatives to develop their business activity.

Tenthly, the study finding indicates that majority of the members of cooperatives were male, one of the possible reasons why female do not participate in the activity was mainly due to pressure that came from their husbands and cultural barriers, hence education and training about cooperatives should be an important tool for both male and female, because it helps to improve the level of knowhow, awareness and importance about cooperatives, thereby enabling to increase the size of females members and creates supportive cultural environment for better participation of the members.

CONCLUSION

In this study, the researcher attempted to look in to the broader problems that affect the development of multipurpose primary cooperatives in broader perspective, in Ethiopia as well as in the study area specifically. The problems that affect the development of cooperatives during the past regimes' and the current one have been well assessed and presented, from review and view of those involved in the cooperative as stakeholders' in the study area. The study findings highlights that from the explanatory variables only eight variables: Professional management, Political interference, Information, Training, Dividend, Bylaws, Committees and Planning are the factors that hinder the development of multipurpose primary cooperatives have strong relationship with dependent variables and statistically significance positively and/or negatively at less than 10% probability level in the model.

The study findings highlights that the factors that affect the development of multipurpose primary cooperatives in terms of membership size, economic increment, service provision, awareness, overall performance by management bodies and irregularity and consistency of work schedules of members can bring sustainable development. The study attempts to analyze the factors that affect the development of multipurpose primary cooperatives societies, to assess the existing status of multipurpose primary cooperative and to overcome the problems that affect the cooperatives developments. The study finding indicates that majority of the members of multipurpose primary cooperatives were male, one of the possible reasons why female do not participate in the activity was mainly due to pressure that came from their husbands and cultural barriers or traditional attitude of environment for participation in the cooperatives activity, gender difference, lack of awareness of females due to home work factors and low educational background of women in cooperatives. It was found out that, multipurpose primary cooperative leaders have lack of knowledge of book keeping, lack of proper planning, and lack of meeting as per cooperative bylaws, mis utilization of resources, poor communication, and lack of Education. Lack of directing and lack of coordination. The leaders have poor quality of leadership and it brings to less development of their cooperatives. In light of the ICA cooperative principles, stated that cooperatives leadership must consider that it is the members who bring the cooperatives in to existence.

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