

The Effect of Members' Awareness on Cooperative: Is It a Reason for Failure? (Lesson from Agricultural Cooperatives in Abobo and Gog Districts, Gambella, Ethiopia)

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Abstract: *This is a review of research conducted on members' participation to assess members' basic awareness of cooperatives organized in Abobo and Gog districts of Gambella Regional State, Ethiopia. To understand the awareness problems of members, quantitative and qualitative methods were applied. Quantitative data collected through structured questionnaires and qualitative data collected by using focus group discussions. For the purpose of this study, first, Abobo and Gog districts with 14 agricultural cooperatives that have been existed for more than 5 years were selected purposively and then, census was used to cover 248 members of the selected cooperatives. To analyze the data, frequency, percentage, mean and standard deviations were used. The findings of this study revealed that members' lack of awareness about cooperative's concept, principles, values, rights and duties as members and the uniqueness of cooperatives with other forms of businesses were found to be the main reasons for the failure of agricultural cooperatives established in Abobo and Gog districts of Gambella Regional State, Ethiopia.*

Keywords: *Awareness, Cooperatives, Failure, Members, Abobo and Gog Districts.*

1. Introduction

In many developing countries throughout the world, people get their sources of food from agriculture. Ethiopia is one of the sub-Saharan countries that mainly depend on agriculture where its economic growth rely the agricultural sector which accounts 43% of the country's GDP, 90% of exports, and 85% of employment (ATA, 2012).

Agricultural cooperatives existing in many countries around the world face ineffective management, lack of market access, inadequate member commitment, insufficient finance and other relevant services (www.agriculture-my.coop).

Before the establishment of modern cooperatives in 1960, the spirit of self-help and cooperation has long been part of the farming community in Ethiopia. When communities face problems, they adopt ways of tackling these problems based on their values, culture and beliefs. Ethiopia introduced modern types of cooperatives in various areas of endeavor after the majority of African countries whose cooperatives were established by the Western powers during their colonization period (Ochan D. & Gnigwo G., 2016).

When the current (EPRDF) regime came to power after decades of more centralized economic policy, it planned market liberalization policy which is more democratic and decentralized policy and launched the formation of new Agricultural Cooperative Societies Proclamation No.85/1994 that restricted the government from negative interference in the internal affairs of cooperatives and initiates the organization of free and independent cooperatives (Wanyama, 2008).

The formation of these cooperatives is a strategic intervention by government in order to promote farmers participation in the supply chain and are helpful in overcoming access barriers to assets, information, services, inputs and output markets (Clegg, 2006).

The General Assembly of the United Nations, on the Declaration of 2012 as the "International Year of Cooperatives", it underlined the contribution of cooperative business model to economic and social development in many regions and countries, and to poverty alleviation under the slogan "cooperative enterprises help to build a better world", with the objectives: (a) to increase awareness among the general public on the contribution of cooperatives to the economic and social development in many countries, (b) to promote the creation of new cooperatives and the

growth of existing ones, with the participation of all the public and private players involved; and (c) to encourage governments and regulators to implement policies and regulations aimed at fostering the development of this business model (Eid, M. and Martínez-Carrasco, F., 2014).

Over 64,124 primary cooperative societies were registered in Ethiopia where 668 are found in Gambella Regional State. From 668 cooperatives, only 32 of them are agricultural cooperatives with a membership of less than 1500 that are established in Abobo and Gog districts (FCA, 2015). The numbers of cooperative societies are decreasing from time to time due to the failure of cooperatives in the selected areas.

Therefore, this study is designed to assess the cooperative members' awareness about the basic concept of cooperatives organized in Abobo and Gog districts.

Statement of the Problem

The current economic crisis in different areas and aspects, deeply reflect the economic system and the need to search for a type of model distinct from that of the dominant companies in the current market economy is very essential. Although the values and benefits of cooperatives enterprises are commonly recognized in terms of sustainability, they greatly remain the unknown form of the existing company models.

According to ILO (2012), lack of knowledge and understanding of the cooperative business model prevents it from being the first choice of an entrepreneur. Ochan D. (2015) in his study identified poor performance of regional cooperatives agency and other external factors as a basic sources for the failure of cooperatives in the region.

Do cooperatives really fail because of external factors in the selected areas? This is the basic question why this study is designed to assess the members' awareness of basic cooperative concepts in the agricultural cooperatives organized in Abobo and Gog districts of Gambella regional state.

Objectives of the Study

For the above identified research problem, the main objectives of this study are:

- To assess members' awareness of basic cooperative concepts in Abobo and Gog districts of Gambella region.
- To identify the basic reasons for the failure of agricultural cooperatives organized in the study areas.

Significance of the Study

Agricultural cooperatives are farmers based voluntary organizations that play an important role in reducing poverty, making employment opportunities, economic growth and improved living standard. Therefore, concerning this study, it will be important to address the problems of members' awareness of basic cooperative concepts in the selected districts and paves the way for these government and non-governmental organization that intervene in the development of agricultural cooperatives as partners. It will also help other researchers to use it as reference materials.

Scope of the Study

This study is specifically covered only agricultural cooperatives organized in Abobo and Gog districts of Gambella regional state and excludes other agricultural cooperatives organized in some parts of the region.

2. Research Methodology

Description of the Study Areas

This research was conducted in Abobo and Gog districts and they are located in the central and southern parts of the region. The areas were selected purposively since no adequate studies conducted on the general members' awareness about cooperatives.

The districts are found in the Anywaa Zone which has estimated total population of 152,247 in 2017 where 77,778 and 74,469 were males and females respectively. Both districts have 69,475 population where Abobo had 21,693 (11,183 males and 10,510 females) and Gog had 23,897 (11,107 males and 12,794 females) respectively (CSA, 2013).

Research Design

The design for this research is a mixed design of quantitative and qualitative research approaches to collect two different types of data. Descriptive research has used to describe the awareness characteristics of the member respondents which present specific details. It offers the researchers a description of relevant aspects of the phenomena of interest. On the other hand, explanatory method was used to encounter an issue that is already known and have a description of it which builds on exploratory and descriptive research to identify the reasons for something. It looks for causes and reasons (Creswell, J. W, 2008).

Sampling Techniques and Procedures

For the purpose of this study, Abobo and Gog districts were selected purposively to assess the

awareness of members about cooperatives due to the presence of more agricultural cooperatives in the areas than other districts in the region. Then, two different techniques were applied. First, 14 agricultural cooperative societies, seven from each district with total members of 248 that existed for five years and above were selected purposively. Secondly, census was used to cover all the 248 members for the purpose of this study.

Methods of Data Collection and Sources

Depending on the objectives of this study, primary data sources (members) were utilized by using structured questionnaires and focus group discussions (FGD) and secondary data were collected from relevant literatures and documents.

Methods of Data Analysis and Presentations

Based on the objectives of this study; data analysis was made depending on different approaches. In this research, quantitative data were analyzed by using main descriptive statistical tools (frequency, percentage, mean and standard

deviation) presented in the form of tables. On the other hand, the the collected qualitative data from FGD were analyzed and narrated in the researcher in the form of texts.

3. Results and Discussions

This part specifically presents the analysis and discussion parts of the results collected through survey from the respondent members and focus group discussions with leaders of the selected cooperatives organized in the two districts.

Demographic Characteristics of the Respondents

The demographic characteristics of the sample respondents selected for the study are sex, marital status, age and educational level. Hence, to analyze the socio-demographic characteristics of the respondents, simple descriptive statistics such as frequency, percentage, mean and standard deviation were applied.

Table 1: Sex and Marital Status of the Respondents

Variables	Sex		Total	
	Male	Female		
Marital Status	Single	41(80.39%)	10(19.41%)	51(20.56%)
	Married	117(69.64%)	51(30.36%)	168(67.75%)
	Divorced	22(75.86%)	7(24.14%)	29(11.69%)
Total	180(72.58%)	68(27.42%)	248(100%)	

Source: Own field survey, 2017

Sex of respondent refers to the biological differences between men and women. As presented in the table 1 above, results for sex of the 248 respondents show that 180(72.58%) are male and 68(27.42%) are female members respectively. Marital status refers to the fact of somebody's being unmarried (single), married or formerly married (divorced). From the above table 1, marital status of the respondents reveals that majority of 168(67.75%) are married which comprises

117(69.64%) males and 51(30.36%) females, followed by 51(20.56%) single with 41(80.39%) male and 10(19.41%) females and 29(11.69%) of divorced which comprises of 22(75.86%) males and 7(24.14%) females respondents respectively.

Therefore, the overall sector of agricultural cooperatives investigated in Abobo and Gog Districts of Gambella Region is a male dominated cooperatives compared to female members.

Table 2: Descriptive Statistics Results of Age and Educational Level of the Respondents

Variables	N	Mean	Min	Max	Std. Deviation
Age	248	31.58	18	53	8.94
Education	248	9.57	3	12	2.25

Source: Own field survey, 2017

Age refers to the length of time that the respondents lived until the date of this study which is measured in terms of years. Following the descriptive statistics results of age and educational level of the respondents presented in the table 2 above, the average age of the respondents is 31.58

with a standard deviation of 8.94 and a minimum and maximum age of 18 and 53 respectively.

Education as a principle established by the International Cooperative Alliance, is one of the most important principles of cooperatives.

Regarding educational level of the respondents, the above table shows that the average educational level of the respondents is 9.57 with a standard deviation of 2.25 and a minimum and maximum of 3 and 12 grades respectively.

Awareness

Awareness about cooperatives is an important indicator which defined as knowing something or having knowledge of something from having observed it or been told about it. So, for this study,

awareness is defined as the level of understanding and knowhow of the members towards the basic concept, principles, values, cooperative society's proclamation No. 147/1998, rights and duties and uniqueness of cooperative business. The members were asked agree and disagree questions regarding awareness about cooperatives and the results are presented in the table 3 below.

Table 3: Distribution of Respondents based on their Awareness of Cooperatives

Members' Awareness on:	Agree	Disagree	Total
Meaning of cooperative (as per ICA)	61(24.6%)	187(75.4%)	248(100%)
The 7 Principles of Cooperatives by the ICA	47(18.95%)	201(81.05%)	248(100%)
The 10 Values of Cooperatives	23(9.27%)	225(90.73%)	248(100%)
Cooperative Proclamation No.147/1998 of Ethiopia	136(54.84%)	112(45.16%)	248(100%)
Rights and Duties of Members	76(30.65%)	172(69.35%)	248(100%)
The Different Between Cooperative & Other Businesses	39(15.73%)	209(84.27%)	248(100%)

Source: Own field survey, 2017

As indicated in the table 3 above, respondents were asked agree-disagree questions to understand their awareness about cooperatives which they belong to. The results show that only 61(24.6%) of the respondents understand the true meaning of cooperatives defined by the ICA based on the principles and values whereas a majority of 187(75.4%) respondents did not understand the meaning of cooperatives.

The same result is true for the 7 principles (Such as voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community) and the 10 values (Such as self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others) of cooperatives. When respondents asked about their awareness of cooperatives principles, only 47(18.95%) of them have awareness about the 7 principles and the remaining 201(81.05%) have no awareness of cooperative principles. On the other hand, only values, only 23(9.27%) of the respondents know the 10 values of cooperatives and majority of 225(90.73%) never know the values of cooperatives.

Results of the same table above show that 136(54.84%) of the respondents have awareness about the existing cooperative societies proclamation No.147/1998 of Ethiopia and the remaining 112(45.16%) of the have no awareness about the current proclamation. Even though 50.84% have awareness, many do not know what exactly written in that cooperative society's proclamation No.147/1998.

As far as the rights and duties of members are concerned, only 76(30.65%) of the respondents know their rights and duties as per the proclamation No.147/1998 and the remaining 172(69.35%) never know their rights and duties.

Finally, results of the same table show that only 39(15.73%) of the respondents know the difference between cooperative and other forms of business and the remaining never know the difference between cooperative and other forms of businesses.

They consider cooperative as a profit oriented business entity like other types of business enterprises ignoring the service provision motive of cooperatives since they join them to get profit.

Results of Focus Group Discussions (FGD)

In order to conduct focus group discussion as proposed by the researcher, two different groups with a total of 14 respondents, each from every district (Abobo and Gog) were selected from the fourteen agricultural cooperatives. The information collected from the participants who joined the FGD was analyzed and discussed below here.

Causes of Members' Awareness Problem

Lack of Awareness Creation Programs

Encarta Dictionary defined awareness as knowing something or having knowledge of something from having observed it or been told about it. Education, training and information, as one of the principles of cooperatives, is the only principle that could be applied in order to create awareness about the general concept of

cooperatives including principles and values which cooperatives are based on.

Therefore, the responses of the selected members for FGD tell that the appropriate authority (Cooperative Promotion Agency) did nothing to promote the reasons and objectives why people are organized in different cooperatives at various parts of the districts. None of the FGD participants attended any awareness creation program since they formed themselves in different agricultural cooperatives.

Absence of Cooperative Trainings

Training is one of the principles of cooperatives which could improve the knowledge and skills required to upgrade the performance of the members. Training has been defined as the systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job (Michael Armstrong, 1997). As it was mentioned during the FGD, only six out of fourteen participants got training since the joined cooperative membership. The same is true when only few of the general members got training from agricultural cooperatives in the selected districts.

4. Conclusion and Recommendations

This part specifically presents the conclusion and recommendation of this research.

Conclusion

This study was conducted to assess the awareness of members about cooperatives organized in the selected districts of Abobo and Gog. Quantitative and qualitative methods were applied to collect the data from primary and secondary sources by using structured questionnaires, focus group discussion and review of relevant documents.

Two different sampling techniques were used. First, Abobo and Gog districts were selected purposively due to more number of agricultural cooperatives that have existed for more than five year than other districts. Secondly, census technique was applied to include 248 members of the selected 14 agricultural cooperatives. Then, data were analyzed using simple descriptive statistical tools such as frequency, percentage, mean and standard deviation and presented in the form of tables.

The demographic results for sex and marital status show that majority of 101(82.79%) and 78(63.9%) of the respondents were males and married members respectively. The result about members' awareness of cooperatives shows that except for the existence of Cooperative Societies

Proclamation No. 147/1998, over 70% of members lack general awareness about cooperatives.

Therefore, findings of this study revealed that members' lack of awareness about cooperative's concept, principles, values, their rights and duties as members and the uniqueness of cooperatives with other forms of business were found to be the reasons for the failure of agricultural cooperatives established in Abobo and Gog districts.

Recommendation

Training, education and information as a principle, have an essential role to play in increasing members' awareness about cooperatives. Therefore, based on the general findings and conclusion drawn from this study, Gambella Regional Cooperative Promotion Agency should conduct awareness creation programs through training and mass media to help people understand the basic knowledge (principles and values) and benefits of cooperatives.

5. References

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