

Addis Ababa University  
School of Graduate Studies

An Assessment of the Effectiveness of Consumer Cooperatives:  
The Case of Woreda1 Consumer Cooperative at Kirkos Sub-City in Addis Ababa

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**Addis Ababa University****School of Graduate Studies**

This is to certify that the thesis prepared by Getahun Begna, entitled: An Assessment of the Effectiveness of Consumer Cooperatives: The Case of woreda1 Consumer Cooperative at Kirkos Sub-City in Addis Ababa City Administration, Ethiopia and submitted in partial fulfillment of the requirements for the Degree of Master of Arts (School of Social Work) complies with the regulation of the University and meets the accepted standards with respect to originality and quality.

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## Declaration

I declare that “ An Assessment of the Effectiveness of Consumer Cooperatives: The Case of Woreda1 Consumer Cooperative at Kirkos Sub-City in Addis Ababa, Ethiopia is my work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Name: Getahun Begna

Signature: \_\_\_\_\_

May, 2016

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## **Abstract**

This research was aimed to assess the Effectiveness of Consumer Cooperatives: The case of Woreda 1 Consumer Cooperative in Kirkos Sub- City, Addis Ababa, Ethiopia. A quantitative research approach and a sample survey method were employed in order to accomplish the research objective. The data collection instrument was questionnaire. The respondents of study were; experts, consumer cooperative members, officials, employees, and customers. The main findings of the study were lack of the autonomy of the cooperative and the interference of local administration; poor governance and management; unable to provide basic goods adequately, timely and consistently were among others. These situations have affected the effectiveness of cooperative. At the end, the study recommends that all concerned bodies working to curb the poor governance and management problems of cooperative need to focus at micro and mezzo level intervention.

***Key words,** Clients, Cooperatives, Consumer cooperative, Effectiveness, Satisfactions*

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**List of Abbreviations and Acronyms**

AACA	Addis Ababa City Administration
Con- COOP	Consumer cooperative
COOP	Cooperative
CSA	Central Statistics Agency
FCA	Federal Cooperative Agency
GOs	Government Organizations
ICA	International Cooperatives Association
ILO	International Labour Organization
NGOs	Non-Governmental Organizations
SACCOs	Saving and Credit Cooperatives
SJ	Social Justice
SW	Social Work
UN –DESA	United Nations Department of Economic and Social Affairs

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## Chapter One: Introduction

According to McLeod (2006) cooperatives around the world are organized in sectors: agriculture, banking and credit, fisheries, health, housing, industry and services, insurance, travel and consumers. Michie and Blay (2004) stated that the member of a consumer cooperative is an individual person acting as a consumer. Therefore, the aim of consumer cooperatives is to meet the needs and aspirations of consumers. Accountability of managers of a consumer cooperative is to the consumers themselves and not to shareholders. Michie and Blay (2004) further describe, democratic accountability is direct because every individual member has a right to participate in general assemblies and elect and be elected to supervisory bodies.

International co-operative Alliance (ICA, 1995) values, which are articulated in a statement, include self-help, self-responsibility, democracy, equality, equity and solidarity. The values statement further articulates values of personal and ethical behavior that cooperators actualize in their enterprises. They describe the kind of people cooperators strive to be and the traits they hope to encourage through cooperation. These are honesty, openness, social responsibility and caring for others. Hill (2000) states, 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. ICA defines a cooperative as an autonomous association of persons united voluntarily to meet their Common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise.

According to ICA (1995) the seven internationally recognized cooperative principles are: voluntary and open membership; democratic member control; member economic participation;

autonomy and independence; provision of education, training and information; cooperation among cooperatives; and concern for the community. That means cooperatives are organizations for mutual benefit, where members own, control and benefit from the co-operational output. Cooperative Future (2006) states, the objective are to first and foremost serve members' interests, rather than that of capital invested and to adopt democratic control for socio-economic output, to make distinctions between cooperatives and other forms of business. Cooperatives are based around the concepts of self-help, self-responsibility and self-organization (FCA,2008c).

## **1.2. Cooperative Movement in Ethiopia**

There are various types of Cooperatives in Ethiopia. From historical point of view the modern form of cooperatives started during the ruling era of Emperor Haile Selassie. According to Veerakumaran (2007) in 1960 Emperor Haile Selassie announced the first legislative called "Farm Workers Cooperatives Decree" was declared as Decree No.44/1960 with the objective of acceleration and development of agriculture in the Ethiopian economy. This decree had its own limitations then another new Cooperative society Proclamation No.241/1966 was to come to effective with consideration of previous Decree's short comings. After the overthrow Emperor Haile Selassie, Cooperative Societies Proclamation No. 138/1978 was issued. Agricultural Cooperative Societies Proclamation No.85/1994 was introduced to serve only agricultural cooperatives, with an aim to achieve improved living conditions to its members. The government has taken serious measures after 1996. Veerakumaran (2007) A proclamation No. 147/ 1998 to provide for the establishment of cooperative societies had been also declared by the Federal Government to bring all types of cooperative societies under one umbrella. This proclamation aimed to achieve self-reliance to its members, to improve living standards of its members .Later

on the Federal Cooperative Commission (the currently Federal Cooperative Agency) based on proclamation no. 274 / 2002 was established in 2002 . The latest proclamations let cooperative free organization as it includes international cooperative principles and some privilege from the government. Government established cooperative supporting institution, cooperative promotion bureau from federal to Woreda level.

According to Veerakumara (2007) the modern cooperative movement started in Ethiopia during the Imperial period. National Community Development was responsible for the formation and promotion of cooperatives in Ethiopia during this time. With regard to the current status of the cooperatives in Ethiopia, cooperatives are classified on the basis of activities in which they are engaged. McLeod (2006) mentioned that cooperatives could engage in a single activity, such as production; or could be involved in multiple activities. Accordingly, there are cooperatives of producers, marketing, consumer, handcrafts, mining, housing, construction, and services. To support such institutions, the government established federal and regional cooperative institutions that facilitate the structure of cooperatives. The Federal Cooperative Agency (FCA) was organized at the federal level to provide support and capacity building services to regional cooperative institutions. The FCA is the highest government structure for cooperative promotion in the country. FCA has a mandate to supervise the appropriate implementation of legislation for cooperatives; plan cooperative policies and legal procedures consistent with the international conventions on cooperatives; ensure policy coherence between cooperative policy and the broader policy environment (FCA, 2008b).

### 1.3. Statement of the Problem

Consumer cooperatives or associations are recognized channels through which consumers themselves enforce their rights in the exchange process. International Co-operative Alliance, (Geneva 1995) mentions, a cooperative is a unique form of business used by people and businesses for their mutual benefit. Recognition of a common need is fundamental to the formation and successful operation of a cooperative (FCA, 2007b).

Consumer cooperatives are organizations that are actually owned by the consumers who choose to be members of the cooperative venture known as cooperative retail societies in some countries. Cooperative Future (2006) explains, these cooperative enterprises often appear to function just like any other type of business. Usually, a consumer cooperative is not about making huge profits, although some funds above cost are necessary in order to grow the operation. According to Roy (1980) the main focus is to supply members with products they can use at prices they can afford, even while pursuing whatever objectives in terms of community service or other goals that the members of the cooperative have defined as part of the reasons for the cooperative's existence. The need for consumer protection arises because of the exploitation of consumer and the denial of consumer' rights in the absence of strong protective measures. Government has a great role to play in encouraging consumer movement. According to Michie and Blay (2004), given the fact that consumer protection rights are largely influenced by the interactions between public and private actors in the consumer protection law . There is a need for a public awareness campaign to make people more aware of the potential of cooperatives and for their current contribution both in social and economic terms, and for the embedding of cooperative studies in the school and university curriculum.

The Government of Ethiopia established federal and regional cooperative institutions that facilitate the organization of cooperatives. The Federal Cooperative Agency (FCA) is organized at the federal level to provide support and capacity building services to regional cooperative institutions. The FCA is the highest government structure for cooperative promotion in Ethiopia. FCA has a mandate that includes:

- Overseeing the appropriate implementation of legislation for cooperatives;
- Designing cooperative policies and legal procedures consistent with the international conventions on cooperatives;
- Ensuring policy coherence between cooperative policy and the broader policy environment.

According to Kifle Tesfamariam (2015), the challenges of Cooperative Movements in Ethiopia are that People are not well informed about the objective of the movement, the contributions it can make in rebuilding the society. At the same time the committee members elected by the general assembly to lead the affairs of the societies for fixed period do not have the necessary capacity to bring good governance of cooperatives (FCA2008a). Kifle Tesfamariam (2015) also mentioned that cooperatives have not yet provided demand driven products that could address the needs of their members in spite of their better outreach to the grass roots.

According to Federal Cooperative Agency (2014) there are 10 consumer unions and 146 cooperatives in Addis Ababa City Administration , Altogether, these consumers' cooperatives had a capital of ETB 14,909,265 birr. These consumers' cooperatives were established mainly to

supply consumable goods at fair prices for members and other consumer's. The previous studies have not discussed much about the absence of protection policy, about their effectiveness in meeting the set objectives, and satisfaction of consumers. Also, different literatures mention that consumer co-operatives supposed to be run for the benefit of members who are their customers. However, not much research has done to show whether these consumer cooperatives are effective or not to meet the needs from the consumer's perspectives. So this study will try to fill this gap. Moreover, as far as distribution of basic goods are concerned the Trade competition and consumers' protection proclamation No.813/2013 article 26 stated that "The Ministry with other concerned government organs may determine the conditions of distribution, sale, and movement of basic goods and services and, as may be necessary order business persons to replenish stocks of same." yet, this article does not mention the action to be taken if the cooperatives fail in addressing the demands of the users particularly with basic commodities such as wheat flour, oil, sugar and other food items.

The study assessed the factors affecting the performance of cooperatives in Addis Ababa. Also the findings of the study would help cooperative societies that are affiliated to the cooperative to be aware of the activities of the consumer's cooperative. The significance this research study would contribute to filling the existing research gap. Moreover, this study will also be essential to the field of social work and social policy because it intends to describe and raise awareness of the problems of consumer's cooperatives situations in Addis Ababa. What sets this study apart from previous studies is that it strives to depict the different perspectives that can provide possible explanation for the occurrence of the problem, notably by highlighting the individual and structural factors working to forge its advent. Then, this research will produce

empirical data based knowledge about the relevance and effectiveness of consumer cooperatives that informs policy and programmatic actions in order to improve their services in the future.

#### **1.4. Purpose of the Study**

The purpose of this study was assessing the effectiveness of consumer cooperatives .Performance assessment is a vital way for improving the effectiveness of any organization. Thus, it is necessary to evaluate the effectiveness of the Cooperatives under study to see whether they are doing in line with what they were meant for.

#### **1.5. General Objectives of the Study**

The general objective of this study was assessing the effectiveness of the Consumer cooperatives in Woreda 1, Kirkos Sub City, in Addis Ababa City Administration.

##### **1.5.1. Specific Objectives of the Study**

Having the above general objective, the study will address the following specific objectives

- To identify major benefits consumer cooperatives provide for their members.
- To assess factors that are constrain or facilitate for the successful operation of Consumer cooperatives
- To explore the effectiveness of consumer cooperatives in achieving their objectives
- To assess the rate of consumers' satisfaction on the services of consumer cooperatives to which they are members

- To suggest some strategies for making cooperatives effective and for promoting their relevance to the public

## **1.6. Main Research Question**

What is the extent of the effectiveness of Consumer cooperatives?

### **1.6.1. Specific Research Questions**

- What are the benefits that consumer cooperatives provide for their members?
- What factors constrain or facilitate the operation of Consumer cooperatives?
- How effective are consumer cooperatives in achieving their objectives?
- What is the rate of consumers' satisfaction on the services of consumer cooperatives to which they are members?
- What are the strategies for making consumer cooperatives effective and for promoting their relevance to the public?

## **1.7. Significance of the Study**

The significant of the study was to understand the consumer's cooperatives effectiveness from the user's perspectives. Moreover, the study may be, important in any endeavor to modify consumers related legislations; simplify and harmonize consumers cooperatives services; provide training to their members; resolve difficulties with goods, services and other relevant institutions .Another reason why consumers are not adequately protected by the Consumer Protection Law can be explained by whether they are willing to actively seek legal remedies. This is

fundamentally a question of how ordinary people understand and make use of law in their everyday life.

In addition the following points are important to mention;

- Provide valuable information for the decision makers in order to plan or to modify the existing consumer protection law.
- The result of this research work will help the government body to be aware of the basic challenges and consequently to take corrective measures apart from using it for designing policies, promotional and supervisory activities.
- Increasing awareness of decision makers in the perspectives of members
- Motivate other researchers to conduct study on a wider scope and geographic coverage on the so far untouched areas of consumer cooperatives.
- Finally, the outcome of this study can offer an opportunity for further study related to consumer cooperatives in the future.

### **1.8. Scope of the Study**

The study was focused on economic and social aspects of Consumer cooperative effectiveness in Addis Ababa Kirko's sub-city, Woreda 1. This sub-city has comprised 11 Woreda's (District's). Kirko's sub-city covers a surface area of 1,472 hectare and has a population size of about 220,991 (CSA,2007). The sub-city is one of the densely populated sub-cities in Addis Ababa with a population density of 150 persons per hectare. The study was paid attention on Woreda 1 which was selected for this study with densely populated (10,217 people) and low income household areas and also homogenous amongst the eleven Woredas in the

Kirko s sub city. Woreda 1 is characterized by a combination of modern buildings and old residential settlements.

### **1.9. Limitation of the Study**

The major limitations of the study were time and finance constraints. To carry out these types of research, obviously time is the most invaluable input and of course budget is the other fundamental issue. So in conducting the research a lot of ups and downs may be there. Besides, there were no adequate written sources on consumer cooperatives.

### **1.10. Operational Definitions**

**Accessibility:** Appropriate location of consumer coop for all clients to use the services

**Adequacy:** Sufficient to all clients or matching of demand and supply

**Accountability:** Taking an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the members it represents.

**Business knowledge exposure:** Getting business experience or skill by working in consumer cooperatives enterprises.

**Client:** Consumer or buyer of consumer coop frequently as member the consumer-coop or not for more than two years in the study area.

**Consumer cooperative:** Organization that is actually owned by the consumers who choose to be members of the cooperative venture for their mutual benefit sometimes Known as cooperative retail societies or retail co-ops in some countries. In this case consumer cooperative who provides basic commodities and other services to its members and users.

**Customer satisfaction:** Is a measure of the degree to which a product or service meets the customer's expectations in terms quality, adequacy, timely, fair prices etc...

**Effectiveness:** The notion of how effectual an organization is in accomplishing the results the organization aims to generate at the end of overall activities accomplished .

**Fair prices:** Reasonable prices or affordable to all level users

**Facilities:** Availability of required places based on demands of users

**Performance:** An ability of the organization to represent itself to the outside, using the performance indicators that characterize activities and achievements of the company in relation to its goals, thus creating an overall opinion about the organization

**Promotion:** Informing the public about the importance of c-coop to protect the interest of its members from unfair market situations

**Providing Job:** Creating an employment opportunity from c- coop members and others

**Service quality:** The totality of features and characteristics of service that bear on its ability to Satisfy stated or implied needs

**Timely:** Make available when there is appropriate high demand of users for it

### **1.11. Organization of the Study**

The whole study will be comprised six chapters with different sections and sub-sections. Chapter one deals with the general introduction of the work with special emphasis on the background of the study, statement of the problem, general and specific objectives of the study, research questions, significance of the study, scope and limitation of the study and the organization of the study. Chapter Two reviews the most significant theoretical and empirical studies of other writers or what other people have worked on the topic of consumer cooperatives. Chapter three focuses on the methods of the study. Chapter four also deals with of the finding of the study and Chapter five deals with analysis and interpretation results of the study. Finally, Chapter six deals with conclusion, Implication and recommendations.

## Chapter Two: Literature Review

The purpose of a literature review is to organize existing literature, in order to demonstrate to the readers what has already been accomplished in the field, and to identify knowledge gaps and areas that need further research. This section of the study is a review of existing research on Cooperatives.

### 2.1. Cooperative Movement

A cooperative is a collectively owned firm established to further the wellbeing of its members. Roy (1980) has described it as a form of free enterprise that is oriented toward service rather than financial profit. There are many types of consumers' cooperatives like health care, insurance, and housing cooperatives as well as credit unions, agricultural and utility cooperatives. Cooperatives started as an urban consumer retail enterprise but later spread to rural areas amongst farmers. During the latter part of the nineteenth century, the concept engulfed several parts of Europe and North America. Early in the twentieth century, the cooperative movement spread to India and gradually to other Asian and African countries, mainly courtesy of the colonial administrators. Presently, the cooperative form of business organization is an international movement. Although some associate it with socialist or communist countries.

Roy (1980) has discussed above the spread of cooperatives and the basic aim of the cooperative movement which is intended to improve the economic welfare of the members. Roy stressed forming co-operatives people can contribute funds to provide themselves with facilities, which as individuals they would not afford. According to him, it is a suitable way of encouraging the common people to participate in the economic development of their local area and the

country. However, the author does not say much about the effectiveness of those cooperatives in general and consumer cooperatives in particular.

According to Barton (1989) Cooperatives can be seen as a specific form of social movements. Generally, cooperatives are formed as a result of a form of group action called economic integration, which includes horizontal and vertical integration One of the main motivations for forming cooperatives has been the need for an organizational model that recognized and unified both the distinctive and common interests of producers and consumers (Mooney 2004).

Furthermore, Mooney (2004) argues that cooperatives' ties to place hold potential for the renewal of community. As we face an increasingly global economy, cooperatives offer direct participation in economic life and it provides members with moral claims fundamental to the establishment of community (Etzioni 1993).

### **2.1.1. Cooperatives Movement in Africa**

According to Develtere (2008) Cooperatives in most African countries have their origins in the colonial period. The colonial governments used the formation of these organizations for the purposes of achieving the interests of the colonial state, rather than the interests of the colonized people. The main intention in establishing these organizations was to enable the government implement its socio-economic policies. For instance, the British, particularly in their settler colonies, wished to promote and protect the interests of white settler farmers, so as to enhance productivity in order to generate the income needed to run the affairs of the colonies and also to export cash crops to Britain that were required to fuel industrialization. Therefore,

cooperative development started among white expatriate farmers as a means of improving their productivity.

According to the above literatures the establishment of the cooperatives in colonized African at the time was intended to serve the interest of the colonial government. That means there were no mutual benefits among the cooperative members themselves. In my view, the local community and members were not in a position to use the results of their effort in the name of cooperative. Therefore, it may be possible to say that it was not effective in terms of the service delivery to the local users.

### **2.1.2. The Need of Cooperation**

Co-operation emerged in different countries among people with different economic interests and for performing different economic functions (Etzioni 1993). A co-operative society is an association for the purpose of joint trading, originating among the weak and conducted always in an unselfish spirit, on such terms that all, who are prepared who assume the duties of membership, may share in its rewards, in proportion to the degree in which they make use of their association. International Co-operative Alliance, (Geneva 1995) - has defined that- A co-operation is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly owned and democratically controlled enterprise,

According to ILO (2002) the principles of co-operation have changed from time to time to cover the changing environment and conditions so that the co-operative movement may become more meaningful and purposeful. However, the modern formal co-operative movement

dates back to Rochdale principle, a set of rules which they adopted even today effectively guide the philosophy and conduct of co-operative societies all over the world.

As far as consumer cooperatives in Ethiopia is concerned there are not adequate literature recourses available, however, the general term cooperative serves for the purpose of literature review of this paper.

### **2.1.3. Cooperative Principles**

A cooperative is defined by the International Cooperative Alliance as a group of people who join together in a common undertaking, in accord with the six principles that are as follows (ICA, 1999):

- (i) Membership is open and voluntary.
- (ii) There is democratic control, usually on the basis of one man, one vote.
- (iii) Interest on share capital is limited.
- (iv) There is equitable distribution of any surplus, usually in proportion to transaction with or work done in the society.
- (v) Cooperatives devote some part of their surpluses to education.
- (vi) . Cooperatives cooperate among themselves.

Thus the cooperative process is basically an interaction between: (a) cooperatively committed members, (b) cooperative values inherited from the past and expressed in principles,

(c) practical cooperative structures, also inherited from the past, and (d) the institutional environment where cooperatives operate.

#### **2.1. 4. Collective Actions of Cooperatives**

Collective actions of cooperatives are more effective than separate actions of individuals. Destahun (2007) states, through cooperatives, individual households and communities can create opportunities for themselves, find a productive work that not only facilitate their wellbeing and stability but also give them the support they need to improve their lives and remain active in civil rights and political arenas. Data compiled by International Cooperative Alliance (ICA, 2001) indicated that cooperatives have increasingly become the sources of secured employment and income for millions of the world's population. Over 800 million people are members of different cooperative societies in the world (ICA, 2000 cited in Mekonnen et al., 2007). Cooperative members are regarded as owners and users of the cooperatives services and products, since they participate in the set up of the share capital, while also being the beneficiaries of their activity(ICA, 2001). As compared to private companies, cooperatives are hybrid alternative business entities mainly due to the democratic governance mechanisms(Williams, 1985).

#### **2.1.5. Cooperative in Ethiopia**

The history and development of cooperatives in Ethiopia started with traditional cooperatives associations in the form of Iqub, Idir and debbo. Bezabeh (2009) explains these terms as follows; Iqub is an association of people having common objectives of mobilizing resources, especially finance, and distributing it to members on rotating basis. Idir is an association of people that have the objective of providing social and economic insurance for the

members in the events of death, accident, damages to property, among others. In the case of funeral, Idir serves as funeral insurance where community members elect their leaders; contribute resources either in kind or in cash and support the mourning member. Debbo is an informal association in which the members cooperate each other in some activities which could not be possible for individual action like in case of harvesting of crop. Bezabeh (2009) describes that Cooperatives in Ethiopia are classified on the basis of activities in which they engage. The cooperatives could engage in a single activity, such as production and marketing; or could be involved in multiple activities. Accordingly, there are producers' cooperatives, marketing cooperatives, SACCOs, consumer cooperatives, handicrafts cooperatives, mining cooperatives, housing cooperatives, construction cooperatives, multipurpose cooperatives and services cooperatives, among others

The first cooperative organizations were established in Ethiopia in the 1950s (Couture *et al.*, 2002). The first proclamation on cooperatives was issued in 1961 (FCA, 2005). During Emperor Haile Selassie's regime, cooperatives were few in number and were less recognized. They were mainly engaged in production of industrial crops, such as tea and spices. Members of cooperatives at the time included limited numbers of producers of these crops and land owners. These were mainly established by coffee and sesame producers. Also, savings and credit cooperatives (SACCOs) were organized by employees of Ethiopian Airlines, the Light and Electric Power Authority, the Commercial Bank, the Highway Authority and Telecommunications. One study indicates that there were about 149 cooperatives in 1974. They consisted of 94 multipurpose cooperatives, 19 SACCOs, 19 consumers' cooperatives and 17 handicrafts cooperatives (Chalchissa, 2000). The cooperatives were active during the Derg

regime from 1974 to 1991 (Dorsey & Tesfaye, 2005). The activities of cooperatives during the *Derg* regime were completely different from those of Western-type cooperatives because they were based on Marxist principles. Also, according to Bezabeh (2009) the *Derg* and the current governments of Ethiopia have given special recognition to the cooperatives in Ethiopia. Bezabeh further stated that the *Derg* regime believed cooperatives as a mass movement that could ensure fair mobilization and distribution of resources. They were thus taken as tools for planning and implementation of socialist policies. Cooperatives were, therefore, established to achieve these objectives. It was in the same vein that cooperatives would also be used as a means to mobilize community support for the ruling party. Bezabeh (2009) during the *Derg* regime, this was more conspicuous as cooperatives were forced to operate in line with socialist principle, where production and marketing of produce were done collectively and members pooled their land resources under communal tenure. The *Derg* government claimed that the objective of cooperatives was to bring an end to capitalist exploitation and to prevent the re-emergence of capitalism in agriculture (Desalegn, 1990).

Bezabeh (2009) in 1998 the activities of cooperatives were formally revitalized by the Cooperative Societies Proclamation No. 147/1998. The Proclamation defines cooperatives as organizations formed by individuals on voluntary basis, and states that they participate in the free market economic system. This indicates the different nature of the new cooperatives from the system of the previous regime. Based on source obtained from Federal Cooperative Agency, (Kifile, 2015) indicates the trends of cooperatives development in Ethiopia and their distribution and number of co-op unions by type and capital, 2014. In Ethiopia the number and diversity of cooperatives increase rapidly. There are 311 cooperative unions with a total number of primary

cooperatives of 8,909 and a capital amount of 2.3 billion birr. Out of this number 146(47 %) are multi-purpose cooperatives followed by saving and credit cooperatives 88(28.3%) and consumer cooperatives 22 (7 %). The cooperative societies in Ethiopia are playing multi-functional role both in rural and urban areas. Primary cooperatives created 76,956 employment opportunities in the country (FCA, 2009). The free market economic system posed challenges of poor bargaining power and competitiveness for smallholder farmers, resource poor youth, who aim to enter into business operation and poor consumers due to limited financial resources, limited skill and capacity, fragmented efforts, etc. FCA (2009) thus, collective efforts through cooperative organization have been chosen by many of the disadvantaged groups to increase their benefits from the liberalized market system. Cooperatives in Ethiopia are mainly economic entities performing economic functions, contributing a lot to economic development of the country and are believed to contribute more to the living standard of members and the community as a whole.

According to Bezabeh (2009) modern cooperative was evolved from the traditional forms of cooperative. The cooperative actions of modern cooperative are based on voluntary agreements by the individual actions. The voluntarism is the main tenet of modern acts of cooperative. The rules and modes of actions of working together are different from one instance to another. The Traditional cooperative on the other hands, the examples are mutual assistance which combines customary arrangement for securing assistance from neighbors on the occasions and events such as birth celebrations, death/funeral ceremonies and assistance to the injured or sick.

## 2.1. 6. Consumer Cooperatives

According to Etzioni (1993) consumer cooperatives are those whose individual members are consumers. This means that the member of a consumer cooperative is an individual person acting as a consumer. Therefore the aim of consumer cooperatives is to meet the needs and aspirations of consumers. ICA (2001) also stated that through their democratic governance structures consumer cooperatives are in a privileged position to understand and address the real concerns and expectations of consumers. Consumer cooperatives are enterprises owned by consumers and democratically controlled by them, aiming at fulfilling the needs and aspirations of their members, who cannot be confused with shareholders. Consumer-members, as all co-operators, have come together to fulfill their economic, social or cultural needs and aspirations, not to maximize profits. Nilsson (2001) noted that the outlets they run are a means to deliver high-quality goods at affordable prices to themselves and the community at large. Among the member's aspirations is the genuine contribution to community development, respect for people and society progress. Socially responsible actions and behavior are hence of the utter importance for them and not a marginal commitment. Today, the great majority of African countries have enacted modern cooperative laws which fully respect the universal principles of the ICA and the policy orientations of ILO Recommendation 193, consumer cooperatives; other types of cooperatives, such as credit unions, often operated below the radar screen of government attention, and therefore enjoyed a much greater degree of autonomy (ILO, 2014). The presence of consumer cooperatives is also increasing. In Cape Verde, two thirds of cooperatives consist of consumer cooperatives in Egypt, this sector is equally growing as fast, with a consumer cooperatives' federation reporting membership of 4,320 consumer shops (Aal, 2008). According

to FCA (2009) In Ethiopia, a special increase has been witnessed in the number of consumers' cooperatives formed in Addis Ababa City Administration, mainly in response to the high cost of goods and services that occurred due to increases in commodity prices during 2007/08. Of the 159 total consumers' cooperatives in service in the Addis Ababa, 115 are newly registered consumers' cooperatives that have been established for less than one year and only few of them are operational. Consumers' cooperatives are growing in other regions as well (Bezabih, 2009).

## **2.2. Theoretical Framework**

According to Tan et al (2009) innovation within firms surrounding these three interwoven perspectives are a series of important conceptual and theoretical constructs that need to be considered. These are:

- A. The need to build member identity and commitment with the co-op;
- B. The need to build social capital from the co-op;
- C. The need to build sustainability within the co-op.

### **2.2.1. The Social Importance of Capital for Cooperatives**

Durlaue. S and Fafchamps.M (2005) Social capital has been defined in a number of ways and according to categories social capital by distinguishing the external bridging and internal bonding aspects and the individual and collective aspects of social capital. One of the key ideas of Social Capital is the relationships and the value that is embedded in them. (Woolcock and Narayan (2000)

Coleman (1988) as cited by , Durlaue. S and Fafchamps.M (2005) social capital can be described as mutual trust and how effectively people works together, i.e., transaction costs are lowered because informal self-enforcement of contracts can take place without third party enforcement. Because agents in this way can save monitoring and transaction costs, social capital may also be regarded as a new production factor alongside the traditional ones of human and physical capital. Social capital is an essential element in the formation and sustainability of the co-operative enterprise.

As noted by Peredo and Chrismann (2006) it is important for social enterprises to draw upon the trust, norms and networks associated with social capital in order to facilitate their activities. Social capital takes two forms: i) bonding the interconnection between people of a like kind within the immediate community; and ii) bridging the connection with people from outside the immediate community who are not alike.

Birchall (2011) notes that both kinds are necessary to ensure the best outcomes and where communities possess high levels of social capital co-operatives tend to flourish, but where social capital is low they do not. Birchall and Simmons (2004) propose a mutual incentives theory' to help explain why people engage in co-ops. This draws together individualism and collectivism, the first from social exchange theory and the second from theories of social cooperation.

### **2.2.2. Cooperative Member's Satisfaction**

A member's satisfaction with the co-op is likely to be determined by the same factors that are known to influence a consumer in a wider business context. As Gronroos (2001) pointed the role played by technical quality and functional quality, as well as expected and perceived service

levels in determining customer satisfaction. Technical quality is a measure of what is done or the service received. Function quality is a measure of how the service is performed.

Yang and Peterson (2004) found that improved consumer satisfaction can lead to consumer's loyalty. Employees must possess the required knowledge and skills while answering customer queries. In this way employees can contribute to consumer satisfaction with their service. Consumers evaluate service outcomes on the basis of their prior expectations and given specifications of a service. Service outcome could be positive or negative based on a comparison between actual service provided and consumer's expectations. Consumer's perceived value is a significant factor that influences consumer satisfaction. Chen (2011) explains, a large number of companies neglects to evaluate employee's motivation level while conducting consumer satisfaction surveys however many studies have confirmed that employees are internal customers and their satisfaction contributes to the overall consumer's satisfaction and organizational performance. Employees must have the ability to understand and solve specific needs of the consumer in a courteous manner. Simon and DeVaro (2006) argued that investment in developing motivated employees is an expense for the firm which will benefit the organization in the long run as it improves employee efficiency and quality of the service.

### **2.2.3. Organizational Effectiveness Model**

It is important to know the organizational effectiveness models in order to study the effectiveness of consumer cooperatives. There are a number of models have been developed to capture the richness of the organizational effectiveness. Composition of people which formulate independent business identity for some specific purpose is commonly known as organization and

getting desired outcome within defined resources is treated as effectiveness. Robbins (1983) says, organizational effectiveness requires multiple criteria, it must consider both means and ends..

### **2.2.3.1. Goal Model**

According to Goodman et al. (1977) Goal model is the most common theoretical perspective on effectiveness. The traditional model relies on a vision of the organization as a rational set of arrangements oriented toward the achievement of goals. With this regards, effectiveness is measured in terms of accomplishment of outcomes. Hence, the focus is exclusively on the ends: achievement of goals, objectives, targets, etc. The goal model defines effectiveness as the degree to which an organization realizes its goals. The effective organization is one in which goals are responsive to the environment, optimization of multiple goals is pursued, and employees are contribute to meeting those goals.

### **2.2.3.2. System Model**

According to Yuchtman and Seashore ( 1967) the system model, while not neglecting the importance of the ends, emphasizes the means needed for the achievement of specific ends in terms of inputs, acquisition of resources and processes. The conception of the organization is grounded in the open system approach whereby the inputs, transformation process and outputs are considered part of a whole and not independent component. An organization is effective to the extent that it can obtain needed resources from its environment.

### **2.2.3.3. Strategic-Constituencies Model**

Colon and Deutch (1980) noted that this model broadens the scope of the two previous models by adding the expectations of the various powerful interest groups that gravitate around the organization according to Connolly. Thus, the organization is perceived as a set of internal and external constituencies that negotiate a complex set of constraints, goals and referents according to (Goodman et al. 1977). That is, the owners, employees, customers, suppliers, creditors, community and government represent interest groups that must be satisfied in order to ensure the effectiveness and survival of the organization.

#### **2.2.3.4. The Contradictions Model**

Robbins (1983) with regard to measuring or organizational effectiveness different writers use various approaches such as Human Relations Model, Open Systems Model, Internal Process Model and Rational Goal Model, whether the organization is effective or not. Each model has its own indicators depending on the situation of the research nature that to be conducted. The idea of trying to characterize a whole organization as totally effective or ineffective is problematic. In any organization there may be parts of the organization that function well and suggest effectiveness while other aspects of that same organization perform poorly.

The following four Central Assumptions of the Contradictions Model are good example :

1. Organizations face complex environments that place multiple and conflicting demands and constraints on them. It may not be possible to succeed in meeting all the environmental conditions an organization faces.
2. Organizations have multiple, conflicting goals. It is impossible to maximize achievement of all goals.

3. Organizations face multiple internal and external stakeholders or constituent groups that make competing or conflicting demands. It may be impossible to satisfy all groups of people who express interest in a company.
4. Organizations must manage multiple and conflicting time demands. Satisfying short- or long-term demands at the expense of the other may result in sub-optimal performance.

### **2.2.3.5. Services**

Kotler and Keller (2009) define service as service is any act and performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Zeithaml et al (2006) they define services as Services are deeds, processes and performances. They elaborate their definition as- all economic activities whose output is not a physical product and construction, is usually consumed at the time it is produced, and provides added value in forms that are essentially intangible concerns of its first purchaser. In today's economy, service is everywhere and it has increased in importance over the last decade with the advent competition. Intense competition, encouraged by deregulation in both the financial and professional markets as well as the application of modern technology, has fuelled this growth. Fitzsimmons (2008) a service is a time perishable, intangible experience performed for a customer acting in the role of co-producer.'

### **2.2.3.6. The Elements of Good Service**

In customer oriented business customer plays an important role as they are the main parts who buy the services and if they like the service than become a repeat customer and also bring

new customer. Isoviita and Lahtinen (1994) put in plain words, thus service should be provided in a way of service package, from the customers' point of view, of good quality. Good service includes four elements, providing service, service package, service quality, and service culture. If any of these elements break the service system the total service will be incomplete.

### **2.2.3.7. Providing Service**

Isoviita and Lahtinen (1994) mention that when service provided to the consumer's three main elements participate in the service production. These are service environment, contact personnel, and other customers. Hence, providing service is actually a series of activity of these three elements. In the service providing activity some customer participates actively by sharing suggestion or giving positive and negative feedback to the personnel; other remains passive like let the personnel do their own job (ILO, 2002). Thus each customer needs be served differently but should be served with equal respect. Contact personnel may be distinguished in two groups, both continuous and direct contact with the customer or seldom and infrequently in contact with the customer (ICA, 2001).

### **2.2.3.8. Quality Service**

Kasper and Gabbott (2006) define service quality is a complex and ephemeral concept which refers to some attribute of what is offered, provided whereas satisfaction or dissatisfaction refers to a customer's reaction to that offer. Zeithaml et al. (2006) refer service quality focuses specifically on dimensions of service. Service quality is the totality of features and characteristics of service that bear on its ability to satisfy stated or implied needs. Employees play a vital role in shaping the perception of customers carry in their minds with regard to any company through their actions and behavior. To achieve higher service quality and employee productivity

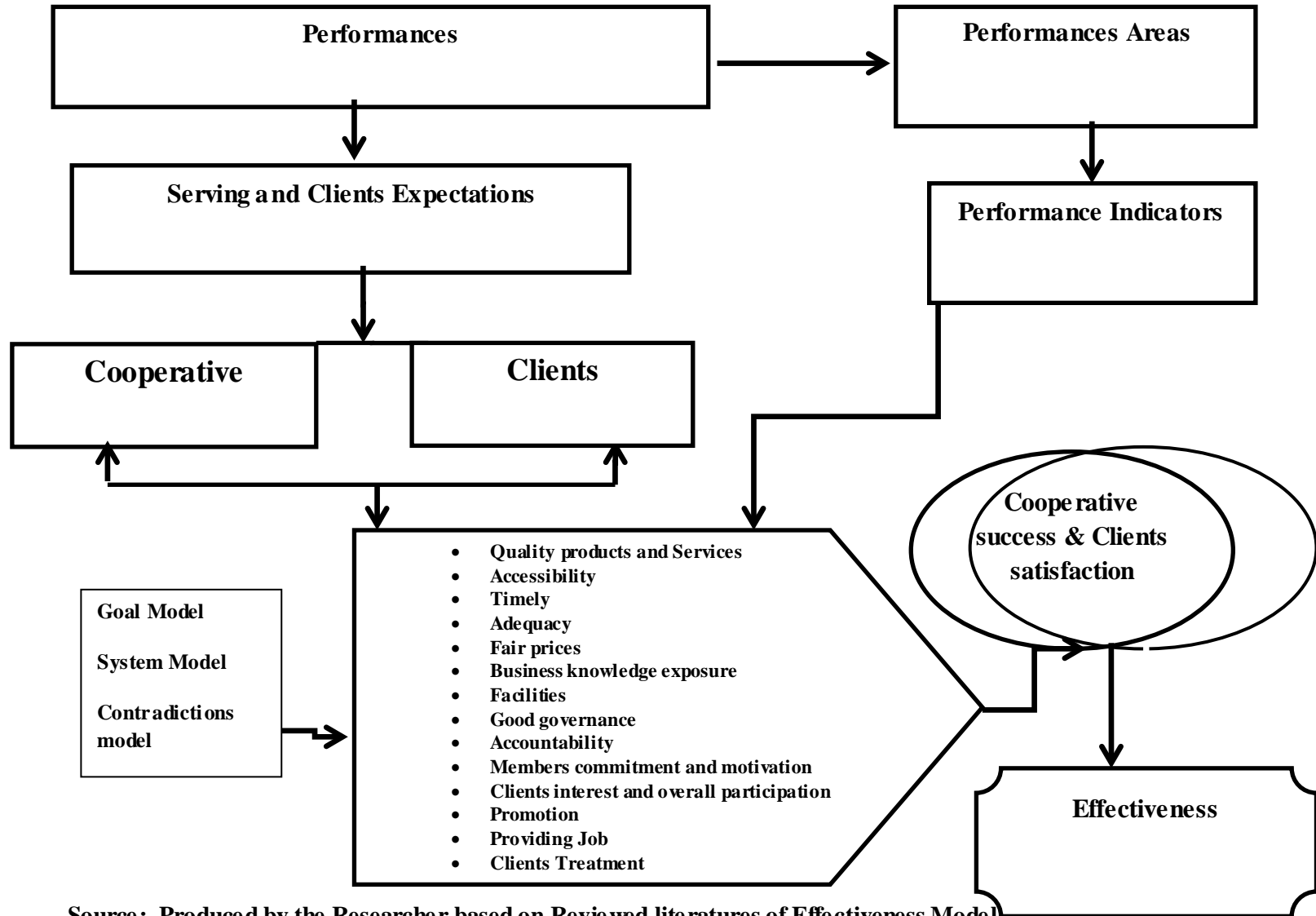
organizations must develop an encouraging work environment where employee contribution in problem solving and achieving organizational goals is appreciated.

Chen (2011) describes that in service sector excellent service quality is the core of consumer satisfaction whereas motivated employees are essential for improving the quality of service. Determinants of service quality, such as personnel reliability the ability to perform the promised services accurately and dependably, responsiveness the willingness to help consumers and provide prompt service, assurance the knowledge and courtesy of employees and their ability to convey trust and confidence, tangibles the appearance of physical facilities, equipment and personnel. Quality indicators reflect the quality of that which is being measured against predetermined standard such standards should reflect the needs and expectations of affected parties while balancing economy and effectiveness.

#### **2.2.3.9. Consumers' Expectations**

In the service quality literature it is defined as desires and wants, what a service provider should offer rather than would offer. Kotler (2000) state, Consumers forms their expectations from their past experience, friends' advice, and marketers' and competitors' information and promises. Therefore, perceived service quality is viewed as the difference between consumers' perceptions and expectations for the service provided. Parasuraman et al. (1988) explained that organizations , in order to keep expectations from rising, they have to perform services properly from the first time .Thus, and consumer's expectations for the service are likely to rise when the service is not performed as promised.

**Model 1: Conceptual Frame work .Assessment of Effectiveness of Consumer Cooperative**



Source : Produced by the Researcher based on Reviewed literatures of Effectiveness Model

## Chapter Three: Research Methods

### 3.1. Philosophical Paradigm

According to Kuhn (1970) noted that a paradigm is a set framework that makes different assumptions about the social world, about how science should be concluded and about what constitutes legitimate problems, solutions and criteria of proof. In the positivist paradigm, the object of study is independent of researchers; knowledge is discovered and verified through direct observations or measurements of phenomena; facts are established by taking apart a phenomenon to examine its component parts. An alternative view, the naturalist or constructivist view, is that knowledge is established through the meanings attached to the phenomena studied; researchers interact with the subjects of study to obtain data; inquiry changes both researcher and subject; and knowledge is context and time dependent (Coll & Chapman, 2000; Cousins, 2002). Positivism predominates in science and assumes that science quantitatively measures independent facts about a single apprehensible reality (Healy & Perry, 2000). In other words, the data and its analysis are value-free and data do not change because they are being observed. That is, researchers view the world through a “one-way mirror” (Healy & Perry, 2000).

Therefore, the researcher was used the scientific method to design this research project (including a survey instrument), focusing on facts or objective assessment of attitudes respondents on the effectiveness of Consumer Cooperatives. So the researcher’s results can be used as awareness creations to legitimize prescriptive policy for Consumer cooperatives.

### 3.2. Research Design

Saunders *et al.* (2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement and analysis of data. A survey is a method of collecting data in which people are asked to answer a number of questions usually in the form of a questionnaire. The reliability of a survey's results depends on whether the sample of people from which the information has been collected is free from bias and sufficiently large (Encarta, 2009 ). Therefore, the research design for this study was the survey research design. The research involved gathering primary data by using the method of questioning, for the period mid of February to mid of March 2016. The tool used for the research was questionnaire. The questionnaire was tested by conducting a pilot research on 13 respondents of various demographic structures. Questionnaires from this part of the research were input and processed into software for statistical data processing SPSS Statistics 21.0. After preliminary analysis, it was established that a small almost insignificant number of answers to certain questions was missing and it was concluded that the questionnaire was concise, and the questions were clear and easy to understand.

### 3.3. Research Approach

The quantitative approach is most important if only the researcher intend to collect numeric data that represent quantities of measurement. The common techniques for collecting quantitative data are the survey, censuses and experiments. For this study a sample Survey method were employed. It is a process of collecting information from samples of a well-defined population by asking questions (Bethlehem 2009). Survey method will produce factual and

reliable data from samples that can be generalized to the whole Consumers of cooperatives of the study area.

### **3.4. Description of Research Area**

To see briefly the profile of Woreda 1 Consumer cooperative, it is important to start with Addis Ababa consumer cooperatives certain aspects. According to City Government of Addis Ababa Trade Bureau Cooperative Department there are 141 consumer cooperatives in Addis Ababa, with total capital of 498,739,717.7 movable and immoveable (3ed National cooperatives Exhibition bulletin 2008 E.C.). Among these 12 are found in Kirkos Sub City, One of these is named Tatari Consumer Cooperative located at Woreda 1. The Tatari Consumer Cooperative was established in 2000 E.C. and has 99 employees with two restaurant, 6 rental houses and three shops located at three places in Woreda 1. The shops are mainly sale consumable goods such as sugar, wheat flour, oil, creels and the like commodities to customers. Tatari consumer cooperative currently has 4811 members, among these 1809 (37.60%) male and 3002(62.40%) of them are female. (Woreda 1 Consumer Coop, March 6, 2016). According to the Woreda 1 consumer cooperative there was a need to establish more branches for better access to the users but obtaining land or place to work not avail. Now looking for working places seem on progress to establish three branches soon.

### **3.5. Data Collection Instruments**

#### **Questionnaires**

The main purpose of a questionnaire is to obtain information that cannot be easily observed or that is not already available in written or computerized form. Therefore, a questionnaire is a useful research instrument for collecting survey information, providing

structured, often numerical data, being able to be administered without the presence of the researcher, and often being comparatively straightforward to analyze (Wilson and McLean 1994). The questionnaire was developed for the purpose of this study. It contains questions with alternative answers (closed-ended) which were designed in 5 point Likert Scale type and multiple-choice types, which the respondent chooses as per the stated instruction on the questionnaire. Questionnaire are believed to be appropriate instrument for data collection for this study because is essential in getting first hand information from people who are actually involved in the study. Therefore, the research tools used for the study were mainly questionnaires.

Secondary sources come from different origins, such as government reports, bulletins company's annual reports, publications, journals, books, online data, websites and other internet sources. Similarly, secondary data for this research originates from literatures including books, Scientific Journals and documents such as legislations, reports, proceedings, etc...). The data was collected for quantitative method of research.

A pilot study can be used as a small-scale version or trial run in preparation for a major study (Polit, Beck and Hungler, 2001:467). Baker (1994) noted that a pilot study is often used to pretest or try out a research instrument whether it is yielding the required information for the study or not. According to Baker a sample size of 10-20 % of the sample size for the actual study is a reasonable number of participants to consider enrolling in pilot study. Accordingly, for this study 13 (10 %) of the actual sample size, were selected for piloting the questionnaire. Hence, draft questionnaires were delivered to the selected subjects to test whether the questionnaire generates the required information for the study from the subjects. In so doing, the entire selected subjects fill up the questionnaires as desired. The researcher asked all of the respondents to give their opinions and comments on the content and design of the instruments. All of the respondents

replied that that all the items in the questionnaire were clear, understandable. Finally, based on the comments and suggestions given from the feedbacks of the pilot testing, the researcher improved those items, which seemed to be poor items, inappropriate, vague, and repeated to make the instrument comprehensive and complete for the final study. To its effect the reliability test was done. Reliability refers to the consistency or dependability of the measuring instrument. In order to test the reliability of the instrument the Cronbach's Alpha was applied. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (2003) provide the following rules of thumb: when Cronbach-Alpha value is  $> 0.9$  the standard is "Excellent", if the value is  $> 0.8$  the standard is "Good" and if the value is  $> 0.7$  "Acceptable". Therefore, this model is used to measure internal consistency of the tools employed for members of Consumer Cooperative to get necessary data from respondents'. And in this research the Cronbach's alpha reliability coefficient of the instrument which contains 38 items that are related to consumer cooperative objectives is .857. This implies that the reliability of the instrument is more than the acceptable standard in social science research. Validity, on the other hand, refers to the extent to which the measurement measures what is intended to measure. The instrument was designed by taking in to consideration the basic questions and consistent with the objective of the study. The validity of the questionnaire is confirmed by connoisseurs and its reliability was also supported by using Cronbach's alpha (0.857).

**Table 1. Reliability Statistics**

Cronbach's Alpha	N of Items
.857	38

Source: Field Survey 2016

### 3.6. Sample Size and Sampling Technique

Determining respondents and sample size is one of the most important parts of the method section. There are different ways of determining sample size from a given population. Also, according to Fowler (1984) there is no a single right way for the determination of sample size. So, the researcher employs from the table1 below to determine sample size. Thus, smaller chunks of a unit sample are chosen to represent the relevant attributes of the whole of the units (Graziano and Raulin, 1997). According to Graziano coefficient and Raulin (1997) smaller chunks of a unit sample are chosen to represent the relevant attributes of the whole of the units. Sekeran (1990) defines a sample as a portion of the population that has attributes as the entire population. The total number of Woreda 1 population is about 10,217. Among these 4811 were members of consumers of Woreda 1. The assumption is that the consumer cooperatives are open for all residents to make use of the services regardless of their social status. However, due to time and financial limitations and the nature of the population the researcher was using the sample determination method developed by Carvalho (1984), as cited by Ahmed (2010) to mixed methods research select the small sample 125. The following table shows the breakdown of population range the small, medium, and large sample that can be drawn for the study.

**Table 2. Sample Size Determination of the Study**

Population size	Sample size		
	Small	Medium	Large
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3021-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source: Carvalho (1984)

The questionnaire was intended to elicit data on general management, delivery of goods and services, quality, adequacy, timely, fairness, impartiality, accessibility, satisfaction, and general information on the industries under study. This is to ensure that the overall data covers the various aspects of the research questions and objectives. The constructed questionnaire was given to the advisor and properly checked in order to point out errors that need correction and also to ensure that the questions were appropriate for the study.

The research focuses on assessing “Assessment of the Effectiveness of Consumer Cooperatives: The case of woreda1 Consumer Cooperatives at Kirkos Sub-City in Addis Ababa”. Therefore, the study was planned to gather data from; experts of cooperative who are assigned to monitor the overall cooperative activities, consumer cooperative members, employees and officials, customers who have well acquaintance and frequent contact with the consumer cooperative employees, officials and organizations in their day to day business activities .

### **3.7. Data Collection Procedure**

The questionnaire was originally prepared in English language and translated in to Amharic language in order to facilitate or ease understanding and curb problems associated with language barrier. Then, questionnaires were distributed to 125 respondents as a source of Primary data .Creswell (2012) refers primary data as the data that is collected specifically for the social research project using a data collection method that has been chosen by the researcher and using data collection tool.

### **3.8. Method of Analysis the Data**

All the data obtained from respondents through questionnaires were organized, tallied and calculated by using descriptive statistical techniques to make them suitable for discussion or interpretation. Descriptive statistics percentages were used. To make the analysis of data convenient, raw data was coded and analyzed on question-by- question bases, and the statistical result of the questionnaire was analyzed using the Statistical Package for Social Science (SPSS) version 21.

### **3.9. Ethical Consideration**

All ethical considerations respected and applied in any research are also applied in the study. A letter from the Addis Ababa University (School of Social Work) was given to the respondents so as to get their full consent and confidence. Hence, all the participants in the research were involved in the study voluntarily and with their full consent. The student researcher notified the respondents that no matter what kind of response they give, it would be kept confidential, anonymous and respected. They were made clear to give their genuine and

honest response to accomplish the study as desired. The researcher informed all the participants about the purpose and the objective of the study and refrain from deceptive practices, giving false responses, or pretentious answers, which would violate the finding of the research. Finally, all literature sources used in the literature review are acknowledged- no plagiarism.

## Chapter Four: Data Presentation and Analysis

Findings of the research study are presented in relation to the respondents:

**Table 3 Rate of Response by Respondents**

Questionnaire	Respondents	Percentage
Returned	117	93.6%
Not Returned	8	6.4%
Total Distributed	125	100%

Source: Field Survey 2016

As shown in Table 3 above, 125 questionnaires were administered to members, employees of woreda 1 Consumer cooperative and government employee working with cooperatives. Out of the 125 questionnaires that were distributed 117(93.6%) returned and 8(6.4%) of questionnaires were not returned. The return rate indicates that there was a high rate of response from the respondents

**Table 4 . Gender of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	51	43.6	43.6	43.6
Female	66	56.4	56.4	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As shown in table 4, respondents figure comprised of 51 (43.6%) male and 66 (56.4%) female. Therefore, the majority of the respondents were female. This was because women members exceed the male in terms of numbers at the study area.

**Table 5. Age of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
From 21 to 30	46	39.3	39.3	39.3
From 31 to 40	37	31.6	31.6	70.9
From 41 to 50	24	20.5	20.5	91.5
From 51 and above	10	8.5	8.5	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

The answers of respondents to their age are outlined in Table 5 shows, the majority of the respondents or 46 (39.3%) are from the age of 21 to 30 then 37(31.6%) from the age of 31to 40, followed by 24(20.5%) from age of 41 to 50 and 10(8.5%) from the age of 51 and above respectively. The result indicates that more than70% of respondents were less than 40.

**Table 6. Marital Status of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Unmarried	45	38.5	38.5	38.5
Married	67	57.3	57.3	95.7
Divorced	3	2.6	2.6	98.3
Widow	2	1.7	1.7	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As shown in table 6 the majority or 67 (57.3%) of the respondents are married, 45(38.5%) unmarried, 3(2.6%) divorced and 2(1.7%) of them are widow. The result shows that the most customers of consumer cooperative in the study area were married people.

**Table 7. Education of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
From 1 to 6	12	10.3	10.3	10.3
From 7 to 8	16	13.7	13.7	23.9
From 9 to 10	29	24.8	24.8	48.7
Preparatory	15	12.8	12.8	61.5
Diploma	27	23.1	23.1	84.6
Degree and above	18	15.4	15.4	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As indicated in table 7 the educational status of the respondents are from beginner to higher education. The majority or 29(24.8) from grade 9 to 10 followed by diploma level which comprised 27(23.1) and 18 (15.4%) of them degree and above level. In addition 16(13.7) from grade 7 to 8 and 15(12.8%) Preparatory and 12(10.3%) of them are from grade 1 to 6. 4shows that more than 38 % of members' co-operative has Diploma and higher education.

**Table 8. Customer for Consumer Cooperative**

	Frequency	Percent	Valid Percent	Cumulative Percent
3 years	39	33.3	33.3	33.3
4 years	9	7.7	7.7	41.0
5 years	44	37.6	37.6	78.6
6 years and above	25	21.4	21.4	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

The data in the table 8 shows that the majority of respondents or 44(37.6%) of them were clients of the consumer cooperative for five years, 39(33.3%) for three years, 25(21.4%) for six years and 9(7.7%) of them for four years.

### The Following Data was collected for Research Question One

To answer the first research question “What are the benefits that consumer cooperatives provide for their members?” The following Likert scale point 5 was used to know the benefits of members from economic and social point of view. The results are shown in tables from 6 to 12 below:

**Table 9. Providing Job Opportunity**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	3.4	3.4	3.4
Dis agree	6	5.1	5.1	8.5
Neutral	30	25.6	25.6	34.2
Agree	75	64.1	64.1	98.3
Strongly agree	2	1.7	1.7	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in table 9, for the question asked, if there were providing job opportunity to members, the greater part or 64.5 % respondents were agreed and 25.6% and 1.7% strongly agree. Next 25.6% responded were neutral, the remaining of respondents 5.1%and3.4% disagreed and strongly disagreed respectively. The result indicates the majority of the respondents believed that consumer cooperative provide job opportunity.

**Table 10. Sharing of Profit (Dividend) to Members**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	1.7	1.7	1.7
Disagree	16	13.7	13.7	15.4
Neutral	43	36.8	36.8	52.1
Agree	50	42.7	42.7	94.9
Strongly agree	6	5.1	5.1	100.0
Total	117	100.0	100.0	

Source: Field Survey, 2016

As indicated in the Table 10, concerning sharing of profits (dividend) to members the majority of the respondents or 42.7 % of them agreed and 5.1% strongly agreed. Then 13.7% of the respondents disagreed and 1.7% of them strongly disagreed, whereas 36.8% of them were neutral. More than half or 56% of the total respondents agreed and strongly agreed that there are dividends to its members which can be considered as benefit package.

**Table 11 .Exposure to Business Knowledge**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	8	6.8	6.8	6.8
Neutral	27	23.1	23.1	29.9
Agree	73	62.4	62.4	92.3
Strongly agree	9	7.7	7.7	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 11, if consumer cooperative were created exposure to business knowledge for its members, the majority of the respondents or 62.4 % of them agreed and 7.7% were strongly agreed with this view. On the other hand, 6.8% of the respondents disagreed and

23.1% of them were neutral. Here, based on the majority of the respondents belief that there was business exposure knowledge from consumer cooperative activities to its members.

**Table 12. S trengthen Relationships and Collaboration among Residence**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	1.7	1.7	1.7
Neutral	14	12.0	12.0	13.7
Agree	85	72.6	72.6	86.3
Strongly agree	16	13.7	13.7	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 12, for the question asked ,if consumer cooperative were strengthens relationships and collaboration among residence, the majority of the respondents or 72.6 % of them agreed and 13.7% strongly agreed with this view. On the other hand, 1.7% of the respondents disagreed and 12% of them were neutral. Here, the result indicates that the existence of consumer cooperatives could strengthen relationships and collaboration among the residence.

**Table 13 .Serving as Forum for Discussing Common Development Agenda**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	17	14.5	14.5	14.5
Neutral	25	21.4	21.4	35.9
Agree	72	61.5	61.5	97.4
Strongly agree	3	2.6	2.6	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the Table 13, if consumer cooperative were serving as forum for discussing common development agenda, the majority of the respondents or 61.5 % of them agreed and 2.6% strongly agreed with this view. On the other hand, 14.5% of the respondents were disagreed and 21.4% of them were neutral. So, the result indicates that the existence of consumer cooperatives could serve as a forum for discussing common development agenda.

**Table 14. Seeking Collective Action to Address Scarcity of Consumer Items**

	Frequency	Percent	Valid Percent	Cumulative Percent
Dis agree	23	19.7	19.7	19.7
Neutral	59	50.4	50.4	70.1
Agree	31	26.5	26.5	96.6
Strongly agree	4	3.4	3.4	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 14, if there were seeking collective action to address scarcity of consumer items, the majority of the respondents or 50.4% of them were neutral .Then 26.5 % agreed and 3.4% strongly agreed with this view. On the other hand, 19.7% of the respondents disagreed and. So, the result indicates that the majority were neutral on the issue and refrain to agree or disagree. Therefore, it seems that the efforts for seeking collective action to address scarcity of consumer items were not taken well.

**Table 15. Addressing the Needs of Destitute/ Poor in the Area**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	6	5.1	5.1	5.1
Disagree	63	53.8	53.8	59.0
Neutral	31	26.5	26.5	85.5
Agree	17	14.5	14.5	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 15, if the consumer coop were addressing the needs of destitute/ poor people in the area, the majority of the respondents or 53.8% of them were responded disagree and 5.1% strongly disagree. Then 26.5 % responded neutral and 14.5 % agreed with this view. Hence, the result indicates that the attempts so far done in addressing the needs of destitute/ poor people in the area were seemed not much.

#### **Data Collected for Research Question Two**

To answer the second research question “What factors constrain or facilitate the operation of Consumer cooperatives?” The following 5 point Likert scale was used to examine the opportunity and threats from economic and social point of view. The results are shown in tables from 13 to 20 below:

**Table 16. A dequate Infrastructure Facilities**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	55	47.0	47.0	47.0
Neutral	19	16.2	16.2	63.2
Agree	43	36.8	36.8	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 16, if adequate infrastructure facilities were available in the area, the majority of the respondents or 47.0% of them were disagreed .The 36.8 % agreed. On the hand 16.2 % of them responded as neutral with this view. Hence, the result indicates that the majority of the respondents believed that there were no adequate infrastructure facilities in the study area.

**Table 17. Reasonable Price of Goods**

	Frequency	Percent	Valid Percent	Cumulative Percent
Dis agree	50	42.7	42.7	42.7
Neutral	20	17.1	17.1	59.8
Agree	47	40.2	40.2	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 17, for the question asked. if the price of goods were reasonable, the greater part or 42.7% of the respondent disagreed and 40.2 % agreed. Then, 17.1 % of the mresponded as neutral with this view. Hence, the result indicates that the majority of the respondents were belief that the price of goods was not reasonable in the study area.

**Table 18. Public Attitude towards Service Seems Positive**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	3	2.6	2.6	2.6
Disagree	47	40.2	40.2	42.7
Neutral	19	16.2	16.2	59.0
Agree	48	41.0	41.0	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As indicated in the Table 18, for question asked, if Public attitude towards service seems positive, the greater part or 41.0% of the respondent agreed. Then, 40.2 % disagreed and 2.6% strongly disagreed. 16.2 % of responses were as neutral. Hence, the result indicates that the majority of the respondent's belief that Public attitude towards service seems positive in the study area.

**Table 19. Neutrality of Local Administration**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	3	2.6	2.6	2.6
Disagree	54	46.2	46.2	48.7
Neutral	35	29.9	29.9	78.6
Agree	25	21.4	21.4	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As revealed in the Table 19, concerning about neutrality of local administration, the majority or 46.2% of the respondent disagreed and 2.6% strongly disagreed. While, 29.2% respondents were neutral with this view. Also, 21.4% of them agreed. Hence, the result indicates that the majority of the respondent's belief that there was no neutrality of local administration from consumer coop at the study area.

**Table 20. Government Support in Organizing Coop**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	8	6.8	6.8	6.8
Neutral	26	22.2	22.2	29.1
Agree	71	60.7	60.7	89.7
Strongly agree	12	10.3	10.3	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 20, with regard to government support in organizing consumer coop, the greater part or 60.7% of the respondent agreed and 10.03 % strongly agreed. On the other hand 22.2 % of them were neutral with this view. Only 6.8 % of them were disagreed. Thus, the result indicates that the majority of the respondents belief that there were government support in organizing consumer cooperative in the study area.

**Table 21. Absence of Clear Vision and Goal**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	7	6.0	6.0	6.0
Disagree	37	31.6	31.6	37.6
Neutral	21	17.9	17.9	55.6
Agree	52	44.4	44.4	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As indicated in the table 21, for question asked, if there was clear vision and goal, the greater part or 44.4 % of the respondent agreed. Then, 31.6 % disagreed and 6% strongly disagreed. 17.9 % of response was as neutral. For this reason, the result indicates that the majority of the respondent's belief that there was absence of clear vision and goal in the study area. However, the view of those disagreed, strongly disagreed and neutral should not be ignored.

**Table 22. Corruption and Lack of Good Governance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	1	.9	.9	.9
Disagree	21	17.9	17.9	18.8
Neutral	33	28.2	28.2	47.0
Agree	49	41.9	41.9	88.9
Strongly agree	13	11.1	11.1	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 22, for the question asked, if there were corruption and lack of good governance, the majority or 41.9 % of the respondent agreed and 11.1% strongly agreed. Then, 28.2 % of them were neutral. 17.9 % disagreed 0.9% strongly disagreed. Thus, the result indicates that the majority of the respondent's belief that there were Corruption and lack of good governance in the study area.

**Table 23. Lack of Financial Resources**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	1	.9	.9	.9
Disagree	21	17.9	17.9	18.8
Neutral	24	20.5	20.5	39.3
Agree	55	47.0	47.0	86.3
Strongly agree	16	13.7	13.7	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As shown in the table 23, for question asked, if there was lack of financial resources, the majority or 47.0 % of the respondent agreed and 13.7.1% strongly agreed. Then, 20.5 % of them

were neutral. 17.9 % disagreed 0.9% strongly disagreed. Thus, the result indicates that the majority of the respondent's belief that there was lack of financial resources in the study area.

#### 24. Lack of Transparency and Accountable

	Frequency	Percent	Valid Percent	Cumulative Percent
Dis agree	38	32.5	32.5	32.5
Neutral	33	28.2	28.2	60.7
Agree	24	20.5	20.5	81.2
Strongly agree	22	18.8	18.8	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As revealed in the Table 24 for question asked,if there waslack of transparency and accountability, the majority or 32.5 % of the respondent disagreed. Then, 28.2 % of them were neutral. 20.5 % agreed 18.8% strongly disagreed. Thus, the result indicates that the majority of the respondent's belief that there was not lack of transparency and accountability in the study area.

#### Table25.Capacity Constraint of the Leaders

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	6	5.1	5.1	5.1
Disagree	13	11.1	11.1	16.2
Neutral	23	19.7	19.7	35.9
Agree	69	59.0	59.0	94.9
Strongly agree	6	5.1	5.1	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As shown in the Table 25, for the question asked,if there wereCapacity constraint of the leaders,the majority or 59.0 % of the respondent agreed and 5.1% strongly agreed. Then, 19.7 %

of them were neutral. 11.1 % disagreed 5.1% strongly disagreed. Thus, the result indicates that the majority of the respondent's belief that there was Capacity constraint of the leaders in the study area.

**Table 26. Lack of Sense of Ownership by Members**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	12	10.3	10.3	10.3
Neutral	48	41.0	41.0	51.3
Agree	42	35.9	35.9	87.2
Strongly agree	15	12.8	12.8	100.0
Total	117	100.0	100.0	

Source: Field survey 2016

As shown in the Table 26, for the question asked, if there was lack of sense of ownership by members, the majority or 41.0 % of the respondents were neutral. Then, 35.9 % of them were agreed 12.5% strongly agreed. Therefore, the result indicates that the majority of the respondent's were neutral on this point, However, if the number of those who agreed and strongly agreed taken together they are greater in number than those who were neutral.

**Table 27. Lack of Institutional Autonomy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	3.4	3.4	3.4
Disagree	13	11.1	11.1	14.5
Neutral	38	32.5	32.5	47.0
Agree	52	44.4	44.4	91.5
Strongly agree	10	8.5	8.5	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the Table 27, for question asked, if there was lack of institutional autonomy the majority or 44.4 % of the respondent agreed and 8.5% strongly agreed. Then, 32.5% of them were neutral. 11.1 % disagreed 3.4% strongly disagreed. So, the result indicates that the majority of the respondent's belief that there was lack of institutional autonomy in the study area.

**Table 28. Inadequate salesman**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	8	6.8	6.8	6.8
Disagree	14	12.0	12.0	18.8
Neutral	28	23.9	23.9	42.7
Agree	43	36.8	36.8	79.5
Strongly agree	24	20.5	20.5	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the Table 28, for question asked, if there was inadequate salesman, the majority or 36.8 % of the respondent agreed and 20.5% strongly agreed. Then, 23.0% of them were neutral. 12.0 % disagreed 6.8% strongly disagreed. So, the result indicates that the majority of the respondent's belief that there was Inadequate salesman in the study area.

**Table 29. Lack of Convenient Distribution Centre**

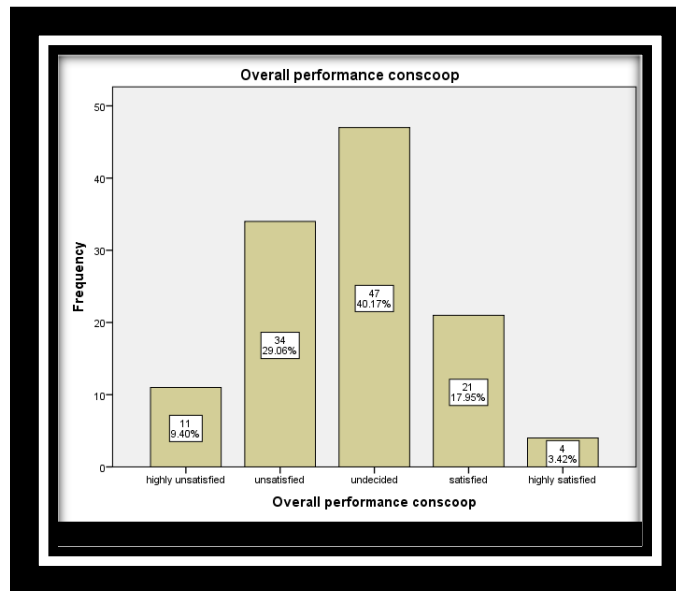
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	1.7	1.7	1.7
Disagree	30	25.6	25.6	27.4
Neutral	26	22.2	22.2	49.6
Agree	38	32.5	32.5	82.1
Strongly agree	21	17.9	17.9	100.0
Total	117	100.0	100.0	

Source: Field Survey 2016

As shown in the table 29, for the question asked, if there was lack of convenient distribution center, the majority or 32.5 % of the respondent agreed and 17.9% strongly agreed. Then, 22.2% of them were neutral on this issue. Also, 25.6 % disagreed and 1.7% strongly disagreed respectively. Hence, the result indicates that the majority of the respondent's belief that there was lack of convenient distribution center.

### **Data Collected to Answer the Research Question Three**

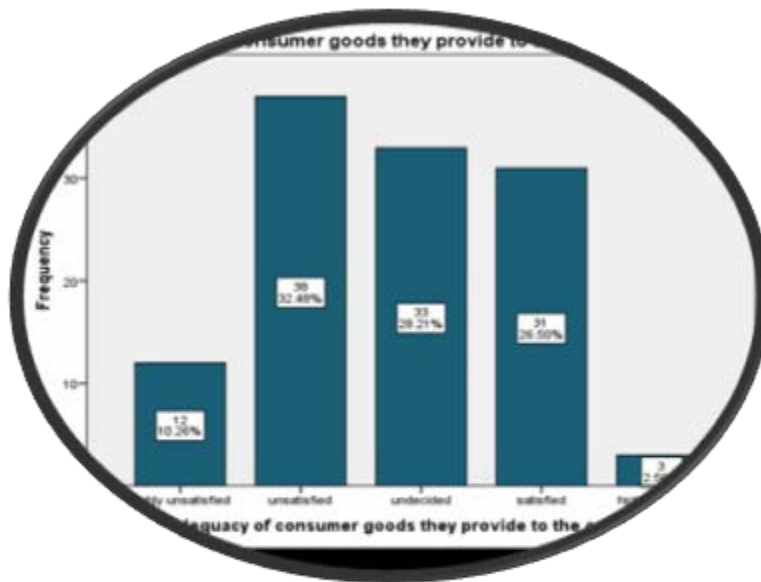
To answer the research question three "What is the rate of consumers' satisfaction on the services of consumer cooperatives to which they are members?" The following Likert scale point 5 was used to evaluate the satisfaction of service users' attitude. The results are shown in figures from 1 to 10 below:

**Figure 1 . Overall Performance of Consumer Cooperative**

Source: Field Survey 2016

As shown in figure 1, for question asked to overall Performance of Consumer cooperative the majority of respondents or 40.17% were undecided, 29.06% of them were unsatisfied, 17.95% satisfied, 9.40% highly unsatisfied and 3.42% highly satisfied. According to the result the majority of the respondents were not decided. However, the next big number shows that the respondents were unsatisfied with overall performance of consumer cooperative.

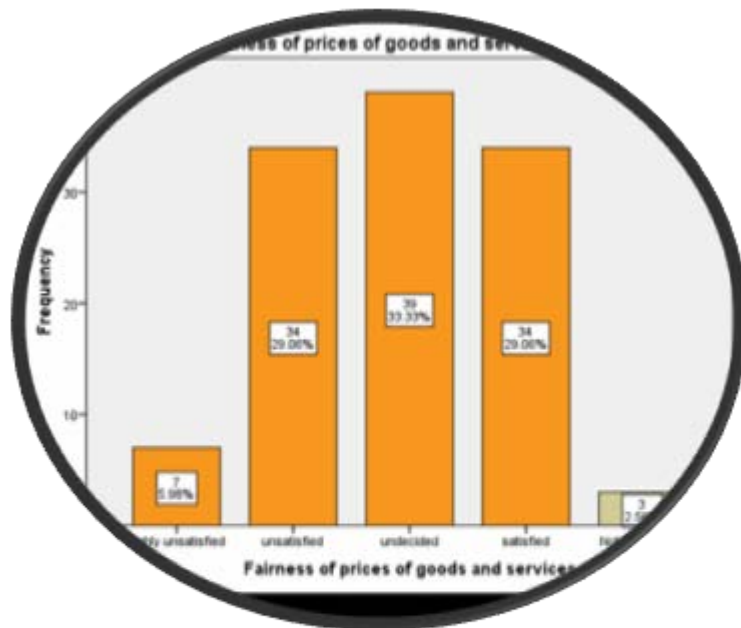
**Figure 2. Adequacy of Consumer Goods they Provide to the Community**



Source: Field Survey 2016

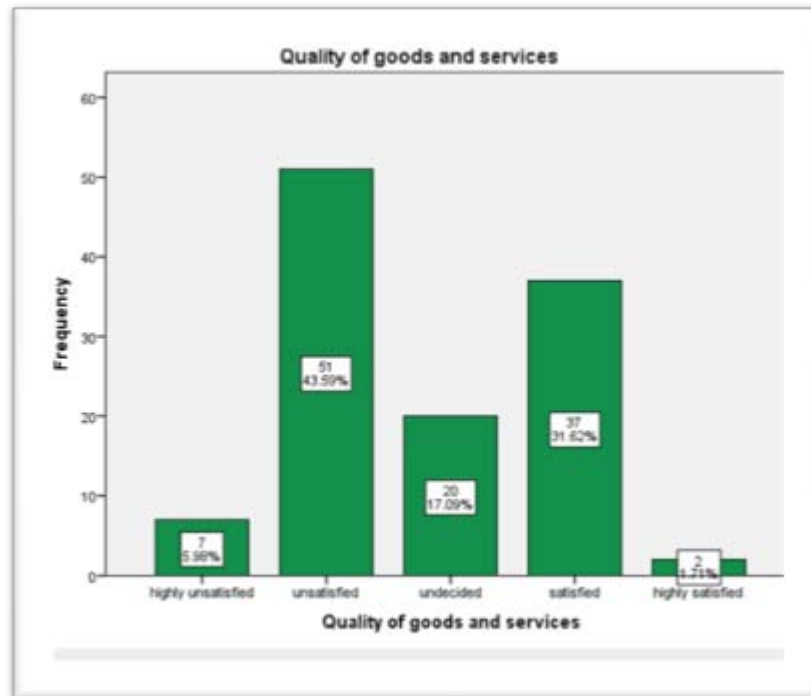
As shown in figure2 concerning adequacy of consumer goods they provide to the community majority of respondents or 32.48 % unsatisfied , 10.26% highly unsatisfied. Where as 28.21% undecided and 26.50% satisfied and 2.56% of them were highly satisfied. Therefore, the result indicates the majority of the respondents were not satisfied with the adequacy of consumer goods that consumer cooperative supply to the users.

**Figure 3. Fairness of Price of Goods and Services**



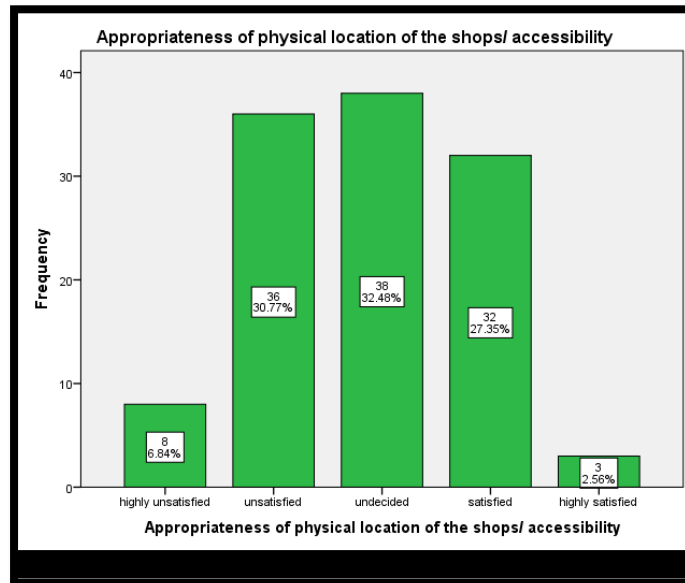
Source: Field Survey 2016

As shown in figure 3 for question asked, if there were fairness of price of goods and services majority of respondents or 33.33 % were undecided , 29.06%% satisfied ,2.56 highly satisfied. Where as 29.06% unsatisfied and 5.98% highly unsatisfied and 2.56% of them were highly satisfied. Therefore, the result indicates the majority of the respondents were not decided and those satisfied and unsatisfied rated equal .

**Figure 4. Quality of Goods and Services**

Source: Field Survey 2016

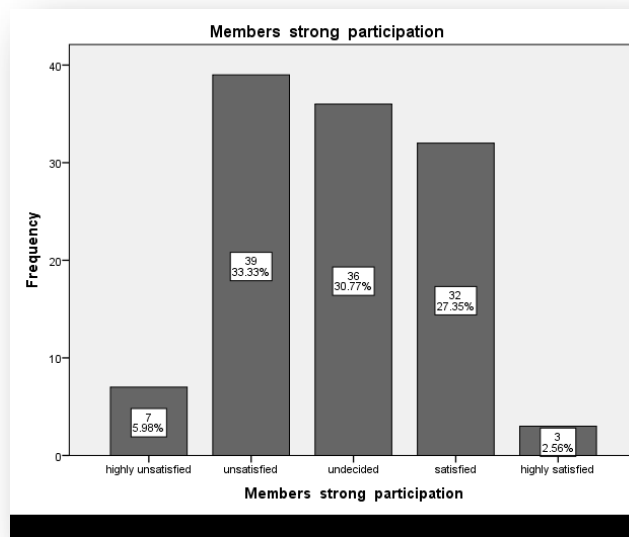
As indicated in figure 4 with regard to the quality of goods and services the majority of the respondents or 43.59% were unsatisfied and 5.96% highly unsatisfied. Whereas 31.62% were satisfied and 1.71% highly satisfied. However 17.08% of them undecided. Therefore, the figure shows that majority of respondents were not satisfied with quality of goods and services.

**Figure 5. Appropriateness of Physical location of Shops and Accessibility**

Source: Field Survey 2016

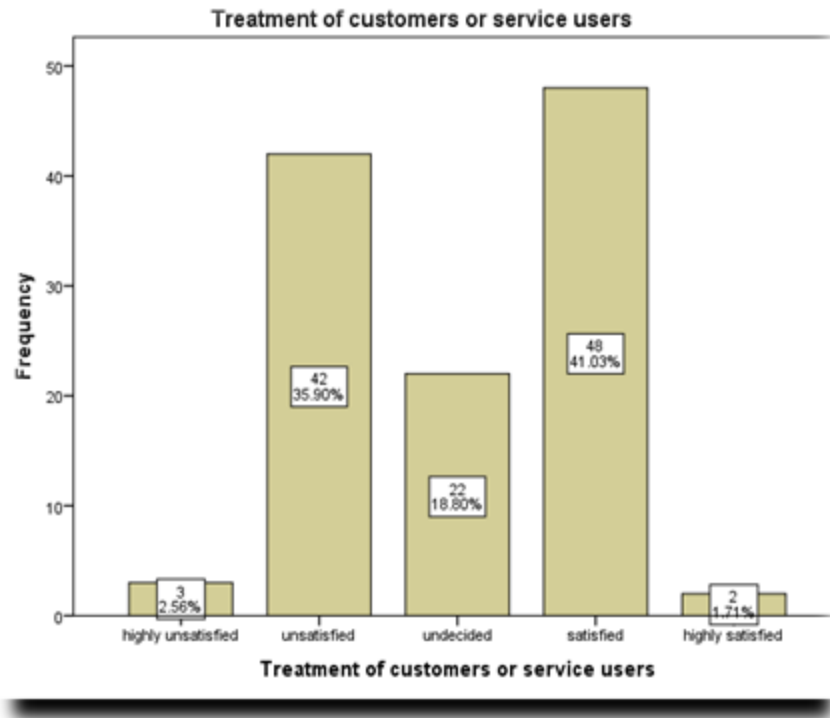
As shown in figure 5, for question asked, if appropriateness of physical location of shops and accessibility, the majority of 32.48% of the respondents were undecided, 30.77% unsatisfied and 4.84% highly were unsatisfied. However, 27.35% satisfied 2.56% highly satisfied. So the result indicates that the majority were in midpoint or undecided about an appropriateness of physical location of shops and accessibility to users.

**Figure 6. Members Strong Participation**



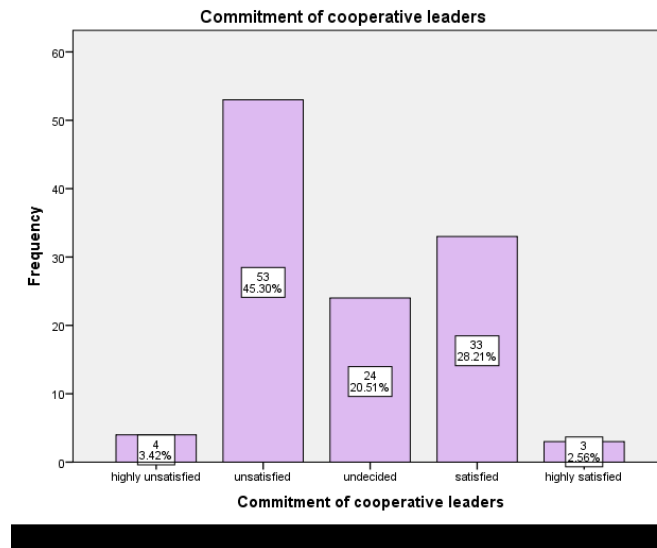
Source: Field Survey 2016

As Indicated in figure 6 with regard to member's strong participation the majority or 33.33% were responded unsatisfied and 5.96% highly unsatisfied. Whereas 30.77% undecided. The rest of the respondents 27.35% satisfied and 2.45% highly satisfied. So, the result shows there was no member's strong participation in consumer cooperative activities.

**Figure 7. Treatment of Consumers or Users**

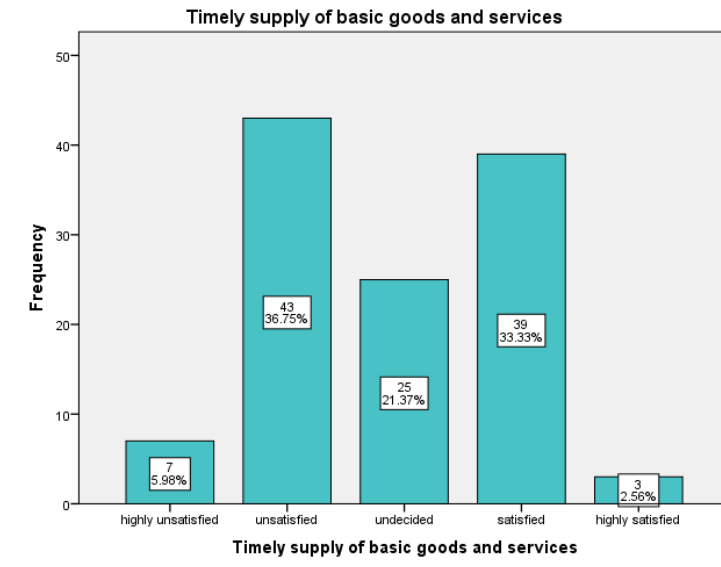
Source : Field Study 2016

As indicated in figure 7 concerning the treatment of consumers or users 41.03 % and 1.71% of respondent were satisfied and highly satisfied respectively. While 35.90 % and 2.56% of them unsatisfied and strongly unsatisfied respectively. Hence, the result of the study shows that the majority of the respondents were satisfied with the treatment of consumers

**Figure 8. Commitment of Cooperative leaders**

As shown in figure 8, for question asked, if commitment of cooperative leaders were there, the majority or 45.30% of them responded unsatisfied and 3.42% highly unsatisfied. 28.21% of them were responded as satisfied and 2.56% highly satisfied. Also, 20.51% responded undecided. Hence, the result indicates commitment of cooperative leaders at the study area were unsatisfied according to the majority of the respondents.

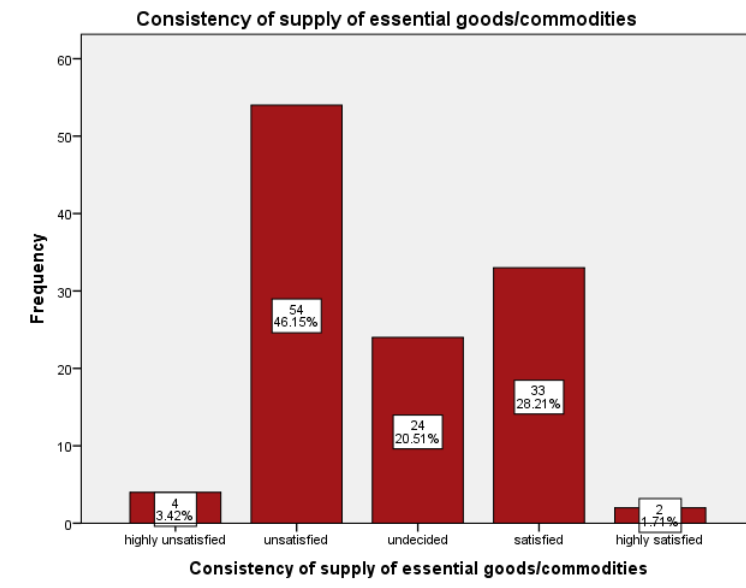
**Figure 9. Timely Supply of basic Goods and Services**



Source: Field Survey 2016

As shown in figure 9 , for question asked if there were timely supply of basic goods and services 36.75 % and 5.98% responded unsatisfied and highly satisfied respectively.33.33 % Satisfied .2.56% highly satisfied. Whereas 21.37% undecided. This result shows majority of the respondents were unsatisfied with timely supply of basic goods and services by consumer cooperative of the study area.

**Figure 10. Consistency of Supply of Essential Goods/Commodities**

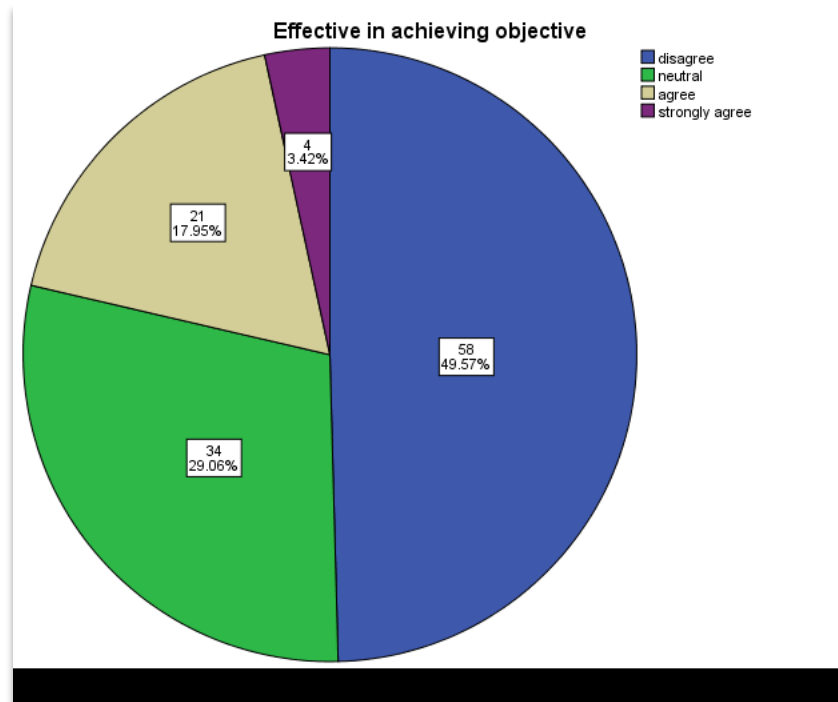


As far as consistency of supply of essential goods/commodities are concerned figure 10 shows 46.15% of the respondents were responded unsatisfied 3.42% highly unsatisfied. 28.21% and 1.71% responded satisfied and highly satisfied respectively. 20.51% responded undecided. Therefore, the result indicates that the majority of the respondents were unsatisfied with consistency of supply of essential goods /commodities by consumer cooperative of the study area.

#### **Data Collected for Research Question Four**

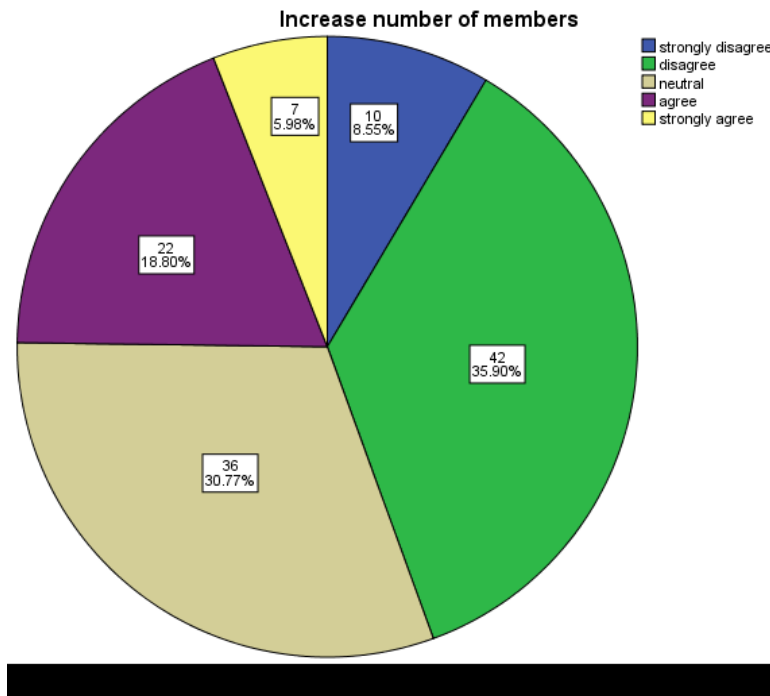
To answer the fourth research question “How effective are Co coop in achieving their objectives?” The following Likert scale point 5 was used to evaluate their performances from economic and social point of view. The results are shown in table from 11 to 14 below:

**Figure 11. Effective in Achieving Objectives**



Source: Field Survey 2016

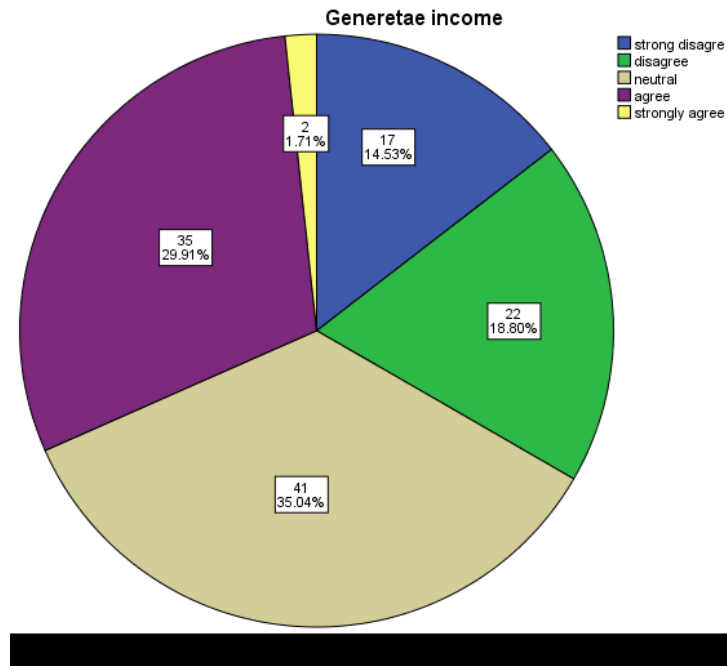
As shown in figure 11, for question asked, if the consumer coop were effective in achieving its objective 49.57% of the respondents disagreed and 29.06% were neutral. 17.95 % agreed and 3.42% of them strongly agreed. Therefore, the majority of the respondent's belief that the consumer coop was not effective in achieving its objectives.

**Figure 12. Increase Number of Members**

Source: Field Survey 2016

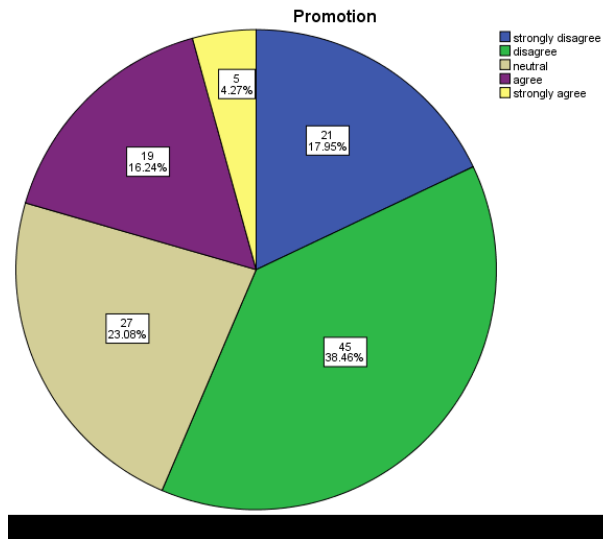
As shown in figure 12, question asked, if the consumer coops Increase number of its members, 35.90% of the respondents were disagreed and 8.55% of them were strongly disagreed. 30.77% of respondents were neutral with this view. On the other hand, 10.80 % respondents agreed and 5.98% of them strongly agreed. Therefore, the majority of the respondent's belief that the number of members consumer coop was not increased as expected.

**Figure 13. Generate Income**



Source: Field Survey 2016

As indicated in figure 13 with regard to income generating 35.04% of the respondents were neutral. Whereas, 29.91% of them were agreed and 1.71% strongly agreed. Then, 18.80 % respondents disagreed and 14.53% of them strongly disagreed. Therefore the majority of the respondents believe that generating income by consumer coop was not as expected by respondents.

**Figure 14. Promotion**

As revealed in figure 14, for question asked if promotion activities were done 38.46% of the respondents were disagreed and 17.95% of them strongly disagreed. Whereas 23.08% of them were remain neutral. Then, 16.24 % respondents agreed and 4.27% of them strongly disagreed. Hence, the majority of the respondent's belief that promotion activities were not done.

## Chapter Five: Discussion

In this section, major findings of the study are discussed in line with relevant theoretical explanations provided and research questions raised in the preceding sections. Client needs assessment is linked to the measurement of client satisfaction. It is important to identify the gaps between what clients expect or need from the organization and the service they feel they are actually receiving. One popular technique to obtain information on human knowledge, attitudes, behavioral preferences, and similarities or the lack of them is the inclusion of Likert-type. So the Likert scale was chosen to measure the average intensity of beliefs and attitudes and represents the average degree of belief that members hold.

### Providing Job Opportunity

The employees of the consumer coop in their response revealed that the consumer coop was undertaking its social responsibility activity towards its employees through payment of fair wage to the employees, creating job opportunity and providing provident fund to the members, , market stabilization as a social responsibility to the wider community. One of the prime roles of cooperative in the national and local economy is creation of employment opportunities for members and citizens in general (Dorsey, J. & Tesfaye 2005). Cooperative serves not only members but also other nonmembers particularly through employment opportunities. As noted (in table 9), 64.5 % respondents agreed that consumer cooperative in the study area provided job opportunities for its members. However, as seen in Chapter three of this study (Description of the study area) the number of employee of the study area were only 2.06% of total members of the Woreda 1 Consumer coop (Tatari Consumer cooperative, has 4811 members). Although, the

Consumer coop has created job opportunities but the created job figure was not as big as may be expected. Therefore, the Consumer coop management needs to work hard to create more jobs to its members and others by expanding its services and capacity building of its employees.

## **Government Support**

As the aim of this study is to investigate how government support and engagement with the cooperatives affects their autonomy and independent operation, this part of the thesis has been dedicated to cover the theoretical aspect of government support to capacitate and enable cooperative sector. Government support and enabling environment creation in general is seen as government's action in removal of technical, legal and administrative barriers to sector development, putting in place sound economic policy, regulatory frameworks and transparent system, all of which together will create an environment conducive to sector development (UNFCCC, 2014). Governments engage in supporting cooperative sector growth because they recognize the role cooperatives can play in improving economic and other aspects in the lives of cooperative members and non-member by producing goods and services and creating job opportunities (ICA, 2013). This shows that the government is setting the rules of the game for a fair and sustainable cooperative sector growth and contribution to member economic conditions through cooperative society business models. This is very important government action and as described by the theory of creating enabling environment for cooperatives, government is not active participant in the cooperative sector but creates and puts that right framework and control mechanisms for cooperatives to compete and grow in a free market. However, although all respondents see benefits of the governments support to their consumer cooperative, (as seen in Table 20) the majority or 60.7 % of the respondents belief the existence of government support

in the form of organizing consumer cooperatives .Whereas (in Table 27) result indicates 44.4% of respondent's beliefs there was lack of institutional autonomy in the study area.

### **Neutrality of local Administration and Institutional Autonomy**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that endure democratic control by their members and maintain their cooperative autonomy. Cooperatives are not government organizations. But, governments usually intervene through designing supply and demand side support measures to develop the sector and utilizing its potential in improving socio-economic conditions of cooperative members and beyond (Fredrick, 2012). With regard to institutional Autonomy ( In Table 27) 44.4 % of respondent agreed that there was lack of institutional autonomy and (Table19) 46.2% disagreed about Neutrality of Local Administration at the study area. Hence, these results indicates the gaps between consumer cooperative and local Administration on the issues of Neutrality local Administration and Institutional Autonomy. These kinds of gaps could be improved in the cooperation between government and cooperative. As it can be seen from responses given, there are needs to revise some aspects of the government intervention models with cooperatives. The gaps as understood from responses are mostly around independence and freedom of cooperatives in their own affairs, government imposed business activities and plans. The principles of autonomy and independence, and the very nature of cooperatives create a model that is, in itself, extremely varied and able to adapt cultural and political specificities and realities.

## **Promotion**

A strong coherent cooperative can voice and advocate for the demands of itself and is an important part of ensuring that new and small cooperatives grow and prosper

Institutional Autonomy .In this study (Figure 14) 38.46% of the respondents or the majority belief promotion work was not done well. With respect, governments can play a major role in promoting cooperative formation and development by giving a clear, legal definition of a genuine cooperative enterprise; by introducing a cooperative bill/regulation/proclamation (United Nations, 2002). Such legislation allows registration and de-registration of cooperatives in rapid, simple, affordable and efficient manner, as well as the legal supervision of the compliance of laws and regulations by cooperatives. Therefore, the Cooperative promotion office has to conduct necessary awareness creation among the general public then only they should realize the cooperative values, principles to come up to join as member on their own initiation.

## **Effective in Achieving Objectives**

In this study as shown ( in figure 11 ) among the respondents 49.57% of them disagreed about the effectiveness of this consumer coop in achieving its objectives . Also cooperatives have not yet provided demand driven products that could deal with the needs of their members in spite of their better access to the grass roots level. Unlike the private, public, or voluntary sectors, all cooperatives around the world are guided by the same seven principles: - voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and

concern for community. With these regard, the Con-coop need to work hard to apply those principles in order to achieve better results.

### **Exposure to Business Knowledge**

In this study as seen (in the table 11) for question asked , if consumer cooperative creates exposure to business knowledge for its members, the majority of the respondents or 62.4 % of them agreed that consumer cooperative created business exposure knowledge to its members. According to Pheng and Martin (1995), personnel are the only component that provides customers with services. Since consumer cooperatives are firms in which employees face with consumers directly, such or organizations try to achieve a special situation in the market through training their employees on sale knowledge and how to treat with customers.

### **Serving as Forum for Discussing Common Development Agenda**

As revealed (in the Table 13) of this research, for question asked , if consumer cooperative was serving as forum for discussing common development agenda, the result indicates that the majority of the respondents or 61.5 % of them agreed that consumer cooperative served as forum of discussing common agenda for members. According to Roy (1980) in different countries there are various not for profit organizations which aim at promoting the welfare of the people. With regards of the cooperatives, the main aims of these organizations are to study the trend of prices in the market and publish them for the information of consumers and to agitate against the malpractices. Michie and Blay (2004) mention, most of these organizations have been created for the protection of consumers. Those associations play a great role by organizing campaigns on various consumer issues to create social awareness. Hill (2000) says, the consumer cooperatives

firms are socially oriented enterprises in contemporary market economies. With this regards, nobody can deny its importance as serving its members as forum of discussion for their common issues if it was managed properly.

### **Seeking of Collective Action to Address Scarcity of Consumer Items**

Concerning the seeking of collective action to address scarcity of consumer items, the majority of the respondents (50.4%) as shown (in the table 14) were neutral. This seems that the majority of the respondents have not information to take side to agree or disagree on this issue. Also, the efforts taken by consumer cooperative so far in the study area for seeking collective action to address scarcity of consumer items may be not done adequately.

Consumer cooperatives are organizations that are actually owned by the consumers who choose to be members of the cooperative venture known as cooperative retail societies in some countries. Cooperative Future (2006) explains, these cooperative enterprises often appear to function just like any other type of business. Usually, a consumer cooperative is not about making huge profits, although some funds above cost are necessary in order to grow the operation.

So addressing the needs of members are expected from cooperatives leaders and concerned stakeholders. Moreover, the researcher beliefs that seeking of collective action to address scarcity of consumer items should be taken as one of the reason for formation of cooperatives. This is because the cooperatives are organized to meet the needs of their common needs and ambitions.

## **Addressing the Needs of Destitute people**

In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others (ICA, 2013). According to this research shown (in the table 15) addressing the needs of destitute/ poor people in the area, the majority of the respondents or 53.8% of them believe that the attempts so far done to addressing the needs of destitute/ poor people in the study area were not adequate. Maybe the consumer cooperative in the study area unable to address this issue because of lack of awareness of the importance of supporting destitute or financial scarcity this needs further research on this particular case.

Evaluation of public knowledge and perception of cooperative presence in the community is also needed. This information will help not only government authorities but also cooperatives information to determine the level of dissemination of information (education) on cooperatives necessary, and to improve ways of diffusion. ICA (2002) noted that social responsibility is a precept contained and defined in consumer cooperatives' business mission. The cooperative values and principles deeply root them into the society they serve. The Cooperative Movement has got social responsibility as a founding principle and this is why social responsibility is not considered by consumer cooperatives as a new tool but as the continuity of their activities, always focused on people.

## **Infrastructure Facilities**

As noted ( in the table 16) the result indicates 47.0% of respondents disagreed the availability of adequate infrastructure facilities. In other words, the result showed that the

majority of the respondents believe that there was no adequate infrastructure facilities in the study area. However, the view of those agreed and neutral respondents' number should not be ignored because they reflected their immediate specific area. That means those who have access to the available infrastructure naturally agreed, while the remaining respondents were neutral. So based on this research result it is possible to conclude that the available infrastructures were not adequate in the study area. Therefore, the management of this consumer coop needs to study the problem and be able to give solutions to the demands of their customers.

### **Reasonable Price of Goods**

According to Roy (1980) the main focus is to supply members with products they can use at prices they can afford, even while pursuing whatever objectives in terms of community service or other goals that the members of the cooperative have defined as part of the reasons for the cooperative's existence. As shown (in table 17) concerning reasonability of price of goods 42.7% of the respondent disagreed, whereas 40.2% agreed. Therefore, the result indicates the majority of the respondents believe the price of goods was not reasonable in the study area. However, the number of respondents who believe that the price of goods was reasonable were almost nearly equal to those who disagreed. Taking this small difference it is possible to say that some of them were accepted it as reasonable because it has relatively better when compared with the market prices and others still not satisfied about the prices of goods. Nevertheless, consumer coops are established not to make huge profit but they need some more income for their sustainability. This in turn could be a challenge to make their prices more reasonable to meet the needs of their clients. Also the free market situations also affect the sources of their provisions and compete with others as well.

## **Public Attitude towards the Service**

Consumer cooperatives are expected to provide essential consumer goods and service to the members of their cooperatives to be used in day-to-day activities. Members hope to benefit from consumer cooperatives in respect of fair prices, high quality products and reliable services.

The ability of a cooperative to meet its members' expectations depends on whether management effectively evaluates membership needs. As indicated ( in the Table 18) for question asked to understand Public attitude towards service was positive. Of which, 41.0% of the respondent belief that Public attitude towards service was positive. However, 40.2 % of them were disagreed. That means they were not good turn. So taking those who saw it positively (41 %) and negatively (40.02% ) the difference has not that much significant. This indicates that the Consumer coop in the study area needs to work hard to improve its services for those who do and don't support as well. It is obvious that since everyone has different interests the attitude of all cannot be the same as indicated in the findings. This shows that the Consumer coops need to fill the gaps and attempt to facilitate better situation to all its clients in cooperation with stake holders and concerned bodies.

## **Corruption and Lack of Good Governance**

Conventional anti-corruption initiatives have generally not been successful without accountability to citizens. A focus on integrity, rather than anti-corruption is more likely to have greater impact under these circumstances. Integrity is much easier for domestic actors to buy into as it advocates a widely perceived good. It is broader than just financial accountability and therefore addresses some of the gaps in anti-corruption initiatives. As noted in this research (in

table 22) for the question asked, if corruption and lack of good governance was there, the result indicates that the majority of the respondent's (41.0%) of them believe that there was Corruption and lack of good governance in the study area. However, the view of those who disagreed, strongly disagreed and neutral should not be unnoticed. This is because such an issue like corruption, when public perceptions of corruption are high and there are high internal and external demands for accountability, corruption is often already well-established and thus more difficult to address. On the other hand, when there are not adequate controlling mechanisms like auditing, monitoring and evaluation of all activities poorly administered, the possibility of corruptions also may be increased.

### **Lack of Financial Resources**

The result of this study indicates that (as seen in table 23) for the question asked concerning lack of financial resources, of which 47.0% of the respondent agreed there was lack of financial resources. Of course, although, resources are always scarce in every aspect but wise utilization of the existing resources are more important to achieve better results. Working capital allows a c-coop to grow in the future. When a c-coop desires to grow or is trying to meet customer demands, it often purchases additional assets needed to manufacture products or offer services at a quicker pace and on a larger scale. A lack of working capital hinders a c-coop from acquiring what it needs to expand. If a c-coop continues to experience problems with growth, it may find itself losing customers. So a c-coop must take steps to improve the situation to remain viable. One way to improve the amount of working capital available is to focus on receiving cash payments. Besides, increasing members number to obtain more income as well.

## **Lack of Transparency and Accountability**

The event provided interesting and rounded discussion on the challenges of addressing a lack of transparency and accountability. As revealed in the Table 24 of this study for the question asked concerning lack of transparency and accountability the majority or 32.5 % of the respondent's belief that there was not lack of transparency and accountability in the study area. Nevertheless, those who responded agree and strongly agreed together are greater in number than those who disagreed. Besides, number of responded neutral was also may tell us how the attitude or belief of the respondents vary on the same question. The researcher beliefs, the existence of transparency and accountability in any organization is important to address other issues. Also the study shows that there were no lack of transparency and accountability in the study area. If so it would be taken positively. However, other data with regards to this research findings show, for instance, like lack of good governance and corruption shows there were problems. Hence, transparency and accountability issues may need further study in the future.

## **Capacity Constraints of the Leaders**

In order to minimize the constraints of coop leaders they need to follow certain principles, thus, for cooperatives to function effectively, they must exemplify the principles that distinguish them from other forms of private enterprise. According to United Nations Department of Economic and Social Affairs, Cooperatives thus work best when the following elements are in place: a focus on serving members effectively; a clearly defined operational focus, sound and efficient business practices, prioritization of the cooperative philosophy over the business philosophy (members over profit), good community relations, autonomous but

collaborative relationship with government, good governance and effective leadership, grounded in democratic principles.

As shown in the Table 25 in this study, for the question asked regarding Capacity constraint of the leaders, the majority or 59.0 % of the respondent agreed that there was Capacity constraint of the leaders in the study area. Another way to address capacity challenges is to use a dedicated network to secure capacity from other cooperative enterprises. Among these the combined effect of a strong democratic mandate and effective leaders guided by this mandate is at the core of success. The managerial behaviour and business strategies employed in a cooperative context should be guided by the democratically attained collective focus of the organization. This means that the members driving business decisions must also fully understand the principles on which cooperatives are built, as well as be capable of making collective decisions for the good of the whole (UN –DESA, 2011) . Besides, the need for capacity building of the leaders is required to properly manage better achievement the Consumer coop as well.

### **Lack of Sense of Ownership by Members**

Members' attitudes towards their cooperatives have a significant impact on their cooperative participation behavioral intentions. The study indicates (as shown in the Table 26) regarding lack of sense of ownership by members (41.0 %) of the respondents were neutral. Therefore, the result indicates that the majority of the respondents were neutral on this point. Maybe these respondents have not adequate information on this issue or do not want take side to agree or disagree on this question. However, if the number of those who agreed and strongly agreed taken together they are greater in number than those who were neutral. Inadequate participation by members is one of the key challenges. Members' participation in annual

planning process, controlling executive's performance, and their participation in the cooperatives business areas is very limited. The attitudes people hold towards an organization could, and do influence their behavior towards that organization. Ceteris paribus, the more positive attitude one holds towards an organization, the more likelihood it is that the person will patronize or use a service from it, according to Fishbein and Ajzen (1975). As democratic organizations, cooperatives rely on members' patronization for the realization of their distinctive character. Hakelius (1996) notes that a vital part of any cooperative organization is its members, and their active participation in, and loyalty to the cooperative are integral for its success. If members' participation is limited to economic support only, a cooperative will be no different than any of the other business units.

However, the issues of how members' attitudes influence their participation behaviors, the broader issues of whether or not the public understands the nature of cooperatives, and why people stop being members of cooperatives or intend to continue being members of cooperatives have not been adequately dealt with. The attitude people hold towards their cooperatives is imagined to affect their patronization behavior, which is vital for the success of cooperatives.

### **Inadequate Salesman**

Skilled salesmen who could treat the customers professionally are required in any business organizations. In this study as shown (in the Table 28) for the question asked to know, if there was inadequate salespersons, the majority (36.8 %) of the respondents believe that there was Inadequate salesman in the study area. As salesmen have direct access to customers the consumer coop needs skilled salesmen who could gather feedbacks, attract and satisfy customer's expectations and bring the effectiveness of consumer coop.

### **Lack of Convenient Distribution Centre**

It is important to have convenient distribution center to manage goods accordingly. However, as shown (in the Table 29), lack of convenient distribution center, the majority or (32.5 %) of the respondents agreed that there was lack of convenient distribution center in the study area. Insufficient number of and poor management of storage facilities would affect the total handling of goods and services. So the c-coop needs to pay due attention to establish adequate distribution center to make convenient to its customers services.

### **Overall Performance of Consumer Cooperative**

Respondents' were asked about overall Performance of their Consumer cooperative. As shown in figure 1, the majority (40.17 %) of them undecided. Whereas, the next big percent (29.06%) of respondent were unsatisfied. According to the result of this study the majority of the respondents were not decided. However, if we take the next big number it showed the respondents were unsatisfied with overall performance of consumer cooperative. For those who were undecided it was possible to say they may not have adequate information on overall performances of the consumer coop or unable to take side and want to the mid point. On the other hand the next large number of respondents were unsatisfied with overall performances the c-coop. Thus, indicates the con-coop in the study area should work hard to fulfill the expectations of its users by accomplishing its intended goals based on the principles of cooperatives as a whole in the objective reality of the country. The idea of trying to characterize a whole organization as totally effective or ineffective is problematic. In any organization there may be parts of the organization that function well and suggest effectiveness while other aspects of that same organization perform poorly. Robbins (1983) with regard to measuring organizational

effectiveness different writers use various approaches such as Human Relations Model, Open Systems Model, Internal Process Model and Rational Goal Model, whether the organization is effective or not. Each model has its own indicators depending on the situation of the research nature that to be conducted.

### **Adequacy of Consumer Goods**

Adequate supply of consumable goods is one of the services provided by cooperatives to their members and non-members mainly to ensure the availability of goods such as sugar, edible oil, and detergents locally in a timesaving and cost effective manner. For the question asked concerning adequacy of consumer goods they provide to the community, As shown (in figure2) the majority of respondents ( 32.48 % ) were unsatisfied , Therefore, the result the study indicates that the majority of the respondents were not satisfied with the adequacy of consumer goods that consumer cooperative supply to the users. So the management the c-coop are required to provide adequate supply of consumer goods for their customers as much as possible.

### **Fairness of Price of Goods**

In consumer cooperatives, the first and main aim is to satisfy members that should be considered in pricing followed by achieving the profit, sale increase, more share in the market, survival and development of the company (Mostaan, 2005). As shown in figure 3 of this study , for the question asked about fairness of price of goods and services majority of respondents (33.33 % undecided ) and the next big numbers were both the satisfied and unsatisfied equally (29.06% ) each. As a result indicates the majority of the respondents were not decided. However, when we compare those who highly unsatisfied and highly satisfied the rate of highly

unsatisfied was relatively high . So, if the number of respondents unsatisfied together with highly unsatisfied the rate would be taken as higher than those who rate undecided or satisfied and highly satisfied. Generally . fairness of price of goods and services of consumer cooperative may be taken as less fairness by the majority of the respondents. Price and other costs of service sector show the management of various costs endured by customers in achieving the advantages from generating the services (Mostaani, 2005).

### **Quality of Goods and Services**

Quality means: Total and continuous satisfaction while using a product/service. Such a holistic concept for quality is universally accepted that benefits the customer since he/she is the focus of attention by everyone in the design/ manufacture/sale/ distribution chain. Quality means safe, reliable, long lasting, and economical to the customer to use it till it lasts, meets Specifications, Standards, fit for use and meets or exceeds total customer satisfaction

As shown (in figure 4) this paper the majority (43.59%) of the respondents were unsatisfied with quality of goods and services in the study area. Therefore, the result of this study indicated the majority of respondents of the study area were not satisfied with quality of goods and services. The task and role of this component of marketing is to balance service demand and supply (Ebrahimi and et al., 2005). By improving the procedure of providing services to customers, cooperatives can pave the ground for consumers' convenience which leads into repurchase and, finally, sale increase.

## **Appropriateness of Physical Location of Shops**

Location decisions are not any task due to the large number of factors that to have considered , and costs associated with, for example, the opening of new stores, can be very high , Site selection is therefore a long term decisions that implies long term capital commitment. Once a retail site has been chosen, there is only little flexibility, because this decision usually cannot be changed easily without high losses. Because of its fixed nature, location cannot be changed in the short term ,As shown in figure 5 with regard to appropriateness of physical location of shops and accessibility the majority of 32.48% of the respondents were undecided, 30.77% unsatisfied and 4.84% highly unsatisfied. However, 27.35% satisfied 2.56% highly satisfied. So the result indicates that the majority were in midpoint or undecided about an appropriateness of physical location of shops and accessibility to users. May be getting places to establish new retail shops are not an easy task because of master plan of the city. Besides, financial scarcity could also be another factor.

## **Member's Strong Participation**

As Indicated ( in figure 6) of this research findings , for question asked to know if there was member's strong participation in consumer coop in the study area, the majority (33.33%) of them responded unsatisfied. So, the result shows there was no members strong participation in consumer cooperative activities. The importance of member commitment, satisfaction, trust and participation in their cooperative has been extensively studied as is evidenced in these cited studies. However, the issues of how members' attitudes influence their participation behaviours, the broader issues of whether or not the public understands the nature of cooperatives, and why people stop being members of cooperatives or intend to continue being members of cooperatives

have not been adequately dealt with. Members' attitudes towards their cooperatives have a significant impact on their cooperative participation behavioral intentions. The attitudes people hold towards an organization could, and do influence their behavior towards that organization. Ceteris paribus, the more positive attitude one holds towards an organization, the more likelihood it is that the person will patronize or use a service from it, according to Fishbein and Ajzen (1975).

### **Treatment of Consumers**

Firms are responsible for making sure customers are treated fairly. All firms must be able to show consistently that fair treatment of customers is at the heart of their business model. Consumers can be confident they are dealing with firms where the fair treatment of customers is central to the corporate culture. Above all, customers expect services and products that meet their needs from firms they trust. As indicated (in figure 7) in this study, concerning the treatment of consumers. Of which 41.03 % was responded satisfied. A firm must pay due regard to the interests of its customers and treat them fairly. However, the second big percent of the respondent (35.90 %) were unsatisfied. The result of the study shows that the majority of the respondent was satisfied with the treatment of consumers. As treatment is first impression whether the goods and services are available or not the word of mouth (treatment) has a role to play in client's satisfaction. This should be encouraged for further services to users.

### **Commitment of Cooperative Leaders**

Commitments of c-coop leaders are decisive in order to achieve the objectives of an organization. However, as seen (in figure 8) with regard to commitment of cooperative leaders

45.30% responded unsatisfied. Whereas 28.21% of the respondents were responded as satisfied with the commitment. Hence, the result of this study indicates that the commitment of cooperative leaders at the study area were unsatisfied according to the majority of the respondents. Therefore, the result of this study indicates lack of commitment of leaders in the study area. So capacity building of the leaders are required to make them committed to their jobs as the leader of the organization to achieve the goals of the consumer coop.

### **Timely Supply of Basic Goods and Services**

In order to meet the needs of the client's timely supply of goods and services are so important. However, as noted (in figure 9) the majority (36.75% ) of respondents were unsatisfied with timely supply of basic goods and services by consumer cooperative of the study area. It is clear that if clients are not provided with what they want on time they will not be happy or not satisfied. So, the management of consumer coop of the study area needs to work hard for timely supply of basic goods and services for their clients. If not the expectations of the clients could not meet.

### **Consistency of Supply of Essential Goods/Commodities**

Consistency of supply of essential goods/commodities are important for any organization to meet the expectations of their consumers, Hence, as far as consistency of supply of essential goods/commodities are concerned as noted (in figure 10) 46.15% of the respondents responded unsatisfied. Therefore, the result indicates that the majority of the respondents were unsatisfied with consistency of supply of essential goods/commodities by consumer cooperative of the study area. Therefore, this problem affects the effectiveness of the c-coop with regard to its clients, So

the management of the c-coop need to get rid of such kind short comings by working hard to achieve its objectives,.

### **Increase Number of Members**

Have large number members are useful in order to strengths the c-coop in terms of human resources and income. As shown (in figure 12) for the question asked to know if the number of consumer coop members were increased adequately, the majority (35.90% ) of the respondents disagreed. Hence, the result of this study showed that the majority of the respondent's belief that the number of members consumer coop were not increased as expected. So, this could be due to lack of promotion of the coop objectives. Also, due to lack of intrinsic motivation of the existing members who could attract outsiders to join the coop.

### **Income Generating**

Although, the main purpose of coop's is not making huge profit as such but running cost for mutual benefit of its members are required. Also other sources to generate more income are essential for its existence besides member's financial contributions. As indicated (in figure 13 ) of this study for question asked concerning generating income 35.04% of the respondents were neutral While, 29.91% of them were agreed. Therefore, the majority of the respondents were neutral unable to take side to agree or disagree. However, the next big number of respondent's belief there was income generating means. Procedure management ensures availability and sustainable/proper quality of services..Cooperatives also tend to invest their profits in improving services to members and promoting the well-being of their communities

## Correlation Analysis

For the purpose of this study (as shown in table 30)below, Effectiveness of consumer coop (as dependent variable) and some Indicators (as independent variables)were identified among others to measure the correlation analysis that indicates the result of the effectiveness of Consumer cooperative and satisfaction of Clients in Woreda 1, Kirkos Sub- City, and Addis Ababa. Hence to see the influence of these indicators on the effectiveness of Consumer coop Pearson correlation coefficient was applied.

**Table 30.The Pearson Correlation between Effectiveness of Consumer Cooperative**

Indicators	Effectiveness of consumer cooperative	
	Pearson correlation	Sig. (2-tailed)
Providing job opportunity	1**	.000
Sharing profit	.481**	.000
Product service quality	.108**	.000
Accessibility	.339**	.000
Fairness of service	.194**	.036
Reasonable price of goods	.125**	.179
Government support in organizing coop	.376**	.000
Promotion	.072**	.441
Adequacy of consumer goods	-.130**	.161
Quality of goods and services	-.082**	.381
Timely supply of basic goods and services	-.115**	.215
Fairness of prices of goods and services	-.078**	.406

Sources: Field Survey.2016

As noted in the Table 30 the correlation analysis indicates that eight positive significant relations and four negative or inverse relations were observed. These are providing job opportunity ( $r=1$ ,  $p<.001$ ), Sharing profit ( $r=.481$ ,  $p<.001$ ), Product service quality ( $r=.108$ ,  $p<.001$ ), Accessibility ( $r=.339$ ,  $p<.001$ ), Fairness of service ( $r=.194$ ,  $p>.001$ ), Reasonable price of goods ( $r=.125$ ,  $p>.001$ ), Government support in organizing coop ( $r=.376$ ,  $p<.001$ ), Promotion ( $r=.072$ ,  $p>.001$ ) as positive relations. However, the study shows that the following had negative relations; Adequacy of consumer goods. ( $r=-.130$ ,  $p>.001$ ), Quality of goods and services ( $r=-.082$ ,  $p>.001$ ), Timely supply of basic goods and services ( $r=-.115$ ,  $p>.001$ ), Fairness of goods and services ( $r=-.078$ ,  $p>.001$ ). The Pearson correlation coefficient is used to measure the strength of the linear association between variables, where the value  $r = 1$  means a perfect positive correlation and the value  $r = -1$  a perfect negative correlation. Correlation is an effect size and so we can verbally describe the strength of the correlation using the guide that Evans (1996) suggests for the absolute value of  $r$ :

### **Summary of the Findings**

To summarize what has been said so far. The study was aimed at assessing attitudes and beliefs about cooperative. It contained questions on respondents' beliefs, outcome evaluations and intention items along with questions measuring the understanding of the activities of Consumer cooperative. The procedures employed to obtain the beliefs and beliefs evaluations are used to develop the model to measure respondents' attitude towards consumer cooperative performance or effectiveness.

Cooperatives exist to address citizens' needs by providing goods and services such as: helping supplies, providing communities with retail goods, as well as providing communities with utilities. They are also used as tools in addressing a broad range of socio economic pressures, such as unemployment, youth employment. However, the following points are some of Institutional problem based on the findings of this research. This study has found out that unfair market situation affects the wellbeing of lower income people. Not the market alone but also the cooperative in the study area was unable to provide basic goods adequately, timely and consistently. Moreover, in terms of quality and prices still many respondents were not satisfied. Besides, lack of the autonomy of the cooperative and the interference of local administration were also seen as challenges. Also, consumer cooperative has been facing lot of constraints such as adequacy of supply, inadequate salesman, poor management and other issues. These situations have affected the effectiveness of cooperative. In addition, in the findings of this research poor governance and management was a problem..

- Limited effort to strengthen the existing weak social development institutions so as to enable them to address destitute in the study area.
- Lack of qualified personnel due to mainly absence of career development and capacity development program mainly in consumer coop.
- Absence of developing prioritized and selected strategic intervention areas to achieve defined objectives,
- Limited efforts made to strengthen community participation

## Chapter Six: Conclusions, Implications and Recommendations

This chapter presents the most important conclusions of the study, its implications and followed by list of recommendations for action and further research.

### 6.1. Conclusions

Analysis from the survey indicates consumer cooperative in the study area are familiar with, and understand the concepts of cooperatives. Results of the analysis also show a population that has a general positive attitude towards and yet unsatisfied with their cooperatives as it is reflected in assessing the effectiveness of their cooperative as good. Member commitment to their cooperatives is not high. Although the majority of respondents rated the treatment consumer coop showed to their clients positively which should be good news to the cooperative movement, there are still issues of concern about overall performance of their coop. These include the inability of management to include members in the decision making process issues of, quality goods and services, timely supply of basic goods. Also there is the need to address the issues member training and the provision of a forum for the discussion of their problems with management. The lack of participation by the youth is an issue that needs addressing because the long term survival of cooperatives will depend on these potential members. Areas for future research could include an in depth analysis of why the youth find it unattractive to patronize cooperatives, what de-motivates people in cooperatives, and how cooperative management could bring members in the decision making process. When governments are too involved in centrally planning cooperatives and providing deep subsidization, the long-term sustainability and effectiveness of cooperatives is compromised.

## 6.2. Implications of the Study for Social Work Education

The study has various implications for social work in general and for organizational change, community based interventions and the beneficiaries of such interventions in particular. Hence, the importance of cooperatives for social and economic development has been recognized by the government of Ethiopia. As a result, the Government has been committed to the promotion of cooperative development through its cooperative support institutions. These efforts have seen a steady increase in the number of cooperatives in the country in the recent years. However, the level of support has been inadequate as demonstrated by the effort to increase the number of primary cooperatives without giving due attention to improving their functionality.

The time requires a new mind set, quality leadership, modern cooperative management and modern financial management techniques in order to ensure cooperatives are sustainable and able to meet their multiple objectives. All stakeholders in cooperative development in the country should not only focus on increasing the number of cooperatives, but should also give due attention to enhancing cooperative functionality. Coordination among stakeholders involved in cooperative promotion is necessary. The cooperative movement has been facing critical shortage of skilled human resources. The institutions supporting cooperatives in the country suffer from frequent structural changes. This affects the performance of cooperatives and the data management system. Overcoming these problems will enhance the role of cooperatives in economic and social development.

Social workers should conduct research on the cause, scope and magnitude of consumer cooperatives problems and distinguish the major gaps of current services, identify target groups

and prioritize action accordingly. At macro level, social workers should influence policy makers and legislatures to enact laws, social policy guidelines that have direct impact on client's unsatisfied interventions to the benefit of the community in general and clients using the services of consumer cooperatives in particular. Social workers also work together with governmental, nongovernmental and community based organizations in provision of services to Cooperative Agency in the comprehensive manner. Since the facilities focus considerably more attention on extinguishing undesirable behavioral patterns and protecting communities from further exploitation by inappropriate high profit oriented business people the social works expected to employ a variety of skills and assessment strategies. To protect the rights of consumers from unfair market exploitation the interventions by social workers to address the problem is required. Social workers should take actions to promote the wellbeing of low income consumers at least to obtain the basic goods and services with reasonable prices, to ensure that their rights are respected and to make certain that their basic needs are met. Social workers should also take measures to organize the community in the form of cooperative to get rid of unfair market situations. Hence, conducting research on such issue can help to the awareness and address the problem appropriately. There are a number of issues that need to be studied towards alleviating the specific challenges and its consequences. These student research findings are important foundation for further research and investigation of interested individuals. The study has found out that unfair market situation affects the wellbeing of lower income people.

According to these findings the cooperative in the study area was unable to provide basic goods adequately, timely and consistently. Moreover, in terms of quality and prices still many respondents were not satisfied. In addition, lack of the autonomy of the cooperative and the interference of local administration were also seen as challenges. Furthermore, in the findings of

this research poor governance and management also noted. Therefore, the work should mobilize every concerned body if a real and concrete change has to come. It needs urgent solutions by impressive the essential and possible actions. Ethiopia has ratified a number of international conventions human right and adopted different policies aimed at protecting the fundamental rights for of all, the implementation of these policies and programs have not gained full attention. Therefore, strategies should be developed to tap the available local resources so as to utilize them in priority areas that need immediate response. It is important to design different programs and strategies in line with the policies and follow the proper implementation. Full awareness and consensus need to be reached on the policies and laws available in the area of Consumers right. Apart from the existing policies, policy makers need to give due consideration to identify new areas that need to be addressed and design conducive legal and policy environment towards the specific adverse problems of consumers who are unable to afford unfair prices . In addition, it requires the government commitment to increase access to resources in promoting the wellbeing consumers. The finding of the study indicated that there is a need for awareness creation program.

### **6.3. Recommendations**

To further enhance the role of Consumer cooperatives the following recommendations are made:

- Continued capacity building work is needed, particularly through training. Material and technical supports are also necessary to put the cooperatives on a promising growth path.

- Primary cooperatives are usually managed by cooperative management committees that lack modern cooperative management skills. It is, therefore, important to build the capacity of primary cooperative management committees and their staff.
- Awareness creation for policy makers and officers of government cooperative institutions at different levels should be given emphasis so as to effectively promote and develop cooperatives.
- Improve entrepreneurship skill and knowledge of cooperatives executives and employees;
- Continuous assessment of the challenges and problems affecting the performance of cooperatives and devise timely solutions to enhance their role in Ethiopian economy;
- Develop short and long-term strategic plans for cooperatives and strengthen monitoring and evaluation practices of their performances; and continuing to improve the auditing system, including building the capacity of the auditors.
- Attaining an autonomous but collaborative relationship with government is also a pivotal element of cooperative success.
- An effective balance of policy/regulatory support and independent control is necessary. Though self-reliance and autonomy are important to cooperative success, effective policies, laws and regulations need to be in place so as to stimulate cooperative development and enable a competitive and effective business approach and market strategy.

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Appendex I

አዲስአበባ ዩኒቨርሲቲ መደበኛ የድህረ ምረቃ ፕሮግራም

በሶሻል ሳይንስ ኮሌጅ

የሶሻል ወርክ ትምህርት ክፍል

ውድ የመጠይቁ መላሾች እኔ የዚህ ጥናት አድራጊ በአዲስ አበባ ዩኒቨርሲቲ (ሶሻል ወርክ ትምህርት ክፍል) የሁለተኛ ዲግሪ ተማሪ ነኝ። የዚህ መጠየቅ ዓላማ ለጥናቱ የሚውል የመጀመሪያ መረጃ ምንጭ በማሰባሰብ ፣ “ የሽማግሌት የህብረት ሥራ ማህበራት ከተገልጋዮች አንጻር ውጤታማነታቸው ምን እንደሚመስል በማጥናት“ An Assessment of the Effectiveness of Consumer Cooperatives: The case of woreda1 Consumer cooperatives at kirkos Sub-city in Addis Ababa.” የመመረቂያ ጽሑፍ ለማዘጋጀት ነው። የጥናቱ መረጃ መሰብሰቢያ ከየካቲት 20 ቀን እስከ መጋቢት 20 ቀን 2008 ዓ.ም. በለው ጊዜ ውስጥ ነው። ስለዚህ እባክዎትን በነጻነት ትክክለኛውን መልስ እንዲሰጡ እየጠየኩ። የሚሰጡት መረጃ ሚስጢር የተጠበቀ መሆኑን በሚገባ በትህትና አረጋግጣለሁ። ፈቃደኛ ሆነው መጠየቁን በመሙላት ለሚያደርጉልኝ ትብብር በቅድሚያ ከልብ አመሠግናለሁ። ይህ መጠየቅ የሚሞላው የሽማግሌት የህብረት ሥራ ማህበራት ተገልጋዮች/ተጠቃሚ ሆነው ቢያንስ ለሁለት ዓመትና ከዚያ በላይ በተገልጋይነት የቆዩትን ደንበኞችና ጉዳዩ በቀጥታ ከሽማግሌት የህብረት ሥራ ማህበራት ጋር በቀጥታ ግንኙነት ያላቸውን አካላት ነው።

-ትክክለኛው መልስ (✓) ምልክት ያድርጉ-

I. የግል መረጃ

- 1. ጾታ- ሀ. ወንድ  ለ. ሴት
- 2. ዕድሜ- ሀ. ከ 20 እና ከዚያ በታች  ለ. 21- 30  ሐ. ከ 31- 40

መ. ከ 41- 50  E. 51 እና ከዚያ በላይ

3. የጋብቻ ሁኔታ- ሀ.ያላገባለ.  ለ. ያገባ  ሐ. አግብቶ የፈታ  መ. አግብቶ በሞት የተለየ

4. የትምህርት-ደረጃ- ሀ.ከ1-6  ለ. ከ7-8  ሐ. ከ9-10  መ. መስናዶ   
 ሠ.ዲፕሎማ  ረ. የመጀመሪያዲግሪና ከዚያ በላይ

5. የሽማግሌት-ህብረት ሥራ-ማህበር-ተገልጋይ-መሆን-ከጀመሩ-ስንት-ዓመት-ይሆናል? -----

1. በጣም እስማማለሁ = 5      እስማማለሁ = 4      አስተያየት የለኝም = 3      አልስማማም = 2  
 በጣም አልስማማም = 1

1	የሽማግሌት ህብረት ሥራ ማህበር ለአባላቱ የሚሰጠው ጥቅም ጥቅም	በጣም እስማማለሁ (5)	እስማማለሁ (4)	አስተያየት የለኝም (3)	አልስማማም (2)	በጣም አልስማማም (1)
	<b>ከኢኮኖሚ አንጻር</b>					
1.1	• የሥራ ዕድል ፈጥሯል					
1.2	• ከሚገኘው ትርፍ ለአባላት ይሰጣል					
	<b>ከማህበራዊ ጉዳይ አንጻር</b>					
1.3	• ለንግድ ሥራ ተሳትፎ ይጠቅማል					
1.4	• ከንዋሪው ህብረተሰብ ጋር ትብብርና ግንኙነት ያጠናክራል					
1.5	• የጋራ ልማት አጀንዳ ላይ ለመወያየት ያገለግላል					
1.6	• የሽማግሌትን የአቅርቦት እጥረት በጋራ አይቶ መፍትሔ ይሰጣል					
1.7	• በአካባቢው ኗሪ ሆነው እቅም የሌላቸውን ይደግፋል					

2	ለሽማግሌቸው የህብረት ሥራ ማህበራት ያሉ ምቹ ሁኔታዎችና ተግዳሮቶች	በጣምአስማማለሁ (5)	እስማማለሁ (4)	አስተያየትየለኝም (3)	አልሰማማም (2)	በጣምአልሰማም (1)
	<b>ያሉትን ምቹ ሁኔታዎችን በተመለከተ</b>					
2.1	• የምርት አቅርቦትና የሚሰጠው አገልግሎት ጥራት አለው					
2.2	• ለተገልጋዮች ተደራሽ ነው					
2.3	• የተሟላ የመገልገያ ቦታና መገልገያ ቁሳቁሶች አሉ					
2.4	• ፍትሐዊ የሆነ አገልግሎት ይሰጣል					
2.5	• የተመጣጠነ ዋጋ ያለው የዕቃዎች እቅርቦት አለ					
2.6	• ተገልጋዩ ያለው አመለካከት አውንታዊ ነው					
2.7	• የአከባቢው አስተዳደር ጣልቃ አይገባም					
2.8	• መንግስት በማደረጃት ረገድ እገዛ ያደርጋል					
	<b>ተግዳሮትን በተመለከተ ያሉት ተግዳሮቶች</b>	በጣምአስማማለሁ (5)	እስማማለሁ (4)	አስተያየትየለኝም (3)	አልሰማማም (2)	በጣምአልሰማም (1)
2.9	• ግልጽ የሆነ ራዕይና ግብ የለም					
2.10	• የሙስናና መልካም አስተዳደር ችግር አለ					
2.11	• የገንዘብ ምንጭ እጥረት አለ					
2.12	• የግልጽትና ተጠያቂነት					

	የለም					
2.13	• የመሪዎች አቅም ማነስ አለ					
2.14	• የአባላት የባለቤትነት ስሜት ማጣት ታይቷል					
2.15	• የተቋም ነጻነት የለም					
2.16	• በቂ የሽያጭ ባለሙያ የለም					
2.17	• በቂ የማከፋፈያ ማዕከል የለም					

በጣም አላረካኝም= 1    አላረካኝም =2    አስተያየት የለኝም=3    አርክቶኛል =4  
 በጣምአርክቶኛል= 5

3	የተገልጋዮች እርካታ በተመለከተ	በጣም አላረካኝም (1 )	አላረካኝም (2)	አስተያየት የለኝም (3)	አርክቶኛል (4)	በጣም አርክቶኛል (5)
	ከሽማግሌዎች ህብረት ሥራ ማህበር የሚያገኙትን አገልግሎት እንዴት ይለኩታል					
3.1	• አጠቃላይ አፈጻጸማቸው					
3.2	• ለተጠቃሚው የዕቃዎች አቅርቦት በቃት					
3.3	• የዕቃዎችና የአገልግሎት ጥራት					
3.4	• ወቅታዊ የሆነ መሠረታዊ ፍጆታ አቅርቦትና አገልግሎት					
3.5	• ለተገልጋዩ የሚያደርጉት አቀባበል					
3.6	• የዋጋ ው ተመጣጣኝ መሆን					
3.7	• የማያቋርጥ የተፈላጊ ዕቃዎችና ሸቀጣ ሸቀጦች መገኘት					
3.8	• የሽማግሌዎች ሕብረት ሥራ ማህበራት ሰቆች በአመቺ					

	ሥፍራ መኖር					
3.9.	• የማሕበራት መሪዎች የሥራ ተነሳሽነት መኖር					
3.10	• የአባላት ጠንካራ ተሳትፎ መኖር					

በአጠቃላይ የሽማግሌት የሕብረት ሥራ ማህበራት ዓላማ ና ግብ ስንመለከት ዋጋ ማረጋገጥና የአባላትን ገቢ ማሻሻል የተሻለ ማህበራዊ አገልግሎት መስጠት የሚጠቀሱ ናቸው ብዙህ አንጻር ያለው ሁኔታ እንዴት ይታያል ?

4	ለሽማግሌት የህብረት ሥራ ማህበራት ዓላማን ከማሳካት አንጻር	በጣም እስማማለሁ (5)	እስማማለሁ (4)	አስተያየት የለኝም (3)	አልስማማም (2)	በጣም አልስማማም (1)
4.1	ማህበሩን ከማስተዋወቅ አንጻር የተሠራ ሥራ በቂ ነው					
4.2	የ አባላት ቁጥርን ከማሳደግ አንጻር የተሠራው ሥራ በቂ ነው					
4.4	ገቢ ከማሳደግ አንጻር የተደረገው ጥረት በቂ ነው					
4.5.	ዓላማ ግብ ከማሳካት አንጻር ስኬታማ ነው					

5. ለወደፊት መደረግ ስለ አለበት

5.1. የሽማግሌት የሕብረት ሥራ ማህበራት ውጤታማ እንዲሆኑ ምን መደረግ አለበት ይላሉ ?

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**5.2. የሽማግሌት የሕብረት ሥራ ማህበራት ለሕብረተሰቡ የሚሰጡት አገልግሎት አሁን ካለው በተሻለ ሁኔታ አገልግሎት እንዲሰጡ ምን መደረግ አለበት ይላሉ ?**

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## Appendix II

### Addis Ababa University Graduate Program

#### Collage of Social Science

#### School of Social Work

Dear Respondents. Please I would like to inform you that the Purpose of this questionnaire is only for academic research in partial fulfillment of Master of Arts Degree. The title of the research is“ Assessment of an effectiveness of Consumer Cooperatives: The case of woreda1Consumer cooperatives at kirkos Sub-city in Addis Ababa. These Questionnaire is to be filled Clients of Consumer’s Cooperatives and staff concerned with cooperatives .

-Please use(√)mark

#### .Personal Information

1. Gender            A.Male     B.Female
2. AgeA.20 andunderB. 21- 30     C. 31- 40      
D. 41- 50        E. 51 and above
3. Marriage status A. Unmarried     B. Married      
C. Divorced     D. Widow/er
4. Educational status- A.1-6     B.From 7-8     C.From 9-10      
D Predatory     E. Diploma     F. B.A degree and above
5. For how long have you been Consumer’s cooperatives user?-----

I. Strongly Agree =5 Agree=4 Neutral=3 Disagree=2 Strongly disagree=1

1	Benefits that consumer cooperatives provide for their members	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
	<b>Pertaining to economic benefit</b>					
1.1	• Providing job opportunity					
1.2	• There is Payment of the dividend to the members					
B	<b>Pertaining to social responsibility</b>					
1.3	• Participation or exposure to business knowledge					
1.4	• Strengthening relationships and collaboration among residences					
1.5	• Serving as forum for discussing common development agendas					
1.6.	• Seeking collective action to address scarcity of consumer items					
1.7.	• Addressing the needs of destitute poor in the area					
2	Factors facilitate or constrain on the operation of Consumer cooperatives	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
	<b>Factors facilitate There is:</b>					
2.1	• Product/service quality,					
2.2	• Accessibility,					
2.3	• Infrastructure facility					
2.4	• Fairness of services					
2.5	• Reasonable price of goods					
2.6	• Public attitude towards the services seem positive					

## THE EFFECTIVENESS OF CONSUMER COOP...

2.7	• Neutrality of local administration					
2.8	• Government support in organizing coop					
		<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	Neutral (3)	Disagree (2)	Strongly disagree (1)
	<b>Factors Constrains There is:</b>					
2.9	• Absence of clear vision and goal					
2.10	• Corruption and lack of good governance					
2.11	• lack of financial resources					
2.12	• lack of transparency and accountability to its constituency					
2.13	• Capacity constraint of the leaders					
2.14	• lack of sense of ownership by members					
2.15	• lack of institutional autonomy					
2.16	• Inadequate salesman					
2.17	• Lack of convenient distribution centre					
<b>Highly unsatisfied= 1 Unsatisfied =2 Undecided=3 Satisfied= 4 Highly=5</b>						
<b>3</b>	<b>Consumers' satisfaction on the services of consumer cooperatives</b>	<b>Highly unsatisfied 1</b>	<b>Unsatisfied 2</b>	<b>Undecided 3</b>	<b>Satisfied 4</b>	<b>Highly unsatisfied 5</b>
	<b>How do you rate your satisfaction about consumer cooperatives in your kebele pertaining to:</b>					
3.1	• Their overall performances					
3.2	• adequacy of consumer goods they provide to the community					
3.3	• quality of goods and services					
3.4	• timely supply of basic goods and services					
3.5	• treatment of customers or service users					
3.6	• Fairness of prices of goods and services					
3.7	• Consistency of supply of essential goods/commodities					
3.8	• Appropriateness of physical					

**THE EFFECTIVENESS OF CONSUMER COOP...**

	location of the shops/ accessibility					
3.9.	• Commitment of cooperative leaders					
3.10	• Members strong participation					

**4. Achieving their objectives**

Generally the objective of any cooperative can be:

- To improve the market condition for the improvement of member’s income.
- Provision of improved social services

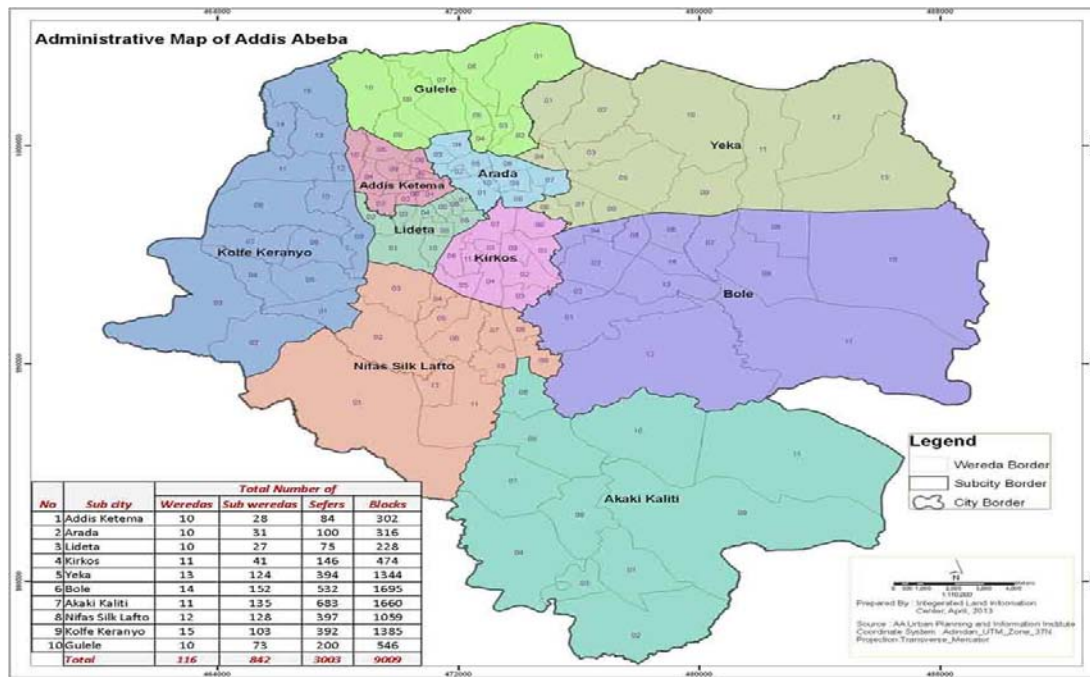
		<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	Neutral (3)	Disagree (2)	Strongly disagree (1)
4.1	• Consumer’s cooperative was effective in achieving objectives					
4.2	• Adequate promotion work has done to make known to the public					
4.3	• Adequate work has done to Increase the number of members					
4.4	• Sufficient work has done to generate additional income					

**5. What should be done in the future?**

5.1. What are your recommendations for the effectiveness of Consumer’s Cooperatives in future ?-----  
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5.2. What measures should be taken to improve the Consumer’s Cooperatives in order to give better services to the community in the future ?-----  
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Source: Addis Ababa City Administration, integrated land information center