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***“Cooperative Principles application in Agricultural Cooperatives in  
Gisagara District, and their contribution to the wellbeing of its  
members, a case study of KOJYAMUGI 2006-2016”***

By

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A dissertation submitted in partial fulfilment of the requirements for the degree award of  
Master of Arts in Development Studies

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## DECLARATION

I, Augustin TWAGIRUMUKIZA hereby declare that this thesis entitled « *Cooperative principles Application in Agricultural Cooperatives in Gisagara District, and their contribution to the wellbeing of its members, a case study of KOJYAMUGI 2006-2016* » is my original work and has never been submitted to any University or any other academic institution for an award of a degree in any field.

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**Dr. GISARO Ca-MADEBERI Ya-BITITI, Supervisor**

## **DEDICATION**

I dedicate this work to my beloved wife Kanamugire U. Yvette, our lovely new born son Shami M. Jesse. I also dedicate it to our first son Sheja M. Kenny who left this world, I miss you, and I hope, I will meet you one day.

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## LIST OF ABBREVIATIONS AND ACRONYMS

ARDI	: Association Rwandaise pour le Développement Intégré
BDM	: Board of Directors and Management
CCA	: Canadian Cooperative Association
EDPRS	: Economic Development and Poverty Reduction Strategy
EICV	: Integrated Household Living Conditions Survey or Enquête Intégrale sur les Conditions de Vie des ménages
FAO	: Food and Agriculture Organisation
GDP	: Gross Domestic Product
GoR	: Government of Rwanda
HIV/AIDS	: Human Immunodeficiency Virus infection and Acquired Immune Deficiency Syndrome
ICA	: International Cooperative Alliance
IFDC	: International Fertilizer Development Center
ILO	: International Labour Organization
KOJYAMUGI	: Koperative Jyambere Muhinzi Gisagara
MINICOM	: Ministry of Commerce
NGO	: Non-Government Organization
NISR	: National Institute of Statistics of Rwanda
RCA	: Rwanda Cooperative Agency
RSSP	: Rural Sector Support Project
SACCO	: Saving and Credit Cooperative
SPSS	: Statistical Package for the Social Sciences
SWOT	: Strength, Weakness, Opportunity, Threat
UCORIBU	: Union des Coopératives Rizicoles de Butare
UGAMA/CSC	: Umuryangowo Gushyigikira Amakoperative n'Amashyirahamwe - Centre de Services aux Coopératives de Gitarama
UN	: United Nations
USDA	: United States Department of Agriculture

## ABSTRACT

The research study was conducted in an agricultural cooperative based in Gisagara District, Mamba sector. That cooperative is called KOJYAMUGI which means Koperative Jyambere Muhinzi Gisagara. The aim of this study was to assess the cooperative principles application in agricultural cooperatives in Gisagara District, their effectiveness and the contribution to the welfare of the members. Therefore, the researcher aimed at assessing the following specific objectives: to appraise the current perceptions of membership, board of directors and management on the cooperative principles application within agricultural cooperatives; to assess effectiveness of agricultural cooperatives as far as cooperatives principles are concerned; and to provide the contribution of agricultural cooperatives to the welfare of its members. The research served qualitative and quantitative approaches with 70 respondents composed of 65 of cooperative members and 5 of leaders, Board of Directors and Management of the cooperative. Findings show that more than 85% of respondents confirm that the cooperative serves its members effectively and strengthen the cooperative movement by working together and applying cooperative principles. Also 86.2% of respondents have testified that the cooperative principles are effective.

Findings point out that the cooperative applies cooperative principles based on One-Sample Kolmogorov-Smirnov Test: the p-value is .000, inferior to .05, to mean that there is no reason to doubt that cooperative principles application and effectiveness in KOJYAMUGI Cooperative distribution is normal. Thus principles of cooperative were applied even though some of them remain a challenge such as the fifth cooperative principle of education, training and information and the sixth cooperative principle of cooperation among cooperatives.

Findings show that cooperative has improved the welfare of members and has positively impacted on the welfare of its members. Also respondents have enumerated a number of benefits gained from the cooperative: a 78.5% increased agricultural production, a 52.3% increased in family household income, a 63.1% diversified income generating sources, a 89.2% have the ability to pay health insurance and health facilities, a 66.2% have changed the way of doing savings. A number of 67.7% has changed nutrition in the family and 78.5% have increased skills and practical knowledge in agricultural domains, a number of 47.7% has been able to find in improved shelter and housing while a number of 75.4% have gotten the ability to send children to school among others.

The study finds that even though there is a good step forward, a number of challenges exists which may hamper the sustainable management of the cooperative such as lack of training to members, low skills of members in cooperative management, dishonest and mismanagement of resources by some leaders and climate change which avers to be the eminent problem; lack of accountability to both members and leaders, lack of effective communication and lack of commitment of Rwandan community due to absenteeism and participation in cooperative activities. Thus among major suggestions to achieve sustainable cooperative management and application of cooperative principles the cooperative and the government of Rwanda should incorporate training and education programs in order to offer capacity building to cooperative members.

**Keywords:** *Cooperative, Cooperative Principles, Agriculture Cooperative, KOJYAMUGI, Gisagara*

## CHAPTER ONE: INTRODUCTION

### 1.1. Background to the study

A cooperative, as defined by the ILO, is 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 (Gisaro, *et al.*, 2015:1). Cooperatives have long been recognized to play important roles in society that translates into the improvement of living conditions of their members, particularly the low-income earning cadres of the population, as well as the society at large (Wanyama *et al.*, 2009:1). The cooperative enterprise model exists in many sectors, including agriculture, consumer issues, marketing and financial services, and housing. Cooperatives provide 100 million jobs worldwide and count more than 1 billion members (FAO, 2012:1). Agricultural cooperatives are considered to be the most important organizations that pay attention and try to support the rural development in general and the agricultural development in particular, through the activities and services offered for farmers' welfare (Dung, 2011:68).

In Rwanda, the agricultural sector is a key engine for economic development and poverty reduction, contributing 33% to GDP and about 73% to employment, to 70% of the country's export revenue and about 90% of national food needed (NISR, 2015:103). Rwandan agricultural policies and strategies focus on intensification and increased market orientation of the smallholder agricultural sector, and cooperatives are seen as an important vehicle to achieve this (GoR, 2011:30). The number of agricultural cooperatives in the country has expanded very rapidly during the past couple of years, from 645 in 2008 to 2,400 in 2013. Agricultural cooperatives include production cooperatives where land is cultivated communally as well as service cooperative such as land cooperatives where access to agricultural land is arranged communally and marketing cooperatives where marketing of farm produce is done communally or a mixture of these. Agricultural cooperatives also play a role in distributing subsidized inputs, especially mineral fertilizer (Verhofstadt and Maertens, 2014:4).

Cooperatives are managed referring to the principles as contained in the 1995 ICA Statement of the Cooperative Identity and they include: voluntary and open membership, democratic member control, member economic participation, cooperative autonomy and independence, education,

training and information, cooperation among cooperatives, and concern for community (ICA, 2015:37).

In a study of agricultural and rural cooperatives viability, Sonja and Power (2005: 71), revealed that, a number of successful rural and agricultural cooperatives have built their success precisely on cooperative values and principles turned into an advantage. Ajayi, *et al.*, (2004: 117) also stated that Cooperative principles remain a singular factor that distinguishes cooperative societies from other types of organizational business or otherwise describes a cooperative society as a form of organization where a person voluntarily associates together as human beings on the basis of equality for the promotion of economic interest of themselves.

Therefore, this study has assessed the cooperative principles application in Agricultural Cooperatives in Gisagara District, with a case study of «*Koperative Jyambere Muhinzi Gisagara*» (KOJYAMUGI).

## **1.2. Problem statement**

Despite the efforts that the state put in developing cooperatives that resulted into tremendous growth of the sector in terms of membership and number of cooperatives Wanyama *et al.* revealed that the movement lost its voluntary and bottom-up character that would have put the members in charge of their organizations (Wanyama *et al.*, 2009:6).

Although strategies and policies for agricultural development in Rwanda focus on intensification and increased market orientation of the predominant smallholder farms and cooperatives regarded as nodal points to achieve this objective (GoR, 2011:30). Musahara (2012:8) has also highlighted challenging experiences faced by agricultural cooperatives. These are cited as unsystematic functioning, non-adherence to cooperative principles, lack of autonomy due to government interference, weak structure and poor resources, member apathy, lack of professionalism, lack of innovation and entrepreneurship approach, lack of horizontal and vertical linkages, use of absolute technology and low value addition, lack of member participation in decision making and empowerment, stiff competition sometimes without clear rules, controlling government policy and legislation and leadership, management and governance challenge. Verhofstadt and Maertens (2014:3) stated that a handful of qualitative studies has pointed out that cooperatives in Rwanda are exclusive and aggravate existing inequalities in rural communities. Cooperatives are distinctively different from other businesses. These differences

are found in the cooperative's purpose, its ownership and control, and how benefits are distributed. These are usually referred to as cooperative principles and explain the way a cooperative operates. Other researchers have pointed out that cooperatives in Rwanda are top-down and exclusive, that they undermine land tenure security and investment in improved land management practices (Verhofstadt and Maertens, 2013:5).

However, Kiumarset *al.*, (2010:482), talking to adhering to cooperative principles, the author revealed that the impact of competition among agricultural cooperatives may be mitigated by the attachment that members have to cooperative principles and cooperation among cooperatives. Cooperative principles have also been challenged by cooperative members' heterogeneity in farm size, cultural background and farm technology and practices. Thus, a comprehensive research is required to assess the current cooperative principles application within agricultural cooperatives. Therefore, this research has assessed the cooperative principles application in agricultural cooperatives in Gisagara District, and their contribution to the wellbeing of its members with a case study of KOJYAMUGI in Gisagara District.

### **1.3. Research questions**

Basing on research problem, this research has the following general research question:

How cooperative principles are applied in the agricultural cooperatives in Rwanda, and help those cooperatives to be effective and improve the wellbeing of its members?

The general research question has the following sub questions:

1. What are the perceptions of the members, Board of Directors, and management concerning cooperative principles in agricultural cooperatives?
2. What is the level of cooperative principles application in agricultural cooperative?
3. What is the contribution of the agricultural cooperatives to wellbeing of its members?

### **1.4. Hypotheses**

Basing on research problem, this research has the following general research Hypothesis: it is assumed that cooperative principles are applied in KOJYAMUGI Cooperative; they are effective

and the cooperative improves members' well-being. With the aim to respond to research questions, the researcher has set the following specific hypotheses:

1. Members, board of directors and Management of KOJYAMUGI are aware of Cooperative principles and own their cooperative;
2. Well applied cooperative principles improve the effectiveness of agricultural cooperatives;
3. Activities of KOJYAMUGI improve the wellbeing of its members.

## **1.5. Research objectives**

This research was carried out in Gisagara District, Mamba sector in the areas of intervention of KOJYAMUGI cooperative and has the following objectives.

### **1.5.1. General objective**

The general objective of this research was to assess the cooperative principles application in agricultural cooperatives in Gisagara District, their effectiveness and the contribution to the welfare of the members with a case study of KOJYAMUGI.

### **1.5.2. Specific objectives**

The specific objectives of this research were:

1. To assess the current perceptions of membership, board of directors and management on the cooperative principles application within agricultural cooperatives;
2. To assess the effectiveness of application of cooperative principles in agricultural cooperatives;
3. To provide the contribution of agricultural cooperatives to the welfare of its members.

## **1.6. Purpose of the study**

The overall purpose of this research was to assess the current cooperative principles application in the agricultural cooperatives in Gisagara District, their effectiveness and the contribution of those cooperatives to the wellbeing of the members, with a case study of KOJYAMUGI in Gisagara District.

## **1.7. Significance of the study**

The research has been carried out in Gisagara District, Mamba Sector in the and with the aim to find out the Application of Cooperative Principles in Agricultural Cooperatives in Rural areas of Rwanda. Apart from being an academic piece of work to fulfil the requirements for every student doing a masters studies, this research is expected to generate useful information and provide feedback which will help policy makers, different development actors, practitioners intervening in agricultural cooperatives. In return this should help to revisit their plans and intervention strategies so that farmers interests and concerns be taken into consideration while designing development programs to help cooperative to be successfully viable in an economic or business sense and maintains or improves its cooperative character or features.

## **1.8. Scope of study**

The researcher has decided to carry out the research with scope of three dimensions namely time, space and content scales.

### **➤ In time**

This research mainly has focused on the Cooperative Principles Application and their contribution to the wellbeing of the Agricultural Cooperative members in Gisagara District, with a case study of KOJYAMUGI. The researcher has assessed the application of principles and their contribution to the cooperative members from 2006 the year that the cooperative started operating in Gisagara District, till 2016 the year the researcher has been carrying out this study.

### **➤ In domain**

The present work focuses on the theoretical orientation of community development through cooperative movement with a focus on understanding cooperative principles application, the effectiveness of application of cooperative principles in agricultural cooperatives and the contribution these cooperatives may have to the wellbeing of its members.

### **➤ In space**

This research has been carried out in KOJYAMUGI located in Mamba Sector, Gisagara District, in the southern Province of Rwanda. KOJYAMUGI is an agricultural cooperative which grows maize in the wetland of the Akanyaru in the boundaries of Mamba Sector.

## **1.9. Structure of the study**

This study is divided into five chapters organized as follows: The first chapter presents the background of the study, statement of the problem, research questions, objectives, significance of the study, hypotheses, scope of the study and organization of the study. The chapter two will deal with literature review to show what had been written or talked about with regard to the topic or the relevant areas and it will show how the research's topic fits in. The chapter three devotes to research methodology that will be used in the process of conducting the research, research process, data collection methods and data analysis methods. The chapter four concerns the results and discussions of findings. Finally the fifth chapter deals with the general conclusion and recommendations of the study.

### **Summary**

Chapter one is intended to provide with the background of the study, provide with the motivation and problem statement, research objectives and related questions, the significant of the research in various areas, delimitation of the research and the limitations, structure of the study and the contribution of the study to the scientific knowledge. In conclusion this chapter highlights the major parts of the study, and paves way for the other chapters to proceed in order to find the application of cooperative principles and their effectiveness towards cooperative member's development.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

This chapter will talk about the three main parts including the theoretical orientation of the research, related literature and the conceptual framework.

### **2.2. Definition of key concepts**

This sub-section deals with the definitions of the key terms used in this literature and are related to the topic of the research.

#### **2.2.1. Cooperative**

The cooperative type of firm was initially conceived for the consumer sector with the establishment of the Rochdale Society in the 19<sup>th</sup> century. It aimed to reduce costs to customers and increase benefits to producers in their value creation. During the last century, it evolved to reach almost all sectors. Cooperatives diversified according to their sector, country and legal context. Some researchers have written that there is no universally accepted definition of a cooperative. However, some definitions and principles unite them. According to the ICA (Challita *et al.*, 2014:506), a cooperative is “an autonomous, voluntary association meeting common economic, social, and cultural needs through a jointly-owned and democratically controlled enterprise”. Another widely recognized definition is that adopted by the United States Department of Agriculture in 1987, which defines a cooperative as a “user-owned, user-controlled business that distributes benefits on the basis of use” (USDA, 2011:6). In this research, though both definitions have almost commonness, the cooperative refer to the ICA definition as they also embrace the USDA principles.

#### **2.2.2. Cooperative principles**

The cooperative principles were first developed during the creation of the International Cooperative Alliance in 1895. In that first moment, the Rochdale Equitable Pioneers Society was the inspiration for the creation of these principles, which became the statement of identity of the International Cooperative Alliance (ICA) and, therefore, of the cooperative movement around the world (Cardoso *et al.*, 2014:343). According to USDA (2014:1), a principle can be defined as follows: “A principle is any such generalization ...which provides a basis for reasoning, or... a guide for conduct or procedure. Tammy (1999:2) defines the cooperative principle as an

underlying doctrine or tenet that defines or identifies a distinctive characteristic. It clearly sets the cooperative apart from other businesses.

### **2.2.3. Agricultural cooperatives**

The definition of cooperatives is built on four major catch words; first, they are formed by groups of people, who have a specified need or problem. Second, the organization is formed freely by members after contributing to its assets. Thirdly, the organization formed, is governed democratically in order to achieve desired objectives on equitable norms, and fourth, it is an independent enterprise promoted, owned and controlled by people to meet their needs. It is about peoples' organization to capture different opportunities in the economy where they can address their economic needs and aspirations. By the same token therefore, cooperatives can be formed in any sector of the economy of a country such as agriculture, minerals, industries and service sectors (Chambo, 2009:3). Hence, an agricultural cooperative is an organization that is collectively owned and controlled by independent farmers.

## **2.3. Theoretical orientation**

This study aims to assess the cooperative principles application in the agricultural cooperatives. Thus, a review of theories related to the research is the core and very important part in this study. This subchapter depicts the theoretical orientation related to the cooperative principles, agricultural cooperatives and their roles in the social economic development in general and to the cooperative members in particular.

### **2.3.1. Understanding of the cooperative movement**

The International Cooperative Alliance 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 (ILO, 2004:60). According to Cheong (2006:19), Cooperatives believe and are based on the values of self-help, self- responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others. In pursuit of these values, the cooperative movement has developed principles that guide the transaction of their activities. Cooperative principles are contained in the 1995 ICA statement of the cooperative identity and they include: (1) voluntary and open

membership, (2) democratic member control, (3) member economic participation, (4) autonomy and independence, (5) education, training and information, (6) cooperation among cooperatives, and (8) concern for community (Prakash, 2003:14).

The international Cooperative Alliance (ICA, 2015:2) states that the Cooperative principles do not stand in isolation from each other. They are Interdependent principles which support and strengthen each other. For example, the 5th Principle on Education, Training and Information will, if applied, strengthen and enhance Principle 2 on Democratic Member Control. If all the Principles are observed and applied in the day to operations of a cooperative enterprise, that cooperative enterprise will be stronger and more sustainable. The following is a brief description of each principle.

### **2.3.2. Cooperative principles**

The Principles of Cooperation are guidelines by which cooperatives put their values into practice. Cooperative principles are seven as adopted by ICA in 1995 (ILO, 2013:5).

#### **1<sup>st</sup> Principle: Voluntary and open membership**

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. Voluntary and open membership without discrimination to persons willing to accept the responsibilities of membership is a core principle and has been from the beginning of the cooperative movement in the first half of the 19<sup>th</sup> century. The statement that: “Cooperatives are voluntary organisations” reaffirms the importance of people choosing voluntarily to participate in and make a commitment to their cooperative. People cannot be made to be cooperators. It is a voluntary act to join and to be involved with others to achieve shared economic, social and cultural needs and aspirations. The type of cooperative and its purpose will largely determine whether it can practice open membership. In the present research, agricultural cooperatives are limited to bona fide farmers.

#### **2<sup>nd</sup> Principle: Democratic member control**

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives

are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner. Democracy is a simple concept: the governance or control of an organisation by its members through majority decision-making. In practice, the democratic governance of any human institution is a complex task. Sound democratic governance of cooperatives is no exception. In cooperatives, ‘democracy’ includes considerations of rights and the responsibilities, which attend such rights. But it also means fostering the spirit of democracy within cooperatives, a never ending difficult, but socially valuable and essential task. One of the key benefits of cooperatives is that they help plant deep democratic roots within the fertile soil of civil society.

### **3<sup>rd</sup> Principle: Member economic participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership. Cooperatives exist to meet the needs of people, not primarily to generate a speculative return on capital invested in them. The primary motive for people forming a cooperative is to be self-reliant. This 3<sup>rd</sup> Principle describes how members invest in their cooperative, raise or generate capital and allocate surpluses.

This background to the debate on the formulation of this 3<sup>rd</sup> Principle shows that the key economic concept preserved in it is that in a cooperative capital is the servant, not the master of the enterprise. The whole structure of cooperative enterprise is designed around the concept of capital being in service of people and labour, not labour and people being in servitude to capital. The key question addressed in this 3<sup>rd</sup> Principle is: “How do we make this work?” Like everything to do with money, this 3<sup>rd</sup> Principle is the most sensitive and challenging part of the Cooperative Principles, though not necessarily the most important. Indeed, this 3<sup>rd</sup> Principle is mainly a financial translation of the definition of the identity of a cooperative and of the financial implications of the 2<sup>nd</sup> Principle of member democratic control.

In this research, the word “Capital” has to be understood as an economic concept and not limited to the concept used in accountancy to acknowledge the share capital of an enterprise. Membership shares that provide capital in a cooperative are not shares like those in investor-owned joint stock companies. Capital paid by members is not money primarily invested to generate an investment return on capital, but is ‘pooled capital’ invested to deliver goods, services or employment needed by members at a fair price. This 3<sup>rd</sup> Principle is wholly dedicated to members’ economic participation in their cooperative. However, it would be wrong to interpret this Principle in isolation, and thus reduce cooperatives to little more than their economic dimension. In the Alliance’s definition of cooperative identity, it is important to note that although the economic dimension of cooperatives is mentioned first, shared social and cultural “aspirations and needs” are listed on an equal footing.

#### **4<sup>th</sup> Principle: Autonomy and independence**

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy. Alliance’s definition of a cooperative now clearly states that autonomy and independence is a key characteristic of a cooperative. The integrity of a cooperative as an autonomous and independent organisation rests on the cooperative values of self-help, self-responsibility and democracy that have been central to cooperative identity since the emergence of sustainable cooperative enterprises in the 19<sup>th</sup> century. There are three dimensions to this caution and exhortation: “agreements with governments”, “agreements with other organisations” and when a cooperative raises capital, agreements for “capital from external sources”. All three categories of agreement have the potential to compromise a cooperative’s autonomy and independence and the right of its members to exercise democratic control of its affairs. Declarations by the ICA and the ILO strongly suggest that governments “should only assist and encourage but not manage and control cooperatives, create an enabling environment in which cooperatives can flourish” (Mendoza, 1980:20) and Cooperatives must be free from the interventions of governments and other external bodies (Goff, 2006:15).

## **5<sup>th</sup> Principle: Education, training and information**

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation. Through the application of the 5<sup>th</sup> Principle of Education, Training and Information, members should be educated and informed about their rights and responsibilities as members to exercise democratic control of their cooperative.

ICA (2015:59) has more explicated the meaning of education, training and information as follows:

- “**Education**” is about understanding the Cooperative principles and values and knowing how to apply them in the day-to-day operations of a cooperative business. It is also concerned with the wider education offered to members for their social development. Cooperative education involves engaging the minds of members, elected leaders, managers and employees so that they comprehend fully the complexity and richness of co-operative thought and action and its social impact.
- “**Training**” is about developing the practical skills members and employees need to run a cooperative in accordance with efficient and ethical business practices and to democratically control their cooperative business responsibly and transparently. In all cooperatives there is also a need for training of employees and elected officers in order to run the business of a cooperative efficiently in a competitive economy.
- “**Information**” is a duty to make sure that others, who are members of the general public, but “particularly young people and opinion leaders”, know about cooperative enterprise. The knowledge to be imparted by information is not just a marketing exercise about a cooperative or the services it provides, nor is it propaganda. It is a duty to inform the wider public about the values and principles-based nature of cooperative enterprise and the wider benefits to human society cooperative enterprise brings. Too many cooperatives in too many countries ignore this responsibility. Without education, information and training, people will not appreciate or support what they do not understand. According to Tammy (1999:3), keeping owners educated about what is happening in their industry is important for any business, but it is vital in a cooperative for at least three reasons:

- Democratic control, exercised through majority rule, requires that the entire ownership be informed and involved to ensure enlightened decision-making;
- The cooperative can be responsive to members' needs only if members express them and recognize that they must bear the financial burden to fulfill those needs;
- Unfamiliarity with the cooperative form of business in this country means that our education system, at any level, does not give much instruction about cooperatives in business and economics courses and, therefore, the cooperative must conduct its own educational efforts.

### **6<sup>th</sup>Principle: Cooperation among cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures. The 6<sup>th</sup>Principle shows two dimensions of the nature of cooperatives. The first dimension is that they are economic entities trading goods and services. The second is that they are social entities of members who relate positively to other cooperatives in the way they conduct business. In joining a cooperative members are not only helping to build their own cooperatives but the wider cooperative movement. They cooperate with other cooperatives to create wealth for the many, not personal wealth for the few through unbridled market competition. Members benefit not only from the actions of their own cooperative but from the impact of its cooperative engagement and trade with other cooperatives.

There is a key difference between cooperation among cooperatives and the actions of investor-owned businesses that use mergers and acquisitions to concentrate business activity, increase market share and maximise the return on capital employed. While some larger cooperatives have been created through mergers and acquisitions, the normative approach, subject to compliance with anti-competition and anti-trust legislation, is for co-operatives to cooperate with each other in competitive markets through forming cooperative groups, secondary cooperatives and federations to realise the cooperative advantage and create common wealth for mutual benefit.

### **7<sup>th</sup>Principle: Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members. The 7<sup>th</sup>Principle combines two elements of the Cooperative Values in the Alliance's Statement on the Cooperative Identity: those of "self-help and self-

responsibility” and “the ethical values of honesty, openness, social responsibility and caring for others”. These two elements of the cooperative identity and values are brought to life by this 7<sup>th</sup> operational principle.

This combination of these two elements arises because co-operatives emerge from and are rooted in the communities in which they conduct their business operations. Their success is based on their ability to support those communities to develop in a sustainable way. This combination of these two elements arises because cooperatives emerge from and are rooted in the communities in which they conduct their business operations. Their success is based on their ability to support those communities to develop in a sustainable way.

Therefore, “Cooperatives work for the sustainable development of their communities.” This phase is both an observation and statement of fact. The cooperative value of “social responsibility and caring for others” is evidenced by cooperatives delivering benefits for the communities in which they operate as well as for their members.

### **2.3.3. Distinction of cooperatives to other business firms**

Cooperatives are active in every sector of the global economy and in certain respects, cooperatives resemble other businesses. (USDA, 2011:1) revealed that they have similar physical facilities, perform similar functions, and must follow sound business practices. They usually incorporate under State law by filing articles of incorporation, granting them the right to do business. They draw up bylaws and other necessary legal papers. Members elect a board of directors. The board sets policy and hires a manager to run the day-to-day operations. But in other ways, cooperatives are distinctively different from other businesses. These differences are found in the cooperative’s purpose, its ownership and control, and how benefits are distributed. These are usually referred to as cooperative principles and explain the way a cooperative operate.

ILO (2013:1) stated that the key distinguishing feature is that cooperatives create wealth for the many members of cooperatives who engage in cooperative businesses as service users, producers, independent business owners, consumers, and workers, not solely for the few who are rich enough to invest capital in investor-owned enterprises. Cooperatives help counterbalance the

massive growth of inequality between the world's rich and poor; an issue that, if not addressed, has major economic, social, cultural, environmental, and political consequences.

#### **2.3.4. Cooperative Contemporary principles**

Referring to the Abraham Lincoln citation saying: "Important principles may and must be flexible." USDA (2011:4) emphasized that today's principles are simple, flexible, and few in number, yet continue to define and identify the distinctive characteristics of the cooperative form of business in a forward-looking manner.

- **The User-Owner Principle:** People who own and finance the cooperative are those who use it.
- **The User-Control Principle:** People who control the cooperative are those who use it.
- **The User-Benefits Principle:** The cooperative's sole purpose is to provide and distribute benefits to users on the basis of their use.

#### **2.3.5. Responsibilities within the cooperative**

Like in any other business organisation, in the normal cooperative there are different responsibilities to be performed by different agents within the cooperative enterprise. USDA (2014:10-11) and other researchers, highlighted different responsibilities to be performed by members, board of directors, managers and staff as they are given here below.

##### **Members**

Members are owners of the cooperative and have associated responsibilities. They must use, control, and finance their cooperative to gain the economic benefits for which it operates. In taking an active ownership role by patronizing and financing the cooperative, expressing their views and needs, participating in the governance process and decision-making, and evaluating how well the cooperative is performing, they gain other benefits as well (USDA, 2014:10).

They become educated in business practices and see first-hand the benefits derived from working together. They often gain valuable leadership training. The experience they gain from expressing their views in various meetings, participating on committees, serving on the board of directors, and speaking on behalf of the cooperative helps develop leadership traits that they transfer to

other personal and business pursuits. Participation in cooperative business affairs can add to a member's personal stature in the community, in the industry in which the cooperative operates, and in governmental affairs. All in all, cooperative ownership can give a member a well-earned sense of personal and business achievement along with the numerous economic and service benefits the cooperative's existence provides (USDA, 2003:14).

### **Board of directors**

The board of directors is the cooperative's leading governing body. In carrying out this overall responsibility, the board performs several important supporting roles. It is a listening post, hearing from management and membership. It is a communications hub, imparting information between members and management. It is an advisory body to members and management, providing recommendations and guidance. It is a decision-making group, deciding on cooperative policies, approving major operational changes, and developing strategic plans. But in every role and action, the board is accountable to members (USDA, 2014:11).

Members choose director candidates and elect them to office. From their peers, members select individuals with the best judgment and business management skills to represent them and conduct affairs on the cooperative's board of directors. Loyalty, integrity, the ability to make wise business decisions, and willingness to serve are some of the necessary characteristics for board members. Acting as a group, directors set the objectives for the cooperative and make decisions that set the course the cooperative will follow in achieving those objectives. In carrying out their responsibilities, directors serve much like trustees, charged with legal obligation to protect the assets of the members. Directors must fulfill their responsibilities while exercising due care to act within the parameters of the cooperative's policies and the law (Prakash, 2000:35).

### **Managers**

A cooperative manager wears many hats and fulfills a unique position between members, employees, and the board of directors. In meeting responsibilities, a manager essentially simultaneously serves as coach and player, leader and follower, educator and motivator, diplomat and dictator, mediator and magician, judge and jury, and analyst and activist (Ortman and King, 2007:52)

## **Employees**

Cooperative employees play an important role in carrying out the cooperative's business for members. Given the unique principles that cooperatives operate under, it's imperative that employees fully understand the uniqueness of a cooperative, compared to an investor-owned-firm. Many employees interact with the member-owners of the business every day and with management as well. They have responsibilities to fulfill like all business employees, but the relationships they forge with members further define their unique position in the business world. Employees – together with members, directors, and the manager – run the cooperative business to serve and benefit members (Ortman and King, 2007:54).

### **2.3.6. Agricultural cooperatives**

Different researchers have carried out deep researches and classified the agricultural cooperatives to be the most important organizations that pay attention and try to support the rural development in general and the agricultural development in particular, through the activities and services offered for farmer welfare (Dung, 2011:68). Agricultural sector have played an important role in rural development through development of agriculture (Aref, 2011:6). Before we go in details of the role of agricultural cooperatives, we need again to understand well its meaning.

The expression “agricultural cooperative” specifically refers to cooperatives that engage in production, supply agricultural inputs and services, or handles, market or add value to agricultural commodities. The member base of these cooperatives is predominantly engaged in the agricultural industry as farmers. Cooperatives in the agricultural sector are formed by farmers essentially with the objective to reduce transaction costs and generate higher profits “(1) by obtaining inputs and services at lower costs than they could obtain elsewhere or that were not available, and (2) by marketing their products at better prices or in markets that were previously not accessible” (Ortmann and King, 2007: 43). Besides the advantage of reducing transactions costs to access input and output markets, Chambo (2009:10) note that the organization of farmers in groups also increases their bargaining power against large transaction partners. Szabó (2002:31) adds that agricultural cooperatives reduce farmers' uncertainty and provide safeguards against hold-up problems. Some cooperatives also have the possibility to perform value-added

activities, which would otherwise not be attained by individual members. The generated surplus is later on reimbursed to the farmers.

### **2.3.7. Role of agricultural cooperatives in social economic development**

In a study conducted by FAO (2012:3), revealed that agriculture is still the main source of employment and income in rural areas, where the majority of the world's poor and hungry people live. Agricultural cooperatives play an important role in supporting small agricultural producers and marginalized groups such as young people and women. They empower their members economically and socially and create sustainable rural employment through business models that are more resilient to economic and environmental shocks.

Cooperatives offer small agricultural producers opportunities to access markets, and provide them with a range of services such as better access to natural resources, information, communication, technologies, credit, training and warehouses. They also facilitate small producers' participation in decision-making at all levels, support them to secure land use rights and to negotiate better terms for engagement in contract farming and better prices for agricultural inputs such as seeds, fertilizer and equipment. Through this support, small producers can secure their livelihoods and play a greater role in meeting the growing demand for food on local, national and international markets, thus contributing to poverty alleviation, food security and the eradication of hunger (FAO, 2012:3).

#### **✓ Agricultural cooperatives in production and food security**

Many researchers in food and food policy have carried out in depth research on the subject. For example, according to food security is achieved when all people at all times have physical and economic access to sufficient, safe and nutritious food preferences for active and healthy life. Food security on the other hand means avoiding hunger (Volamen: 2009:6) for all. While all countries had severe climatic shocks of draught in the years of 1998 to 2000, Burundi, Rwanda and Senegal, food shortage was induced by civil strife. Year after, agricultural cooperatives have played a great role in the remedy of these chocks (Smith, 2006:12) by increasing the production and productivity through enabling farmers to pool limited resources to enhance earnings capacity through lower input and credit costs and better marketing of products (UN, 2009:7).

Agricultural cooperatives also help in food security by giving incentives to small and subsistence farmers to contribute in food production. UN (2009:9) also revealed that, agricultural cooperatives promote the participation of women in economic production, which, in turn helps in food production and rural development. Through cooperatives, women are able to unite in solidarity and provide a network of mutual support to overcome cultural restrictions to pursuing commercial or economic activities.

#### ✓ **Agricultural cooperatives and Rural Development**

Chambo (2009:8), in a study on agricultural cooperatives: role in food security and rural development, the author discovered that the existence of cooperatives, also has had an impact in the generality of rural development defined in terms of availability and access to amenities that improve the basic conditions of life for the rural people. These include employment creation, rural markets development, enhancement of rural incomes and the improvement of access to social services. Farmers producing crops and marketed by cooperatives are gainfully employed because they can account for their labour input by the revenue they earn during the marketing seasons. Agricultural cooperatives are critical to the general rural development because they provide employment of accountants, bookkeepers, managers, as part of direct employment. But those members earning better revenue through enhanced cooperative prices, have usually invested in income-earning projects such as piggery, chicken projects and other small enterprises.

As far as market development is concerned, it has been evident that agricultural cooperatives have been responsible for introducing the exchange economy in remote rural areas in Africa. By doing so, cooperatives have been responsible for developing modern markets in rural areas, where. The cooperatives provide a ready market for farmers' crops but also absorb transaction costs (Holloway *et al.*, 1999:18), which would otherwise hinder small farmers from market and production integration.

Bibby (2005:21) stated that, agricultural cooperatives help in marketing agricultural products and in improving farmers' access to markets. It was estimated that 50% of global agricultural output is marketed through cooperatives. Cooperatives provide farmers with the mechanisms to avoid destructive competition among each other and to increase their collective bargaining power vis-à-vis retailers.

Agricultural cooperatives, maintain higher levels of income, making small farmers able to construct decent houses, send their children to school and provide health insurance to sustain rural livelihoods FAO (2012:4). They also, have the advantage of accessing cooperative education and business development capacity building. Cooperative education enables them to participate in democratic debates and exercising democratic principles and leadership training. This gives them the ability to become enlightened citizens able to debate more effectively different political issues of concern to the community. But through cooperative education and practice, they also gain the skills of running business. That is why; rural development would greatly be enhanced, if people became members of agricultural cooperatives in general.

### **2.3.8. Cooperatives and development in Rwanda**

To highlight the role of cooperatives and development in Rwanda, we have referred to the study. The hope for rural transformation: A rejuvenating cooperative movement in Rwanda presented by Mukarugwiza (2010: 18-19), published by ILO. The author has sectioned the role of cooperatives in Rwanda into three categories.

#### **✓ Economic role**

Cooperatives are instruments used to alleviate poverty and to accelerate agricultural production in Rwanda. Similarly, cooperatives contribute to the achievement of the Millennium Development Goals, Vision 2020 and the Economic Development and Poverty Reduction Strategy (EDPRS) programme that focuses on rural economic transformation, human resource development, development and promotion of the private enterprises and poverty alleviation. Cooperatives engaged in cash crop production, such as tea and coffee, play a major role in organizing producers to earn the country foreign exchange, which is an important contribution to the economy of the country.

In 2012, agriculture sector's share of Gross Domestic Product (GDP) was 32.7% and 28% of total growth and the contribution of cooperatives to agricultural productivity was significant (GoR, 2013:5). Beside the above macro-economic role, cooperatives create decent employment for their members. Though there are no figures on created jobs, (The Ministry of Commerce, Trade and Industry (MINICOM, 2015:13) confirms that cooperatives have created a great

number of jobs, not only to their members but also to their staff. Cooperatives create jobs not only for their members but also for their staff.

#### ✓ **Social role**

In addition to job creation, the author stated that cooperatives have helped to improve the living conditions of their members. Success stories on how members have used their cooperatives to buy cars, build houses, pay school fees for their children, produce food for the family, and improve their clothing are indicators of such changes.

The author added that, cooperatives have been used to organize vulnerable and excluded groups of people to start income generating activities. Such groups include demobilized soldiers; people living with HIV/AIDS; genocide survivors, especially widows and orphans; ex-prisoners; street children; women; and prostitutes, among others. Cooperatives are, therefore, a tool for reducing social exclusion. Cooperatives play a role in the social protection of their members and their families, especially in getting health insurance. Although health insurance is mandatory for all Rwandans, cooperatives have made it easier for their members to pay premiums for health insurance schemes that are popularly referred to as *mutuelle de santé*. Finally, cooperatives serve as a channel for HIV/AIDS awareness and protection campaigns. The national commission in charge of HIV programme provides funds to institutions to keep cooperative members sensitized and trained about HIV/AIDS (Mukarugwiza, 2010:19).

#### ✓ **The political role**

The political role of cooperatives is discernible in its articulation of cross-cutting issues in society in areas including gender, HIV/AIDS, human rights, children's rights, among others. Cooperatives also try to influence public policies, especially cooperative unions and federations. The federation of cooperatives that produces tea lobbies for its members to be given the first priority for buying shares in tea factories that are privatized. It also lobbies for better prices for tea, in order to improve the income of the producers. However, the study revealed that primary cooperatives do not actively advocate and lobby for the interests of their members (Mukarugwiza, 2010:19).

### **2.3.9. Distinction of agricultural cooperatives**

Though literature identifies unique principles that distinguishing the cooperative to other business enterprises, it highlights also four main characteristics of agricultural cooperatives, that distinguish them from other types of economic enterprises: (i) Collective and democratic management of the organization –voting rights in the member’s general assembly allocated on a basis of one man, one vote; (ii) Double condition of members as owners and patrons of the cooperatives; (iii) Provision of agricultural activities and directly connected services to mainly benefit its members; and, (iv) Distribution of cooperative’s benefits among members allocated according to each members’ usage of the cooperative’s services (Schiller, 1969:21).

### **2.4. Conceptual framework**

In this study, the conceptual framework is used to outline the possible courses of action and present preferred thoughts that lead this study. The Conceptual framework clarifies the concepts and proposes relationship among the concepts in a study. This sub-chapter named the conceptual framework for this study depicts and tackles different terminologies and concepts that made the reader aware of their meanings.

The figure below illustrates the conceptual framework and their related relationship. Hence, the literature review was related to the cooperative principles, cooperatives and agricultural cooperatives, and application of cooperatives principles in the agricultural cooperatives. Then after, the researcher has analyzed the application of cooperative principles in agricultural cooperatives, their contribution to the wellbeing of its members with a case study of KOJYAMUGI in Gisagara District.

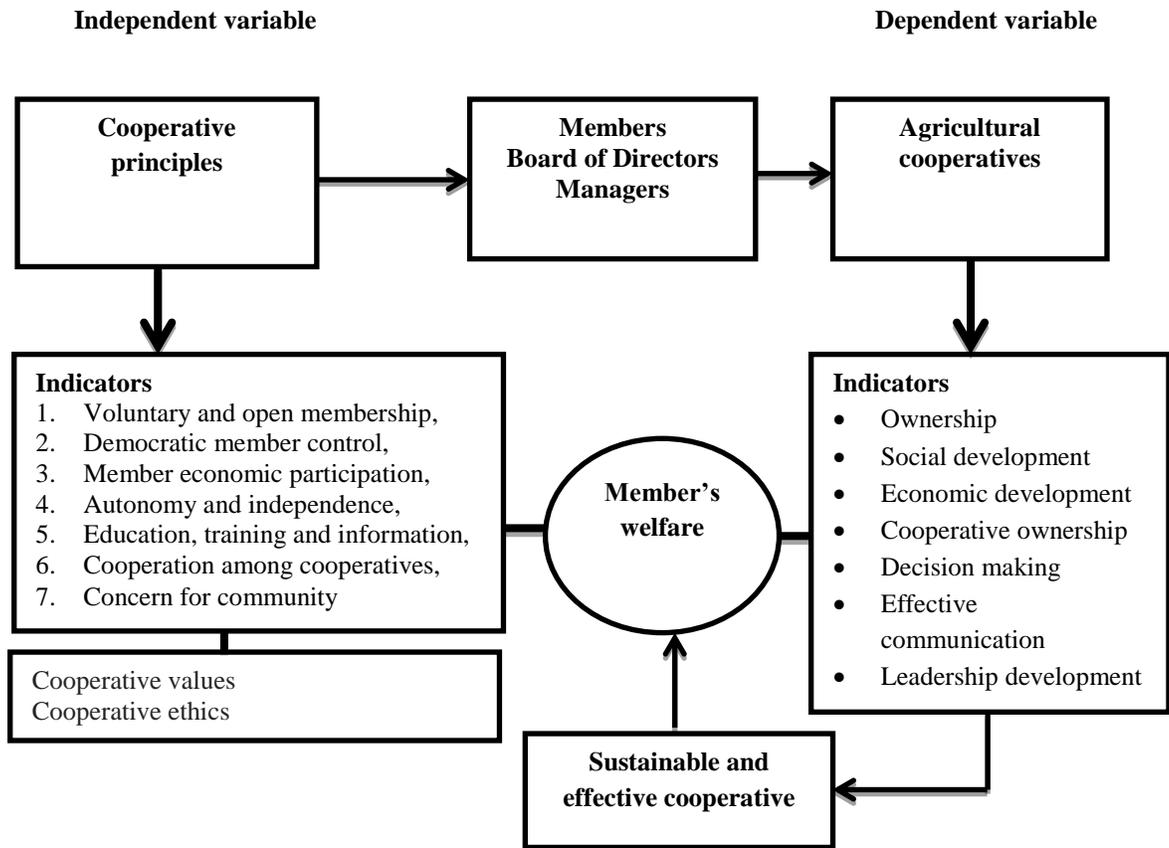


Figure 1: Conceptual framework

Source: Compilation of the researcher (March, 2016).

As illustrated in the figure above, it is clear that Cooperative principles are applied by members, board of directors and managers within the cooperative. Once well applied, it implies the Sustainability and effectiveness of agricultural cooperatives, which are correlated with the level of perception of cooperative principles by members. Thus, the outcome is the members' wellbeing, which is a subject of sustainable and effective cooperatives.

## Summary

Chapter two intended to review the literature on the topic under the study and covered: conceptual framework which provides meanings and definitions of the key terms; theory that explains cooperative principles and ethics, agricultural cooperatives and the contribution of cooperative principles to the development of agricultural cooperatives with reference to KOJYAMUGI cooperative working in Gisagara District of the Southern Province of Rwanda. It

was important to explain key concepts of the research in order to help the reader understand the relationship between the literature review and the orientation of the research under study. The researcher has developed a conceptual framework with dependent and independent variables in order to help readers understand the orientation of the research and the way objectives would have been achieved. This chapter therefore gives the background of the research, and provides theories from which the study inherits knowledge to use in the diagnosis of the study and exploitation of the cooperative principles and their contribution to the development of the agricultural cooperatives.

## CHAPTER THREE: RESEARCH METHODOLOGY

The chapter three presents the methodology that has been used through the whole process of the research. It is composed of the description of the study area, the general study population, target population, sample size and sampling techniques, data collection instruments, the pilot study and data analysis details among others.

### 3.1. Description of the study area

The study aims at assessing the application of cooperative principles in agricultural cooperatives and their contribution to the wellbeing of its members in Gisagara District, with a case study of KIJYAMUGI. Gisagara District is one of the 8 Districts that make up Southern Province. It is made up of 13 Sectors which are Gikonko, Gishubi, Kansi, Kibilizi, Kigembe, Mamba, Muganza, Mugombwa, Mukindo, Musha, Ndora, Nyanza and Save. These sectors are subdivided into 59 Cells and 524 villages. It is located in the South-Eastern part of the country as it is shown on the map below; it is bordered in the South by the Republic of Burundi, in the North by Nyanza District, and in the West by Huye and Nyaruguru Districts (Gisagara District, 2013:2).

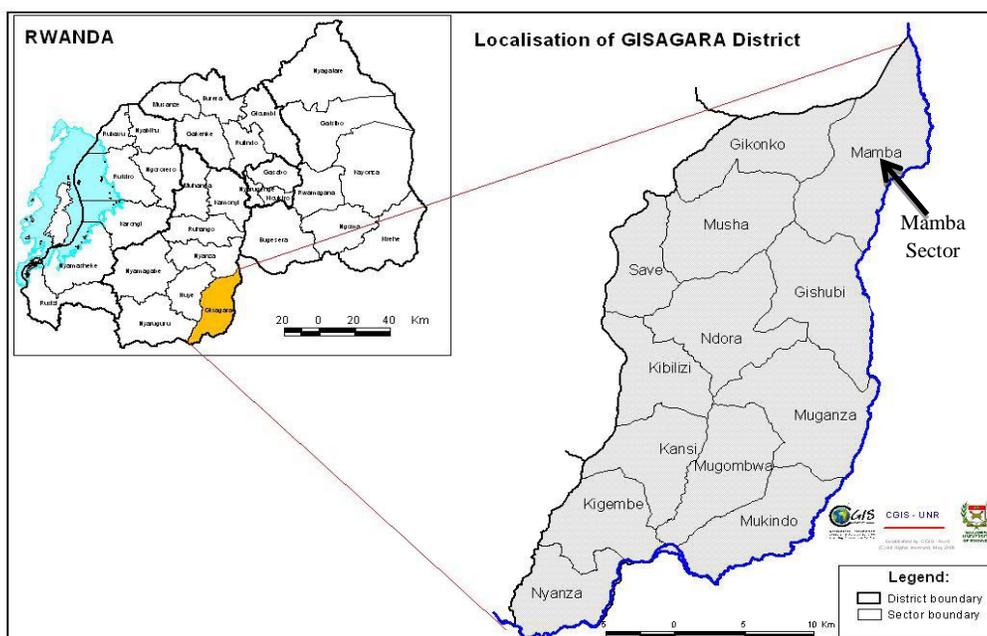


Figure 2: Localisation of Gisagara District.  
Source: Archive of Gisagara District, 2016.

The District covers a surface area of 679.2 per sq.km. Its population in 2012 is 322,506 of which 172,051 (53.35%) are women and 150,455 (46.65%) are men (NISR, 2014:3) with the density of 475 persons per sq.km above the national average (416 persons per sq.km), also the highest in Africa (RoR, 2013:6).

### **3.1.1. Presentation of KOJYAMUGI**

KOJYAMUGI is an agricultural cooperative which grows and processes maize, operating in Gisagara District Mamba Sector in the Marshland of Akanyaru. It was created in 2005 under the initiative of ex-Gikonko District with the aim to pull together farmers who were exploiting the Akanyaru marshland in a disorderly and non-productive way. At that period, Gisagara District in partnership with the Rural Sector Support Project (RSSP) have developed the marshland in benefit of farmers who were exploiting the marshland in order to increase the production through improved agricultural techniques and farmers equipped with skills. After the local government administrative reform of 2006, the cooperative has got the provisional legal personality offered by the new district of Gisagara, and a provisional right to exploit the marshland of Akanyaru.

In 2010, it has got official registration certificate of RCA. Since its existence, KOJYAMUGI has been supported by different partners namely the Government of Rwanda through, advocacy, trainings and mobilization of partners. In 2008 up to now, two International Non-Government Organizations has been supporting it in different domains. Those are the Canadian Cooperative Association (CCA) and the International Fertilizer Development Center (IFDC) through local organizations respectively Umuryango wo Gushyigikira Amakoperative n'Amashyirahamwe - Centre de Services aux Coopératives de Gitarama (UGAMA CSC) and Association Rwandaise pour le Développement Intégré (ARDI). CCA has supported the cooperative to have a processing plant and training on agricultural techniques, while IFDC has been supporting in trainings associated with increasing the productivity. Currently, KOJYAMUGI counts 4080 members of 2080 men and 2000 women. Its activities cover at a surface area of 454 ha (Gisagara District, 2015:6).

#### **The vision**

In the annual report 2014-2015 of KOJYAMUGI (2015:2), vision, mission and objectives are highlighted. The vision is stated as helping its members to leave out of poverty through of

agricultural production by intensifying the maize production in the Akanyaru marshland at an area totaling five hundred hectares (500 ha).

### **Mission**

Its main mission is to professionalize its members to the production of maize full of quantity and quality (KOJYAMUGI, 2015:2)

### **Objectives**

As it is highlighted in its 2014-2015 annual report (KOJYAMUGI, 2015:4), the cooperative set objectives each year, and those of the 2015-2016 fiscal year as follow.

- Increase significantly the maize productivity from 3 to 4.5 tons per ha
- Increased maize production from 1500 to 2250 tons and raise the price from 170 to 200 FRW / Kg;
- Utilize effectively the maize processing unit;
- Facilitate access market by seeking customers;
- Increase annual turnover from 145,200,000 to 256,250,000RwF;
- Reduce consumed portion at 10% of total production;
- By the 2015-2016 fiscal year, increase by 40% the annual revenues

### **3.2. Research design**

This study is based on descriptive survey design. The work is aiming at carrying out an analytical study on the analysis of application of cooperative Principles in the Agricultural Cooperatives in Gisagara District with a case study of KOJYAMUGI. In order to accurately assess the perceptions of cooperative managers, members, and board of directors regarding the application of cooperative principles, a research protocol has followed throughout the study. Qualitative and quantitative research methodologies were selected to be used in this study. Face-to-face interviews with open-ended questions and semi-structured interviews were the basis for the qualitative methodology while a close-ended category-scale questionnaire was the basis for the quantitative methodology.

A qualitative and quantitative research design has been used in order to maximize the range of data and increase triangulation. Goff (2006:44) stated that mixed methods are appropriate for development research. The author emphasized that when mixed methods are used the researcher

must ensure that the quantitative and qualitative methods are integrated in the planning phase, thus optimizing the intended synergies of a mixed methodology.

The qualitative research design has used a standardized open-ended and sequenced interview questions that were determined in advance. The interview questions for the cooperative members were slightly different than the interview questions for the cooperative board of directors and managers. All members were asked the same set of questions while all board of directors and managers were asked the same set of questions. The two sets of interview questions were only slightly different and sought the same information, thus allowing the responses to be compared. The close-ended category-scale questionnaire used standardized questions and response categories that were determined in advance. The strengths of the close-ended category-scale questionnaire are that many questions can be asked in a short time, all of the respondents have the same frame of reference, thus leading to comparability of responses, and the data analysis is simple.

The researcher used to serve a non-probability sampling through the use of purposive sampling in order to reach respondents and the sample size was obtained using Alain Bouchard formula. The researcher have used the sample size of the targeted population through a purposive sampling technique due to the fact that he selected respondents basing on own judgment about what respondent to choose, and pick only those best met the purpose of the study. Respondents were chosen through a list of all members provided by the chairperson of the cooperative. Also simple tabulation of the targeted population and percentages was calculated in order to describe the relationship between findings and objectives of the study.

### **3.3. The general study Population**

This study involved board of directors, managers and the farmers' members of KOJYAMUGI in Gisagara District, Mamba Sector. The general study population is given in the table below.

**Table 1: General population**

N0	Names of the sites	Number of the groups	Members		Total members
			Men	Women	
1.	Runyeshyanga	44	409	401	810
2.	Rwamuzenga	39	297	224	521
3.	Kinamba	13	236	224	460
4.	Nunga	33	293	199	492
5.	Kirwa	47	109	102	211
6.	Muyaga	90	400	511	911
7.	Muganza	15	220	164	384
8.	Munopfu	22	150	141	291
<b>Total</b>		<b>303</b>	<b>2114</b>	<b>1966</b>	<b>4080</b>

Source: compilation of the researcher from KOJYAMUGI report (2015:3).

The KOJYAMUGI is composed by a total of 4,080 members of 2,114 men equal to 51.98% and 1,966 women that equal to 49.02% who are the maize growers and are distributed in eight agricultural sites as given in the table above.

### 3.4. Targeted population

This research has targeted the population – ordinary members of KOJYAMUGI who have been at least members for three years – aware of cooperative functionalities, board of directors and managers. Therefore, targeted population was divided into two categories: the first category is composed of ordinary members whereas the second is about managers and board of directors.

**Table 2: Targeted population (Members)**

N0	Names of the Sites	Number of groups	Target members		Total members
			Men	Women	
1.	Runyeshyanga	44	232	176	408
2.	Rwamuzenga	39	224	163	387
3.	Kinamba	13	127	138	265
4.	Nunga	33	188	194	382
5.	Kirwa	47	94	75	169
6.	Muyaga	90	86	217	303
7.	Muganza	15	209	158	367
8.	Munopfu	22	124	118	242
<b>Total</b>		<b>303</b>	<b>1284</b>	<b>1239</b>	<b>2523</b>

Source: Compilation of the researcher from KOJYAMUGI report (2015:3).

As shown in the table above, the targeted population from ordinary members is 2,523 composed of 1,284 men and 1,239 women distributed in 303 groups composing 8 agricultural sites.

**Table 3: Targeted population (Managers and board of directors)**

N°	Category	Number		Total
		Women	Men	
1.	Board of Directors	3	2	5
2.	Management	3	3	6
<b>Total</b>		<b>6</b>	<b>5</b>	<b>11</b>

**Source:** compilation of the researcher from KOJYAMUGI report (2015:3).

As depicted from the table above, the researcher also has targeted 5 board of directors and 6 managers. Thus, the researcher has contacted each category of the stated above tables so that each category be represented to get an overview of all targeted population in order to capture the perceptions of members, managers and board of directors on the application of cooperative principles in agricultural cooperatives.

### **3.5. Sampling method**

In this study, sampling process was carried out on 2 levels: identified members, board of Directors and Management. The non-probability sampling technique was used in the selection process from the frame of 2,523 members plus 11 Board of Directors and Management that cover the entire targeted population. Due to the fact that the population of this study is scatted and heterogenic the researcher has contacted respondents basing on own judgment (purposively) of the criteria presented in the following sub-section.

#### **3.5.1. Purposive sampling**

Considering the occupation of targeted population members of KOJYAMUGI putting them in a busy situation and operating in eight different agricultural sites, referring also to the to the fact that the population of this research has some different features even though receiving same services from their cooperative, chances are that some considered characteristics about a small number of the population might be representative to the whole population of the research. This is the reason why the researcher judged purposive sampling technique to be the most appropriate, where the researcher has contacted the respondent who available and relevant to provide accurate information. Among criteria include:

- Be a farmer- member of KOJYAMUGI at least for 3 years;
- Be active participant in the activities of the cooperative;
- Be the owner of at least one parcel in the Akanyaru marshland;

- Be available and willing to provide information.

The researcher has chosen 70 respondents and interviewees composed of 65 members and 5 board of directors and managers of the targeted population sample through the list of all members provided by the chairperson of the cooperative, to answer the research questions and interviews. Therefore, during data collection the researcher has administered questionnaires himself through contacting respondents at their work place in the site of the cooperative. The researcher took time to contact respondents and contacted them softly and explained to them the rationale behind the research. After explaining the main purpose of the research, the researcher took time for administering questionnaires to cooperative members and then after he carried out interviews to the board of directors and managers. After accepting and consent on participation in the research, the researcher proceeded in data collection respecting ethical consideration that respondents were free to respond to questionnaires and interviews or drop them down without any problem.

With regards to the interview guide, the researcher had gone to the site where the cooperative is working in Gisagara District precisely in Mamba sector and contacted respondents at their sites where they carry out their everyday activities. After getting to the site the researcher presented himself and informed respondents on the aim of the research and after the researcher asked them to have the time to respond to his interview questions and informed them their rights to participate or leave the conversation once they need to do so.

Listening that the research is an academic purposes, members and board of directors and managers accepted to offer time to respond to questions and then the researcher asked them research question. After several days the researcher become familiar with respondents to the extent that they offered front room information to the extent that the researcher exploited information related to the application of cooperative principles, the contribution of the cooperative to their wellbeing and challenges that the cooperative faces which can hinder them to achieve sustainable application of cooperative principles. Finally the researcher went to the bureau of the cooperative to inform them that the researcher had taken at the end.

### 3.5.2. Sample size

Through the use of purposive sampling techniques during data collection, in order to obtain the sample size of respondents to be interviewed among other techniques, the researcher has used the formula of Alain Bouchard (Narayanan, 2014:4) in the following manner.

The formula is expressed as follows:

$$Nc = \frac{n}{1 + \frac{n}{N}} = \frac{n}{\frac{N+n}{N}} = \frac{n \cdot N}{N + n}$$

In such case the formula gives a sample size theory in the following calculation:

$$Nc = \frac{N \times n}{N + n}, \text{ whereby}$$

$Nc$  = size of the sample

$n$  = number used to calculate the sample

$N$  = size of the population

Using the error margin of 10% for the precision of 67 as indicated in the table and 90% of confidence level, with the infinity population ( $n$ ) of 2,523 membership of KOJYAMUGI; results from this formula show that from the total of 2,523 which compose the study population ( $N$ ) composed of ordinary membership of KOJYAMUGI, the formula gives the following results:

$$Nc = \frac{2523 \times 67}{2523 + 67} = 65.26 \cong 65$$

The results from the formula show that, 65 individuals from ordinary membership plus 5 individuals from board of directors and managers categories, which make 70, the sample size of the respondents from the whole population of the case study. Purposive sampling has been used in order to reach the sample size representing each category of research respondents.

Proportionate sampling will be obtained by separating the population into non-overlapping groups, called strata and then selection number of interviewee people from within each stratum. In this case the proportionate sampling method was used by the researcher through dividing the area of interest (sites of operations) into different strata using the formula of Javeau (1990:57), each stratum representing a site as follows:

$$ni = \frac{Ni.n}{N}, \text{ where:}$$

- $ni$  : the sample size proportion to be determined ;
- $Ni$  : The population proportion in the stratum;
- $n$  : the sample size ;
- $N$  : Total population.

Thus, we will have for:

**Table 4: Sample size of cooperative members**

N°	Names of the Sites	targeted members	Sample for the site
1.	Runyeshyanga	408	10.51 ≈ 11
2.	Rwamuzenga	387	9.97 ≈ 10
3.	Kinamba	265	6.82 ≈ 7
4.	Nunga	382	9.94 ≈ 10
5.	Kirwa	169	4.35 ≈ 4
6.	Muyaga	303	7.80 ≈ 8
7.	Muganza	367	9.45 ≈ 9
8.	Munopfu	242	6.23 ≈ 6
<b>Total</b>		<b>2523</b>	<b>65</b>

Source: Compilation of the researcher (January, 2016).

The table above shows that the sample size for members' respondents is 65 individuals drawn from the targeted members.

**Table 5: Sample determination for qualitative method - Managers and board of directors**

N°	Category	Number	Sample determined	Note
1.	Board of Directors	5	= 3	The researcher will purposively choose 5 participants
2.	Management	6	= 2	
<b>Total</b>		<b>11</b>	<b>= 5</b>	

Source: compilation of the researcher (January, 2016)

Through the research targeted population the sample size were 70 respondents and informants selected from the study population. However, using sampling techniques each and every stratum of respondents will be contacted through the use of a questionnaire to fulfill among other techniques, in order to come up with accurate and reliable information according to their number of sampled population as it is presented in the tables above.

### **3.6. Data collection instrument and techniques**

This research needs both primary and secondary data. The primary data were obtained using questionnaire survey and field observation from the targeted population members, board of directors and management. Secondary data was sourced from written books, electronic sources, and historical archives, annual reports, other documents of District, Sector and KOJYAMUGI.

#### **3.6.1. Survey questionnaire**

Both the quantitative and qualitative methods were conducted through face-to-face conversations. The questionnaire was conducted to the selected members of the target population in the sampling frame. It was consist of open-ended and close-ended category-scale questionnaire (Likert scale questions). The five-point category scale included the following markers: strongly disagree, disagree, neutral, agree, and strongly agree. In close-ended questions, the respondents were limited to specific answers to choose from the list while in open-ended questions, respondents were requested to give responses without any limitations. Likert scale has helped respondents to provide with views on the extent to which they evaluate the application of cooperative principles within their cooperative. The questionnaire responses were supported by interview and observation in order to assess the triangulation of responses.

#### **3.6.2. Interview**

Interview was carried out in order to stimulate the freedom of the persons to be interviewed so that they express themselves easily to reveal us major realities regarding the cooperative principles application in their cooperative. A face-to-face survey also gave the survey a human face and allows the interviewer the opportunity to make questions easier and less threatening by using aids (Sharon, 2004:27).

#### **3.6.3. Field observations**

This technique will focus on the way the respondents and informants will behave in eye of the researcher while responding to the questions on cooperative principles application. Therefore, during the data collection, the researcher will have to use direct observation as a tool of getting accurate data and analyze emotional behaviors with regards to articulated question.

### **3.7. Data analysis**

Data were analyzed using a SPSS supported with interviews. For sorting, questionnaires were coded by giving each completed a unique code to the receipt of respondents. After data collection, the proper tools and techniques were used for the classification and analyses of data. SPSS 20.0 and Microsoft Excel will be used for the purpose of data analysis. The frequencies, crosstabs, significance level commonly known as P-value were analyzed and summarized in tables that reflect the patterns and relationships. The responses to the open-ended interviews were tabulated based on the frequency of responses. Close-ended responses were analyzed descriptively and reported as frequency of responses and percentages.

#### **Summary**

The above Chapter three aimed to review the methodology which served to carry out the research under study. Therefore this chapter dealt with the research design, general population of the study, targeted population and its characteristics, sample size and sample approach, data collection methods and techniques, research instruments and data analysis process, data editing and finally dealt with ethical consideration. This chapter averred important to the research under study because there would be less possibility to find out the final result without clear understanding of the research methodology. This chapter is absolutely important because it is the pilot of the entire research; it provides the tools the researcher used to collect data in order to help assess the application of cooperative principles application in agricultural cooperatives in Rwanda and their contribution to the wellbeing of its members with a case study of KOJYAMUGI in Gisagara District of the Southern Province of Rwanda.

## **CHAPTER FOUR: RESULTS AND DISCUSSIONS**

### **4.1. Introduction**

This chapter deals with data presentation, analysis and interpretation and discussions on the topic: «*Cooperative Principles application in Agricultural Cooperatives in Gisagara District, and their contribution to the wellbeing of its members, a case study of KOJYAMUGI*». It gives the key findings after interpretation of the detailed. It is a tool to measure the objectives and the results obtained from the field. Graphs and tables have been used for presentation of results. The study has been conducted to the members, board of directors and managers in Mamba Sector where the cooperative operates. Questionnaires, interviews and observations helped the researcher to obtain the needed data and the necessary information gathered from different respondents.

The findings of this research are presented in several sections. The first section provides the demographic characteristics of members to give the reader a sense of their context. The remaining sections present the findings of the thematic analysis of the interview transcripts and questionnaire results. The study gathers relevant data through the following sessions: section 1: understanding of cooperative principles; section 2: effectiveness of cooperative principles in agricultural cooperatives and section 3: contribution of agricultural cooperative to the welfare.

### **4.2. Demographic characteristics of respondents**

This section indicates the main respondent's features with an overall aim to understand the demographic characteristics and the composition of the respondents through identifying gender status, age group of respondents, educational background, and marital status of respondents.

**Table 6: Demographic characteristics of respondents**

Variable		Frequency	Percentage
Sex	Male	38	58.5
	Female	27	41.5
Age	Between 18 and 30 years	1	1.5
	Between 31 and 45 years	36	55.4
	Between 46 and 55 years	21	32.3
	Beyond 55 years	7	10.8
Marital status	Single	3	4.6
	Married	47	72.3
	Divorced	9	13.8
	Widow	6	9.2
Education level	No formal school	7	10.8
	Primary level	54	83.1
	TVET level	3	4.6
	Ordinary level	1	1.5

Source: Primary data, May, 2016.

Agriculture is the main source of employment and income in rural areas of developing countries, where the majority of the world's poor and hungry people live including Rwanda where it is occupied by more than 72% of the population Integrated Demographic Household Survey (EICV 4) in (NISR: 2015: 4). Rural women play crucial roles in agricultural activities and in increasing food and nutrition security, as farmers/producers, workers and entrepreneurs. Demonstrated from the table above a number of male was 58.5% while the number of female was 41.5% of respondents.

Even though findings shows that men members maintains the great number than women in the cooperative, but the sample is gender, therefore, one can expect reliable result because both female and male have contributed in the survey. Yet rural women have less access than men to the resources and opportunities therefore they need to be fully productive in agriculture and to ensure the food security, nutrition and well-being of their families and future generations.

With regards to age group of respondents, demonstrated from the table above a number of 1.5% of respondents had been between 18 and 30 years; a number of 55.4% had been between had been between 31 and 45 years and a number of 32.3% had been between 46 and 55 years while a number of 10.8% of respondents were beyond 55 years.

The table above shows that, about 89.2% of the respondents are under 55 years, which means that the most of respondents are still active and can provide reliable income in their cooperative and family households, as they are implicated in the economic activities of the cooperative. The active age is the confirmation with EICV4, which shows that in Rwanda active age is between 16 and 55 years (NISR, 2015:12).

The researcher investigated the education level of respondents. Yet, education level of people plays an important role in creating critical analysis of each phenomenon in the society and it is the key for members fully contribution to the control of their cooperative. Educational level of respondents presented in the above table builds the researcher's judgment on the ability of respondents to provide with critical analysis on the presence of cooperative principles and their enforcement in KOJYAMUGI Cooperative.

The table above shows that a number of 10.8% of respondents had no formal school; a great number of 83.1% had frequented primary level of education; Technical and Vocational Education Training numbered 4.6% while only a number of 1.5% had attended ordinary level of education. Even though members of the cooperative have not frequented higher learning institutions evidence shows that efficient cooperatives have the capacity to empower their members economically and socially and to create sustainable employment through equitable and inclusive business models that are more resilient to shocks. Cooperatives offer small producers a range of services, aimed at improving: access to markets for goods and food distribution; access to information, knowledge and skills development to improve self-confidence and human capital.

In addition, marital status indicates the level of responsibility at the family household level. The table above presents that a number of 4.6% of members contacted was single; a number of 72.3% of respondents were married; a number of 13.8% of respondents were widow and widowed while a number of 9.2% of respondents had divorced. Findings show that a great number of the cooperative members were heads of households. Therefore it may not be a mistake to argue that cooperatives provide many interventions aiming at strengthening households as to bring about sustainable household livelihoods through increase in incomes, assets and food security of poor rural households.

### 4.3. Cooperative principles application

The first research objective of this study was to appraise the current perceptions of members, managers and board of directors to the cooperative principles in order to gain a sense of the cooperative's perception regarding cooperative principles. In this sense, the researcher has used open ended questions, close ended questions and Likert scale questions in order to assess the perception of application of cooperative principles.

#### 4.3.1. The perception of a cooperative by members

The table below presents the views and ideas of respondents on the perception of a cooperative. The perception of a cooperative proves the level respondents view the meaning and importance of a cooperative. The perception capability can provide oncoming information beyond line-of-sight and field-of-view, which enables better control of both manned and unmanned ways the cooperative function.

The question concerning the meaning of a cooperative helped the researcher to understand the application of the 1<sup>st</sup> and 2<sup>nd</sup> principle of cooperatives which is Voluntary and open membership and democratic member control.

**Table 7: Respondents' meaning of a cooperative**

Perception of cooperative	Frequency	Percent
Member owned organisation	49	75.4
People with common problems and interests	10	15.4
Government program	1	1.5
Association of people with the same status	5	7.7
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

Cooperatives are enterprises that are democratically owned and controlled by the people who benefit from them and are operated collaboratively for the purpose of providing services to these beneficiaries or members. Therefore, it is important to catch on well the perception of KOJYAMUGI members on ownership of the cooperative. The table above shows that a number of 75.4% of respondents recognized that a cooperative is members owned organisation; a number of 15.4% of respondents stated that a cooperative is an organisation of people with the same problems and interest who join together and create an organisation to help solve their problems and achieve their interests. Also, a small number of 1.5% of respondents argued that a

cooperative is emanated from government program to create cooperatives and exploit them according to the national development and implementation of its programs while a number of 7.7% of respondents has stated that a cooperative is an association of people with the same status.

Since Cooperatives are both voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership without any discrimination and democratically controlled by their members, who actively participate in setting their policies and making decisions; the perception that a cooperative is a members' organisation helps to understand the extent to which members are able to participate actively and own its activities and outputs. Thus findings show that a great number of respondents recognize that the cooperative is theirs based on the fact that a number of 75.4% stated that the cooperative is a members' owned organisations composed of people with the common problems and interests as stated by 15.4%.

Wishing to know if cooperative members are free to stay or to leave the cooperative once they wish to do so; a 100% of respondents has stated that they were free to take a decision whether to stay or to leave the cooperative. Hence one respondent (M51) stated, "I think there is no problem to everyone who may wish to quit the cooperative because I know people who had left the cooperative and have been given their shares with their dividends." The testimony among other views collected proves that the 1<sup>st</sup> principle of voluntary and open membership is respected in the KOJYAMUGI Cooperative.

#### **4.3.2. Cooperative ownership**

Given shared common objectives, however, the exact way in which each cooperative is structured should always be a members' owned. The purpose of this session is to provide an introduction to one very important aspect of cooperative in this study, that of members management of the cooperative and ownership.

The question concerning who owns the cooperative intended to acquire the perception of participants on 4 principles of cooperatives which are democratic member control, member economic participation, autonomy and independence, and concern for the community. Therefore the table below provides with information on views of respondents on ownership of the cooperative.

**Table 8: Respondents’ perception on the ownership of cooperative**

<b>Ownership</b>	<b>Frequency</b>	<b>Percent</b>
Members owned	64	98.5
Government owned	1	1.5
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

The table above depicts that a number of 98.5% of respondents perceived a cooperative as a member owned organisation while only a number of 1.5% of respondents had perceived a cooperative as a state or government owned. Findings show that 80% of the BDM interviewed indicated that a cooperative was a member owned. Cooperative members’ participants asserted that the cooperative is member-owned. A number of 64.6% of the members’ participants asserted that the cooperative is member-owned. Two memorable responses are: “It’s an association of people with the same problems and same social status who have a goal of improving their livelihoods and living standards. All the members of the cooperative are owners” (BDM2), “A cooperative is an answer to women’s problems, especially single mothers or wives with irresponsible husbands” (M31). “A cooperative is an association where people who have the common problems, and who may have the common interests meet to discuss their problems and develop solutions” (M24). In the remaining 35.4% of the members, one shared that the president of the board is assumed to be the owner as long as he is the creator and initiator.

After realizing that a number of 98.5% of respondents are the owners of cooperative; it can be noted that all the six cooperative principles are applied with the cooperative. Respondents have testified that they are the main beneficiaries of the cooperative and have the same share in the cooperative and when it comes to distribution of dividends respondents have testified that they get the same amount, therefore it is not a mistake to confirm that the second principle of democratic member control is applied based also on the fact that respondents have confirmed that members control their cooperative and when it comes to elected members, respondents testified that elected leaders and Board of Directors and Management are accountable to cooperative members and are organized in a democratic manner.

Also respondents have stated that not only democratically controlled but also members contribute equally to the cooperative capital and their contribution is always the common

property of the members and after a certain period of time they receive compensations commonly called dividends and members allocate any surplus for any planned and proposed developmental project. In addition, respondents testified that their cooperative is theirs and it is not controlled by any public or private institution. Also respondents have proved that their cooperative is concerned with the community due to the fact that its members are part of the community along with their families and relatives.

### 4.3.3. Awareness of cooperative principles

Cooperative members are the owners of organizations, but at the same time they are suppliers or buyers. The lack of knowledge and skills in cooperative principles is perceived as one of the factors of unsuccessful of the cooperative. Thus the table below provides with knowledge of respondents on principles of a cooperative.

**Table 9: Principles of cooperative**

<b>Principles of cooperative</b>	<b>Frequency</b>	<b>Percent</b>
The principle of owned and run by members	51	78.5
Interdependence	11	16.9
Concern for Community	42	64.6
Increased Employee benefits	6	9.2
Cooperation among Cooperatives	51	78.5
Education, Training and Information	41	63.1
Concern for the Environment	19	29.2
Members Share Risk	34	52.3
Autonomous and Independent	45	69.2
A Focus on Economic Development	17	26.2
Economic Participation of Members	50	76.9
Democratic Control by Members	58	89.2
Voluntary and Open Membership	49	75.4

Source: Primary data, May, 2016.

With the aim to know if members of the KOJYAMUGI Cooperative are aware of cooperative principles because it is the task of cooperative boards of directors and leaders to make inform and instruct members on cooperative principles in order to ensure accountability and ownership of cooperative activities; a number of 78.5% of respondents speculated the principle of owned and run by its members; a number of 16.9% argued interdependence as a principle of a cooperative; a number of 64.6% of respondents has stated a concern for the community as a

cooperative principle while a number of 9.2% of respondents stated that increase of employee benefits is a cooperative principle. In addition a number of 78.5% of respondents has shown that cooperation among cooperative is a principle; education training and information is a cooperative principle argued 63.1% of respondents.

Furthermore, a number of 29.2% of respondents has stated that concern for environment is a cooperative principle; a number of 52.3% of respondents has stated that members share of risks is a cooperative principle; a number of 69.2% argued autonomous and independence while 26.2% suggested that economic participation of members is viewed as a cooperative principle. The table above shows that a number of 89.2% of respondents suggested that democratic control of members is a principle while a number of 75.4% viewed voluntary and open membership as a cooperative principle.

Results from respondents show that even though there were speculations around cooperative principles but KOJYAMUGI cooperative members are not fully aware of cooperative principles; a fact which calls for the task to BDM and leadership to improve knowledge of principles of cooperatives among members. therefore results show that the 5<sup>th</sup> principle is threatened due to the fact that respondents testified that they do not get trainings and education on cooperative management while according to the International Co-operative Alliance (2015: 57) Cooperatives should provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.

#### **4.3.4. The role of the government in a cooperative**

Furthermore, in order to assess the level of application of the cooperative principles of independence and autonomy and democratic member control, the researcher asked questions related to the interference of the government among other institutions on the management of the cooperative. In fact the successes of early cooperators were achieved without any legislative support or financial assistance from government. However, like these early pioneers, cooperatives in various parts of the world are still very much affected by their relationship with the state among other financial institutions. Therefore the table below presents the role of the local, provincial and national government in the success or failure of the KOJYAMUGI Cooperative application of cooperative principles.

**Table 10: Role of government in the cooperative**

<b>Role of government in the cooperative</b>	<b>Frequency</b>	<b>Percent</b>
Encouraging and facilitating the development of the cooperative	46	70.8
Organize trainings for leaders on cooperative management	38	58.5
Protect weak members	57	87.7
Set rules and regulations	63	96.9

Source: Primary data, May, 2016.

Depicted from the table above, a number of 70.8% stated that the role of local, provincial and national government in a cooperative is to encourage and facilitate the development of the cooperative; a number of 58.5% stated that the role of government is for organizing trainings for cooperative leaders on cooperative management skills; a number of 87.7% of respondents argued the role to protect weak members against fraud and mismanagement of cooperative resources while a number of 96.9% stated that the government in a cooperative should intervene to set rules and regulations that govern the cooperative. Statement from respondents fit well with the ILO recommendation (ICA, 2015:49), whereby the role of government is to create a favorable working environment.

Within the frame of the research objectives, assessing the role of government intended especially to help the researcher investigate the role of government in the development of the cooperative, and to assess perceptions on the principles related to democratic member control, autonomy and independence. All of the BDM and membership participants perceived the role of government to be encouraging and facilitating the development of the cooperative. The government has not interfered in the daily affairs of the cooperative. This follows the policy set out by the government in the document of Rwanda National Policy on the Promotion of Cooperatives (MINICOM, 2005:34), ILO and ICA (Mukarugwiza, 2010:4). All BDM and members asserted that in last days, the role played by the government was to pull partners and to organize trainings for leaders on cooperative management, use of fertilizers and how to add value on the production for the best quality, while beneficiaries were trained by partners.

#### **4.3.5. Government interference in KOJYAMUGI cooperative**

Government plays an important role in success and or failure of the cooperative. Governments determine the legislative framework within which cooperatives operate. In their taxation,

economic and social policies, governments may be helpful or harmful in how they relate to cooperatives. Therefore the table below provides with views of respondents on the government involvement in KOJYAMUGI cooperative management.

**Table 11: Views of respondents on the government interference in cooperative**

<b>Government interference</b>	<b>Frequency</b>	<b>Percent</b>
Agree	11	16.9
Neutral	1	1.5
Disagree	42	64.6
Strongly disagree	11	16.9
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

The table above depicts that even though there is a number of 1.5% of respondents who remained silent with regards to their views on interference of government in cooperative management; a number of 16,9% of respondents have confirmed that the government interfere in the management of the cooperative while contrary the same number of 16.9% has strongly disagreed that the government does not interfere in the management of a cooperative supported a number of 64.6% who strongly disagreed that the government plays any role in the management of the organisation. Hence, findings show that a number of 81.5% of respondents has shown that the government does not influence the management of the cooperative any more.

With the aim to know the reality of respondents who yelled out the interference of the government in the cooperative management, one BDM stated that only some members confuse the interference of the government and the working environment of the cooperative due to the fact that it works according to the national development agenda but the government does not dictate or intervene in the functionality of the cooperative. Findings prove the fact that the cooperative is independent from the government interference in its management and activities. Hence on one can doubt to confirm that the 4<sup>th</sup> principle of autonomy and independence is applied within the cooperative.

With the aim to know if the cooperative cooperates with other cooperatives whether local, national or international; respondents has pointed out that the cooperative does not have any cooperation with local cooperatives. One respondent BDM1 stated, “We are still thinking of it but the major challenge is the fact that we have not yet found a local cooperative to cooperate

with. It is still in our plan to look for them.”Therefore, the 6<sup>th</sup> Cooperative Principle explicitly urges cooperation among cooperatives. Self -help is a pillar of the cooperative movement and mutual self-help by cooperation among cooperatives is a crucial part of expanding the cooperative enterprise sector of the economy, both nationally and globally. Hence it is the task for managers and leaders to look for cooperation. Therefore the study findings show that the 6<sup>th</sup> cooperative principle is not fully applied with KOJYAMUGI based on the fact that the cooperative does not have any cooperation with local cooperatives even if it cooperates with international agencies and cooperatives.

#### 4.3.6. Appreciation of KOJYAMUGI Cooperative structure

Perceiving the problems of cooperatives and collective efforts emphasizes on leadership in cooperative, includes the process of reaching consensus and then following through with the members’ decisions. The table below provides with the views of respondents on improving the existing structure.

**Table 12: Views of respondents on improvement of the existing structure**

<b>Improvement of the structure</b>	<b>Frequency</b>	<b>Percent</b>
Yes, it needs to be improved	1	1.5
No it does not need to be improved	64	98.5
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

With the aim to know if respondents were satisfied with the management of the cooperative, results from the table above show that a number of 98.5% of respondents viewed the management of the cooperative as a team able to govern their cooperative even though a small number of 1.5% of respondents has suggested that the management need to be restructured. Therefore during data collection and interview with respondents all of the BDM and membership explained the selection process. All participants believed the current structure to be adequate. No one offered any suggestions for restructuration. BDM2 gave this explanation:

Leaders at the higher level are chosen by the general assembly (all members), but at zone levels all members vote for leaders in their specific zones. An individual applies for the position of the manager, the leadership team (5 people total; 3 officers plus 2 advisors) and the presidents

(representatives of commissions) of the 3 commissions then decide who the manager becomes. No need for structural adjustment as the present system is responsive. Hence, findings show that members are aware that the management of the cooperative works properly in a reasonable framework. Respondents testified that they hold elections to choose their leaders and put in place cooperative policies and guiding rule of law and members have equal voting rights and elections are organized in a democratic and freedom levels so that it is confirmed that the 2<sup>nd</sup> principle is applied

#### 4.3.7. Status of application of cooperative principles

Cooperative creators always think of achieving not only objectives but also much more than just establishing and operating successful business enterprises. In order to achieve objectives it is important to set guidelines and implement them accordingly in order to help transform the lives of those whose social, economic and cultural needs have the vision to seek to meet through a jointly-owned and democratically controlled enterprise. The table below presents views of respondents on application of cooperative principles in KOJYAMUGI.

**Table 13: Extent to which cooperative principles are applied**

<b>Principles are applied</b>	<b>Frequency</b>	<b>Percent</b>
Very small extent	1	1.5
Small extent	7	10.8
Great extent	35	53.8
Very great extent	22	33.8
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

Depicted from the table above even though a number of 1.5% strongly disagreed that cooperative principles are applied; a number of 10.8% of respondents had disagreed the application of principles due to the fact that they did not know well these principles. According to findings, a number of 53.8% of respondents agreed that principles of cooperatives are applied and cooperative principles are effectively applied to the great extent. The same as a number of 33.8% of respondents strongly agreed the application of cooperative principles. Therefore, findings show that a great number of more than 85% of respondents confirms that the cooperative serves its members effectively and strengthen the cooperative movement.

#### 4.4. Effectiveness of cooperative principles

The session below provides with views of respondents with regards to effectiveness of cooperative principles in KOJYAMUGI Cooperative. Therefore, this sub-chapter deals with effectiveness in decision making and members participation; effectiveness in communication, leadership development; duties and relationships among members

##### 4.4.1. KOJYAMUGI Cooperative members and decision making participation

Cooperative members need to work closely with the cooperative leaders and realize their income under equal market conditions through their cooperative. Decision-making with diverse member interests is an important issue, but is only one of many that cooperatives confront. Therefore the table below provides with information on the participation of members in decision making process.

**Table 14: Participation of members in the decision-making process of the cooperative**

Members in the decision-making process	Frequency	Percent
General assembly meetings	64	98.5
Meetings at zone level	32	49.2

Source: Primary data, May, 2016.

The table above provide with views of cooperative members on the role and participation in decision making process in their cooperative. Therefore a number of 98.5% stated that members participate in decision making process of their cooperative through a general meeting while a number of 49.2% of respondents raised that in the meeting at the zone level member's parvenu to participate in decision making and provide with suggestions and recommendations which guide the process in the general assembly meetings. To gain an understanding of their perceptions regarding the degree of participation and decision-making by the various sub-populations within the cooperative, the BDM and membership were asked three questions.

All the BDM participants believed that the membership participates fully in decision-making. According to BDM6, "When the General Assembly is convened every member has a say in the meetings." BDM4 shared, "Apart from the day-to-day activities decided upon by the management and the board of directors, most decisions are made by the members in the General Assembly."

A number of 75.4% of the membership participants stated that they participate in the decision-making process through the General Assembly and zone level meetings. M17 pointed out her involvement in decision-making: “I contribute with different ideas in different meetings. Members contribute ideas on program issues through meetings in their respective zones. All people give their views in meetings and are put into consideration.” Through interview session 24.6% of the membership participants said that though they attend the meetings they do not engage in decision-making. M10 commented: “I participated in choosing those leaders so we trust whatever is decided by them.” Findings prove the level of the application of the 2<sup>nd</sup> cooperative principle due to the fact that, according to findings, members control their cooperative and participate elections and in decision making and cooperative management through general assembly and zone level meetings where members set cooperative orientation and plans and deal with implementation of developmental plan and projects.

#### 4.4.2. Responsiveness of cooperative management and leadership

Most cooperatives need to be highly responsive to members’ differing needs, while also adequately safeguarding interests of the entire membership. Access to management and the power of voice keep cooperatives relatively well informed about, and responsive to, members’ diverse needs and interests. Therefore the table below provides with information on the level opinion and suggestions matter to the management and how free members are able to make decisions.

**Table 15: Opinions, suggestions, and Freedom of opinion in decision-making**

Opinions and suggestions and Freedom of opinion in decision making			Freedom of opinion in decision making			Total
			Disagree	Agree	Strongly agree	
<b>Opinions and suggestions of members matter to the management and leadership</b>	Disagree	Count	1	1	0	<b>2</b>
		% of Total	1.5%	1.5%	0.0%	<b>3.1%</b>
	Agree	Count	0	28	23	<b>51</b>
		% of Total	0.0%	43.1%	35.4%	<b>78.5%</b>
	Strongly agree	Count	0	12	0	<b>12</b>
		% of Total	0.0%	18.5%	0.0%	<b>18.5%</b>
<b>Total</b>	<b>Count</b>	<b>1</b>	<b>41</b>	<b>23</b>	<b>65</b>	
	<b>% of Total</b>	<b>1.5%</b>	<b>63.1%</b>	<b>35.4%</b>	<b>100.0%</b>	

Source: Primary data, May, 2016.

Demonstrated from the cross tabulated table above on one hand a number of 1.5% of respondents has disagreed that there is no freedom of opinion in decision making of the cooperative. According to respondents' views there is no freedom of expression among members and BDM of the cooperative; a number of 63.1% agreed that members are free to provide with opinions to their BDM while a number of 35.4% strongly agreed that cooperative members are free to express themselves and provide their views and opinions with the management. Respondents meant that freedom of expression is valued and effective among members and BDM.

On the other hand despite a number of 3.1% of respondents has disagreed that opinions and suggestions of members are considered by the management of the; a number of 78.5% agreed that the views and opinions of cooperative members are respected while a number of 18.5% strongly agreed that cooperative management valued the opinions and suggestions of cooperative members. Thus, findings from the cross tabulated table above show that a great number of more than 95% of respondents confirmed that members have freedom of expression and opinion in decision making of their cooperative whereas a number of more than 95% on the other site testified that opinions and suggestions of cooperative members matter to the management and leadership of the cooperative. Hence, the freedom of opinion and communication in the cooperative proves the level of application of accountability of members and BDM in the cooperative to respond to the 2<sup>nd</sup> cooperative principle.

#### 4.4.2.1. Appreciation of service delivery

Good service delivery increases the profitability of each and every organisations and institutions. If conflicting interests arise from any pressures, an organization needs to resolve them by rebuilding incentives to cooperate and be proactive. This can be a continuous process of redesigning services and their delivery to rebuild incentives to cooperate. Thus the table below provides with benefits respondents got from service delivery in the cooperative.

**Table 16: Benefits from service delivery in the cooperative**

Benefits from cooperative service	Frequency	Percent
Patronage dividend system is fair	47	72.3
Easily acquire credit	54	83.1
Find market	60	92.3
Get agriculture inputs	64	98.5

Source: Primary data, May, 2016.

The table above demonstrated that a number of 72.3% of respondents benefited from the good service delivery of the cooperative due to the fact that patronage dividends system is fair; a number of 83.1% of respondents has stated that in cooperative members are supported to get credit and loans in banks due to membership in cooperative while a number of 92.3% stated that due to service delivery in the cooperative they find market for their products and production and finally a number of 98.5% of respondents stated that they get agriculture inputs.

The majority of the BDM and membership believed the patronage dividend system to be fair. The farmers have received their patronage dividends based on the yield obtained and supplied to the cooperative. Some of the benefits, financial and otherwise, include: “although our earnings are used to construct the stock, I can easily acquire credit” (M24), “I manage to get school fees for my children, afford to buy clothes, pay medical expenses, and have livestock to get manure” (BDM3). Findings show that the cooperative service delivery is ranked at the high level due to fair Patronage of dividend system, the level of serving members in terms of access to credits and help them find market for their agricultural productions. Hence, respondents have shown that they receive their dividends at the reasonable time and get services which help the development not only the cooperative but also themselves and their families. The researcher confirms that the cooperative applies the 3<sup>rd</sup> principles since members benefit in the proportion to their transactions with the cooperative in a fair and transparent manner.

#### **4.4.2.2. Fairness and gender balance in KOJYAMUGI**

Regardless of the sector they belong to or the types of cooperative they represent whether marketing, financial, workers', or housing, and agriculture for instance cooperatives are powerful vehicles of social inclusion and political and economic empowerment of their members when they respect gender balance. Another advantage is the recognition outside officials gives to the fairness of cooperative dealings with members, such as in distributing earnings to members in a fair manner. Thus the table below provides with views of respondents on the respect of gender and how fair the KOJYAMUGI cooperative is.

**Table 17: Benefits sharing and Gender balance**

Benefits sharing and Gender balance			Gender balance consideration in leadership and management of the cooperative		Total
			Agree	Strongly agree	
<b>Benefits of participation are shared in a fair manner</b>	Strongly disagree	Count	0	1	<b>1</b>
		% of Total	0.0%	1.5%	<b>1.5%</b>
	Disagree	Count	0	6	<b>6</b>
		% of Total	0.0%	9.2%	<b>9.2%</b>
	Neutral	Count	0	1	<b>1</b>
		% of Total	0.0%	1.5%	<b>1.5%</b>
	Agree	Count	11	8	<b>19</b>
		% of Total	16.9%	12.3%	<b>29.2%</b>
	Strongly agree	Count	38	0	<b>38</b>
		% of Total	58.5%	0.0%	<b>58.5%</b>
<b>Total</b>	<b>Count</b>	<b>49</b>	<b>16</b>	<b>65</b>	
	<b>% of Total</b>	<b>75.4%</b>	<b>24.6%</b>	<b>100.0%</b>	

Source: Primary data, May, 2016.

Depicted from the cross tabulated table above a number of 75.4% of respondents agreed that the management of the cooperative consider gender balance in the leadership and management of the cooperative while a number of 24.6% of respondents has strongly agreed the statement. Findings show that respondents agreed that gender balance is taken on care with more emphasis on the participation and contribution of both women and men to the development of the cooperative. On the other site a number of 1.5% of respondents has strongly disagreed with a number of 9.2% of respondents who disagreed that benefits of participation are shared in a reasonable manner. Findings show that respondents do not fit with the model with which benefits of participation are shared. Therefore, a number of 29.2% supported by a number of 58.5% agreed that members share benefits of participation in a transparent and reasonable manner. Findings have shown that members get inputs, services like advocacy and lobbying, dividends, credits, and market for the production and mutual help, and membership to the cooperative improves the manpower of members among others. During the interview session BDM and members showed that benefits are shared in a fair manner.

Understanding the consideration of gender gives a complete picture of participation and role of both men and women in agricultural production and marketing through cooperatives. With consideration of gender balance in the management and leadership; during interview sessions 60% of the BDM participants believed that all segments of the cooperative population participate equally in the decision-making process. A number of 40% believed that men tend to have a

bigger role than do women and older people more so than youth. In the same array of thoughts a number of 40% believed that the educated participate more in decision-making.

A number of 20% stated that the less educated play a greater role than do the more educated. None of the BDM respondents who believed that some population segments play a greater role than others showed any distress; it appears that they have accepted it as a normal course of events. For example, BDM5 stated: Men play a greater role than women mainly because the latter shy away from speaking in public. The youth plays a small role in decision-making, mainly because they are not very responsive to cooperatives, thus leaving it to the older folks. The more educated tend to dominate even though the less educated have more experience than them in agriculture. The membership participants held similar views.

A number of 64.6% of the membership participants indicated that all segments of the cooperative participate equally in decision-making. Also, 35.4% believed that one or more segments of the cooperative wielded more power than other segments yet showed no distress. According to findings, the cooperative like other cooperatives (ICA, 2015:58) Cooperatives ignore the responsibility of providing education and training for their members more over women and youth. Even though members should get trainings and education particularly young people and opinion leaders about the nature and benefits of co-operation; findings show that the cooperative is lagging behind in terms of providing education to youth and women a fact which threatens the 5<sup>th</sup> cooperative principle.

#### **4.4.3. Intra communication and members' awareness of decisions**

Working on empowering local communities to enhance their economic position and address the challenges surrounding them, is an important step to sustainable development. Thus Cooperatives should also develop communication strategies adapted to the opportunities for improved communication in the area of influence and among members. Thus the table below provides with information on intra communication and the level of communication about decisions.

**Table 18: Effectiveness of communication**

Effectiveness of communication			Members are well informed on decisions made by leadership and management			Total
			Disagree	Agree	Strongly agree	
<b>Effectiveness of communication between cooperative members and leaders and managers</b>	Strongly disagree	Count	1	2	0	<b>3</b>
		% of Total	1.5%	3.1%	0.0%	<b>4.6%</b>
	Disagree	Count	0	1	0	<b>1</b>
		% of Total	0.0%	1.5%	0.0%	<b>1.5%</b>
	Agree	Count	0	18	6	<b>24</b>
		% of Total	0.0%	27.7%	9.2%	<b>36.9%</b>
	Strongly agree	Count	0	0	37	<b>37</b>
		% of Total	0.0%	0.0%	56.9%	<b>56.9%</b>
		<b>Count</b>	<b>1</b>	<b>21</b>	<b>43</b>	<b>65</b>
	<b>Total</b>	<b>% of Total</b>	<b>1.5%</b>	<b>32.3%</b>	<b>66.2%</b>	<b>100.0%</b>

Source: Primary data, May, 2016.

Depicted from the cross tabulated table above, on one hand a number of 4.6% of respondents has strongly disagreed that there is no effective communication between members and BDM of the cooperative; a number of 1.5% disagreed also the is a remarkable poor communication among members and management; while a number of 36.9% of respondents has agreed that there is effective communication and good understanding and share of views and opinions between cooperative members and leaders and the management of the cooperative; a statement strongly agreed by a number of 56.9% of contacted members that there is the effective communication among members and management. On the other hand, even though a number of 1.5% of respondents stated that there is poor communication process; a number of 32.3% agreed that the communication is effective in the cooperative whereas a number of 66.2% of respondents strongly agreed that members in the cooperative are well informed on decisions made by leadership and management.

Findings from the cross tabulated table above show that a number of more than 90% appreciated the effectiveness of communication between cooperative members and leaders and management while a number of more than 95% of respondents agreed that members are well informed on decisions made by leadership and management. During data collection process; supported by results demonstrated in the table above the BDM and membership contacted admired the effectiveness of the communication process in their cooperative supported by the following statements: “Members and worker subgroups are able to approach the leadership board and management” (BDM, 80%; membership, 93.9%). “*I feel like I can speak out my opinion during*

a meeting.” “Gender balance is given due consideration in the leadership and management” testified one respondent. Thus findings show that the cooperative applies the 1<sup>st</sup> principle due to the fact that the cooperative is open to all persons able to use their services and willing to accept the responsibilities of membership, without gender or social discrimination.

#### 4.4.3.1. Problem management in KOJYAMUGI Cooperative

Problems are nature in the society. Therefore one way of looking at different responses on problems needs more skills and knowledge in conflict management. Thus the table below provides with views of cooperative members on strategies to solve problems in their cooperative.

**Table 19: Problem management strategies in cooperative**

Problem management strategies in cooperative		Frequency	Percent
	<b>Mediation</b>	37	56.9
	Sit down together and solve the problem	46	70.8
	Serve interest-based approach	27	41.5
	Serve rights-based approach	39	60.0

Source: Primary data, May, 2016.

Depicted from the table above a number of 56.9% of respondents has stated that mediation process is one among tools that leaders and the management of KOJYAMUGI cooperative serve during internal and external problems management; a number of 70.8% stated that when there arose problems members and the leadership used to sit down and solve the problem while a number of 41.5% of respondents stated that managers serves interest based approach to solve problems and a number of 60.0% of respondents stated the right based approach.

#### 4.4.3.2. The capacity of BDM in conflict management

Conflict management plays an important role in maintaining relationship in any organisation. Therefore it's sometimes helpful to use a well tried and tested formula for dealing with tensions between individuals in the workplace. Thus the table below provides with information on the level of conflict management on KOJYAMUGI Cooperative leaders and managers.

**Table 20: BDM knows how to help members solve conflicts**

Solving conflict	Frequency	Percent
Neutral	1	1.5
Agree	37	56.9
Strongly agree	27	41.5
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

With the aim to know the capacity of board of directors and management and leaders of the cooperative in conflict management; a number of 56.9% of respondents has agreed that BDM are able to manage conflicts. Cooperative management and board of directors are able to solve internal and external conflicts that arise among members and outside the cooperative; while a number of 41.5% of respondents has strongly agreed that BDM are knowledgeable to help members solve conflicts in order to sustain their cooperative.

Testified by 60% of the BDM participants, they indicated that any attempt at conflict resolution should first take place at the zone level with zone leaders in order to respect the hierarchy of the cooperative management but, they said, BDM are conflict solvers and managers. BDM3 stated, “Each zone has a committee of 7 people, including 3 who serve as advisors and counselors. These three are highly respected individuals in the area. They can help resolve the conflict.” The remaining 40% BDM participants stated that the leadership resolves conflict between members but did not mention conflict resolution capacities at the zone level. A number of 89.2% of the membership participants stated that it is the central leadership, rather than the zone leadership, that helps resolve conflicts among members. The majority of the BDM and membership (BDM, 92%; membership, 98.4%) agreed with the statement, “*Leadership and management know how to help members resolve conflicts.*”

#### **4.4.3.3. Perceptions on the internal and external communications**

Effective Communication is significant for managers in the cooperative so as to perform the basic functions of management such as planning, organizing, leading and controlling. Communication helps managers to perform their jobs and responsibilities. Internal and external communication serves as a foundation for planning. All the essential information must be communicated to the managers who in-turn must communicate the plans to members so as to implement them. Therefore the table below presents information on communication management in the cooperative.

**Table 21: Opportunities for the feedback**

Opportunities for feedback free to seek advices			BDM provides the opportunities for the feedback			Total
			Disagree	Agree	Strongly agree	
<b>Members of cooperative freely seek advice from BDM</b>	Disagree	Count	1	0	0	<b>1</b>
		% of Total	1.5%	0.0%	0.0%	<b>1.5%</b>
	Agree	Count	0	43	6	<b>49</b>
		% of Total	0.0%	66.2%	9.2%	<b>75.4%</b>
	Strongly agree	Count	0	0	15	<b>15</b>
		% of Total	0.0%	0.0%	23.1%	<b>23.1%</b>
<b>Total</b>	<b>Count</b>	<b>1</b>	<b>43</b>	<b>21</b>	<b>65</b>	
	<b>% of Total</b>	<b>1.5%</b>	<b>66.2%</b>	<b>32.3%</b>	<b>100.0%</b>	

Source: Primary data, May, 2016.

In the same array of importance of communication in the cooperative; depicted from findings above a number of 1.5% of respondents has disagreed on one hand that members of the cooperative do not cooperate with BDM and that BDM do not provide with opportunities for the feedback to messages sent and communicated by members while on the other side a number of 75.4% and 66.2% agreed without any doubt that members are free to approach BDM and share ideas on the management and the development of the cooperative and BDM are open to interaction and testified that they provide with feedback mechanisms. Findings show that more than 95% of respondents agreed that BDM are equipped with mechanisms to provide with feedback to members while more than 95% of respondents agreed that there is effective interaction and share of ideas among cooperative members and BDM and leaders.

Respondents have shown the occasions to provide with their views and the time to get the feedback to their questions. All of the BDM indicated that the General Assembly meets two to three times per year (two ordinary and one extra) where they assembly members and BDM and share views on the development of the cooperative and provide with feedback to previously asked questions. They also pointed out the important roles played by the zone level meetings in the communication and its contribution to information management in the cooperative. BDM5 shared the following: During the season preparation cooperative members convey their problems through zone leaders. *“During the rest period of the year, leaders and managers listen to members through meetings at the zone levels and at the General Assembly meetings. There are no meetings of members during harvesting because we are too busy.”* He added *“As we move toward decentralization, we want to make zone levels powerful enough to be able to handle their own issues at the nearest level of members”*

A great number of the membership participants agreed that the cooperative leadership listens to their concerns with sufficient frequency. Some members shared the following comments: “Whenever you talk to one of the leaders, they listen to you” (M3), “They listen to us very often because the zone presidents live with us” (M44), and “Any time you need them, they are available” (M25). The BDM and membership agreed or strongly agreed with the following statements: “Members can freely seek the advice/counsel of the leadership” (BDM, 100%; membership, 98.5%), “Members are well informed of the decisions made by the leadership and management” (BDM, 100%; membership, 98.5%), “The leadership provides opportunities for feedback” (BDM, 100%, membership, 98.5%), and “The Management provides opportunities for feedback” (BDM, 80 %, membership, 98.4%).

The researcher wished to know the role and capacity members in the cooperative had which gave them the ability to manage a case of fraud and break bylaw. Therefore the maximum (98.5%) of the membership participants interviewed were well aware of their rights to dismiss a leader who has broken a constitutional bylaw of the cooperative. There is not, however, a consensus on the procedures to initiate and complete the process of dismissing a BDM and electing/selecting a replacement. Hence, members need to be trained on the cooperative guiding rule of law and their rights with regards to the process of dismissing top managers and leaders who break the bylaw.

#### **4.4.3.4. KOJYAMUGI in eyes of the community**

Cooperatives are viewed as important vehicles for community development because they mobilize local resources into a critical mass and their structure allows them to be more community-oriented. Thus cooperative beneficiaries should not only be members but also the community in general. Therefore the table below provides views of respondents on the extent to which the community surrounding the cooperative perceive its worthiness.

**Table 22: Perception of cooperative worthiness to the community**

<b>Worthiness to community</b>	<b>Frequency</b>	<b>Percent</b>
Great extent	27	41.5
Very great extent	38	58.5
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

With the aim to know how the community perceive the worthiness of the cooperative, a number of 41.5% of respondents has stated that the community value the cooperative to the great extent and the community is happy and admire the level the cooperative develops not only its members abut also the surrounding population while a number of 58.5% of respondents has stated that the community appreciate the development and trend of the cooperative to the very great extent. Findings show that the community appreciates the development and the role played by the cooperative in increasing members household livelihoods.

During interview sessions a number of respondents testified that the community values the cooperative because of its productivity in the area of influence. Asked on what do the community members who are not cooperative members think about the cooperative? All of the BDM interviewed stated that community members have positive opinions of the cooperative. Some shared the following comments: “Many new members join the cooperative every year” (BDM2) and “Many are fighting to grow maize so as to qualify to become members” (BDM4). A subsequent conversation with manager revealed that this cooperative provides inputs (seeds and fertilizers) and buys maize from non-members.

The researcher pointed out that this could reduce the incentive of joining the cooperative. To the contrary, He replied. While non-members do receive the same price for their production, as do the members, they do not receive the other benefits of membership, such as the patronage refund or credit. So buying from non-members actually creates a desire within non-members to join the cooperative for they may receive the full benefits. Community members have positive opinions of the cooperative and want to join. Therefore, findings show that the cooperative applies the 7<sup>th</sup> cooperative principle because it works for the sustainable development of the community through contributing to offering them the market for their production and training on agricultural mechanism.

#### **4.4.4. Perceptions on organizational and leadership development**

To gain information about their perceptions on organizational and leadership development, the BDM and membership were asked questions. Does the leadership deliberately develop and train other members within the cooperative in order to create a pool of leadership talent? How? (BDM

interview). As a member, are you being developed into a better leader so that someday you may assume more responsibilities within the cooperative should be opportunity arise? (Membership interview). The intention was to inquire whether the cooperative has a deliberate program of developing new leaders, especially the youth, so that there is a permanent pool of leadership talent.

**Table 23: Perception on promotion of youth empowerment in the cooperative**

<b>Youth empowerment</b>	<b>Frequency</b>	<b>Percent</b>
Agree	23	35.4
Strongly agree	42	64.6
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

The table above provides with the views of respondents on promotion of capacity building of youth in a cooperative. Therefore a number of 35.4% of respondents has agreed that the cooperative values the role played by the youth as the man manpower of the development and encourages youth membership; while a number of 64.6% of respondents strongly agreed that promoting youth capacity building maintains not only the sustainability of their cooperative and cooperative industry but also the country in general.

Depicted from research interview, findings show that the young people should commit to the cooperative development. To promote youth empowerment and capacity building through engagement with cooperatives avers more important. Respondents recognize that youth development is an increasingly urgent concern that encompasses capacity building through trainings on social, economic, political and environmental dimensions that the Board of Directors and Management and leaders of the cooperative has to make more emphasis on in order to sustain the future development of the cooperative. One BDM3 respondent stated, *“I see the promotion of youth in the leadership and management as important for sustainability.”* Supported by one M39 who stated, *“The youth membership in the cooperative has the potential to sustain the growth of our cooperative.”*

With regards to the capacity building of ordinary members in general, a number of 60% of the BDM respondents stated that a training program has already been started in partnership with the

district or their partners. A number of 40% of the BDM indicated that, the cooperative does not have a membership education and training program. BDM5 explained: *“Apart from the trainings offered by district agronomist and partners, the training sessions will target the youth and zone members, but they are not yet started.”* In the same array of thoughts, a number of 70.7% of the member participants stated that they are becoming better leaders by watching their leaders and participating in decision-making. Though there is not a deliberate program for developing and training members, overall, the members felt like they are ‘watching and learning’ while a number of 29.3% did not believe they are becoming better leaders. To conclude, through the application the 5<sup>th</sup> principle of education training and information members should be educated and informed about their rights and responsibilities as members to exercise democratic control of their cooperative.

#### 4.4.4.1. Attributes of an effective leader and manager

Central to the success or failure of any cooperative is a functioning Board of Directors that represents all of the cooperative members. Therefore, it is critical that the right cooperative members elect relevant and reliable leaders in order to help the cooperative achieve its long term objectives. Therefore the table below presents the views of respondents on attributes of a good leader and manager of a cooperative.

**Table 24: Attributes of an effective leader and manager**

Effective leader and manager	Frequency	Percent
Honest	61	93.8
Socialization	47	72.3
Communicative	29	44.6
Running the coop to achieve and suit its purpose	51	78.5
Problem solving	34	52.3
Able to seeking for market	19	29.2

Source: Primary data, May, 2016.

With the aim to know the attribution of an effective leaders, the purpose was to analyse the level of knowledge of cooperative members on effectiveness of a good leader so that in turn the researcher get aware of the level the cooperative members appreciate the management of their cooperative in the next analyses. Therefore illustrated from the table above a number of 93.8% of respondents qualified a good leaders as a honest person, truthful and able to be trusted and not likely having behaviours of stealing or cheating their colleagues; a number of 72.3% stated social

person who value others and willing to spend time with his/her colleagues, understanding to them and share ideas on development projects; a number of 44.6% of respondents stated a communicative person is a good leader and managers due to his/her role in understanding others and share views and ideas. In addition a number of 78.5% of respondents has stated that effective leader a person who is able to run the cooperative and follow guiding rule of laws in order to help it achieve its objectives and goals; a number of 52.3% of respondents has stated that a problem solver is a good leader due to its ability in conflict management and development orientation while a small number of 29.2% of respondents has stated that a leader who is able to seek of the market of their product seem to be a good leader. Therefore finding show that a great number of respondents qualify a good leader a person who is honest, social and able to suit cooperative purpose is a qualified person to lead and manage the cooperative.

#### **4.4.4.2. Appreciation of leaders and managers in KOJYAMUGI Cooperative**

It is believed that not only is organisation and leadership development an essential prerequisite for cooperatives to be established but it is the essential prerequisite for them to maintain their cooperative identity in the face of the increasing need to drive towards greater scale and increased professional leadership. Therefore the table below provides with information on the perception of leadership in KOJYAMUGI Cooperative.

**Table 25: Effectiveness of leaders and managers in cooperative**

<b>Effectiveness of leaders and managers</b>	<b>Frequency</b>	<b>Percent</b>
Small extent	2	3.1
Don't know	1	1.5
Great extent	58	89.2
Very great extent	4	6.2
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

Based on findings in the table above, despite the fact that a number of 3.1% of respondents has to small extent appreciated the management of the cooperative they doubt the management of the cooperatives and assess the management of the cooperative as inaccurate and unable to manage and lead the cooperative to success; a great number of 89.2% of respondents has appreciated the management of the cooperative to the great extent to the level that they recognize and appreciated the management as able to lead and convey the cooperative to the success. During

interview session, respondents provided with their views on effectiveness of leaders and managers in the cooperative. Thus BDM and membership participants believed that the cooperative has effective leadership. Some BDM and members commented: “Our leaders treat us well and equally” (M3), “farmers are happier than before” (BDM1), and “Our leaders are hard-working, seek peaceful solutions to problems, and are humble. If they did not possess these characteristics, we would have sacked them” (M48). Therefore findings show that the cooperative applies the 2<sup>nd</sup> principle due to the fact that leaders are accountable to members, effective and able to handle bureaucratic issues and manage the cooperative in a successful manner.

#### 4.4.4.3. Goals and strategic plans in a cooperative

The Board is responsible for the long-term future of the cooperative. This makes it vital that leaders and managers look after the interests of the cooperative and be free from confrontation to achieve the cooperative goals. Leaders and managers must also work to understand and represent the diverse needs of the membership. The leaders and managers need to balance these needs with the cooperative long-term goals and plans, ultimately making decisions that are beneficial to the cooperative in general, and to the cooperative membership as a whole. Thus these long-term and strategic plans need to be shared with members on a regular basis in order to create ownership. Hence the cross tabulation table below provides with the views of respondents on a share of long term and strategic plans.

**Table 26: Long term goals and strategic plan are shared to all segments of the cooperative**

Strategic plan and long goal shared			Cooperative has a shared strategic plan					Total
			Strongly disagree	Disagree	Neutral	agree	Strongly agree	
<b>Long term goals are shared to all segments of the cooperative</b>	Very small extent	Count	1	0	0	0	0	<b>1</b>
		% of Total	1.5%	0.0%	0.0%	0.0%	0.0%	<b>1.5%</b>
	Small extent	Count	5	3	0	0	0	<b>8</b>
		% of Total	7.7%	4.6%	0.0%	0.0%	0.0%	<b>12.3%</b>
	Don't know	Count	0	5	0	0	0	<b>5</b>
		% of Total	0.0%	7.7%	0.0%	0.0%	0.0%	<b>7.7%</b>
	Great extent	Count	0	10	6	26	2	<b>44</b>
		% of Total	0.0%	15.4%	9.2%	40.0%	3.1%	<b>67.7%</b>
	Very great extent	Count	0	0	0	0	7	<b>7</b>
		% of Total	0.0%	0.0%	0.0%	0.0%	10.8%	<b>10.8%</b>
<b>Total</b>	<b>Count</b>	<b>6</b>	<b>18</b>	<b>6</b>	<b>26</b>	<b>9</b>	<b>65</b>	
	<b>% of Total</b>	<b>9.2%</b>	<b>27.7%</b>	<b>9.2%</b>	<b>40.0%</b>	<b>13.8%</b>	<b>100.0%</b>	

Source: Primary data, May, 2016.

With regards to long term goals and shared strategic plan, the results depicted from the cross tabulated table above a number of 67.7% of respondents has agree that the cooperative share long term goals to all segments of the cooperative and respondents testified that members and managers share the same views and strategic plans in order to help converge efforts to its implementation while a number of 10.8% of respondents strongly agreed the statement that the management of the cooperative share the same strategic plan with members and help members understand their objectives and goals.

In addition a number of 40.0% of respondents has testified that the cooperative share the strategic plan with members to the great extent and there is an effective management between the BDM and members in terms of strategic plan while a number of 13.8% of respondents has confirmed the statement to the great extent. Respondents appreciate the way the strategic plan is shared among managers and members of the cooperative. Findings from the cross tabulated table above raise a critical analysis on the extent to which the cooperative share the strategic plan based on the fact that results show that even though there is a number of 9.2% of respondents who did not want to argue about the share of the strategic plan but a number of approximately 37% disagreed that the cooperative does not share strategic plan with members and they do not know how the strategic plan is shared.

In order to assess the level of share of strategic plan at the cooperative level, during interview session a number of 69.2% of the membership participants failed to respond to the question of stating some components of the strategic plan. They were only saying the shared goal with a common thread: to reduce poverty. The remaining 30.8% either commented that only the top leaders and managers know the long-term goals of the cooperative or were completely unaware of the cooperative's goals.

In the same array of thoughts, 80% of the BDM participants stated that every year the cooperative adopts strategic plans at the General Assembly meetings, and confirm it is done with assistance from their partners. In contrast, 69.2% of the members interviewed were unaware of the strategic plan or are aware that a strategic plan has been approved but don't know what it is. The remaining 30.8% of the members indicated that they know the strategic plans, yet none of the plans matched. Yet a critical analysis may rise to know if the strategic plan is adopted each

and every year and the problem with regards to long term goals and vision share among cooperative members due to the fact that all of the BDM participants gave widely differing responses. There was one common thread throughout their answers: they want to continue strengthening the cooperative. They lack, however, time-specific and measurable objectives.

With the aim to know the relationship between managers and leaders and vice versa 80% of the BDM participants indicated that the relationship between the Management and the Board of directors is positive. The lone dissenter (BDM1) pointed out that though the relationship has been “generally good” there have been “a few cases of conflict over responsibilities.” Therefore respondents stated that sometimes there raised conflicts related to usurpation of responsibilities between the management and the leadership of the cooperative.

#### **4.4.4.4. Conflict management within managers and leaders**

Leading a farmer cooperative can be much more challenging than leading an investor owned corporation. The leaders and managers of a cooperative faces all the challenges of running a successful business, plus the added burden of maintaining good member relations and coping with the internal and external conflicts that often arise. In fact, managing internal conflict can be a bigger challenge for some cooperatives than remaining competitive in the marketplace. Therefore the table below provides with views of respondents on the level of capabilities of managers and leaders in conflict management.

**Table 27: Ability of managers and leaders to handle conflicts between one another**

<b>Ability to handle conflicts</b>	<b>Frequency</b>	<b>Percent</b>
Disagree	5	7.7
Agree	51	78.5
Strongly agree	9	13.8
Total	65	100.0

Source: Primary data, May, 2016.

Conflicts may rise to each and every stratum of the community and organisations. Therefore the researcher wished to know the ability and capacity of leaders and management in KOJYAMUGI Cooperative in handling conflicts that may arise between DBM and leaders. Thus the table above

findings shows that even though a number of 7.7% of respondents disagreed that their managers were not able to handle conflicts a number of 78.5% of respondents agreed that they managers are able to handle conflicts while a number of 13.8% strongly agreed that cooperative managers and leaders were able to handle conflicts which may arise between the cooperative top leaders and external publics to the very effective manner.

During the interview session, respondents have given due characteristics that help their managers and leaders effectively solve conflict not only between members but also among top leaders. Therefore they stated that their managers and leaders have integrity and good character, they are able to resist pressure from special interest groups, they work with people to help express ideas clearly and minimize mishears, and ask questions to know the root cause of the threat. They also possess a good educational background; they are progressive and loyal, constructive and energetic. Not only personal ability but also in terms of business orientation they stated that their leaders and managers are successful in managing cooperative business, they are knowledgeable of the cooperative business environment and industry. They are active in terms of interest in the cooperative's affairs as members and they are ability to organize and make decisions and have the ability to evaluate managerial potential and performance in order to avoid any conflict which may rise whether between managers or members in general.

#### **4.4.4.5. Status of financial reports and transparency in financial dealings**

Transparency is important for not only agriculture cooperative but also in all organisations in general. Transparency benefits when general and personal information related to the cooperative management is available directly or indirectly to the managers, leaders and members. This transparent information may include financial reports and dealings and statistics related to the financial related issues. Transparency is also an important driver for improved quality. Therefore the table below provides with the extent to which members approve financial reports and dealings on a regular basis.

**Table 28: Members approve financial reports and financial dealings are transparency**

Financial reports			Status transparency in all of the financial dealings				Total
			Disagree	Neutral	Agree	Strongly agree	
Members approve financial reports on a regular basis	Strongly disagree	Count	9	0	0	0	<b>9</b>
		% of Total	13.8%	0.0%	0.0%	0.0%	<b>13.8%</b>
	Disagree	Count	3	9	0	0	<b>12</b>
		% of Total	4.6%	13.8%	0.0%	0.0%	<b>18.5%</b>
	Neutral	Count	0	1	1	0	<b>2</b>
		% of Total	0.0%	1.5%	1.5%	0.0%	<b>3.1%</b>
	Agree	Count	0	0	15	13	<b>28</b>
		% of Total	0.0%	0.0%	23.1%	20.0%	<b>43.1%</b>
	Strongly agree	Count	0	0	14	0	<b>14</b>
		% of Total	0.0%	0.0%	21.5%	0.0%	<b>21.5%</b>
<b>Total</b>	<b>Count</b>	<b>12</b>	<b>10</b>	<b>30</b>	<b>13</b>	<b>65</b>	
<b>Total</b>	<b>% of Total</b>	<b>18.5%</b>	<b>15.4%</b>	<b>46.2%</b>	<b>20.0%</b>	<b>100.0%</b>	

Source: Primary data, May, 2016.

The table above presents findings on how members are aware of financial management and dealings. Therefore results in a cross tabulated above on one hand a number of 13.8% of respondents has strongly disagreed that members are not aware of financial dealings that happen in the management and stated that they were not informed of financial issues progress to the extent that approving them on a regular basis was not their concern and 18.5% disagreed that members were not concerned with issues of approving financial reports denoting that they are not concerned with the approval or disapproval of financial issues that regard their cooperative, while a number of 43.1% agreed that they approve financial dealings and management of their cooperative financial reports on a regular basis and 21.5% of respondents has strongly agreed that members take part in approval of financial reports on a regular basis.

On the other hand despite the fact that the number of 46.2% of respondents agreed that they get information on financial dealings and stated that information on financial dealings is available to members and BDM in order to help them know the progress of their cooperative; 20.0% of respondents also strongly agreed that there is a transparency in the management of financial dealings in the cooperative; but a number of 18.5% of respondents disagreed that financial dealings are transparent to mean that they do not get information on financial dealings and they stated that information is not available to members indicating that they do not accept the way financial dealings are managed without the consent of all members.

#### 4.4.5. Overall effectiveness of cooperative principles

Where principles are not respected, to achieve sustainable institutional development avers impossible. When principles are not effective it is important that a cooperative takes measures to ensure leadership and managers are adequate to help the institution achieve its goals and objectives. The table below presents the views of respondents on the effectiveness of cooperative principles in KOJYAMUGI cooperative.

**Table 29: Cooperative principles effectiveness in KOJYAMUGI**

Principles effectiveness	Frequency	Percent
Strongly disagree	5	7.7
Disagree	4	6.2
Agree	13	20.0
Strongly agree	43	66.2
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

Despite the fact the a number of 7.7% has strongly disagreed pointing that they cannot know how principles are effective while they are not aware of such principles; a number of 6.2% of respondents disagreed that cooperative principles are applied and they are not effective in the cooperative. Contrary a number of 20.0% of respondents has agreed that cooperative principles are effective to the extent that they are used in all corners of the management. Based on the fact that a great number of respondents has stated that they get dividends, they get information on the cooperative, their agricultural cooperative is built on values and principles turned into an advantage and bring about success. They also stated that principles contribute to the good management of the cooperative and help the concordance and coordination of activities in a transparent and fair manner which brings to members development.

Also a number of 66.2% of respondents strongly agreed that the KOJYAMUGI Cooperative effectively applies cooperative principles in its everyday activities. Interview findings cleared that principles of cooperatives are effective even though there are some shortens due to the fact that their cooperative has not yet improved cooperation with other cooperatives and to some extent they have not yet engaged into other income generating activities than agriculture in order to expand their area of influence.

#### 4.5. Contribution of the cooperative to the wellbeing of members

Welfare of the members and the community is the main pillar of cooperative objectives and goals. Except the fact that the seventh principle of cooperative which states that the cooperative should concern for the community; agricultural cooperative aims should be to improve members household livelihood among others. Therefore the session below provides with views of respondents on the contribution of KOJYAMUGI in promoting welfare of the members and the community.

##### 4.5.1. Challenges members had before membership

Regardless of the sector they belong to or the types of social class they belong to people in all classes face various problems that endanger their social, economic development and wellbeing. In the same array of thoughts people manage to solve their everyday problems through various ways. Therefore some choose to join others in order to strengthen their mechanisms towards problem solving. Within the aim to know the contribution of KOJYAMUGI Cooperative to promoting members welfare, the researcher wished to know challenges they faced before they were affiliated in the cooperative so as to major the influence of the cooperative in problem solving.

**Table 30: Challenges before affiliation to cooperative**

Challenges before affiliation to cooperative	Frequency	Percent
Low production and productivity	41	63.1
Lack of health insurance	57	87.7
Lack of land in wetland	21	32.3
Low income	39	60.0
Lack of agriculture techniques	43	66.2
Lack of school fees	37	56.9
Lack of loans	19	29.2
Lack of agriculture inputs	59	90.8
Malnutrition	11	16.9

Source: Primary data, May, 2016.

Depicted from the table above a number of 63.1% of respondents has stated that they had low production and productivity before they got affiliated in the cooperative while a number of 87.7% of respondents had a challenges of not affording health insurance and health care facilities; a number of 32.3% had not land to cultivate while others had not access to wetland based on the fact that wetland fields produce more as long as they are exploited in all agricultural seasons. Also a number of 60.0% of respondents had a challenge of gaining low income as a

consequence they could not afford the household livelihood. A number of 66.2% of respondents has state that they never knew any agriculture technique; a number of 66.2% of respondents had problems to send their children at school due to lack of school fee and materials. Finally a number of 29.2% could not find bank loans and credits; other number of 90.8% of respondents could not get agriculture inputs while a number of 16.9% faced malnutrition at their homes.

#### **4.5.2. Impacts of agricultural cooperative to the welfare**

Most livelihoods in Rwanda depend on agriculture, thus agriculture remains a relevant income generation not only in rural areas but also in Rwanda in general. In the same range of ideas cooperatives play vital role in Socio- economic betterment of the community. One can note that agricultural cooperative should then improve welfare of the community. In Rwanda agriculture forms the back bone of the country economy, and its growth is seen as a guarantee against food insecurity in the country. Therefore the table below provides with views of respondents on benefits. .

**Table 31: Benefits gained from cooperative membership**

<b>Benefits from membership</b>	<b>Frequency</b>	<b>Percent</b>
Increase in agricultural production	51	78.5
Increase in family household income	34	52.3
Diversification of income generating sources	41	63.1
Changes in ability to pay health insurance	58	89.2
Change in doing savings	43	66.2
Changes in family nutrition	44	67.7
increase of skills and practical knowledge	51	78.5
change in improved shelter and housing	31	47.7
change in ability to send children to school	49	75.4

Source: Primary data, May, 2016.

In terms of the contribution of agriculture cooperative on the welfare of its members; the table above shows that a number of 78.5% of members had increased their agriculture production; a number of 52.3% of respondents increased their family households income; a number of 63.1% had diversified their income generating sources due t the fact that they had gained money to invest in other income generating activities. In addition a number of 89.2% of respondents had gotten the ability to pay health insurance and health facilities; a number of 66.2% of respondents had gotten changed their lives with regards to accessing banks and saving activities; a number of

67.7% had been able to feed their families and afford diet food. Furthermore a number of 78.5% of respondents had increased their skills and practical knowledge in agriculture; a number of 47.7% of respondents had improved their family household wellbeing due to the fact that they could build their own houses while others had gotten the ability to innovate their houses and finally a number of 75.4% had gotten means to send their children at school and afforded school materials.

#### **4.5.3. Extent to which the cooperative impacts on welfare of members**

Welfare is a tricky concept difficult to measure and define properly. It could usually be identified only when it is experienced. Welfare can be compared to a process change by which individuals or groups with little or no means gain the ability to make choices that affect their lives. It is about change and choice. Here the perception of welfare of the respondents before and after joining the agricultural cooperatives is measured in order to assess the role of agricultural cooperatives in empowering members and promoting welfare.

**Table 32: Impact on the welfare of members' family household**

<b>Impact on household</b>	<b>Frequency</b>	<b>Percent</b>
Agree	41	63.1
Strongly agree	24	36.9
<b>Total</b>	<b>65</b>	<b>100.0</b>

Source: Primary data, May, 2016.

The researcher wished to know the extent to which is the contribution of the cooperative on improving members' household livelihood. Therefore a number of 63.1% of respondents has agreed that the cooperative has improved their household livelihood due to the fact that they have increased their household income and livelihood and a number of 36.9% of respondents has strongly agreed that the cooperative has positively impacted on the welfare of its members based on benefits gained from the cooperative as cited in the tables above.

#### **4.5.4. Economic development among cooperative members**

The cooperative presents an important model as many of poorest and disadvantaged community face social exclusion, lack of access to opportunities and growing economic inequality. Yet the cooperative advantage is the way in which managers and their members concisely refer to the

many inherent social and economic benefits unique to the cooperative model. Thus the table below provides information on the status of savings among cooperative members in KOJYAMUGI Cooperative.

**Table 33: Savings status among cooperative members**

<b>Savings status among cooperative members</b>	<b>Frequency</b>	<b>Percent</b>
Commercial bank account	21	32.3
Do cash around (tontines)	36	55.4
Have an account in SACCO	51	78.5
Save in assets	38	58.5

Source: Primary data, May, 2016.

The table above shows that the cooperative members have increased their economic status based on the fact that a number of 32.3% have been able to create accounts in the commercial banks; a number of 55.4% of respondents are able to save their income in tontines commonly known as cash round; a number of 78.5% of respondents have created their accounts in Saving and Credit Cooperatives SACCO while another number of 58.5% has been able to save in assets.

Agricultural cooperative purchasing power may not only be used to get food and other basic assets for themselves and their families, but also to pay for inputs used in food production and generate income through other sources than agriculture. Since food crops are most of the time consumed, the inputs for these have to be provided from income earned in other activities or non-farm income generating activities. Therefore the saving status provides with reliability on sustainability for future business orientation and creation of income generating activities. One respondent M21 stated, “Due to being in this cooperative and have an account in the bank, I have benefited from a loan in SACCO and run my activities which help me get more income out of the cooperative.”

#### **4.6. Challenges to effectiveness implementation of cooperative principles**

Rwanda as a country whose population lives on agriculture, the national landscape has been changing profoundly over the last few years. The environmental imbalance, the scarcity of resources and the gradual business process represent immediate challenges for present and future agricultural cooperatives. Therefore implementation of cooperative principles avers critical due

to business orientation. Hence the table below provides with information on challenges that respondents face which may hamper the effective implementation of cooperative principles.

**Table 34: Challenges to effectiveness implementation of cooperative principles**

Challenges	Frequency	Percent
Lack of training	34	52.3
Low skills	21	32.3
Mismanagement	11	16.9
Dishonest	29	44.6
Climate change	17	26.2
Lack of accountability	8	12.3
Lack of effective communication	6	9.2
Lack of commitment	7	10.8

Source: Primary data, May, 2016.

Depicted from the table above a number of 52.3% of respondents has stated that lack of training is the challenge which obstruct them to achieve much more in agriculture industry; a number of 32.3% of respondents has stated that low skills in various areas including agriculture and cooperative management is a challenge; a number of 16.9% of respondents has raised a case of mismanagement of cooperative resources. Also a number of 44.6% of respondents has stated that dishonest is among challenges which obstruct them achieve sustainable mutual respect; 26.2% of respondents has stated that due to climate change they face a challenge of poor production which hampers the production and productivity. Hence a number of 12.3% of respondents has stated that lack of accountability among cooperative members and managers and leaders obstructs its achievement to objectives.

Furthermore a number of 9.2% of respondents has stated that lack of effective communication between members and leaders and managers of the cooperative is another challenges while a number of 10.8% has stated that some members are not committed to the development of the cooperative as long as there members who most of the time remark absenteeism and participation in cooperative activities.

#### **4.7. A SWOT analysis**

The researcher, through SWOT analysis would like to assess the implementation of cooperative principles in KOJYAMUGI Cooperative working in Gisagara District in order to find sustainable

solutions to future development of agricultural cooperatives in Rwanda. Therefore the following session provides the analysis of Strength, Weaknesses, Opportunities, and Threats in implementation of cooperative principles.

**Table 35: SWOT analysis of the cooperative principles**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• The cooperative is owned by its members;</li> <li>• The government does not interfere in the management of the cooperative;</li> <li>• It is a democratically controlled enterprise;</li> <li>• members participate in the decision-making process of the cooperative;</li> <li>• Opinions and suggestions matter to the management and leadership;</li> <li>• Members have the freedom of opinion in decision making;</li> <li>• Patronage dividend system is fair;</li> <li>• The cooperative provides members with agriculture inputs;</li> <li>• Members easily acquire credit;</li> <li>• Benefits of participation are shared in a fair manner;</li> <li>• Gender balance is considered in leadership and management of the cooperative;</li> <li>• Members are well informed on decisions made by leadership and management;</li> <li>• The cooperative has effective leadership and management;</li> <li>• Members approve financial reports on a regular basis;</li> <li>• Financial dealings are transparent;</li> <li>• The cooperative promotes the welfare of members.</li> </ul>	<ul style="list-style-type: none"> <li>• Members are not well aware of cooperative principles</li> <li>• The cooperative lack the promotion of youth in the cooperative;</li> <li>• Lack of training programs;</li> <li>• Lack of shared long term goals;</li> <li>• Lack of shared strategic plan;</li> <li>• Lack of local cooperation</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• The government set rules and regulations;</li> <li>• The government creates an enabling environment in which co-operatives can flourish;</li> <li>• The government encourages and facilitates the development of the cooperative;</li> <li>• Cooperative is well perceived by the community;</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change;</li> <li>• Competition;</li> </ul>

Source: Primary data, May, 2016.

The table above presents findings on SWOT analysis in order to find out Strength of the agricultural cooperative, Opportunities that the cooperative has which are the engine to help achieve members and the cooperative development; weaknesses that may hinder the achievement of goals and objectives and finally find threats that may obstruct the cooperative in achieving its goals and objectives.

- **Strengths**

Findings show that among strength that the cooperative has according to respondents a number of 98.5% testified that the cooperative is owned by members; a number of 64.6% of respondents has agreed that the government does not interfere in cooperative activities and does not dictate

the rules and tasks while a number of 98.5% of respondents stated that the cooperative is democratically controlled by its members. Also a number of 98.5% of respondents clarified that members participate in decision making during general assembly while a number of 49.2% added that they participate in decision making at the zone level meetings.

In addition a number of 63.1% of respondents stated that opinions and suggestions are well welcomed by their leaders and BDM while a number of 78.5% of respondents said that they have freedom of opinion in decision making and their leaders' respects needs and orientations of members. In addition a number of 72.3% of respondents stated that patronage dividends system is fair; a number of 83.1% stated that due to cooperative they are able to get credit and loans through various financial institutions; a 92.3% of respondents stated that they find the market for their production due to membership while a number of 98.5% stated that due to membership in cooperative they get agricultural inputs. Also a number of more than 95% of respondents stated that benefits of participation are shared in a fair manners and more than 98% stated that there is an effective communication between members and the BDM and leaders of the cooperative.

Furthermore a number of more than 65% of respondents stated that members approve financial reports on a regular basis and financial dealings are transparent according to testimonies in the interview supported by a number of more than 67% of respondents. Finally the cooperative promotes the welfare of its members confirmed by a 100% of respondents who stated that due to membership in the cooperative they have increased agricultural production, a 100% stated that they are able to pay health insurance and health facilities; a number of 89.2% stated that they increased family household income while a number of 78.5% of respondents testified that the cooperative helped them increase skills and practical knowledge in agriculture among others. To sum up, findings show that the cooperative seeks to meet its members' economic, social, cultural, and environmental needs.

- **Weaknesses**

Findings show that among weaknesses that the cooperative members face is the fact that they are not well aware of cooperative principles. Also respondents have shown that the youth plays a small role in decision-making, mainly because they are not very responsive to cooperatives, thus leaving it to the older folks. Also a number of 52.3% of respondents has stated that cooperative

members are not trained in cooperative management and leadership and there is not such a program at the cooperative level while a number of more than 53% admitted that they do not share the cooperative strategic plan and long term goals with cooperative members.

- **Opportunities**

The study results show that the cooperative has a number of opportunities which help them improve better their activities. Therefore a number of 96.9% of respondents have state that among the major opportunities that they have is the fact that the government of Rwanda set rules and regulations and let the cooperative work independently. Also a number of 70.8% of respondents state that the government of Rwanda facilitate the development of cooperatives and encourage a favorable working environment. Finally another important opportunity is the worthiness and values in the eyes of the community. Finally the study provides with threats that may endanger the suture of the cooperative. Thus 100% of respondents has pointed out that the cooperative does not have any cooperation with local cooperatives. Also as an agricultural cooperative, findings show that climate change is another threat due to the fact that they have not yet adopted agriculture mechanization systems among others which may help the cooperative survive against climate change.

#### **4.8. Hypothesis verification**

It avers important to know if the cooperative has achieved its objective. Therefore the researcher had set hypotheses. Hence the researcher has put further the hypothesis (Ha) assuming that cooperative principles are applied in the KOJYAMUGI Cooperative. Therefore the table below provides with hypothesis verification serving one sample kolmogorov-smirnov test.

**Table 36: One-Sample Kolmogorov-Smirnov Test**

Test		Extent to which cooperative principles are applied
N		65
Normal Parameters <sup>a,b</sup>	Mean	4.0769
	Std. Deviation	.95701
	Absolute	.345
Most Extreme Differences	Positive	.194
	Negative	-.345
Kolmogorov-Smirnov Z		2.781
Asymp. Sig. (2-tailed)		.000
a. Test distribution is Normal.		
b. Calculated from data.		

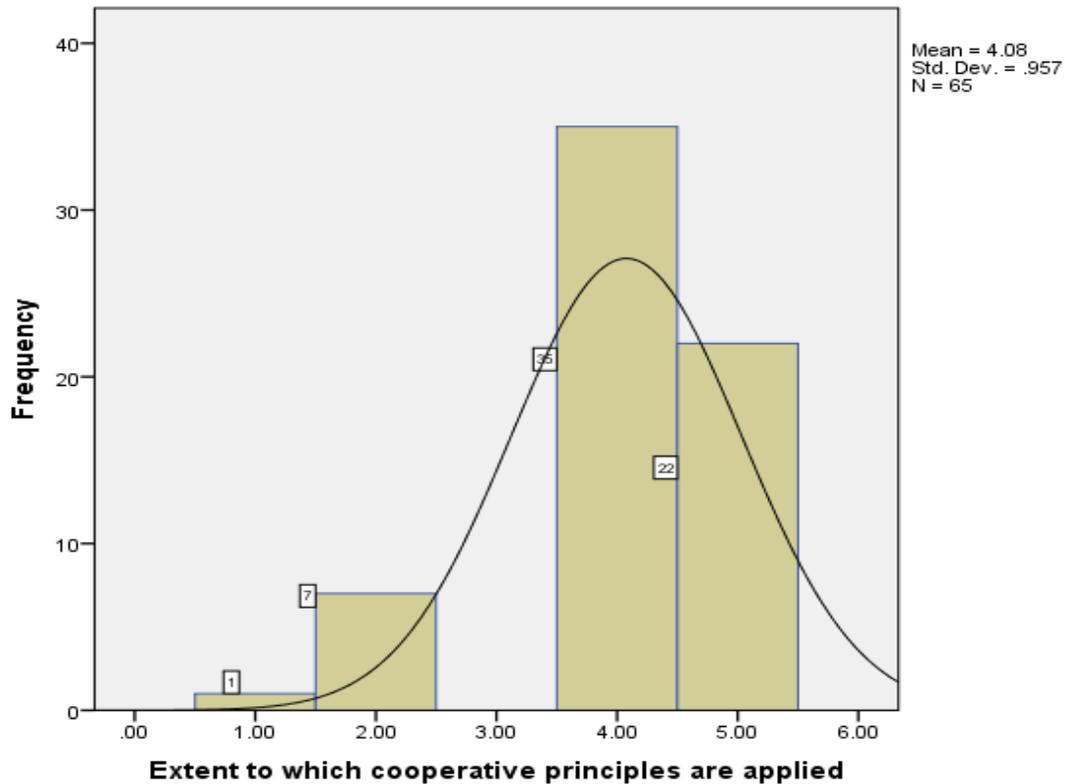
Source: Primary data, May, 2016.

The table above provides data findings on the application of cooperative principles in the Cooperative. Hence, the output shows an N of 65 (This is the sample size of cooperative members) and a mean of 4.0769 (This is the sample average for the 65 cooperative members), with a minimum GPA (Mean Range) of 1.00 and the maximum GPA (Mean Range of 4.00). It also shows an Asymp. Sig (2-tailed) value of .000 (This is also known as the P-Value). The P-value tells about the probability of getting the results the study got if the  $H_a$  was actually false (i.e., it is the results that would be in error if the researcher rejected the  $H_a$  hypothesis). For this analysis, the hypothesis for this test of normality of application of cooperative principles in the Cooperative is as follow:

$H_a$ : it is assumed that cooperative principles are applied in KOJYAMUGI; therefore the distribution of GPA is positive due to the fact that the Mean Range exceeds the maximum up to 4.0769. Hence the distribution of null hypothesis is not normal.

In addition, if the p-value is less than .05, to mean 5%, the researcher confirms the normality assumption, and if the p-value is greater than .05, there is insufficient evidence to suggest the distribution is normal (meaning that the researcher can proceed with the assumption of normality). Since the p-value is .000, there is no reason to doubt that cooperative principles application in the cooperative distribution is normal. Thus the researcher has reason to confirm

the Ha which is the assumptions that cooperative principles were applied in the cooperative. In addition the graph below provides with more emphasis on the acceptance of the Alternative Hypothesis:



**Figure 3: Application of cooperative principles**

Source: Primary data, May, 2016.

The graph above presents the standard deviation distribution of views of respondents on the application of cooperative principles in KOJYAMUGI Cooperative. Therefore the number 1.00 means strongly disagree, 2.00 means disagree, 3.00 means neutral, 4.00 means agree and 5.00 means strongly agree and the frequency means the number of contacted members of the cooperative. Therefore the results show the extent to which there are more data in the agreement area (commonly known as outliers). Based on these observations, the assumption of normality on the application of principles appears reasonable. In addition the researcher has put further the hypothesis (Ha) assuming that cooperative principles are effective in the KOJYAMUGI Cooperative. Therefore the table below provides with hypothesis verification serving one sample kolmogorov-smirnov test.

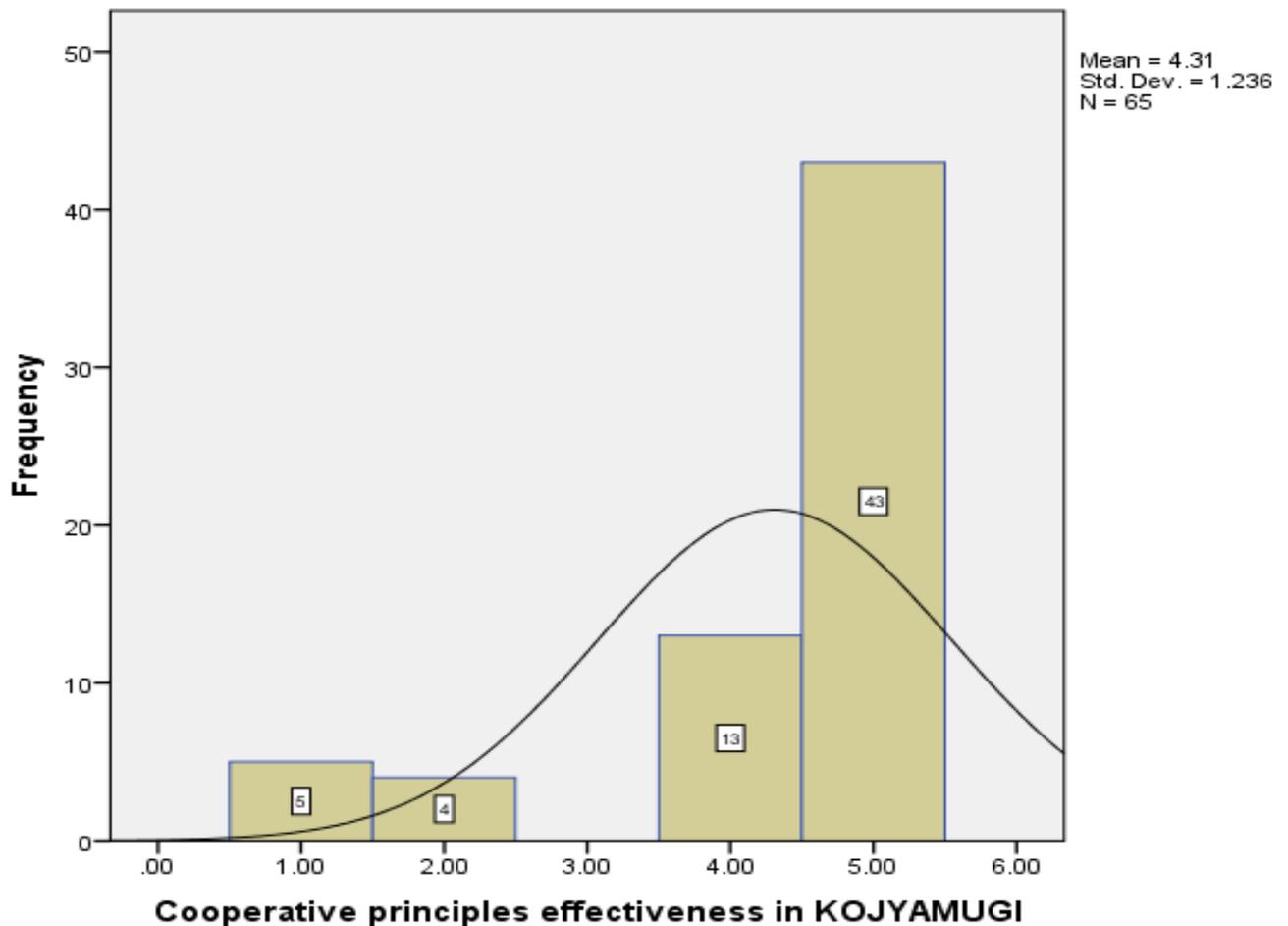
**Table 37: One-Sample Kolmogorov-Smirnov Test**

Test		Cooperative principles effectiveness in KOJYAMUGI
N		65
Normal Parameters <sup>a,b</sup>	Mean	4.3077
	Std. Deviation	1.23647
	Absolute	.374
Most Extreme Differences	Positive	.288
	Negative	-.374
Kolmogorov-Smirnov Z		3.013
Asymp. Sig. (2-tailed)		.000
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Primary data, May, 2016.

The table above provides data findings on the effectiveness of cooperative principles in KOJYAMUGI Cooperative. Hence, the output shows an N of 65 (This is the sample size of cooperative members respondents) and a mean of 4.3077. It also shows an Asymp. Sig (2-tailed) value of .000 (This is also known as the P-Value). The P-value tells about the probability of getting the results the study got if the null was actually true or the alternative hypothesis was false.

Ha: it is assumed that cooperative principles are effective towards cooperative management and members development in KOJYAMUGI Cooperative; therefore the distribution of GPA is positive due to the fact that the Mean Range exceeds the maximum up to 4.3077. Hence the distribution of alternative hypothesis is normal. In addition, since the p-value is .000, there is no reason to doubt that effectiveness of cooperative principles in KOJYAMUGI Cooperative distribution is normal. Thus the researcher has the reason to confirm the Ha which is the assumptions that cooperative principles were effective in the cooperative by confirming that principles of cooperative were effective based on findings. In addition the graph below provides with more emphasis on the confirmation of the alternative Hypothesis:



**Figure 4: Cooperative principles effectiveness**

Source: Primary data, May, 2016.

The graph above presents the standard deviation distribution of views of respondents on the effectiveness of cooperative principles in KOJYAMUGI Cooperative. Therefore the number 1.00 means strongly disagree, 2.00 means disagree, 3.00 means neutral, 4.00 means agree and 5.00 means strongly agree and the frequency means the number of contacted members of the cooperative. Therefore the results show the extent to which there more data in the agreement area (commonly known as outliers). Based on these observations, the assumption of normality on the effectiveness of cooperative principles in KOJYAMUGI appears reasonable.

Finally, the last hypothesis (Ha) that “Activities of KOJYAMUGI improve the wellbeing of its members towards the welfare of the community” findings prove that a number of 63.1% of respondents has agreed while a number of 36.9% of respondents has strongly agreed that the cooperative has positively impacted on the welfare of its members. Also respondents have

enumerated a number of benefits gained from the cooperative including but not limited to increase in agricultural production, increase in family household income, diversification of income generating sources, changes in ability to pay health insurance and change in doing savings, changes in family nutrition and increase of skills and practical knowledge, change in improved shelter and housing and change in ability to send children to school among others.

### **Summary**

The chapter four remains the very important part of the research due to the fact that it provides findings from the field. It provides with the demographic characteristics of respondents, research findings on the application of cooperative principles and their effectiveness to the development of agricultural cooperatives in Rwanda with the case of KOJYAMUGI in Gisagara District. This equally important chapter contains the results to the questions found in chapter one. It therefore provides data in relation to the factors and indicators that show the effectiveness and application of cooperative principles in the cooperative and how their applications lead the cooperative to the development of its members.

## **CHAPTER FIVE: GENERAL CONCLUSION AND RECOMMENDATIONS**

### **5.1. Introduction**

The following session provides with a summary of major findings from the research. It gives also the conclusion as well as recommendations intended for the effective application of cooperative principles in Rwanda in general and in KOJYAMUGI in particular.

### **5.2. Summary of major findings**

Today, in an era when people feel powerless to change their lives, cooperatives represent a strong, vibrant and viable economic alternative. Co-operatives are formed to meet members' mutual needs. They are based on a powerful idea that together a group of people can achieve goals that none of them could achieve alone (Bello, 2005: 43). For several years, co-operatives have remained an effective way for people to exert control over their economic livelihood. They provide a unique tool for achieving one or more economic goals in an increasingly competitive economy. In the current environment where market access is poor and market information is inadequate, not being involved in collective organizations, the individual small farmer is left in a weak position. This effect is not only felt by individual farmers but also the whole economy.

In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. They adhere to a code of practice enshrined in the universal cooperative principles of open and voluntary membership, democratic member control, member economic participation, autonomy and independence, education and training and information, co-operation among co-operatives and concern for the community (Philippe, 2008: 42-68).

Cooperatives are found in practically all countries, covering almost all the major sectors including agriculture. They have unique advantages based on the special relationship they have with their members. Thus the research carried out in Gisagara District in KOJYAMUGI Cooperative aimed at assessing the cooperative principles application in agricultural cooperatives in Gisagara District, their effectiveness and the contribution to the welfare of the members.

The research had various specific objectives: To appraise the current views and challenges of membership, board of directors and management on the cooperative principles application within agricultural cooperatives. Thus findings show that respondents contacted were aware of cooperative principles even though findings show that they speculated around the real principles of cooperatives. Therefore a number of 98.5% of respondents has testified that the cooperative is members' owned. Also respondents testified that they are in a cooperative voluntarily and they are free to quit whenever they may need to do so. The ownership of the cooperative by its members and voluntarily membership helped the researcher to conclude that the cooperative respects the 1<sup>st</sup> principle of voluntary and open membership.

With regards to the 2<sup>nd</sup> principle of democratic member control; a number of more than 80% has stated that the cooperative is democratically controlled by its members due to the fact that the government does not influence the management and its activities other than playing the role of the government as a watchdog of weak population. Hence 70.8% stated that the role of local, provincial and national government in a cooperative is to encourage and facilitate the development of the cooperative; 58.5% stated that the government is for organizing trainings for cooperative leaders on cooperative management skills; 87.7% of respondents argued its role to protect weak members against fraud and mismanagement of cooperative resources while 96.9% stated that the government in a cooperative is to intervene to set rules and regulations that govern the cooperative. Also with regards to democratic member control 98.5 stated that members participate in decision making process of their cooperative through a general meeting while 49.2% raised that in the meeting at the zone level members parvenu to participate in decision making and provide with suggestions and recommendations which guide the process in the general assembly meetings.

Furthermore, 95% agreed that members are well informed on decisions made by leadership and management and when there raises a conflict, as it is the nature of the society, 56.9% has stated that mediation process is one among tolls that leaders and the management of KOJYAMUGI cooperative serve during internal and external conflict management; 70.8% stated that the leadership used to sit down and solve the problem while 41.5% stated that managers serves interest based approach to solve conflicts and 60.0% stated the right based approach.

In addition the researcher assessed the application of the third principle. Thus During the interview session the majority of the BDM and membership believed the patronage dividend system to be fair. Not only dividends but also respondents stated that as they contribute to the economic viability of their cooperative, 83.1% has stated that in cooperative members are supported to get credit and loans in banks due to membership in cooperative 92.3% stated that due to service delivery in the cooperative they find market for their products and production and finally 98.5% get agriculture inputs. Also respondents stated that members take part in approval of financial reports on a regular basis and stated that there is a transparence in the management of financial dealings in the cooperative.

Also the researcher assessed the application of the fourth principle Autonomy and Independence. Hence the fourth cooperative principle which complement with the first principle; again respondents stated that the cooperative is owned by its members. Apart from the fact that members are voluntarily affiliated in the cooperative, respondents testified that the cooperative is not influenced by the government or other institutions.

Moreover the researcher assessed the application of the fifth principle Education, Training and Information. Thus results from respondents show that even though there were speculations around cooperative principles but KOJYAMUGI cooperative members are not fully aware of cooperative principle; a fact which calls for the task to BDM and leadership to improve knowledge of principles of cooperatives among members. With regards to education, training and information, to know if the cooperative has a deliberate program of developing new leaders, especially the youth, so that there is a permanent pool of leadership talent; a 100% of respondents has testified that there is no capacity building programs to promote youth among other members in the cooperative. To conclude, through the application the 5<sup>th</sup> principle of education training and information members should be educated and informed about their rights and responsibilities as members to exercise democratic control of their cooperative.

While assessing the sixth cooperative principle, despite the fact that KOJYAMUGI has international partners, respondents have pointed out that it does not have any local cooperation with other cooperatives. And finally while assessing the application of the seventh principle Concern for Community; 41.5% of respondents have stated that the community values the

cooperative to the great extent while 58.5% of respondents has stated that the community appreciate the development and trend of the cooperative to the very great extent. During interview sessions a number of respondents testified that the community values the cooperative because of its productivity in the area of influence. They also shared the following comments: “Many new members join the cooperative every year” (BDM2) and “Many are fighting to grow maize so as to qualify to become members” (BDM4). A subsequent conversation with manager revealed that this cooperative provides inputs (seeds and fertilizers) and buys maize from non-members. View the fact that it develops members and promotes social economic development, the cooperative concerns the community based on the fact that according to the demographic characteristics of respondents, findings show that members are heads of families.

The second specific objective was: To assess effectiveness of agricultural cooperatives as far as cooperatives principles are concerned. Findings show that 20.0% have agreed that cooperative principles are effective and 66.2% strongly agreed that the KOJYAMUGI Cooperative effectively applies cooperative principles in its everyday activities. Interview findings cleared that principles of cooperatives are effective even though there are some shortens due to the fact that their cooperative has not yet improved cooperation with other cooperatives and to some extent they have not yet engaged into other income generating activities than agriculture in order to expand their area of influence.

The third specific objective was: To provide the contribution of agricultural cooperatives to the welfare of its members. Therefore 78.5% had increased their agriculture production; a number of 52.3% of respondents increased their family households’ income; a number of 63.1% had diversified their income generating sources due to the fact that they had gained money to invest in other income generating activities. In addition, 89.2% of respondents had gotten the ability to pay health insurance and health facilities; a number of 66.2% of respondents had gotten changed their lives with regards to accessing banks and saving activities; a number of 67.7% had been able to feed their families and afford diet food.

Furthermore a number of 78.5% of respondents had increased their skills and practical knowledge in agriculture; 47.7% had improved their family household wellbeing due to the fact that they could build their own houses while others had gotten the ability to innovate their houses and finally 75.4% had gotten means to send their children at school an afforded school materials.

### **5.3. Conclusion**

The research carried out with the topic «*Cooperative Principles Application in Agricultural Cooperatives in Gisagara District A case study of KOJYAMUGI* » has generated information from 65 members and 5 leaders and BDM a total number of 70 respondents and informants.

In the newly unfolding era of ‘survive or perish’ market economy, co-operatives only survive if they are capable of adding real value to their members. However, cooperative is only able to do that if it applies cooperative principles, reforms and exercises its roles accurately and timely to strengthen its management and leadership, which in turn should improve the socioeconomic conditions of their members.

Thus findings show that KOJYAMUGI Cooperative applies cooperative principles even though there are some principles that have not yet been exploited. Not only application of principles but also findings prove that cooperative principles are effective in the cooperative and finally as outcome the cooperative plays an important role in the promotion of welfare of its members.

The study finds that even though there is a good step forward, a number of challenges exists which may hamper the sustainable management of the cooperative such as lack of training to members, low skills in cooperative management, mismanagement of resources of some leaders, dishonest and climate change which avers to be the eminent problem; lack of accountability to both members and leaders, lack of effective communication and lack of commitment of Rwandan community.

### **5.4. Recommendations**

The study needs to provide with recommendations to various stakeholders: the government of Rwanda and cooperative agency in order to promote the application of cooperative principles.

#### **Recommendation to members**

- Members of KOJYAMUGI cooperative should exercise their powers/rights and obligations to plan, implement and demand accountability from their leaders;

- Members should be accountable to their leaders in order to ensure autonomy and independence principle;

### **Recommendations to the cooperative**

- In order to win and attract members for long-term membership, KOJYAMUGI should initiate more long-term schemes/projects;
- The cooperative should incorporate training and education programs in order to offer capacity building to its members.

### **Recommendations to the government of Rwanda**

- The Government should intensify member training programs through various innovative and vocational education programs and extension delivery systems as more practical means of improving maize production and promoting strong cooperatives.
- However, since there might be limited opportunities for raising members/farmers' formal education in the short term, in the medium-term, policies geared towards promoting formal education as a means of promoting strong primary cooperative societies and co-operative movement are imperative;
- The government through the ministry of agriculture and Rwanda cooperatives Agency should assist co-operative in their working so that they fully understand and respond to their members' needs.

### **5.5. Areas for future research**

There is a need for a comparative study on other agricultural cooperative in the country for general conclusions to be drawn on the application of cooperative principles. There is a need for a study highlighting the motives of maize farmers who sell their products through the cooperative but who are not members of the cooperative. There is a need for a study to establish factors that affect the effectiveness and responsiveness of a cooperative to its members.

## **Summary**

Chapter fifth chapter is intended to present the discussion of findings and the recommendations. It highlights the major parts of the findings and provides with the conclusion as the part of the researcher's views on the study and orientates recommendations and suggestions to the cooperative stakeholders and members in order to help exploit them towards community and members development. Although there is much remains to be done, this study generates important findings in the field of cooperatives and the application of cooperative principles and their effectiveness in the development of agricultural cooperatives in Rwanda and then last it provides the further research in order to help future researcher in the domain find orientations.

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# Appendices

## Appendices 1: Questionnaire

### QUESTIONNAIRE

#### NOTE:

- ✓ The questionnaire below was prepared only for the data-gathering intended for the facts of research.
- ✓ We ask you well to answer correctly and freely the put questions
- ✓ We thank you for your modest contribution to this research.

Names of the investigated \_\_\_\_\_ site \_\_\_\_\_ Cell \_\_\_\_\_ code \_\_\_\_\_

Date: \_\_\_\_\_

#### IDENTIFICATION OF RESPONDENTS

1. Sex: [1] Masculine  [2] Female

2. Age: [1] 18-30 years  [2] 31 – 45 years  [3] 46 - 55 years

[4] >55 years

3. Educational level: [1] Did not attend the school  [2] Primary

[3] O' level  [4] Secondary  [5] University

4. Marital status: [1] Married  [2] Single  [3] Widow/Widowe  [4] Divorced

#### QUESTIONS RELATED TO RESEARCH OBJECTIVES

##### Section one: Perception on the cooperative principles

1. What is a cooperative?

.....  
.....

2. Who owns the cooperative?

.....  
.....

3. What do you think should be the principles of a cooperative?

.....  
.....

4. What is the current role of (local, provincial, or national) government in the cooperative?

.....  
.....

5. To what extent do you agree that government authorities should refrain from involving themselves in the affairs of the cooperative

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

6. How were the leaders and managers chosen?

.....  
.....

7. Can the current organizational structure be improved?

Yes  No

Please explain your view

.....  
.....

**Section two: Effectiveness of agricultural cooperatives**

**a. Perception on participation and decision-making**

1. How do member participate in the decision-making process of the cooperative?

.....  
.....

2. To what extent do you agree the opinions and suggestions of members matter to the management and leadership?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

Explain your view .....

3. To what extent do you agree that you feel like you can speak your opinion during a meeting?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

4. How are you benefiting from the service of the cooperative?

.....  
.....

5. Are benefits gained in a fair and reasonable way? Please explain your view

.....  
.....

6. To what extent the benefits of participation are shared in a fair manner?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

7. Describe the degree to which each of the following members participates in the decision-making of the cooperative: men and women, youth and older folks, educated and less educated?

.....  
.....

8. To what extent is gender balance given due consideration in leadership and management of the cooperative?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

**b. Perceptions on the internal and external communications**

9. How do leaders and managers of your cooperative listen, formally and informally, to cooperative members in order to recognize their concerns?

.....  
.....

10. To what extent is effective communication between cooperative members and leaders and managers?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

11. To what extent do you agree that members are well informed on decisions made by leadership and management?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

12. If two members are having problems between one another which could negatively affect the cooperative, how would the management and/or leadership of your cooperative handle this situation?

.....  
.....

13. BDM knows how to help members solve conflicts

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

14. To what extent do you agree that members of cooperative can freely seek advice from BDM?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

15. To what extent do you agree that BDM provides the opportunities for the feedback?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

16. Let's imagine that a member of the leadership board does something that breaks a by-law of the cooperative. What would the cooperative members do about it?

.....  
.....

17. What does the community who are not cooperative members think about the cooperative?

.....  
.....

18. To what extent the cooperative is respected and valued in the community?

Very small extent  small extent  Don't know  great extent  Very great extent

Please explain your view.....

**c. Perceptions on organizational and leadership development**

19. As a member, how are you being developed into a better leader so that one day you may assume more responsibilities within the cooperative when should the opportunity arise?

.....  
.....

20. What are the attributes of an effective leader and manager?

.....  
.....  
21. How do you rate the effectiveness of leaders and managers in your cooperative?

Very small extent  Small extent  Don't know  Great extent  Very great extent

Explain your view.....

22. What are the long-term goals of your cooperative?  
.....  
.....

23. Is this long-term goal shared by all the members, management, and the leadership board?  
.....  
.....

24. Does the cooperative have a strategic plan?

Yes  No

25. To what extent do you agree that your cooperative has a shared strategic plan?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree   
.....  
.....

**d. Perception on duties and relationships**

26. Do the management and board of directors have the family relationship?

Yes  No

27. Do individual within management ever assumed responsibilities that belong to the leadership and vice-versa?

Yes  No

Explain your view .....

28. Do you agree that cooperative managers and leaders are able to handle internal conflicts?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

usurpation

29. How is the financial status in your cooperative?  
.....  
.....

What are the procedures to facilitate financial transparency? .....

30. What is the current financial status of the cooperative, including the repayment of loans from banks?

.....  
.....

31. Do you agree that members approve financial reports on a regular basis?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

32. How often does the accountant prepare financial statements and make them know to all members?

.....  
.....

To what extent do you agree that there is a transparency in all of the financial dealings?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

### **Section three: Contribution of agricultural cooperative to the welfare**

33. What are challenges have you had before you get affiliated in the cooperative?

.....  
.....

34. What are benefits that have you gained from cooperative membership?

.....  
.....

35. To what extent do you agree that the cooperative has positively impacted on the welfare of your family household?

Strongly disagree  Disagree  Neutral  Agree  Strongly agree

36. How do you do savings in your home?

.....  
.....

37. What are challenges do you face which may hamper the effectiveness implementation of cooperative principles?

.....  
.....

**Appendices 2: Bouchard`s table for sample size calculation**

Population size	Precision								
	90 times over 100			95 times over 100			99 times over 100		
Confidence level	10%	5%	1%	10%	5%	1%	10%	5%	1%
Infinity population	68	271	6765	96	384	9604	166	664	16589
1,000,000	68	271	6720	96	384	9513	166	663	16391
100,000	68	270	6336	96	383	8763	166	659	14229
50,000	67	269	5959	96	381	3057	165	655	12457
10,000	67	263	4035	95	370	4899	163	622	6239
5000	67	257	2875	94	357	3288	161	586	3842
1000	63	213	871	88	278	906	142	399	943
500	60	176	466	81	217	475	125	285	483
100	41	73	99	49	80	99	63	87	99
50	29	42	50	33	44	50	39	47	50

Source: Compilation by the researcher (May, 2016)