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**Contribution of Cooperatives in Promoting Social Capital in  
Rural Areas of Rwanda.**  
**Case study of Coproriz Ntende in Gatsibo District (2013-2017)**

A research thesis submitted for the award of Master Degree of Arts in Local Governance Studies

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## DECLARATION

I, RWAGAJU Louis, do hereby declare that this dissertation entitled “**Contribution of Cooperatives in promoting social capital in rural areas of Rwanda. Case study of Coproriz Ntende in Gatsibo District**”, is entirely my original work and it has not been presented to any other Institute of higher learning for a similar or other academic award. In addition, all the sources that I have used or quoted have been indicated and acknowledged.

Signature.....

Date.....

## **DEDICATION**

To my Beloved Spouse Mrs Laurence MUGABEKAZI,

To our Children: ILIZA Gaju Ornella, ICYEZA Gaju Laura

And ISIMBI Gaju Lisa

For their passion, love, understanding and support,

I tenderly dedicate this work.

## **ACKNOWLEDGMENTS**

My deepest and honest thanks are humbly expressed to whoever has contributed to this work since it would not have been completed with my own efforts.

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Finally, am thankful to my dearest classmates with whom I struggled until our union made force and fruitfully brought to this final work.

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**RWAGAJU Louis**

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**ABSTRACT**

Social capital refers to the quality of human relationship and the opportunities that emanate from them that could be of benefit to the population concerned. It is as important to human behavior,

business decisions, and government action as financial capital. In cooperative, with low trust, it is very difficult to make decision and it has been observed that very poor people suffer not only from the shortage of resources but also from the poor connection to social networks detaining relevant information on existing pro-poor opportunities and this shows that their social capital is very low. Little study talks about the role played by cooperatives not only in increasing the life of members but also in promoting social capital.

The purpose of this study was to examine the contribution of cooperatives in promoting social capital in rural areas of Rwanda with a case study of COPRORIZ/ Ntende. The study used a descriptive survey design which used both quantitative and qualitative approaches to collect data. Quantitative data was summarized using descriptive statistics: frequencies, mean, standard deviation, correlation and presented using tables while qualitative data was presented in narratives. The participants included members of COPRORIZ Ntende and local authorities. The research questions of the study sought to ascertain services and opportunities offered by COPRORIZ to its members. The research found out that the COPRORIZ offers different vital services to its members that contribute much in their daily life, as shown in table 2. The Researcher wanted to know how these services and opportunities offered by Cooperative contributed to the promotion of different aspects of social capital among members. About the level of trustiness in Cooperative, the study found out that the level of trustiness among the members in Cooperative is high as mentioned in the Table 6. The research wanted also to know to what extent COPRORIZ Ntende contributes in promoting social cooperation between members. Here, according to result obtained, the study found out that COPRORIZ had contributed a lot in promoting social cooperation in its members.

Finally, the research findings showed that cooperatives members got profitability from their cooperative in different domains such as social, economic, environmental, institutional and financial which helped them satisfy their basic needs and fight against poverty.

## **LIST OF ABBREVIATIONS & ACRONYMS**

- AIDS** - Acquired Immune Deficiency Syndrome  
**COPRORIZ** - Coopérative Pour la Promotion du Riz



<b>EICV</b>	- Enquête Intégrale sur les Conditions de Vie des Ménages
<b>FAO</b>	- Food and Agriculture Organization
<b>GDP</b>	- Gross Domestic Product
<b>GoR</b>	- Government of Rwanda
<b>HIV</b>	- Human Immune Virus
<b>ICA</b>	- International Cooperative Alliance
<b>ICT</b>	- Information Communication Technology
<b>ILO</b>	- International Labor Organization
<b>MINICOM</b>	- Ministry of Commercial and Trade
<b>NCFC</b>	- National Council of Farmer Cooperatives
<b>NGO</b>	- Non Governmental Organization
<b>NISR</b>	- National Institute of Statistics of Rwanda
<b>NUR</b>	- National University of Rwanda
<b>OECD</b>	- Organization for Economic Co-operation and Development
<b>RCA</b>	- Rwanda Cooperative Agency
<b>SA</b>	- Strongly Disagree
<b>SACCO</b>	- Saving and Credit Cooperative
<b>SD</b>	- Standard Deviation
<b>SPSS</b>	- Statistical Package for Social Sciences
<b>UNESCO</b>	- United Nations Educational Cultural Organization
<b>UR</b>	- University of Rwanda
<b>UWCC</b>	- University of Wisconsin Center for Cooperatives

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Introduction**

This research is about the contribution of cooperatives in promoting social capital in rural areas of Rwanda. The first chapter provides the background of the study, the statement of the problem, research questions, research objectives and the significance of the study.

### **1.2. Background of the study**

Countries in the world reach a certain degree of development due to a lot of efforts put in different economic activities which generate income like commerce, construction, agriculture, fishing etc. Rwanda is one of the five countries that constitute East Africa. It is a small country that measures only 26,338 square km. The economic activity that is practiced by many people in rural areas where they cultivate different things needed in daily life like potatoes, beans, peas, rice, maize, bananas, wheat, coffee, tea and cassava.

In Rwanda, the economy is based on agriculture which contributes 45 per cent of the country's export revenue, and over 70 per cent of the population is engaged in the agricultural production GoR, (2010). Modern agriculture emphasizes two dimensions of time and space. Time relates to increasing crop intensification in a situation where there are no constraints for inputs while space relates to increase in area for cultivation which increases also productivity (Panda 2010: 6). According to EICV3, 84.9 % of Gatsibo population both men and women basically depend on agriculture whom, at least 80% use traditional agriculture practices and constrained by inaccessibility of credit to small scale farmers, weak agricultural value chains and thus limit the production and value addition potentialities of crops and livestock products yet the majority of farmers are grouped in various agricultural cooperatives (NISR, 2012).

In Rwanda, the GoR (2012) stated that there were different forms of mutual assistance that survived until now which help Rwandans themselves to get own solutions to those problems, like work groups where members help each other in rotation (umubyizi), jointly carry out farming (ubudehe), construction and community action (umuganda, ubudehe), rotating savings and credit associations whose members make regular contributions to a circling loan fund (ibimina). However, this traditional philosophy of mutual assistance in the economically oriented initiatives is encouraged in the Rwandan culture.

The Government of Rwanda as noted by Davis (1995) has elaborated the policy of promoting cooperatives regarded as a voluntary, democratic, autonomous association of persons, whose purpose is to encourage members to grow in community and to act collectively both for the intrinsic value of being part of a living community and to overcome their problems of economic dependency through putting together their efforts.

According to Braverman et al. (1991) authorities considered cooperatives as suitable vehicles for agricultural development and socio-political change. This shows that cooperatives are channels through which various message can be sent to members. By organizing themselves in cooperatives, Ndahiro (2006) emphasized that cooperative members are able to acquire loans from the banks which help them to carry out activities that can generate income to improve their welfare since the development of a country like Rwanda does not only depend on government economic plans but also on the extent to which its people are involved in economically productivities.

Like many African countries, cooperatives in Rwanda have their origins in the efforts of the colonial state that sought to create institutions for implementing policies. This use of cooperatives as political tools continued at independence, when the new government also

embraced cooperatives as mechanisms for implementing policies and development plans (MINICOM, 2006). In particular, the independent government viewed cooperatives not as economic entities, but as institutions for producing subsistence needs of the members. This subjected cooperative members to state control, which hampered the development of cooperatives as economic enterprises for meeting members' interests. Cooperative development was further disrupted by the 1994 genocide that impaired all socio-economic activities in Rwanda.

After the genocide, different NGOs that supported the recovery of the country recognized the important role that cooperatives and pre-cooperative associations could play in social reconstruction and began to encourage the establishment of these organizations. The efforts by these NGOs significantly contributed to the increase in the number of cooperatives in the post-genocide period. However, it was realized that the essence of cooperatives was being diluted due to the absence of a legal framework to guide the development of the movement in the country. The Government therefore set up a taskforce for cooperative promotion in 2005, in order to develop a legal framework and provide for the registration and promotion of the cooperative movement in Rwanda.

As a result many cooperatives started their formal registration. Coproriz Ntende which were created in January 2003 under Impuzamashyirahamwe KANYARWANDA name, with 560 members exploiting 55 hectares also started its official registration. On 17th February 2005, the Cooperative took its name of Coproriz Ntende which means "Coopérative de Promotion des Riziculteurs de NTENDE" and got its legal personality status, (Coproriz, 2018). In 2009, The Government of Rwanda through Ministry of Agriculture under Rural Sector Support Project (RSSP) has developed Ntende Marshland and increased irrigated areas from 55ha to 900ha with

2 big water dams. This increased the number of members from 560 to 3671 members including 2625 men and 1046 women, this makes Coproriz the biggest Cooperative in Gatsibo District. The initial capital (share) also increased from 3730Rwf in 2003 to 25,186Rwf in 2008 and recently in 2015 the value of one share has been elevated to 116,000Rwf due to the new investment in hospitality infrastructures that has been achieved by cooperative.

Cooperative members have access to quality supplies and services at a reasonable cost, mutual help between members, and share in the earnings and enhance local economy, helping the rural population mobilize their own human, financial, and productive resources (Birchall, 2004). This means that cooperative members themselves decide the nature and objective of their enterprise because cooperatives offered a possibility of addressing vulnerability, assisting in poverty reduction and as one of the few vehicles for reconciliation after 1994.

People and groups continually interact with other people and groups. These multiple contacts are organized into social networks and these networks of relationship link the individual directly to other people, and through these others, indirectly to even more people. One's network, for example, consists of primary ties (like relatives, family and close friends) and secondary ties (like classmates and colleagues). "This multiplicity of relationship constitutes a web of relationship among people"(Putnam, 1993). Human relations based on the network of connections that facilitates the people to interact in a better way. Interaction among people constitutes a chain of relationships, which generates familiarity and acquisition among people. The familiarity and acquisition among people bind them into different social groups.

In developing set-ups, there are various approaches to reduce poverty like literacy programmes, public employment policy, and micro credit schemes etc. But these conventional approaches have failed to produce desirable results. Otherwise, poverty should be disappeared

from society. Continuous persistence of poverty, despite hectic efforts to eliminate it proves the fact that it has the ability to trap and prevail upon them unless it is addressed from its roots. Persistence rather growth of poverty proves that poverty is still trapping the people in its net and pushing them in the worst conditions.

By following previous evidences, this can be concluded that only giving money to the poor is not a proper way to reduce poverty for a long time, or could be stated as a temporary method to reduce poverty. The only and effective way to reduce poverty can be to give empowerment of individuals, and by making him/ her a productive member of society. However, empowerment of individuals creates sense of responsibility and promotes participatory development in society. Empowerment of people and their participation in the society can be achieved only through connecting the individuals with different social institutions (e.g., education, economic, political, etc.). This goal can be achieved with the development and promotion of social capital that might activate individual's capacities and at the same time may produce opportunities for the empowerment of individual. Empowerment of individual further activates one's hidden capacities and thereby makes him/her a productive member of society.

Social capital can best be understood as a means or a process for accessing various forms of resources and support through networks of social relations. This research placed emphasis on analyzing the means and processes used by Coproriz Ntende to create and strengthen networks of social relations among its members which promoted their social capital.

### **1.3. Statement of the problem**

Mushita & Carol (2008) provide results of the impact of village level social capital on poverty in the south western part of Nigeria. A major policy thrust that emerged from the study was that it is economically expedient for the Nigerian government to invest in social capital

development so as to urgently tackle the problem of poverty with speed and in a cost effective manner at the village level. He also found that differential returns to social capital exists between the poor and non-poor and by gender but however, aver that the results remain inconclusive.

Outputs of social capital are often not monetized as social capital is not easily accounted for in monetary terms. Outputs of social capital should be easily made visible in survey-based studies of households' living standards and activities. Social capital can be measured as part of the stock of resources of an individual or a household, for example, friends who may be able to loan money as and when a loan is needed.

Social capital is as important to human behavior, business decisions, and government action as financial capital. With low trust, much decision-making is difficult. Investors would scarcely buy assets if they did not trust their suppliers to actually deliver the goods. Trust decreases the costs to individuals and organizations of insuring themselves against deceitful behavior by their partners, both in social life and in business relations (Nilsson et al., 2012). It has been observed that very poor people suffer not only from the shortage of resources but also from the poor connection to social networks detaining relevant information on existing pro-poor opportunities. That is, one can say that their social capital is very low. There is a little study about the role played by cooperatives not only in increasing the life of members but also in promoting social capital. Therefore, the researcher wants to carry out this research in order to find out the contribution of cooperatives in promoting social capital with reference to COPRORIZ Ntende/ Gatsibo district.

#### **1.4. Objectives of Study**

The objective of this study is based on both general and specific objectives.

### **1.4.1. General Objective**

The general objective of this study is to analyze the contribution of cooperatives in promoting social capital in rural areas of Rwanda.

### **1.4.2. Specific Objectives**

The specific objectives of this study are:

1. To identify the main services and opportunities offered by COPRORIZ to its members.
2. Assess the level of trustiness among COPRORIZ members.
3. Identify the role played by COPRORIZ in promoting social cooperation among members.
4. Investigate the contribution of COPRORIZ in ensuring shared useful information.
5. Assess the role of COPRORIZ in participative decision making.

### **1.5. Research questions**

1. What are the services and opportunities offered by COPRORIZ to its members?
2. To what extent COPRORIZ promote trustiness among members?
3. Does COPRORIZ cooperative contribute to the promotion of social cooperation between members?
4. Does COPRORIZ promote the willingness to share useful information among members?
5. Does COPRORIZ promote participative decision making?

### **1.6. Significance of the Study**

The main contribution of this study is to help cooperative leaders, members, community, government officials and non-governmental organization to gain better understanding of the role which agricultural cooperatives play in promoting social capital in rural areas. It will also help to inform people on the needs and importance of promoting social capital within the community.



This study will be used by Policy Makers to understand the role of cooperative services in creating and promoting social capital among members and its role in poverty reduction within a community.

### **1.7. Scope and limitations of the Study**

For content scope, the researcher analyzed the contribution of Coproriz Ntende in promoting social capital in among its members. For the time scope, the researcher based on the data recorded yearly from 2013 up to 2017. For the space, the researcher conducted the study within the COPRORIZ Ntende Cooperative in Gatsibo District. Concerning the limitations, the study is limited to Members of Coproriz Ntende and therefore, the findings cannot be generalized for the whole district or other Cooperatives.

### **1.8. The structure of the study**

This study consist of five chapters; chapter one basically addresses the introduction part of the study. It included the background of the study, the statement of the problem, the objectives of the study, the scope of the study, the significance of the study, conceptual framework and the organization of study. The second chapter reviewed the existing literature on cooperatives and social capital. The third chapter was about the methodology of the study where the researcher focused on research design, population of the study, sampling and procedures, instruments and data collection and ethical considerations. The fourth chapter addressed the presentation and analysis of findings on collected data from respondents and fifth chapter summarized the findings and conclusion, and recommendations of the study.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0. Introduction**

This section reviews the existing literature on cooperative, social capital, types of cooperatives and their contribution in promoting social capital. This section also explains how cooperatives enhanced economically the living conditions of people, social capital and finally the challenges to be addressed in cooperatives.

### **2.1. Definition of key concepts**

#### **2.1.1. Cooperative**

The International Cooperative Alliance (ICA, 2009) defines a cooperative as ‘an autonomous association of persons united voluntarily to meet their common social, economic and cultural needs as well as their aspirations through a jointly owned and democratically controlled enterprise’. In light of the above values, cooperatives can then be described as a distinct, mutual-based association or group with varied capital and membership base which is democratically managed. A cooperative is distinct from a socio-professional body and its mission is to defend the interests of its members or a community development association whose activities are similar to those of a pressure group.

#### **2.1.2. Social capital**

Social capital refers to the quality of human relationship and the opportunities that emanate from them that could be of benefit to the population concerned. It is generally interpreted as the degree of trust, co-operative norms and networks and associations within a society. Putnam et al. (1993), sees social capital as a stock of trust and an emotional attachment to a group or society at large that facilitate the provision of public goods.

## **2.2. General overview on cooperative**

### **2.2.1. Origin of cooperative**

The International Cooperative Alliance (1995) 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.” It is a business voluntarily owned and controlled by its member patrons and operated for them and by them on a nonprofit or cost basis (UWCC, 2002). It is a business enterprise that aims at complete identity of the component factors of ownership.

Smith (2005) described a cooperative as a medium through which services like provision of farm input, farm implements, farm mechanization, agricultural loans, agricultural extension, members’ education, marketing of members farm produce and other economic activities and services rendered to members.

The first modern cooperative originated in Europe and thereafter spread to other industrializing countries during the late 19th century as a self-help method to counter extreme conditions of poverty. The one cooperative that probably had the greatest singular impact on determining agricultural cooperative unique principles was formed in 1844 in Rochdale, England and was known as Rochdale Society of Equitable Pioneers’ Ltd. It was a consumer cooperative by a group of workers representing various trades who formulated a set of basic operating rules based on a two year study cooperative, including some that were not successful. Rochdale Society of Equitable Pioneers Ltd objectives were to address members’ needs for better housing, employment, food, education and other social requirements (Gibson, 2005; Abell, 2004).

The successful example of cooperative business provided by the Rochdale Society, which also established between 1850 and 1855 a flourmill, a shoe factory, and a textile plant, was

quickly emulated throughout the country. In 1863 more than 400 British cooperative associations, modelled after the Rochdale Society, were in operation. Thereafter the English movement grew steadily, becoming the model for similar movements worldwide. Notable among the European countries in which consumer cooperation received early popular support were France, Germany, Belgium, Austria, Italy, Denmark, Finland, Norway, and Sweden (Abell, 2004).

Cooperatives are based on basic values and principles. Cooperative values are general norms that cooperators, cooperative leaders and cooperative staff should share and which should determine their way of thinking and acting. The values, which are articulated by the ICA (1995), includes self-help, self-responsibility, democracy, equality, equity and solidarity. The values statement further articulates values of personal and ethical behavior that cooperators actualize in their enterprises. They describe the kind of people cooperators strive to be and the traits they hope to encourage through cooperation. These are honesty, openness, social responsibility and caring for others.

Cooperatives empower people to improve their quality of life and enhance their economic opportunities through self-help. The NCFE echoes these sentiments by providing the following reasons why cooperatives were or are being formed: to strengthen bargaining power, maintain access to competitive markets, capitalize on new markets opportunities, obtain needed products and services on a competitive basis, improve income opportunities, reduce costs and manage risks. Farmers form cooperative with the objective to generate greater profits, by obtaining inputs and services at lower costs than they could obtain elsewhere or that were not available and by marketing their products at better prices or in markets that were previously not accessible (Barton, 2000).

Agriculture, including farming, forestry, fisheries and livestock, are the main sources 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 men and women small agricultural producers and marginalized groups by creating sustainable rural employment. Producer cooperatives offer men and women smallholders market opportunities, and provide them with services such as better training in natural resource management, and better access to information, technologies, innovations and extension services (FAO, 2012).

The promotion of these organizations to champion development has seen the history of cooperative development in independent Africa generally phased into two eras: the first era running from the immediate post-colonial period in the 1960's to the mid1990s and the second era occurring during the global economic reforms from the mid 1990's to the present, which has been characterized liberalization of the economy (Wanyama, Develtere and Pollet, 2009).

Whereas the first era was characterized by stringent government control over cooperative development through enactment of policies, legislation and programs that promoted cooperatives as vehicles for accelerating national economic development, the second era has been the sphere of freeing cooperatives from the state to enjoy autonomy and operate like business ventures responding to market demands.

After independence, cooperative policies and legal frameworks gave African governments powers to direct and manage the affairs of cooperatives. In most cases, the role of promotion, control and guidance of the movement was vested in special cooperative development departments or ministries that gave these organizations monopolistic positions in the economy (Develtere, 2008). For instance, in agricultural marketing, cooperatives were made the sole agents of State Marketing Boards responsible for processing and marketing export crops

like coffee, cotton and pyrethrum. These organizations were mandated by the Boards to buy the produce from the farmers and process it for export. Though cooperatives received little from the Boards for their services, such a monopolistic position ensured their survival; for it became the responsibility of the farmers to join the cooperatives if they were to sell their produce.

Moreover, state-sponsored agricultural credit schemes were also administered through these cooperatives, which provided another incentive for farmers to join cooperatives. Subsequently, the state quickly brought cooperatives under its control, not just to promote economic development, but also to create jobs for political supporters and use them for other political ends (Morrow et al., 2004).

Cooperatives were subsequently engulfed into state politics, thereby losing their voluntary character that is in tandem with the principle of democratic member control.

### **2.2.2. Types of cooperatives**

According to Birchall (2004), there are three main types of cooperatives.

- (i) **Consumer cooperatives:** which include financial cooperatives, enable members to buy goods or obtain services at close to cost price. They include credit unions, child care cooperatives, electric and telecommunications cooperatives, food co-ops, health care co-ops, housing cooperatives. They are organized by individuals who seek to purchase goods and services. By organizing a cooperative, consumers are able to achieve prices and quality not available from for profit businesses.
- (ii) **Producer cooperatives:** which include agricultural cooperatives; enable members to Achieve higher profits through reduced input costs and better marketing. These co-operatives are created by producers (i.e. farmers, artists, businesses) that recognize they can reduce the cost of inputs and administration through group purchasing, and/or increase the value of their products

by using a unified brand. Less money and time spent on doing these tasks individually means more money and time for the producer to produce. Producer co-ops are a great way of achieving economies of scale or acquiring resources that will benefit shareholders.

(iii) **Worker or employee-owned cooperatives:** provide members with opportunities for Employment and skills improvement. Worker co-operatives are owned and operated by their employees. This model has been used in succession plans in rural and Indigenous communities where business owners are retiring, allowing the workers to acquire the business. Being worker-owned does not restrict the co-operative's ability to hire non-member staff or contract workers. Worker co-operatives have been formed in all industries, usually as an alternative to a partnership business model, including consulting, breweries, retails, and manufacturing. The major benefit of organizing this way is the limited liability through incorporation.

### **2.2.3. Principles of cooperatives**

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Cooperative Alliance in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

The principles are as follows:

*a) Voluntary and open membership:* Cooperatives are voluntary organizations, 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. It is understandable that everybody can be a cooperative member and must participate in order to achieve goals for a cooperative because joining is a result of one's decision.

**b) Democratic member control:** Cooperatives are democratic organizations 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 organized in a democratic manner.

**c) 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 or all of the following purposes:

- i. Developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible;
- ii. Benefiting members in proportion to their transactions with the cooperative;
- iii. Supporting other activities approved by the membership.

**d) Autonomy and independence:** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy. In Rwanda there has been established the Rwanda Cooperative Agency (RCA) to make a control over cooperatives in their daily operations with members and consumers of their goods and services.

**e) 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 cooperatives. These trainings should be in various domains such as



Human Resource Management, financial Management, Property Management and Reporting in order to facilitate cooperative members increase economies of scale. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

*f) Cooperation among cooperatives:* Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures. Referring to the values of cooperatives this principle facilitate reaching solidarity where cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures (Nyinawumuntu, 2012). This principle is very crucial in human beings relations because cooperation can help agricultural cooperatives achieve goals of helping one another, enhancing unity and development and then increase in profitability due to hard work reserved to cooperative activities.

*g) Concern for community:* Cooperatives work for the sustainable development of their communities through policies approved by their members.

A key element that runs through these principles is cooperation. The concern for cooperation, which requires cooperatives not to compete among themselves, has to a large extent determined the structural organization of the cooperative movement globally. According to the ILO (2001), cooperation allows cooperatives to combine their strength as locally rooted organizations with the advantages of large scale enterprises. In that context, primary cooperatives create Unions; Unions create Federations; and Federations create Confederations as the apex cooperative organizations within countries.

#### **2.2.4. The values of cooperatives**

Referring to the basic values of cooperatives, RCA (2011) highlighted:

**i) *Self-help*** which is based on the belief that all people can and should strive to control their own destiny. Cooperators believe that full individual development can take place only in association with others. Individuals also develop through cooperative action by the skills they learn in facilitating the growth of their cooperative. Cooperatives are institutions that foster the continuing education and development of all those involved with them.

**ii) *Self-Responsibility*** RCA (2011) expresses that members assume responsibility for their cooperative – for its establishment and its continuing vitality. Members have the responsibility of promoting their cooperative among their families, friends and acquaintances and ensure that their cooperative remains independent.

**iii) *Equality*** as a cooperative value, RCA (2011) stated that cooperatives are based on equality. Members, whether an individual or a group, are all equal. It does not depend on the social and economic status of the member;

**iv) *Equity*** in a cooperative is regarded by RCA (2011) as a value of treating members should be treated equitably in how they are rewarded for their participation in a cooperative, normally through patronage dividends, allocation to capital reserves in their name, or reduction in charges.

**v) *Solidarity***, in cooperative activities, RCA (2011) regards it as an action that is not just a disguised form of limited self-interest. It helps cooperative members and managers play their roles actively so as to achieve their goals. Ethical values of cooperative members are honesty, openness, social responsibility and caring for others, they are very useful for a cooperative to reach profitability and service to members. These values can be found out in different types of cooperatives regarding to their activities.

### **2.2.5. The Role of Cooperatives in Economic Development**

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development (Gertler, 2001). The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson, 2005).

Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection (Kamaani, 2000).

Hence, cooperatives accord members opportunity, protection and empowerment - essential elements in uplifting them from degradation and poverty (Somavia, 2002). As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members and keep markets efficient.

In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the “fullest participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion of cooperatives should be considered

as one of the pillars of national and international economic and social development (Levin, 2002).

In addition to the direct benefits they provide to members, cooperatives strengthen the Communities in which they operate. According to Somavia (2002) cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. According to Levin (2002) it is estimated that cooperatives employ more than 100 million men and women worldwide.

According to the ILO (2001), the role of cooperatives in development is threefold: economic, social and political. The economic role involves provision of opportunities for improved incomes to members. Besides playing an important role in the economies of countries, as evidenced by their market share of the GDP, cooperatives are used as a tool to help alleviate poverty. They play an important role in facilitating access to credit, procurement and storage, distribution of input and marketing of products. It is in this regard that cooperatives supplement the functions of state credit institutions and marketing corporations. In the process of playing these roles, cooperatives create employment opportunities, particularly in rural areas, and allow disadvantaged groups to be organized for social and economic benefit. It is also important to mention that cooperatives are concerned with the creation of decent work in most developing countries. In general, the main economic activities in which cooperatives have ventures are agriculture, fishing, financial services, production and labor, mutual guarantee or insurance, retailing and wholesaling, housing and public services.

Socially, Cooperatives are involved in protection of their members from risks.

According to ILO (2001), cooperatives play an important role in mitigating risks and solving pressing social problems by:

- ✓ Improving living and working conditions of farmers and factory workers;
- ✓ Providing members with financial services to help them respond to unexpected problems;
- ✓ Making production and consumption credit available to small-scale producers and agriculturists;
- ✓ Offering production, health, funeral and life insurance and protecting consumers from adulteration of commodities;
- ✓ Taking other social actions such as care for the aged, children and handicapped, and the creation of employment for socially disadvantaged population.

With regard to their political role, cooperatives play an important role in public life and civil society. In democratic countries, cooperatives express their views on different issues concerning their communities' welfare such as environmental conservation and the provision of services such as health care, education, creation of employment and taxation, amongst others. Moreover, by defending the interests of their members, cooperatives defend the interest of the public in general. For example, consumer cooperatives set standards for consumer protection. The contribution of cooperatives to civic life is embedded in the fact that they are schools of democracy. The principles of voluntary and open membership as well as democratic member control ensure the cooperative a school of values is comprised of honesty, transparency and equity.

## **2.3. Cooperatives in Rwanda**

### **2.3.1. Origin of Cooperatives in Rwanda**

Traditionally, Rwanda had its own self-help forms that conform to the principles of self-help: Ubudehe, Umubyizi and Umuganda. After the independence in 1962, the situation did not progress much in regards to cooperative movement. Since then, a new policy and legislative framework was put in place, materialized with the adoption of Rwanda's first ever Policy on the promotion of cooperatives in 2006, and the promulgation of the current 2007 Law determining the establishment, organization and functioning of cooperative organizations in Rwanda. Both the current Policy and Law recognize co-operatives in the context of International Co-operative Alliance (ICA) by adhering to standard definition, values and principles of the cooperatives.

Concerning to the historical process of cooperative movement in Rwanda, Wanyama et al (2009) indicated that cooperatives were established for the first time in Rwanda in 1953 by the Belgians in the colonial period as instruments for driving the agenda of the government's socio-economic goals. Due to the paternalistic approach of the colonial administration that sought to keep Africans in underprivileged positions, cooperatives were not considered to be attractive to Africans, as they restricted their activities to the social and agricultural sectors where cooperatives were strictly controlled by the colonial administration to the point of fixing the prices that cooperatives could pay their members for their produce, which was lower than what private European entrepreneurs paid.

Musahara (2012:11) argued that cooperatives were governed by the Royal Decree of 16, August 1949 which has been replaced by a new one in 1956. The Royal Decree was abrogated on 22, November 1966 on the occasion of the publication of the first Rwandan Law on cooperatives. Since 12, October 1988, cooperatives have been functioning in Rwanda in

reference to the Decree N° 31/88 till the new Law N° 50/2007 of 18/09/2007 providing for the establishment, organization and functioning of cooperative organizations in Rwanda was enacted. Wanyama et al (2009) indicated that the cooperative movement process has been very slow for a long time and there were only 8 cooperatives in 1962 organized in colonial manner: they were mainly centered on mining or cash crops (tea or coffee) and the leading motive was more economic than (rural) social and welfare interests.

After independence, Musahara (2012) mentioned that the new government wanted to use cooperatives to organize people for economic development and between 1962 and 1966 alone the number shot to 36. In 1966 the government passed another law on cooperatives. Between 1967 and 1973 they grew to 423 and from 1974 to 1980 they had grown three fold to 1203. During the period there was considerable institutional development. In 1975 an office in charge of cooperatives and community development started and in the same year a cooperative bank was registered.

Cooperatives in Rwanda, after 1994 played an important role in addressing vulnerability, assisting in poverty reduction and acted as one of the few vehicles for reconciliation. In 1996 a count of „cooperatives“ is given as 4,557 and by 2005 about 10,038 associations were identified. Among these cooperative organizations, 68 per cent were operating in agriculture 12.2 per cent in finance 4.4 per cent in commerce, 4.2 in services and there were 47 Banques Populaires which played an invaluable role in promoting the living conditions of their members and contributing to the socio-economic development of the country on the whole. Nowadays, Nkuranga (2013) emphasized that cooperatives are considered as a good means to promote socio-economic development especially in rural areas since they put together people in different domains such as agriculture, rearing (cattle breeding), beekeeping, fishing, commerce, craft, savings and credit.

Cooperatives have been a model for bringing together people across all spheres of society in common economic and social interests.

In Rwanda, Nkuranga (2013) indicated that cooperatives comprised nearly 2.5 million members grouped into approximately 5,000 active cooperative entities. Most commonly found in Rwanda in the agricultural sector, cooperatives are providing significant results in the production of tea, coffee, rice, wheat, maize, Irish potatoes, vegetables, fruits, milk, meat and fish but also seeing gains in other sectors such as finance SACCOs (savings and credit cooperatives), mining and transportation (motorcycles and minibuses) as well. Among those active cooperative entities about 2,400 are agricultural cooperatives.

The Ministry of Commerce as stated in GoR (2010) aimed at strengthening cooperatives by facilitating the access of cooperatives' members to Information and Communication Technologies in order to help them acquire the required knowledge for the promotion of good practices in cooperative management and to be connected to the national and international markets.

### **2.3.2. The role of government in promoting cooperatives**

For a long time, the Government never gave much attention to cooperatives in Rwanda. Cooperative development was subsequently hosted by different Ministries whose routine activities involved cooperatives in one way or the other. In 2005, the Government reviewed this situation and realized that cooperatives could play a vital role in poverty reduction. Thus, it decided to enhance coherence in cooperative promotion by setting up the Taskforce on Cooperative Promotion, which falls under the Ministry of Commerce and Industry.

According to MINICOM (2005), the taskforce was mandated to:



- ✓ Analyze the actual functioning of cooperatives and pre-cooperative associations in Rwanda in order to align them with the policy on Cooperative Promotion and the relevant laws;
- ✓ Propose measures to address the existing problems that hinder the building of a strong cooperative movement;
- ✓ Establish a viable structure for the cooperative movement that would enable members to own and control their own cooperatives and also enable them to build regional and international linkages;
- ✓ Create a favorable environment for establishment of cooperatives that can serve as pillars for poverty alleviation both in urban and rural areas;
- ✓ Develop a legal and institutional framework that is responsive to the development of a strong and viable cooperative movement in Rwanda;
- ✓ Sensitize and mobilize the politico-administrative authorities to support the solving of existing problems in cooperatives, in order to accelerate economic growth;
- ✓ Facilitate the establishment and functioning of a cooperative structure consisting of unions, federation and confederations;
- ✓ Design and follow-up all the procedures for establishing the Rwanda Cooperative Agency.

### **2.3.3. The role of cooperatives in fighting against poverty in Rwanda**

Advantages of being a cooperative member depend upon how much one uses it, rather than his/her equity stake. Cooperatives have the important role of bringing people together to create secure and satisfying employment that cannot be found on the open labor market. Agricultural co-operatives enable producers to improve bargaining power by providing groups of

producers with marketing power more comparable to that held by processors and other market players. They also gather market information and share that information with their members or by acting as a bargaining agent on producers' behalf. Achieving economies of scale in activities such as processing, storing, transport, retailing, quality control, and publicity, handling large volumes of product, co-operatives can reduce the per-unit cost of marketing and processing for producers.

Similarly, the cost of inputs and services can also frequently be lowered if larger volumes are ordered through a central agency. The surpluses generated by co-operative businesses are returned to producers on the basis of patronage, co-operatives allow producers to capture additional profits beyond the farm gate.

Kwapong & Korugyendo (2010) stated that the most important feature of a cooperative is that farmers try to solve their problem or take advantage of an opportunity together, instead of trying to do this individually. Farmers start an agricultural cooperative in order to mobilize more resources than they can individually supply, to create attractive alternatives for purchasing goods and services, to operate a business more efficiently than can be done on an individual basis. Cooperative members gain access to volume discounts and negotiate from a position of greater strength for better delivery terms, credit terms, and other arrangements.

According to Musahara (2012:6) ILO identifies that cooperatives advocate for the disadvantaged including the old and children, provision of vital financial services, offer insurance for health hazards and life and by pooling risk together.

Rodriguez (2011:12) emphasized that cooperatives stimulate stronger social bonds like solidarity, partnership and trust among the members. This enhances their capacity for other collective action, which may exceed the cooperative to benefit the whole rural community.

Increasing agricultural productivity enables the agricultural sector to move from subsistence to a commercial mode of production, while ensuring food security and improved food intake by household members, World Bank (2007). It also increases learning capacity and school performance and leads to longer school attendance, fewer school (and work days) lost due to sickness, higher earnings, longer work lives and a more productive work force, hence poverty reduction and sustainable development.

#### **2.3.4. Challenges faced by cooperatives in Rwanda**

The cooperatives in Rwanda experience the problem of poor performance despite the fact that these cooperatives are promoted by two parallel tracks, an NGO track and a government track. Cooperatives have not been able to resuscitate their activities in the face of competition from the better-prepared private traders. They have been incapable of restructuring at a time when their economic activities have been dramatically shrinking. As a consequence they have been unable to provide adequate services to their members, who resorted to do business with private traders which affect strongly the sustainability of agricultural cooperatives (RCA, 2011).

According to Musahara (2012) the most pertinent problems facing cooperatives in Rwanda are external and internal, Governance structures are weak (levels of member ownership, leadership, management skills, poor financial management and reporting and controls. Weaknesses seem more abundant; these are cited as, unsystematic functioning, non-adherence to cooperative principles, weak structure and poor resources, member apathy, lack of professionalism, lack of innovation and entrepreneurship approach, lack of horizontal and vertical linkages , weak cooperative support from apex and use of absolute technology and low value addition.

As everything has both a positive and a negative effect the agriculture sector is very important in the national economy as remarked in above section but farmer encounter difficulties in way of achieving production and profitability in rural areas. In their daily activities, agricultural cooperatives suffer from insufficient access to finance as the banking system imposes heavy collateral requirements and poses inappropriate lending conditions, such as periodicity of repayment not linked to the agricultural cycle, Graem (1999), low productivity and high dependence to climate.

There is also severity of diseases which cause losses to the production in plots and to the stored grains which requires the application of fertilizers at many steps like sowing, and storing. Regarding to the human aspect, some farmers are illiterate. This makes innovation in agricultural sector to be low. Poor land use and poor soil management which result in soil erosion and soil loss and poor productivity (Mukarukaka, 2011). All agricultural activities are based on season. This is a challenge because climate change by heavy or lack of rain, premature or longer sunny season which affects production so much and profitability.

Bowman& Zilberman (2013) have mentioned that agricultural cooperatives in rural areas face a challenge of lack of infrastructure like electricity which prevents them to use ICT tools in daily management of their activities. They use hand written records which take a long time and delays to do research and application of trainings acquired. Transport is also concerned because there is a long distance between their operating environment and markets. Lack of storage facility makes post-harvest management difficult as they have no place to dry irish potatoes, wheat and advanced machines for winnowing are not enough to fight against losses.

The low levels of adoption of improved varieties are lack of information, high costs of seed and fertilizer, long distances to seed outlets. This makes them use their low yielding seed.

The seed availability and quality are the two key issues that farmers are concerned for the profitability of the crop (Almekinders et al, 1999). After harvesting good storage is vital to minimize post-harvest losses and although moisture content is the most important property affecting stability of the grain during storage, temperature and duration of storage are also important factors (Brigid, 2004).

#### **2.4. Social capital**

Although the concept of social capital can be understood differently, there has been a visible convergence towards a definition that focuses on networks, shared norms and values that facilitate cooperation within and among groups (Healy & Hampshire, 2002). Thus, the definition of social capital revolves around the idea of network, norms and trust. Network is the people that we know as family, friends and neighbors in the community. Norms are unwritten rules and values that describe a community. How we communicate and interact with each other as neighbors, friends and acquaintances is strongly influenced by certain rules and social norms. The reliability of the people that one interacts with shows one's trust (Grootaert & Narayan, 2004). Trust can be created and developed through education and exchanges with diverse people.

According to Downing (2011, 3) social capital is conceptualized as a multilevel construct that is a personal, a community and a national asset, its extent can rise and fall at all levels. Individuals obtain more of it by associating with other people and building trust in them through a variety of social activities. A loss of social capital results from isolation and/or a loss of trust. A community's social capital, which is the aggregation of individual social capital, rises and falls as communities prosper or decline. Individual, community and national social capital can vary in two ways: A given individual or community can have different levels of social capital at different times, and Levels of social capital can and do vary between different individuals and

different Communities. Downing (2011) continues to argue that social capital has two dimensions which are attitudes and behaviors of social capital. Among the attitudes of social capital are trust, altruism, and beliefs that participation in groups is beneficial and that other people and social institutions are helpful. Among the behaviors of social capital are voting, an interest in and participation in political affairs, and membership and participation in groups, whether formal or informal.

Social capital is a rapidly expanding research theme within economics and more broadly across the social sciences; it has also become a popular concept with policy makers in both developed and developing countries (World Bank, 2011). The social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development (Grootaert & Bastelaer, 2002).

Previous research shows that the social capital framework is relevant in a cooperative context. If a cooperative society is to enjoy member satisfaction and member loyalty, there must be some form of social relations within the membership (Borgen, 2001). There must be trust in the sense that the members should have at least some confidence in one another and in the leadership (Morrow et al., 2004).

Generally, it is understood that social capital has a positive effect on communities. However, the same ties that facilitate better relationships could also exclude certain people from participation (Narayan, 1999). An individual may be selected for a task, not because of his knowledge or professional capacity, but merely through rich social capital of acquaintances. Solidarity networks can also be a cause of downward spiraling mechanisms and several studies have raised the issue that social capital could exclude outsiders while strongly connecting group members (Woolcock & Narayan, 2000).

A successful cooperative presupposes that members are concerned about how the cooperative is governed. They consider the cooperative to be important for them. The existence of social capital within an organization may have the effect of inhibiting the individuals' incentive for change. When people regard themselves as group members they might have less entrepreneurial spirit. The resulting lower economic development is, however, not necessarily a problem. It may be considered to create a balance between social satisfaction and economic benefits (Svendsen & Svendsen, 2003).

#### **2.4.1. Social capital as a strategy for promoting livelihoods**

Social capital has profound impact, positive or negative, in many different areas of human life and development. The authors provide empirical evidence regarding the contribution made by social capital to the livelihoods of households. For example, the authors show that social capital results in *Social capital as a strategy for promoting rural livelihoods: case for Kenya* direct income gains and more widespread and efficient services delivery; affects the provision of services in both urban and rural areas; transforms the prospects for agricultural development; influences the expansion of private enterprises; improves the management of common resources; helps improve education; and can prevent conflict. More generally, social capital enhances welfare and helps to alleviate poverty for individuals, households, communities, and even countries as a whole (Grootaert & Bastelar, 2002).

Social capital can facilitate cooperation or in other ways explain deviations from rational behavior. As Putnam (1993) puts it, social capital refers to “features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit”. In groups with high levels of social capital, cooperative behavior can be facilitated by high levels of trust, strong norms of reciprocity or behavior based on motives other than selfish ones (although

certain fractions within the social capital approach tend to favor one of these explanations over the others, e.g. reciprocity over trust or vice versa). Since the amount of social capital varies – and it does, there are dramatic country differences in levels of trust. The different levels of excess cooperation are also understandable. Due to social capital, cooperation is easier in some groups or areas than in others.

#### **2.4.2. Measuring Social capital**

The ways of measuring social capital are as numerous and diverse as the definitions and forms of the concept. One needs to assess the previous research done in the field, while at the same time take into account the context where the study is conducted (Franke, 2005; UNESCO, 2002), in order to design a measurement tool fitting ones specific research aim. The World Bank (2013) describes the complexity of measuring the concept by arguing that the most comprehensive definitions of social capital are multidimensional, including different levels and units of analysis and further argues that trying to measure features of ambiguous concepts like “community”, “organization” and “network” is equally troublesome.

However, two approaches to the issue of measurement have prevailed and can be found in much of the empirical literature. The first is a survey-based measure of how much people trust each other. The World Value Survey being the most famous example where samples of people in a number of countries answered the question; “generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?” (Guiso et al, 2000).

Given the limited number of adequate social capital measures and the context dependent nature of social capital, most authors have made use of proxy indicators. Thus the measurement challenge is to identify contextually relevant indicators of social capital. Kular (2007, 36)



indicates that Social capital in its broadest sense includes both the social and political environment, which defines social structures and also helps in enabling norms to develop. He added that even though there have been surveys which have tried to measure social capital as a measure of trust in the government, voting trends, membership in civic organizations, no conclusive measurement process or strategy has been devised yet to measure social capital.

In close correspondence with the theoretical framework and earlier models of analysis, brought forward by the World Bank, the OECD as well as a number of national governments (Franke, 2005), and with contextual and practical considerations (the nature of the cooperatives, their communities and networks together with the methodological choice of qualitative interviewing). I have constructed my interview-guides in the light of the following “indicators”relatable to social capital; Trust, norms of collective action, norms of reciprocity, expectations and obligations, networks, participation and representation, interdependence, quality of relationships, democratic and horizontal decision-making, economic and social development, and political participation.

#### **2.4.3. The contribution of cooperatives in promoting social capital**

In many countries, cooperatives and mutual benefit societies are substantial providers of social protection, especially health coverage, and they operate as voluntary community-based schemes. In some countries, they also participate in the management of compulsory health insurance or provide services through their networks of health and social facilities.

Isham & Kahkonen (1999), in a study of water projects in Indonesia, investigated the impact of several social capital variables (the density of membership in water users’ associations; the extent of meetings attendance and participation in decision-making; and number of collective

village activities) on water supply systems management. They found a positive relationship and concluded that social capital increases organizational benefits of the villagers.

In a study on associational activities of individuals in Tanzania, obtained a measure of social capital and related the measure to data on household incomes. They found that village-level social capital raises household incomes. Social capital has positive and negative externalities. Evidence shows that social capital, like human capital, can be used for purposes that hinder rather than help people's welfare (Adler & Kwon, 2002).

For example, when group membership norms confer obligations to share rather than accumulate wealth or deny members access to services, e.g., preventing girls from going to school, or when, without control and accountability, linking social capital can become nepotistic or a mechanism for insider-trading and political favoritism. A key empirical policy question therefore is 'what institutional conditions and or combinations of different dimensions of social capital generate outcomes that serve the public good (Productivity Commission, 2003).

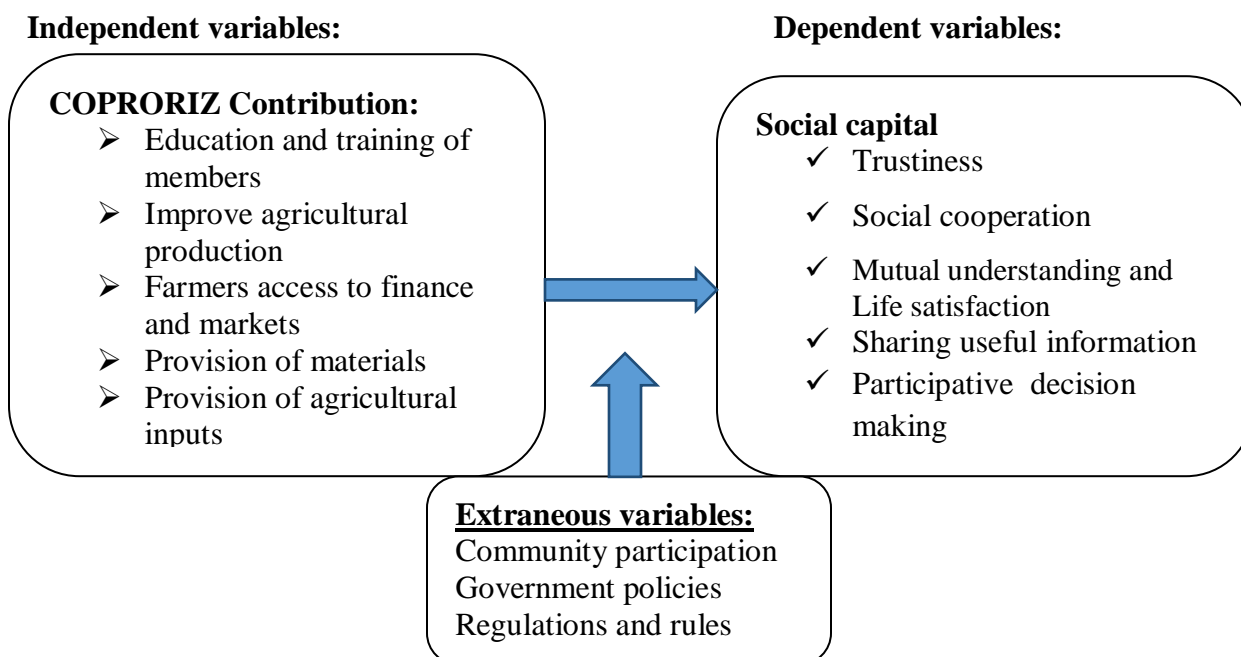
The World Bank (2013) claim that social capital refers to "the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions", another wide definition that stresses the role of "norms and "institutions" as promoters of social interaction. Fukuyama (1995), discerns the two terms of the concept, social and capital, arguing that social indicates that the phenomenon is relational, which means it captures interaction between people. Capital indicates that we are dealing with something that should be understood as an asset to the ones possessing it and in order to be an asset, the relation needs to be of a certain quality. Coleman concur; "unlike human capital that is lodged in individuals, social capital inheres in the structure of relations between persons and among persons.

The OECD (2007) views it as networks together with shared norms, values and understandings that facilitate cooperation within or among groups” and Grootaert and Bastelaer (2001) defines it on a society level as “the institutions, relationships, the attitudes and values that govern interactions among people and contribute to economic and social development”. As evident, criticism of social capital being an all-encompassing loosely defined idea which can be applied in almost any context and situation, thus demeaning its legitimacy, might be in place.

However, there are authors who dismiss the whole definitional debate; “social capital is what social capital scholars do” as Knack puts it. He argues that it is irrelevant whether social capital is, or should be understood as a micro or macro phenomenon (UNESCO, 2002). Just as social scientist do important and rigorous work on “power” without a universally agreed upon definitions of it, so too, these writers maintain, we should care less about debating terms and more about applying consistent scholarly standards to evaluating the merits of research on “social capital” ( UNESCO, 2002).

## **2.5. Conceptual framework**

The conceptual framework indicates how an independent variable acts on dependent variable. In relation to this study, the researcher depicts how cooperative’s operations should not only provide tangible profits but also increase of social networks, trust and cooperation among its members as social capital.



**Figure 1:** Conceptual framework

## 2.6. Partial conclusion

As observed from the literature review, the study draws the following conclusion; the cooperatives play a significant role in poverty reduction within the communities they are based in. Governments use cooperatives as a tool to reduce poverty, ensure food security and create employment. There are significant results that show cooperatives as wealth and employment generators. This can be achieved by increasing farmers marketing power. Cooperatives are also used as a model to help poor people and communities to build sustainable livelihoods, thus reduce poverty and vulnerability, cooperatives are used as a tool by government to promote economic and social capital development by creating trust and cohesion, membership among the cooperative members, increase of motivation and mutual understanding of life satisfaction and collective decision making.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0. Introduction**

This chapter described the methodology followed during this research, it summarized the description of the research area, the sampling process used and data collection tools. It also introduced the techniques used for data analysis and interpretation.

### **3.1. Description of the area**

Gatsibo District is one of the seven Districts making the Eastern Province. It is divided into 14 Sectors which are; Gasange, Gatsibo, Gitoki, Kabarore, Kageyo, Kiramuruzi, Kiziguro, Muhura, Murambi, Ngarama, Nyagihanga, Remera, Rugarama and Rwimbogo. It is also divided into 69 cells and 603 villages “Imidugudu”. Spreading an area of 1585.3 km<sup>2</sup>. The District borders with the Akagera National Park in East, to the North by Nyagatare District; to the West by Gicumbi District, to the South by Rwamagana and Kayonza Districts.

The relief of Gatsibo District is characterized by scarcely short hills and flat land separated by valleys in East, East, South East and North while the West and South West is characterized by high mountains in administrative sector of Nyagihanga, Kageyo, Gatsibo, Muhura, Gasange and Remera which are characterized by two principal seasons: a long dry season and rainy season. Gatsibo District is characterized in general by lowly inclined hills and flat land separated by dry allies. The District is located in the granite low valley whose average altitude is 1550m spread on the plateau and the savannah of the Eastern part of the country. This kind of topographical layout constitutes an important potentiality for modern and mechanized agricultural farming. This relief offers to Gatsibo a vocation agro pastoral and tourism.

Agriculture in terms of crop production and livestock is the principle economic activity.

According to EICV3, 84.9 % of Gatsibo population both men and women basically depend on agriculture whom, at least 80% use traditional agriculture practices. The major food crops produced are beans, rice, Irish potatoes sweet potatoes, bananas, sorghum, cassava, passion fruits, peas, maize and soya.

According to EICV3, Maize crop production is 49.2%, sorghum is 28.3% and Rice 2.2% while the key cash crops are coffee and pepper. Usage of inputs like fertilizers is relatively low at 49.5% of farming households.

EICV3 reported that 84.9 % of Gatsibo population both men and women basically depend on agriculture (Crop production and Livestock farming). 63.9 % males and 78.7 % females engage in small scale farming. The District has promoted Marshland reclamations for rice production on a large scale. It has also promoted banana and maize growing on a large scale. The production of rice and coffee is also increasing progressively.

According to Gatsibo District, the number of registered and licensed cooperatives have raised to 218 Cooperatives in total including 85 working in Agriculture sector, 86 in livestock, 22 in transport, 8 in handcraft and 37 in trading. Coproriz Ntende is one of the biggest cooperative in Gatsibo with 3671 members including 2625 men and 1046 women. At its creation in January 2003, the cooperative was named Impuzamashyirahamwe KANYARWANDA and it started with 560 members exploiting 55 hectares. On 17 February 2005, the Cooperative took its name of Coproriz Ntende which means “Coopérative de Promotion des Riziculteurs de NTENDE” (Coproriz, 2018).

### 3.2. Population and sampling process

Population is the full set of elements from which you are sampling having some common observable characteristics. The total population of this research study was composed by all members of COPRORIZ which are 3671. The researcher also interviewed 2 local leaders and 5 Cooperative leaders to get more insights on the role of cooperative in promotion of social capital. According to Bryman, (2012), sampling is the process of collecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group. The study used descriptive survey design. Descriptive survey design therefore was appropriate because it enabled the researcher to gather information concerning the contribution of cooperatives in promoting social capital. Simple random technique was used where the entire group in the defined population had an equal and independent chance of being selected as members of the sample. The sample size was adjusted using the following Slovin's formula:

$n = N / (1 + Ne^2)$ . Where:

n is the sample size of the study

N is the total population of the research and e (0.05) is sampling error. Using this formula the researcher calculated the sample size as follows:

$n = 3671 / [1 + 3671 (0.05 * 0.05)] = 362.8 = 363$ . Therefore, the sample of the research is 363 members of COPRORIZ. Also, the researcher used a random technique to choose the leaders of COPRORIZ and the Key informants such as Local administration. Here, the Officer in charge of cooperatives and that in charge of social affairs in the sector were also interviewed.

### **3.3. Description of data collection tools**

A survey questionnaire and an interview guide were used in the study. The questionnaire is the main research instrument because it is more appropriate for collecting data for a social survey research and where the target population is literate and capable of filling the questionnaire (De Vos, 2001). The questionnaire was designed with reference to variables of the study consisting of both structured and open ended questions. The structured questionnaire type enabled simple data analysis through tabulation with regard to frequencies and percentages. Open ended questions helped to elicit a wide range of responses, provide background answers to questions, and to obtain elaborations and evaluate arguments. This profile is used to come up with questions to address the objectives of the study in quantitative (numerical) terms. The items were presented in a Likert scale of 4 items. These are: Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The researcher also elaborated an interview guide that he used to collect data from the Cooperative Administration (Board and the Manager) and I also interviewed 2 Local Leaders (Officers incharge of Cooperative and that incharge of social affairs in Rugarama Sector) . Data also were collected from different reports of Coproriz Ntende. Four fresh graduants helped me to administer the questionnaire, they distributed and collected questionnaires from the respondents.

### **3.4. Techniques of data analysis and interpretation**

Analyzing of data is a process of cleaning, inspecting, transforming and modeling data with the objective of highlighting useful information, suggesting conclusions and supporting decision making (De Vos, 2001). The analysis of data was based on descriptive statistics.

According to Cohen (1994), after data has been collected, editing should be done to identify and eliminate errors made by respondents. This checks the completeness of all questions to ensure



they have been answered accurately and also if the respondents interpreted instructions and questions uniformly. This study generated quantitative data. Quantitative data was arranged and aligned to particular research questions after which frequencies and percentages were used to analyze and present it.

Data was analyzed using computer software called Statistical Package for Social Sciences (SPSS). This processed the frequencies and percentages which were used to discuss the findings. Analysis of data was carried out by using percentage and frequencies, mean, standard deviation and Pearson product correlation coefficient which was used to find out whether there was significant and positive relationship between the various aspects of cooperative contribution and social capital.

The validity is capacity of data collection instrument which helps us to measure what is supposed to be measurable (Lavrakas, 2008). To ensure content validity, data collection instruments were constructed in such a way that they have an adequate number of items and that each item or question on the scale have a link with the objectives of the study and is covering a full range of issues being measured. The instruments were discussed with colleagues and the supervisor and pre-tested using a reasonable sample of respondents.

Reliability is the fitness of the result determined by getting the some results after re-testing or after collecting the information for second time. If the results are related to the previous results in this case there are reliable, Reliability of the instruments was established after a pre-test in order to establish the fitness of the instruments in the study. For the reliability test, experts in the field were consulted about the content of instruments, ambiguity of question items and their relevancy.

### **3.5. Response rate**

Questionnaire return is the proportion of the questionnaires returned after they have been issued to the respondents. In this study, 363 cooperative members, 1 local leader in charge of cooperatives in the sector and 1 social affairs and 5 cooperative leaders all of them (100%) returned the questionnaires. The response rate was representative. Based on the assertion, the response rate for cooperative members, local leaders and cooperative leaders was considered to be excellent.

### **3.6. Ethical issues**

Before the researcher began collecting information, he explained the relevance and usefulness of the research and tried to convince the respondent to participate. The researcher tried to make aware the respondents of the type of information he wanted from them, why the information is being sought, what purpose it will be put to, how they are expected to participate in the study, and how it will directly or indirectly affect them. The researcher ensured that the information provided by respondents is kept anonymous.

Bias on the part of the researcher is unethical. Bias is a deliberate attempt either to hide what you have found in your study, or to highlight something disproportionately to its true existence. Findings of the research were not falsified or fabricated. The researcher ensured that the methodology is appropriate and avoided drawing wrong conclusions. The researcher avoided misusing information collected from the respondents and the use of information that would compromise the interest of the respondents.

## CHAPTER FOUR: ANALYSIS AND INTERPRETATION OF FINDINGS

### Introduction

This chapter presents the results of the study based on the data collected from the field. The purpose of the study was to investigate the contribution of cooperatives in promoting social capital in rural areas of Rwanda with a case study of COPRORIZ/Ntende. The presentations were done based on the research questions and objectives. Results of the data analysis provided information that formed the basis for presentation, interpretation and discussion of findings.

### 4.1. Respondents identification

The demographic data of the respondents focused on their gender, age, academic qualifications, and duration being a member of cooperative. The data collected was processed, tabulated and analyzed with the Statistical Package for Social Sciences (SPSS). All answers analyzed were received from questionnaire during the research process. Their answers permitted presentation in form of frequency, percentage, mean and standard deviation. The following table 1 shows the general information of respondents' characteristics.

**Table 1 Identification of the respondents**

Items		Frequency	Percentage
Sex	Male	257	70.8
	Female	106	29.2
	Total	363	100
Age	Below 30 years	7	1.9
	Between 31 – 40 years	47	12.9
	Between 41 – 50 years	111	30.6
	Between 51 – 60 years	164	45.2
	Above 61 years	34	9.4
	Total	363	100
Marital status	Single	18.5	17.2
	Married	286	78.8
	Divorced	2	0.6
	Widow	8	2.2
	Total	363	100

Qualification	No formal	43	11.8
	Primary	288	79.3
	Secondary	31	8.5
	University	1	0.3
	Total	363	100
Duration	Below 5 years	110	30.3
	Above 5 years	253	67.7
	Total	363	100

**Source:** Field data, August 2018

The study sought to determine the gender of cooperative members. The researcher included the gender of the respondents in order to establish the magnitude to which each of the sexes. The findings revealed that the majority of cooperative members were male representing at the percentage of 70.8 %. This table indicates the age distribution of cooperative members where the majority of 30.6 % and 45.2 % are aged between 41-50 years and 51-60 years old respectively. The researcher concludes by saying that as the age is one of the factors of maturity, it is also evident that most members are both mature and energetic as they are at their prime age. The study sought to establish their education level of cooperative members where the majority of them equal to 79.3 % attended primary education. The cooperative has a lot of members who can read and write and this facilitates also application of training acquired into daily agricultural activities and life in general.

This table indicated the distribution of duration of membership where the majority of 69.7 % have more than 5 years of being members of Coproriz. The main reason for joining agricultural cooperatives in both cooperatives and both categories is poverty and search of unity. Other reasons include acquisition of new technology, raising income and unemployment. This shows that poverty in rural areas is a big problem because it prevents population to meets their basic needs. Young cooperative members equal to 30.3 % expressed their views that their membership was due to lack of employment.

This is because cooperative members who had for more than 10 years and longer of membership have some skills of how to develop cooperative plans and they felt that their leaders needed to involve them in the decision making because they also possess some leadership experience. This was an indication that majority of respondents had served for a considerable period of time and their vast knowledge on the contribution of cooperative in promoting social capital especially in rural areas. The table 4.1 shows respondents' marital status consists of married, single, divorced widow and widower members. Majority of respondents (78.8%) are married, 18.5% are single 2.2 % are widow. This shows that there is no obstacle from being a cooperative member because all people are welcomed. So, a cooperative is considered as a comfortable place for reintegration for different reasons because there are people with different categories with the aim of helping one another.

#### **4.2. Services and opportunities offered by COPRORIZ to its members**

Respondents were also asked to indicate their opinion about the services and opportunities received from the cooperative. Below is the summary of responses from the various groups' respondents. The following tables indicate the views of cooperative members about the services and opportunities from their cooperative.

##### **4.2.1. Perceptions of respondents about services and opportunities offered by cooperative**

The cooperative members provided their perception about the services and opportunities that they gain from being a member of cooperative. The table 2 below summarizes their views.

**Table 2: Perception of respondents about services and opportunities got from cooperative**

<b>Assertions</b>	<b>Mean</b>	<b>SD</b>	<b>A %</b>	<b>SA %</b>
CoprORIZ give farm inputs (seeds, fertilizers) to its members to improve the productivity.	3.48	0.500	51.8	48.2
CoprORIZ facilitate its members to get agricultural loans from banks.	3.54	0.499	46	54
CoprORIZ Ntende educates its members.	3.55	0.498	44.9	55.1
CoprORIZ Ntende is doing marketing of members farm produce.	3.45	0.499	54.5	45.5
CoprORIZ runs a skills development/Training program for its members.	3.48	0.500	52.3	47.7
CoprORIZ hired specialized extensionists to coach farmers in modern farming techniques.	3.46	0.498	55.4	44.6

**Source:** Field data, August 2018

Table 2 indicates the views of members regarding the services and opportunities received from their cooperative. The results revealed that Coproriz give farm inputs (seeds, fertilizers) to its members to improve the productivity (M= 3.48, SD= 0.500). This is supported by 51.8 % and 48.2 % of respondents who respectively agree and strongly agree that this service was rendered to members. The results also revealed that 46 % and 54 % of respondents respectively agreed and strongly agreed that Coproriz facilitated its members to get agricultural loans from banks (M=3.54, SD=0.499). Results also confirmed that Coproriz Ntende educates its members (M =3.55 and SD=0.498). Their views are in line with Gertler (2001) who stated that socially, co-operatives are effective schools for sustainable development. Educating members, employees, and the public is a co-operative principle which helps to upgrade the technical, managerial, and organizational skills of their members and staff through short courses, advanced education, peer

instruction, and learning by experimentation. The results revealed that Coproriz Ntende is doing marketing of members farm produce ( $M=3.45$ ;  $SD = 0.499$ ). The findings are supported by 54.5 % agree and 45.5 % strongly agree. The cooperative members also confirmed that Coproriz hired specialized extensionists to coach them in modern farming techniques ( $M= 3.45$ ;  $SD= 0.498$ ).

The researcher concludes by saying that the services and opportunities that Coproriz Ntende offers to its members contributed much in their daily life. Other services and benefits derived from being a member of Coproriz as mentioned by respondents includes sharing useful information, improved cooperation between members, access to finance, responsibilities, helping one another and sharing experience, easy access to quality inputs at the reduced price and creation of employment opportunities.

Respondents emphasized that cooperatives helped them set and achieve their own objectives through shared development ideas and experience. As developmental impact, some members renovated and electrified their houses, purchased mattress, telephones and domestic animals like goats, pigs and chickens. Other members were supported to get school fees and materials for their children, paying mutuelle de santé for their families and being given rice for home consumption.

Apart the multiple services received by Coproriz members, the researcher also wanted to know about the challenges they faced. On this, Respondents highlighted the issue of climate change (drought or heavy rain) which affects negatively their production. Heavy rain caused floods which overflow their fields and reduced the cultivated surface for some seasons and drought reduces the quantity of water reserved for irrigation in summer season. The Management of Coproriz mentioned the issues of lack of good variety of seeds which affects the productivity, expensive fertilizers which reduces the profitability and the low participation from some

members in cooperative activities. In response to these challenges, Coproriz Ntende negotiated with Suppliers to help their members accessing inputs on loan and the payment is done through a deduction from the harvest. The table below summarizes the seeds and fertilizers distributed to members.

**Table 3: Seeds and fertilizers distributed**

Year	Area cultivated/2 seasons(ha)	Seeds of rice (tones)	NPK 17(tones)	Urea(tones)
2013	994	29.82	198.8	99.4
2014	1,292	38.76	198.8	99.4
2015	807	24.21	101.8	50.9
2016	1,200	36	240	120
2017	765	22.95	153	76.5

Source: COPRORIZ archive, 2017

The distribution of these seeds and fertilizers played an important role in increasing the productivity as shown in the table below.

**Table 4: Total production in 5 years (2013-2017)**

Year	Total production in T	Price/kg(in Rwf)	Value of production (in Rwf)
2013	4,294	260	1,116,440,000
2014	5,190	252	1,307,880,000
2015	4,256	255	1,085,280,000
2016	5,545	255	1,413,975,000
2017	4,080	285	1,162,800,000
Total for 5 years	23,365		6,086,375,000

Source: Coproriz archive, 2017

Coproriz Ntende has also an internal fund to support its members in different small projects (ie school fees of their children, renovation of their houses, medical fees, animal rearing,...) the loans given are paid in one season with interest of 2 %. The table below indicates the details of loans distributed yearly.

**Table 5: Internal loans distributed to members**



<b>Year</b>	<b>Loans distributed to members</b>
2013	7,384,632
2014	41,188,864
2015	24,188,864
2016	57,883,406
2017	57,547,700
Total	188,193,466

Source: COPRORIZ Archive, 2017

From 2013 to 2017 a total of 188,193,466 Rwandan francs have been distributed to members as small loans for their different projects. Coproriz Ntende also facilitated members to get ordinary loans from local Banks, the repayment is done through deduction on harvest. Beyond these general services and opportunities offered by COPRORIZ, our research intended to understand its contribution to the promotion of social capital. In this study, four indicators of social capital were investigated: trustiness, social cooperation, willingness to share useful information and participative decision making.

#### **4.2.2. Perceptions of respondents about cooperative in promoting trustiness**

The respondents also provided their perception about the role of cooperative in promoting trustiness among its members. The table 6 below summarizes their views.

**Table 6: Perception of respondents about trustiness level in cooperative**

<b>Assertions</b>	<b>Mean</b>	<b>SD</b>	<b>A %</b>	<b>SA %</b>
Members of cooperative can be trusted and are willing to help each other.	3.55	0.498	44.9	55.1
Members are feeling of togetherness or closeness.	3.55	0.498	44.6	55.4
The leaders are trusted in cooperative.	3.49	0.501	50.7	49.3
The decision-making process is clear to each member.	3.49	0.501	51	49

**Source:** Field data, August 2018

Table 6 indicates the members' views regarding the level of trustiness in Coproriz Ntende. The results revealed that 55.1 % of respondents strongly agreed that members can be trusted and

willing to help each other while 55.4% strongly feel of togetherness or closeness. The results revealed that Coproriz members equals to 50.7 % agreed that the leaders are trusted in cooperative (M=3.49; SD = 0.501). This has also been confirmed by Robertson (2011, 22) where he said that trust is a fundamental component of social capital, and both trusting and being trustworthy are manifested in networking which is closely related to career advancement and personal income .The cooperative members also confirmed that decision-making process is clear to each member with 51 % who agreed (M= 3.49; SD= 0.501).

The number of members who strongly trust their leaders and strongly believe in transparency of decision making process fall respectively to 49.3% and 49%. Some of Coproriz Members also participate in decision making process at different levels such as in Cell Councils, Youth and women Councils, Mediators' Committees (Abunzi) and Church committees and this increased their skills in decision making.

The researcher concludes by saying that the level of trustiness in the cooperative is high among the members and contributed much in their daily life and promoting social capital. The respondents also mentioned some socio-economic activities that strengthen the trust among them like mutual assistance, education of their children, medical insurance, food security, training and sharing responsibilities. There are also economic advantages like training in saving, access to credit, and acquisition of new agricultural technology, purchasing power and increase in income. All of them contribute to poverty reduction and improvement of social welfare.

The trust of members towards Coproriz Ntende was also illustrated by an increase in membership as shown in the table below.

**Table 7: Increase of membership**

<b>Year</b>	2003	2005	2007	2009	2011	2013	2017
<b>Members</b>	107	560	720	948	1680	3432	3671

**Source:** COPRORIZ archive, 2017

From this table, Coproriz members increased from 107 in 2003 to 560 in 2005, to 3432 in 2013 and currently the members have been raised to 3671. This is a good sign of trust and strong belief that being member of coproriz is beneficial.

To establish the correlation between cooperative's services and the level of trustiness among members, Pearson's correlation coefficient was carried out. The data are presented in Table 8.

**Table 8: Correlation between participation in Coproriz initiatives and the level of trustiness among members**

	<b>Participation in Coproriz initiatives</b>		<b>Level of trustiness</b>
<b>Participation in Coproriz initiatives</b>	Pearson Correlation	1	.571**
	Sig. (2-tailed)		.000
	N		363
<b>Level of trustiness</b>	Pearson Correlation	.571**	1
	Sig. (2-tailed)	.000	
	N		363

\*\*Correlation is significant at the 0.01 level (2-tailed).

The results revealed that there was a significant and positive relationship between participation in Coproriz initiatives and level of trust among members ( $r = .571$ ,  $N = 363$ ). Similar results are found in Lizarralde's study where the creation of solidarity mechanisms within the cooperative networks has been fundamental for its member's development. These cooperatives also joined forces for mutual benefits. In Forgacs (2008) case study, farmer cooperatives joined similar representative organizations and expressed the benefits of information sharing, collective action and mutual trust.

### 4.2.3. Perceptions of respondents about cooperative in promoting social cooperation

The respondents also provided their perception about the role of cooperative in promoting social cooperation among members. The table 9 below summarizes their views.

**Table 9: Perception of respondents about the level of social cooperation**

Assertions	Mean	SD	A %	SA %
Voluntary cooperation with other members about activities.	3.46	0.499	54	46
Meeting other members and taking part in their ceremonies.	3.50	0.501	49.9	50.1
Voluntary cooperation with other members in the activities not related to cooperative.	3.49	0.501	50.7	49.3
Participating in the meetings held by the cooperative.	3.52	0.500	48.2	51.8
Participating in cooperative executive activities.	3.48	0.500	51.5	48.5

**Source:** Field data, August 2018

Table 9 indicates the views of cooperative members regarding its role on the level of social cooperation. The results revealed that 54 % of the respondents agreed that cooperation among members were done voluntarily. The results also revealed that the interaction between members through meeting each other and taking part in their ceremonies was at high level as strongly confirmed by 50.1% of the respondents. The cooperative members confirmed that they voluntarily cooperate with others even in the activities not related to cooperative as was agreed by 50.7 % of the respondents. The research indicates that members also participate in meetings and other activities organized by their cooperative (M=3.48, SD= 0.500). The researcher concludes by saying that the organizational structure of Coproriz (being structured into zones and small groups of members) enhances social interaction and voluntary cooperation among members which increases their level of social capital. The Coproriz Leaders added that a cooperative can be used as a tool to enhance unity and cooperation among members and within the community as whole since they share different things, they acquire advice that is helpful in

improving productivity hence increase of agricultural income and improvement of living conditions.

To establish the correlation between cooperative and the level of social cooperation among members, Pearson’s correlation coefficient was carried out. The data are presented in Table 10.

**Table 10: Correlation between participation in Coproriz initiatives and the level of social cooperation among members**

	<b>Participation in Coproriz initiatives</b>	<b>Level of social cooperation</b>
<b>Participation in Coproriz initiatives</b>	Pearson Correlation	1
	Sig. (2-tailed)	.723**
	N	.000
<b>Level of social cooperation</b>	Pearson Correlation	.723**
	Sig. (2-tailed)	.000
	N	363

\*\*Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis was conducted to examine whether there was a relationship between participation in Coproriz initiatives and level of social cooperation among cooperative members. The results revealed that there was a significant and positive relationship ( $r = .723$ ,  $N = 363$ ).

The researcher says that the diversity of services rendered by cooperative to members create opportunities to meet and strengthen social ties which can generate economic opportunities. The views of respondents are in line with Chambo et al, (2007) stating that they also have the advantage of accessing co-operative education, building level of cooperation and business development capacity building. Co-operative 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 co-operative 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 co-operatives in general.

#### 4.2.4. Perceptions of respondents about willingness to share useful information

The respondents also provided their perception regarding the role of cooperative in promoting the willingness to share useful information among members. The table 11 below summarizes their views.

**Table 11: Perception of respondents about the level of sharing useful information**

<b>Assertions</b>	<b>Mean</b>	<b>SD</b>	<b>A %</b>	<b>SA %</b>
Exchanging information with members by participating in friendly discussions.	3.50	0.501	50.1	49.9
Participating in cooperative bureau training classes or other organizations.	3.52	0.500	47.9	52.1
Exchanging information with other cooperatives existing in the country.	3.48	0.501	51.2	48.8
Exchanging information with members through taking part in meetings.	3.50	0.501	49.9	50.1

**Source:** Field data, August 2018

Table 11 shows all assertions and different perceptions of Coproriz members about its contribution on sharing useful information. The perception of respondents on first assertion have a mean of 3.50 and standard deviation of 0.501. This mean is interpreted as agree indicating that the members exchange information by participating in friendly discussions. The results revealed

that they participate in cooperative bureau training classes or other organizations as strongly confirmed by 52.1 % of respondents. On the third assertion, respondents equal to 51.2 % agreed that Coproriz Ntende exchanges information with other cooperatives existing in the country. On the fourth assertion, the respondents equal to 50.1 % have also strongly agree that members exchange information through taking part in meetings. The researcher says that, maintaining social solidarity and maintaining the level of sharing useful information among cooperative members and the community as whole are of extreme value to people, and the ability to reciprocate with gifts or participate in community events either socially or economically. The respondents also revealed that they get information related to cooperatives, modern techniques of growing rice and the use of fertilizers through sensitization by local leaders and especially through the training sometimes prepared by Rwanda Cooperative Agency (RCA).

To establish the correlation between cooperative and the level of sharing useful information among its members, Pearson’s correlation coefficient was carried out. The data are presented in Table 12.

**Table 12: Correlation between participation and the level of sharing information**

	<b>Participation in Coproriz initiatives</b>	<b>Level of sharing useful information</b>
<b>Participation in Coproriz initiatives</b>	Pearson Correlation	1
	Sig. (2-tailed)	.823**
		.000

	N		363
	Pearson Correlation	.823**	1
<b>Level of sharing useful information</b>	Sig. (2-tailed)	.000	
	N		363

\*\*Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis was conducted to examine whether there was a relationship between participation in Coproriz initiatives and the level of sharing useful information. The results revealed that there was a significant and positive relationship ( $r = .823$ ,  $N = 363$ ).

#### 4.2.5. Perceptions of respondents about cooperative in promoting mutual understanding and life satisfaction

The respondents also provided their perception about the contribution of cooperative in promoting the level of mutual understanding and life satisfaction among its members.

The table 13 below summarizes their views.

**Table 13: Perception of respondents on the level mutual understanding and life satisfaction**

<b>Assertions</b>	<b>Mean</b>	<b>SD</b>	<b>A</b>	<b>SA</b>
			<b>%</b>	<b>%</b>
Sense of cooperation (interior desire to help others)	3.51	0.501	49.3	50.7



Sense of effectiveness and efficiency (the ability to change existed condition)	3.52	0.500	48.5	51.5
Tolerance (respect to others' norms and beliefs).	3.51	0.501	48.8	51.2
Life value (satisfaction with life and valuing your own self).	3.50	0.501	49.9	50.1
Social mediation (being present as a mediator in solving people's differences)	3.53	0.500	49.3	50.7

**Source:** Field data, August 2018

Table 13 shows the perceptions of members about the role of Coproriz in promoting mutual understanding and life satisfaction. 50.7% of the respondents strongly agreed that members have sense of cooperation, they have interior desire to help others. 51.5% of the respondents strongly confirmed that Coproriz promoted the sense/the spirit of effectiveness and efficiency among members. 51.2 % of the respondents strongly believe that coproriz promoted the culture of tolerance where members respect the views of others. The results revealed that 50.1% and 50.7% of respondents respectively believe that members of coproriz are satisfied and confident with themselves and can act as mediator in solving people's differences.

The researcher says that the level of mutual understanding and life satisfaction is high among cooperative members as the results show in the Table above. Giving rural people and their organizations a larger role in planning and managing the use of natural resources for productivity activity. Co-operatives are practical vehicles for co-operation, mutuality and collective action, both of which are crucial to sustainable development. In as much as co-operatives promote co-operation and collective action, they provide an organizational vehicle for addressing collective social ecological interests which is a key contribution to sustainable development and a vehicle for accomplishing these kinds of economic justice through shared or collective enterprise (Gertler et al, 2001:7).

To establish the correlation between cooperative and the level of mutual understanding and life satisfaction among its members, Pearson's correlation coefficient was carried out. The data are presented in Table 14.

**Table 14: Correlation about the level of mutual understanding and life satisfaction**

	<b>Participation in Coproriz initiatives</b>		<b>Mutual understanding</b>
<b>Participation in Coproriz initiatives</b>	Pearson Correlation	1	.774**
	Sig. (2-tailed)		.000
	N		363
<b>Mutual understanding</b>	Pearson Correlation	.774**	1
	Sig. (2-tailed)	.000	
	N		363

\*\*Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis was conducted to examine whether there was a relationship between participation in Coproriz initiatives and mutual understanding and life satisfaction among members. The results revealed that there was a significant and positive relationship ( $r = .774$ ,  $N = 363$ ). Co-operatives as noted by Gertler (2001) emphasize positive working relationships, and to social conditions such as mutual trust and good will. Cooperatives are likewise central to sustainable development in that they provide the necessary context for improving living standards without depending exclusively on increased levels of private consumption.

#### **4.2.6. Perceptions of respondents about cooperative in promoting participative decision making**

The respondents also provided their perceptions about the contribution of cooperative in promoting the level of participative decision making among its members. The table 15 below summarizes their views.

**Table 15: Perception of respondents about the level of participative decision making**

<b>Assertions</b>	<b>Mean</b>	<b>SD</b>	<b>A</b>	<b>SA</b>
			<b>%</b>	<b>%</b>
Consultation meetings are carried usually to collect members' views on subject matters before decision.	3.44	0.497	55.6	44.4
All important decisions are taken through General Assembly as stipulated in the Statutes.	3.47	0.500	52.9	47.1
Members' contributions are taken into considerations in decision making process.	3.48	0.500	51.5	48.5
Board and staffs implement decisions made by the General assembly.	3.48	0.500	52.3	47.7

**Source:** Field data, August 2018

Table 15 shows the perceptions of members about the role of cooperative in promoting participative decision making. The results presented in table above confirmed that before taking decision, Coproriz collected members' views through consultation meetings as agreed by 55.6% of respondents. The results revealed that all important decisions are taken through general assembly as stipulated in the statutes (M=3.47; SD = 0.500). The cooperative members also confirmed that members' contributions are taken into considerations in decision making process (M= 3.47; SD= 0.501) as agreed by 51.5 % of the respondents. The respondents agreed that board and staffs implemented decisions made by the General assembly (M=3.48, SD= 0.500). The researcher says that the level of decision making in Coproriz Ntende is high. For example the General Assembly has decided that all members should contribute 19 Rwandan francs per one kilogram per harvest to cover the cooperative expenditures related to operations and

maintenance of irrigations infrastructures. This was the main source of revenues based on which Coproriz negotiated a loans from commercial bank and invested in hospitality infrastructures (Ntende Hotel and Community Halls).

To establish the correlation between cooperative and the level of participative decision making among its members, Pearson’s correlation coefficient was carried out. The data are presented in Table 16.

**Table 4: Correlation about the level of participative decision making**

	<b>Participation in Coproriz Initiatives</b>	<b>Participative decision making</b>
<b>Participation in Coproriz initiatives</b>	Pearson Correlation	1
	Sig. (2-tailed)	.718**
	N	.000
<b>Participative decision making</b>	Pearson Correlation	.718**
	Sig. (2-tailed)	.000
	N	363

\*\*Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis was conducted to examine whether there was a relationship between participation in Coproriz initiatives and the level of decision making among members.

The results revealed that there was a significant and positive relationship ( $r = .718$ ,  $N = 363$ ).

The local and cooperative leaders also were asked to mention challenges that a cooperatives face in Gatsibo district, they have mentioned mainly: low knowledge and skill on significance and impact of cooperatives, poor cooperative management, weak planning and leadership skills, and lack of marketing strategy. Managerial problems related to participation, transparency, loyalty, good governance, efficiency, motivation. Ethical problems are related to some of managers and

board members who are corrupted and others are reluctant in fighting corruption and they were also part of, weak participation of members and unwillingness of increasing their equity; high loan demand but unwilling to refund on time; lack and shortage of warehouse; credit, transport; marketing information; weak trade linkage, and poor rural infrastructure like road, energy and agricultural processing.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **Introduction**

In this section, the results from chapter four are discussed, conclusion drawn and recommendations made in line with the further studies.

### **Summary of Findings**

The researcher needs to make the summary of the study in order to help the reader to have clear view on the work. The respondents of the study were the cooperative members and the local leaders, they all provided their perception about the contribution of the cooperative in promoting social capital in its members. The summary of this study was done based on research questions of the study set in chapter one.

#### **What are the services and opportunities offered by COPRORIZ to its members?**

The first research question was to know the services and opportunities offered by COPRORIZ to its members and how they affect their every day's lives. This was supported by the results analyzed in table 2 which indicate that members agreed that the cooperative offers different services and opportunities that help them to increase production and related income which improve their conditions of living.

Members are facilitated to get agricultural loans from banks and the Coproriz provides education to them through training and workshops.

Their views are in line with Gertler (2001:6) who states that socially, cooperatives are effective schools for sustainable development. But Educating members, employees, and the public is a cooperative principle which helps to upgrade the technical, managerial, and organizational skills of their members and staff through short courses, advanced education, peer instruction, and learning by experimentation. Other services and benefits derived from being a member of

CoprORIZ as mentioned by respondents includes sharing useful information, improved cooperation between members, access to finance, responsibilities, helping one another and sharing experience, easy access to quality inputs at the reduced price and creation of employment opportunities.

### **To what extent Coproriz promotes trustiness among members?**

The second research question was to know to what extent Coproriz promotes trustiness among members. The results analyzed in table 6 revealed that members can be trusted and are willing to help each other and also members are feeling of togetherness or closeness. The results also revealed that majority of cooperative members have agreed that the leaders are trusted in cooperative. The cooperative members also confirmed that the decision-making process is clear to each member.

The respondents also mentioned some socio-economic activities that strengthen the trust among them like mutual assistance, education of their children, medical insurance, food security, training and sharing responsibilities.

### **Does COPRORIZ contribute to the promotion of social cooperation between members?**

The third research question was to know the role of cooperative in building social cooperation, The results presented in table 9 showed that respondents agreed that cooperation among members were done voluntarily and that the interaction between members through meeting each other and taking part in others' ceremonies was at high level. The cooperative members confirmed that they voluntarily cooperate with others even in the activities not related to cooperative. The research indicates that members also participate in meetings and other activities organized by their cooperative. It was found that the organizational structure of Coproriz (being structured into zones and small groups of members) enhances regular social interaction and voluntary cooperation among members which increases their level of social capital. The Coproriz Leaders added that a cooperative can be used as a tool to enhance unity and cooperation among members and within the community as whole since they share different things, they

acquire advice that is helpful in improving productivity hence increase of agricultural income and improvement of living conditions.

The diversity of services rendered by cooperative to its members create opportunities to meet and strengthen social ties which can generate economic opportunities.

**Does Coproriz promote the willingness to share useful information between members?**

The fourth question was to ensure if Coproriz promotes the willingness among members to share any useful information. The results presented in Table 11 confirmed that members exchange information by participating in friendly discussions. The results revealed that they participate in trainings and meetings organized by their Cooperative Committee or by other organizations. It was found that Coproriz Ntende exchanges information with other cooperatives existing in the country within the same Union or Federation. The respondents also revealed among the information that they get, includes those related to the situation of their cooperatives, modern techniques of growing rice and the use of fertilizers through sensitization by local leaders and especially through the training sometimes prepared by Rwanda Cooperative Agency.

**Does Coproriz promote participative decision making?**

The fifth question of this research was to examine the role of Coproriz in promoting participative decision making. Results presented in Table 15 confirmed that before taking any decision, Coproriz collected members' views through consultation meetings and that all important decisions are taken through general assembly as stipulated in the statutes. The cooperative members also confirmed that members' contributions are taken into considerations in decision making process. The respondents agreed that board and staffs implemented decisions made by the General assembly.



## **Conclusion**

The survey research has really helped in broadening our understanding of cooperative organization and its indispensable role in promoting social capital in rural community development, especially its ability in enhancing rural community trustiness, social cooperation, sharing useful information among them and promoting participative decision making. The research findings showed that cooperatives members got profitability from their cooperative in different domains such as social, economic, environmental, institutional and financial which helped them satisfy their basic needs and fight against poverty. Socially, cooperative members share responsibilities, advanced education, peer instruction, and learning by experimentation, improved cooperation between members, share knowledge, food security, mutual assistance, social integration for marginalized people like widow, widowers, those affected by HIV/AIDS, orphans and getting advice, advocacy and participating in decision making at various levels. Economically, they have access to credit, they get education in saving, and they have access to inputs at a reduced cost such as fertilizers, seeds and chemical substances, new agricultural technology, markets for the produce, sharing the benefits. Cooperative members are sensitized to environmental management by fighting against erosion through creating terraces, planting trees, management of natural resources, water capture and management, input use, marshland development, irrigation so as to maintain sustainable development and keeping high level of production. The respondents participated in the study showed that challenges encountered by COPRORIZ cooperative include expensive fertilizers, irregularity of rain and lack of capital. The researcher strongly believed that the recommendations and suggestions if used or applied will go a long way to alleviate poverty in the aforementioned areas and improved social capital level.

## **Recommendations**

From the findings obtained, the researcher recommends that:

- ✓ Cooperative members should be equipped with the knowledge of risk management and dealing with emergency situations especially in time of natural disasters like flooding etc.
- ✓ To improve transport and communication networks such as roads, electricity in rural areas so that farmers can access seeds and fertilizers at a reduced cost, improve communication with others and increase profitability through using ICT.
- ✓ Government should also provide monitoring and evaluating team that will monitor grants and loans given to cooperative organization to ensure sustainability and diversion of funds to trivial matters.
- ✓ To sensitize private sector, regional and international investors to invest in agriculture since it is the major economic activity practiced in rural areas.
- ✓ It should encourage cooperative members to engage in small agro-processing industries based on their potential resources. This will help in creating employment, better price for value addition, earning as the same time saving, technology transformation and capacity building.

### **Suggestions for further research**

This study was limited on contribution of cooperative in promoting of social capital in rural areas of Rwanda. Fellow researchers may extend it to:

- ✓ The contribution of social capital in fighting poverty in rural areas. A case of Gatsibo District.
- ✓ A comparative study of cooperative challenges related to leadership and its impacts on profitability/production.

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## APPENDIX I



Received on 10<sup>th</sup> August 2018  
By Chienne ISABANE  
Agricultural Department Manager  
COLLEGE OF ARTS AND SOCIAL SCIENCES  
SCHOOL OF SOCIAL POLITICAL AND ADMINISTRATIVE SCIENCES



### TO WHOM IT MAY CONCERN

This is to testify that **RWAGAJU LOUIS**, Registration number **216367700** is a Student in Masters of Local Governance Studies, School of Social, Political and Administrative Sciences, College of Arts and Social Sciences. He is currently in the process of gathering data for his research work entitled: **“CONTRIBUTION OF COOPERATIVES IN PROMOTING SOCIAL CAPITAL IN RURAL AREAS OF RWANDA: CASE STUDY OF COPRORIZ NTENDE IN GATSIBO”**.

He will be approaching you with the aim of collecting relevant information to complete this assignment. We are humbly requesting you to kindly extend the necessary cooperation in providing the needed data.

We thank you very much in anticipation of your kind cooperation and please do not hesitate to contact us should you be in need of further information.

Sincerely,

A handwritten signature of Ismael Buchanan, followed by a circular stamp of the Dean of the School of Social, Political and Administrative Sciences, College of Arts and Social Sciences, University of Rwanda.

Assist.Prof.Ismael Buchanan, PhD

Dean

School of Social, Political and Administrative Sciences

Tel:+250783545891

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## APPENDIX II

RWAGAJU Louis

Date: ..../...../2018

University of Rwanda

Telephone: +250781802206

Dear Sir / Madam,

I am a student at the National University of Rwanda. I am doing a Thesis entitled "**The contribution of cooperatives in promoting social capital in rural areas of Rwanda with a case study of COPRORIZ/ Ntende**". This is to seek your help by requesting you to please fill in the questionnaires pertaining to the research topic. Responding to the questionnaire is voluntary and that the data will be treated with confidentiality for the academic purpose.

Yours sincerely,

RWAGAJU Louis

## **Instructions to the Questionnaire:**

To ensure the validity and reliability of data, you are kindly requested to answer the questions as truthfully as possible and according to your independent opinion.

You may or may not disclose your name.

## **QUESTIONNAIRE RESERVED FOR COPRORIZ MEMBERS**

### **I. Respondents' identification**

#### 1. Gender:

Male [ ]

Female [ ]

#### 2. Age:

Below 20 – 30 years [ ]

31 - 40 years [ ]

41 - 50 years [ ]

51 – 60 years [ ]

Above 61 years [ ]

#### 3. Education level:

No formal education [ ]

Primary [ ]

Secondary [ ]

University [ ]

#### 4. Marital Status:

Single [ ]

Married [ ]

Divorced [ ]

Widow [ ]

#### 5. Experience working with COPRORIZ:

Less 1 year [ ]

Between 1- 3 years [ ]

Between 3– 5 years [ ]

Above 5 years [ ]

**6. SERVICES AND OPPORTUNITIES OFFERED BY COPRORIZ TO ITS MEMBERS**

6.1. Below are numbers of statements regarding the services and opportunities you received from Coproriz, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	Strongly agree	Agree	Disagree	Strongly Disagree
1	Coproriz give farm inputs( seeds, fertilizers) to its members to improve the productivity				
2	Coproriz facilitate its members to get agricultural loans from banks				
3	Coproriz Ntende educates its members				
4	Coproriz Ntende is doing marketing of members farm produce				
5	Coproriz runs a Skills development/Training program for its members				
6	Coproriz hired specialized extensionnists to coach farmers in modern farming techniques				

7. According to what you get from cooperatives, any additional support not mentioned above? Specify?.....  
 .....  
 .....  
 .....  
 .....

8. What are the challenges encountered by COPRORIZ?  
 .....  
 .....  
 .....

6.2. Below are numbers of statements regarding contribution of cooperative in promoting trustiness, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	SA	A	D	SD
1	Members of cooperative can be trusted and are willing to help each other.				
2	Members are feeling of togetherness or closeness.				
3	The leaders are trusted in cooperative.				
4	The decision-making process is clear to each member.				

5. An increase of trustiness in COPRORIZ, try to give tangible facts which support this trust not mentioned above.

.....

.....

.....

6.3. Below are numbers of statements regarding contribution of cooperative in promoting social cooperation, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	SA	A	D	SD
1	Voluntary cooperation with other members about activities				
2	Meeting other members and taking part in their ceremonies				
3	Voluntary cooperation with other members in the activities not related to cooperative				
4	Participating in the meetings held by the cooperative				
5	Participating in cooperative executive activities				

6. According to you, what were the social and cooperation challenges before joining cooperative and its impacts?

.....

.....

.....

6.4. Below are numbers of statements regarding contribution of cooperatives in promoting share of useful information, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	SA	A	D	SD
1	Exchanging information with members by participating in friendly discussions				
2	Participating in cooperative bureau training classes or other organizations				
3	Exchanging information with other cooperatives existing in the country.				
4	Exchanging information with members through taking part in meetings				

5. Do you get information related to modernization in agriculture?  
 .....  
 .....

6.5. Below are numbers of statements regarding contribution of cooperatives in promoting Mutual understanding and Life satisfaction, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	SA	A	D	SD
1	Sense of cooperation (interior desire to help others)				
2	Sense of effectiveness and efficiency (the ability to change existed condition)				
3	Tolerance (respect to others' norms and beliefs)				
4	Life value (satisfaction with life and valuing your own self)				
5	Social mediation (being present as a mediator in solving people's differences)				

6. Apart from getting a sense of mutuality in COPRORIZ, identify any other suggestions you should solidify for life satisfaction.....  
 .....

6.6. Below are numbers of statements regarding participative decision making, Please read each one and indicate to what extent you agree or disagree with each statement: 4: Strongly agree; 3: Agree; 2: Disagree; 1: Strongly disagree

No	Statement	SA	A	D	SD
1	Consultation meetings are carried usually to collect members' views on subject matters before decision				
2	All important decisions are taken through General Assembly as stipulated in the Statutes				
3	Members' contributions are taken into considerations in decision making process				
4	Board and staffs implement decisions made by the General assembly				

5. During decision making process within COPRORIZ, do the leaders consider the ideas given by members? Give necessary views.

.....  
.....  
.....

*Thank you for your cooperation.*

**APPENDIX III**

RWAGAJU Louis  
Kaminuza y'u Rwanda  
Telefoni: +250781802206

Itariki: ..../...../2018

Bwana/Madamu,

Ndi umunyeshuri muri Kaminuza y'u Rwanda. Nkaba ndimo gukora ubushakashatsi burebana

**“Uruhare rw’amakoperative mu guteza imbere imibanire myiza mu bice by’icyaro by’u**

**Rwanda/ COPRORIZ Ntende.** Nkaba nabasabaga ko mwamfasha gusubiza ibibazo byabajijwe

kandi ko amakuru azatangwa ari ibanga kandi akazakoreshwa mu nyungu z’ubushakashatsi gusa.

Kugaragaza amazina yawe ntibyemewe.

Murakoze cyane.

RWAGAJU Louis

**IBIBAZO BIGENEWE ABANYAMURYANGO/COPRORIZ NTENDE**

**Amabwiriza:** Shiya akamenyesto (x) mu kazu kajyanye.

**I.Umwirondoro w’usubiza**

1. Igitsina:

Gabo [ ]

Gore [ ]

2. Imyaka:

Munsi ya 30 [ ]

31 - 40 [ ]

41 - 50 [ ]

51 – 60 [ ]

Hejuru ya 61 [ ]

3. Amashuri wize:

Amashuri asanzwe [ ]

Abanza [ ]

Ayisumbuye [ ]

Kaminuza [ ]

Ayandi, .....

4. Irangamimerere:

Ingaragu [ ]

Narashatse [ ]

Twaratandukanye [ ]

Umupfakazi [ ]

5. Igihe umaze ukorana na COPRORIZ:

Munsi ya 1 [ ]

Hagati ya 1- 3 [ ]

Hagati ya 3– 5 [ ]

Hejuru ya 5 [ ]

**6. Serivisi n’amahirwe atangwa na koperative mu mibereho myiza y’abanyamuryango**

6.1. Munsi haragaragara serivisi zitandukanye koperative ikugezaho, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

N	Serivisi	Ndabye mera cyane	Ndabyemera	Ndabihakanye	Ndabihakanye cyane
1	CoprORIZ iha ifumbire n’imbuto abanyamuryango ngo hongere umusaruro.				
2	CoprORIZ ifasha abanyamuryango bayo guhabwa inguzanyo muri banki.				

3	CoprORIZ yigisha abanyamuryango bayo.				
4	CoprORIZ Ntende ishakira isoko umusaruro w'abanyamuryango.				
5	CoprORIZ igenera abanyamuryango bayo amahugurwa arebana n'ubuhinzi.				
6	CoprORIZ ihugura abanyamuryango mu birebana na gahunda nshya zikoreshwa mu buhinzi				

7. Ku ruhande rwawe, ni izihe serivisi koperative ikugeza zitavuzwe haruguru?

.....  
 .....

8. Ni izihe mbogamizi koperative COPRORIZ ihura nazo ?

.....  
 .....

6.2. Ibibazo birebana n'uruhare rwa koperative mu kubaka icyizere mu banyamuryango bayo, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

<b>N o</b>	<b>Ibibazo</b>	<b>Ndabyemera cyane</b>	<b>Ndabyemera</b>	<b>Ndabihakanye</b>	<b>Ndabihakanye cyane</b>
1	Abanyamuryango bagirirana cyizere ndetse no gufashanya hagati yabo.				
2	Abanyamuryango barangwa n'ubufatanye no gushyira hamwe.				
3	Abanyamuryango bafitiye icyizere gihagije abayobozi babo.				
4	Ifatwa ry'ibyemezo muri koperative ribereye buri wese.				

5. Niba icyizere hagati y'abanyamuryango ba koperative gihagije, tanga izindi ngero zifatika mu zitavuzwe haruguru.

.....  
 .....



6.3. Ibibazo birebana n'uruhare rwa koperative mu kuzamura ubumwe n'ubufatanye mu banyamuryango bayo, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

<b>N o</b>	<b>Ibibazo</b>	Ndabyemera cyane	Ndabyemera	Ndabihakanye	Ndabihakanye cyane
1	Abanyamuryango bashyize hamwe mu mirimo koperative ikora.				
2	Abanyamuryango bafashanya mu birori bimwe na bimwe.				
3	Abanyamuryango bagira ubushake mu gushyigikirana mu mirimo itari iya koperative.				
4	Abanyamuryango bagira uruhare mu nama zitumizwa n'ubuyobozi.				
5	Abanyamuryango bashyira mu bikorwa ingamba zose koperative iba itegenya kugeraho.				

6. Ku bwawe, ni izihe mbogamizi zirebana n'ubufatanye wahuraga nazo mbere y'uko uba umunyamuryango wa koperative?

.....  
 .....

6.4. Ibibazo birebana n'uruhare rwa koperative mu gusangira amakuru mu banyamuryango bayo, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

<b>N o</b>	<b>Ibibazo</b>	Ndabyemera cyane	Ndabyemera	Ndabihakanye	Ndabihakanye cyane
1	Abanyamuryango baturira mu biganiri bihuza koperative.				
2	Abanyamuryango bitabira amahugurwa aba yateguwe na koperative.				
3	Abanyamuryango basangira amakuru arebana n'andi makoperative akorera mu gihugu.				
4	Kugira uruhare mu byazamura umusaruro wa koperative.				

5. Nk'umunyamuryango wa koperative, muhabwa amakuru yose arebana n'ubuhinzi bugezweho cg bukoresha ikoranabuhanga/ Mu buhe buryo?.....

6.5. Ibibazo birebana n'uruhare rwa koperative mu guhuza ibitekerezo mu banyamuryango bayo, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

N	Ibibazo	Ndabyemera cyane	Ndabyemera	Ndabihakanye	Ndabihakanye cyane
1	Abanyamuryango biyumvanamo.				
2	Abanyamuryango bafite uruhare mu guhindura imikorere ya koperative.				
3	Abanyamuryango bafite umuco wo koroherana ndetse no kubahiriza amategeko.				
4	Abanyamuryango bishimiye ubuzima babayeho kubera koperative.				
5	Ibibazo bicyemurwa mu buryo bw'ubwumvikane.				

6. Ni izihe ngero watanga zitavuzwe haruguru zigaragaza ko abanyamuryango ba koperative bashyize hamwe kdi ko bumvikana?.....

6.6. Ibibazo birebana n'uruhare rwa koperative muri gahunda y'ifatwa ry'ibyemezo mu banyamuryango bayo, hitamo ukurikije urwego ubyemezaho cyangwa ubihakanaho wifashishije ibi bikurikira: 1: Ndabihakanye cyane; 2: Ndabihakanye; 3: Ndabyemera; 4: Ndabyemera cyane

N	Ibibazo	Ndabyemera cyane	Ndabyemera	Ndabihakanye	Ndabihakanye cyane
1	Habaho inama ihuza abanyamuryango mbere y'ifatwa ry'ibyemezo.				
2	Ibyemezo byose bifatwa hakurikije amategeko yakoperative.				
3	Uruhare rw'abanyamuryango rwitabwaho mu ifatwa ry'ibyemezo.				
4	Abayobozi ba koperative bashyira mu bikorwa ibyemezo byafashwe n'inama rusange.				

5. Mu gihe cy'ifatwa ry'ibyemezo, abayobozi bita ku bitekerezo byatanzwe n'abanyamuryango?Tanga ingero zigaragara.

.....

*Murakoze ku bufatanye bwiza.*

### **APPENDIX III**

#### **INTERVIEW WITH LOCAL AUTHORITIES**

1. Do you think Cooproriz cooperative is doing enough to reduce the level of poverty within the community?
2. What are the major mechanisms of building of social capital, how the mechanisms work, the complementarities of mechanisms within and the informal mechanisms beyond the cooperative?
3. Identify the major likely impacts of social capital on rural livelihoods at household and community levels.
4. Enumerate motivations and mechanisms for maintaining social capital within COPRORIZ.
5. Mention the drivers lead to the building of social capital in the process of formation of rural agricultural cooperatives.
6. What are the outcomes manifested in cooperatives through social capital?
7. What are the challenges related to social capital within cooperative?