



Mekelle University
College of Dry Land Agriculture & Natural Resources
Department of Rural Development

**Determinants of Cooperative Marketing Development in Tigray,
Ethiopia: The Case of Consumer Cooperative Societies in
Mekelle.**

By

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Declaration

I Yemane Gebremeskel Gebrehiwet, **Registration Number** ID. cdanr/ps012/11 do hereby declare that this thesis entitled “ **Determinants of Cooperative Marketing Development in Tigray, Ethiopia: The Case of Consumer Cooperative Societies in Mekelle**”, is my original work and it has not been submitted partially; or in full, by any other person for award of a degree in any other university/institution. However, references from the work of others have been clearly expressed.

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Approval

The undersigned certify that they have read and hereby recommend to the Mekelle University College of Dry Land Agriculture & Natural Resource, and the Department of Rural Development to accept the Thesis submitted by **Yemane Gebremeskel Gebrehiwet**, entitled **“Determinants of Cooperative Marketing Development in Tigray, Ethiopia: The case of Consumer Cooperative Societies in Mekelle”** in partial fulfillment of the requirements for the award of a Master’s Degree in Rural Development.

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List of Abbreviations

BoARD	-----	Bureau of Agriculture and Rural Development
CG	-----	Cooperative Governance
CITG	-----	Commission of Inquiry on Tigray Genocide
Coops	-----	Cooperatives
CSA	-----	Central Statistical Agency
FCC	-----	Federal Co-operative Commission
GA	-----	General Assembly
GDP	-----	Gross Domestic Product
ICA	-----	International Cooperative Alliance
NGO	-----	Non-Governmental Organization
SD	-----	Standard Deviation
SPSS	-----	Statistical Package for Social Sciences
TCMDA	-----	Tigray Cooperative and Marketing Development Agency
TCSA	-----	Tigray Central Statistics Agency
WCM	-----	World Cooperative Monitor

Abstract

The overarching objective of this study was to investigate determinant factors affecting consumer cooperative marketing development: The case of consumer cooperatives in Mekelle of Tigray. In response to the objective, a descriptive research design was employed by using mixed research, which comprises both quantitative and qualitative methods. Both primary and secondary sources of data were used. Data were gathered through questionnaires and key informant interviews. Purposive sampling was used to select the study area Mekelle due to the potentiality of the consumer cooperatives. To collect representative and reliable data, 334 respondents were selected from the target population using a random sampling technique. The data gathered through the Likert scale questionnaire were analyzed using SPSS software version 27. Pearson correlation and multiple linear regression model analysis were also used to magnify and verify the effect of the independent variables on the dependent variable. The study found that consumer cooperatives lose the user-control principle due to a lack of rigorous auditing and financial reporting, which fosters distrust between members and the board of directors. However, members have equal voting power, vote democratically, exercise their rights at general assembly meetings, and support the user control principle. The study also found that the cooperative's service delivery and supply of goods were insufficient, members practically do not user benefit of the cooperatives and members' sense of ownership and user benefits of the cooperative have been weakened. The study admitted that the cooperative and its members lack market information. Similarly, cooperatives' market interactions with unions and other organizations were found to be poor and insufficient. The cooperatives lack a strategic and business plan development, leading cooperatives to uncertainty about where to go and what to do in both long and short-term programs. The youth's participation in cooperative membership and marketing activities was also found to be limited, and thus, the cooperative's long-term survival would be restricted and affect its market development. Gender diversity was found to strengthen the board's monitoring role by providing diverse viewpoints on the cooperative; however, board gender diversity in the cooperative has weakened, and there is no clear legislative framework to promote women on the board of directors. Despite the board directors' education qualifications having a positive effect on cooperative market development, they lack the necessary skills and experience to lead and manage the cooperatives, and the board's academic qualifications were not considered during general assembly elections, implying weak governance in the cooperative. Sadly, cooperatives are now led without policies and strategies, which would undoubtedly hinder cooperative market development. The study ascertained that there was a statistically significant and positive relationship (effect) between the marketing and governance predictors with market development. This revealed that the marketing variables such as market linkage, member participation, economic motivation, and member cooperative knowledge, and the governance variables board commitment, board communication, board gender diversity, board qualification, and government intervention were found to be a strong correlation and statically significant positive effect on the dependent variable (market development of consumer cooperatives). Implying that effective use of these predictors influences and enhances the market development of consumer cooperatives in the study area. The most difficult challenges found in cooperatives are the lack of strategic collaboration among cooperatives, a serious lack of knowledge of cooperative marketing, and a lack of procedures and guidelines for marketing. The study recommends that cooperatives should consult trained professionals or hire experts to develop strategic business plans, the government must develop cooperative policies and strategies to build cooperatives, during general assembly elections, coops should consider the board's academic qualifications, develop a legislative framework to promote women on the board of directors, coops should work solidly to ward youth participation in membership and marketing activities, build solid relationships with unions and other organizations that can broaden their market transactions.

Keywords: Cooperatives, Consumer cooperatives, Marketing development, Cooperative members, board of directors.

CHAPTER ONE

INTRODUCTION

This chapter comprises the background of the study, the statement of the problem, the general and specific objectives of the study, the research question, the significance of the study, and the scope of the study.

1.1 Background of the Study

People with common interests gather to form cooperative businesses that combine members' resources, efforts, and diverse areas of skill to promote members' welfare (Aillene, 2022). Since the beginning of civilization, human interaction and mutual assistance have formed the basis of social life. One cannot successfully live alone; one must rely on other people. (Jiotsa, Okia, & Yambene, 2015). The spirits of the association are vital to the development of mankind. Since the inception of human society, men have collaborated in the activities of foraging, hunting, agriculture, and manufacturing (Veerakumaran, 2003). The modern history of the cooperative began with the Rochdale Society of Equitable Pioneers in England, which was established in 1844. This was an early consumer cooperative and formed the basis of the modern cooperative movement (Miriti, 2014).

Cooperatives are enterprises engaging with market operations and satisfying the needs of members who jointly own and democratically administer the organization (Bouchard, 2019). Cooperatives are private-sector enterprises that are established to meet the needs of their members and embrace broad businesses, including financial services, manufacturing, utilities, transportation, health care, input and output marketing, and agriculture (Duarte, Magnolfi, & Roncoroni, 2020). They also help their members achieve market access, and resilience against volatile markets and speculative trading (Sonja, 2023).

Across the world, 3 million cooperatives are working together to create a better world, having 1 billion members. An annual income of US\$ 2,180 trillion and 10% of these have employed 280 million people worldwide (WCM, 2022). They contribute to a sizable portion of the global GDP and are active in various sectors. Globally, consumer cooperatives contribute to 3–5% of GDP (Korpeoglu, 2021). They are crucial for global economic development and help to stabilize the market by fixing market failures, neutralizing concentrated market power, and building effectiveness in the delivery of goods and services (Abd. Majid, Azhari, Faisal, & Fahlevi, 2022).

Cooperatives provide benefits to the members, raise individual income, and enhance a member's way of living. They are the vehicle for obtaining better markets or providing sources of supplies and services (Novković, Miner, & McMahon, 2023). They are involved in a wide range of economic activities, including banking, insurance, agriculture, handicrafts, housing, consumer services, etc. (Meniga, 2015). A study by Yure & Deyganto (2024) confirmed in their study that consumer cooperatives have a significant and positive role in improving the livelihoods of members in Ethiopia. They are also effective in giving members reasonable prices for goods and services (Balo, 2021).

Despite the consumer cooperatives have improved their effectiveness in market operations, they faced numerous problems. According to Yitayaw (2021), the most common causes of cooperative failure are inefficient governance and a lack of qualified human capital competence. Cooperative failures are attributed to members' lack of knowledge of the cooperative's concepts, principles, and values (Ojuni, 2017). In Ethiopia, cooperatives are hampered by weak supervision, inadequate legislation, and freedom from political meddling. Other challenges cooperatives in developing nations face are limited member participation in decision-making processes and poor market linkage (Deres, 2017). Moreover, consumer cooperatives are faced with critical internal challenges such as a lack of policies and procedures that are needed to sustain operations and promote long-term viability (Santiaguel, 2023). Consumer cooperatives are more prone to governance failure. Due to members interaction with the cooperative is limited (Birchall, 2017).

To address the above problems, this study, therefore, aims to determine the factors affecting the consumer cooperative market development, which may help in building cooperatives and provide long-term benefits to their members. According to the Mekelle Cooperative Office (2024), nowadays, some of the major obstacles affecting the consumer cooperatives in Tigray, particularly in Mekelle, include market linkage, capital scarcity, limited supply of goods and services, governance problems, and limited members' participation.

Such challenges and observations, as well as the significance of the cooperative role for people's economic improvement, have motivated the researcher to carry out the study and focus on consumer cooperatives. In light of this background, this study aimed to investigate factors affecting cooperative marketing development in Mekelle of Tigray.

1.2 Statement of the Problem

The motivation for people coming together to form a consumer cooperative society is to procure essential goods at reasonable prices (Sadowski, 2017). This is possible because the middlemen are usually eliminated when this type of society is formed. Members combine their resources and look for suppliers who can provide the products to them at affordable prices (Mohammed, 2019). Since they cut off the middlemen from the channel, the profit that the middlemen would have made goes to the cooperative and the members (Aniodoh, 2018). Consumer cooperatives are essential in protecting consumers from the clutches of middlemen and contribute a great part to the development of the nation (Ponduri & Kumar, 2023).

They are indispensable for raising members' standards of living since they provide a range of advantages such as access to reasonably priced goods and services, collective bargaining power, and income-generating opportunities. These cooperatives are crucial in areas where there is limited access to basic marketing supplies and services (Yure & Deyganto, 2024). Consumer cooperatives increase the well-being of their members (Medina-Albaladejo & Pujol-Andreu, 2021). They are agents of socio-economic transformation. They have a decisive role in people's livelihood improvement (ICA, 2022b). Despite the recognition of cooperatives in economic development, the biggest challenges remain in their market development and governance. Numerous obstacles to cooperative development include inadequate finance, poor administration, a deficiency in service delivery, and weak governance frameworks (Abamagal & Abamagal, 2019).

Consumer cooperatives usually fail due to insufficient managerial assistance, limited member participation, and poor leadership (Darma, 2020). In Japan, agricultural cooperatives have faced several difficulties, such as poor management, a lack of capital, low member participation and unclear government policies, and weak links between the cooperatives' various activities, including marketing, credit, production, and so forth (Nkonki-Mandleni, 2014). Khumalo (2014b) noted a few of the challenges South African cooperatives face, including difficulties with management and leadership, meddling from government officials, and a lack of stability. Furthermore, Wadesango & Mabunda (2017) found that the failure of cooperatives in South Africa is related to clashing opinions among the members, conflict of interests, lack of members' commitment, and difficulty in managing members. A study by Kelemu & Hailegiorgis (2014) also found that the major constraints facing cooperatives in Ethiopia are a lack of professional management, weak accounting systems, leadership, and organizational problems, limited bargaining power, and inadequate banking services.

Additionally, Yure & Deyganto (2024) in their current study, found that consumer cooperatives have a substantial and positive impact on members' enhanced quality of life. However, they are exposed to challenges such as limited access to capital, inadequate business management skills, and market competition. On the contrary, consumer cooperatives are lagging in terms of their effectiveness, the amount of consumer products they offer the community, providing basic goods and services, and their ability to generate income for members (Balo, 2021). Despite studies that have been done on cooperatives, to the best of the researcher's knowledge, none have investigated the factors influencing cooperative marketing development toward consumer cooperatives in Tigray. Various researchers, such as Mohammed (2016) and Girma (2021), have studied and used variables including marketing and management factors such as planning capacity, knowledge level of management, way of communication, the board size, board composition, and internal control respectively, as the determinants of cooperative development. Eticha (2020) also conducted a study on cooperatives, considering variables like the financial viability of the organizations and the autonomy of the management committee.

Ethiopia's population is growing significantly, which in turn creates an immense need for goods and services. On the other hand, in Tigray, the genocide war has left massive destruction and a scarcity of food and services. Furthermore, there is a high middleman exploitation and customer bloodletting by a few merchants and producers. Price fluctuations and inflation have periodically escalated. As a result, due to the high cost of products and services, people are currently dissatisfied and have started to organize themselves. The government has also commenced some initiatives to organize consumer cooperatives in an attempt to regulate price fluctuations in the market and offer goods and services at fair prices.

It's interesting to note that little study has been done on the concept of consumer cooperatives in Ethiopia, particularly in Tigray. Few previous studies on consumer cooperatives have largely focused on their economic advantages, including increased income and access to affordable goods. Unlike previous studies, in this study, variables such as market linkage, members' participation, members' cooperative knowledge, economic motivation, board commitment, board communication, board diversity, qualification of the board, government intervention, cooperative principles, and the challenges are utilized to measure the cooperative market development. Therefore, this study analyzed how the different factors affect consumer cooperative market development in the research area.

1.3 The General Objective of the Study

To investigate determinant factors affecting the cooperative marketing development: The case of consumer cooperatives in Mekelle of Tigray.

1.3.1 Specific Objectives of the Study

1. To assess the practical application of the unique cooperative principles in enhancing consumer cooperative marketing development in the study area
2. To assess marketing factors influencing the consumer cooperatives' marketing development in the study area
3. To examine how the governance factors affect the consumer cooperative marketing development in the study area.
4. To identify challenges hampering the development of consumer cooperative marketing in the research area.

1.4 Research questions

1. How can the unique cooperative principles be applied to promote consumer cooperative market development?
2. To what extent could the marketing factors influence consumer cooperative market development in the study area?
3. To what extent do the governance factors affect the consumer cooperative market development in the study area?
4. What challenges are now hindering the development of the consumer cooperative market in the study area?

1.5 Significance of the Study

Beyond the realization that cooperatives are the most effective means of resolving people's socioeconomic issues and market failure, improving member market performance with their cooperative is essential to the stability and growth of cooperative society in a given country. Consumer cooperatives are viewed as one means of supplying products and services, as well as an essential source of fairly priced goods and services, in Mekelle. Investigating the determinant factors that affect the market development of consumer cooperatives will have immense importance for consumer cooperative owners (members), cooperative promoters, the board of directors the policymakers, and researchers as a source of information and knowledge to bring decent changes in the performance of marketing development of consumer cooperatives.

It will also be a helpful resource for legislators, higher-level cooperative leaders, and other organizations and individuals who want to change the cooperative system. This makes it possible for them to create initiatives, policies, and strategies that are suitable for the cooperative's effective formation and development to make an efficient economic contribution. Likewise, this research will give a better understanding of consumer cooperatives found in the study area, Kedamay Weyane and Hawelti sub-cities, and other urban and rural areas in Tigray. Additionally, the study will offer up-to-date data on consumer cooperative performance and issues in the research area, giving scholars and students an overview of future cooperative studies.

1.6 Scope of the Study

Geographical: Geographically, this study only covers two sub-cities, Kedamay Weyane and Hawelti, out of 93 urban and rural Woreda (Sub-cities), as well as five out of 134 consumer cooperatives found in Tigray. The study also specifically covered consumer cooperatives organized in the Kedamay Weyane and Hawelti sub-city and did not include the other consumer cooperatives found in some parts of the region. **Content:** Due to time and financial constraints, this study is limited and confined to particular indicators that affect the consumer cooperative market development in Mekelle, Tigray, including market linkage, members' cooperative knowledge, members' participation, and economic motivation. Additionally, the governance factors include board commitment, board communication, board gender diversity, board qualification, and the internal cooperative principles and their challenges. **Time:** The study used cross-sectional data, which was extended from February 2024 to June 2024.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter consists of three key components. The first component is the theoretical related literature which includes definitions, concepts, and importance of consumer cooperatives, governance of consumer cooperatives, types of cooperatives, cooperative principles, consumer cooperative marketing development, challenges of consumer cooperatives, historical development of consumer cooperatives, and status and distributions of cooperatives in Ethiopia and Tigray, marketing development and performance of cooperatives in the Tigray region. The second is the empirical study of consumer cooperatives with details of factors that affect the cooperative market development, and the third is the conceptual framework of the study.

2.2 Theoretical Literature Review

2.2.1 Definitions and Concepts of Consumer Cooperatives

Consumer cooperatives are defined as enterprises that are democratically controlled, member-owned businesses with shared values that provide products and services to satisfy the economic needs of their members (Aillene, 2022). They are essential to the growth of a nation's economy and the elimination of poverty. They possess an advantage in handling the issues of ensuring food security as well as creating jobs (Dayanandan & Huka, 2019). They can also boast of improving member welfare at the same time as lowering investment costs (Ngure, Kimani, & Kariuki, 2017). They are formed by groups of members who meet their needs through a jointly owned and controlled enterprise (WOCCU, 2019). They are a viable economic solution in today's world, where many individuals feel powerless to change their lives (Dogarawa, 2010). Globally, there is consensus among many actors, including the United Nations, the International Labour Organization, and the International Co-operative Alliance, that the cooperative business is the type of organization best able to fix all dimensions of tackling poverty and exclusion (Berhan & Gebeyehu, 2018).

Cooperatives are established mainly to improve the welfare of their members in particular and society at large (Abd. Majid et al., 2022). They develop member economic businesses, not non-members since the cooperative's objective is primarily to raise the well-being of members (Azhari, Syechalad, & Majid, 2017). Members also expect to gain from consumer cooperatives in reasonable prices, quality products, and reliable services (Kanagaraj, 2014).

Cooperatives are companies that belong to their members, who direct and manage them. Regardless of whether its members are customers, employees, or residents, they all have the same vote regarding the activity of the cooperative company and the equal distribution of benefits (Noble & Ross, 2021). They are often created to fill gaps in the market, for example, to provide vital services, and not just to generate corporate profits (Egorov, Egorova, Inshakov, & Markarov, 2020).

Consumer cooperatives provide an opportunity for members to harness their innovative and entrepreneurial capabilities for prosperity and well-being (ICA, 2022b). They play a crucial role in poverty reduction, and cooperative scholars have often claimed, with differing levels of agreement, that cooperatives benefit the poor by realizing economic possibilities, empowering those who are marginalized to protect their rights, and providing security by allowing them to convert individual risks into societal risks. It's an approach that is highly relevant in poorer regions, such as sub-Saharan Africa. The impact is stronger when cooperative values and principles are respected and practiced (ICA, 2022a).

Consumer cooperatives are believed to be more resilient in times of difficulty (Roelants & Sanchez-Bajo, 2011). They promote socioeconomic development through community mobilization and agricultural expansion. Consumer cooperatives have enormous potential to flourish as community-level competitive business enterprises, despite intrinsic constraints. (Tripathy, Paliwal, & Nistala, 2021). They can play a crucial role in the economy by correcting market failures, balancing concentrated market power, decreasing information asymmetries, or providing trusted goods and services (Royer, 2014b). They are also regarded as vital for society because they can help to improve democracy and encourage civil society to participate actively in economic, social, and political matters (Brown, 1997).

Studies have indicated the noteworthy role cooperatives have in the business, manufacturing, and agriculture sectors of several countries—all of which boost economic development. Economic success depends on cooperative societies maintaining their democratic, social justice, and educational foundations (Mande & Lawal, 2014). Consumer cooperatives are cooperatives in which members agree to invest money in the form of shares and membership fees so that they can purchase, stock, and sell consumer goods. In the ideal situation, members are also customers; however, when the area of operation is large, non-members are usually permitted to buy from consumer cooperative shops (MTIC, 2019). Consumer cooperatives—firms owned by their customers—represent a substantial share of the economy in many developed and developing economies (Duarte et al., 2020).

Over 100 consumer cooperatives engage in the supermarket industry in Italy. These are spread across the country, although more concentrated in the central and northern regions, and vary in size from small cooperatives operating a single grocery store to large groups with sales close to \$6 billion (Duarte et al., 2020). According to Yure & Deyganto (2024), consumer cooperatives are enterprises that are owned and governed by their members, offering essential goods and services to their members at affordable prices. Members can raise their level of standard of living by pooling their resources and purchasing and distributing items collectively, overcoming challenges like inflated costs and limited access to marketplaces.

A consumer cooperative may include grocery stores, fast food restaurants, and other enterprises. As collectively possessed businesses, each member of society receives ownership rights equal to the amount they paid. Consumer cooperatives differ from other kinds of organizations in terms of profit distribution. They usually offer patronage refunds, which repay profits to members based on how much they utilize the co-ops. That is, if Member A spent twice as much as Member B, Member A's return would be twice as great as Member B's. If member C never shops, he or she will not receive a refund (MTIC, 2019). Consumer members can buy materials at a fair price from producer members, or they can create jobs and provide good working conditions for worker members (Bouchard, 2019).

2.2.2 Importance and Functions of Consumer Cooperatives

Cooperative societies have experienced tremendous growth, and as a result, they are now in the vision blueprint as one of the mobilizers of finance and investment (Kadagi, Ahmed, & Wafula, 2015). Internationally, they are acknowledged as a key driver and tools for a country's socioeconomic development (Berhan & Gebeyehu, 2018).

Consumer cooperatives are among the most significant kinds of cooperatives. They are sometimes known as retail cooperatives. These kinds of cooperatives play a significant role in the retail sale of products and food. Through the one-member, one-vote system, members own and manage the cooperatives (Ponduri & Kumar, 2023). The fact that consumer cooperatives should be set up to best suit the preferences of their member-owners concerning product kind, quality, and pricing is one of their primary distinctive features. Furthermore, the consumer cooperative's objective is to charge the lowest price feasible while maintaining the cooperative's standards for quality and investment requirements rather than to maximize the difference between unit cost and price.

Consumer cooperatives, on the other hand, usually charge the standard price for their goods. All surplus must be allocated among members, invested in socially useful businesses, or directed toward investment purposes as determined by members (Altman, 2009a). The importance of cooperatives is demonstrated by the fact that almost 50% of global agricultural production is sold through cooperatives. Consumer cooperatives continue to be significant globally, although their significance varies by nation. They can improve members' welfare if the cooperative fosters a sense of belonging among members. They can better meet the preferences of their members, thereby enhancing members' welfare (Altman, 2009b). Consumer cooperatives have a major impact on the economic development of the country and protect customers from the predatory practices of middlemen. Studies demonstrate that the provision of goods and services results in the creation of jobs, profit sharing, and other advantages (Ponduri & Kumar, 2023).

According to the study conducted by Yure & Deyganto (2024), in Ethiopia Hawassa Zuria Woreda, consumer cooperatives have a significant and positive role in improving the livelihoods of members. When consumer cooperatives operate efficiently, they have the effect of raising the standard of living of the members/customers, making the retail trade competitive. Some of the specific functions of consumer cooperatives are: 1) ensuring fair and reasonable prices for goods and services 2) ensuring the scale of goods with accurate weight and measure 3) making goods available to a cross-section of the community 4) ensuring the sale of pure and unadulterated goods 5) helping the government in its distribution policy 6) protecting consumer interest, especially during periods of scarcity of goods, trade malpractices by traders and uncontrollable inflation. 7) helping to educate consumers. 8) ensuring competition. 9) offering credit sales to their members.

Babatunde (2017) noted that they aim to provide fair prices for goods and services that are necessary for the vast majority of people. It is critical in the context of domestic commodity scarcity (ICA, 2015). A consumer cooperative society's function is to provide commodities to its members at the lowest possible cost, ensuring the availability of goods on the market, and selling pure and unadulterated products (Deres, 2017). They are established to supply market activities and protect consumers from the excessive prices imposed by monopolists (Sadowski, 2014). of products and services. Members also ensure the quality of the goods they are buying is the right one since they are buying from the right source (Nigeria, 2006).

2.2.3 Governance of Consumer Cooperatives

Cooperative governance (CG) is generally characterized as a system (structure and processes) for governing and overseeing a cooperative business as well as establishing obligations among various people involved in the organization, such as the board, members, employees, and administration, and the procedures and rules for decision-making in this organization (Jamaluddin et al., 2023). The relationship between members as business owners, management who operate the business, and the board leads the management on behalf of the members to achieve the goals of the cooperatives (Hakelius, 2018). CG simply refers to having and adhering to internal rules (by-laws, policies) or other best practices in the cooperative movement (Santiaguel, 2023).

Governance systems enable a cooperative to determine who its members are, who has authority, and how that power should be exercised in the entity. Consumer cooperatives embrace the cooperative principles of democratic member control, or one member, one vote (Kuznetsova, Ilyina, Korolkova, & Marinchenko, 2021). The board of directors is usually in the role of hiring managers, and management and making certain that the cooperative succeeds in its financial and other goals. Cooperative governance promotes sustainable economic development and, for a long time, competitiveness, provides chances for risk management, and offers value to good business activity monitoring (Tripathy et al., 2021).

The governance of cooperatives must be robust if it hopes to survive. The governing system of a cooperative allows for management and member responsibility. It depicts how the leaders of the organization applied their bylaws, beliefs, and principles to manage its assets and resources to meet the needs of its members (Eticha, 2020). In consumer cooperatives, the governance system consists of a members' general assembly, a hired management committee, and a board of directors (Puusa & Saastamoinen, 2023).

Consumer cooperative directors have a particular duty to maintain their cooperative's autonomy and independence, which is essential for its long-term viability. Poor governance and management may undermine the viability of any business operation. There is no bigger threat to autonomy and independence than insolvency brought on by weak governance and management. Governance and management failures in cooperatives have led some business leaders and commentators, some even from within the cooperative movement, to suggest that elected directors do not and cannot have the skills and expertise needed to run major enterprises in a modern economy (Davis, 2012).

Cooperative boards serve an important role in connecting managers' activities to the interests of their members and customers. The board of directors is responsible for the cooperative's governance and the proper organization of its affairs. The board of directors handles the cooperative's affairs in line with the legislation, regulations, and decisions of the members' council (Puusa & Saastamoinen, 2023). The boards are primarily responsible for monitoring the performance of the administration, developing long-term strategic plans, reviewing suggestions presented by management, and understanding the financial and strategic actions undertaken by the cooperatives (Bond, 2009). Good and effective governance helps to enhance the market development and sustainability of the cooperatives (Huang, Zazale, Othman, Aris, & Ariff, 2015). The board of directors serves the interests of these members and plays a vital role in improving the market performance of the cooperative.

2.2.4 Types of Cooperative Society

2.2.4.1 Types of Cooperatives Based on Organizational Structure

Cooperatives can be classified based on their organizational level. Primary cooperatives are the smallest units organized under the cooperative structural level. Members are natural persons, and their working capital is obtained from paid-up shares of each member. Secondary cooperatives (unions) are another type of organization that works to represent the interests of its members. The working capital is derived from the invested shares of the part the primary cooperatives. The third level of the structure of the organization is the federation. These cooperatives are primarily founded by secondary cooperatives, but primary cooperatives can also have members. The working capital is obtained from invested shares of the secondary cooperatives (Jara, 2022). The details are depicted below.

Primary Cooperative Societies: A primary cooperative society is made up of individual producers, consumers, or retailers who come together to form a cooperative society to protect their common interests and solve common problems. The society is controlled and managed by members who elect officers among themselves to manage the society. Individual farmers deliver farm produce or whatever else they choose to sell directly to the cooperative. Patronage dividends (refunds) pass from the cooperative to the producer. These cooperatives often serve a specific area or society. They are the closest type of cooperative society to members. Their functions are often limited to the first few steps in marketing, such as buying, selling, assembly, and grading (Vinod, 2018).

Secondary Cooperative Societies: These are formed by primary societies, and the membership of the secondary society is limited to the interested primary society. Secondary cooperative societies perform more complex functions than primary societies. They are larger and operate in larger geographical areas. A few of their functions include (a) supporting the primary society with loans to increase their lending capacity, (b) helping to train officials of primary societies on how to manage cooperative societies, (c) providing cooperative record books and required documents for proper record and bookkeeping of the society, (d) act as a lobby group to protect the general interests of all cooperative society.

Federation Cooperative Societies: This is an apex cooperative society for all primary societies operating in a state or a country. Federated societies have primary and secondary societies as members; they are larger and cover a state or a country. All states have a Federated society that caters to the joint needs of all members. It also acts as a pressure group to influence government policy and legislation in favor of cooperative societies generally.

2.2.4.2 Types of Cooperative Societies Based on Functions

According to (Birchall & Simmons, 2004; Oyeniyi, Ajonbadi, Lawal, & Ishola, 2018), the classification essentially makes use of the particular tasks that members of society are expected to perform. Members needed to have agreed from the beginning on the kind of society that would be established. The issue or interest that the cooperative is seeking to protect largely determines the type of cooperative that is formed. The primary classification categories are as follows.

1. Producer Cooperatives

This type comprises farmers of the same or similar farm produce or groups of people engaged in the various aspects of agricultural production, for example, farming, fishing, and forestry. Groups of producers must come together and be involved in related or similar activities so that common problems can be identified and solved. The members may be farmers, landowners, or owners of fishing operations. The functions that the cooperative can perform for members may include procurement of farm inputs, equipment, and insurance, hiring managers and salespeople, marketing and advertising together, or operating storage or processing facilities or a distribution network (Bijman & Wijers, 2019; Oyeniyi et al., 2018).

2. Worker Cooperatives

Modernization and the low level of income forced most workers to have a poor living standard encouraged the formation and proliferation of worker cooperatives. Workers' cooperatives are formed by workers of the same organization or a similar organization. This can make them an ideal structure for people of modest or low incomes. This society is also common among professionals: attorneys, designers, engineers, and other professionals. Depending on the size of the organization and the number of professionals who come together, workers' cooperative societies are always small. They encourage members to save into a common pool of capital and may eventually extend credit facilities to members, or establish retail outlets where quality consumer products are sold to members at reduced rates (Cheney, Santa Cruz, Peredo, & Nazareno, 2014; Oyeniya et al., 2018).

3. Consumer Cooperatives

These types of cooperatives are owned and managed by consumers who live within the same or identifiable geographical areas. The main aim of consumer cooperatives is to pool resources together to buy consumer products directly from the source (producers) and to make the same products available to members at reduced prices. Usually, consumers bypass marketing intermediaries by buying directly from producers, which reduces the price at which these products are purchased. Product items to be bought and sold to members depend entirely on the needs of members. These may include groceries, electricity or telephone service, housing, healthcare, electronics, etc. (Kurimoto, 2020; Oyeniya et al., 2018).

4. Saving and Credit Cooperatives or Credit Unions

This is a specialized society like regular financial institutions. This type of society encourages members to contribute to a common pool a regular sum of money. Each member is entitled to twice or thrice the sum so contributed as credit facilities to be repaid over a specified period. This type of society is very common in urban areas and most large organizations. The reasons for this popularity are traced to high levels of poverty and low wages among workers. It is also common among small and medium-sized business owners who desire credit facilities to expand their businesses (Semaw Henock, 2019).

5. Retail or Purchasing Cooperative

Retailing is defined as a business activity that involves buying in small quantities from wholesalers and selling in pieces to the final consumer. Small business owners, particularly retailers, can come together to establish a retail cooperative society. The main objectives include pooling resources (capital) together to buy in large quantities from the wholesaler or directly from the producers.

This will benefit the members to buy the goods at a reduced rate because of the large purchase. All of these co-ops is that they seek to improve their efficiencies and/or market competitiveness by "bulk buying" a broad range of goods and services (Oyeniya et al., 2018).

6. Housing Cooperatives

It is another type of cooperative society, though not very common in Ethiopia, Tigray. This type of cooperative is owned by residents. This involves ownership of a single or complex apartment with hundreds of units. The housing complex may be jointly owned by a cooperative or owned by the residents, which makes them a type of consumer cooperative. This can range from a single house to apartment complexes with thousands of units. It may also be a housing project in which each member owns their unit, while the estate occupied by non-members is owned by the society. The cooperative society may also own the land and run the pack and the estate, while members own shares in the cooperative. Whatever the variation, a housing cooperative is designed to help members build and own their own houses or be part owners of a housing estate (Balmer & Gerber, 2018).

7. Multi-Purpose Cooperatives

This type of cooperative society is called a multipurpose or multi-stakeholder cooperative society. This form of hybrid society is expected to combine several features and functions of two or more types of cooperative societies. It may be a consumer/worker society, worker/credit, thrift, or producer/consumer society. Because of the expected multiple functions, this type of society is relatively bigger or larger than some types, in terms of membership or in terms of capital assets (Masuku, Masuku, & Mutangira, 2016).

8. Agricultural Marketing Cooperatives

In most countries, the development of agriculture can be linked to cooperative societies. The role of cooperatives in the development of agriculture is more pronounced in developing countries, where the International Labour Organisation (ILO) noted that more than 50% of agricultural output is marketed through cooperatives. In developing countries, cooperatives play a significant role in the rural areas, with agricultural marketing and supply cooperatives being the most important and popular type in Africa. They provide farmers with agricultural inputs (like seedlings, equipment, fertilizers, insecticides, etc.) and help farmers sell their output and produce to retailers, wholesalers, marketing boards, and inter-cooperative partnerships (Agbo, Rousselière, & Salanié, 2015).

In addition, many agricultural marketing cooperatives contribute funds to help improve a variety of rural social services and lifestyles, such as education, primary health, water and electricity supplies, care facilities, and other community needs. It is also possible for marketing cooperatives to limit their activity to the negotiation of prices and terms of sale with buyers (Agbo, Rousselière, & Salanié, 2015).

2.2.5 International Principles of Cooperatives

Every organization has its principles, which are to be observed for its smooth working. As an organization, cooperatives have their own set of principles that are universal and have recognition and acceptance globally. Historically, cooperative principles have their origin in their working practice and rules, which the Rochdale pioneer had evolved and adopted for their work (Veerakumaran, 2003). Seven cooperative principles were drafted by the ICA in 1995 based on the guidelines written by the founder of the modern cooperative movement in England in 1844. They are now referred to as the statement of cooperative identity and are internationally accepted as the one and the only guide for what cooperatives are and how they should operate the current statement on cooperative identity includes the following cooperative principles. Cooperative principles are regulations that help cooperatives put their values into action (ICA, 1995).

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all people who can use their services and are prepared to accept the duties of membership, without gender, social, racial, political, or religious discrimination (Dale et al., 2013; ICA, 2013; Wanyama, 2016).

2. Democratic Member Control

Cooperatives are democratically governed by their members, who actively engage in policy development and decision-making. Men and women who serve as elected representatives are accountable to the membership. Primary co-operatives have equal voting rights (one member, one vote), and co-operatives at other levels are also democratically formed (Khumalo, 2014b; Wanyama, 2016).

3. Member Economic Participation

Members make equitable contributions and have democratic control over their cooperative's capital. At least a portion of the excess generated by business operations would be shared among the cooperatives. The remaining surplus could be used to benefit members in proportion to their shares of the cooperative (ICA, 2013; Khumalo, 2014a).

4. Autonomy and Independence

Cooperatives are self-help organizations run by their members. If they enter into agreements with other organizations as well, including governments, or acquire finance from other sources, they do so on terms that assure democratic governance by their members while maintaining cooperative autonomy (ICA, 2013; Wanyama, 2016).

5. Education, Training, and Information

Cooperatives offer education and training to their members, elected representatives, managers, and staff so that they can effectively contribute to the continual development of their cooperatives. They educate people, especially young people and influential people, on the nature and advantages of cooperation (ICA, 2013; Wanyama, 2016).

6. Cooperation Among Cooperatives

Cooperatives serve their members and strengthen the cooperative movement by collaborating through various local, regional, national, and worldwide structures (Khumalo, 2014a).

7. Concern for Community

Cooperatives aim to ensure the long-term development of their communities through member-approved policies. Cooperatives serve their members most efficiently by utilizing local, regional, national, and international institutions (Wanyama, 2016). They are dedicated to concern for the community, which is why they continually develop social acts, particularly in the assistance of those in most need (Pérez Suárez & Márquez Domínguez, 2018).

2.2.6 Consumer Cooperative Marketing Development

Consumer marketing cooperatives have followed two basic approaches. One provides a competitive market price for member reference and gains member patronage by bettering or at least matching the offerings of competitors (Reynolds, 2000). The other, distinctly “cooperative” marketing, serves individual member interests by coordinating with other members. Cooperating with people who have comparable needs or issues is known as cooperative marketing development. It is a process of combining human effort and resources while operating in a planned, methodical way (Mande & Lawal, 2014).

The term cooperative marketing describes the combined marketing and promotional efforts of multiple businesses to achieve a shared goal. This usually happens when a manufacturer backs a retailer's efforts, but it can also be employed by several businesses wishing to pool their funds to cover advertising and promotion expenses (Oluyombo, 2012). Market development of products that were fresh to a vast consumer base requires a lot of market development.

Cooperatives had a key part in bringing specialty international markets that have revived the responsibility of product marketing (Reynolds, 2000). Producers form cooperatives to enhance marketing and development to process and market their products. They are enterprises whose primary goal is to protect producers' economic interests by increasing their income. To achieve this goal, consumer cooperatives strive to minimize deductions from processing and marketing activities while also ensuring that no external capital interests profit excessively from their members' products (Bager, 1980).

2.2.7 Challenges of Consumer Cooperatives

Despite the significant roles that have been played by the cooperatives to create marketing opportunities for people, still there are some bottlenecks that retard their performances. Among the bottlenecks are low institutional capability, lack of market information, and poor members' participation in areas that include: financing the cooperative, and patronizing the business activities of the cooperatives (Ayenew & Mersha, 2018). In agreement with the above findings, Haileselassie (2003) noticed that insufficient capital, an unqualified management committee, a lack of desire to serve as a committee member, low member commitment, and member dissatisfaction with cooperative services are some of the barriers that impede the process of cooperatives attaining their goals. Not including members in the decision-making process, poor infrastructure facilities, low quality of goods and services, and inadequate supply were major challenges faced.

Ponduri & Kumar (2023) studied the prospects and retrospect of consumer cooperatives and found that government involvement, a lack of autonomy, and a lack of awareness of the coop's values, principles, and bylaws hinder cooperatives from increasing member participation. Besides, the lack of autonomy of the cooperative, the interference of administration, and a lack of finance were also seen as challenges. Mohammed & Lee (2014) stated that cooperatives lack knowledge, marketing, participation, and good governance.

There is also weak participation of members and marketing information and weak market linkage. Likewise, fewer women's participation in membership and leadership were also critical challenges. Cooperative leaders don't do a good job of encouraging member participation; they lack autonomy, are unaware of the coop's principles, values, and bylaws, and local government interferes with their efforts. The issue of youth participation must be addressed because these potential members are essential to the long-term viability of cooperatives (Ponduri & Kumar, 2023).

2.3 Historical Development of Consumer Cooperatives

2.3.1 Historical Development of Consumer Cooperatives in the World

The cooperative movement has advanced significantly in the last century. The movement has experienced aggressive expansion, an evolution of its philosophy and principles, as well as an explosion in the number of members. The cooperative movement has been introduced to all regions of the world, within numerous different environments (Gibson, Gould, & Kobluk, 2005). Cooperatives have undergone tremendous changes in the past 200 years. Regardless of their socio-economic development level, they are becoming more and more important to the economy and society of all parts of the world (Altman, 2009a).

The modern history of the cooperative began with the Rochdale Society of Equitable Pioneers in England, which was established in 1844. This was an early consumer cooperative and one of the first cooperatives to pay dividends, forming the basis of the modern cooperative movement. Despite other cooperatives coming before them, the Rochdale Pioneers' cooperative became the model for societies in Great Britain (Miriti, 2014). The original cooperative movement responded to the needs, stresses, and opportunities that resulted from social and economic modernization. These opportunities led to the development of co-operatives in Western Europe during the 1850s (Fairbairn, 1991). Consumer cooperatives developed at a dramatic pace during the 1850s in England, the heartland of industrialization and modernization (Melnyk, 1985).

Cooperatives were also established in Germany during this period, but not as consumer co-operatives. Small-scale co-operatives were developed based on agricultural needs in rural areas. Within the next two decades, Germany developed both regional and national agricultural cooperatives to assist their members in the production and marketing of their products (Fairbairn, 1991). A consumer cooperative is an enterprise that members own jointly for their mutual gain. It is a type of free business ownership where the focus is on providing services rather than maximizing profits. Consumer cooperatives are sometimes referred to as cooperative retail societies or retail cooperatives in various other countries.

It is important to distinguish them from retailer cooperatives, which are made up of retailers rather than customers (Hajela, 2010). There are many types of cooperatives. These are health care insurance and housing cooperatives, as well as credit unions, and agricultural and housing cooperatives. The primary distinction between consumer cooperatives and other types of businesses is that a consumer cooperative aims to deliver quality goods and services to consumers at the lowest price or cost.

Rather than sell goods and services at the highest price above cost consumers' cooperatives price goods and services at competitive market rates (Deres, 2017). Currently, cooperatives play a significant role in both the social and economic sectors, with around 1 billion members globally (WCM, 2022). It is believed that cooperative enterprise secures the livelihoods of nearly half of the world's population (ILO, 2015). Globally, consumer cooperatives contribute to 3–5% of GDP. They operate across many sectors, such as finance, insurance, food, housing, utilities, and education (Lamarre et al., 2012).

Consumer cooperatives contribute to a sizable portion of the global GDP and are active in various sectors. Consumer cooperatives in the USA, Switzerland, the Netherlands, and the UK cooperate to increase consumers' purchasing power and their utilities (Korpeoglu, 2021). Additionally, the Co-op Group is a large food cooperative in the UK, and the Co-op Bookshop is a large education cooperative in Australia. Consumer cooperatives differ from firms in two key aspects. First, despite business firms being controlled and governed by their shareholders, consumer cooperatives are owned and governed by their members, who are also their customers (Korpeoglu, 2021). Second, while enterprises try to maximize profits for the benefit of their shareholders, consumer cooperatives are not-for-profit entities that aim to maximize the benefits of their members (Lamarre et al., 2012).

2.3.2 Historical Development of Consumer Cooperatives in Ethiopia

Many developing nations, like Ethiopia, have encouraged the establishment of cooperatives as a way to solve problems, including unemployment, rural development, and the creation of income-generating activities (Wassie, 2020). In Ethiopia, the formation of cooperative societies began right after the Italian invasion and was started right after the Italian invasion consumer cooperative was organized in Addis Ababa in 1945. However, in Ethiopia, there has been no modern and well-organized cooperative since 1964 when the workers of Ethiopian Airlines established the first savings and credit cooperative.

During the reign of Haile Selassie, Cooperative Legislation No. 241/1966 was announced, and around 154 various cooperative types were established (Berhan & Gebeyehu, 2018). Under the Derg regime (1974–1991), various kinds of cooperatives were organized, promoted, regulated, and inspected by different ministries and institutions. During this period, Proclamation No. 138/70 was announced, which allowed the National Bank of Ethiopia to promote and organize cooperatives.

These cooperatives were not demand-driven and member-managed. There was fraud, embezzlement, and mismanagement (Kelemu & Hailegiorgis, 2014). Following the Derg regime's overthrow in 1991, the adoption of the Economic Reform Program (ERP) helped the organization, promotion, and development of cooperative societies within the framework of a free-market economy. This gave rise to the possibility of transforming cooperative societies into actual people's organizations, and as a result, many more cooperative societies rose in both urban and rural places (Bizuneh, 2017).

The Federal Democratic Republic of Ethiopia (FDRE) recognized the legality of cooperatives by Cooperative Proclamation No.147/1998. The current Cooperative Proclamation No. 985/2016, which replaced Cooperative Proclamation No. 147/1991, came into effect in December 2016 and governs cooperatives in Ethiopia. Over the past thirty years, Ethiopia's cooperative development has advanced significantly. Regardless of their success, the majority of cooperatives have encountered both internal and external obstacles that hinder development (Dayanandan & Huka, 2019). In Ethiopia, cooperatives are actively involved in a wide range of social and economic sectors, including finance, consumer goods, agro-processing, mechanization, and input and output markets. With ups and downs, the Ethiopian cooperative movement has grown in the previous years in terms of membership and finance. Even so, the membership is still far below its immense potential. The demand for people to join cooperatives has been progressively increasing (ICA-Africa, 2021).

2.3.2.1 Status and Distributions of Cooperatives in Ethiopia

The existence of a free market economy and the government's commitment to transforming the subsistence economy have established suitable circumstances for the development of volunteer-based cooperatives in the country. With all types of cooperatives in general and consumer cooperatives in particular, Ethiopia's cooperative development has advanced remarkably in terms of capital, membership, and cooperative numbers in recent years.

Until this time, the number of cooperatives in Ethiopia has increased dramatically to 105,073, with 24.5 million members and 32.7 billion Birr in capital. Among them, 5,846 are consumer cooperatives, and their membership is 2,141,532 (men 1,236,487, women 899,623), and their capital is 2.2 billion Birr and they are playing a big role in reducing poverty and improving people's economy by having input-output marketing, supply, and production of goods and commodities in various activities (FCC, 2024).

Table 2.1: The Total Number of Cooperatives in Ethiopia, Across Regions, as of February 2024

S.no	Regions	Number of cooperatives	Members		Total	Capital in Birr
			Male	Female		
1	Oromiya	26,430	7,837,435	3,710,377	11,547,813	10,721,217,853
2	Amhara	31,054	4,996,930	2,029,855	7,017,864	12,439,377,418
3	Tigray	5274	881,160	451,999	1,333,159	475,923,796
4	Hareri	424	24,147	15,957	40,104	154,386,722
5	Benishangul	1,701	72,297	49,326	121,591	283,402,429
6	Afar	1,422	47,436	31,007	78,433	79,010,594
9	Gambela	1,324	27,240	17,694	44,867	127,917,686
10	Somale	5,470	103,078	160,051	263,130	614,726,744
11	Dire Dawa	1,056	53,993	44,005	97,998	111,215,352
12	Addis Ababa	15,443	1,021,729	1,029,466	2,051,195	4,616,782,497
13	Sidama	2,127	318,966	193,371	512,302	897,053,777
14	Cen.Ethiopia	5,560	391,105	172,716	654,538	841,717,283
15	South West	2,845	189,271	87,697	266,964	412,433,961
16	Sou Ethiopia	4,943	386,016	163,972	542,349	945,242,445
	Total	105,073	16,350,803	8,157,493	24,572,307	32,720,408,557

Source: Compiled from Federal Cooperative Commission, 2024

Specifically, there are currently 5,846 consumer cooperatives in Ethiopia, with 2.1 million members and 2.2 billion Birr in capital. These cooperatives have also shown improvement in recent years. Here in the table below are the details.

Table 2.2: Summary of Consumer Cooperatives in Ethiopia Across Regions As of February 2024

S.no	Regions	Number of consumer cooperatives	Members		Total	Capital in Birr
			male	Female		
1	Oromiya	2,144	509,199	291,137	800,336	1,026,372,830
2	Amhara	464	177,600	113,027	290,627	92,134,333
3	Tigray	134	68853	38670	107,523	46,485,916.07
4	Hareri	46	3,138	3,133	6,271	16,794,545
5	Benishangul	74	3,442	2,985	6,427	6,442,220
6	Afar	159	4,567	1,973	6,540	9,989,965
9	Gambela	272	6,272	3,201	9,473	42,603,907
10	Somale	155	9,900	6,142	16,042	95,394,246
11	Dire Dawa	42	4,669	8,167	12,836	18,684,938
12	Addis Ababa	1,026	312,314	365,384	677,698	249,159,563
13	Sidama	395	48,257	24,739	72,996	419,462,441
14	Cen.Ethiopia	361	36,306	15,976	57,738	51,322,247
15	South West	179	31,224	11,685	42,909	36,558,297
16	Sou Ethiopia	395	20,746	13,404	34,116	53,091,793
	Total	5,846	1,236,487	899,623	2,141,532	2,164,497,242

Source: Compiled from Federal Cooperative Commission, 2024

Furthermore, Tigray possesses 5274 various cooperatives with 475.9 million Birr net capital and 1,333,159 members (men 881,160, women 451,999). Of these, 1134 are consumer cooperatives with a membership of 107,523 (men 68,853, women 38,670), and their net capital is 57.8 million Birr (TCMDA, 2021). Despite the limitations in the effectiveness of the cooperatives, they have shown tremendous improvements in the number of cooperatives, membership, and capital. The details are given below.

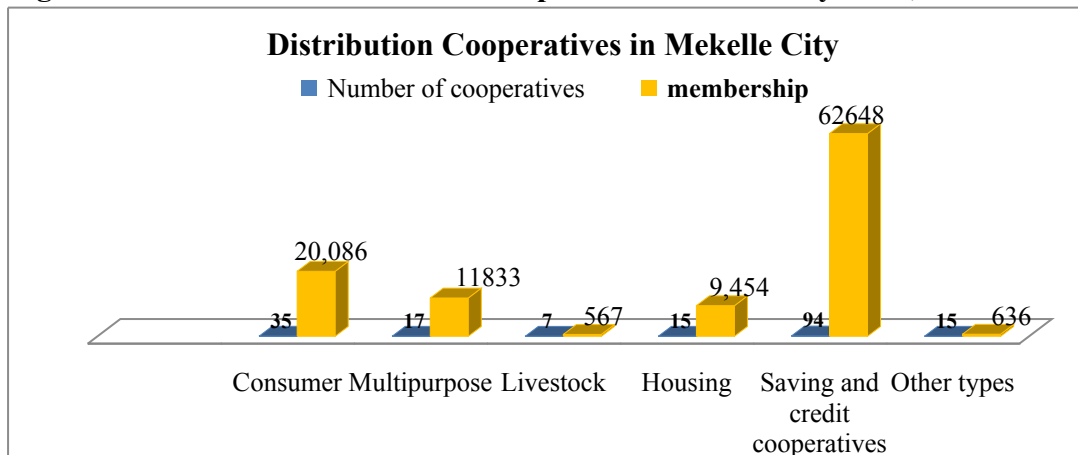
Table 2.3: Cooperatives Development by Type in Tigray Region

Sr.no	Types of cooperatives	Number of cooperatives	Membership		Total	Capital in Birr
			Male	Female		
1	Multipurpose	695	499,549	249,045	748,594	115,067,956
2	Livestock	1174	13,028	7,915	20,943	40,270,224
3	Irrigation	572	22,711	7,495	30,206	34,221,634
4	Natural resource	315	13049	8,073	21,122	6,082,096
5	Consumer	134	68853	38670	107,523	58,783,882.00
6	Housing	1367	17769	11509	29278	10,016,005
7	Saving and credit cooperatives	1017	246,201	129,292	375,493	211,481,999
	Total	5274	881,160	451,999	1,333,159	475,923,796

Source: Compiled from TCMDA, 2024

Specifically in the study area, Mekelle City, consumer, multipurpose, housing, livestock, savings, and credit cooperatives are the most common kinds of cooperatives. According to the Mekelle cooperative office report, consumer cooperatives are the most effective and organized cooperatives in the city, next to saving and credit cooperatives. A summary of the updates to their membership development and the number of cooperatives in the area is described below.

Fig 2.1: Status and Distribution of Cooperatives in the Study Area, Mekelle City

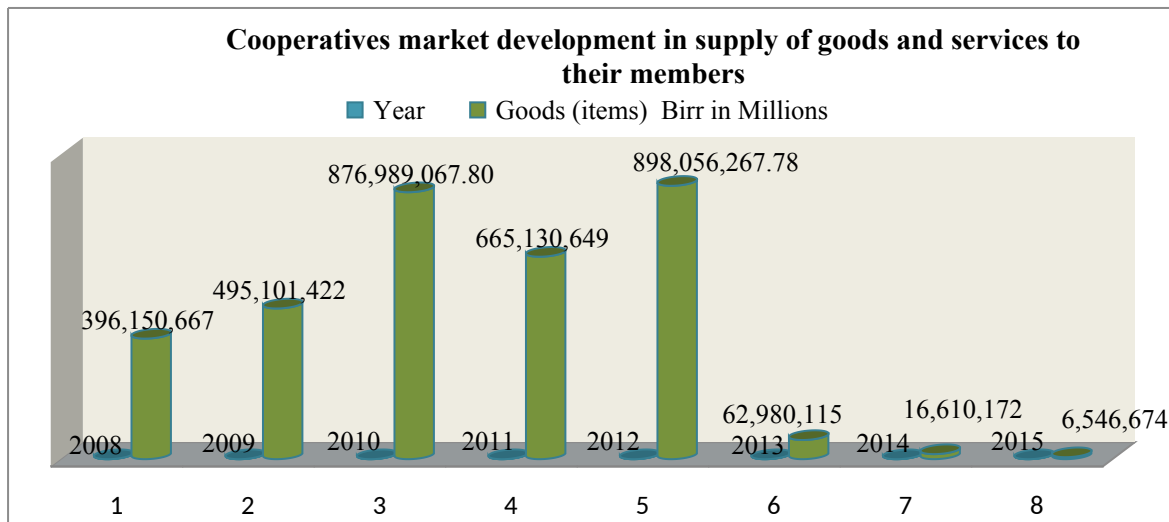


Source: Computed from TCMDA, 2024

2.3.2.2 Marketing Development and Performance of Cooperatives in the Tigray Region

Over the past ten years, cooperatives in Tigray have been delivering a range of marketing goods and services to their members. More than a million members benefited from that moment. The market's development and cooperatives' competence in terms of various goods and services in Tigray is depicted in Figure 3 below.

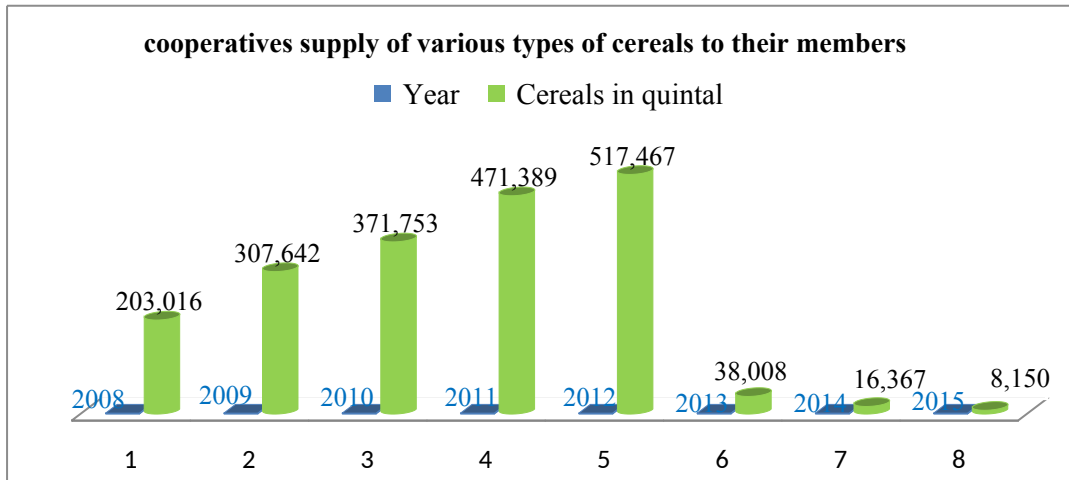
Fig 2.2: Tigray Cooperative Market Development in the Supply of Goods to Members From the Year 2008 to 2015 Ec



Source: Computed from TCMDA, 2024

From the above Figure 3, we can observe and analyze that starting from the year 2008 up to 2012, the five-year market performance of the Tigray cooperatives indicates that there has been tremendous growth in the supply of basic marketing goods and services in cooperatives. However, after the year 2012, it shows a gigantic decrease in the supply of goods and services to their members, which is due to the horrific and genocidal war conducted in Tigray. In addition to providing a range of products and services, Tigray cooperatives have been engaging in providing their members with a variety of grains. The market supply of grain performance of the cooperatives is described below.

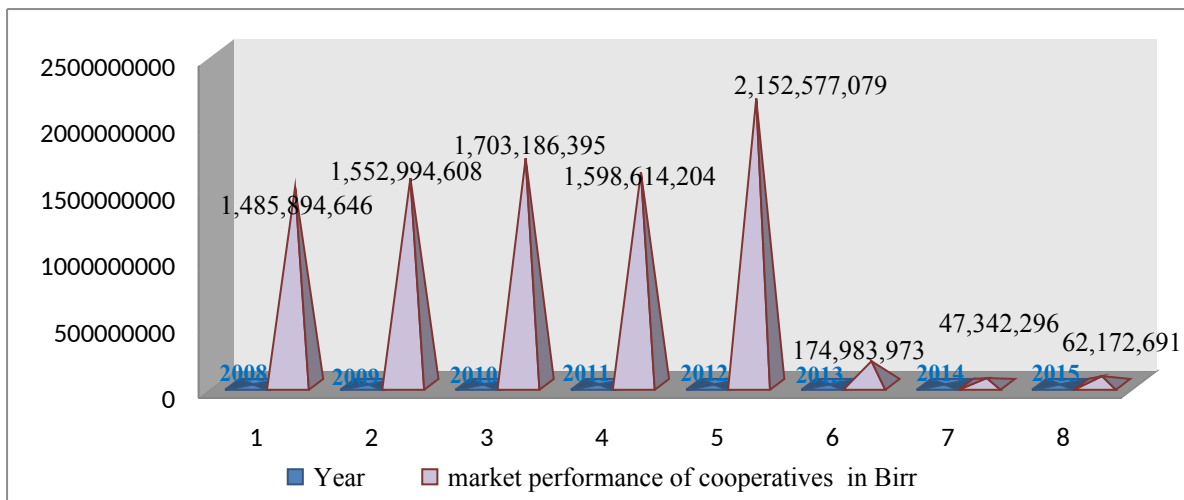
Fig 2.3: Cooperative Marketing Supply of Grains to Members From the Years 2008 to 2015 Ec



Source: Computed from TCMDA, 2024

We can analyze from the above figure 5 that Tigray cooperatives have been participating in delivering marketing goods, especially grains to their members to improve their livelihoods. The supply of cereals/grains has been enhanced for the years 2008 up to 2012. However, from 2013 up to 2015, there was a high decrease in the supply of grains due to the genocidal war conducted in Tigray.

Fig 2.4: Total Marketing Transaction and Sales Growth of Cooperatives in Tigray From the Year 2008 to 2015 Ec



Source: Computed from TCMDA, 2024

2.4 Empirical Studies on Consumer Cooperatives

Depending on the type of cooperative, many different factors can enhance the success and development of cooperative organizations. However, this study concentrated on the following indicators to measure the performance of consumer cooperative market development. The first objective assesses the application of the unique cooperative principles by the cooperative members. With the second objective, the marketing indicators such as market linkage, members' participation, members' cooperative knowledge, and economic motivation are considered to measure the cooperative market development. With the third objective, governance indicators such as board commitment, board communication, board gender diversity, board qualification, and government intervention are used to measure the operation of cooperative market development. Finally, it analyzes the critical challenges that affect the market development of consumer cooperatives. Therefore, based on these ways, each of the study variables is discussed below.

2.4.1 Consumer Cooperative Marketing Factors

A. Market Linkage Factor is a factor that contributes to cooperative market development. Good market access has been identified as considerably contributing to the development of cooperative marketing (Riyadi, 2019). Hence, market linkage factors such as market access, market information, value addition, supply of goods, and services to the market operation are regarded as important variables and included in this study.

According to Angasu, Melka, Alemu, Degaga, & Mechara (2019), cooperatives face challenges such as lack of market interest, lack of market information, insufficient capital, and low prices of the marketable commodities major constraints found in agricultural cooperatives. Many consumer co-operatives have limited access to affordable finance and are often not able to satisfy their consumers, who inevitably get demoralized and reduce their patronage. Not including members in the decision-making process, poor infrastructure facilities, low quality of goods and services, and inadequate supply were major challenges faced (Ponduri & Kumar, 2023). Furthermore, Mohammed & Lee (2014) found in their research that weak market connection, marketing information, cooperative marketing, participation, transparency, loyalty, and good governance are detrimental.

B. Member Participation: Active involvement of cooperative members is essential. When members actively participate in decision-making, contribute ideas, and engage in cooperative activities, it fosters a sense of ownership and commitment (Balo, 2021).

The position of members as owners and customers (identity) means that members have the highest authority, manifested in the form of meeting members. The management, as a member of the member meeting mandate, should respond responsibly to the trust given by the members. Member participation, both in the form of resources, decision-making, and utilization, is based on the trust of members (Darma, 2020). A study conducted by Österberg & Nilsson (2009) involving over 2000 Swedish farmers revealed that the success of the cooperative depends on the degree of participation of its members. In general, cooperatives' transparency and good governance promote discipline, independence, accountability, responsibility, fairness, and social responsibility (Chibanda, Ortmann, & Lyne, 2009).

Members' participation factor is perceived as the most significant factor that enhances the development of consumer cooperatives as compared to other factors (Debisa, 2023b). Effective governance of cooperatives depends on the proactive participation of members in the governance (Cechin, Bijman, Pascucci, Zylbersztajn, & Omta, 2013). Low participation of members is a clear indication that long-term business and social objectives cannot be achieved. Cooperative member participation is categorized into three types, namely **resource participation**, **decision-making**, and **benefits**. These three types of participation are related to each other. Members who do not benefit from cooperatives will not give up their resources. Likewise, the cooperative will not provide benefits to its members if the concerned do not participate in making decisions. Members should participate in business activities organized by cooperative operations. Member engagement with cooperative internal decisions through GA and board membership is vital; nevertheless, there is still a lack of comprehensive knowledge of member participation (Buang & Samah, 2021). Lack of participation by the youth is another issue that needs addressing because the long-term survival of cooperatives depends on these potential members (Ponduri & Kumar, 2023).

C. Members' Cooperative Knowledge is also the other factors that enhance the success of market development consumer cooperatives (Tarekegn, 2017). Cooperative principles are guidelines for cooperatives and co-operators as to how to conduct and operate cooperative business and management, and other affairs of the cooperatives. These principles help to strengthen the cooperative values. (Tarekegn, 2017). Failure of agricultural cooperatives was members' lack of information about the cooperative's concept, principles, rights, and duties as members, as well as the uniqueness of cooperatives with other types of enterprises in Abobo and Gog districts of Gambella Regional State, Ethiopia (Ojuni, 2017).

This idea is also supported by Beyene & Abebe (2013) and Yehdego (2020) that cooperative knowledge is very important for the success of cooperatives. This study assumes that the members' knowledge of cooperative concepts, principles, and values, awareness of members' rights and duties, and awareness of the benefits of active participation enhance the success of consumer cooperatives.

D. Economic Motivations: As members are economic actors, their first motivation to be a member of a cooperative is to gain economic benefits. Basic economic motives for cooperation are boosted bargaining leverage and less ambiguity about the input and output market access, reduced marketing costs, and the provision of technical assistance and credit. (Cechin et al., 2013). Patronage refund concerns the distribution of profits both in absolute and relative terms. There is a decision on how much of the profit will be distributed as patronage refunds and how much reinvested in the cooperative, and the decision on what the procedure is to distribute profit among members (Verhees, Sergaki, & van Dijk, 2015).

The three economic motivation indicators– **better prices, patronage refund, and technical assistance** – increased the likelihood of participating in the General Assembly (GA), that is, both a member being an occasional supporter and an involved member. However, they did not increase the likelihood of a member being proactive (Cechin et al., 2013). Membership motivations are often predominantly economic. Economic motivations for the organization could motivate members' votes and even determine action in the GA. When customers are already members of a cooperative, they decide to participate in the democratic process since they expect the cooperative will increase their economic benefits (Cechin et al., 2013).

2.4.2 Consumer Cooperative Governance Factors

The cooperative governance factor is the decisive element in the development of cooperative marketing. Neto (2006) stated that cooperative governance rests with the board of directors (directly elected). The board of directors is accountable for the cooperative's governance and the correct arrangement of its business (Puusa & Saastamoinen, 2023). Different researchers may use the governance indicators in different ways; however, this study uses governance indicators such as board commitment, board communication, board gender diversity, board qualifications, and government intervention to measure cooperative market development. Therefore, these are discussed in detail as follows.

A. Board Commitment refers to the willingness and ability to commit the necessary time to the coop. Failing to attend board sessions could result in removal and obedience to the overwhelming decisions of the board, and adherence to all policies that have been adopted, regardless of personal opinion (Berhan & Gebeyehu, 2018). The board has committed to regularly updating the coop's acts with members, regulators, and the public in the spirit of full openness (Santiaguel, 2023). For a cooperative to grow and develop, the members and board of directors must be honest, painstaking in their deliberations, and hardworking (Balo, 2021). Cooperative board leaders have poor contributions to increase members' participation, no knowledge of coop values, principles, and bylaws, a lack of autonomy, and the interference of local administration (Ponduri & Kumar, 2023).

B. Board Communication: Communication is a social interaction or more, wherein that interaction is an exchange of information, knowledge, news, or thoughts. Directors in a cooperative setting can communicate with members using a variety of methods that positively influence the success of consumer cooperatives (Suarta, Suparta, Gde Bidura, & Putri, 2020). Communication between board management and members is also very important for the development of cooperatives. Richards (2022) in his study found that communication has a positive and significant effect on enhancing the success of cooperatives. Excellent communication between members and board management was an important factor in the development of cooperatives. Board communications to members should promote transparency, and clear reporting, and ask for input and explanation for major decisions. Board members are members who avoid creating a divide between board and member work (Anania & Rwekaza, 2016). Effective communication helps the flow of information and feedback within cooperative organizations. Members were found to be informed of what is going on in their co-operative, like availability of inputs, prices, changes in policy, regulation, and laws relating to the co-operative, calls for meetings, receiving operational and financial reports, and other vital information (Anania & Rwekaza, 2016).

Well-informed membership has attracted participation and ensured transparency and accountability. Furthermore, the board members and management staff are always required to provide timely and appropriate information to the members. Zeuli & Cropp (2004) indicated that effective communication enables active members' participation, and members become aware of what is going on in their cooperative society and feel part of the organization. Communication between the cooperative board and members is an important factor in running a successful cooperative (Makri, Skandalou, Manthou, & Vlachopoulou, 2011).

Inappropriate communication among members, the board of directors, management, and the community is the primary reason for the cooperative to go bankrupt (Nkurunziza, 2019). Members become distant and inactive within the organization if they do not receive the information to clearly understand the cooperative value package (Arnall, 2016). Peng, Hendrikse, & Deng (2018) also found that members' good communication, access to timely and worthwhile information, the accuracy of messages, industry news, and market trends as highly important for the success of agricultural marketing cooperatives.

C. Board Gender Diversity: Gender diversity is increasingly recognized as a decisive element in corporate management (Wang, Ma, Xue, & Zhang, 2024). The gender diversity of the board is determined by dividing the percentage of female directors by the total number of board members. The performance of a firm can be improved by having a more diverse board of directors since it brings alternative ideas and insights (Wang et al., 2024). Female board members will contribute diverse viewpoints to the boardroom, which is not possible with all-male directors. According to Appiadjei, Ampong, & Nsiah (2017), there was a corresponding increase in net profit margin and return on equity for listed firms with a larger female board membership. Lu & Bao (2018) also found that gender diversity had a significant and positive effect on firm performance. Moreover, they stated that the effect exists only when there are more than two females on board. Furthermore, Mohammed & Lee (2014) in their study found that the fact that fewer women in leadership and membership was another significant obstacle in the cooperatives.

D. Qualification of Board Members: Education expertise is one important component affecting the board's performance. According to Rose (2007), if any members of the board have a university degree or comparable qualifications, it is assumed that they have the necessary human capital to understand and assess all of the information presented by the company's management body. It is further believed that skilled and qualified board members can successfully carry out the company's strategy. According to Bathula (2008), there is no evidence of a positive association between higher education and business performance, despite the norms requiring qualified board members. It instead demonstrates the need for firm-suitable skills. Darmadi (2013) further found that board members' educational backgrounds have a somewhat substantial effect on the performance of Indonesian listed companies, explaining that the return on assets with degrees from distinguished local universities is better than those without such qualifications.

E. Government Intervention: Has played an integral role in offering financial help, laws and regulations, and developing capacity, while also ensuring the autonomy and democratic functioning of cooperative organizations (Laxman & Ravi, 2023). In Ethiopia, the cooperative sector has been obtaining different support from the government, such as getting training and education, offering audits, inspection, organization, and promotion activities; exemption from income tax; and entitlement to obtain land for their operation (Yehdego, 2020). Cooperatives need appropriate government assistance to thrive. Government support may take the form of minor subsidies, enabling policy structures, and policy regulations. Debisa (2023) reported in his study that there were high government interventions in cooperative autonomy in the studied areas of Oromia Regional State, Ethiopia, which challenged cooperative organizational autonomy. Instead of intervening in cooperative movements, the government should focus on creating a conducive atmosphere for them. In Ethiopia, a study conducted by Dorgi (2017) found that the government intervened in cooperative society decisions and management. High government meddling in cooperative decisions and managerial matters discourages members from engaging in their cooperatives and causes the cooperatives to collapse.

2.4.3 Unique Cooperative Principles Factors

Cooperatives are ideal for the well-being of the members (Bhowmik & Chakraborty, 2019). Their responsibility to the membership goes beyond merely earning profit; it also seeks to protect the welfare of society (Llamas & Jomo, 2018). The cooperative model is a business endeavor unto itself, operating in the market based on its distinct set of ideas that support user ownership, user control, and user benefit (Samarasinghe & Jayawardana, 2023). Cooperatives have their own unique set of contemporary principles and are unique features of the cooperative business model. These are user-control, user-owned, and user-benefit (United States Rural Business/Cooperative, 2011).

Members of the cooperative own and oversee its capital. Their customer-owned business model keeps them strong even in economic downturns (Brief, 2015). Members of the cooperative are the owners and users of the society. By working together, they can reach an objective that would be unattainable if acting alone (Babalola, 2014; Balo, 2021). A cooperative is a unique business entity where members are both owners and beneficiaries of the services provided by a cooperative. Over the past century, several authors have examined and documented the use of cooperative principles. Despite minor variations in nomenclature among the lists, three principles stand out as being extensively acknowledged and applied.

These concepts are more than just common sense guidelines, policies, or customs. They distinguish cooperatives from other kinds of enterprises. Furthermore, they are recognized as prerequisites in State and Federal regulations that a business must fulfill to be categorized as a cooperative (Abd. Majid et al., 2022).

A. The user-benefits principle: Members join a cooperative to access markets, obtain services that would not otherwise be available, receive high-quality goods on schedule, or for other win-win situations. Members can benefit from economies of scale and bargaining power when they act collectively (Frederick, 1997). Members gain from sharing profits from cooperatively run businesses as well. Cooperatives pay profits to members in proportion to how much they utilize the organization when they create margins through effective operations and add value to products. These funds would have gone to other processors or middlemen in the absence of the cooperative (Frederick, 1997). According to Yure & Deyganto (2024), members of a consumer cooperative are user benefits since they receive advantages for joining the cooperative and improving their level of living.

B. The user-owner principle: A cooperative is owned by the individuals who use it. Because they are the owners of the assets, members are required to finance the cooperative in a way that allows it to continue operating. Obtaining enough capital is a significant obstacle that many cooperatives must overcome (Frederick, 1997; Ouma et al., 2012).

C. The user-control principle: Numerous studies indicate how cooperative principles like joint ownership and democratic control have helped cooperatives thrive during the crisis. A cooperative's members manage its operations as its owners. This influence is exerted through the members who are elected to the board of directors and vote at annual and other membership meetings (Brief, 2015). Regardless of their ownership of equity or level of support for the organization, members typically only have one vote. Due to their extensive usage, high-volume users might occasionally get one or more extra votes. By restricting the amount of extra votes that a single member may cast, equitable voting is frequently ensured. This safeguards the membership's overall democratic control (United States Rural Business/Cooperative, 2011). To choose directors and to approve proposed significant legal and organizational changes, only members can vote. The member-users own the authority to designate leaders and guarantee that the cooperative provides the services that members want. This keeps the cooperative concentrated on helping its members rather than making money for outside investors or aiming for other objectives (Frederick, 1997; Ouma et al., 2012).

According to Ouma et al. (2012), cooperative members own their businesses and are the primary customers of cooperative services. This renders the cooperative a resilient but also complicated business model. The user-owner principle states that those who own and finance the cooperative also use it. The user-control principle states that the cooperative is controlled by the people who use it. The user-benefits principle states that the cooperative's sole aim is to offer and allot benefits to users based on their use (United States Rural Business/Cooperative, 2011).

2.4.4 Research Gaps

It is important to note that the concept of consumer cooperatives has not been extensively studied in Ethiopia, particularly in the Tigray context. While there have been studies on agricultural cooperatives and their impact on farmers' livelihoods, little is known about the consumer cooperatives' contribution to market development. The research gap also lies in the absence of studies exploring the factors affecting cooperative market development and the challenges faced by consumer cooperatives in Mekelle. Identifying the barriers and enablers helps the success of these cooperatives. Prior research on consumer cooperatives has concentrated on their economic advantages, namely access to reasonably priced goods and income generation. The way consumer cooperatives develop their marketing activities and their governance is not well understood.

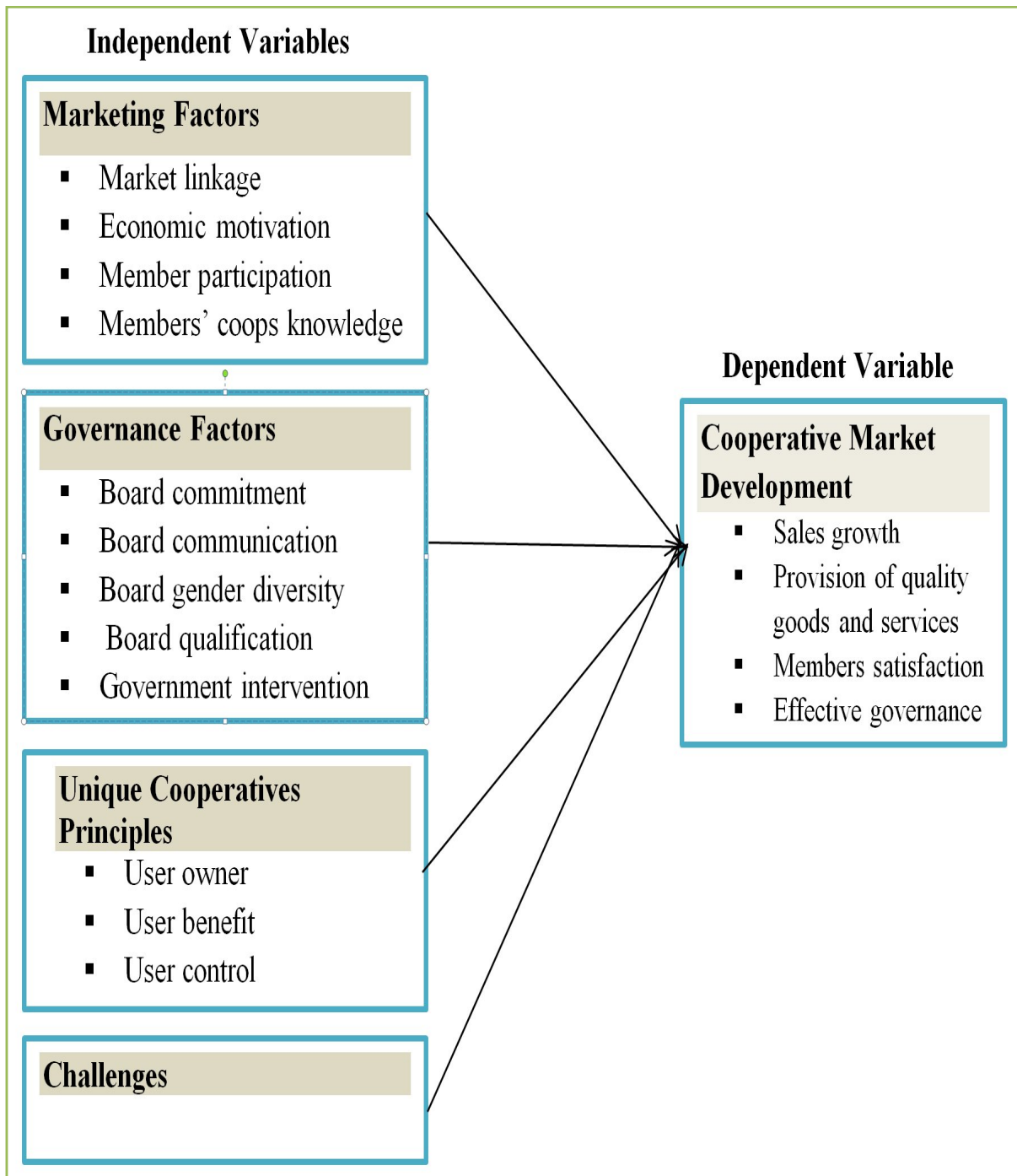
2.5 Conceptual Framework of the Study

The study's conceptual framework is established on the principle that consumer cooperative market development is influenced by several factors and that if those cooperative market development factors and elements are recognized, they could be employed to enhance the market development of the consumer cooperatives while also benefiting cooperative members. Hence, the variables listed below are established for this investigation.

In light of this, the market linkage factor, members' participation factor, members' cooperative knowledge, and economic motivation are the study's indicators for the first objective. Furthermore, the governance factors—such as board commitment, board gender diversity, board qualification, and board communication, government intervention—are important indicators for the second objective.

These factors are selected in consideration of the problems with ground practice and the gaps found in the problem statement, which were then discussed in the literature along with other studies. The study's variables are conceptualized graphically as follows.

Fig 2.5: Conceptual Framework of the Study



Source: Own Sketch, 2024

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this study, the researcher attempted to apply the following research methodologies, which are indispensable for the successful completion of the research. This chapter deals with the methods and approaches used in conducting the study. It presents the description of the study area, research approach, research design, sources, and types of data, the population of the study and sampling and sampling techniques, sample size, the instrument of data collection, methods of data analysis, validity and reliability of data, and ethical considerations.

3.2 Description of the Study Area

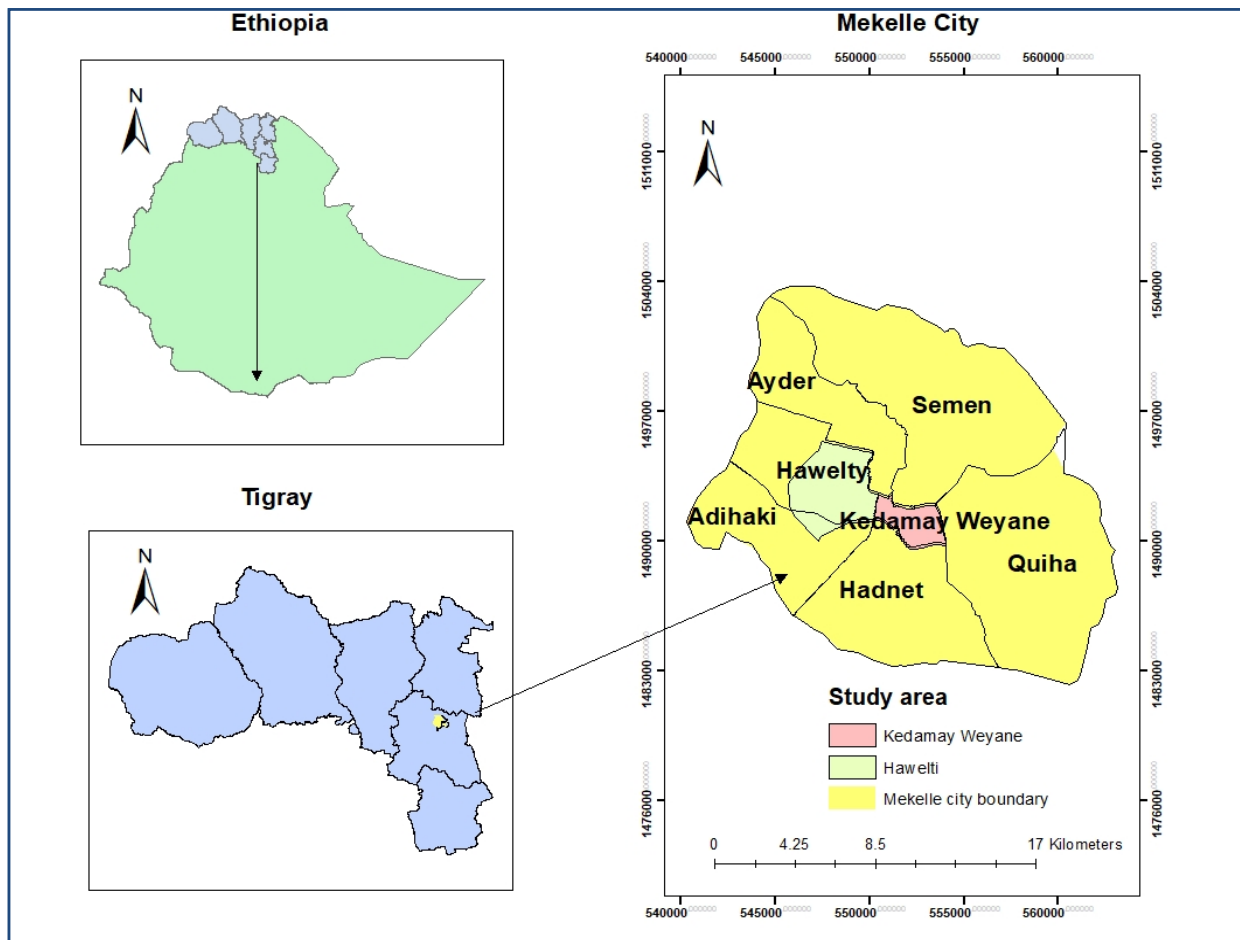
This study was conducted in the Tigray region (Northern Ethiopia), which extends from 128 to 158 north latitudes and 368 30' to 418 30' east longitudes (Zeweld, Van Huylenbroeck, & Buysse, 2013). Tigray region owns a total area of 54,634.24 sq. Km or 5,463,424.26 area hectares, and is surrounded by two regional states and two neighboring countries; to the east by the Afar regional state, to the north by Eritrea, to the west by Sudan, and to the south by the Amhara regional state. Tigray is divided into seven major administrative zones, of which Mekelle is one of these zones. The rest includes the Western zone, North-western, Central, Eastern, South-eastern, and Southern zones. Indeed, this time among the seven Tigray zones, the Western zone of Tigray is in the hands of aggressors which covers 9 Woredas with 13,800.69 sq. Km or 1,380,068.62 hectares. Additionally, from the North-western zone of Tigray, three woredas—Laelay Tselemti, May Tsebri Town, and Tselemti—are also occupied by the aggressors comprising 2764.2 sq. Km or 276416.4 hectares of land (CITG, 2024).

Within the seven administrative zones, there are 93 Woredas, and 687 “Tabiyas” or villages. (BoARD, 2021). The region had a total population of about 7,070,260 in 2020, of which 50.6 percent are females, and 80 percent are agriculturalists, contributing 46% to the regional GDP. The population density is highest in the highlands, particularly in eastern and central Tigray, and 48% of the lowlands are settled in significantly less crowded. Tigrayans are predominantly Orthodox Christians, making up 96% of the population (CSA, 2020). More than 27 percent of nearly 1.4 million people lived in absolute poverty and were food insecure, and more than half a million people received direct food relief support before the genocidal war conducted in Tigray. The war aggravated to deterioration of food insecurity and resulted in 76% of the population depending on emergency food aid (BoARD, 2021).

Due to the war crisis in Tigray, with an estimated 2.7 million people displaced, substantial migration from small towns and rural areas to major urban centers like Mekelle City, the capital of Tigray. In addition, a growing number of individuals who fled to rural areas during the crisis are returning to cities, including Mekelle. Due to this, by now, Mekelle is one of the overcrowded cities (BoARD, 2021). Mekelle was one of the fastest-growing cities in Northern Tigray of Ethiopia before the war crisis commenced. According to Mushir (2013), Mekelle is located nearly 780 kilometers north of Addis Ababa. The city is found in Ethiopia’s temperate highlands, at an elevation of more than 2,254 meters (7,395 ft.) above sea level.

Mekelle City covers an area of 32,295.31 hectares. The city is the regional capital of Tigray state, and its eastern side is bordered by the Enda-Eyesus Mountain, with the fault-block mountain tilted Ellala River to the north. The city’s typical annual temperature ranges from 14 to 34 degrees Celsius, with 575 to 650 cm of rainfall. The religious composition of the city is 93% Christian, with the remaining 7% Muslim and other various religions (Ali, 2012).

Fig 3.1: Map of the Study Area



Source: Dr. Shishay Kiros (Bureau of Urban Development and Construction), 2024

Mekelle's population has progressively increased. The population growth is mainly due to the massive migration of people from rural areas, and due to the genocidal war crisis, many people are displaced to Mekelle City. By now, it is one of the most densely populated cities in Ethiopia. The major components of the city's inhabitants are small-scale merchants, civil servants, and daily laborers (BoARD, 2021). According to World Population Review (2024), the Mekelle population is now estimated at 611,574. Mekelle has increased by 24,167 over the past year, or 4.11% annually. These figures refer to Mekelle's urban agglomeration, which normally consists of the city's inhabitants as well as nearby suburban districts.

Administratively, Mekelle is recognized as a special zone, which consists of seven sub-cities, namely Adi Haqi, Ayder, Hadinet, Hawelti, Kedamay Weyane, Quiha, and Semein. It is the economic, cultural, and political center of northern Ethiopia. The "three central sub-cities" of Mekelle—Kedamay Weyane, Ayder, and Hawelti—are the business hub of the city. In addition, the research area, Kedamay Weyane has 632.3 area hectares, and the Hawelti sub-city has 1583.4 area hectares of land (CITG, 2024). Kedamay Weyane is located in the north Semen sub-city, the west Adi Haki sub-city, and the east Enderta Woreda.

The population of the study area Kedamey Weyane sub-city consists of a total of 74,215, of these 37,573 males and 36,642 females, and the number of households is 22,489. Furthermore, the total population of the second study area Hawelti sub-city is 144,793 of these male 67,588 and 77,205 female, and the number of households is 34,559.

3.3 Research Design

The research design is the overarching strategy for connecting conceptual research challenges to relevant and feasible research. It explains what data is needed, what methods will be utilized to gather and analyze the data, and how all of this is going to answer your research question (Wyk, 2015). A descriptive research design offers a thorough explanation of an event within its context. Descriptive research design further encourages the use of both quantitative and qualitative aspects of the study, which entails information about the existing situations based on the correct findings (Mugenda & Mugenda, 2003). Therefore, the research design employed for this study was the descriptive research design with a quantitative and qualitative approach guided by instruments through questionnaires and interviews.

3.4 Data Type and Sources

In this study, the researcher used a mixed research approach or data type. The mixed qualitative and quantitative methods can provide a more comprehensive understanding of the research problem than using either method alone (Creswell, 2009). Therefore, to achieve the objective of this research, the researcher employed both qualitative and quantitative research approaches. To attain the objective of the study, both primary and secondary sources of data were used. Primary data, both questionnaire and interview instruments, were employed. The primary data was gathered from members of cooperatives through distributing questionnaires, and the interviews were also conducted with key informants. The collection of primary data was carried out via a questionnaire, and respondents gave data responses belonging to the Likert Scale questions where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree (Neutral), 4 = agree, and 5 = strongly agree. Likert scaling was widely employed by researchers, and they all concurred that it reduced bias-related issues and simplified data manipulation and analysis (Scherbaum & Shockley, 2015).

In addition to the primary data, the researcher used secondary data, which was collected from relevant published scientific papers and the main office of cooperatives. The primary hub for secondary data gathering was the consumer cooperatives' main office, together with other pertinent offices such as the Tigray Cooperatives and Marketing Development Agency (TCMDA) and the Tigray Bureau of Agriculture and Rural Development. The key informants' interviews were conducted with cooperative office experts at the Woreda and regional levels and the management committee of selected cooperative personnel.

3.5 Population of the Study

Population (universe) refers to any complete group that has some set of common characteristics, for example, people, areas, shops, or college students. The population element refers to an individual member of the population (Zikmund, Babin, Griffin, & Carr, 2010).

In Tigray, there are 7 administrative zones, including the Mekelle zone. Out of the seven administrative zones, Mekelle has the largest number of consumer cooperatives and is relatively more potential and functional than other areas. According to the Mekelle Cooperative Office (2024), among the seven administrative zones, Mekelle has 35 consumer cooperatives and within the two sub-cities Kedamay Weyane and Hawelti sub-cities, there are 13 consumer cooperatives comprising a total population of 3476 members. The target population in this study is the five consumer cooperatives, which comprised 2534 members.

3.6 Sampling Techniques

Once the relevant study design, population, and sample size have been determined, the other question that affects the researcher is how to choose respondents from the target population or sampling frame using the appropriate sampling method. Using the probability sampling (simple random sampling) technique, a sample of respondents was selected from the entire research population to minimize biases, assist in the generalization of data acquired from sample respondents, and prevent sampling errors.

Therefore, in this study, a simple random sampling (lottery method) was used to identify the respondents from the total frame, which was taken from the five cooperatives. Additionally, the five consumer cooperatives have been selected randomly. This method was used because it ensures that each number of the target population has an equal and independent chance of being included in the sample (Budnick, Kreutz, & Draeger, 2017).

3.7 Sample Procedure and Size Determination

A sample is a group of a relatively smaller number of people selected from a population for investigation purposes (Oribhabor & Anyanwu, 2019). To make research effective and credible, a reasonable portion of the population should be sampled. This would make for a reliable generalization of the findings (Noordzij et al., 2010). In this study, to choose a sample of responders from the entire study population, both probability (random) and nonprobability (purposive) sampling methods were employed. In probability sampling, it's possible to indicate the likelihood that each sampling unit was included; in contrast, non-probability sampling does not allow one to indicate the likelihood that any given unit will be included in the sample (Zikmund, 2003).

Hence, in this regard, out of the seven administrative zones in Tigray, Mekelle was selected purposively as a research area due to the potential, and best functional performance of the consumer cooperatives in comparison to other consumer cooperatives in the other administrative zones.

To conduct the study multi-stage sampling procedure was employed. **Firstly**, the Mekelle zone and the two sub-cities Kedamay Weyane and Haweltir sub-cities were purposively chosen for the study because of the potential and functionality of the consumer cooperatives. **Secondly**, there are 35 consumer cooperatives across Mekelle's seven administrative sub-cities. Of these within two administrative sub-cities Kedamay Weyane and Haweltir sub-cities, there are 13 consumer cooperatives found (Kedamay Weyane 7 and Hawelti 6), and of these five of them were randomly selected.

Thirdly, in conducting this study, it was difficult to obtain the entire population due to time and financial constraints. Therefore, the researcher concentrated on five consumer cooperatives and selected them at random to investigate the factors affecting the development of consumer cooperative marketing in the study area. Additionally, the 334 respondents (members) of the consumer cooperatives were taken from the five targeted consumer cooperatives (which have 2534 members) using the simplified statistical formula developed by Kothari (2004) as cited by Mohammed, (2019); Tewodros & Atnafu, (2018) and obtained the sample size of the study. This formula assumed a 95% confidence level (1.96) and a margin of error ϵ of 0.05. The sample size of the study is determined as follows.

$$n = \frac{pq N.Z^2}{(N-1) e^2 + Z^2 pq}$$

Where:

n = required sample size

Z = z value at 95% confidence level (1.96);

P = the population in the target population estimated to have characteristics being measured (50%); q = 100 – p =50%

N = target population

e = margin of error (0.05).

$$n = \frac{0.5 \times 0.5 \ 2534 \times 1.96^2}{(2534 - 1) 0.05^2 + 1.96^2 0.5 \times 0.5}$$

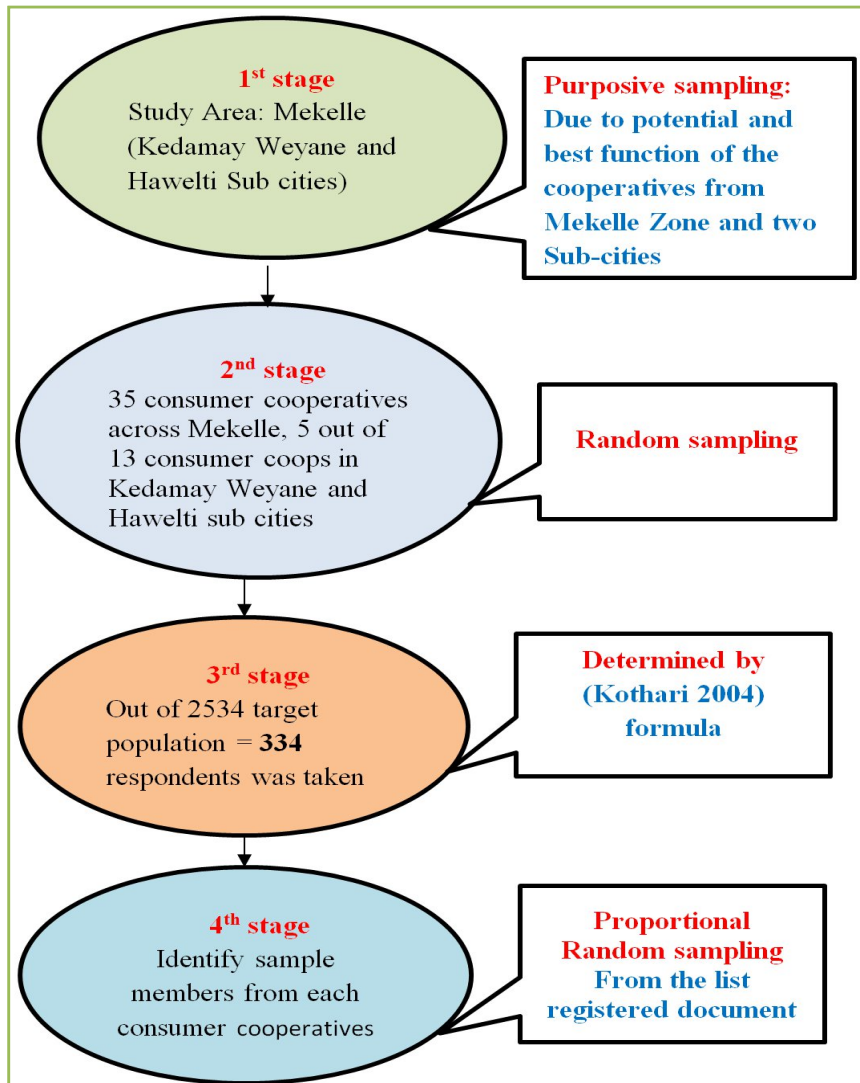
$$\text{Then } n = \frac{2433.6536}{7.2929} = 333.702 \approx 334$$

Table 3.1: Proportional Sample Distribution Across Consumer Cooperative

S.no	Sub-city	Name of Sample Consumer Cooperative	Population size	Own computation	Actual sample size
1	Kedamay	Addis alem	394	$(394 \times 334)/2534 = 52$	52
2	Weyane	Maebel kebele	320	$(320 \times 334)/2534 = 42$	42
3		Hareya	372	$(372 \times 334)/2534 = 49$	49
4	Hawelti	Segalu	946	$(946 \times 334)/2534 = 125$	125
5		Meadhi hizbi	502	$(502 \times 334)/2534 = 66$	66
		Total	2534		334

Source: Computed from Kedamay Weyane and Hawelti Cooperative Offices, 2024

Fig 3.2: Summary of Sampling Framework



Source: Own Sketch, 2024

3.8 Data Collection Methods

In this study, both questionnaire and interview tools were used for data collection. The data collection through questionnaires was taken from members of consumer cooperatives. The interview was also taken from the sample cooperative's management committees, Woreda, zone, and regional officials.

3.8.1 Questionnaires

A survey questionnaire is considered to be a suitable tool for data collection in this study because questionnaire surveys are essential to obtain first-hand information from people who participate in the research. The researcher used a questionnaire simply because the responses were collected in a standardized way, and information can be collected quickly. According to (Mollel, 2020), a questionnaire consists of a series of questions that must be answered by each person in a specific order.

The researcher developed questionnaires. He could not gather the questionnaire alone; therefore, five enumerators, or data collectors, who are familiar with the local language, culture, and cooperative concept, were employed. Data collectors were trained with the appropriate guidance and ethics on how to deal with respondents, the study's objectives, and the questionnaire's content.

In the meantime, the researcher assists, directs, and collaborates with the data collectors throughout the data collection process. A household survey was conducted with a total of 334 cooperative members. While distributing and gathering the questionnaires, the researcher worked continuously to ensure the questionnaire was completed. In addition, enumerators communicated with one another and reminded each other of any uncertainties they had when completing the questionnaires. Cell phone calls were also used with data collectors to communicate and remind them of any ambiguity faced with the filling of questionnaires.

3.8.2 Key Informant Interview (KII)

Key informants are respondents who have substantial knowledge relevant to the study. The KII is a vital tool for data collection. This method involves researchers speaking verbally with interview subjects to collect data. It is a method of collecting data through verbal communication between interviewees and researchers (Ajayi, 2017).

The main essence of KII was to cross-check the validity and reliability of the data collected through household surveys from the cooperative members and to reach scientific policy conclusions and recommendations. To achieve the study's objectives, the researcher used the KII to gather information and conduct in-person interviews with Woreda, Zone, and regional officials who were chosen via non-probability sampling (purposive sampling). The KII sessions were conducted in the Tigrigna language and then were translated into English.

Table 3.2: Number of Interviewees

S.no	Category	Interviewees
1	Cooperative management committee	5
2	Woreda cooperative officials	5
3	Zone cooperative officials	5
4	Regional cooperative officials	5
	Total	20

Source: Own Develop, 2024

3.9 Methods of Data Analysis and Presentation

After collecting the essential information from the respondents, the gathered data was analyzed by using quantitative and qualitative analysis methods. According to Budnick et al. (2017), quantitative data analysis is best for large data surveys. Data analysis is the process of cleaning and summarizing data so that it becomes information that can be easily interpreted, findings can be communicated easily, and conclusions made to support decision-making.

Therefore, in this study, quantitative data were analyzed using the Statistical Package for Social Sciences (SPSS) software version 27, while qualitative data were analyzed using narratives. Results are presented and analyzed using descriptive statistics comprising tables, percentages, graphs, the mean, and the standard deviation to make them ready for interpretation. To analyze the factors affecting the cooperative market development, the Pearson correlation and multiple regression model were carried out.

Table 3.3: Summary of Analytical Framework

Objectives of the study	Variables or indicators	Source of data used	Method of data analysis
Objective 1. To assess the practical application of the unique cooperative principles in enhancing cooperative marketing performance.	cooperative principles	Primary (questionnaires and interviews)	Descriptive Statistics
Objective 2. To assess factors influencing the cooperatives' marketing development in the study area	market linkage, members' participation, members' cooperative knowledge, and economic motivation.	Primary (questionnaires and interviews)	Pearson Correlation and Multiple Linear Regression
Objective 3. To examine how the governance factors affect cooperative marketing development in the study area	board commitment, board communication, board gender diversity, board qualification, and government intervention	Primary (questionnaires and interviews)	Pearson Correlation and Multiple Linear Regression
Objective 4. To identify challenges hampering the development of cooperative marketing in the research area.	Challenges	Primary (questionnaires and interviews)	Descriptive Statistics

Source: Own Develop, 2024

3.10 Definitions of Operational Variables

The word “variable” is often used in research operations. When designing research initiatives that involve quantitative analysis, it is important to define and identify the variables. In any research, a variable generates more enthusiasm than constants. As the name suggests, a variable is anything that changes. Variables include things like age, sex, income, family size, and class grades since each of these attributes fluctuates or is unique to certain individuals (Kaur & Mittal, 2021).

3.10.1 Dependent Variables

According to Kaur & Mittal (2021), the dependent variable is what happens as a result of the independent variable. A dependent variable is utilized to characterize or quantify the issue or result being studied. Therefore, the consumer cooperative market development, which includes the cooperative's sales growth, the provision of high-quality goods and services, member satisfaction, and effective governance, is the dependent variable for this study.

3.10.2 Independent Variables

The independent variable is the antecedent, and the dependent variable is the consequence. If the independent variable is active, we change the variable's values to investigate its effect on another variable. An independent variable is used to characterize or quantify the element that is thought to be the source of the issue or result, or to at least have an impact on it. Accordingly, the independent variable's influence or effect on the dependent variable is described or explained by the researcher who is using it. It is assumed that variance in the independent variable influences variability in the dependent variable (Giunchiglia, Maratea, & Tacchella, 2002).

Therefore, for this study, the marketing factors of the independent variables are taken as market linkage, members' participation, members' cooperative knowledge, and economic motivation. For governance factors, which include board commitment, board communication, board gender diversity, board qualification, and government intervention. For the cooperative principles, the perspectives of the independent variables are user-owner, user benefit, and user control.

3.11 Model Specification

To analyze the factors affecting consumer cooperative marketing development, the researcher used the determinant independent variables and factors that could affect the dependent variable (cooperative market development). Hence, to achieve the second objective, the researcher selects independent variables such as the market linkage factor, members' participation factor, members' cooperative knowledge, and economic motivation. Furthermore, for the third objective of the study, the independent variables such as board commitment, board communication, board gender diversity, board qualification, and government intervention.

Pearson correlation and multiple linear regression models were used in this study. According to Pal & Bharati (2019), multiple regressions are a bivariate correlation and regression produces an equation that describes the best predictor of a dependent variable from a collection of independent variables. When independent variables are associated with one another and with the dependent variable, regression analysis is used. To show the degree of change in the dependent variable attributable to the degree of change in the predictor variable, the Beta values were used, and it is simply a measure of how well the developed equation line fits with observed data.

Therefore, to answer the second and third objectives of the study, the researcher carried out a multiple regression analysis to determine the relationship between the different independent variables and the consumer cooperative market development (dependent variable) in the study area.

The regression equation: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \beta_9X_9 + e$: Where Y = Dependent variable (consumer cooperative market development), α = constant $\beta_1, \beta_2, \beta_3,$ and $\beta_4,$ = regression coefficients of independent variables.

X_1 = market linkage,

X_2 = members' participation

X_3 = economic motivation

X_4 = members' cooperative knowledge

X_5 = board commitment,

X_6 = board communication,

X_7 = board gender diversity,

X_8 = board qualification,

X_9 = government intervention, e = Error term.

Where Y = Dependent variable (consumer cooperative market development), α = constant $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8,$ and β_9 = regression coefficients of independent variables. e = Error term. Significant levels will be measured at a 95% confidence level, with significant differences recorded at a p -value < 0.05 .

3.12 Pilot Study

Prior to the main study, a pilot study was carried out to evaluate the validity of the data to be collected and the reliability of the study's tools, which are questionnaires. As suggested by Mrope (2018), a pilot study is an excellent way to determine the feasibility of the study and enables the researcher to adjust any observed weaknesses in the data collection tools before the actual survey is conducted.

Therefore, the pilot study was conducted with members of consumer cooperatives that are out of the sample consumer cooperatives. The researcher distributed a total of 20 questionnaires, and all of the questionnaires were filled in and returned. After the pilot testing, the instruments were modified by incorporating respondents' views as appropriate.

3.13 Validity and Reliability

3.13.1 Validity

The validity of research is the degree to which the requirements of scientific research methods are followed in the process of generating research results (Goodenough & Waite, 2012; Mohajan, 2017). The researcher used feedback, direction, and consultation from the research advisor and other relevant professionals in the cooperative field to validate the research instruments. These were crucial and helpful contributions. Consequently, the study's findings were reliable.

3.13.2 Reliability

Reliability is defined as the instrument's score remaining constant and stable when researchers utilize an instrument repeatedly at various times (J. W. Creswell & Creswell, 2017). A popular reliability coefficient called Cronbach's alpha is used to assess data internal coherence and consistency in identifying how test items relate to one another. The outcome of the Cronbach alpha is represented by a number between 0 and 1, and the value of reliability alpha of greater than 0.7 and composite & overall reliability greater than 0.60 is acceptable (Cronbach, 1951). In this study, the reliability of the instruments was assessed based on a coefficient ranging from 0 to 1. To test the reliability, the researcher used each item in the questionnaires.

Table 3.4: Reliability Statistics

S.no	Reliability Statistics		
	Variable Name	Value of Cronbach's Alpha	No. of Items
1	Marketing Factors	0.756	6
2	Members participation factor	0.923	5
3	Economic motivation factor	0.824	3
4	Members' cooperative knowledge factor	0.623	5
5	Board commitment factor	0.694	5
6	Board communication factor	0.669	5
7	Board gender diversity factor	0.832	5
8	Board qualification factor	0.838	5
9	Government intervention	0.626	5
10	User owner	0.948	5
11	User control	0.837	5
12	User benefit	0.604	5
	Total	0.765	59

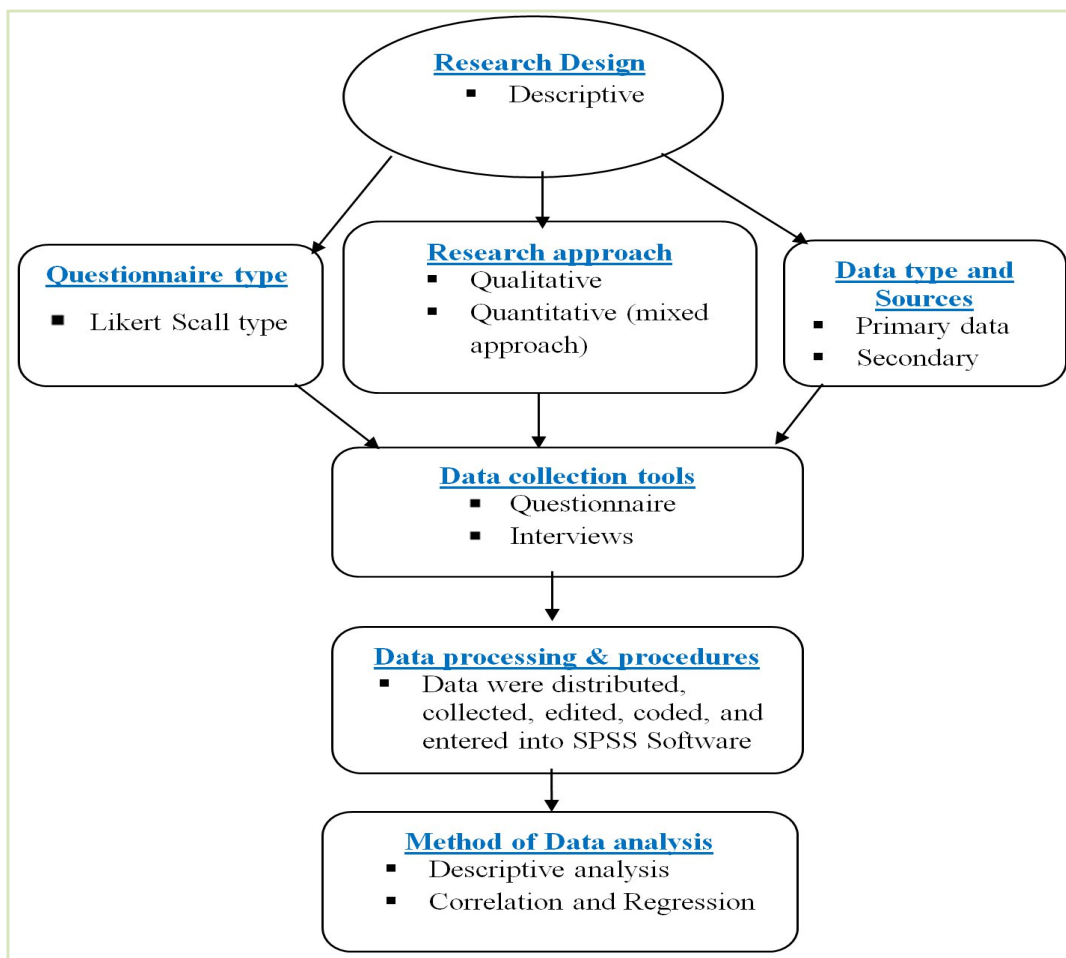
Source: Survey Data Own Computed, 2024

Based on Table 3.4 above, almost all the variables have nice consistency levels. Accordingly, the above Table states that the instrument taken from the pilot test has fine internal consistency.

3.14 Ethical Considerations of the Study

Ethics may foster principles such as fairness, accountability, trust, and respect for one another. These are all necessary for cooperation in the workplace. The concept of research ethics guides researchers on how to conduct and report their work without deceiving study participants. Ethical principles must be observed when conducting and reporting the study to determine the validity of the research (Resnik, 2015). Therefore, this research has adhered to a few ethical guidelines. During the field survey, the data collectors identified themselves with the respondents and discussed the purpose of the study. Additionally, they honor the respondent's ideas, culture, and values. This encourages participants to feel more comfortable sharing their views. Participants submitted ideas based on consent to engage in the research, and this helps to ensure the confidentiality of the real information provided by the participants. The other research discipline that was taken into consideration was maintaining the respondents' secrecy during their participation; further, pertinent information that the researcher secured was some of the ethical issues that this research took into account.

Fig 3.3: Summary of the Overall Research Design and Methods



Source: Own Sketch, 2024

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Questionnaire’s Response Rate

According to Budnick et al. (2017), a response rate of 50% is good, 60% is very good, and more than 70% is regarded as excellent for data analysis. Therefore, in this study, out of the 334 questionnaires distributed for this study, the majority were completed and returned, achieving a response rate of 98.8%, and 1.2% of the questionnaires were not returned. This reveals that there was an excellent response to questionnaire returns, which was sufficient for data analysis.

Table 4.1 Questionnaire Response Rate

No	Sub-city	Name of Sample Consumer Cooperatives	Questionnaires	Returned questionnaires	The Response Rate in %
1	Kedamay Weyane	Addis Alem	52	52	100
2		Maebel kebele	42	40	95.2
3		Hareya	49	47	95.9
4	Hawelti	Segalu	125	125	100
5		Meadhi hizbi	66	66	100
		Total	334	330	98.8

Source: Field Survey, 2024

I the above Table 4.1 indicated that the questionnaires’ response rate was pleasing due to the effective training of data enumerators and consistent data collection, in which the researcher personally administered questionnaires to data collectors in person, and in most cases, the researcher made calls, sent messages to enumerators to confirm, and checked the questionnaire filling.

4.2 Demographic and Socio-economic Characteristics of Respondents

The demographic information of respondents, which helped the researcher to know the characteristics of respondents, is summarized and discussed in Table 4.2 below.

Table 4.2 Summary Demographic Characteristics of Respondents

Demographic questions	Category	Frequency	Percent
Age	18-29	240	71.9
	30-45	86	25.7
	46-65	8	2.4
	Total	334	100.0
Sex	Male	211	63.2
	Female	123	36.8
	Total	334	100.0
The educational level attained	Illiterate	22	6.6
	Primary 1-8	106	31.7
	Secondary 9-12	152	45.5
	Degree	46	13.8
	Master and above	8	2.4
	Total	334	100.0
years of membership in the consumer cooperative	below 1	22	6.6
	1-2	20	6.0
	3-4	75	22.5
	5 & above	217	65.0
	Total	334	100.0
Marital status	Single	39	11.7
	Married	229	68.6
	Divorced	31	9.3
	Widowed	35	10.5
	Total	334	100.0
Current occupation	Government employee	174	52.1
	Small business	83	24.9
	Daily workers	54	16.2
	No occupation	23	6.9
	Total	334	100.0

Source: Field Survey, 2024

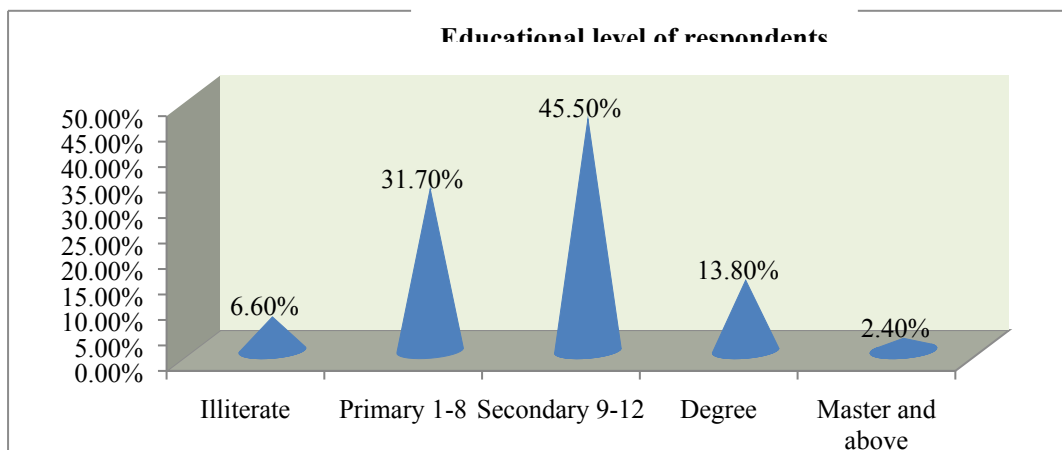
To commence with the age of respondents, respondents were asked to indicate their age and categorized the age into a category where the founding Table 4.2 showed that the majority of respondents were between 18 to 29 years old 71.9%, and the other portion 25.7% aged between 30 to 45 years, whereas only 2.4% were in between 46 to 65 years.

This reveals that the majority of respondents were in the young, middle-aged group dominating consumer cooperative membership, who are at a productive age and could actively participate in the marketing performance of the consumer cooperative.

Regarding the sex of respondents, the respondents were requested to indicate their sex as shown in Table 4.2 above, where 63.2% are male and 36.8% of the respondents are female. This indicates that consumer cooperative membership is dominated by males participation in marketing activities and services of the consumer cooperatives.

When it comes to the educational background of the sample consumer cooperatives respondents, as shown in Table 4.2, the majority of respondents revealed that they had a secondary level, represented 45.5%, and the primary level represented 31.7%, whereas a significant number of respondents were illiterate, represented with 6.6%. The remaining 13.8% and 2.4% hold a Degree and a Master respectively. This indicates that the majority of respondents who joined consumer cooperatives (77.2%) were in elementary and high school. Surprisingly, significant numbers of respondents were degree and above which could positively influence the marketing performance of consumer cooperatives. Graphically, this can be presented as in Fig.4.1 below.

Fig 4.1: Educational Level of Respondents



Source: Field Survey, 2024

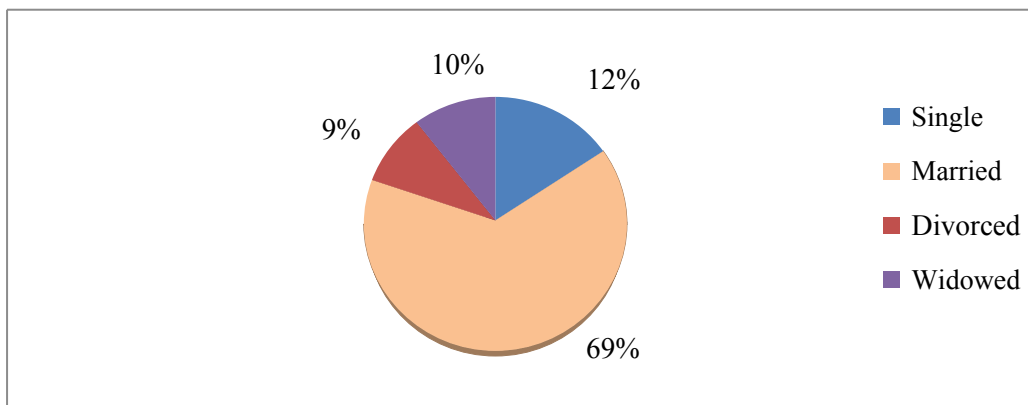
As for the duration of membership in consumer cooperatives, initially, the respondents were asked to respond for membership years and revealed that 65% of respondents had 5 and above years of membership, 22.5% of respondents had 3 to 4 years of membership, 6.6% of respondents had less than 1 year of membership, whereas only 6 % of respondents experienced below 1 year of membership. The years of membership of the members were highly found to be 5 and above.

This reveals that the majority of the respondents are experienced in consumer cooperatives, and they possess knowledge and know-how on what is going on in the cooperative and its performance.

Regarding the marital status of respondents, as indicated in Table 4.2 above, the majority of respondents were married, which covered the highest percentage of 68.6%, but 11.7 % of them were single. On the other side, the widowed represented 10.5%, and only 9.3% were divorced.

The result shows that the majority of respondents categorized as the married group joined consumer cooperatives to earn income and services through marketing activities in buying and selling of the consumer cooperatives to sustain basic needs. Graphically, this can be presented as in Fig 4.2 below.

Fig 4.2: Marital Status of Respondents

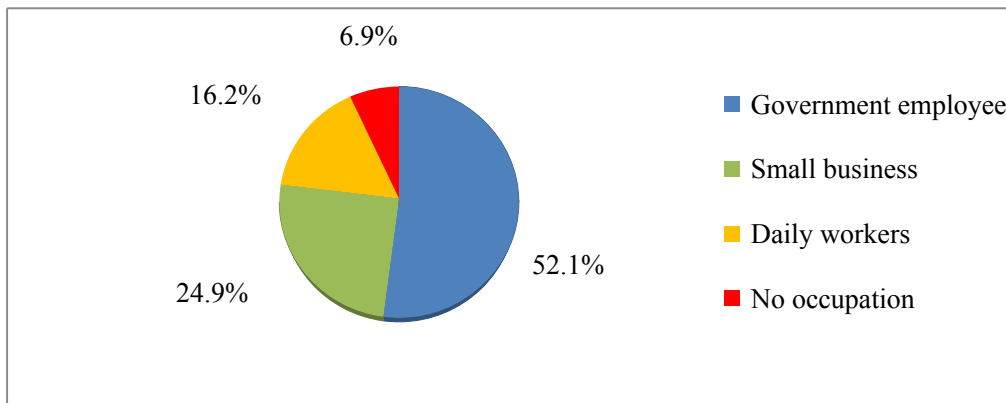


Source: Field Survey, 2024

Concerning the occupation status of respondents, the respondents were asked if they have an occupation and in which types of occupation classes they are employed. As indicated in Table 4.2, the majority of respondents were employed in government which accounts for around 52.1%. And 24.9% of the respondents were small businesses. On the other side, 16.2% of respondents were daily workers, and only 6.9% of respondents didn't have any occupation.

This shows that consumer cooperatives were established and rendered services to different occupational classes, and 93.1% of respondents are employed and have a means of permanent income for engaging in marketing development activities of the consumer cooperatives. This is displayed graphically below.

Fig 4.3: Graph of Occupation of Respondents



Source: Field Survey, 2024

4.3 Analysis Investigation of Factors Affecting the Consumer Cooperative Marketing Development

This study, which focused on investigating factors affecting cooperative market development, has four main specific objectives that are analyzed below.

4.3.1 Assessing the Practical Application of the Unique Cooperative Principles

Cooperative principles are classified into two types: internal and external principles; however, in this study, we only looked at the unique internal principles, such as user control, user owner, and user benefits. And this single objective of the study could have a determining value in achieving the market development of the consumer cooperatives. Therefore, depending on the findings of the research questions, the analysis and interpretation have been conducted based on the five Likert scale responses and mean values and Standard Deviation (SD) of the outcomes which are presented below.

Table 4.3: Perception of Households on the Unique Consumer Cooperative Principles in Enhancing Consumer Cooperative Marketing Development

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Yearly auditing of our consumer cooperative helps members know and control their resources (user control)	No	58	196	17	47	16	334	2.30	1.063
		%	17.3	58.7	5.1	14.1	4.8	100		
2	The availability of clear audit and financial reports of our consumer cooperative builds high trust and transparency between members and the board of directors (user control)	No	54	176	20	73	11	334	2.43	1.099
		%	16.2	52.7	6.0	21.9	3.3	100		
3	In general assembly voting is conducted by members on a democratic or principle basis, "one person one vote" (user control)	No	4	26	15	237	52	334	3.92	0.784
		%	1.2	7.8	4.4	71	15.6	100		

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
4	Members of the consumer cooperative are satisfied with the cooperative from the supply of goods and services based on their demand". (user benefit)	No	53	160	29	86	6	334	2.50	1.093
		%	15.9	47.9	8.7	25.7	1.8	100		
5	Net earnings (dividends) are distributed to patrons as refunds based on share capital and members' transactions (user benefit)	No	69	177	23	56	9	334	2.28	1.056
		%	20.7	53.0	6.8	16.8	2.7	100		
6	Members of the cooperative exhibit well-being and progress in their livelihood after joining the consumer cooperative (user benefit)	No	9	28	4	220	73	334	3.96	0.899
		%	2.7	8.3	1.2	65.9	21.9	100		
7	Members own resources and finance their cooperative (user-owned)	No	7	71	42	196	18	334	3.44	0.953
		%	2.1	21.3	12.6	58.7	5.4	100		
8	Members of the cooperatives are the decision-makers on major issues of the cooperatives (user-owner)	No	4	58	33	221	18	334	3.57	0.880
		%	1.2	17.4	9.9	66.2	5.3	100		

Where: SD= strongly disagree, DS= disagree, N= neutral, A= agree, SA= strongly agree
Source: Field Survey, 2024

Coming up with the analysis using the Likert scale and the mean value interpretation is important in this research. Therefore, according to [Boone & Boone \(2012\)](#), Likert scale items can be analyzed by calculating a composite score (sum or mean) from four or more Likert-type items. Hence, the mean score and its interpretation based on commonly used tools are shown in Table 4.4 below.

Table 4.4 Interpretations of Mean Score

No.	Mean Score Range	Interpretation
1	1.00-1.80	Strongly disagree
2	1.81 - 2.60	Disagree
3	2.61 - 3.20	Neutral
4	3.21 -4.20	High /agree
5	4.21-5.00	Very/ strongly agree

Source: [\(Moidunny, 2009\)](#)

To start with the first question, the respondents requested that "yearly auditing of the consumer cooperatives helps them to know and control their resources". Accordingly, Table 4.3 indicates that 196 (58.7%) of respondents disagreed with the observation, 58 (17.3%) respondents strongly disagreed, 47 (14.1%) agreed, whereas 17 (5.1%) and 16 (4.8%) of respondents were neutral and strongly agreed, respectively.

The mean value and SD of this single item acquired from scientific calculation are 2.30 and 1.063, respectively. The result indicates that the sample consumer cooperatives are not audited yearly, and members do not have the know-how and control over their finances. We can conclude from this that members are unclear about their resources, which results in members' lack of user control principle over their resources and negatively affects the cooperative marketing development. According to the Key Informant Interviews (KII), the cooperatives are not being audited because of a shortage of auditors, which makes members suspicious of their cooperative resources.

Secondly, the respondents were questioned via questionnaires with the statement "The availability of clear audit and financial reports of our consumer cooperative builds high trust and transparency between members and the board of directors. Depending on Table 4.3 indicates that 176 (52,7%) of respondents witnessed and disagreed, 73 (21.9%) agreed, whereas 54 (16.2%) of respondents strongly disagreed, 20 (6%), and 11(3.3%) were neutral and strongly agreed respectively. The mean and SD for this item are 2.43 and 1.099, respectively.

The results show that the majority of respondents believe that, due to the lack of audits and financial reporting, members are unable to create trust in the board. This implies that the lack of comprehensive auditing and financial reporting causes distrust between members and the board of directors and a loss of user control principle which has a detrimental impact on cooperative market development.

When it came to the third question the respondents were asked via questionnaires to show their level of agreement towards " In general assembly voting is conducted by members on a democratic or principle basis "one person one vote" Hence, the result in Table 4.3 reveals that 237 (71%) of respondents agreed with the observation and 52 (15.6%) of respondents strongly agreed, while 26 (7.8%) of respondents disagree and 15 (4.4%) and 4 (1.2%) strongly disagree and neutral respectively. The mean value of the item is 3.92, and its SD of 0.784 which displays with high level of agreement.

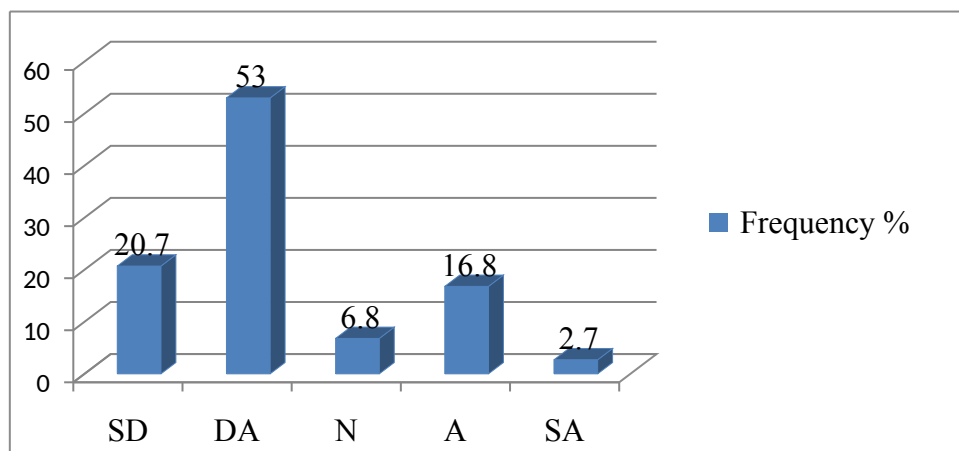
The outcome reveals that cooperative elections in general assembly meetings and decision-making processes are conducted basically on the basis of one person, one vote, which helps them control the dominance of the rich over the poor. This implies that, no matter how much share capital they have invested or how much they patronize the cooperative, members have equal voting power.

From this, we can deduce that members have the power to vote democratically, exercise their rights at general assembly meetings, uphold the user control principle, and help the consumer cooperative sustain market development.

Further, respondents were asked to indicate their level of agreement with the statement "Members of the consumer cooperative are satisfied with the cooperative from the supply of goods and services based on their demand." The outcome in Table 4.3 suggests that 160 (47.9%) of respondents are in disagreement, 86 (25.7%) are in agreement, while 53 (15.9%) of respondents strongly disagreed, 29 (8.7%) are neutral, and the rest 6 (1.8%) strongly agree. The mean value of the item is 2.50, and its SD of 1.093, which shows a high disagreement. The findings imply that members are dissatisfied with the cooperative's service and supply of goods, which could have a negative influence on the business transactions with the cooperative. We can conclude that the cooperative's service rendering and supply of goods is poorly practiced, and members are obviously and practically not the user benefit of the cooperatives.

Additionally, the respondents were requested to show their level of agreement with the statement "Net earnings (dividends) are distributed to patrons as refunds based on share capital and members transactions" The result in Table 4.3 shows that 177 (53%) disagree and 69 (20.7%) strongly disagree, while 56 (16.8%) agree, 23 (6.8%) neutral and 9 (2.7%) strongly agree. The mean value of the item is 2.28, and its SD is 1.056, showing a high level of disagreement. This can be presented graphically below.

Fig 4.4: Net earnings (dividends) Distributed to Patrons Based on Share Capital and Members' Transactions



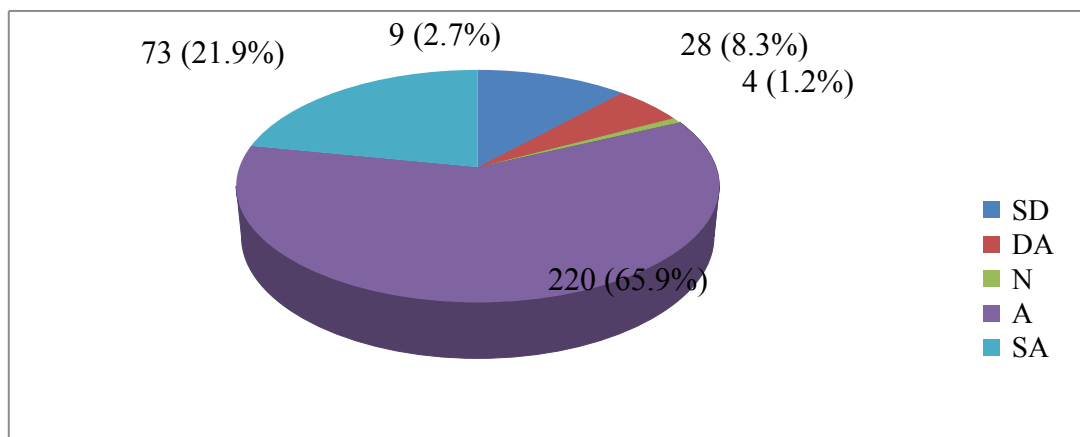
Source: Field Survey, 2024

The outcomes of this study reveal that the majority of members of consumer cooperatives do not get dividends either on share capital or on a patronage basis from the cooperative.

This implies that members of the cooperatives do not user benefit from dividends, which could lead to the conclusion that members' sense of ownership and user benefits of the cooperative have been weakened.

Furthermore, the respondents were asked to indicate their level of agreement with the statement "Members of the cooperative exhibit well-being and progress in their livelihood after joining the consumer cooperative. As a result, Table 4.3 indicates that 220 (65.9%) of respondents agreed and 73 (21.9%) strongly agreed, whereas 28 (8.3%) disagreed, 9 (2.7%) and 4 (1.2%) of respondents strongly disagreed and were neutral, respectively. The mean value for this item is 3.96, and its SD is 0.899 which shows a high level of agreement. This can be presented graphically below.

Fig 4.5: Members of the Cooperative Exhibit Well-being and Progress in their Livelihood After Joining the Consumer Cooperative



Source: Field Survey, 2024

The findings of this study reveal that the majority of respondents highly believe that their livelihoods have improved after joining cooperatives. This implies that members of consumer cooperatives are in a favorable position and have a strong connection to the cooperative's user benefit concept. This finding is in agreement with the findings of [Yure & Deyganto \(2024\)](#) who studied the role of consumer cooperatives in improving the livelihoods of members in Ethiopia, Hawassa Zuria Woreda, found that members of consumer cooperatives showed significant improvements in their lives after joining the consumer cooperative and shows that adhering to the cooperative's user benefit principle.

Also, respondents were asked to indicate their level of agreement with the statement "members own resources and finance their cooperative. Accordingly, the results in Table 4.3, 196 (58.7%) majority of them agreed, 71 (21% disagreed, and 42 (12.6%) were neutral. Whereas 18 (5.4%) and 7 (2.1%) strongly agreed and strongly disagreed, respectively.

Its mean value is 3.44 and SD is 0.953, indicating a good level of agreement. This data suggests that the majority of respondents are convinced that members own their resources and finance the cooperative. This signifies that members contribute significantly to the cooperative's finances, own their cooperative resources, and adhere to the user-owner principle.

Lastly, respondents were requested to assess their level of agreement with the statement "members of the cooperatives are decision makers on major cooperative issues." Based on Table 4.3, 221 (66.2%) agreed, 58 (17.4%) disagreed, and 33 (9.9%) remained neutral. While 18 (5.3%) strongly agreed, 4 (1.2%) strongly disagreed. The mean value is 3.57, and the SD is 0.880. As per the findings, the majority of respondents thought cooperative members made decisions for their cooperatives. This implies that members are powerful decision-makers who rigorously implement the user-owner principle.

4.3.2 Assessing Marketing Factors Influencing the Consumer Cooperatives' Marketing Development

Assessing the market factors influencing the cooperatives' marketing development is the second objective of the study. The constructed marketing indicators of this objective are market linkage, member participation, economic participation, and member cooperative knowledge. Hence, the outcome of this study is depicted below.

Table 4.5: Descriptive Statistics of Market Linkage

S.No	Variable Description		Frequency						Mean	Standard Deviation (SD)
			SD	DA	N	A	SA	Total		
1	The cooperative has availability of market information, and members have access to market information	No	104	132	11	58	29	334	2.33	1.210
		%	31.1	39.5	3.3	17.4	8.7	100		
2	The consumer cooperative has strong market transactions with unions and other organizations	No	134	112	12	61	15	334	2.13	1.248
		%	40.1	33.5	3.6	18.3	4.5	100		
3	The cooperative participated in value addition, grading, and processing of marketing products	No	2	77	98	147		334	3.93	1.202
		%	6	23.1	29.3	44.0		100		
4	In practicing the marketing linkage, the cooperative has its strategic business plan.	No	23	157	15	64	75		3.23	1.356
		%	6.9	47.0	4.5	19.2	22.5			

Source: Field Survey, 2024

The findings from Table 4.5 above reveal that the majority of the respondents, 132(39.5%), with a mean value and SD of 2.33 (1.210), disagree with the cooperative availability of market information and members having access to it.

The majority of respondents 134 (40.1%), with a mean value of 2.13 and an SD of 1.248, strongly disagree that the consumer cooperative has strong market transactions with unions and other organizations. Furthermore, 147 (44%) of the respondents expressed their level of agreement in that they agreed with the mean value and SD of 3.93 (1.203), and the cooperative participated in value addition, grading, and processing of marketing products. Finally, the majority of respondents 157 (47%), with a mean value and SD of 3.23 (1.356), disagree with having the cooperative's strategic and business plan. From the findings, we can conclude that the cooperative and its members lack market information, and members didn't have access to it which could hamper the market development of the cooperatives.

Likewise, cooperatives' market transactions with unions and other organizations are shown to be inadequate, implying that poor marketing transactions will seriously hamper the cooperative's market development. However, the sample cooperatives are in a good position to be involved in value addition and processing marketing products, but they lack a strategic and business plan document, implying that they may lack direction on where to go and what to do, both long and short-term programs.

According to the Key Informant Interview (KII), despite cooperatives' strong desire to value addition and practice processing to marketing products, they have weak interaction between primary and union cooperatives, as well as a lack of coordination in market transactions and availability of marketing information. This was mainly attributed to a lack of strategic business plan development, which could undoubtedly affect cooperatives.

Table 4.6: Descriptive Statistics of Members' Participation

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)
		SD	DA	N	A	SA	Total		
1	Active youth participation in cooperative membership and market transactions	No	3	156	20	119	36	2.58	1.006
		%	.9	46.7	6.0	35.6	10.8		
2	Active members' participation in approving the bylaw, annual work plan, and work report.	No	9	78	25	205	17	3.43	0.989
		%	2.7	23.3	7.5	61.4	5.1		

Source: Field Survey, 2024

The result from above Table 4.6 shows that the majority of respondents 156 (46%), with a mean and SD of 3.58 (1.006), disagreed with active youth participation in cooperative membership and market transactions; however, when it comes to active members' participation in approving the by-law, annual work plan, and work report, the majority of respondents 205 (61.4%), with a mean and SD of 3.43 (0.989), agreed. This leads us to the conclusion that youth participation in cooperative membership and marketing activities is minimal. This implies that the cooperative's long-term viability will be impeded and have an influence on its market development.

The Key Informant Interview (KII) confirms that despite members actively participating in general assembly meetings to approve bylaws, work plans, and reports, youth engagement in cooperative membership and market transactions was significantly low. This is due to a lack of understanding of the benefits of cooperatives for the community, particularly among youths. This finding is consistent with the findings of [Ponduri & Kumar \(2023\)](#), who investigated the prospects and retrospect of consumer cooperatives in Kombolcha Town, Ethiopia, and found that the existence of cooperatives is dependent on these potential members, and a lack of potential members, especially youth participating in cooperatives, hinders the development of cooperatives.

Table 4.7: Descriptive Statistics of Economic Motivation

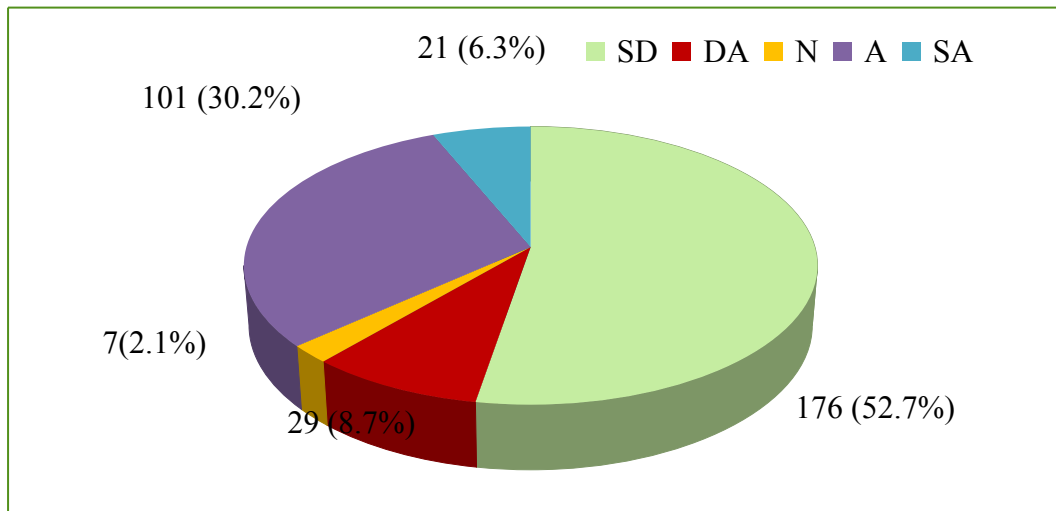
S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Members got goods from the cooperative at better prices	No	44	88	6	184	12	334	3.29	1.217
		%	13.2	26.3	1.8	55.1	3.6	100		
2	Members got technical assistance from the cooperative to improve their marketing role in the cooperative	No	13	113	1	154	53	334	3.36	1.210
		%	3.9	33.8	.3	46.1	15.9	100		
3	Members got profit distributed by the cooperative as patronage refunds and were re-invested in the cooperative	No	176	29	7	101	21	334	4.24	1.165
		%	52.7	8.7	2.1	30.2	6.3	100		

Source: Field Survey, 2024

The findings revealed that most of the respondents, 184 (55.1%), with a mean and SD of 3.29 (1.217), agreed that members received goods from the cooperative at a lower price, and 154 (46.1%) of respondents with a mean and SD of 3.36 (1.210) agreed that members received technical support from the cooperative.

Moreover, 176 (52.7%) of respondents with a mean and SD of 4.24 (1.165), members who received profits from the cooperative as patronage refunds and reinvested them in the cooperative, expressed their level of agreement by strongly disagreeing. This can be displayed graphically

Fig 4.6: Members Got Profit Distributed by the Cooperative as Patronage Refunds and were Re-invested in the Cooperative



Source: Field Survey, 2024

Depending on the findings, we can infer that members obtained goods at highly affordable prices, as well as technical help; however, members were not fully informed about the patronage refund and therefore did not invest by purchasing more shares in their cooperative. This implies that if members didn't obtain patronage refunds from the cooperative yet and didn't purchase further shares, the cooperative market's development could severely suffer.

The Key Informant Interview (KII) suggests that consumer cooperatives strive hard to provide goods and services to their members at lower costs. However, profits are not allocated in accordance with bylaws because poor performance of regular audits results in poor performance of patronage refunds, and members are unable to reinvest their capital in cooperatives, which will undoubtedly have an impact on cooperative market development.

Table 4.8: Descriptive Statistics of Members' Cooperative Knowledge

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Members have a good understanding meaning and concept of cooperative	No	39	70		182	43	33	3.36	1.270
		%	11.7	21.0		54.5	12.9	100		
2	Members have a good knowledge of their rights and duties	No	70	125	4	56	79	334	2.60	1.277
		%	21.0	37.4	1.2	16.8	23.7	100		
3	Members have good knowledge of the mission and vision of their cooperative	No	32	172		70	60	334	2.56	1.345
		%	9.6	51.5		21.0	18.0	100		

Source: Field Survey, 2024

According to the findings, 182 (54.5%) of respondents, with a mean and SD of 3.36 (1.270), agreed that members have a good understanding of the meaning and concept of cooperatives, while 125 (37.4%) of respondents with a mean and SD of 2.60 (1.277) disagreed with members' knowledge of their rights and duties. They also confirmed that 172 (51.5%) of respondents, with a mean and SD of 2.56 (1.345), disagree with members' knowledge of their cooperatives' mission and vision. Based on this finding, we can conclude that members have a good understanding of the concept of cooperatives, but they are not informed about their rights and duties in the cooperative, and they have little knowledge of the cooperative's mission and vision.

This implies that since members are owners of the cooperative, they must fully understand their rights and duties, as well as their cooperative's vision; otherwise, the market development of their cooperatives will suffer.

This study's finding concurs with [Ojuni \(2017\)](#), who found that the failure of agricultural cooperatives was attributable to members' lack of knowledge about their cooperative principles, rights, and vision in Abobo and Gog districts, Gambela, Ethiopia.

4.3.3 Examining the Governance Factors that Affect Consumer Cooperative Marketing Development in the Study Area

The third objective of this study is to examine how the governance factors influence cooperative marketing development in the study area. Consequently, this study's established governance indicators include board commitment, board communication, board gender diversity, board qualification, and government intervention. Therefore, the study's findings are depicted below.

Table 4.9: Descriptive Statistics of Board Commitment

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Board members have good individual motivation to serve the cooperative	No	60	62	8	195	9	334	3.26	1.262
		%	18.0	18.6	2.4	58.4	2.7	100		
2	Willingness among the board members to conduct GA meetings yearly and share goals to enhance the cooperative	No	30	122	25	142	15	334	3.97	1.154
		%	9.0	36.5	7.5	42.5	4.5	100		
3	Willingness to hire qualified manpower (manager) to lead the day-to-day operations	No	24	204	12	81	13	334	2.57	1.054
		%	7.2	61.1	3.6	24.3	3.9	100		
4	The willingness of boards to use their responsibility and skills to promote and benefit the cooperative	No	5	70	16	240	3	334	3.50	0.883
		%	1.5	21.0	4.8	71.9	.9	100		

Source: Field Survey, 2024

According to the outcomes, the majority of respondents, 195 (58%) with a mean and SD of 3.26 (1.262), agreed that board members have a strong individual motivation to serve the cooperative. Similarly, 142 (42.5%) of respondents with a mean and SD of 3.97 (1.154) agree that board members are willing to hold GA meetings yearly and share goals to improve the cooperative, and 240(71.9%) of respondents with a mean and SD of 3.50 (0.883) agree that boards are willing to use their responsibility and skills to promote and benefit the cooperative. However, 204 (61.1%) of respondents, with a mean and SD of 2.57 (1.054) respectively, disagreed with the readiness to hire qualified manpower, particularly managers to run the day-to-day operations.

We can deduce from this that the boards have a strong motivation to serve the cooperative and are willing to conduct GA meetings, but they are reluctant to employ managers, which could indicate that they want to maintain authority and responsibilities outside of their mandate. According to the Key Informant Interview (KII), the majority of consumer cooperative boards are reluctant to recruit professional managers because they desire to be involved themselves in the cooperative's day-to-day market transactions, which are actually beyond their duty.

Table 4.10: Descriptive Statistics of Board Communication

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Boards have the communication skills and techniques of sharing information in a non-threatening and polite manner	No	46	195	4	76	13	334	2.45	1.102
		%	13.8	58.4	1.2	22.8	3.9	100		
2	Communication between board management and members enhances the development of the cooperative	No	29	193		102	10	334	2.60	1.098
		%	8.7	57.8		30.5	3.0	100		
3	Board communications to members promote transparency and create clear reporting in the cooperative	No	13	107	4	154	56	334	3.40	1.206
		%	3.9	32.0	1.2	46.1	16.8	100		

Source: Field Survey, 2024

As per the findings, 195 (58%) of respondents, with a mean and SD of 2.45 (1.102) respectively, disagreed that boards have communication skills and techniques for sharing information in a non-threatening and polite manner. Likewise, 193 (57.8%) of respondents, with a mean and SD of 2.60 (1.098), disagreed that communication between board management and members enhances cooperative development. However, 154 (46%) of respondents agreed that board communications to members promote transparency and create clear reporting in the cooperative.

We could infer that board members are ineffective at capturing communication skills, and communication between boards and members is ineffective at bringing about changes in cooperative market development. The Key Informant Interview (KII) suggests that the board of directors lacks communication skills to assist members, persuade cooperative members of their roles, and make timely decisions that would help members.

Furthermore, communication between the board and members is ineffective in bringing improvement in cooperative marketing performance.

Table 4.11: Descriptive Statistics of Board Gender Diversity

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	There is a legal framework to encourage the participation of female members in the board.	No	22	178	20	96	18	334	2.59	1.109
		%	6.6	53.3	6.0	28.7	5.4	100		
2	The cooperative strives to hold 30% of the board by female members	No	31	187	11	101	4	334	2.58	1.053
		%	9.3	56.0	3.3	30.2	1.2	100		
3	Gender diversity enhances the monitoring role of the board of directors	No	14	96	22	198	4	334	3.25	1.019
		%	4.2	28.7	6.6	59.3	1.2	100		
4	Inactive participation of women in board leadership results in significant obstacles in the cooperative market development	No	8	30	15	273	8	334	3.75	0.756
		%	2.4	9.0	4.5	81.7	2.4	100		

Source: Field Survey, 2024

The study's results show that the majority of respondents, 178 (53.3%), with a mean value of 2.59 and SD of 1.109, disagree that there is a legal framework to encourage the participation of female members on the board. And 187 (56%) of respondents, with a mean value of 2.58 and SD of 1.053, disagree that the cooperative strives to hold 30% of the board by female members. However, regarding “gender diversity enhances the monitoring role of the board of directors” 198 (59.3%) of respondents expressed their level of agreement as they agreed with the mean value and SD of 3.25 (1.019), and 273 (81.7%) of respondents with the mean value and SD of 3.75 (0.756) agreed that inactive participation of women in board leadership results in significant obstacles in cooperative market development.

From these findings, we may conclude that board gender diversity in the sample cooperative has weakened, and there is no clear legislative framework or endeavors to participate and promote women on the board of directors. Likewise, we can conclude that gender diversity enhances the monitoring role of the board by contributing diverse viewpoints toward cooperative market development. However, the majority of respondents believed that the inactive participation of women in the board leadership of the cooperatives hampered the cooperative market development.

The finding that gender diversity enhances the board's monitoring role is consistent with the findings of Wang et al., (2024) who researched board gender diversity and business performance in Japan and found that having a more diverse board of directors could boost a firm's performance because it gives diverse viewpoints and ideas.

Table 4.12: Descriptive Statistics of Board Qualification

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	Board members' academic qualifications have been considered before election to the cooperative board	No	10	226	22	58	18	334	2.57	0.991
		%	3.0	67.7	6.6	17.4	5.4	100		
2	All board members have relevant knowledge and experience to lead and manage the cooperative	No	26	182	20	102	4	334	2.59	1.037
		%	7.8	54.5	6.0	30.5	1.2	100		
3	The educational qualification of directors has a positive effect on their monitoring and managing of cooperatives	No	7	86	20	217	4	334	3.37	0.965
		%	2.1	25.7	6.0	65.0	1.2	100		

Source: Field Survey, 2024

According to the results presented in Table 4.12, most of 226 (67.7%) of respondents, with a mean and SD of 2.57 (0.991), disagreed that board members' academic qualifications were considered before election to the cooperative board, and 182 (54.5%) of respondents, with a mean and SD of 2.59 (1.037), disagreed that all board members have relevant knowledge and experience to lead and manage the cooperative. However, 217 (65%) of respondents, with a mean value and SD of 3.37 (0.965), believed that the educational qualification of directors has a positive effect on their monitoring and management of cooperatives.

From this finding, we can conclude that during the election of the board of directors at general assembly meetings, the academic qualifications of the board are not taken into account, which implies weak governance in the cooperative and cannot successfully carry out the cooperative's market performance. Although board directors' education qualifications have a positive effect on cooperative market development, the board of directors lacks the necessary skills and experience to lead and manage the cooperative.

The Key Informant Interview (KII) confirms that, despite the importance of the academic qualification of boards, the general assembly has not considered board qualification prior to the election; instead, board commitment is highly valued.

Table 4.13: Descriptive Statistics of Government Intervention

S.No	Variable Description	Frequency						Mean	Standard Deviation (SD)	
		SD	DA	N	A	SA	Total			
1	The government formulates appropriate policies and strategies to develop cooperatives.	No	70	177	1	48	38	334	2.42	1.280
		%	21.0	53.0	.3	14.4	11.4	100		
2	The government encourages the cooperative to get credit access	No	157	85	3	60	29	334	2.16	1.400
		%	47.0	25.4	.9	18.8	8.7	100		
3	Government involvement in decision-making and managerial matters hampers the autonomy of your consumer cooperative.	No	39	70		182	43	334	3.36	1.270
		%	11.7	21.0		54.5	12.9	100		

Source: Field Survey, 2024

According to the results of Table 4.13, the majority of respondents, 177 (53%), with a mean value and SD of 2.42 (1.280), indicated their level of agreement in that they disagreed with the government formulating appropriate policies and strategies to develop cooperatives. Further, 157 (47%) of respondents, with a mean value and SD of 2.42 (1.280), disagreed that the government encourages cooperatives to get credit access. In terms of cooperative autonomy, 182 (54.5%) of respondents agreed, with a mean value of 3.36 and SD of 1.270 government involvement in decision-making and managerial matters affects the cooperative's autonomy to make its own decisions. In light of these findings, we can conclude that government intervention in the formulation of policies and strategies, as well as the provision of financing to cooperatives, is not widely done. It implies that, unfortunately, cooperatives are led without having policies and strategies, as well as without access to finances, which would undoubtedly impede cooperative market development.

Despite the cooperatives being autonomous institutions, in this case, government interventions in decision-making and managerial matters have a significant negative effect on cooperatives, and cooperatives are becoming highly politicized which implies discouraging the market development of cooperatives thereby their members. The study's Key Informant Interview (KII) also confirms that the government is heavily involved in cooperative decision-making and management, which limits their autonomy, and that cooperatives in this country, Ethiopia, lack a policy and strategy that would assist them in building their development. The findings are congruent with those of [Dorgi \(2017\)](#), who studied in Gambela, Ethiopia, and concluded that the government intervention in cooperative society decisions, and management was in contrast to the organization's autonomy.

High government involvement in cooperative decisions and management discourages cooperatives and their members from engaging in their cooperatives, causing the cooperatives to fail.

4.3.4 Analysis of Pearson Correlation and Multiple Linear Regressions between the Marketing and Governance Factors with the Cooperative Marketing Development

Assessing marketing factors influencing the market development of the consumer cooperative and how governance factors affect the marketing development of the consumer cooperative are the second and third specific objectives of the study. To answer the study's specific objectives, it is essential to carry out Pearson correlation and multiple linear regression analysis to measure marketing development and how the independent variables relate to the dependent variable. Before we go into the specifics of the regression analysis, it is necessary to clarify and understand the right interpretations of the statistical values of the Pearson correlation, as shown below.

4.3.4.1 Pearson Correlation

Correlation is a statistical technique that determines the correlation or relationship between two or more variables. Correlation analysis is a statistical technique that investigates the degree to which and the direction of a relationship between two or more variables. A correlation coefficient is a statistical measure of how changes in one variable predict changes in another (Kalemis, 2022). Different scholars present different interpretations of the Pearson correlation. However, the Pearson correlation indicators, according to Clease (2017), range from -1 to +1 to 0. Where 0 implies no relationship, -1 denotes a perfect negative relationship, and +1 represents a perfect positive relationship. Furthermore, correlations between .10 and .29 are considered weak correlations, .30 to .49 as moderate correlations, and .50 to 1 as strong correlations (Islam & Al-Shiha, 2018).

Table 4.14: Description of Pearson Correlation

Correlation coefficient values	Interpretation
-1	perfect negative correlation
1	perfect positive correlation
.10 to .29	small correlation
.30 to .49	moderate correlation
.50 to 1.00	strong correlation

Sources: (Cleave, 2017; Islam & Al-Shiha, 2018)

Pearson correlation coefficients are used to measure how closely the dependent and independent variables are connected.

The findings of this study, which are presented in Table 4.15 below, indicate the correlation between the dependent variable (market development) and the independent variables.

Table 4.15: Pearson Correlation Between the Independent and Dependent Variables

Correlations											
		Market linkage factor	Members participation factor	Economic motivation	Members cooperative knowledge	Board commitment factor	Board communication factor	Board gender diversity	Board qualification factor	Government intervention factor	market development
Market linkage factor	Pearson Correlation	1	.780**	.825**	.751**	.717**	.764**	.903**	.870**	.880**	.723**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Members participation factor	Pearson Correlation	.780**	1	.793**	.731**	.583**	.733**	.928**	.933**	.822**	.738**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Economic motivation	Pearson Correlation	.825**	.793**	1	.676**	.516**	.686**	.874**	.852**	.913**	.678**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Members cooperative knowledge	Pearson Correlation	.751**	.731**	.676**	1	.587**	.697**	.848**	.816**	.696**	.715**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Board commitment factor	Pearson Correlation	.717**	.583**	.516**	.587**	1	.536**	.723**	.684**	.568**	.677**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Board communication factor	Pearson Correlation	.764**	.733**	.686**	.697**	.536**	1	.854**	.816**	.679**	.890**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Board gender diversity	Pearson Correlation	.903**	.928**	.874**	.848**	.723**	.854**	1	.975**	.890**	.855**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Board qualification factor	Pearson Correlation	.870**	.933**	.852**	.816**	.684**	.816**	.975**	1	.872**	.824**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	334	334	334	334	334	334	334	334	334	334
Government intervention factor	Pearson Correlation	.880**	.822**	.913**	.696**	.568**	.679**	.890**	.872**	1	.666**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	334	334	334	334	334	334	334	334	334	334
Market development	Pearson Correlation	.723**	.738**	.678**	.715**	.677**	.890**	.855**	.824**	.686**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334

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

Source: Survey Data Own Computed, 2024

Positive correlation coefficients reveal a positive relationship between the two variables, but negative correlation coefficients reflect a negative association.

This research finding, as shown in the above Table 4.15 correlation, implies that the marketing factors influencing the cooperative market development (independent variables) are—market linkage (.723), members' participation (.738), economic motivation (.678), member's cooperative knowledge (.715), and the governance factors affecting the cooperative market development (independent variables) are—board commitment (.677), board communication (.890), board gender diversity (.855), board qualification (.824) and government intervention (.686)—have a strong positive and statically significant relationship and highly affect market development of the consumer cooperatives.

We can conclude from the findings that none of the variables has a P (sig) value greater than 0.05. Therefore, the constructed nine independent marketing and governance variables could be utilized to predict the market development of consumer cooperatives.

4.3.4.2 Linear Regression Analysis of Market Development of Consumer Cooperatives

4.3.4.2.1 Linear Regression Assumptions

Testing the assumption of multiple linear regression analysis models is very important before proceeding to regression analysis. For this study, Normality and collinearity tests are used to ensure the appropriateness of the data, and the results were discussed in the following ways.

A. Assumption of Normality and Testing Tools

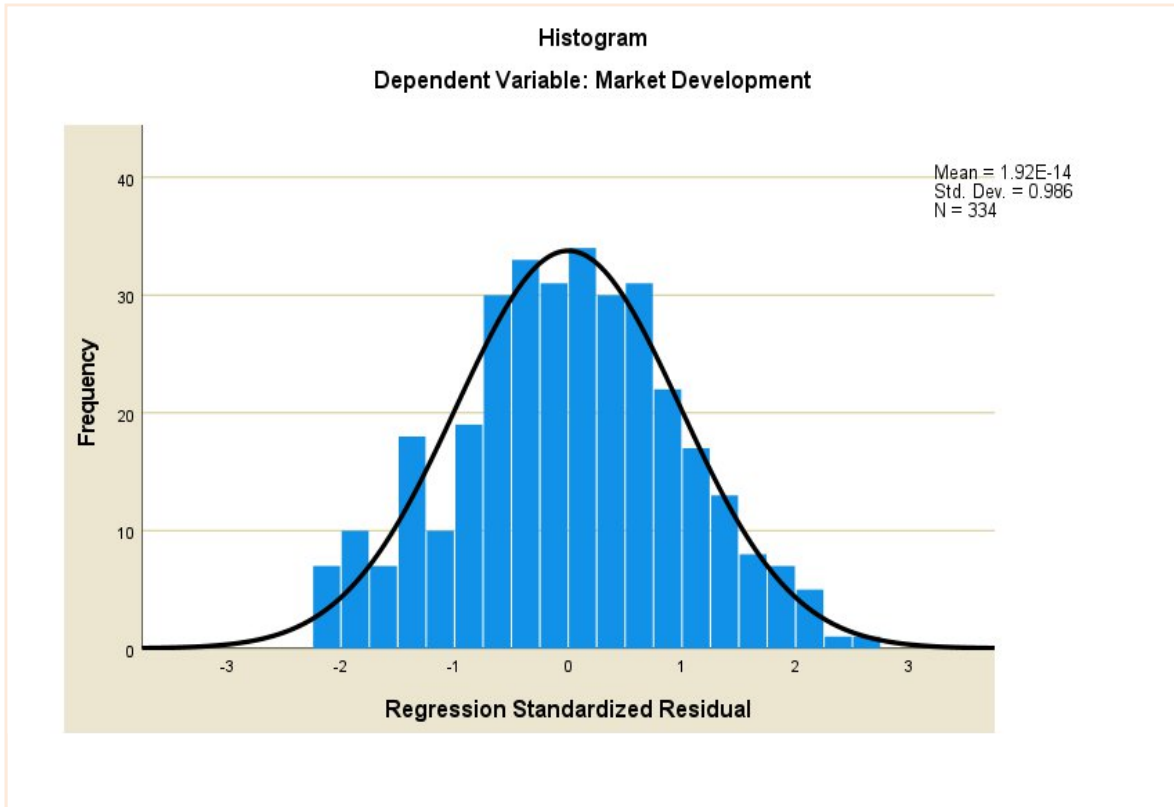
One of the major assumptions of normality is that the sampling distribution of the mean should be normal, and the data inside each of the samples are normal. These statistical procedures are based on the assumption that the value of interest which is calculated from the sample, will exhibit a bell-curve distribution. In technical terms, the assumption of normality claims that the sampling distribution of the mean is normal or that the distribution of means across samples is normal kurtosis (Mishra et al., 2019).

There are two main methods of testing normality. The first method is the Graphical method which displays the distributions of random variables or differences between an empirical distribution and a theoretical distribution (e.g., the standard normal distribution). Graphical interpretation has the advantage of allowing good judgment to assess normality in situations when numerical tests might be over- or under-sensitive.

The second option is the numerical method, which presents a summary of statistics such as skewness and kurtosis (Mishra et al., 2019).

However, in this study, it is preferred to use graphical methods to test the normality of data using a p-p plot and histogram. Therefore, the sampling distribution of the mean outcome of the study is normal, as it is shown in the graph below.

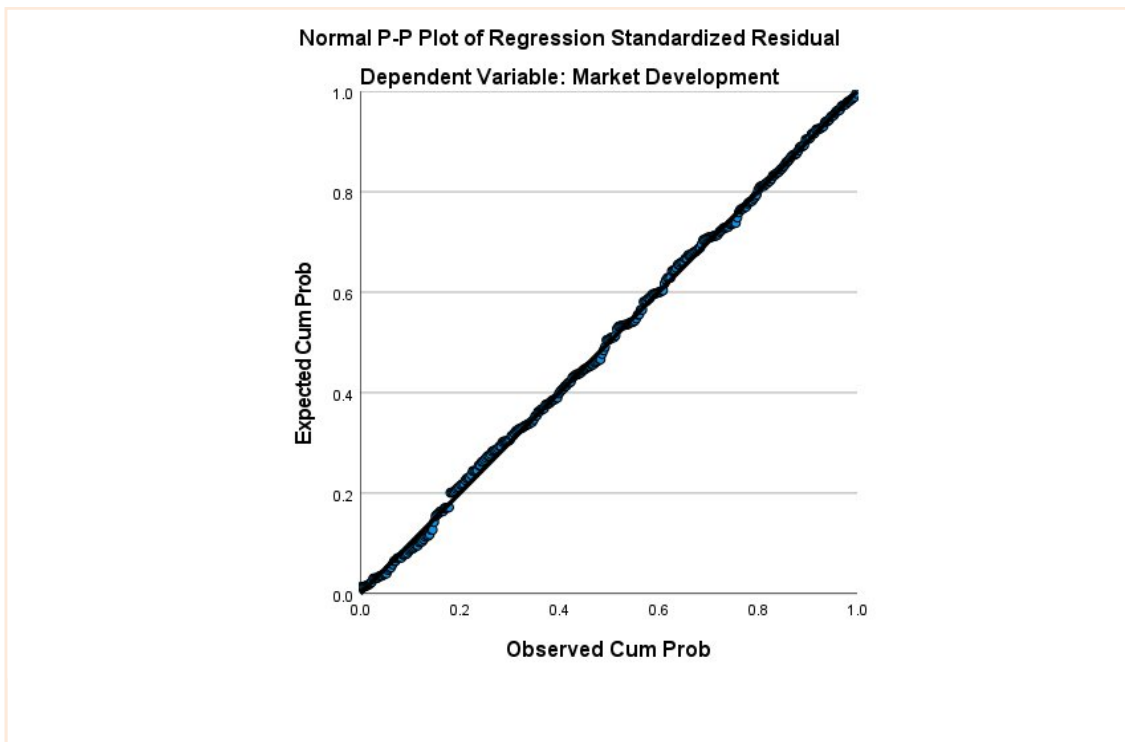
Figure 4.7 Normality Test Histogram



Source: Survey Data Own Computed, 2024

As we can observe from the above Figure 4.4, the frequency distribution of standardized residuals is compared to the normal distribution. The histogram is bell-shaped which leads to inferring that the residuals (errors) are normally distributed. Therefore, there is no violation of the assumption of a normal distributed error term.

Figure: 4.8 Normality (Linearity) Test P–P Plot



Source: Survey Data Own Computed, 2024

As we can observe from the scatter plot, there is no significant difference in the spread of data seen from the left to the right in Figure 4.5. This outcome reveals that the predicted relationship is linear. Hence, it is possible to suggest that it can be made the population parameter from the sample is valid.

B. Multicollinearity Test

Multi-collinearity tests help to identify the high correlation between explanatory variables and to avoid the double effect of the independent variable on the model. The predictor variable should be strongly related to the dependent variable, but not strongly related to each other. Whenever there is no relationship between the independent variables, adding or removing a variable from a regression equation would not cause the values of the coefficients on the other variables to change (Shrestha, 2020).

For this purpose variance inflation factor (VIF) and tolerance test are used to check the collinearity of variables. If the value of VIF is less than 10, there is no multicollinearity problem. On the other hand, if VIF is greater than or equal to 10, there is a serious multicollinearity problem.

According to [Oke, Akinkunmi, & Etebefia \(2022\)](#), the value of the tolerance coefficient should be between 0.1 and 1. Therefore, the results of VIF and tolerance are depicted below.

Table: 4.16 Tolerances and VIF Test

No	Independent Variable	Collinearity Statistics	
		Tolerance	Variance Inflation Factors (VIF)
1	Market linkage	0.591	1.791
2	Members participation	0.656	1.626
3	Economic motivation	0.699	1.830
4	Members cooperative knowledge	0.757	1.232
5	Board commitment	0.503	3.56
6	Board communication	0.364	1.78
7	Board gender diversity	0.536	2.23
8	Board qualification	0.443	1.345
9	Government intervention	0.880	1.98

Source: Survey Data Own Computed, 2024

As we can see, the study results in Table 4.16 reveal that none of the independent variables has a collinearity problem because the values of VIF and tolerance are within the acceptable range, as indicated above.

4.3.4.2.2 Multiple Linear Regressions

In conducting this study, multiple linear regression analysis is utilized to determine the variations and associations between predictors (independent variables) and outcome variables (dependent variables). Because it is useful to understand how the dependent variables change as the independent variables vary while the other variables remain constant. Furthermore, the strength of the fit of a model is most commonly evaluated using R^2 . R^2 is calculated as the square of the correlation coefficient. It tells us what percent of the variability in the response variable is explained by the model. The remainder of the variability is explained by variables not included in the model ([Rundel, 2013](#)).

In this study, the regression analysis model's summary includes the values of R, R square, Adjusted R square, and Standard Error of the Estimate. It's known as Pearson R. Furthermore, the R^2 value reflects a good model fit. The regression analysis of the findings of this study is depicted below.

Table 4.17: Model Summary for the Goodness of Fit

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.935 ^a	.874	.870	.192	.874	249.242	9	324	.000
a. Predictors: (Constant), Government intervention, Board commitment, Board communication, Members' cooperative knowledge, Members' participation, Economic motivation, Market linkage, Board qualification, Board gender diversity.									
b. Dependent Variable: market development									

Source: Survey Data Own Computed, 2024

The study's findings, which are shown in Table 4.17 above, revealed the regression outcome. For this study, the regression's outcome, which has an R Square value of 0.874, meaning = 87.4%, confirms the strong positive relationship between the dependent and independent variables. The nine predictors (market linkage, members' participation, economic participation, member's cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention) that were looked at in this study reflect 87.4% of changes (variations) in the model can be predicted using the independent variables or the total variation in the dependent variable (market development) is affected by 87.4% changes in the independent variables. In other words, 87.4% of the market development of consumer cooperatives is explained by the constructed independent variables in the research area. The remaining 12.6% of the variables could be addressed by other predictors that are not investigated and considered in this study.

Based on this finding, it can be concluded that applying independent variables such as market linkage, member participation, economic participation, member cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention could have a significant impact on the market development of consumer cooperatives. Therefore, the constructed marketing variables (market linkage, member participation, economic participation, member cooperative knowledge) and governance variables (board commitment, board communication, board gender diversity, board qualification, and government intervention) imply that they were found to be more effective and powerful in boosting consumer cooperative market development in the study area.

In this finding, the variables such as board commitment and board communication, are in line with the study conducted by [Debisa, \(2023b\)](#), which is discussed in the literature review, and found that communication of the board with members and their commitment to being very strong and have a significant impact in the success of primary consumer cooperative in Burayu town, Ethiopia.

Table 4.18: Results of ANOVA of Regression of Analysis

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.404	9	9.156	249.242	.000 ^b
	Residual	11.902	324	.037		
	Total	94.306	333			
a. Dependent Variable: market development						
b. Predictors: (Constant), Government intervention, Board commitment, Board communication, Members' cooperative knowledge, Members participation, Economic motivation, Market linkage, Board qualification, Board gender diversity						

Source: Survey Data Own Computed, 2024

In this study, the next statistical indicator is the ANOVA. Where ANOVA is Analysis Of Variance and it is a statistical method that separates observed variance data into different components to use for additional tests. It is used for three or more groups of data or samples to gain information about the relationship between the dependent and independent variables ([Kalemis, 2022](#)).

Depending on the outcome of this study in the above Table 4.18 indicates that the regression model is statistically significant, as the p-value is < 0.05 . Accordingly, the result of the p-value (sig) of this study is found to be 0.000 which is < 0.05 , and thus ascertained that the model is more significant. Furthermore, the significance of the model revealed that the value of market linkage, member participation, economic motivation, member cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention statistically affect the market development of consumer cooperatives.

4.3.4.2.3 Coefficient of the Regression Model

The established multiple linear regression model for this research is delivered in the table below, along with the independent variable coefficients. Here is a description of them. The finding equation is therefore written as $Y = 0.781 + 0.380x_1 + 0.621x_2 + 0.340x_3 + 0.199x_4 + 0.457x_5 + 0.750x_6 + 0.273x_7 + 0.118x_8 + 0.260x_9 + 0.260$.

Table 4.19: Coefficient of Regression Model

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.781	.074		9.975	.000
	Market linkage	.318	.047	.380	-6.754	.000
	Members participation	.013	.067	.621	.188	.002
	Economic motivation	.070	.037	.340	1.910	.017
	Members cooperative knowledge	.073	.048	.199	1.541	.000
	Board commitment	.358	.062	.457	5.803	.000
	Board communication	.556	.058	.750	9.592	.000
	Board gender diversity	-.057	.259	.273	-.220	.001
	Board qualification	.087	.070	.118	1.241	.004
	Government intervention	.020	.039	.260	.514	.008

a. Dependent Variable: market development

Source: Survey Data Own Computed, 2024

In this finding, the regression coefficient can be employed to determine which independent variable best predicts the dependent variable. Using the standardized beta value which reflects the relationship between them, as indicated in the standard coefficient Table 4.19. To determine the factor with the greatest influence, it needs to carefully examine the standardized coefficient.

Multiple linear regression results show that all predicted coefficients for independent variables are significant. The constant's significance is indicated by $\beta_0 = 0.781$'s p-value of .000, which is less than 0.05.

As per the findings from Table 4.19 above the marketing factors (independent variables)—market linkage with a beta of (0.380; $P < 0.05$), member participation (0.621; $P < 0.05$), economic motivation (0.340; $P < 0.05$), and member cooperative knowledge (0.199; $P < 0.05$), have a positive and significant influence on the market development of consumer cooperatives (dependent variable) in the research area. Moreover, the governance factors — board commitment with a beta of (0.457; $P < 0.05$), board communication (0.750; $P < 0.05$), board qualification (0.118; $P < 0.05$), board gender diversity (.273 $P < 0.05$), and government intervention (0.260; $P < 0.05$) have a positive and significant influence on the market development of consumer cooperatives in the research area. Among these, we can conclude that board communication, members' participation, board commitment, market linkage, economic motivation, and board gender diversity followed by government intervention, are the most statistically significant, and this implies that effective use of these predictors influences and enhances the market development of the consumer cooperatives in the Mekelle study area.

The result reveals and implies that numerous strengths could be found in applying the marketing factors (member participation, economic participation, member cooperative knowledge) and governance factors such as (board commitment, board communication, board qualification, and government intervention), which positively influence consumer cooperatives' market development. Furthermore, the regression coefficient, constant = 0.781, indicates that if all of the variables (member participation, economic motivation, member cooperative knowledge, and market linkage), as well as variables (board commitment, board communication, board qualification, government intervention, and board gender diversity), were rated as zero, the market development of consumer cooperatives in the research area would be 0.781.

$\beta_1 = 0.621$, reveals that one unit of increased member participation leads to a 0.621 unit improvement in market development of consumer cooperatives when all other factors are kept constant.

$\beta_2 = 0.340$, indicates that one unit of increase in economic motivation leads to a 0.340 unit improvement in market development of consumer cooperatives while other factors are held constant.

$\beta_3 = 0.199$, indicates that one unit of increase in member cooperative knowledge results in 0.199 units of improvement in market development of consumer cooperatives in the research area while other factors are held constant.

$\beta_4 = 0.380$, reveals that a unit increase in market linkage results in a 0.380 unit increase in market development of consumer cooperatives in the research area while other factors are held constant.

$\beta_5 = 0.457$, reveals that one unit of increased board commitment leads to a 0.457 unit improvement in market development of consumer cooperatives when all other factors are kept constant.

$\beta_6 = 0.750$, indicates that one unit of increase in board communication leads to a 0.750 unit improvement in market development of consumer cooperatives while other factors are held constant.

$\beta_7 = 0.118$ indicates that one unit of increase in board qualification results in 0.118 units of improvement in market development of consumer cooperatives in the research area, while other factors are held constant.

$\beta_8 = 0.260$, reveals that a unit increase in government intervention results in a 0.260 unit increase in market development of consumer cooperatives in the research area, while other factors are held constant.

$\beta_9 = 0.273$, reveals that a one-unit increase in board gender diversity results in 0.273; 0.273-unit increase in market development of consumer cooperatives in the research area while other factors are held constant.

$\varepsilon = 0.074$, Error term

The outcomes of this study on board gender diversity and board education qualification are in agreement with the findings reported by [Tadesse \(2020\)](#), who studied corporate governance practices and the performance of consumer cooperative societies in Addis Ababa, Ethiopia, and found that board education qualification and board gender diversity had a positive effect on consumer cooperative performance.

4.3.5 Identifying Challenges Hampering Consumer Cooperatives' Market Development

The fourth and last objective of this study is to identify challenges hindering the development of cooperative marketing in the study area. To determine the challenges, respondents were asked to reply to Likert scale questions and indicate in accordance with the importance of the challenges that hinder the market development of consumer cooperatives. The mean and standard deviation were used to analyze the results. Thus, the findings are presented below.

Table 4.20: Challenges in the Consumer Cooperatives Market Development

S.no	List of Challenges	N	Mean	Standard Deviation (SD)
1	Lack of inter-coop connectivity Strategic partnership among cooperatives through unions is essential in maximizing resources and minimizing costs	334	4.22	0.705
2	Serious lack of knowledge of cooperative marketing <ul style="list-style-type: none"> • Know your market (customers) • Know their needs or wants • Provide products that meet their needs, are affordable, and are available at the right time and the right place. 	334	4.18	0.713
3	Unstable cooperative structure	334	3.97	1.044
4	Lack of policies, procedures, and marketing guidelines that are needed to sustain operations and promote long-term viability	334	4.04	1.102
5	Delayed and often fragmented decision making process	334	2.73	1.165
6	A serious lack of information about/from member-owners	334	3.36	1.270
7	Low public awareness of cooperatives	334	2.71	1.267
8	Low infrastructure(transport and storage	334	2.26	1.367
9	Lack of well-motivated staff	334	3.59	1.582
10	Weak leadership in cooperative	334	3.72	1.422

Source: Field Survey, 2024

The results from Table 4.20 revealed that respondents identified challenges based on their effect on cooperatives. Upon this, the most difficult challenge occurring in cooperatives is the lack of inter-coop connectivity. Sample consumer cooperatives lack this, and respondents highly agreed with this (mean=4.22, SD=0.705). This means that strategic collaboration among cooperatives through unions is critical for optimizing resources and lowering costs, yet sample cooperatives lack it.

The second most challenging aspect is a serious lack of knowledge of cooperative marketing (mean=4.18, SD =0.713), which is widely agreed upon by respondents. Know your market (customers), know their needs or wants, and provide products that meet their needs, are affordable, and are available at the right time and the right place. However, sample cooperative members lack cooperative marketing knowledge which undoubtedly negatively influences the market development of consumer cooperatives.

The respondents identified the third biggest obstacle as a lack of policies, procedures, and guidelines for marketing that are needed to sustain operations and ensure long-term sustainability (mean=4.04, SD=1.102). The fourth challenge that affects the cooperative market development is an unstable cooperative structure with a (mean of 3.97, = SD= 1.044).

Furthermore, respondents identified the following challenges: a weak leadership in cooperatives (mean=3.72 SD= 1.422), lack of well-motivated staff (mean=3.59, SD= 1.582), a serious lack of information about/from member-owners (mean= 3.36, SD=1.1270), delayed and often fragmented decision-making process (mean=2.73, SD=1.165), low public awareness of cooperatives (mean= 2.71, SD=1.267) and low infrastructure(transport and storage) (mean= 2.26, SD= 1.1367).

CHAPTER: FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary of Findings

The main objective of this study is to investigate determinant factors affecting cooperative marketing development: The case of consumer cooperatives in Mekelle of Tigray. Meanwhile, the following research questions were dealt with in this study. Responding to the above general objective, the researcher took and analyzed the following research questions:

1. How can the unique cooperative principles be applied to promote cooperative market development?
2. To what extent could the marketing factors influence cooperative market development in the study area?
3. To what extent do the governance factors affect the cooperative market development in the study area?
4. What challenges are now hindering the development of the cooperative market in the study area?

To address the above basic research questions, descriptive research designs were employed by using a mixed research approach which comprises both quantitative and qualitative methods of data gathering. Both primary and secondary data sources were used. Data were gathered through questionnaires and key informant interviews. Purposive sampling was used to select the study area Mekelle zone and the two sub-cities Kedamay Weyane and Hawelti sub-city due to the potentiality and functionality of the consumer cooperatives. To collect representative data, 334 questionnaires were distributed by using a simple random sampling technique. Out of which, 334 of the questionnaires, or 98.8%, were collected.

Furthermore, the interview was also conducted with Key Informants Interview (KII) who have close ties to the cooperative knowledge and experience. The data collected from target respondents through the Likert scale responses and questionnaire were compiled and summarized by using SPSS software version 27. The variables were analyzed by using frequency, tables, graphs, percentages, mean values, and standard deviation. Pearson correlation and multiple linear regression model analysis are also used to magnify and verify the effect of the independent variable over the dependent variable (market development). Finally, information obtained through interviews and questionnaires was analyzed and interpreted depending on the results found.

5.1.1 To Assess the Practical Application of the Unique Cooperative Principles in Enhancing Consumer Cooperative Marketing Development in the Study Area

The practical use of the unique cooperative principles might have a significant impact on consumer cooperative market development. Hence, based on the findings of the study, the results are summarized as follows.

The study found that the sample consumer cooperatives do not conduct annual audits, and members lack knowledge and control over their finances. As a result, members are uncertain about their resources, which leads to a lack of user control over their resources and hurts cooperative marketing development. The findings also revealed that a lack of rigorous audits and clear financial reporting fosters distrust between members and the board of directors, and this prevents members from establishing trust in the board. Implies that a loss of the user-control principle has a detrimental impact on cooperative market development.

Additionally, it was also found that cooperative elections in general assembly meetings and decision-making processes are mostly based on the principle of one person, one vote, which aids in controlling the rich's advantage over the poor. This means that members have equal voting power, regardless of how much share capital they have contributed or how much they patronize the cooperative, As a result, members can vote democratically, exercise their rights at general assembly meetings, support the user control principle, and assist the consumer cooperative in maintaining market development.

Furthermore, members are dissatisfied with the cooperative's service and supply of goods, which could have a negative influence on the business transactions with the cooperative. We might conclude that the cooperative's service delivery and supply of goods is insufficient, and members obviously and practically do not the user benefit from the cooperatives. The outcomes of this study reveal that the majority of members of consumer cooperatives do not get dividends either on share capital or on a patronage basis from the cooperative. This implies that members of the cooperatives do not user benefit from dividends, which could lead to the conclusion that members' sense of ownership and user benefits of the cooperative have been weakened. However, the results of the study reveal that the majority of respondents strongly believed that after joining cooperatives, members improved their livelihoods. This implies that consumer cooperative members are in a good position and are strongly attached to the cooperative's user benefit concept. Similarly, the majority of respondents thought cooperative members made decisions for their cooperatives.

This implies that members are powerful decision-makers who rigorously implement the user-owner principle.

5.1.2 To Assess Marketing Factors Influencing the Consumer Cooperatives' Marketing Development in the Study Area

Assessing the marketing factors influencing cooperative marketing development is the second objective of this study. Therefore, depending on the outcomes of this study, the major findings have been summarized below.

The study's findings reveal that the cooperative and its members lack market information and that members do not have access to it, which may impede cooperative market development. Similarly, cooperatives' market interactions with unions and other organizations are shown to be insufficient, implying that poor marketing transactions will substantially hinder the cooperative's market development. However, the sample cooperatives are in a good position to participate in value addition and marketing product processing, but they lack a strategic business plan document, implying that they may be uncertain about where to go and what to do in both long and short-term programs. According to the study's findings, the majority of respondents disagreed with active youth participation in cooperative membership and market transactions. This leads us to conclude that youth participation in cooperative membership and marketing activities is low. This suggests that the cooperative's long-term survival will be restricted and affect its market development.

Furthermore, it was found that members received high-quality goods at reasonable costs, as well as technical assistance; nevertheless, members were not fully informed about the patronage refund and hence did not invest by purchasing further shares in their cooperative, implying that the cooperative market's development could suffer significantly. The majority of respondents believed that members have a solid understanding of the meaning and concept of cooperatives, although they disagreed about members' knowledge of their rights and responsibilities. They also confirmed that respondents disagree with members' understanding of their cooperatives' mission and vision.

From this, we may conclude that while members understand the concept of cooperatives, they are not informed about their cooperative rights and duties, and they have little knowledge of the cooperative's mission and vision. This indicates that, because members are cooperative owners, they must thoroughly understand their rights and responsibilities, as well as their cooperative's vision; otherwise, their cooperative's market development suffers.

5.1.3 To Examine How the Governance Factors Affect the Consumer Cooperative Marketing Development in the Study Area.

The third objective of this study is to investigate how governance factors affect cooperative marketing development, and the results were analyzed and summarized as follows.

According to the findings, the majority of respondents agreed that board members have strong personal motivations to serve the cooperative. Similarly, respondents believe that board members are willing to hold annual GA meetings to share goals for improving the cooperative, and boards are willing to use their responsibility and skills to promote and benefit the cooperative. However, the boards were reluctant to hire qualified personnel, particularly managers, to oversee day-to-day operations. From this, it can be concluded that the boards have a strong motivation to serve the cooperative and are willing to have GA meetings, but they are hesitant to hire managers, which could signal that they wish to retain control and responsibilities beyond their mandate.

As per the findings, the majority of respondents believed that boards didn't have communication skills and techniques for presenting information in a non-threatening and respectful manner. We could infer that board members are ineffective at capturing communication skills, and communication between boards and members is ineffective at bringing about changes in cooperative market development. The study's results show that the majority of respondents do not believe there is a legislative framework in place to support female board members' participation. Respondents also disagree with the cooperative's goal of having 30% female members on its board. However, when it comes to "gender diversity enhances the monitoring role of the board of directors, most of the respondents expressed their level of agreement and agreed that the inactive participation of women in board leadership results in significant obstacles in cooperative market development.

In light of these findings, we may conclude that board gender diversity in the sample cooperative has weakened, and there is no clear legislative framework or efforts to include and promote women on the board of directors. Similarly, we can conclude that gender diversity strengthens the board's monitoring role by contributing diverse viewpoints on cooperative market development. However, the majority of respondents considered that women's inactive participation in cooperative board leadership hampered cooperative market development. Additionally, the majority of respondents disagreed that board members' academic qualifications were reviewed before election to the cooperative board, and all board members didn't obtain the necessary knowledge and experience to lead the cooperative.

However, the majority of respondents accepted that directors' educational backgrounds had a favorable impact on their monitoring and management of cooperatives. From this, we can conclude that when the board of directors is elected at general assembly meetings, the academic qualifications of the board are not taken into account, implying weak leadership in the cooperative and an inability to successfully carry out the cooperative's market performance. Although board directors' education qualifications have a positive effect on cooperative market development, the board of directors lacks the necessary skills and experience to lead and manage the cooperative.

Other findings, in terms of cooperative autonomy, the respondents believed that government intervention in decision-making and managerial concerns limits the cooperative's ability to make its own decisions. In a similar vein, government engagement in policy formation and strategy development, as well as financing cooperatives, is not widespread. It suggests that cooperatives are now led without policies and strategies, as well as access to funds, which would surely limit cooperative market development. Despite the cooperatives being autonomous institutions, in this case, government interventions in decision-making and managerial matters have a significant negative effect on cooperatives, and cooperatives are becoming highly politicized which implies discouraging the market development of cooperatives thereby their members.

Summary of Pearson Correlation and Multiple Linear Regression

The Pearson correlation coefficients for the second and third objectives of this study are analyzed and summarized together to show the connection between the dependent variable (market development) and the independent variables; thus, the results are depicted and summarized below.

These research findings revealed that the marketing factors influencing the cooperative market development (independent variables) are—market linkage, members' participation, economic participation, and member's cooperative knowledge, and the governance factors affecting the cooperative market development (independent variables) are—board commitment, board communication, board gender diversity, board qualification, and government intervention—which have a strong positive and statically significant relationship and highly affect the market development of the consumer cooperatives.

We can conclude from the findings that none of the variables has a P (sig) value greater than 0.05. Therefore, the constructed nine independent marketing and governance variables could be utilized to predict the market development of consumer cooperatives.

As we detect, Normality and Collinearity tests were performed to ensure the frequency distribution of standardized residuals and the appropriateness of the data, and the findings were assessed. Thus, a p-p plot and a histogram were employed to test the normality of the data. The histogram is bell-shaped, suggesting that the residuals (errors) are regularly distributed. The scatter plot shows no significant difference in data distribution. As a result, the assumption that the error term is normally distributed is not violated. The Multi-linearity was checked by tolerance and VIF, and it was found that the independent variables didn't have a colinearity problem because VIF and tolerance values were found to be within the desired range.

The model summary for Goodness of fit regression analysis was also analyzed using the values of R, R square, Adjusted R square, and Std. Error of the Estimates. Therefore, for this study, the regression's outcome, which has an R Square value of 0.874, meaning = 87.4%, confirms the strong positive relationship between the dependent (market development) and independent variables. The nine predictors (market linkage, members' participation, economic motivation, member's cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention) reflect 87.4% of changes (variations) in the model can be predicted using the independent variables or the total variation in the dependent variable (market development) is affected by 87.4% changes in the independent variables. In other words, 87.4% of the market development of consumer cooperatives is explained by the constructed independent variables in the research area. The remaining 12.6% of the variables could be addressed by other predictors that are not investigated and considered in this study.

From this, it can be concluded that applying independent variables that are considered in this study could have a significant impact on the market development of consumer cooperatives. Therefore, this implies that applying these variables was found to be more effective and powerful in boosting consumer cooperative market development in the study area. The next statistical indicator is the ANOVA. Depending on the outcome of this study, the results of the ANOVA regression model are statistically significant and fit well, as the p-value is < 0.05 . Accordingly, the result of the p-value (sig) of this study is found to be 0.000 which is < 0.05 , and thus ascertained that the model is more significant.

Furthermore, the significance of the model revealed that the value of market linkage, member participation, economic participation, member cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention statistically affect the market development of consumer cooperatives. The regression coefficient can be employed to determine which independent variable best predicts the dependent variable by using the standardized beta value which reflects the relationship between them. The findings from multiple linear regression results show that all predicted coefficients for independent variables are significant. The constant's significance is indicated by $\beta_0 = 0.781$'s p-value of .000, which is less than 0.05. As per the findings, we can conclude that board communication, members' participation, board commitment, market linkage, economic motivation, and board gender diversity followed by government intervention, have the most statistically significant, and this implies that effective use of these predictors influences and enhances the market development of the consumer cooperatives in the Mekelle study area.

5.1.4 To Identify Challenges Hampering the Development of Consumer Cooperative Marketing in the Research Area

Identifying challenges hampering cooperative marketing development is the fourth and final objective of this study and this was analyzed with the mean and standard deviation using the Likert scale questions and summarized as follows.

The results from the findings revealed that respondents identified challenges based on their effect on cooperatives. Upon this, the most difficult challenge occurring in cooperatives is the lack of inter-coop connectivity means that strategic collaboration among cooperatives through unions is critical for optimizing resources and lowering costs, yet sample cooperatives lack it. The second most challenging aspect is a serious lack of knowledge of cooperative marketing which is widely agreed upon by respondents. Know your market (customers), know their needs or wants, and provide products that meet their needs, are affordable, and are available at the right time and the right place. However, sample cooperatives lack this. The third biggest obstacle is a lack of policies, procedures, and guidelines for marketing that are needed to sustain operations and ensure long-term sustainability. The fourth challenge that affects cooperative market development is an unstable cooperative structure. Furthermore, respondents identified the following challenges: weak leadership in cooperatives, a lack of well-motivated staff, a delayed and often fragmented decision-making process, and low public awareness of cooperatives.

5.2 Conclusions

Depending on the findings of the study, the conclusions, recommendations, and areas for further study are drawn from the final result and forwarded as follows.

The study found that consumer cooperatives lose the user-control principle due to a lack of rigorous auditing and financial reporting, which fosters distrust between members and the board of directors, affecting cooperative market development. Members have equal voting power, regardless of how much share capital they have contributed or patronized the cooperative. Additionally, members vote democratically, and exercise their rights at general assembly meetings, in this regard supporting the user control principle. Decisions for their cooperatives were made by cooperative members. This signifies that members are powerful decision-makers in their cooperatives who rigorously implement the user-owner principle. The study also concluded that the cooperative's service delivery and supply of goods are insufficient, and members of the cooperatives do not user benefit from dividends, which could lead to the conclusion that members' sense of ownership and user benefits of the cooperative have been weakened. However, cooperative members improved their lives after joining the cooperative, and this implies that consumer cooperative members are in a good position and are strongly attached to the cooperative's user benefit concept.

The study admitted that the cooperative and its members lack market information and that members do not have access to it. Similarly, cooperatives' market interactions with unions and other organizations are shown to be insufficient, revealing that poor market transactions substantially hinder the cooperative's market development. However, the sample cooperatives are in a good position to participate in value addition and marketing product processing, but they lack a strategic and business plan development, leading cooperatives to uncertainty about where to go and what to do in both long-term and short-term programs.

The youth's participation in cooperative membership and marketing activities was also found to be limited, and it was suggested that the cooperative's long-term survival would be restricted and affect its market development. Additionally, it was also inferred that members received high-quality goods at reasonable prices, as well as technical help; nevertheless, members were not entirely informed about the patronage refund, thus they did not invest by purchasing further shares in their cooperative, thus implies the market's development of cooperatives could severely suffer. Despite members understanding the concept of cooperatives, they are unaware of their cooperative rights and duties, and they have little knowledge of the cooperative's mission and vision.

It was also concluded that the boards have a strong motivation to serve the cooperative and are willing to have GA meetings, but they are hesitant to hire managers, which could signal that they want to retain control and responsibilities beyond their mandate.

Gender diversity was found to strengthen the board's monitoring role by providing diverse viewpoints on cooperative market development; however, board gender diversity in the cooperative has weakened, and there is no clear legislative framework or effort to include and promote women on the board of directors and women's inactive participation in cooperative board leadership hampered cooperative market development.

In spite of, the board directors' education qualifications having a positive effect on cooperative market development, during general assembly elections, the board's academic qualifications are not considered, implying weak leadership in the cooperative and an inability to successfully carry out the cooperative's market performance.

The role of government in policy-making and strategy development, as well as financing cooperatives, is limited. It implies that cooperatives are now led without policies and strategies, as well as access to credit facilities, which would undoubtedly hinder cooperative market development. Even though cooperatives should be autonomous institutions, government interventions in decision-making and managerial matters have a significant negative effect on cooperatives, and cooperatives are becoming highly politicized, discouraging cooperative market development and thus their members.

It was concluded that the independent variables, such as market linkage, member participation, economic motivation, member cooperative knowledge, board commitment, board communication, board gender diversity, board qualification, and government intervention, could have a strong correlation and statistically significant positive effect on the market development of consumer cooperatives. As a result, utilizing these predictors was found to be more effective and powerful in boosting consumer cooperative market development in the study area.

The most difficult challenge occurring in cooperatives is the lack of inter-coop connectivity-strategic collaboration among cooperatives through unions. There is also a serious lack of knowledge of cooperative marketing and a lack of procedures and guidelines for marketing that are needed to sustain operations and ensure long-term sustainability. Furthermore, challenges: weak leadership in cooperatives, lack of well-motivated staff, delayed and often fragmented decision-making process, and low public awareness of cooperatives.

5.3 Recommendations

Based on the study's findings, the following recommendations are made to boost the market development of consumer cooperatives, assist members in obtaining quality services, improve marketing performance, and contribute to the members' economic development, thus enhancing the lives of cooperative members.

1. The intrinsic cooperative principles, user control, user owner, and user benefit have not been fully and effectively practiced, and due to this, members have not developed a sense of ownership in their cooperatives; they are uncertain about their resources. The regional cooperative agency must audit the cooperatives or develop a guideline to outsource the auditing performance and provide financial clarity to the members and board of directors, as well as improve service delivery and pay dividends to members.
2. Cooperatives should build solid relationships with unions and other organizations that can broaden their market interactions. The board of directors should prioritize training and consensus-building to enhance cooperative market interactions.
3. Cooperatives are currently operating without strategic business plan development; these should be developed by consulting trained professionals or hiring experts to help lead and guide their long and short-term activities.
4. Cooperatives should work strongly toward youth participation in cooperative membership and marketing activities because the cooperative's long-term survival depends on youth participation.
5. The board of directors cannot monitor the cooperative's day-to-day operations because it is beyond their scope of responsibility; therefore, cooperatives ought to hire managers to oversee day-to-day operations and improve the marketing performance of cooperatives.
6. Cooperatives are now being led without policies and strategies, as well as access to credit facilities; the government must develop policies and strategies and provide access to finance to bring fundamental changes to cooperatives.
7. Since cooperatives are autonomous institutions, the government should refrain from intervening in the decision-making and managerial concerns of the cooperatives.
8. During general assembly elections, it is crucial to consider the board's academic qualifications to achieve improved performance, and governance in cooperatives.
9. The study advised that cooperative board members, managers, government officials, and other stakeholders utilize and carry out marketing and governance factors to enhance cooperative marketing development.

10. Women's active participation in cooperative board leadership strengthens the board's monitoring role by providing diverse viewpoints on cooperative, hence there should be a clear legislative framework to promote women on the board of directors.
11. Cooperatives should train their members to better understand and be aware of their cooperative's rights and duties, as well as its mission and vision, to boost the marketing performance of the cooperatives.
12. Since members did not purchase additional shares or receive patronage refunds from the cooperatives, the cooperative boards must create awareness and launch a campaign in collaboration with the regional cooperative agency to raise funds and encourage members' engagement in their cooperative.

Areas for Further Studies

- This research was focused on the determinants of cooperative marketing development in Tigray, Ethiopia: The case of consumer cooperative societies in Mekelle which was limited to a few factors. Other academics should focus on factors that may influence the market development of cooperatives that were not considered in this study like leadership in cooperatives, market infrastructures of cooperatives, cooperative finance, cooperative professionalism, and others.
- Additionally, the study's focus on only two sub-cities may limit its ability to provide a comprehensive picture. Other academics should thus do regional or national studies on consumer cooperatives.

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APPENDIXES

Appendix: A Research Questionnaire

**Mekelle University College of Dry Land Agriculture & Natural Resource,
Department of Rural Development**

This questionnaire is prepared for members of consumer cooperatives. To conduct the research entitled “**Determinants of Cooperative Marketing Development in Tigray, Ethiopia: The Case of Consumer Cooperative Societies in Mekelle**”.

Dear respondent,

My name is Yemane Gebremeskel Gebrehiwet, a Master's student at Mekelle University College of Dry Land Agriculture & Natural Resource and Department of Rural Development and I am carrying out a study under the major advisor of Dr. Abadi Teklehaimanot (Associate professor) and co-advisor Dr. Gebrehiwet Weldegebriel for having the award of a Master's degree in Rural Development. I am conducting a study on the “Determinant of Cooperative Marketing Development in Tigray, Ethiopia”: the Case of Consumer Cooperative Societies in Mekelle.

Therefore, I humbly request your active participation in this study to fill out the questionnaire and I need your real response to the questions to complete my study. The information will be used only for academic purposes and your response will be kept **completely confidential**. Thank you very much for your help in answering these questions.

Instruction: the questionnaire is presented for answering consumer cooperative members and to answer these questions certain instructions are mentioned here below.

- 1) Please put a tick in the appropriate box
- 2) Do not write your name on the questionnaire.

Sincerely!

Yemane Gebremeskel Gebrehiwet

Part 1: Consumer Cooperatives' Address

1. Name _____
2. Address woreda _____ Kebelle _____ Telephone _____

Part 2: Background of Respondent

1. Age: (1)18-29 (2) 30-45 (3) 46-65 (4) 66 & above
2. Sex: (1)Male (2) Female
3. The educational level attained: (1) Illiterate (2) Primary 1-8 (3) Secondary 9-12 (4) Diploma (5) Degree (6) Master and above.
4. Total numbers years of membership in the consumer cooperative: Below (1) (2) 1-2 (3) 3-4 (d) 5 & above
5. Marital status: (1) Single (2) Married (3) Divorced (4) widowed
6. Current occupation: (1) Government employee (2) Small business (3) Daily workers (4) No occupation

Part 3: Directions: Using the following five Likert Scale questions, please show your level of agreement and tick your opinion depending on the following statements that best describe your cooperative. Use **1**= strongly disagree, **2** = disagree, **3** = neither agree nor disagree (Neutral), **4** = Agree, **5** = strongly agree

1. To assess the practical application of the unique cooperative principles in enhancing cooperative marketing development.						
	Unique cooperative principles	1	2	3	4	5
1	User-control					
1.1	Yearly auditing of our consumer cooperative helps members know and control their resources.					
1.2	The availability of clear audit and financial reports of our consumer cooperative builds high trust and transparency between members and the board of directors.					
1.3	Members have the right to get information on what is going on in their cooperative					
1.4	In general assembly voting is conducted by members on a democratic or principle basis “one person one vote”					
1.5	Members have the right to elect board members and other committees and at the same time dismiss them					

2	User-owned					
2.1	Members own resources and finance their cooperative					
2.2	The cooperative doing business and active participation with the owner (members)					
2.3	Members of the cooperatives are the decision-makers on major issues of the cooperatives					
2.4	The owners (members) are only profit-takers, not customers					
1.5	Members have a sense of ownership of their cooperatives by enhancing share capital.					
3	User-benefit					
3.1	Members of consumer cooperatives got benefits through dividends.					
3.2	Members of the consumer cooperative benefit from the supply of goods and services based on their demand.					
3.3	A sense of ownership of the cooperative members has been enhanced due to the benefits and services provided by the cooperative.					
3.4	Net earnings are distributed to patrons as refunds based on share capital and members transactions					
3.5	Members of the cooperative exhibit well-being and progress in their livelihood after joining the cooperative.					

Source: Own Develop, 2024

2. To assess marketing factors influencing the cooperatives' marketing development in the study area						
Independent Variables		1	2	3	4	5
1	Market linkage factors					
1.1	The cooperative has availability of market information and members have access to market information					
1.2	The consumer cooperative has strong market transactions with unions and other organizations					
1.3	The cooperative is offering competitive prices for members' supply of goods and services					
1.4	The cooperative participated in value addition, grading, and processing of marketing products					

1.5	The cooperative provides a timely supply of basic goods and services to its members					
1.6	To practice the marketing linkage, the cooperative has its strategic and business plan					
2	Members participation factors					
2.1	Members participate in resource participation (business transaction) carried out by cooperatives operation					
2.2	Active participation in decision-making in GA meetings and elections made by the general assembly					
2.3	Members benefited from the cooperative through dividends					
2.4	Active youth participation in cooperative membership and transactions					
2.5	Active members' participation in approving the by-law, annual work plan, audit, and work report					
3.	Economic motivation factor					
3.1	Members got goods from the cooperative at better prices					
3.2	Members got technical assistance from the cooperative to improve their marketing role in the cooperative					
3.3	Members got profit distributed by the cooperative as patronage refunds and were re-invested in the cooperative					
4	Members' cooperative knowledge factor					
4.1	Members have a good understanding meaning and concept of cooperative					
4.2	Members know the 7 principles and values of cooperative					
4.3	Members know cooperative Proclamation No.985/2009 of Ethiopia					
4.4	Members have good knowledge of their rights and duties					
4.5	Members have good knowledge of the mission and vision of the cooperative					

3. To examine how the governance factors affect the cooperative marketing development in the study area.

	Independent Variables	1	2	3	4	5
1	Board commitment factor					

1.1	Board members have good individual motivation to serve the cooperative					
1.2	Willingness among the board members to conduct GA meetings yearly and share goals to enhance the cooperative					
1.3	Willingness to hire qualified manpower to lead the day-to-day operations					
1.4	Willingness of the board to serve freely without salary					
1.5	The willingness of boards to use their responsibility and skills to promote and benefit the cooperative					
2	Board communication factor					
2.1	Boards have the communication skills and techniques of sharing information in a non-threatening and polite manner					
2.2	Board members have access to timely and worthwhile information and market trends of the cooperative					
2.3	Communication between board management and members enhances the development of the cooperative					
2.4	Board communications to members promote transparency and create clear reporting in the cooperative					
2.5	Inappropriate communication among the board of directors, and members results in inactive members					
3	Board gender diversity factor					
3.1	There is a legal framework to encourage the participation of female members in the board.					
3.2	The cooperative strives to hold 30% of the board by female members.					
3.3	Gender diversity enhances the monitoring role of the board of directors.					
3.4	The inactive participation of women in board leadership results in significant obstacles in cooperative market development.					
3.5	The composition of the board represents the membership (men-women, youth, age, etc.)					
4	Board qualification factor					
4.1	Board members' academic qualifications have been considered					

	before election to the cooperative board					
4.2	All board members have relevant knowledge and experience to lead and manage the cooperative					
4.3	The educational qualification of directors has a significant effect on their monitoring controlling and efficiency.					
4.4	The board members are qualified to lead their duties and responsibilities in the cooperative					
4.5	The board's ability is strong enough to be creative to generate new ideas or solutions to problems in the cooperative					
5	Government intervention factor					
5.1	The government supports the cooperative by formulating appropriate policies and strategies to develop cooperatives.					
5.2	Government involvement serves the interests of politicians rather than the development of cooperative members.					
5.3	The government encourages the cooperative to get credit access.					
5.4	Government involvement in decision-making and managerial matters hampers the autonomy of your consumer cooperative to make its own decisions.					
5.5	Government involvement is appreciated in providing access to land resources for establishing a market center for your cooperative.					

Source: Own Develop, 2024

Consumer Cooperative Market Development

S.no	Dependent Variable	1	2	3	4	5
1	The cooperative's sales growth has increased significantly.					
2	The cooperative provides adequate and quality consumer goods and services to its members.					
3	Sense of ownership and member satisfaction with cooperative services					
4	The cooperative has a significant market share of business as a result of the efficient board governance framework and policy implementation.					
5	The cooperative is offering higher quality goods and services to members as a result of the outstanding service that is delivered to					

	members.					
6	Cooperative generates additional income and is profitable.					
7	The cooperative is growing faster as a result of the proper implementation of the governance practices.					
8	Members are satisfied with the amount of dividends paid and the supply of quality goods and services.					
9	The cooperative consistency of the supply of essential goods					
10	Effective governance is carried out in the cooperative.					

Source: Own Develop, 2024

4. To identify challenges hampering the development of cooperative marketing in the research area.

Rate the Constraints in the Consumer Cooperatives in their Order of Importance.

S.no	List of Challenges	1	2	3	4	5
1	Lack of inter-coop connectivity ✓ Strategic partnership among cooperatives through unions is essential in maximizing resources and minimizing costs.					
2	Serious lack of knowledge of cooperative marketing ✓ Know your market (customers) ✓ Know their needs or wants ✓ Provide products that meet their needs, are affordable, and are available at the right time and the right place.					
3	Unstable cooperative structure					
4	Lack of policies and procedures and marketing guidelines ✓ that are needed to sustain operations and promote long-term viability					
5	Delayed and often fragmented decision making process					
6	A serious lack of information about/from member-owners					
7	Low public awareness of cooperatives					
8	Low infrastructure(transport and storage					
9	Lack of well-motivated staff					
10	Lack of quality leadership in cooperative					

Source: Own Develop, 2024

Part 4: Interview Schedule for Key Informant Interview(KII)

Mekelle University College of Dry Land Agriculture & Natural Resources

Department of Rural Development

The interview schedule covered selected boards of directors, cooperatives experienced individuals from the woreda, zone to the regional bureau of cooperative and cooperative leaders.

1. How do you describe the market development of cooperatives such as market information, supply of quality of goods, and services?
2. How do you describe the market performance of consumer cooperatives in terms of value addition, and members' transactions with the cooperative?
3. How may you clarify cooperatives' economic motivations?
4. How do you explain members' participation in the consumer cooperative?
5. How do you explain the governance of consumer cooperatives in terms of board qualification, board commitment board communication, and board gender diversity?
6. How do you justify the government's intervention in consumer cooperatives?
7. Do you think that cooperatives have a policy and strategy? If not why?
8. What do you think about the application of cooperative principles? Are members user owner, user benefit, and user control of their society?
9. Do members understand the cooperative principles and apply them effectively? If not why?
10. What critical challenges are now hampering the consumer cooperative market development?

Appendix B: Tigrigna Version of Questioner

ሕዛል ናይ ፅንዓት መጠይቅ

መቐለ ዩኒቨርሲቲ ዲፓርትመንት ፋራል ዲቪዥን

ንኣባላት ሸማቶ ሕብረት ስራሕ ማሕበር ጥራሕ ዝተዳለወ መጠይቅ

ዝከበርካ ተሳታፊ ፡ ኣነ የማነ ገብረመስቀል ኣብ መቐለ ዩኒቨርሲቲ ናይ ማስተርስ ዲግሪ ተመሃራይ እየ ። ኣብ ከተማ መቐለ ቀዳማይ ወያነን ሓወልቲ ክፍለን ከተማ ዝርከባ ብዛዕባ ሸማቶ ሕብረት ስራሕ ማሕበራት ናይ ፅንዓት ልምዓት ኣሰራርሐኡን ንምድህሳስ መጽናዕቲ ይገብር ኣለኹ። ስለዚ መፅናዕቲይ ንምፍፃም ናይ ሓቂ ምላሽ የድልየኒ ኣሎ ። እቲ ሓበሬታ ኣብ ኣካዳምያዊ ፅላማታት ጥራይ ይውዕል ከምኡ 'ውን ምላሽኻ ምሉእ ብምሉእ ምስጢራዊ ይኸውን ። ነዞም ሕቶታት ኣብ ምምላስ ዝገበርካዮ ሓገዝ ኣዝየ ኣመስግነካ ።

መምርሒ:- እዚ መሕትት ኣባላት ሸማቶ ሕብረት ስራሕ ማሕበር ዝምልስዎ እዩ

- 1) በይዛኩም ኣብ ዝተዳለወ ሳንዱቅ ምልክት ግበሩ
2) ኣብ ዝተዳለወ ሳንዱቅ ስምካ ምፅሓፍ ኣየድል

ክፍሊ 1 ኣድራሻ ሸማቶ ሕብረት ስራሕ ማሕበር

1.ስም _____
2.ወረዳ _____ ጣብያ _____ ስልኪ _____

ክፍሊ 2 ተሳተፍቲ ድሕረ ባይታ

- 1. ዕድመ: 1) 18-29 [] 30-45 (3) [] 5 4) 66 [] ኡን []
2. ፆታ: 1. ተባ [] ኣን []
3. ደረጃ ት/ቲ: 1. መሃይምነት [] ለመንታሪ 1-8 3. ካልኣ [] ኪ. 9-12 4. ዲፕሎማ []
5. ዲግሪ [] ስተርን ልዕሊኡን []
4. ኣብ ሸማቶ ሕ/ስ/ማ ኣባልነት ዝፀናሕካሉ ዓመት 1) ትሕቲ 1 2) 1-2 [] 3) 3-4 [] 4) 5 ልዕሊኡን []
5. ኩነታት ሓዳር: 1. ዘይብሉ [] ለዎ 3. ዝፈታ [] 4. መበለት []
6. ሐዚ ዘለዎ ስራሕ: 1. ናይ መንግስቲ 2. [] ገሊ ቢዝነስ 3. መዓልታዊ [] ራሕተኛ 4. ስራሕ [] ኡን

ክፍሊ 3: እንፈታት ኣመላልኡ: እዞም [] 5 ስኬል ሕቶታት መሰረት ገይርኩም ኣብ ዝተስማዕማዕኩም ምልክት ክትገብሩ ኮይኑ በዞም ዝስዕቡ መግለፅታት ተጠቂምኩም ማሕበርኩም ዘላቶ ደረጃ ግለፁ፡፡

1= ብጣዕሚ ኣይስማዕማዕን, 2 = ኣይስማዕማዕን, 3 = መንጎኛ 4 = ይሰማማዕ, 5 = ብጣዕሚ ይሰማማዕ

1. To assess marketing factors influencing the cooperatives' marketing development in the study area						
Independent Variables		1	2	3	4	5
1	ዕዳጋ ምትእስሳር ፋክተር					
1.1	ማህበርቱም ናይ ዕዳጋ ሓበሬታ ኣለዎ ኣባላት ውን ብዕዳጋ ሓበሬታ ተጠቀምቲ እዮም					
1.2	ማህበርቱም ምስ ዩኔን ሕብረት ስራሕ ማህበርን ምስ ካልኦት ትካላትን ጠንካራ ናይ ዕዳጋ ምትእስሳር ኣለዎ					
1.3	ማህበርቱም ንኣባላታ ተመጣጣኒ ዋጋን ዝተፈላላዩ ቀረባትን ግልጋሎትን ትህብ እያ					
1.4	ማህበርቱም ኣብ ምህርቲ ክብሪ ምውሳኽ፡ ምፍላይ፡ ፕሮሰሲንግ ስራሕቲ ትሳተፍ እያ					
1.5	ማህበርቱም ንኣባላት ዘድሊዮም መሰረታዊ ቀረባትን ግልጋሎትን ብእዋኑ ተቐርብ እያ					
1.6	ዕዳጋ ምትእስሳር ንምክያድ ማህበርቱም ስትራተጂክ ቢዝነስ ፕላን ተዳልው እያ					
2	ኣባላት ተሳትፎ ፋክተር					
2.1	እታ ሕብረት ስራሕ ማህበር ኣብ ትገብሮ ዕዳጋ ምልውዋጥ ወይ ቢዝነስ ስራሕቲ ኣባላት ማህበር ይሳተፉ እዮም					
2.2	ኣብ ማህበርቱም ጠቅላላ ጉባኤን መረጃታትን ኣባላት ንቁሓት ተሳተፍተን ወሰንትን እዮም					
2.3	ኣባላት ካብማህበሮም ብትርፌ መቐሎ ኣቢሎም ተጠቀምቲ እዮም					
2.4	ኣብ ማህበርቱም መናእሰይ ኣብ ኣባልነትን ዕዳጋ ስራሕትን ብንቅሓት ይሳተፉ					
2.5	ናይ ማህበርቱም መተሓዳደሪ ደንቢ ምፅዳቕ፡ ዓመታዊ ትልሚ፡ ኦዲት፡ ከምኡውን ዝተሰርሑ ስራሕቲ ንምርኣይ ኣባላት ብንቅሓት ይሳተፉ					
3.	ኢኮኖሚክ ሞቲቪሽን ፋክተር					
3.1	ኣባላት ካብ ማህበርም ዝረክብዎ ቀረባት ብተመጣጣኒ ዋጋ እዩ					

3.2	አባላት አብ ዕዳጋ ግደ ንክህልዎም ካብታ ሕብረት ስራሕ ማሕበር ዝተፈላለዩ ቴክኒካዊ ድጋፋት ይወግብ እዩ					
3.3	አባላት ካብ ማሕበሮም ብዝገብርዎ ንግዳዊ ተሳትፎ ትርፌ ይረኽቡ ከምኡውን ተመሊሶም ተወሳኺ ዕፃ ይገዝኡ ወይ ኢንቨስትመንት ይገብሩ					
4	አባላት አብ ሕስማ ግንዛቤ ፋክተር					
4.1	አባላት እቲ ማሕበር ትርጉምን እንታይነት ሕብረት ስራሕ ማሕበር ብደምቢ ገይሮም ይፈልጡ እዮም					
4.2	እቶም ሸውዓተ መትከላት ሕብረት ስራሕ ማሕበር አባላት እቲ ማሕበር ይፈልጡዎም እዮም					
4.3	አባላት ሕብረት ስራሕ ማሕበር መጣየሺ አዋጅ ቁፅሪ 985/2009 ይፈልጥዎ እዮም					
4.4	አባላት አብቲ ሕብረት ስራሕ ማሕበር ዘለዎም መሰልን ሓላፍነትን ይፈልጡ እዮም					
4.5	አባላት ናይቲ ሕብረት ስራሕ ማሕበር ራእን ልኡኽን ይፈልጡ እዮም					

2. To examine how the governance factors affect the cooperative marketing development in the study area.

	Independent Variables	1	2	3	4	5
1	ቦርድ ውፍይነት ፋክተር					
1.1	ቦርድ አባላት እቲ ሕብረት ስራሕ ማሕበር አብቲ ሕብረት ስራሕ ማሕበር ዝህብዎ ግልጋሎት ፅቡቕ መንፈስ ምልዕዓል አለዎም					
1.2	አብ መንጎ ቦርድ አባላት ዓመታዊ ጠቕላላ ጉባኤ ከካይዱ ዘሎዎም ድልውነት ከምኡውን ዕላማ ናይቲ ሕብረት ስራሕ ማሕበር ንምልውዋጥ ይሰርሑ					
1.3	ቦርድ አባላት ናይቲ ሕብረት ስራሕ ማሕበር መዓልታዊ ስራሕ ዝቆፃፀር ዘድሊ ስራሕ መካየዲ ክቆፅሩ ድልዎት እዮም					
1.4	አመራርሓ ቦርድ አብ ማሕበሮም ብዘይ ደመወዝ ግልጋሎት ክህቡ ድልዎት እዮም					
1.5	አብ ማሕበሮም ለውጢ ክመፅእን ዘለዎም ሓላፍነትን ክእለትን አብ ምጥቃም ድልዎት እዮም					

2	ቦርድ ኮሚቴዎችን ፋክተር					
2.1	ቦርድ ዘለዎም ናይ ምዝርራብ ክእለትን ቴክኒክን ከምኡውን ሓበሬታ ምሕላፍን ፅቡቕ እዩ					
2.2	ቦርድ ኣባላት ብዘለዎም ርክብ እዋናዊ ሓቢረታ ከምኡውን ኩነታት ዕዳጋ ትምባይ ኣክሰስ ወይ ተበግሓየነት ዘለዎም					
2.3	ኣብ መንጎ ኣባላት ሕብረት ስራሕ ማሕበርን ቦርድን ዘሎ ርክብ ኣብቲ ማሕበር ዕብየት ኣምጺኡ እዩ					
2.4	ቦርድ ንኣባላት ሕብረት ስራሕ ማሕበር ዘለዎም ግልፅነት ከምኡውን ግልጺ ሪፖርት ኣብ ምቕራብ ዘለዎም ርክብ ፅቡቕ እዩ					
2.5	ኣብ መንጎ ቦርድን ኣባላት ሕብረት ስራሕ ማሕበርን ዘይምጥን ርክብ ወይ ዝርርብ ብምግባሮም ኣባላት ኣብ ማሕበሮም ንቁሓት ንከይኾኑ ገይሩ እዩ					
3	ቦርድ ጀንደር ዳይቨርሲቲይ ፋክተር					
3.1	ናይ ደቂ ኣነስትዮ ኣብ ቦርድ ኣመራርሓ ተሳትፎ ንምዕባይ ወይ ንምትብባዕ ኣብቲ ሕብረት ስራሕ ማሕበር ሕጋዊ መስርሕ ኣሎ					
3.2	ኣብ ቦርድ ኣመራርሓ ተሳትፎ ደቂ ኣነስትዮ ንምዕባይ እታ ሕብረት ስራሕ ማሕበር 30% ክተብፅሕ ፃዕሪ ትገብር እያ.					
3.3	ፆታዊ ብዙሕነት ኣብ ቦርድ ኣመራርሓ ምህላው ናይ ቁፅፅርን ምሕደራን ዓቕሚ የፅቢ እዩ					
3.4	ኣብ ቦርድ ኣመራርሓ ደቂ ኣነስትዮ ብንቕሓት ዘይምስታፍ ንናይ ዕዳጋ ልምዓት ዕብየት ወይ ስራሕቲ ዕንቅፋት ኣለዎ					
3.5	ናይ ቦርድ ኣመራርሓ ስብጥር ኣብ ኣባላትን መናእሰይን የካትት እዩ					
4	ቦርድ ብቕዓር (ትምህርቲ) ፋክተር					
4.1	ቦርድ ኣባላት ኣመራርሓ ናይ ኣካዳሚ ወይ ትምህርቲ ብቕዓቶም ቅድሚ ምምራቦም ዝርኣ ምዃኑ					
4.2	ኩሎም ኣባላት ቦርድ ኣመራርሓ ማሕበሮም ንምምራሕን ንምምሕዳርን እኩል ልምድን ፍልጠትን ኣለዎም					
4.3	ናይ ቦርድ ኣባላት ኣመራርሓ ደረጃ ትምህርቲ ዓቕሚ ኣብ ምቁፅፃርን ክትትልን ቅልጣፊ መዳባት ምፍፃም ኣስተዋፅኦ ኣለዎ					

4.4	ቦርድ አመራር ላይ አብላጫ ስራ ማህበር ዝተውሃቦም ሓላፊነት ንምውፃእ ብቐዓት ኣለዎም					
4.5	አባላት ቦርድ አመራር ነቲ ማህበር ዝጠቓም ሓደሽቲ ሓሳባት ምምፃእን ዘጋጠሙ ፀገማት ምፍታሕን ክእለት ኣለዎም					
5	መንግሥቲ ኢድ ኣታውነት ፋክተር					
5.1	መንግሥቲ ናይ ስራ ስራ ማህበራት ፖሊሲን ስትራቴጂን ብምውፃእ ንዕብዮት ስራ ማህበራት ይሕግዝ እዩ					
5.2	ናይ መንግሥቲ ኢድ ኣታውነት ኣብ ክንዲ ንዕብዮት ስራ ማህበራት ናይ ፖለቲካኛታት ድሌት መፈፀሚ እዮም ዝገብርዎን					
5.3	መንግሥቲ ንስራ ስራ ማህበራት ልቓሕ ብምሃብ ይሕግዝ እዩ.					
5.4	ናይ መንግሥቲ ኢድ ኣታውነት ኣብ ውሳኔታትን ምሕደራን ስራ ስራ ማህበራት ነፃነትን ብምድፋእ ናይ ባዕሉ መሳለጢ ይገብረን ኣሎ					
5.5	ናይ መንግሥቲ ኢድ ኣታውነት ኣብ ስራ ስራ ማህበራት ዕደጋ ማእኸላት ምምስራት ከምኡውን መሬት ምሃብ ይሳተፍ እዩ					

3. To assess the practical application of the unique cooperative principles in enhancing cooperative marketing development.						
	ፍሉይት መትከላት ስራ ስራ ማህበር	1	2	3	4	5
1	User-control					
1.1	ስራ ስራ ማህበርና ዓመታዊ ኦዲት ብምክያድ ሃፍትና ክንፈልጥ ክንቆፃፀር ክኢልና ኢና					
1.2	ኣብ ስራ ስራ ማህበርና ግልፅነት ዘለዎ ኦዲትን ናይ ሒሳብ ስራ ስራ ፊርማትን ብምህላው ኣብ መንጎ ኣባላትን ቦርድ አመራርን ምትእምማንን ግልፅነትን ፈጠሩ እዩ					
1.3	አባላት ስራ ስራ ማህበራት ኣብ ማህበሮም ዝግበር ኩሉ ስራ ስራ ናይ ምፍላጥ ክትትልን ምግባርን ሓላፊነት ኣለዎም					
1.4	ኣብ ጠቓላላ ጉባኤ መረጃን ድምጺ ምሃብን ብ ዲሞክራሲያዊ መንገዲ ሓደ ሰብ ሓደ ድምጺ ኣለዎ ብዝብል መትከል ስራ ስራ ማህበር ይካየድ					

1.5	አባላት ማህበር ቦርድ አመራርላ ናይ ምምራፅን ናይ ምውራድን መሰል አለዎም መሰል					
2	User-owned					
2.1	አባላት ማህበር ኣብ ማህበሮም ዘሎ ሃፍቲ ወነንቲ እዮም ከምኡውን ማህበሮም ብፋይናንስ የጠናኸሩ					
2.2	ሕብረት ስራሕ ማህበር ምስ አባላታ ቢዝነስ ተሳትፎ ብምግባር ትሰርሕ አባላታውን ተሳተፍቲ እዮም					
2.3	አባላት ሕብረት ስራሕ ማህበር ኣብ ወሰንቲ ጉዳያት እቲ ማህበሮም ውሳኔ ወሃብቲ እዮም					
2.4	አባላት ወነንቲ እምበር ትርፌ ወሰድቲ ጥራሕ ኣይኮኑን					
1.5	አባላት ማህበር ኣብ ማህበሮም ናተይነት ስምዒት አለዎም ከምኡውን ማህበሮም ንምዕባይ ተወሳኺ ዕፃ ይገዝኡ					
3	User-benefit					
3.1	አባላት ካብ ማህበሮም ብትርፌ መቐሎ ኣቢሎም ተረባሕቲ እዮም.					
3.2	አባላት ብዘለዎም ድሌት ብማህበሮም ኣቢሎም ናይ ዝተፈላለዩ ቀረባትን ግልጋሎትን ተጠቀምቲ እዮም					
3.3	ናይ አባላት ናተይነት ስምዒት ዓብይ እዩ ምክንያት አባላት ብዝረከብዎ ትርፍን ግልጋሎትን መሰረት					
3.4	አባላት ዝተፃረየ ትርፌ ብመሰረት ብዘለዎም ንግዳዊ ተሳትፎን ዕፃን መሰረት ይከፋፈል ትርፌ ይከፋፈሉ					
3.5	አባላት ሕብረት ስራሕ ማህበር ናይቲ ማህበር አባላት ድሕሪ ምዃና ኣብ ናብራና ለውጢ ኣምፂእና ኢና					

Consumer Cooperative Market Development

S.no	Dependent Variable	1	2	3	4	5
1	ናይቲ ሕብረት ስራሕ ማህበር መሸጣ ዕብየት ዓብይ ለውጢ ኣምፂኡ እዩ					
2	እታ ሕብረት ስራሕ ማህበር ንአባላት እኩልን ፅሬት ዘለዎም ኣቁሑን ግልጋሎትን ንአባት ትህብ እያ					
3	ማህበርና ብትህቦም ግልጋሎት ናይ አባላት ናተይነት ስምዒትን ናይ አባላትን					

	ዕግበት መግለጫ እዩ					
4	እታ ማሕበር ወሳኒ ዝባሃል ናይ ዕዳጋ ብፅሒትን ቢስነስ ስራሕቲ ውፅኢት ብናይ ቦርድ ኣመራርሓ ን ሕጋዊ መስርሕን ምፍፃሙ እዩ					
6	እታ ማሕበር ዝለዓለ ፅሬት ዘለዎም ንብረትን ግልጋሎትን ንኣባላት ግልጋሎት ትህብ እያ.					
6	እታ ሕብረት ስራሕ ማሕበር ተወሳኪ ኣታውታት ብምምፃእ መትረፊት እያ					
7	እታ ሕብረት ስራሕ ማሕበር ፈጣን ዕብየት ኣላዎ ምክንያት ምዕሩይ ምሕደራ ብምህላዎ እዩ					
8	ኣባላት ሕብረት ስራሕ ማሕበር ብትርፌ መቐሎን ብዝወሃቦም ግልጋሎትን ዕጉባት እዮም					
9	ብታ ሕብረት ስራሕ ማሕበር ዝቐርቡ ግልጋሎትን ንብራታትን ቀፃልነት ዘለዎም እዮም					
10	ኣብታ ሕብረት ስራሕ ማሕበር ቅልጣፊ ዘሎ መሕደራ ኣሎ					

4. To identify challenges hampering the development of cooperative marketing in the research area.

ነዘም መሰረታዊ ፀገማት ሸማቶ ሕብረት ስራሕ ማሕበራት ብቅደም ሰዓብ ኣቐምጥ

S.no	ዝርዝር ፀገማት	1	2	3	4	5
1	ኣብ መንጎ መሰረታዊ ማሕበርን ዩኔን ግድለት መሰረታዊ ምሕዘነት ዘይምፍጣርን ምትእስሳር ዘይምፍጣርን					
2	መሰረታዊ ዕዳጋ ሕብረት ስራሕ ማሕበራት ፍልጠት ሕፅረት ✓ ሞላላካ ዘይምፍላጥ ✓ መሰረታዊ ድሌታት ዘይምንፃር ✓ ድሌት ኣባላት ንምምላእ ብእዋኑ ኣብ ዝተደለየ ቦታን ምህላው					
3	ቀፃልነት ዘለዎ መሓውር ዘይምህላው					
4	ሕፅረት ፖሊሲ ኣስራርሓ ናይ ዕዳጋ መምርሕታትን					
5	ዝተዳናጎየን ዝተበጠጠሰ ውሳኔ ምውሳኔ					
6	ሕፅረት ኣበሬታ ምስ ኣባላት					
7	ናይ ሕብርት ስራሕ ማሕበራት ትሑት ግንዛብ					
8	ትሑት መሰረታ ልምዓት					
9	ሕፅረት ዝሓሸን ዘተባብዕን ስራሕተኛ					
10	ኣብ ሕብረት ስራሕ ማሕበራት					

ክፍሉ 4: ቃለ መጠይቅ

ናይ ፅንዓት መጠይቅ for Key Informant Interview(KII)

መቐለ ዩኒቨርሲቲ ዲፓርትመንት ሩራል ዲቪዥን

እዚ ቃለ መጠይቅ ንዝተፈላለዩ አካላት ከም ኣመራርሓ ቦርድ: ኣብ ሕብረት ስራሕ ማሕበር ልምዲ ዘለዎም አካላት ካብ ወረዳ: ዞባን: ክልልን ዘካተተ እዩ

1. ዕዳጋ ልምዓት ከመይ ትገልጽ? ብፍላይ ከዓ ዕዳጋ ሓገራ ከምኡውን ኣብ ሕብረት ስራሕ ማሕበራት ዘሎ ቀረባትን ግልጋሎትን ዝምለከት ከመይ ይግለፅ?
2. ዕዳጋ ኣፈፃፀማ ሕብረት ስራሕ ማሕበራት ከመይ ይግለፅ? ብፍላይ ከዓ ዕዳጋ ክብሪ ወሲክካ ምቕራብ ከምኡውን ኣብ መንጎ ኣባልን ሕብረት ስራሕ ማሕበራትን ዘሎ ቢዝነስ ዕዳጋ ርክብ ከመይ ይግለፅ?
3. ናይ ሕብረት ስራሕ ማሕበራት ኢኮኖሚያዊ ሞቲቪሽን መብርሂ ከመይ ይግለፅ?
4. ናይ ኣባላት ተሳትፎ ኣብ ሸማቶ ሕብረት ስራሕ ማሕበራት ከመይ ትገልጽ?
5. ናይ ሸማቶ ሕብረት ስራሕ ማሕበራት ምሕደራ ከመይ ይግለፅ? ብፍላይ ከዓ ቦርድ ደረጃ ትምህርቲ ዓቕሚ ቦርድ ኣመራርሓ ድልውነት ቦርድ ኣመራርሓ ርክብ ቦርድ ኣመራርሓ ተሳትፎ ደቂ ኣነስትዮ ከመይ ይግለፅ?
6. ኣብ ሸማቶ ሕብረት ስራሕ ማሕበራት ናይ መንግስቲ ኢድ ኣታውነት ከመይ ይግለፅ?
7. ሕብረት ስራሕ ማሕበራት ፖሊሲን ትራቴጅን ኣለዎን ዶ? የለን እንተኮይኑ ንምንታይ ይብሉ?
8. እዞም ፍሉያት መትከላፕ ሕበረት ስራሕ ማሕበራት ኣብ ሕብረት ስራሕ ማሕበራት ተግባራዊነቶም ከመይ እዩ? ከመይ ይግለፅ? ኣባላት ወገንቲ: ተቐፃፀርቲ: ተጠቀምቲ ድዮም?
9. መትከላት ሕብረት ስራሕ ማሕበራት ኣባላት ሕብረት ስራሕ ማሕበራት ይፈልጥዎም ዶ? ብተግባር ከመይ ይሰርሕሎም ብተግባር ኣይሰርሕሎም ተኮይ?
10. ንሸማቶ ዕዳጋ ልምዓት ሕብረት ስራሕ ማሕበራት ዘፀንቅፉ መሰረታዊ ፀገማት ዝባሃሉ ይግለፁ?