



DOI: 10.58423/2786-6742/2024-6-207-222
UDC 334.73:316.344.2(63)

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ENHANCING WELL-BEING THROUGH COOPERATIVE: STRENGTHENING SOCIAL CAPITAL FOR PUBLIC WELFARE IN ETHIOPIA

***Анотація.** Кооперативи залишаються важливим інструментом економічних і соціальних перетворень в Ефіопії, оскільки вони роблять значний внесок у боротьбу з бідністю, створюючи робочі місця, особливо серед маргіналізованих верств населення. Це дослідження вивчає вплив кооперативних підприємств в Ефіопії на добробут їхніх членів, зосереджуючи увагу на економічних, соціальних та екологічних факторах. У дослідженні використовувався якісний підхід для збору даних за допомогою анкетування, інтерв'ю та фокус-групових дискусій. У дослідженні взяли участь 122 респонденти з досвідом роботи в кооперативі щонайменше протягом п'яти років, які були відібрані методом цілеспрямованої вибірки. Зібрані дані були проаналізовані за допомогою описового методу аналізу даних. Результати показали, що кооперативні підприємства позитивно впливають на економічний, соціальний та екологічний добробут своїх членів, підвищуючи рівень доходів та фінансової стабільності, покращуючи стандарти життя, збільшуючи дохід, надаючи доступ до мікrokредитів, навчання та можливостей для самозайнятості. Дослідження також підкреслює важливість соціальної взаємодії всередині кооперативів, що сприяє створенню соціального капіталу та добробуту членів. Крім того, дослідження виявило, що участь у кооперативних послугах збільшує добровільні заощадження серед членів-бенефіціарів, але оцінка внеску послуг в умови добробуту відсутня. Загалом, особи, які беруть участь у кооперації, покращують свій економічний, людський та соціальний капітал, незважаючи на те, що цьому питанню приділяється недостатня увага. Дослідження підкреслює важливість заохочення добровільних членів кооперативів до надання послуг, надання їм освіти та підтримки, а також надання їм можливості купувати сільськогосподарські ресурси та розширювати бізнес. Рекомендації включають добровільну мобілізацію заощаджень населення, навчання щодо користування кредитами та співпрацю між політиками, донорами, керівниками програм, персоналом НУО та дослідниками. У роботі не розглядаються будь-які потенційні зовнішні фактори або*



контекстуальні впливи, які можуть вплинути на результати добробуту членів кооперативів в Ефіопії. Крім того, дослідження не містить комплексного аналізу довгострокової стійкості та тривалого впливу членства в кооперативі на індивідуальний добробут.

Ключові слова: покращення, кооператив, економічний, соціальний, добробут, член, заощадження, дохід

JEL Classification: A13, O35, B55, C71

Absztrakt. A szövetkezetek továbbra is kulcsfontosságú eszközei Etiópia gazdasági és társadalmi átalakulásának, mivel jelentősen hozzájárulnak a szegénység csökkentésére irányuló erőfeszítésekhez azáltal, hogy munkahelyeket teremtenek, különösen a marginalizált közösségek körében. Ez a tanulmány az etiópai szövetkezeti vállalkozásoknak a tagok jólétére gyakorolt hatását vizsgálja, a gazdasági, társadalmi és környezeti tényezőkre összpontosítva. A tanulmány kvalitatív megközelítést alkalmazott a kérdőívekből, interjúkból és fókuszcsoportos beszélgetésekből álló adatgyűjtéshez. A kutatásban 122, legalább öt éves vállalati tagsággal rendelkező válaszadó vett részt, akiket célzott mintavételi módszerrel választottak ki. Az összegyűjtött adatokat leíró adatelemzési módszerrel elemezték. Az eredmények azt mutatták, hogy a szövetkezeti vállalkozások pozitívan befolyásolják a tagok gazdasági, társadalmi és környezeti jólétét a jövedelem és a pénzügyi stabilitás fokozása, az életszínvonal javítása, a jövedelem növelése, valamint a mikrohitelhez, a képzéshez és az önfoglalkoztatási lehetőségekhez való hozzáférés biztosítása révén. A tanulmány rávilágít a szövetkezeteken belüli társadalmi interakciók fontosságára is, amelyek hozzájárulnak a társadalmi tőke megteremtéséhez és a tagok jólétéhez. A tanulmány továbbá megállapította, hogy a szövetkezeti szolgáltatásokban való közreműködés növeli a kedvezményezett tagok önkéntes megtakarításait, de hiányzik a szolgáltatások jóléti feltételekhez való hozzájárulásának értékelése. Általánosságban elmondható, hogy a részt vevő egyén gazdasági, humán és társadalmi tőkéje összességében javul, annak ellenére, hogy az érintett szervre korlátozott figyelmet fordítanak. A tanulmány hangsúlyozza annak fontosságát, hogy az önkéntes szövetkezeti tagokat a szolgáltatásokban való részvételre ösztönözzék, oktatást és támogatást nyújtsanak, és lehetővé tegyék számukra a mezőgazdasági inputanyagok beszerzését és a vállalkozások kapacitásainak bővítését. Az ajánlások közé tartozik a nyilvános önkéntes megtakarítások mozgósítása, a hitelhasználatra vonatkozó képzés, valamint a politikai döntéshozók, adományozók, programvezetők, nem kormányzati szervezetek munkatársai és kutatók közötti együttműködés. A tanulmány nem tárgyalja azokat a lehetséges külső tényezőket vagy kontextuális hatásokat, amelyek befolyásolhatják a szövetkezeti tagok jóléti eredményeit Etiópiában. Emellett a tanulmány nem nyújt átfogó elemzést a szövetkezeti tagság hosszú távú fenntarthatóságáról és az egyéni jólétre gyakorolt tartós hatásáról.

Kulcsszavak: : javulás, szövetkezet, gazdasági, társadalmi, jólét, tag, megtakarítás, jövedelem

Abstract. Cooperatives remain a crucial tool in Ethiopia's economic and social transformation since they contribute significantly towards poverty reduction efforts by creating jobs especially among marginalized communities at large. This study investigates the impact of cooperative enterprises in Ethiopia on members' well-being, focusing on economic, social, and environmental factors. The study used a qualitative approach for collecting data from questionnaires, interviews, and focus group discussions. The research involved 122 respondents with at least five years of experience in a cooperative, which were selected using the purposive sampling method. The collected data was analyzed by descriptive data analysis method. The results showed that cooperative enterprises positively affect members' economic, social, and environmental well-being by enhancing income and financial stability, improving life standards, increasing income, and providing access to microloans, training, and self-employment opportunities. The study also highlights the importance of social interaction within cooperatives, contributing to the creation of social capital and members' well-being. Additionally, the study found that participation in cooperative services increases voluntary savings among beneficiary members, but the assessment of service contributions to well-being conditions is lacking. In general, the individual, which participates, has overall improvement in the economic, human, and social capital, despite there is limited attention given to the concerned body. The study emphasizes the importance of



encouraging voluntary cooperative members to engage in services, providing education and support, and enabling them to purchase agricultural inputs and expand businesses. Recommendations include public voluntary saving mobilization, training on loan usage, and collaboration between policymakers, donors, program managers, NGO personnel, and researchers. The paper does not discuss any potential external factors or contextual influences that may affect the well-being outcomes of cooperative members in Ethiopia. Additionally, the study does not provide a comprehensive analysis of the long-term sustainability and lasting impact of cooperative membership on individual well-being.

Keywords: *Improvement, Cooperative, Economic, Social, Welfare, Member, saving, Income*

Problem statement. Cooperative enterprises are now seen as potent mechanisms for socio-economic transformation, particularly in regions striving for such change. They play a significant role in strengthening and promoting economic independence in the country. Cooperatives operate in various sectors, including agriculture, finance, and consumer products, serving their members and making them a vital part of this transformative process [9,11,18].

Cooperatives, founded in the early 1900s by local communities, have become significant since then. They have expanded to numerous branches across various areas, catering to the needs of their members [23]. Their primary goal is to address issues faced by individuals with limited market access, inability to borrow or borrow, and limited information resources [11]. Cooperatives have a plethora of both direct and indirect effects on the economy, including the provision of opportunities to stimulate growth, create jobs, and pull people out of poverty [6,16]. The cumulative and all-encompassing result of cooperatives solidify the different resources and utilize economies of scale, elevating small producers, entrepreneurs, and the artisans who assist them, and in the end, they are now able to compete with their original limitations, and go to the market and receive decent prices for their products [1]. Cooperative monetary services like saving and borrowing of money form the capital for the good investments to establish and develop the national economy and wipe the poverty at the very least levels of social community [25].

Ethiopian cooperative groups play a role, in reducing poverty promoting self-reliance and fostering community growth through teamwork and a democratic approach. According to studies conducted by [5,15,24] cooperatives support individuals who lack access to markets, funding, or resources in restructuring their economic frameworks. These cooperatives also promote initiatives through practices empowering women, young people, and marginalized groups to attain self-sufficiency [12,20]. Despite facing challenges, like infrastructure, market presence and resources these cooperatives advocate for collaboration and participatory decision-making processes that enhance autonomy, self-reliance, and community advancement. They emphasize gender equality, youth empowerment and the inclusion of marginalized populations [8]. Regular gatherings and educational sessions strengthen community bonds, resilience-building efforts, and collective solidarity to ensure communities can withstand adversities [14,26]. Through exploration of the subtle dynamics and sources of cooperative achievement, this research lends to the debate of how to ensure long-term

growth and inclusiveness in Ethiopia and within the African continent on a large scale. This study aimed to collect and analyze qualitative data on the living conditions of cooperative enterprise members.

Literature review. The review of related literature uncovers two prominent theoretical frameworks, namely Social Capital Theory and Empowerment Theory, which both emphasize the positive impact of social connections and community engagement on collective well-being. In the context of Ethiopia, cooperatives possess the potential to cultivate social capital among their members by fostering community integration, trust, and collaboration [2, 5, 10, 20, 21, 24]. Consequently, this facilitates access to resources and support systems, ultimately leading to an improvement in individual well-being [23].

The Empowerment Theory emphasizes the importance of individuals and communities actively participating in decision-making processes and having control over their lives. In Ethiopia Cooperatives offer opportunities for members to engage in business activities and take on leadership roles [4]. Based on [4,14,] research idea, by being involved in the cooperative's operations members gain skills to increase self-confidence and attain independence leading to improved well-being and a stronger social fabric within the community. Previous research on cooperatives highlights their contribution to reducing poverty, empowering individuals economically and promoting cohesion. Cooperatives have a history dating back to the 1800s when pioneers laid down principles and practices. Social capital theory, agency theory and the capability approach are used as frameworks to analyze how cooperatives enhance the well-being of their members [3,25].

Cooperatives have a pivotal role in enhancing the economic well-being of members by granting access to markets, credit, and resources [10]. Research shows that cooperative members often earn higher incomes and experience greater financial security compared to non-members. Cooperatives also promote social unity, empowerment, and inclusive progress by facilitating democratic decision-making, gender equality, and community involvement [7]. According to a study conducted by [27] empower marginalized groups and advocate for social equity. However, challenges such as governance, leadership, and external market forces can hinder cooperatives from achieving their social objectives [19]. Government policies that provide legal support, financial aid, and training are nonessential for the development and sustainability of cooperatives.

Beneficiaries' wellbeing is a continuous dependent variable. According to study conducted by [2, 27] there are generally two broad categories of wellbeing – subjective and objective wellbeing. Subjective wellbeing considers an individual's satisfaction with their own life whereas objective wellbeing is concerned with the material conditions that affect a person's life such as access to education, employment opportunities and other facilities [17]. The intergenerational aspect of this does not feature greatly in the debate at present, apart from a general concern as to whether society is progressing [3]. Whilst the term 'happiness' is sometimes used interchangeably with 'wellbeing', it is more often used to refer specifically to subjective wellbeing. Subjective wellbeing can then be



broken down further. Daniel Kahneman (the 2002 Nobel Prize winner for economics) and Angus Keaton distinguish between:

1. Emotional wellbeing – the emotional quality of a person’s everyday experience; and

2. Life evaluation – the thoughts people have about their life.

Influence on well-being, depending on the nature of the relationships and the presence or absence of family. Families can also negatively affect one’s well-being if family members are ill, going through a bad time, or are emotionally upset. There are several independent variables, namely:

1. *Gender of member household head (GHH)* is a dummy: independent variable 1 if head of the member household head is male and 0 otherwise [7].

2. *Age (AG)* is a discrete explanatory variable and refer to, the age of member household family members measured in years. The other latent variable appears to be age; the groups of older people (45+) tend to put more emphasis on those factors that are related to their lives or pensions, an overall evaluation of the economy and the performance of the government. They see a quite close link between individual well-being and these external factors. Younger people see links between well-being and their financial situation, education possibilities and their employment status [10,27].

3. *Member Household Nutritional status (HNS)*: What one eats can influence diseases. the risk of getting diabetes, and on one’s physical conditions; and therefore, influences one’s health which in turn influences well-being [7,18].

4. *Economic situation (benefits)*: Importance of money to attain a state of well-being. [18]. Fulfilling basic needs (such as housing, food, heat, clothes) is a goal, but also makes it possible to have a peaceful family life as the stressors caused by lack of basic resources and needs are avoided [3,11,27].

5. *Educational attainment (EA)*: Continuous variable used to measure literacy status using complete year of schooling A person’s education level has an overall impact on society as investments in education translate into better societal conditions which in turn facilitate higher levels of well-being [26,27].

6. *Level of member Household income (HHI)*: Money is seen as the foundation of well-being and provides access to other factors that influence wellbeing, such as participating in cultural activities, buying books, buying a house, practicing hobbies etc. Money, it is felt, ‘can’t buy you happiness, but its help [7,25].

7. *Access to credit and saving (AC)*: It is a dummy variable, which takes value 1 if member have access to credit service and 0, otherwise [7,16].

8. *Access to training (AT)*: This is a dummy variable takes 1 if the member got training, otherwise 0. The training plays a vital role in creating awareness and educating people through promoting their participation in the supply of services [4,15,22]. Getting these services is hypothesized to have a positive relation with human wellbeing. It is measured by timely, frequently got advice and performance of member development and change of their living standards [14].

9. *Business Development Service*: This service is included in the non-finical service and its target is to educate beneficiaries’ basic skills that enhance their business

performance [14]. These incorporate topics such as setting prices and setting favorite places for selling and other important themes.

10. *Human Capital*: It includes member household knowledge, skill, and capability to improve their day-to-day living conditions this influences human wellbeing positively or negatively [10].

11. *Social Capital*: This includes social resources like networks, social claims, social relations, affiliations, and associate [14,25,27].The resources enhance peoples trust to each other and thereby reducing transactions and building an informal safety net among poor people [14].This affects beneficiaries' wellbeing differently.

Methodology. The data was collected through a sample survey, focus group discussion, and key informant interviews. The survey focused on income, saving, business activities, and social interactions to understand the program's impact and predict unanticipated consequences. Descriptive research was used to accurately depict participants, using observational methods and case studies. The researcher used employee descriptive studies, and triangulation was employed to increase the reliability of the results by comparing data from different sources. The data was collected from questionnaires and focus group discussions, with the questionnaires designed for members of the primary Cooperative enterprise in Burayu sub-city. The questionnaires contained both closed and open-ended questions to gauge the contributions of Cooperative to improving their wellbeing conditions. Interviews were designed to gauge management's views on the company's general conditions and beneficiaries. The study was conducted in Oromia, Burayu sub-city 15 km from Addis Ababa, capital city of Ethiopia in the Western direction (sub-city cooperative office).

Table 1.

List of Kebeles with their member household*

No	Name of Kebeles	Household (member)		
		Male	Female	Total
1	Burayu 01	82	27	109
2	Burayu 02	68	61	129
3	Burayu 04	42	46	88
4	Burayu 05	64	48	112
5	Burayu 06	68	59	127
Total		324	141	565

* Retrieved from: own survey and [x] cooperative sub city office (2024)

The target population for this study is Primary Cooperative located in Burayu sub-city Administration. According to sub-city Cooperative office record, there are **565** primary Cooperative members in Burayu sub-city Administration. Hence, beneficiaries who have at least five years of attachment to the institution were selected using purposive sampling technique, which corresponds to **122** members. Various studies have so far been done focusing on the contributions of cooperatives to their beneficiaries in wellbeing. This study will have been done by taking members that have five or more years of stay in the institution. These studies have been done by taking members that have five or more years of stay in the institution. The quantitative data for this study was



determined by using Yemane (1967) formula as cited in [7,25]. The study used the following formula to calculate the sample size.

$$n = \frac{N}{1 + N(e^2)} \quad (1)$$

The following steps used to determine sample size derived from the above formula to collect quantitative data using questionnaire,

Where,

n =designates the sample size the researcher uses.

N= designates total number of member households

e =designates maximum variability or margin of error **8% (0.08)** adapted by reviewing various literature).

1=designates the probability of the event occurring.

$$\text{Therefore, } n = \frac{565}{1+565x(0.08)^2} = \underline{122}$$

The primary Cooperatives in Burayu sub-city provides services to organized microenterprises groups and poor urban people in five out of six kebeles in the sub-city. A study was conducted using a semi-structured questionnaire, focus group discussions, key informant interviews, Cooperative recorded data, and direct observations. The data was collected through questionnaires, interviews, and fieldwork, with participants selected based on their social, intelligent, and educational backgrounds. Key informant interviews were conducted with five Cooperative members from different hierarchies, including boards with a history of reporting, monitoring, and evaluation works. Observations were made during fieldwork to probe issues beyond those covered in the questionnaires, interviews, and focus group discussions. Data processing and analysis involved extracting manually the data, analyzing quantitative data using simple statistical tools, and analyzing qualitative data using categorization, classification, and summarization techniques using SPSS software version 24. The findings were systematically organized, summarized, and presented in figures and Tables 2-3.

Table 2.

Member Household Sample Design*

No	Sample Kebeles	Total Number of HH						Sample HH		
		M	Prop.	F	Prop.	Total	Prop.	M	F	Total
1	Burayu 01	82	0.27*70=20	27	0.11*52=6	109	0.19*122=23	20	6	26
2	Burayu 02	68	0.2*70=14	61	0.25*52=13	129	0.23*122=28	14	13	27
3	Burayu 05	42	0.13*70=9	46	0.19*52=10	88	0.16*122=20	9	10	19
4	Burayu 06	64	0.19*70=13	48	0.2*52=10	112	0.2*122=24	13	10	23
5	Burayu 07	68	0.2*70=14	59	0.24*52=13	127	0.22*122=27	14	13	27
	Total	324	70	241	52	565	122	70	52	122

* Retrieved from: own survey

Table 3.

Categories of respondents and data Collection techniques*

S/N	Types of respondents	Method of data collection	No. of Respondents	Tools used to collect data
1	Members	Survey	122	Semi-structured interview schedule
2	Primary Cooperatives manager and boards	Key informant	5	Interview guide check list
Total			127	

* Retrieved from: own survey

To ensure reliability, key informant interview guides, focus group discussion guides, and questionnaires were designed with elaborate procedures and revisions Field notes were made and edited daily after data collection. Validity was ensured through the triangulation technique, which combined questionnaires, interviews, focus group discussions, and secondary data sources.

Data collection instruments were refined to ensure lucidity and measure respondents' attitudes and opinions.

A series of pre-tests were conducted before data entry into the computer. Ethical considerations were considered, including voluntary participation, confidentiality, and anonymity to protect respondents from potential harm.

Results and Discussion. Results and discussions were based on 122 responses, divided into chapters and sub-chapters, and analyzed using descriptive statistics. Data was collected through questionnaires, focus group discussions, interviews, and interviews with Cooperative managers and employees in Burayu sub-city.

Demographic Characteristics of Respondents are presented in Table 4.

Table 4.

Demographic characteristics of respondents*

Variables	Measuring Group	Frequency	Perc (%)
Gender	Male	62	50.8
	Female	60	49.2
	Total	122	100.0
Age	Less than 25	22	18
	26-45	72	59
	46-65	25	20.5
	Above 65	3	2.5
	Total	122	100.0
Educational Level	None	7	5.7
	Basic Education	34	27.9
	Highschool	32	26.2
	Diploma	32	26.2
	Degree	15	12.3
	Above degree	2	1.6
	Total	122	100.0



Variables	Measuring Group	Frequency	Perc (%)
Marital status	Single	27	22.1
	Married	80	65.6
	Divorced	15	12.3
	Total	122	100.0

* Retrieved from: SPSS output

The study analyzed demographic characteristics of survey respondents, including gender, age, and education level, to understand how these factors influenced contributions of Oromia credit and saving share company cooperative services. Participants varied in marital status, including single, married, widowed, and divorced.

This study analyzed the demographics of members in a Cooperative enterprise in the Burayu sub city. Most respondents were male, with 50.8% being male and 49.2% being female. The age group was predominantly between 26-45 years, with 59% of the sample beneficiaries being in this age group. The study found that vocational education had a stronger impact on employment in older individuals, as they had more job experience. Education was also a significant factor in the respondents' socio-economic development. Most respondents had a master's degree, 12.3% had a degree, and 26.2% had a diploma program. They attended high school, and basic education. Marital status was also a significant factor in the respondents' demographics. Most respondents were married, with a high percentage using this cooperative for financial services, including loans, to invest in development activities. The study also revealed that a large family size usually leads to higher expenses which is in line with [22]. In conclusion, the study found that most respondents were married and participate in Cooperative for their development activities. The study highlights the importance of education and marital status in determining the impact of Cooperative on member household welfare which is supported by previously conducted study [26].

The changes in the economic condition of respondents are compared in Table 5 for the respondents included in the analysis for their income before and after taking out a loan.

Table 5.

Income level of Respondents*

Income Level (In Birr)	Before Loan		After Loan	
	Frequency	Percent	Frequency	Percent
B Below 1000	70	57.4	1	0.8
1001-3000	31	25.4	29	23.8
3001-5000	16	13.1	28	23
5001-7000	3	2.5	46	37.7
7001-9000	1	0.8	12	9.8
Above 9000	1	0.8	6	4.9
Total	122	100	122	100

* Retrieved from: SPSS output

As shown in the above Table 5, those respondents their income was below Birr 1000 before receiving loan were (57.4%) n=70 of the sample beneficiaries. This figure

failed to (0.8%) n=1) after credit program participation. Before the credit program, majority of the respondents following the reported less than 1000 Birr was in the range of Birr 1001-3000. These respondents are (25.4%) n=31 of the sample beneficiaries. After the credit, this figure declined to (23.8%) n=29. Moreover, those respondents whose income was in the range of Birr 3001-5000 before loan were (13.1%) n=16 of the total respondents. This figure rose to (23%) n=28 of the total respondents after program participation. Those respondents whose income was in the range of 5001-7000 Birr before receiving loan were (2.5%) n=3. This figure highly increased to (37.7%) n=46 after receiving loan. Those respondents reported (0.8%) n=1 before receiving loan. This figure increased to (9.8%) n=12 after receiving loan. Likewise, those respondents whose income level was Birr 9001 and above were (0.8%) n=1 before the loan receiving, and this figure increased to (4.9%) n=6 after receiving loan.

The above data shows that the income level of the sample beneficiaries improved after credit program participation which is in line with previously conducted studies [16, 25]. It also statistically showed as Table 6, below:

Table 6.

**Destructive Statistics-
Indicators on income of members before and after join Cooperative ***

	Monthly income of members before join	Monthly income of members after join
Mean	1.66	3.47
Median	1.00	4.00
Std. Deviation	0.950	1.130
Variance	0.903	1.276

* Retrieved from: SPSS output

The study found that the intervention of a cooperative significantly increased the income of members in the study area. The high mean ($\mu = 3.47$) and standard deviation (std = 1.30) indicate that the cooperative has positively contributed to the income of beneficiaries. Focus group discussions revealed that many members have progressed in their income, children's educational conditions, business management, social performance, agricultural products, and productivity. This finding consistent with output of [16,17,18]. Many members are women who wanted to start their own income-generating activities, such as starting a small shop or owning a shop selling shoes and clothes since 2019. Key informant ideas support the focus group discussion idea and the analysis of questionnaire data results. A 29-year-old man FGD participant described how he secured loans from the cooperative and started his own business, buying agricultural inputs for his work. The manager supported this idea, stating that the members' life condition has improved due to the improvement in service. Some respondents also mentioned that the relative low loan interest rate is a reason to secure micro loans and invest in several income-generating activities. As an example, one FGD member noted that the interest rate of the loan from cooperative is relatively fair compared to local money lenders. This implies that the cooperative has a positive relationship with improving the beneficiaries' wellbeing in the study area which supported by previous studies [11,27]. However, some FGD members faced challenges



in repaying the loans due to lack of deep training on loan usage and business skill development. The manager and members confirmed the idea that many respondents could not participate more than once or many rounds due to factors like lack of knowledge gap and lack of deep training.

As shown in the above Table 6, those respondents their voluntarily saving amount was less than Birr 1000 after receiving loan were (40.2%) n=49 of the sample beneficiaries, while;(54.1%) n=66 of respondents replied that the voluntarily saving amount of them was in the range of Birr 1001-5000 after loan program (Table 7). And those respondents (2.5%) n=3 of the sample beneficiaries had voluntarily saved amount was in the range of Birr 5001-7000 after loan and those beneficiaries (2.5%) n=3 of them had voluntarily saving amount was in the range of Birr 7001-10000 after loan program.

Table 7.

Monthly saving amounts of Respondents in cooperative*

Amount of saving	Frequency	Percent
Less than 1000	49	40.2
1001-5000	66	54.1
5001-7000	3	2.5
7001-10000	3	2.5
10001 and above	1	0.8
Total	122	100.0

* Retrieved from: SPSS output

Likewise, the respondent who's their voluntarily saving amount was Birr 1001 and above after receiving loan. This indicates that the voluntary saving amount level of the sample beneficiaries improved after credit program participation. Therefore, the cooperative has a positive contribution in changing the saving condition of the beneficiaries in the study area. This finding is collaborated with [4,17,25].

As it is shown on above Table 8, (4.9%) n=6 of respondents was saved their money for earning interest income, while;(23%) n=28 of beneficiaries was saved their money to start a new business for their future living condition and (63.1%) n=77 of them save their money for buying agricultural inputs purposes. And the rest (9%) n=11 of the respondents was used their saving for safety purpose. This implies that most respondents were save their money for agricultural works.

Table 8.

Purpose of saving of respondents*

Descriptions	Frequency	Percent
To earn interest income	6	4.9
To start a new business	28	23
To pay for agricultural inputs	77	63.1
For safety purpose	11	9
Total	122	100.0

* Retrieved from: SPSS output

The findings of the survey indicated that cooperative scheme has a positive impact on the improvement of the purchasing power of its beneficiaries to buy different items.

From the survey also most of it was invested in a new business and expand existing business activities followed by agricultural activities.

As showed on the above Table 9, (46.7%) n=57 of the respondents reported that the social interaction within this cooperative was highly significant, while (51.6) n=63 of respondents said the social interaction within this cooperative was significant and the rest (1.6%) n=2 of respondents indicates that the social interaction within this cooperative was less significant.

Table 9.

Significance evaluation of cooperative by Respondents*

Description	Frequency	Percent
Highly significant	57	46.7
Significant	63	51.6
Less significant	2	1.6
Total	122	100.0

* Retrieved from: SPSS output

Therefore, the researcher confidentially concluded that social interaction of beneficiaries within cooperative has been seen at a better condition. Hence, cooperation has high value in social capital creation [10,14,27].

Social Capital. Investigation of social interactions within cooperative is presented in Table 10.

Table 10.

Importance of social interaction in Cooperative*

Respondents Response	Frequency	Percent
Yes	110	90.2
No	12	9.8
Total	122	100.0

* Retrieved from: SPSS output

The different functions of social interaction within the cooperative are presented in Table 11. Membership of a cooperative is not in itself a support for the members, but the social interactions within the cooperative can provide the knowledge, information and experience that can be used to effectively develop the members' own activities.

Table 11.

The function of social interaction of respondents*

Descriptions	Frequency	Percent
To create job opportunity	31	25.4
For confidence creation and capacity building	24	19.7
For business management development	8	6.6
For enhancing financial development	6	4.9
For social capital formation	44	36.1
No function	9	7.4
Total	122	100.0

* Retrieved from: SPSS output

As it is understood from Table 11 above, the advantages of social interaction within the members of this cooperative enterprise, among the respondents, (25.4%)



n=31 of respondents confirmed that their social interaction as members is functional in creating job opportunities, (19.7%) n=24 of respondents confirmed that they get confidence creation and capacity building from it, while; (6.6%)n=8 and (4.9%)n=6 of respondents said that social interaction within the members give a function of business development and enhancing financial development respectively. The others (36.1%) n=44 of them confirm that social interaction within the members of this cooperative institution functioned as social capital formation and the rest (7.4%) n=9 of participants responded as social interaction within the members of this cooperative institution has no function at all. This result indicated that social interaction within the members of beneficiaries in cooperative has a great function to develop human, social and financial capitals [13,26,27].

Beneficiaries' perception of Social Interaction within cooperative enterprise are presented in the Table 12. The benefits of cooperative membership lie not only in the different forms of social assistance, but also in their frequency and the importance and effectiveness they are perceived by members.

Table 12.

Measurement of social interactions*

Description	Frequency	Percent
Highly significant	57	46.7
Significant	63	51.6
Less significant	2	1.6
Total	122	100.0

* Retrieved from: SPSS output

As showed on the above Table 12, (46.7%) n=57 of the respondents reported that the social interaction in cooperative enterprise is highly significant, while (51.6) n=63 of respondents said that significant and the rest (1.6%) n=2 of respondents indicates that the social interaction within cooperative enterprise is Less significant. Therefore, the researcher confidentially concluded that social interaction of beneficiaries within cooperative has been seen at a better condition [6,8]. The perception of monthly meetings on the development of different skills is shown in Table 13. In addition to the specific business factors shown in Table 11, the cooperative enterprise can also help to develop other general skills, primarily in the area of social soft skills.

Table 13.

Regular meeting of respondents*

Description	Frequency	Percent
For social building	56	45.9
For capacity building	30	24.6
For business skill building	10	8.2
For all social, capacity and business skill building	23	18.9
Others	3	2.5
Total	122	100.0

* Retrieved from: SPSS output

According to the above Table 13, what respondents get from the center monthly meeting, (45.9%) of respondents n=56 achieved to have got social building, (24.6%) n=30 of respondents develop their capacity building, and (8.2%) n=10 of respondents



achieved better business skill building. (18.9%) n=23 of respondents develops all social, capacity and business building and (2.5%) n=3 of respondents said achieve others. As results of the focus group discussion reveal, the social capital of beneficiaries is enhanced by the experience of idea sharing among them. This experience of idea sharing has enabled beneficiaries to withstand challenges in their business and social experience. In addition, it has also helped them to effectively use opportunities in their business experiences. Besides, when one member of the beneficiaries“ faces risks in her business affairs, the others cooperate by covering her/his loan and thereby saving her/his from moral problems. Due to the improved social capital the members have developed among them, they have managed to avoid finical costs by using their own labor and local goods in the case of social celebration created among them. Additionally, on of cooperative management body said that he observed the fact that these beneficiaries hold a regular center meeting monthly and to discussion on capital usage, collection, and repayment as well as business encouragement issues and because of these activities better beneficiaries’ social interaction was created.

Conclusions and prospects for further research. Mainly, this study aimed to evaluate the impact of cooperatives on well-being of members in Burayu sub-city. The findings demonstrated a significant improvement in the living standards of most respondents, as their income increased after joining the cooperative. Participants reported various benefits such as micro loans, training, self-employment opportunities, and personal savings accounts, all of which were primarily obtained through their cooperative businesses. Empowering cooperative members encourages greater productivity, which in turn positively impacts the social and economic conditions of the members in a sustainable manner. The results regarding income status revealed a positive correlation between joining a cooperative and increased income. For instance, the percentage of respondents with an income ranging from 5001-7000 Birr increased from 2.5% to 37.7% after joining the cooperative. Furthermore, all members voluntarily saved, irrespective of their saving rates. The study found highly favorable conditions for the development of human capital among the beneficiaries, with the majority (60.7%) reporting equal participation in decision-making processes related to inputs and product sales. Consistent with a previous study by [6,27], most beneficiaries felt a strengthened position within their families and observed a significant improvement in their living conditions and self-esteem after joining the cooperative. The cooperative has a direct impact on the improvement of social capital, as members engaged in idea sharing, which in turn enhanced their resilience in both business and social aspects of life. By utilizing their own labor and local resources for social celebrations, members were able to mitigate financial risks.

The data obtained from in-depth group discussions indicated an overall improvement in the economic, human, and social capital of the beneficiaries, despite the limited attention given to training by the cooperative. The study highlights the importance of encouraging voluntary members who engage in cooperative services. It is essential to provide education and support to cooperative members, enabling them to purchase agricultural inputs and expand their businesses. However, further assessment is required to determine the full impact of these services on the well-being of the



beneficiaries. It is recommended to conduct beneficiary-focused studies and assessments to gain a comprehensive understanding of the contributions made by the credit program. Additionally, recommendations include the development of voluntary saving mobilization from the public, providing training on loan usage, saving, and marketing, as well as addressing member income, savings, nutritional status, medical facilities, decision-making processes, and educational resources. To further advance the cooperative, policymakers, donors, program managers, NGO personnel, and researchers should collaborate.

The study aims to evaluate the effects of cooperative membership on individual well-being are explored, focusing on the sustainability and lasting impact of cooperative enterprises. The paper does not discuss any potential external factors or contextual influences that may affect the well-being outcomes of cooperative members in Ethiopia. Additionally, the study does not provide a comprehensive analysis of the long-term sustainability and lasting impact of cooperative membership on individual well-being.

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