

Globalization and its Impact on Cooperatives – A Case of Oromiya Regional State, Ethiopia

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Abstract

Present research was designed to find the contribution of globalization to cooperative organizations in Oromiya region, Ethiopia. 152 employees from Oromiya regional cooperative promotion office working in cooperative organizations in the 17 zones of Oromiya region joined Wollega University for their upgrading education are selected as the sample, and Questionnaire method is used to collect the data from the sample respondents. Questionnaire contains demographic profile of the respondents, respondents general views on globalization (23 statements on 5 point Likert scale), cooperative organization profile and respondent opinions on impact of globalization on cooperative organizations (17 statements on 5 point Likert scale). The results of the research revealed that globalization in Ethiopia positively benefited the country with increased employment opportunities, improvement in infrastructure facilities, flow of goods from all over the world, attracting foreign investments, dissemination of education and technology, upgrading in living conditions and standard of living and negatively impacted with environmental degradation, deforestation, cultural change, corruption, inequalities, over dependency on other countries. Globalization to the Ethiopian cooperatives positively benefited with adoption of global cooperative principles, global standards, new technologies and methods, attracting investments and donations from the external world and qualitative education and training programs and negatively impacted as competition from the multinationals, and neglected by the own government.

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INTRODUCTION

Globalization is growing economic interdependence of countries worldwide through increasing volume and variety of cross-border transactions in goods and services, free international capital flows, and more rapid and widespread diffusion of technology (IMF, 2008). Globalization may benefits the countries with increased productivity, availability of goods for cheaper prices, employment creation due to new start-ups from the foreign capital and innovative ideas due to free flow of information. At the same time it will give some negative affects to the countries, by affecting domestic industry, widening the gap between rich and poor, monopoly of foreign companies, environmental degradation and cultural transition etc (Karunakara Rao, 2013).

Ethiopia is also waved with globalization since its modern inception during 90s. Ethiopia is second most populous nation in Africa, with 83 million people with 70 ethnic groups who speak more than 80 languages. Ethiopia's economy is based on agriculture, which accounts for 46% of GDP and 85% of total employment. The per capita income is lowest in the world. Coffee has been a major export crop. The banking, insurance, and micro-credit industries are restricted to domestic

investors, but Ethiopia has attracted significant foreign investment in textiles, leather, commercial agriculture and manufacturing. Ethiopia's economy continues on its state-led Growth and Transformation Plan under its new leadership after Prime Minister Meles's death (Karunakara Rao, 2013).

Wegenie (1989) studied the performance of cooperatives at micro and macro level and the problems of development of cooperatives in Ethiopia by using linear programming model. Tanguy Bernard *et al.* (2006) identified the conditions under which Rural Producers Organizations engaged in cereal marketing successfully promote smallholder commercialization and to determine how the benefits are distributed. David J. Spielman (2007) examined how cooperatives in Ethiopia facilitate commercial linkages between smallholders and markets, manage scarce natural resources at the community level, and strengthen local governance systems and the articulation of community voice. Tanguy Bernard *et al.* (2007) examined the impact of marketing cooperatives on smallholder commercialization of cereals using detailed household data in rural Ethiopia. Yuka Kodama (2009) examined fair trade coffee and its impacts on farmers in by examining the role of coffee cooperatives in Ethiopia.

Bezabih Emana (2009) reviewed the history and development of cooperatives in Ethiopia since ancient times to modern times further the functionality of cooperatives is constrained by shortages in skilled human resources, shortage of capital and limited access to credit. Woldegebrail Zeweld *et al.* (2010) explored the roles that agricultural cooperatives to achieve women empowerment, generating employment, and environment rehabilitation. Gian Nicola Francesconi *et al.* (2010) examined the impact of cooperative membership on commercialization and stated selective inclusion of marketing cooperatives in the commodity exchange system has the potential to simultaneously reduce the rural poverty and maximize agro-commodity commercialization in Ethiopia. Maria F Rodrigoy (2012) analyzed how producer cooperatives may benefit households in rural environments. Ruerd Ruben *et al.* (2012) studied performance of agrarian (coffee) cooperatives under the perspectives of Social Capital and Governance. Gashaw Tadesse *et al.* (2012) studied the impact of agricultural cooperatives on smallholders' technical efficiency. Kifle Tesfamariam Sebhatu (2012) identified income, education level, training, years of stay in the cooperatives, marital status and asset ownership are statistically significant at all levels and have positive impact on women empowerment. Very few empirical studies are conducted on Ethiopian cooperatives, and no studies are available on globalization and its impact on Ethiopian cooperatives. The focus in this paper is on the concept of "globalization" as applied to the Ethiopian economy particularly to cooperative organizations. Specifically, this paper aimed to present brief history and present status of Ethiopian cooperatives, to review past studies on Ethiopian cooperatives and to present opinions of cooperative employees regarding globalization.

History and Present Status of Ethiopian Cooperatives

Traditional cooperatives associations existed in Ethiopian society in general and Oromiya state in particular centuries ago in the form of Iqub, Idir debbo. Iqub is an association of people having common objectives of mobilizing resources, especially finance, and distributing it to members on rotating basis. Idir is an association of people that have the objective of providing social and economic insurance for the members in the events of death, accident, damages to property, among others. In the case of funeral, Idir serves as funeral insurance where community members elect their leaders; contribute resources either in kind or in cash and support the mourning member. Debbo is an informal association in which the members are cooperate each other in some activities which could not be possible for individual action like in case of harvesting of crop (Bezabih, 2009). Modern form of cooperatives started in Ethiopia during the ruling era of Emperor Haile Selassie. In 1960 he announced the first legislative called "Farm Workers Cooperatives Decree" was declared as Decree No.44/1960 with the objective of acceleration and development of agriculture in the Ethiopian economy (Veerakumaran, 2007). Decree No.44/1960 had no full version of cooperative proclamation and unsuccessful because of limited to agricultural cooperatives with very limited government support, lack of supporting laws and land tenure system. As a result Cooperative society Proclamation No.241/1966 was to come to effective with consideration of previous Decree's short comings (Veerakumaran, 2007). By this proclamation Ethiopian cooperatives

adopted cooperative principles to achieve social justice and better business by 1974 there were about 149 cooperatives (Teigist, 2008).

In 1974, a military junta, the Derg, deposed Emperor Haile Selassie (who had ruled since 1930) and established a socialist state. The Cooperative Societies Proclamation No. 138/1978 was issued to achieve self-reliance, increased and cooperative controlled production, to accumulate capital, and to mobilize the resources for sustainable economic development in the country. During Derg regime cooperatives were among the victims. Cooperatives were faded with organizational, operational, leadership as well as production and distribution problems. During fall of Derg regime (May 1991) multipurpose cooperatives are looted and dismantled even by their own members. Cooperative values and principles were violated by the cooperative movement of that period; there were some positive contributions to the cooperative development of Ethiopia. During this period the country witnessed expansion and promotion of different types of cooperatives. Introduction of distribution of consumer goods and extending agricultural credits (inputs, oxen, tractors and machinery etc.) through cooperatives. The establishment of cooperative training center (Ardaita), government support to investment and infrastructural facilities, provision of domestic and international training.

After the downfall of the Derg regime, there was a gap between 1991-1995 in the cooperative movement of Ethiopia. This gap was created due to the fact that the government's attention was mainly drawn towards stabilizing, bringing peace and creating administration organs. Agricultural Cooperative Societies Proclamation No.85/1994 was introduced to serve only agricultural cooperatives, with an aim to achieve improved living conditions to its members by increasing production and productivity by using modern technologies, to satisfy social and community needs of the members and to promote culture of the members by teaching and training.

The government has taken serious measures after 1996. The measures include, organizing and reorganizing different types of agricultural cooperative societies and establishing cooperative promotion bureaus/ offices in regions. In the Federal government the cooperative promotion desk under the Prime Minister office has been also established. A proclamation No. 147/ 1998 to provide for the establishment of cooperative societies had been also declared by the Federal Government to bring all types of cooperative societies under one umbrella. Proclamation No.147/1998 was an important milestone for Ethiopian cooperatives as full version based on all cooperative principles in the free market economic system with varieties of cooperatives. This proclamation aimed to achieve self-reliance to its members, to improve living standards of its members, to collectively protect, withstand and solve economic problems, to expand the mechanism by which technical knowledge could be put in to practice, to develop and promote savings and credit services, and to develop the social and economic culture of the members through education and training.

Later on the Federal Cooperative Commission (the currently Federal Cooperative Agency) based on proclamation no. 274 / 2002 was established in 2002. More over to correct the short-comings in the

proclamation 147/1998 amendment 402/ 2002 and regulation number 106/2002, proclamation-No. 402/2004 became important instrumental documents in the cooperative movement of the country. The latest proclamations let cooperative free organization as it includes international cooperative principles and some privilege from the government. Government established cooperative supporting institution, cooperative promotion bureau from federal to woreda level and launching cooperative training from vocational education up to master's degree level who supporting cooperative promotion and extension. All these serve as cooperative development opportunity.

Currently, cooperative societies in Ethiopia expanded horizontally and vertically in different sector of economy as it can be seen from the table 1, and in the same manner cooperatives engaged in diversified business to serve the members, mostly the disadvantaged groups of people. Hence cooperatives in Ethiopia take part in local and national market and enter into international market for scaling up the business and services. The present study focuses on globalization and its impact on cooperative organizations in the Oromiya Region, Ethiopia.

Table 1: Expansion of cooperatives in Ethiopia and Oromiya region.

No	Category of Cooperative	Ethiopia	Oromiya Region
Primary Cooperatives			
1	Agricultural cooperative	9,854	5,387
2	Saving and credit cooperative	7,077	3,579
3	Other cooperative*	20,316	2,355
Total		37,247	11,321
Cooperative Unions			
1	Agricultural cooperative	156	99
2	Saving and credit cooperative	64	27
3	Other cooperative	25	12
Total		245	138
Cooperative Federations			
1	Agricultural	3**	1
2	Mining	1	1
Total		4	2

Cooperative League (Not yet established)

Source: Oromiya Region Cooperative Promotion Agency

*other cooperative includes consumer, mining, rural electric supply etc.

**other 2 agricultural cooperative federations are located at South Ethiopia and Tigray regions.

MATERIALS AND METHODS

Sample

The populations for the present study are employees in cooperative organizations in the Oromiya region, Ethiopia. The samples selected for the present study are employees of Oromiya regional cooperative promotion office working in cooperative organizations from 17 administrative zones of Oromiya region out of its 18 zones. The selected samples are joined in Wollega University for upgrading their education. Total 185 cooperative employees are pursuing two courses i.e. Cooperative Accounting and Auditing and Cooperative Business Management. Questionnaire were distributed to all 185 members and got response from 152 members. The remaining 33 respondents were not interested to participate in the study.

Survey Instrument

The survey questionnaire has 4 parts. 1st part was about respondent demographic profile includes sex, age, designation, experience, monthly income and motive for present education. 2nd part was about general views on globalization which includes 23 statements on both positive and negative effects of globalization on Ethiopian context on 5 point Likert scale. 3rd part was about profile of cooperative organizations which includes the type of cooperative, established date, member strength, capital and location and 4th part was about the positive and negative effects to cooperatives include 17 statements which was related to Ethiopian cooperatives in relation with globalization on 5 point Likert scale.

Statistical Analysis

Primary data was analyzed by using SPSS for Windows version 21.0. Percentages, Mean, Standard Deviations (SD) and linear regression were used to interpret the data.

RESULTS AND DISCUSSION

Table 2 presents the Reliability analysis for the questionnaire. The obtained final Cronbach's Alpha score for all listed items is 0.557, which indicated that data has satisfactory internal consistency.

Table 2: Reliability Statistics.

Cronbach's Alpha	Number of Items
0.557	42

Table 3 presents demographic profile of the respondents. 84.2 percent are Male and 15.8 percent are female. The mean for the respondents' sex is 1.1579, and the standard deviation is 0.36585. 9.2 percent of the respondents are in the age group of 18-22 years, 65.8 percent of the respondents are in the age group of 23-27 years, 17.1 percent of the respondents are in the age group of 28-32 years, 2.6 percent of the respondents in the age group of 33-40 percent and 5.3 percent of the respondents in the age group of 40-50 years. The mean age of the respondents is 2.2895 and standard deviation for the age of the respondents is 0.87369. 35.5 percent of the respondents are Accountants and 64.5 percent of the respondents are Organizers/mentors in the cooperative organizations. 68.4 percent of the respondents are working from 3-5 years, 23.7 percent of the respondents are working from 6-8 years, 2 percent of the respondents are working from 9-10 years, and 5.9 percent of the respondents working from more than 10 years. The mean for the experience of the respondents is 1.4539 and standard deviation is 0.80428. 1.3 percent of the respondents are getting less than 1000 ETB as their monthly income, 43 percent of the respondents are getting 1001-1500 ETB as their monthly income, 42.8 percent of the respondents are getting 1501-2000 ETB as their monthly income, and 7.9 percent of the respondents are getting above 2000 ETB as their monthly income. The mean income for the respondents is 2.5724. 24.3 percent of the respondents are upgrading their education to acquire knowledge, 53.9 percent of the respondents are to get promotion and 21.7 percent are to improve their educational qualification. The mean opinion for the motive for present education is 1.9737 and the standard deviation is 0.68035.

Table 3: Respondents demographic profile.

		Frequency	Percent	Mean	SD
Sex	Male	128	84.2	1.1579	0.3659
	Female	24	15.8		
Working Region	West Wollega	13	8.6	8.8355	4.9319
	East Wollega	7	4.6		
	Horogudru Wollega	3	2.0		
	Ilu Aba Bora	12	7.9		
	Jimma	13	8.6		
	West Shewa	10	6.6		
	North Shewa	8	5.3		
	East Shewa	8	5.3		
	Arsi	8	5.3		
	West Arsi	6	3.9		
	West Hararge	11	7.2		
	East Hararge	9	5.9		
	Bale	13	8.6		
	Borena	9	5.9		
	South West Shewa	6	3.9		
	Guji	10	6.6		
Kellam Wollega	6	3.9			
Age	18-22 years	14	9.2	2.2895	0.8737
	23-27 years	100	65.8		
	28-32 years	26	17.1		
	33-40 years	4	2.6		
	40-50 years	8	5.3		
Designation	Accountant	54	35.5	1.6447	0.4802
	Organizer/Mentor	98	64.5		
Experience	3-5 years	104	68.4	1.4539	0.8043
	6-8 years	36	23.7		
	9-10 years	3	2.0		
	Above 10 years	9	5.9		
Monthly Income	Less than 1000 ETB	2	1.3	2.5724	0.6571
	1001-1500 ETB	73	48.0		
	1501-2000 ETB	65	42.8		
	Above 2000 ETB	12	7.9		
Motive for Present Education	To acquire Knowledge	37	24.3	1.9737	0.6804
	To get Promotion	82	53.9		
	To improve educational qualification	33	21.7		

Table 4 presents respondents general views on globalization; it presents the frequencies, mean opinions and the standard deviations to 23 positive and negative statements on globalization and its impact on Ethiopia.

Table 4: Respondents general views on globalizational impact on Ethiopia.

		Frequency	Percent	Mean	SD
Awareness about globalization	Yes	152	100	1.0000	0.0000
	No	0	0		
Necessity of globalization to Ethiopia	Very important	40	26.3	1.9868	0.7719
	Important	80	52.6		
	Neutral	26	17.1		
	Unimportant	6	3.9		
Important organizations for the growth of Ethiopia	Cooperative Organizations	56	36.8	1.9803	0.9998
	Public Enterprises	64	42.1		
	Private Organizations	11	7.2		
	Multinational Corporations	21	13.8		
Globalization helps to identify natural resources in Ethiopia	Strongly Agree	32	21.1	2.5132	1.1679
	Agree	50	32.9		
	Neutral	42	27.6		
	Disagree	16	10.5		
Globalization provided investments to different sectors in Ethiopia	Strongly Disagree	12	7.9	2.0197	1.0764
	Strongly Agree	65	42.8		
	Agree	36	23.7		
	Neutral	38	25.0		
	Disagree	9	5.9		
	Strongly Disagree	4	2.6		

Globalization in Ethiopia helped to receive qualitative education in the Ethiopia	Strongly Agree	90	59.2	1.5263	0.6996
	Agree	44	28.9		
	Neutral	18	11.8		
Globalization in Ethiopia helped to receive advanced technical know-how in the Ethiopia	Strongly Agree	65	42.8	1.6711	0.6488
	Agree	72	47.4		
	Neutral	15	9.9		
Globalization provided Ethiopia with good infrastructural facilities	Strongly Agree	44	28.9	1.8684	0.65795
	Agree	84	55.3		
	Neutral	24	15.8		
Globalization in Ethiopia helped to improve standard of living in the country	Strongly Agree	38	25.0	2.2566	0.8727
	Agree	42	27.6		
	Neutral	67	44.1		
	Disagree	5	3.3		
Globalization in Ethiopia helped to raise in income levels of the people	Strongly Agree	31	20.4	2.1118	0.7852
	Agree	81	53.3		
	Neutral	32	21.1		
	Disagree	8	5.3		
Globalization in Ethiopia enhanced employment opportunities in the country	Strongly Agree	19	12.5	2.3355	0.8531
	Agree	79	52.0		
	Neutral	41	27.0		
	Disagree	10	6.6		
	Strongly Disagree	3	2.0		
Globalization helped Ethiopia with access to hygiene living conditions	Strongly Agree	27	17.8	2.2171	0.8049
	Agree	72	47.4		
	Neutral	48	31.6		
	Disagree	3	2.0		
	Strongly Disagree	2	1.3		
Globalization helped Ethiopia with flow of more products from all over the world	Strongly Agree	97	63.8	1.5066	0.7973
	Agree	39	25.7		
	Neutral	11	7.2		
	Disagree	4	2.6		
	Strongly Disagree	1	.7		
Globalization helped Ethiopia to sell Ethiopian products across the countries	Strongly Agree	71	46.7	1.7039	0.7706
	Agree	58	38.2		
	Neutral	20	13.2		
	Disagree	3	2.0		
Globalization affected household and small industries in Ethiopia	Strongly Agree	49	32.2	2.0066	0.9025
	Agree	62	40.8		
	Neutral	35	23.0		
	Disagree	3	2.0		
	Strongly Disagree	3	2.0		
Globalization in Ethiopia increased dependency on other countries	Strongly Agree	60	39.5	1.7368	0.6783
	Agree	72	47.4		
	Neutral	20	13.2		
Globalization In Ethiopia Ignores The Concept Of Self-Sufficiency	Strongly Agree	65	42.8	1.7763	0.7651
	Agree	56	36.8		
	Neutral	31	20.4		
Globalization in Ethiopia enhanced inequalities in Ethiopian society	Strongly Agree	77	50.7	1.5921	0.6647
	Agree	60	39.5		
	Neutral	15	9.9		
Globalization in Ethiopia enhanced corruption in the country	Strongly Agree	96	63.2	1.3947	0.5417
	Agree	52	34.2		
	Neutral	4	2.6		
Globalization in Ethiopia forced cultural change in the country	Strongly Agree	122	80.3	1.2039	0.4203
	Agree	29	19.1		
	Neutral	1	.7		
Globalization in Ethiopia leads to lose its safe environment because of unsafe factories	Strongly Agree	115	75.7	1.2763	0.51722
	Agree	32	21.1		
	Neutral	5	3.3		
Globalization in Ethiopia leads to increased deforestation in Ethiopia	Strongly Agree	108	71.1	1.2895	0.45502
	Agree	44	28.9		
Globalization in Ethiopia will leads to lose its sovereignty	Strongly Agree	4	2.6	3.5197	1.02272
	Agree	14	9.2		
	Neutral	67	44.1		
	Disagree	33	21.7		
	Strongly Disagree	34	22.4		

Table 5 to table 7 presents linear regression analysis for general views on globalizational impact on Ethiopia by using enter method. Table 5 presents model summary for the variables. The R value is 0.80 is the values of the correlation coefficient between the predictors and the impact of globalization. R² value is 0.64 indicates

predictors explains 64% variation on the dependent variable.

Table 6 presents ANOVA of general views on globalization in Ethiopia. The F value is 11.634 at 0.000 significance level. The value of F is statistically significant

at a level of 0.05 or less, this suggests a linear relationship among the variables.

Table 7 presents beta coefficients and t values for General perceptions on globalization. The beta variable is a measure of how strongly the independent variable influences the dependent variable. The size of the coefficient for each independent variable gives the size of the effect that variable is having on dependent variable, and the sign on the coefficient (positive or negative) gives the direction of the effect. The t values indicate the variable statistical significance. In general a t value of 2 or higher indicates statistical significance.

Statements “Globalization in Ethiopia increased dependency on other countries” the B is 0.595, and the Beta coefficient value is 0.579 at a significance level of 0.000, “Globalization in Ethiopia helped to raise in income levels of the people” the B is 0.400, and the Beta coefficient value is 0.451, at a significance level of 0.000, “Globalization helped Ethiopia to sell Ethiopian products across the countries” the B is 0.353 and the Beta coefficient value is 0.391 at a significance level of 0.000, “Globalization provided Ethiopia with good infrastructural facilities” the B is 0.244 and the Beta coefficient value is 0.231 at a significance level of 0.007, “Globalization helped Ethiopia with access to hygiene living conditions” the B is 0.103 and the Beta coefficient value is 0.119 at a significance level of 0.175, “Globalization in Ethiopia helped to receive advanced technical know-how in the Ethiopia” the B is 0.124 and the Beta coefficient value is 0.115 at a significance level of 0.060, “Globalization affected household and small industries in Ethiopia” the B is 0.074 and the Beta coefficient value is 0.096 at a significance level of 0.233, “Globalization in Ethiopia helped to improve standard of living in the country” the B is 0.069 and the Beta coefficient value is 0.086 at a significance level of 0.178, “Globalization helps to identify natural resources in Ethiopia” the B is 0.035 and the Beta coefficient value is 0.059 at a significance level of 0.472, “Globalization in Ethiopia helped to receive qualitative education in the Ethiopia” the B is 0.054 and the Beta coefficient value is 0.054 at a significance level of 0.571, “Globalization provided investments to different sectors in Ethiopia” the B is 0.035 and the Beta coefficient value is 0.054 at a significance level of 0.502, “Globalization in Ethiopia enhanced corruption in the country” the B is 0.011 and the Beta coefficient value is 0.008 at a significance level of 0.916 are significant with positive beta coefficient values indicates existing lesser impact on dependent variable i.e. overall impact of globalization in Ethiopia, in descending order.

Statements “Globalization in Ethiopia enhanced employment opportunities in the country” the B is -0.274, and the Beta coefficient value is -0.335 at a significance level of 0.000, “Globalization in Ethiopia leads to lose its safe environment because of unsafe factories” the B is -0.334, and the Beta coefficient value is -0.248 at a significance level of 0.020, “Globalization in Ethiopia will leads to lose its sovereignty” the B is -0.135, and the Beta coefficient value is -0.198, at a significance level of 0.018, “Globalization in Ethiopia ignores the concept of self-sufficiency” the B is -0.173, and the Beta coefficient value is -0.190 at a significance level of 0.085, Globalization helped Ethiopia with flow of more products from all over the world” the B is -0.156, and the Beta coefficient value is

-0.179 at a significance level of 0.085, “Globalization in Ethiopia forced cultural change in the country” the B is -0.250, and the Beta coefficient value is -0.151 at a significance level of 0.105, “Globalization in Ethiopia leads to increased deforestation in Ethiopia” the B is -0.163, and the Beta coefficient value is -0.106, at a significance level of 0.188, Globalization in Ethiopia enhanced inequalities in Ethiopian society” the B is -0.009, and the Beta coefficient value is -0.008, at a significance level of 0.926 - are insignificant with negative Beta values indicates existing higher impact on dependent variable i.e. overall impact of globalization in Ethiopia, in descending order.

Statements “Globalization in Ethiopia increased dependency on other countries” had t value of 8.529, “Globalization in Ethiopia helped to raise in income levels of the people” had t value of 5.684, Globalization helped Ethiopia to sell Ethiopian products across the countries” had t value of 4.085 and “globalization provided Ethiopia with good infrastructural facilities” had t value of 2.747 are significant t values.

Table 8 presents profile of the sample cooperative organizations. 9.9 percent of the respondents working in Saving and Credit Cooperatives, 9.2 percent of the respondents working in Agricultural Cooperatives, 77.6 percent of the respondents working in Multipurpose cooperatives, and 3.3 percent of the respondents working in Other cooperatives i.e. consumer, rural electric supply etc. The mean for types of cooperatives is 3.5000 and standard deviation is 1.02292. 12.5 percent of the sample cooperatives are established before year 1991, 8.6 percent of the sample cooperatives are established in between years 1992-1995, 34.9 percent of the sample cooperatives established in between years 1995-2000, 21.1 percent of the sample cooperatives established in between years 2001-2005, 19.7 percent of the sample cooperatives established in between years 2006-2010, and 3.3 percent of the sample cooperatives established in between 2010-2013. The mean for the year of establishment is 3.3684 and the standard deviation is 1.32567. 15.1 percent of the sample cooperatives had less than 100 members, 19.1 percent of the sample cooperatives had 100-200 members, 17.8 percent of the sample cooperatives had 201-300 members, 17.1 percent of the sample cooperatives had 301-400 members, 11.8 percent of the sample cooperatives had 401-500 members, and 19.1 percent of the sample cooperatives had more than 500 members. The mean is for member strength of sample cooperatives 3.4868, and the standard deviation is 1.71471. 7.2 percent of the sample cooperatives having capital in between 5000-20000 ETB, 13.2 percent of the sample cooperatives having capital in between 20001-50000 ETB, 20.4 percent of the sample cooperatives having capital in between 50001-100000 ETB, 21.1 percent of the sample cooperatives having capital in between 100001-150000 ETB, 16.4 percent of the sample cooperatives having capital in between 150001-200000 ETB, 21.7 percent of the sample cooperatives having capital more than 200000 ETB. The mean for sample cooperatives capital is 3.9145 and standard deviation is 1.55663.

Table 9 presents opinions of the respondents regarding globalization impact on Ethiopian cooperative organizations in Oromiya region. It presents the frequencies, mean opinions and the standard deviations.

Table 5: Regression model summary for globalizational impact on Ethiopia.

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.800 ^a	0.640	0.585	0.44883

Table 6: ANOVA for globalizational impact on Ethiopia.

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	46.874	20	2.344	11.634	.000 ^b
Residual	26.389	131	.201		
Total	73.263	151			

Table 7: Coefficients for globalizational impact on Ethiopia.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.387	0.490		0.789	0.431
Globalization helps to identify natural resources in Ethiopia	0.035	0.049	0.059	0.721	0.472
Globalization provided investments to different sectors in Ethiopia	0.035	0.052	0.054	0.674	0.502
Globalization in Ethiopia helped to receive qualitative education in the Ethiopia	0.054	0.095	0.054	0.568	0.571
Globalization in Ethiopia helped to receive advanced technical know-how in the Ethiopia	0.124	0.065	0.115	1.894	0.060
Globalization provided Ethiopia with good infrastructural facilities	0.244	0.089	0.231	2.747	0.007
Globalization in Ethiopia helped to improve standard of living in the country	0.069	0.051	0.086	1.355	0.178
Globalization in Ethiopia helped to raise in income levels of the people	0.400	0.070	0.451	5.684	0.000
Globalization in Ethiopia enhanced employment opportunities in the country	-0.274	0.075	-0.335	-3.641	0.000
Globalization helped Ethiopia with access to hygiene living conditions	0.103	0.075	0.119	1.365	0.175
Globalization helped Ethiopia with flow of more products from all over the world	-0.156	0.090	-0.179	-1.733	0.085
Globalization helped Ethiopia to sell Ethiopian products across the countries	0.353	0.086	0.391	4.085	0.000
Globalization affected household and small industries in Ethiopia	0.074	0.062	0.096	1.198	0.233
Globalization in Ethiopia increased dependency on other countries	0.595	0.070	0.579	8.529	0.000
Globalization in Ethiopia ignores the concept of self-sufficiency	-0.173	0.100	-0.190	-1.735	0.085
Globalization in Ethiopia enhanced inequalities in Ethiopian society	-0.009	0.092	-0.008	-0.093	0.926
Globalization in Ethiopia enhanced corruption in the country	0.011	0.102	0.008	0.106	0.916
Globalization in Ethiopia forced cultural change in the country	-0.250	0.153	-0.151	-1.635	0.105
Globalization in Ethiopia leads to lose its safe environment because of unsafe factories	-0.334	0.141	-0.248	-2.364	0.020
Globalization in Ethiopia leads to increased deforestation in Ethiopia	-0.163	0.123	-0.106	-1.324	0.188
Globalization in Ethiopia will leads to lose its sovereignty	-0.135	0.056	-0.198	-2.399	0.018

Table 8: Profile of respondents cooperative organizations

	Frequency	Percent	Mean	SD	
Type of cooperative	Saving and Credit cooperative	15	9.9	3.5000	1.02292
	Agricultural Cooperative	14	9.2		
	Multipurpose Cooperative	118	77.6		
	Other	5	3.3		
Year of establishment	Before 1991	19	12.5	3.3684	1.32567
	1992-1995	13	8.6		
	1996-2000	53	34.9		
	2001-2005	32	21.1		
	2006-2010	30	19.7		
	2011-2014	5	3.3		
Members strength	Less than 100	23	15.1	3.4868	1.71471
	101 – 200	29	19.1		
	201 – 300	27	17.8		
	301 – 400	26	17.1		
	401 – 500	18	11.8		
	Above 500	29	19.1		
Capital	5000 ETB - 20000 ETB	11	7.2	3.9145	1.55663
	20001 ETB - 50000 ETB	20	13.2		
	50001 ETB - 100000 ETB	31	20.4		
	100001 ETB - 150000 ETB	32	21.1		
	150001 ETB - 200000 ETB	25	16.4		
	Above 200000 ETB	33	21.7		

Table 9: Respondents views on impact of globalization on Ethiopian cooperatives.

		Frequency	Percent	Mean	SD
Globalization helped my cooperative organization to follow 7 cooperative principles in its operation	Strongly Agree	86	56.6	1.4737	0.5748
	Agree	60	39.5		
	Neutral	6	3.9		
Globalization helped my cooperative organization to follow global standards in its operation	Strongly Agree	12	7.9	2.3355	0.8836
	Agree	101	66.4		
	Neutral	21	13.8		
	Disagree	12	7.9		
Globalization helped my cooperative organization to adopt computerization	Strongly Disagree	6	3.9	3.9013	0.9612
	Strongly Agree	6	3.9		
	Agree	6	3.9		
	Neutral	24	15.8		
Globalization helped my cooperative organization to adopt new technologies and practices	Disagree	77	50.7	2.5263	1.0418
	Strongly Disagree	39	25.7		
	Strongly Agree	30	19.7		
	Agree	39	25.7		
Globalization helped my cooperative organization to access more finance from foreign investments	Neutral	62	40.8	3.1184	0.9486
	Disagree	15	9.9		
	Strongly Disagree	6	3.9		
	Strongly Agree	12	7.9		
Globalization helped my cooperative organization to access more finance from foreign aid and donations	Agree	15	9.9	3.2171	0.9828
	Neutral	62	40.8		
	Disagree	54	35.5		
	Strongly Disagree	9	5.9		
Globalization helped my cooperative organization's members to receive qualitative education	Strongly Agree	56	36.8	1.6711	0.5493
	Agree	90	59.2		
	Neutral	6	3.9		
Globalization helped my cooperative organization's members to receive better training programs	Strongly Agree	63	41.4	1.6447	0.5914
	Agree	80	52.6		
	Neutral	9	5.9		
Globalization helped my cooperative organization's products to catch global demand	Strongly Agree	3	2.0	2.9408	0.7910
	Agree	40	26.3		
	Neutral	75	49.3		
	Disagree	31	20.4		
Because of globalization my cooperative organization's products facing lot of competition from multinationals	Strongly Disagree	3	2.0	1.6053	0.6320
	Strongly Agree	72	47.4		
	Agree	68	44.7		
Because of globalization my cooperative organizations products losing demand - leads to elimination from the market	Neutral	12	7.9	1.3355	0.5140
	Strongly Agree	104	68.4		
	Agree	45	29.6		
Because of globalization my cooperative organizations are ignored by the government	Neutral	3	2.0	2.1776	1.0300
	Strongly Agree	39	25.7		
	Agree	71	46.7		
	Neutral	24	15.8		
Because of globalization employees of cooperative organizations are changing their jobs to multinational corporations	Disagree	12	7.9	4.0066	0.8178
	Strongly Disagree	6	3.9		
	Neutral	50	32.9		
Our cooperative organizations are facing problem of inadequate capital - hence facing competition from multinationals is challenging	Disagree	51	33.6	1.5855	0.5918
	Strongly Disagree	51	33.6		
	Strongly Agree	71	46.7		
Our cooperative organizations are facing problem of procuring raw material - hence facing competition from multinationals is challenging	Agree	73	48.0	1.4474	0.5730
	Neutral	8	5.3		
	Strongly Agree	90	59.2		
Our cooperative organizations are facing marketing problems - hence facing competition from multinationals is challenging	Agree	56	36.8	1.5789	0.5582
	Neutral	6	3.9		
	Strongly Agree	69	45.4		
Acquiring new technology and new methods involves huge costs - hence competing with multinationals is very hard	Agree	78	51.3	1.2434	0.5146
	Neutral	5	3.3		
	Strongly Agree	121	79.6		
	Agree	25	16.4		
	Neutral	6	3.9		

Table 10 to table 12 presents linear regression analysis for globalization impact on Ethiopian cooperative organizations in Oromiya region. Table 10 presents the model summary for regression analysis. The R value is 0.735 is the values of the correlation coefficient between the predictors and the impact of globalization on cooperatives. R² value is 0.540 indicates predictors explains 54.0 percent variation on the dependent variable. Table 11 presents Analysis of Variance of globalization impact on Ethiopian cooperatives. The F value is 9.240 at 0.000 significance level. The value of F is statistically significant at a level of 0.05 or less, this suggests a linear relationship among the variables. Table 12 presents beta coefficients and t values for impact of globalization on Ethiopian cooperative organizations. Statements "Acquiring New Technology and New Methods Involves Huge Costs - Hence Competing with Multinationals Is Very hard" the B is 0.880 and the Beta coefficient is 0.441 at 0.000 significance level, "Because of Globalization Employees of Cooperative Organizations Are Changing Their Jobs to Multinational Corporations" the B is 0.285 and the Beta coefficient is 0.227 at 0.042 significance level, "Globalization Helped My Cooperative Organization's Products to Catch Global Demand" the B is 0.294 and the Beta coefficient is 0.226 at 0.003

significance level, "Globalization Helped My Cooperative Organization's Members to Receive Qualitative Education" the B is 0.175 and the Beta coefficient is 0.093 at 0.423 significance level, "Globalization Helped My Cooperative Organization to Access More Finance from Foreign Aid and Donations" the B is 0.094 and the Beta coefficient is 0.090 at 0.605 significance level, "Globalization Helped My Cooperative Organization To Access More Finance From Foreign Investments" the B is 0.093 and the Beta coefficient is 0.086 at 0.597 significance level, "Globalization Helped My Cooperative Organization's Members to Receive Better Training Programs" the B is 0.123 and the Beta coefficient is 0.071 at 0.567 significance level, "Because Of Globalization My Cooperative Organization's Products Facing Lot of Competition from Multinationals" the B is 0.027 and Beta coefficient is 0.016 at 0.906 significance level, "My Cooperative Organizations Are Facing Problem of Inadequate Capital - Hence Facing Competition from Multinationals Is Challenging" the B is 0.006 and the Beta coefficient is 0.004 at 0.960 significance level are significant with positive beta coefficient values indicates existing lesser impact on dependent variable i.e. overall impact of globalization on Ethiopian cooperatives, in descending order.

Table 10: Regression model summary for globalizational impact on cooperatives.

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.735	0.540	0.481	0.7396

Table 11: ANOVA for globalizational impact on cooperatives.

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	85.914	17	5.054	9.240	0.000
Residual	73.290	134	0.547		
Total	159.204	151			

Table 12: Coefficient for globalizational impact on cooperatives.

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.878	10.158		0.759	0.449
Globalization helped my cooperative organization to follow 7 cooperative principles in its operation	-0.366	0.173	-0.205	-2.109	0.037
Globalization helped my cooperative organization to follow global standards in its operation	-0.108	0.108	-0.093	-1.000	0.319
Globalization helped my cooperative organization to adopt computerization	-0.068	0.102	-0.064	-0.665	0.507
Globalization helped my cooperative organization to adopt new technologies and practices	-0.100	0.120	-0.101	-0.827	0.409
Globalization helped my cooperative organization to access more finance from foreign investments	0.093	0.176	0.086	0.529	0.597
Globalization helped my cooperative organization to access more finance from foreign aid and donations	0.094	0.181	0.090	0.519	0.605
Globalization helped my cooperative organization's members to receive qualitative education	0.175	0.217	0.093	0.804	0.423
Globalization helped my cooperative organization's members to receive better training programs	0.123	0.214	0.071	0.574	0.567
Globalization helped my cooperative organization's products to catch global demand	0.294	0.096	0.226	3.074	0.003
Because of globalization my cooperative organization's products facing lot of competition from multinationals	0.027	0.224	0.016	0.118	0.906
Because of globalization my cooperative organizations products losing demand - leads to elimination from the market	0.108	0.249	0.054	0.435	0.664
Because of globalization my cooperative organizations are ignored by the government	-0.303	0.066	-0.303	-4.580	0.000
Because of globalization employees of cooperative organizations are changing their jobs to multinational corporations	0.285	0.139	0.227	2.050	0.042
My cooperative organizations are facing problem of inadequate capital - hence facing competition from multinationals is challenging	0.006	0.126	0.004	0.050	0.960

My cooperative organizations are facing problem of procuring raw material -hence facing competition from multinationals is challenging	-0.472	0.133	-0.263	-3.552	0.001
My cooperative organizations are facing marketing problems - hence facing competition from multinationals is challenging	-0.116	0.136	-0.063	-0.848	0.398
Acquiring new technology and new methods involves huge costs - hence competing with multinationals is very hard	0.880	0.146	0.441	6.018	0.000

Statements “Because Of Globalization My Cooperative Organizations Are ignored By the Government” the B is -0.303 and the Beta coefficient is -0.303 at 0.000 significance level, “My Cooperative Organizations Are Facing Problem Of Procuring Raw material - Hence Facing Competition From Multinationals Is Challenging” the B is -0.472 and Beta coefficient is -0.263 at .001 significance level, “Globalization Helped My Cooperative Organization to Follow 7 Cooperative Principles in Its Operation” the B is -0.366 and the Beta coefficient is -0.205 at 0.037 significance level, “Globalization Helped My Cooperative Organization to Adopt New Technologies and Practices” the B is -0.100 and the Beta coefficient is -0.101 at 0.409 significance level, “Globalization Helped My Cooperative Organization to Follow Global Standards in Its Operation” the B is -0.108 and the Beta coefficient is -0.093 at 0.319 significance level, “Globalization Helped My Cooperative Organization to Adopt Computerization” the B is -0.068 and the Beta coefficient is -0.064 at 0.507 significance level, “My Cooperative Organizations Are Facing Marketing Problems - Hence Facing Competition from Multinationals Is Challenging” the B is -0.116 and Beta coefficient is -0.063 at 0.398 significance level - are insignificant with negative Beta values indicates existing higher impact on dependent variable i.e. overall impact of globalization on Ethiopian cooperatives in descending order.

CONCLUSIONS

Ethiopia and Ethiopian cooperatives are impacted by the globalization in many aspects. Present research revealed Ethiopia and Ethiopian cooperatives are receiving mixed results from the globalization. Globalization in Ethiopia positively benefited Ethiopia with increased employment opportunities in the country, improvement in infrastructure facilities, flow of goods from all over the world, attracting foreign investments, dissemination of education and technology, upgrading in living conditions and standard of living and negatively impacted with environmental degradation, deforestation, cultural change, corruption, inequalities, over dependency on other countries are negative results of globalization to the Ethiopia. Globalization to the Ethiopian cooperatives positively benefited with adoption of global cooperative principles, global standards, new technologies and methods, attracting investments and donations from the external world and qualitative education and training programs and negatively impacted with competition from the multinationals, inadequate finance, marketing, production facilities, neglected by the own government.

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