

Social Audit of Oromia Coffee Farmers Cooperative Union, Oromia Region, Ethiopia

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ABSTRACT

Social Audit is one of the evaluation methods applied to the organizations, which are engaged in commercial and social activities. The objective of social audit is to bring to light for public knowledge how far an organization has discharged its responsibilities to the society and to make an assessment of the social performance of an organization. Here, social audit has particular relevance, because it reinforces the cooperative's "commitment to social improvement which lies at the heart of the co-operative philosophy". The present study is unique in Ethiopia in the context of changing role assigned to the cooperatives. The main objective of this study is the application of the social audit measures on the social responsibilities of Oromia Coffee Farmers Cooperative Union (OCFCU). Case study method is adopted for the present study. All the Board of Directors, all the employees, 100 members and 100 non-members are selected as samples. Stakeholder survey as a social audit model is employed to elicit information from the stakeholders of the union. The collected data are processed through SPSS and social audit measures are used to analyze and assess the relationship of cooperative activities with the stakeholders of the union. Oromia Coffee Farmers Cooperative union is a small holder coffee grower owned cooperative union established in June 1, 1999 by 34 cooperatives with 22,503 farmers and capital ETB 825,000 (\$90,000). To date there are 217 cooperatives with 202,397 households and capital ETB 161, 575, 474. Annual coffee production is 202,524 tons and area under cultivation is 327,921 ha. OCFCU is a democratic member owned business operating under the principles of International Cooperative Alliance and one among objectives is to improve the social conditions of farmers. With their fair trade premiums they have constructed four schools, two health clinics and clean water supply tanks. They now have a cupping lab located at their office and are in the process of constructing two warehouses. They hope to have their own processing plant within the next three years. The union has accomplished very many social projects for the well being of the community where it exists. This union is a model for other cooperatives in fulfilling the social objectives in relation to stakeholders. The results out of stakeholders survey reveals that the union is sincerely adhered to and practice the principle of "Concern for Community".

Keywords: Social Audit, Stakeholder Survey, Social Performance, Social Responsibility, Members' Perception, Fair Trade.

BACKGROUND AND LITERATURE REVIEW

Cooperation is a philosophy of life and has a mission of its own. It is not merely an economic movement; but a moral movement. It has ideological base and universally recognized principles, which are applied and practiced in order to make a better person and a better society. Although Cooperation is viewed as an organization for the promotion of economic interests of its members, it does not confine itself only to the economic aspect of life. It permeates the social aspects of life and aims at establishing a new democratic social order based on freedom, fraternity, equality and equity where people live in harmony, caring and sharing like a family, where there is unity of spirit and common economic bond; and where people have the freedom to shape their destiny. In the words of George Russel, “membership of cooperative societies is a practical education in economics fitting men for public service and by its principles, it fosters the spirit of citizenship” (*cited in Daman Prakash, 1995*). Thus, Cooperation alone has both economic and social aims, and it has spiritual basis also (*Krishnaswami, 1985*). The cooperative form of organization alone is spirituality applied to business. Because it practices brotherhood and fellowship, and love & sacrifice. If a cooperative organization has to remain true to itself, these values must be living realities in the activities and behaviour of cooperators (*Kulkarni, 1962*). Hence, Fauquet mentions, “These values are both a condition and a result of Cooperation”. Cooperative organizations develop these values among cooperators through the means they employ. They raise people to a higher moral standard (*quoted in Calvert, 1951*).

It is often said that Cooperation is an industry where fine rational human beings are produced with the materials of honesty, unity, equality, etc. Moreover, social integration, education and training, community development, gender equality and protection against twin evils of rugged individualism and blatant totalitarianism are the ways in which Cooperatives contribute for social development as well as for sustainable human development (*ICA, 1995*).

Social Audit is one of the evaluation methods applied to the organizations, which are engaged in commercial and social activities. The objective of social audit is to bring to light for public knowledge how far an organization has discharged its responsibilities to the society and to make an assessment of the social performance of an organization. The social audit takes into consideration the relationship of an organization’s activities in relation to its employees, community, and the customers in the context of social considerations. It is this adaptive nature of a cooperative that calls for a mechanism that can perpetually assess its work at any given time. Here, social audit has particular relevance, because it reinforces the cooperative’s “commitment to social improvement which lies at the heart of the co-operative philosophy”.

Comprehensive work on the social impact of Cooperatives through social audit is scarce. In fact, the need for impact studies on Cooperation was felt only during recent years. As such lot of studies related to economic impact of Cooperatives was conducted and they paid scanty attention to social impact of Cooperatives through social audit. A few such studies and reports are reviewed here.

There are studies on social audit of cooperatives in developed countries. In Italy social cooperatives were studied during the SEBOK study visit in 2006. European and International Research and Development Service for the Social Economy and the Co-operatives are promoting social enterprises and cooperatives. Social Audit Network (SAN) is working for conducting studies and developing social audit tools. Mike Aiken examined the organizational values and cooperatives. Leslie Brown (2001) studied social auditing and community cohesion: The Cooperative way with three cooperative credit unions. The findings are: the credit unions contributed to building their community, the stakeholders are interested in social auditing and demonstrating credibility, accountability and social responsibility, and there is a continuous improvement in social impact. Reports on social audit and accounting by SAN (2000, 2001, 2002, 2004, and 2005) and articles on social enterprises and social auditing (*Lisa MacMullan, Teresa Butler, John Pearce 2001 & 2003, Roger Catchpole, Anne Lythgoe's 2006, Marcelle Holdaway, Alan Kay*) revealed the usefulness and importance of social auditing and accounting in voluntary and cooperative organizations. A study by Betty Jane Richmond (2000) examines nonprofit organizations as part of a social economy that also includes cooperatives and mutual benefit organizations. The social economy perspective promotes an emphasis on the social and economic functions of organizations with a social purpose. Exploring the current separation of market and social value, as well as alternative theories of value, this study develops a model of how nonprofits produce social capital. Roger Spear (1998) presented a paper on "Corporate Governance and social reporting for Cooperative Societies" in the CCIJ Special Seminar (<http://www.co-op.or.jp/ccij>) in Japan, which emphasized the importance of governance, and social reporting in cooperatives.

Traditional financial statements based on generally accepted accounting principles do not integrate social and financial performance measures (Hicks et al, 2007). This makes it difficult for managers (professional managers and Board Members) to plan effectively, to be accountable for the associative qualities of the organization and to show the interpenetration of social and economic dimensions. Lacking the full range of performance information, it is impossible for management to fully assess how a cooperative's resources are being used to accomplish its goals, and difficult to reward efforts to reach them (Hyndman et al, 2002). In part because of this many organizations now engage in some form of SEAR, challenging "the conceptual firewalls" dividing the world into social and economic realms (Bornstein, 2007).

Co-operatives, which claim a “co-operative difference” associated with the values and principles codified by the International Co-operative Alliance, are apt subjects for such initiatives.

Finding ways to implement the co-operative difference and to measure success can help co-operatives embody their principles, be accountable, and position themselves advantageously in the marketplace. Since the public is increasingly discerning about corporate social responsibility, co-operatives which attend to, and report on, the co-operative difference may be uniquely advantaged. Pestoff's (1999) research on Swedish consumer co-operatives is encouraging, indicating that “... the social dimension of co-operatives helps set them apart ... and gives them a competitive advantage”. However, managers, directors, members, and employees often have difficulty describing, operationalizing and measuring their co-operatives' implementation of co-operative values and principles (Spear, 2000), and these may not inform strategic planning. It is vital that we conceptualise and measure these associational qualities, shedding light on how they can inform the business practices of the co-operative. Note Fairbairn's (2002) observation: “The apparatus of member education, participation, and feedback ... representation... is a source of loyalty and trust, a site for innovation, and a mechanism to enforce close business relations between the members and the co-operative.” The tools of social accounting, auditing and reporting can make a contribution.

The ASMARE cooperative is based in Belo Horizonte in the Minas Gerais Province of Brazil where it has a warehouse/depot which receives waste material from individual collectors (catadores) who are members of the cooperative. The cooperative has helped members with access to social services. It worked with the municipality to provide a crèche for the children of catadores. Alone, it opened a carpentry workshop for the older children of catadores where ASMARE collectors' carts, furniture and other objects to sell to other clients are made. The cooperative also runs a bar and cultural centre which includes an internet café, a sewing skills workshop and an administrative centre. The cooperative has a wider social impact beyond its membership by influencing municipal Standards for decent work and the environment and thus how others do their work. The Cuban case study also goes with social cohesion in that society: In Cuba, farmers produce for two very definite purposes: for food security of the nation and for their own profit (Mazibuko K, 2008). Bora (1994) and Pathania (1998) studied the impact of certain social variables on the utilization of cooperative services and not on the effect of utilization of cooperative services. On the other hand Arunbiswas and Vijay Mahajan (1997) in their study found that besides economic benefits the Cooperatives enable women build self-confidence and enhance their social status. Subburaj (2001 and 2002) studied the members' perception on the social impact of dairy cooperative societies in Dindigul and Erode Districts of Tamilnadu. The survey reveals that the dairy cooperative societies are effective instrument of socio economic development by providing

various needy services to their members and the community. By providing social, democratic and empowerment benefits, they have promoted the well being as well as human values among members. In the area of handloom weavers' cooperatives, a number of studies have assessed the impact on social condition of weavers by Shanmugasundaram (1987), Mishra (1992), Subburaj (1993). The socio economic status of member weavers has gone up (Thakur, 1992). Attwood and Baviskar (1987) found that cooperative sugar factories have increased social participation and have brought desired attitudinal changes among sugar cane farmers. A few impact studies have also been made in the field of fisheries Cooperatives (Ghosh, 1987, Thanulingam, 1992), which assessed the socio-economic impact of fishermen Cooperatives.

In African context, few studies have been made considering social empowerment, employment generation by cooperatives. Satgar and Williams (2008) assert that the cooperative movement is one of the most organised social forces on the African continent. They cite the ILO which suggests that at least 7 percent of citizens in African countries belong to cooperatives, rising in countries like Mauritius, Egypt, Ghana, Kenya and Senegal to 10 percent or more. The cooperative movement in Africa plays a crucial role in economic and social transformation and in many parts of Africa it constitutes a parallel cooperative sector and economy. The Heiveld Rooibos Cooperative is located in Niewoudtville in the Hantam Karoo region of the Northern Cape. The Heiveld case demonstrates a strong case of the consolidation and improvement of a 'social infrastructure' linked to local engagement, voluntary support and commitment of local leadership as a basis for successful community-based development (Nel, et al, 2007). Cooperatives in Ethiopia give a wide range of an implicit social protection to their members. Cooperatives offer to their members includes lending money when their members face unexpected expenses (FCA, 2008).

STUDY FOCUS

Review of these and other literature on Cooperatives reveals that there has been no comprehensive research work assessing the social impact of Cooperatives applying social audit measures in its totality in Ethiopian context. The present study is an attempt to fill in the research gap on social audit of Cooperatives.

Since Ethiopian Cooperative Movement is about to cross half century, it is no doubt that the movement has contributed a lot for humanity. Social contribution of Cooperatives therefore, cannot be under-estimated. In this broad context a query on the social contributions and achievements of Cooperatives in countries like Ethiopia is very relevant and it is necessary to assess stakeholders' perception on the social impact of Cooperatives through social audit. Do stakeholders view Cooperatives as institutions for social betterment or merely as economic institutions where goods and services are availed or vice versa? Do stakeholders realize social benefits of

Cooperatives? Whether stakeholders derive social benefits of Cooperatives out of their cooperative membership characteristics or not? What do stakeholders suggest to maximize social contributions of Cooperatives? These and other issues require an empirical in-depth investigation.

The present study is unique in Ethiopia in the context of changing role assigned to the cooperatives. The cooperatives are not only expected to do service to the members, but also they have to take care of the social responsibilities like HIV/AIDS control, education, community service, environmental protection and conservation, creation of infrastructure, gender imbalance, etc. The main objective of this study is the application of the social audit measures on the social responsibilities of Oromia Coffee Farmers Cooperative Union.

OBJECTIVES OF THE STUDY

The study objectives are: to study the profile of the Oromia Coffee Farmers Cooperative Union; to analyze the social projects of the union; and to assess the social performance of the union by employing social audit tools among the stakeholders.

METHODOLOGY, SAMPLING AND DATA ANALYSIS

Case study method is adopted for the present study. Oromia Coffee farmers Cooperative Union is selected as the sample. The study is supported with survey and *Stakeholder Survey* as a social audit model is employed to elicit information from the stakeholders of the union. All the management committee members, all the employees, and 100 members and 100 non-members are selected as samples by simple random sampling procedure. The collected data are processed through SPSS and social audit measures are used to analyze and assess the relationship of cooperative activities with the stakeholders of the union. Some of the PRA techniques and FGDs were also used.

FINDINGS OF THE STUDY

Profile of the Union

Oromia Coffee Farmers Cooperative union is a small holder coffee grower owned cooperative union established in June 1, 1999 by 34 cooperatives with 22,503 farmers and capital ETB 825,000 (\$90,000). To date there are 217 cooperatives with 202,397 households and capital ETB 161,575,474. Annual coffee production is 202,524 tons and area under cultivation is 327,921 ha. OCFCU is a democratic

member owned business operating under the principles of International Cooperative Alliance and one among *objectives is to improve the social conditions of farmers.*

The objectives of the union are: To improve farmers' income by selling coffee for higher prices; To improve and maintain the quality, productivity and sustainability of coffee production; To regulate and stabilize the local market; To assist coffee communities in providing social services such as schools, health centers and clean water and etc. OCFCU works exclusively in Oromia Regional State, which accounts for 65 percent of the country's total coffee growing land and includes coffees from Limu, Sidamo, Yirgacheffe, Nekemte, Jimma, Sidamo, Neqemte/ Ghimbi, and Harrar. To support this work, OCFCU maintains 60 pulperies, 26 hulleries, and 75 warehouses.

The sales volume during 2011 was 6,597 tons and value ETB 698,825,194. Referring to 2011 obtained benefit and when we see its performances, Birr 112,858,544 was secured. On the other side, profit drawn from the fair trade sales was Birr 2,345,288.47. Totally Birr 16,278,385.76 was obtained. When the obtained profit was seen in relation to plan, its performance was found to be more than a double. The profit was possible as the result of higher sales price occurrence.

Members of the basic cooperatives, who had bought shares, had obtained dividend share of Birr 56,429,927 from the profit obtained during the 2011 budget year. The dividend was shared based on the criteria that the basic coop members' participation on the coffee preparation activities and number of shares they had bought. Accordingly, based on the participations that the primary cooperative members made on the coffee preparations, Allocation of net profit is done in the following manner: 70 % for member cooperatives; 50% for patronage; 20% for share and 30% for expansion, reserves and social services.

The uniqueness of the union is full control and follow up "from tree to cup", from coffee nursery to planting, cultural practices, harvesting, processing, storing and direct export and direct link to international buyers and roasters, bypassing the auction. It provides services to the member cooperatives, including: marketing, technical assistance, Fair Trade and Organic Certification coordination, coffee processing and export, pre-financing and other administrative services. In addition, the Union hopes to build a warehouse and a coffee-cupping laboratory and form a credit union for its members. Establishing a direct relationship with the farmers is always an important aspect of Cooperative Coffee's mission and the farmers under Fair Trade contracts receive more than three times the local price, plus the added social benefits provided by OCFCU. The union has 8 years of export experience to USA, Europe, Japan, Australia & Canada. It has got the certifications and traceability: Organic certified coffees, Fair Trade certified coffees; Organic & Fair Trade certified coffees, Conventional coffees with traceability to the cooperative level.

SOCIAL PROJECTS OF THE UNION

1. Projects Assisted by the Fair Trade

The OCFCU has been operating on various projects' constructions, to expend economic and social developments by the profit it has been obtaining from sending coffee to foreign countries and selling it on fair trade, its establishment. For the expansions of social developments, many constructions, which have great contributions, been constructed.

With their fair trade premiums they have constructed schools, health clinics and clean water supply tanks. They now have a cupping lab located at their office and are in the process of constructing two warehouses. The following table reveals the social obligations fulfilled by the Union.

Table 1: Social Projects Accomplished from the Fair Trade Premium and the Social Fund

S.No.	Sectors	Name of the Project	Project accomplished
1	Education	Primary school (1-4)	13
		Additional Class room	33
		Up Grading(1-4) to (1-6)	13
		Up Grading(1-4) to (1-8)	5
		Up Grading (1-8) to (1-10)	4
		Kinder Garden	2
2	Health	Health Post	5
		Occupied Medical Equipment	3
		Clinic Maintenance	1
3	Water Development	Spring Development	76
4	Bridge	Bridge	2
5	Electricity	Bore hole	3
6	Office	For cooperatives	5
7	Milling	Flour Mill	8
		Coffee Processing	7
		Dry weather road	3
		Dry latrine	3
		Total	186

Source: From the Union, 2012

2. Ongoing Projects

The following table depicts a clear picture on the ongoing projects of the union.

Table 2: Ongoing Projects of OCFCU

Project	Number	Cost (ETB)
School Garden	1	700,000
Coffee Processing Industry	1	10,000,000
Dry Coffee Huller	1	700,000
Total	3	11,400,000

Source: From the Union, 2012

Totally there are three projects under three major categories viz., school garden, coffee processing industry and dry coffee huller, which costs about ETB.11,400,000.

3. New Projects

Coffee Stores and Coffee Cleaning Industry

Two stores which had been constructed in the Akaki District Gelan Kebele have now got completed and are on functioning. With this connection, for the establishment of coffee cleaning industry at this location, all preparations has been made for the constructions of fences and the industry is building works is going on. Along this, necessary preparations have been going on to bring the industry from abroad and this operation shall continue strongly starting from the month of October.

Red Cherry Coffee Washing Industry

A project was submitted to a NGO, found in USA and Red cherry coffee industries which operate with small amount of water were established in Borena Zone, Kercha District, for the Kercha Inshe and Ela Farda Association; likewise Uruga District, for the layo Teraga Association. Based on the general assembly's decision, required loan for the construction activities was granted and the activities were completed and the associations are operating on the coffee washing industries these four associations had brought washed coffee to us. Likewise, Dogo Bulcha association of the Bule Hora district in Borena Zone got purchase of coffee washing industry and is currently operating with it.

Honey Project

Our country's honey has been obstructed from entering in to Europe due to its un clean conditions. This has been resulted form lack of proper beehives and its managements. For the minimization of such problems, assistance of Birr 500,000 was obtained from "Doen Foundation" of Holland and honey project's commencement

was made possible. Based on the prepared project, Birr 194,668.34 was released for the first phase and this money was utilized for the activity. According to the plan, nine associations found in Jimma and I/A/Bora had been the beneficiaries. In the Jimma Zone, from seven associations 154 people, which was 22 per association, have got trainings and necessary equipments for been keeping activities. From the I/A/Bora Zone 46 people from two associations have been beneficiaries of this honey project. Beekeeping equipments – hives, bee veil with hat, gilove of each 200, wax printer (mould), smoker, honey extractor, brush, water spray, chisel of each 9 - are distributed to farmers for the promotion of beekeeping activities.

Black Gold Film

A film called black gold made on farmers and a development association, Oromia Coffee Producers' Cooperative Union. The film shows the price the farmers get for their coffee, the endeavor they make to manage their coffees, the social and economic problems the farmers have, and the operation being made through the union for the farmers' organizations to into associations for the solutions of their problems. Besides this, it has brought to the attention of world, the un fair trade and oppressions which are the causes of poverty, through comparing the benefits the coffee purchasing, roasting, selling to coffee houses organization get to that of the farmers. Thus film has been seen in many countries. The film's to cause the film viewers have the interest to buy and consume the Oromia Coffee.

Drinking Water Project

N/Gorbitu coop Drinking water project: Based on the prepared project to enable the Negalle Gorbitu Association members get clean drinking water, one water well was dugged with Br. 159,975, released from the OXFAM Belguims pledge to make assistances.

I/Derartu Associations Drinking water project: Visitors from Ireland had observed the ilil derartu association's dirinking water problem and they currently had organized an occasion for fund raising hereon. Hence, water project shall start withing a short time.

Homa Association Drinking water project: An organization called "Nesle" had made a survey for sherat school, found in the Homa Association water well digging and we are waiting for their reply.

School project: With financial support obtained from the Kosta Foundation, plan has been made to upgrade the Kilenso Rasa Mid-Secondary School to secondary school level.

Other Projects: The union has a plan for the following new projects to be launched soon.

- Keshu Nat project
- Farmers support project "GO NGO GO"
- Coffee Area tourism

Fair Trade Activity

Out of the activates done on this work, big effort was made to make associations fair trade members and, accordingly, 17 new associations became fair trade members. With the previously 11 fair member association, 17 new associations joined it and the fair trade has 28 member associations.

Stakeholder Survey Results

Stakeholder survey as a social audit tool is employed for the present study to elicit information and assess the perception of the stakeholders on the social performance of the coffee union. Stakeholders for the study are: members, non-members, management committee members and employees of the union. In this section, the results out of stakeholder survey are presented.

a. Members' Perception on the Social Performance of the Union

At the first stage, the members are surveyed by administering a detailed survey questionnaire. The questionnaire consists of questions on the social performance related to compliance of cooperative principles and values, social projects of the union, benefits out of the social projects. Apart from the questionnaire with a checklist FGDs were conducted to elicit information to supplement the survey results. The results are discussed hereunder.

Table 3: Members' perception on the Social Performance of the Union

Perception level	High	Moderate	Low	Total
Category				
Principles				
Open & Voluntary Membership	85	10	5	100
Democratic Member Control	82	9	9	100
Member Economic Participation	87	10	3	100
Autonomy & Independence	79	13	8	100
Education, Training & Information	83	11	6	100
Cooperation among Cooperatives	86	8	6	100
Concern for Community	100	-	-	100
Values Adherence	83	12	5	100
Social Projects Implementation	98	2	-	100
Benefits out of social projects	98	2	-	100

Source: Field survey 2012

As for members' perception on the social performance of the union, the members (more than 82%) have high level of perception on the social performance of the union. The stakeholder survey reveals that members have high perception level regarding the compliance of the cooperative principles, adherence to cooperative values. They reported that the social projects have been selected in an appropriate manner and implemented for the well being of not only to the members but also of the community. This could be the reason for cent percent positive response towards perception on compliance to the principle of "Concern for the Community".

During the FGD conducted among members, they said:

Our cooperative is a social cooperative, which adopts and adheres to cooperative principles and values in a strict manner..... the social projects implemented are very useful and fulfilling the basic needs (education, health, drinking water, etc) of the people living in the community. The benefits out of these social projects are enjoyed not only by members but also by all in the service area. We have a real and pure cooperative of our own.

The above result shows that the members have a social cooperative of their own and they participate in all activities and they are committed.

b. Non-Members' Perception on the Social Performance of the Union

At the next stage, the non-members are surveyed by administering a detailed survey questionnaire. The questionnaire consists of questions on the social performance related to social projects implementation by the union, benefits out of the social projects. Apart from the questionnaire with a checklist FGDs were conducted to elicit information to supplement the survey results. The results are discussed hereunder.

Table 4: Non-Members' Perception on the Social Performance of the Union

Perception level	High	Moderate	Low	Total
Category				
Social Projects Implementation	81	7	12	100
Benefits out of social projects	83	6	11	100

Source: Field survey 2012

Non-members have perceived well and in a positive way on the social performance of the union. Majority of the non-members have high level of perception on the social projects implementation and they reported that they have also enjoyed the benefits out of the social projects implemented by the union. Non-members also

have business relations with the union through primaries and in the service area they are also benefited out of the social projects.

c. Employees' Perception on the Social Performance of the Union

Employees are the workers of the cooperative union. As per the declaration of the ICA Congress 1910, workers are "Partners of Progress" in cooperatives. The employees play a vital role in the union. Their involvement is very much needed to achieve the objectives of the union. They responded the questions on commitment and involvement, benefits both pecuniary and non-pecuniary, adherence to principles by the management bodies, their satisfaction on social projects of the union. The results are discussed hereunder.

Table 5: Employees' Perception on the Social Performance of the Union

Perception level Category	High	Moderate	Low	Total
Involvement & commitment	31 (100)	-	-	31 (100)
Benefits – Pecuniary	31 (100)	-	-	31 (100)
Benefits – Non-Pecuniary	25 (80.65)	4 (12.90)	2 (6.45)	31 (100)
Adherence to Principles by Mgmt	31 (100)	-	-	31 (100)
Satisfaction on social projects	25 (80.65)	4 (12.90)	2 (6.45)	31 (100)

Source: Field survey 2012

As for employees' perception on the social performance of the union, they have perceived in a positive way. The involvement and commitment is more on the employees' side and they are getting more pecuniary and non-pecuniary benefits. Non-pecuniary benefits include rewards in kind for their achievements, free schooling for their children, and availing health services for their family from the health posts established by the union. They have expressed their satisfaction on the social projects implemented and social performance of the union.

d. Management Committee's Perception on the Social Performance of the Union

Management committee members are the representatives of the members of the union. Their commitment and full engagement led to the success of the union in all respects. They responded the questions on commitment and involvement, compliance to the principles and values, objective accomplishment, decisions and achievements, opinion on social projects of the union. The management committee members are

very much committed and their involvement in union's activities is appreciable. Their opinion on the objective achievement, decisions and achievements, social projects and implementation and the results out of these projects is quite positive. The management committee consists of 6 members including the general manager and deputy general manager. During the discussion the general manager Ato.Tadesse Meskele (The root and soul of the union) said:

We are very happy with doing social projects for the well being of the community. Through these projects the members and other people are getting both economic and social benefits like, increase in income level, standard of living, productivity, education, health services, clean drinking water facility and other basic amenities. The employees are also working with the objective accomplishment task and they are committed. All the stakeholders of the union are working towards objective accomplishment i.e., the union has one among the objective as *"to improve the social conditions of the farmers"*.

CONCLUSION

To conclude, the union has accomplished very many social projects for the well being of the community where it exists. As for members' perception on the social performance of the union, the members (more than 82%) have high level of perception on the social performance of the union. Majority of the non-members have high level of perception on the social projects implementation and they reported that they have also enjoyed the benefits out of the social projects implemented by the union. As for employees' perception on the social performance of the union, they have perceived in a positive way. The management committee members are very much committed and their involvement in union's activities is appreciable. This union is a model for other cooperatives in fulfilling the social objectives in relation to stakeholders. The results out of stakeholders survey reveals that the union is sincerely adhered to and practice the social principle of "Concern for Community".

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