Determinants of Farmers Participation in Saving and Credit Cooperatives (SACCO): The Case of Offa Woreda, Wolaita Zone, Southern Ethiopia

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Abstract
The aims of saving and credit co-operatives have always been to mobilize savings from middle- and low-income groups and supply credit to their members. A savings and credit cooperative is an association of people who come together with common goals to improve their livelihood economically. The study's general objective was to identify the determinants of farmers' participation in saving and credit cooperatives in Offa woreda. The study applied mixed research methodologies to collect the quantitative and qualitative research methods and analyze the respective sources through the interview schedule and checklists. The total sample of the study was 315 households in the study area. The collected data was analyzed using econometric and descriptive methods. Data analysis was employed to identify determinants of participation in saving and credit cooperatives. Econometric analysis was employed to identify the all-over determinants participation of sample SACCO members, and descriptive analysis was used to identify socioeconomic and demographic characteristics of SACCO's farmers. Of the 11 variables expected to influence household participation in SACCO, six (6) variables were found to be the critical factors influencing the status of household participation in SACCO in the study area. These variables include household education, family size, income, service delivery, training and livestock number of respondents. The household's educational status should be considered before target selection for the organizing on SACCO. When households become educated, they have good knowledge of managing resources and participate in high status.
Keywords: Saving, Credit, Cooperatives, Participation, Binary Logistic Regression, SACCO

Introduction

One type of financial institution that operates in both rural and urban areas and is more accessible and reasonably priced for the impoverished is a savings and credit cooperative. They have been offering financial services to their cooperative members, emphasizing credit and savings products. Savings and Credit cooperatives regulate financial flows within their organization through inclusive

structures and government policy. A favourable environment for the growth of voluntary-based SACCOs in the nation has been established by the government's commitment to changing the subsistence economy.

SACCOs were established with the express intent of enhancing the welfare of their members by offering loans and savings options, among other things. Compared to different financial institutions, SACCOs offer members advance loans with comparatively lower interest rates. Furthermore, SACCOs serve customers in underserved and/ or rural areas that banks do not serve. As a result, customers find SACCOs more appealing than their preferred financial institutions (Osoti).

In Ethiopia, cooperative societies for credit and savings were established in the middle of the 1960s. Ethiopian Thrift and Cooperative Societies Limited was the national apex body of 28 saving and credit cooperative societies from 1964 to 1973 (Alemu). Internationally recognized cooperative principles served as the foundation for this proclamation. This proclamation defines a cooperative as an autonomous association with legal personality that is democratically controlled by people who have come together voluntarily to address their shared economic, social, and cultural needs as well as other goals that cannot be met individually through a business that is jointly owned and run on cooperative principles. It is comprehensive in its coverage and lays the foundation for the growth of various cooperative societies at various levels. According to the declaration No. Since SACCOs could accept deposits from and lend money to members, they were expected to actively contribute to widespread development and poverty reduction (147/1998). Although SACCOs were permitted to take deposits and make loans, this proclamation did not acknowledge them as official financial institutions. Because of this, SACCOs are exempt from the National Banks of Ethiopia's (NBE) oversight and regulation, which only applies to other official financial intermediaries. SACCOs can function as self-regulated organizations under the cooperative proclamation, subject to certain limitations like the maximum shareholding for a single member and the distribution of profits. Internal monitoring and control typically provide the checks and balances of the cooperatives' operations (Betru). Since 1979, SACCOs have experienced rapid growth; however, this growth has been slower than other cooperative types in Ethiopia. There were 3,491 SACCOs in Ethiopia in 1991 (Asratie).

As stated in (Ethiopia Federal Cooperative Proclamation No.985/2016, 2016) allocation of net profit in any cooperative society shall deduct 30% of the net profit and allocated to the reserve fund. The amount allocated for the reserve fund shall continue to be deducted until it reaches 30% of the capital of the cooperative society, and it shall be deposited in the savings account of the society, and the general assembly shall determine the distribution of the remaining 70% net profit; provided, however, that the general assembly may allocate for education or training or incentive or audit fund for social service from same net profit under the by-law of the cooperative society and it was established 1960 in Ethiopia.

SACCOs differ from other cooperatives and financial institutions because SACCO's operations are concentrated within their membership, and a person must be a member to save, borrow or receive other services from the SACCO. In developing SACCOS, working funds are comprised chiefly of member shares; in mature SACCOs, working funds are mainly deposits. SACCOs make loans to members based on their character and ability to repay. SACCOs rely, to a significant extent, on the volunteer efforts of the members; the key element in the development of SACCOs is volunteerism. The difference between a SACCO and other co-operatives is that the SACCO can accept deposits from its members as savings and issue out loans to qualifying members of the SACCO (Henama).

Statement of the Problem

Low-income people primarily use savings and Credit Cooperatives (SACCOs) for their financial needs. SACCOs are considered semi-formal financial institutions that are not subject to NBE regulation or oversight. According to the National Bank of Ethiopia, Equib, Eddir, and other unregulated financial institutions are part of the informal economic system. Youth entrepreneurship

growth is influenced by the availability of financing provided by SACCOs. According to (Mwangi and Wanjau), SACCOs' use of various strategies to expand access to financing led to a rise in youth entrepreneurship.

According to MCD, investment policy documents are a collection of choices made to address the long-term goal of a profitable and sustainable cooperative sector. The efficiency goal of raising national income and developing human capital, the equity goal of income distribution, and the proper use of financial resources are all met by the investments made in this instance by cooperatives. Although the existence of financial cooperatives (SACCOs) continues to have a positive impact on both their members and the overall financial activity, they do not fully benefit from surplus compared to their lengthy history of establishment because of several factors that restrict it. Like other business organizations, SACCOs have encountered various obstacles that have impeded their progress.

Objectives

The study's general objective was to examine the determinants of farmers' participation in saving and credit cooperatives in Offa Woreda. The specific objectives were to analyze these determinants and identify challenges and opportunities for saving and credit cooperatives in the study area.

Methodology
Research Design

The study used mixed research methodologies to collect the data. Quantitative and qualitative research methods were used to analyze the data collected from the respective sources through the Interview Schedule and Checklists.

Data Collection Method

Primary data was collected from Offa woreda, which sampled SACCO's member farmers using a structured questionnaire. The interview schedule was prepared in Amharic and translated into local languages (Wolaitegna) for rural people with the help of five enumerators who knew the local area and were trained on the study's objectives. Before entering the computer, Independent variables were categorized by their nature, such as ordinal, cardinal, and scale type.

Target Population

Twenty-two primary saving and credit cooperatives provide saving and credit services to their members in the study area. The study's target population was all twenty-two primary saving and credit cooperative members. There are 3,576 registered under the savings and credit cooperative development office in Offa Woreda. Offa woreda was purposively selected for this study because it has long-established SACOOs and a small number of primary SACCO members.

Sampling Techniques

In this study, a multi-stage cluster random sampling technique was employed. Among these twelve woredas, Offa woreda was purposively selected for this study. There are twenty-two SACCO members in Offa Woreda. Among these twenty-two saving and credit cooperatives, four SACCO members were also selected using simple random sampling in the first stage. In twenty-four, SACCO had a total membership of 3,576 in Offa woreda. So, from SACCO's, in selected four Woreda, 1,489 members farmers are the study's target population. The sampled four SACCO members' farmers have 1,489 populations, as listed in Table 1.

To select a sample of respondents, the researcher again used convenience sampling to get sample respondents in the second stage. Thus, 1,489 members listed in Table 1 were taken as a sample of the rest, and those sampled members were selected from the five SACCO members. The Interview Schedule was carried out by pretested collection. Five trained enumerators collected data from respondents. A sample of SACCO members was selected through simple random sampling. This method asked SACCO members, farmers, and nonmembers to answer prepared questions.

Table 1 The Selected Saving and Credit Cooperatives' Names in the Study Area

S. No.	Name of Kebeles	Name of SACCOs	Number of members
1	Busha	Busha SACCO	379
2	Sere Esho	Sere Esho SACCO	292
3	Kodo	Kodo SACCO	399
4	Wachiga Esho	Wachiga Esho SACCO	419
	Total		1,489

Source: Offa Woreda Cooperative Development Office

Sample Size

The formula was used for determining the sample size based on the (Yamane) formula to determine the required sample size at 95% confidence level and level of precision= 5% (0.05)

Hence, the formula was as follows:

$$n = N/(1+N(e)^2) \qquad (1)$$

Where,

n = is the sample size,

N = is the population size of all members,

e = is the level of precision that assumes e = 0.05.

$$n = 1,489/(1+1,489(0.05)^2) = 315$$

Table 2 Proportional Sample Size of each SACCO's Members

S. No	Name of Kebeles	Name of primary SACCO's	SACCO's members (N)	Sample Size (n)
1	Busha	Busha SACCO	379	80
2	Sere Esho	Sere Esho SACCO	292	62
3	Kodo	Kodo SACCO	399	84
4	Wachiga Esho	Wachiga Esho SACCO	419	89
	Total		1,489	315

Source: Survey Result

Method of Data Analysis

Econometric and descriptive methods were used to analyze the collected data. Data analysis was employed to identify determinants of participation in saving and credit cooperatives. Econometric analysis was employed to identify the all-over determinants participation of sample SACCO members, and descriptive analysis was used to identify socioeconomic and demographic characteristics of SACCO's farmers. The data was entered into the computer and analyzed using STATA statistical software. In descriptive statistics, mean, standard deviation, frequency, variance, maximum and minimum were used. Generally, a quantitative method of data analysis was employed.

Model Specification

To address the objective of this study, the econometric model, particularly binary logistic, was employed to address human-related factors that determine the participation of farmers in SACCOS in the study area by using socioeconomic, demographic, and institutional variables. Mean, percentage, frequency, and standard deviation were used to assess the challenges and socioeconomic characteristics of the SACOOS members in the study.

The dependent variable for this study is (participation in SACCO) which is a dichotomous variable; it means that if the farmers are members of SACOO, the value is 1, and otherwise, 0. Probability regression models are the most suitable for studying the relationship between dependent and independent variables when the dependent variable is dichotomous. In other words, it can be common when the response variable is qualitative, and the probability of the dependent variable, given the independent variable, determines which of the most common qualitative regression models is the logit model, as stated.

The logistic model is mathematically formulated as follows:

$$P_i = 1/(1+e^{(-z_i)}) \qquad (2)$$

Where P_i is the probability of the farmers participating in SACCO and Z_i is a linear function of explanatory variables (X_i), and expressed as:

$$Z_i = \beta_0 + \sum \beta_i x_i + u_i \qquad (2)$$

Where, β_0 = intercept, β_i = regression coefficients to be estimated,

i = 1, 2, 3, ..., n, u_i = a disturbance term, and x_i = pre-intervention characteristics.

The probability that farmers participate in SACCO is:-

$$1-P_i = 1 / \{1+e^{z_i}\} \qquad (3)$$

Then, the odds ratio can be written as:

$P_i / \{1-P_i\} = \{1+e^{zi}\} / \{1+e^{-zi}\} = e^{zi}$ (4)

The left-hand side of equation (4) $P_i/1-P_i$ is simply the odds ratio in favour of Employees using IPSAS.

Finally, by taking the natural log of equation (4), the log of odds ratio can be written as:

$L_i = \ln[P_i/(1-P_i)] = \ln[e^{\beta 0}] + \sum_{i=1}^{m} \beta_i X_i] = Z_i = \beta_0 + \sum\beta_i X_i$ (5)

L_i is the log of the odds ratio in favour of farmers participating in SACCO, which is linear in X_i and the parameters.

In short, by transforming the above nonlinear logit function into a linear logit function to Specify the mathematical formula of each explanatory variable as follows:-

$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{11} X_{11} + \beta_{12} X_{12} + u_i$

μ = Error term; $b\sigma$ = Constant term;

Log P/1-P = participation in SACCO index,

Y=FRQ = The status participation in SACCO

β_0 = Constant with zero independent variable.

Test for Multicollinearity

As stated above, the logistic regression model adapted to this study is the logistic regression model. The dependent variable, the profitability of participation in SACCO's members, is a dummy variable when applying the model before fitting the selected important variables into the model. Variance Inflation Factor (VIF) was employed to test the existence of multicollinearity problems among explanatory variables. VIF shows how the presence of Mmulti-Collinearity inflates the variance of an estimate. Each selected explanatory variable (X_i) is regressed on all the other explanatory variables, the coefficients of determination (R^2) being constructed in each case. R^2 is the adjusted square of the multiple correlation coefficients that result when the explanatory variable is regressed against all others. As a rule of thumb, the value of VIF greater than 10 is often assumed as a signal for a multicollinearity problem in the model.

VIF is computed as follows: VIF = 1 / \{1-R^2\},

Where VIF = Variance Inflation Factor and R^2 = the adjusted R square

Therefore, the above econometric model was used in this study to identify determinants affecting the profitability of primary SACCO members. A statistical software program called STATA was used to analyze the data.

Definition of the Variables

Based on different literature, determinants that are supposed to influence the Farmer's participation in SACCO's members are discussed below. In this study, the dependent variable is the probability of Farmer's participation in SACCO and explanatory variables which affect the participation of SACCO's members are mentioned and explained as follows: From different literature, determinants that are supposed to affect the determinants of participation in SACCO's members explained as discussed below. In this study, the dependent variable is participation in o SACCO's members, and the independent variables that are supposed to affect the dependent variables are mentioned below:

Table 3 Independent Variables and Expected Signs

Variables Code	Variables Types	Definitions of Variables	Units of Measurements	Expected Sign
SEX	Dummy	Sex of households	1 and 0	(-)
AGE	Continuous	Age of households	Years	(+)
EDUC	Categorical	Education of households	Categorical	(+)
HHSIZE	Continuous	Household size	AE	(-)
MARST	Dummy	Martial status	Categorical	(+)
ACCR	Dummy	Accesses of credit	1 and 0	(-)
Lsize	Continuous	land size	hectares	(-)
TLU	Continuous	Total livestock unit	TLU	(+)
ACtra	Dummy	Access to training	1 and 0	(+)
SaH	Continuous	Saving habit	Birr	+
SD	Dummy	Service delivery	Categorical	+

Results and Discussions
Econometric Estimation Results
Multicollinearity Test

Before fitting the models, it was essential to check whether the serious problem of multicollinearity among the hypothesized explanatory variables exists. The value of VIF for each of the continuous variables is shown in the Appendix part. VIF and 1/VIF are the most familiar methods of detecting the problem of multicollinearity among the explanatory variables. As a rule of thumb, if the VIF of a variable exceeds 10 or the tolerance margin (1/VIF) is less than 0.1 or 10 per cent, then there is a serious multicollinearity problem. Therefore, in this case, all the VIFs in our model are below 10; thus, all the tolerance margins (1/VIF) are more than 0.1 or 10 per cent, implying that multicollinearity is not a problem in our model. Hence, there was no multicollinearity problem among all continuous variables included in the model.

The results of the logit regression model are presented in Table 4. The likelihood ratio statistics show that the model result is significant at less than a 1 per cent probability level, indicating that the hypothesis that the coefficient except the intercept equals zero is rejected. Another measure of goodness of fit used in logistic regression analysis is prediction success, which indicates the number of sample observations correctly predicted by the model. Predicted success is based on the principle that if the estimated probability level of the event is less than 0.5, the event will not occur, and if it is greater than 0.5, the event will occur. In this study, the observation was grouped as poor households if the computed probability of participation in MSE was greater than or equal to 0.5 and as non-participants otherwise. Thus, the model fits the data. The Pearson chi-square test showed the model's overall goodness of fit at less than a 1 per cent probability level. Therefore, it is possible to interpret the model results meaningfully. From the estimated logistic regression model, five variables were found to be the critical factors influencing the status of household participation in MSE in the study area. These variables include household education, age, income, market access and work experience. The rest five of the 11 explanatory variables were found to have no significant influence on MSE participation (Table 4).

Model Characteristics

In logistic regression models, the R-square statistic cannot be precisely computed like linear regression, so the pseudo-R-square statistic for approximation of the goodness of fit is calculated instead. Larger pseudo-R-square figures indicate that the model explains more of the variation. This study's estimated model edom at a one per cent significance level. Another measure of goodness of fit used in logistic regression analysis is the count R^2, which indicates the number of sample observations correctly predicted by the model. The count R^2 is based on the principle that if the estimated probability of the event is less than 0.5, the event will not occur, and if it is greater than 0.5, the event will occur (Maddala). In other words, the ith observation is grouped as participant if the computed probability is greater than or equal to 0.5 and as non-participant otherwise.

Table 4 Logistic Regression results for Households' Participation in SACCO

Logistic regression: Number of obs = 315; LR chi²(11) = 210.21; Prob > chi² = 0.0000; Pseudo R² = 0.5093					
Participation SACCO	**Coef.**	**Std. Err.**	**z**	**P>|z|**	**[odds ratio]**
SEX	.1429523	.4494143	0.32	0.750	.737885
age	-.0017184	.0289455	-0.06	0.953	.05845
educ	1.113461	.2982807	3.73	0.000	0.0053
Fam L size	.4723671	.1443453	3.27	0.001	0.0061
Income	.000055	.0000176	3.13	0.002	.00002
Training	1.265305	.4773916	2.65	0.008	0.0034
land in hectare	.9168558	.5654961	1.62	0.105	0.0345
service delivery	.8031473	.4385527	1.83	0.007	.05623

livestock	.693445	.2053506	3.38	0.001	0.0054
interest rate	-.0362582	.154713	-0.23	0.815	0.0674
saving habit	.2308884	.1648969	1.40	0.161	.03490
_cons	1.481412	1.988802	0.74	0.456	0.00654

Source: Survey result; ***, ** and * indicate it is significant at 1%, 5%and 10% Probability level, respectively

Determinants of Farmers' Participation Saving and Credit Cooperatives

Of the 11 variables expected to influence household participation in SACCO, six (6) variables were found to be the most critical factors affecting the status of household participation in SACCO in the study area. These variables include household education, family size, income, service delivery, training and livestock number of respondents. The remaining 5 of the 11 explanatory variables were found to have no significant influence on SACCO participation (Table 4).

As shown in the above table, Table 4 illustrates that out of 11 explanatory variables included in the model, five were found to be statistically significant at the conventional 1, 5, and 10 percent level of significance, while the rest were significant in affecting household participation in SACCO in the study area.

Education: Education positively influences participation in SACCO and was found to be significant at less than 1%. This is because for a household educated more, the probability to participate in SACCO was increased by an odds ratio of 0.0053 value of coef and 1.113461 with a 99% confidence interval with a p-value of 0.000 in the study area. This means that the probability of engaging in SACCO increases when education increases by one unit in the study area. The model result reveals that this variable has the expected positive sign and is significant at a 5 percent probability level. The possible reasons are that literate people are better at managing; their capacity to accept change makes them good analysts to participate in SACCO. As a result, education increases the probability of being a participant among sample respondents in the study area.

Income: Annual income showed a significant and positive effect at a 1% per cent probability of participating in SACCO in the area. Other factors are

constant: one unit increased by birr, the likelihood of participation in SACCO increased by an odds ratio of .00002, and the value of coef was .000055. Part of the explanation for this result income was to increase the household's participation ability and enhance the probability of the household's involvement in SACCO. The model result indicates that participation in SACCO and income has strong association. The higher incomes raise the capacity to participate in SACCO and are statistically significant at 0.00 level of significance in 1% units in the study area.

Family Size: The result of the logit model indicated that in sample households with many family numbers, the probability of participating in SACCO was high. This implies that if the household has a high family size, the probability of participating in SACCO increases because, to solve many family problems, households try to engage in income-generating activities. The positive coefficient of this variable confirms this and indicates that this variable significantly influences the participation status of households at a 5 percent significant level. The coefficient of work experiences ratio implies that, ceteris paribus, the probability of participating in SACCO by a factor of by odds ratio of 0.0061 and coef .4723671 with 99% confidence interval with a p-value of 0.001 in the study area.

Service Delivery: The service delivery status of SACO in the study area positively affected the participant's economic effectiveness and was found to be significant at less than 1%. This is because for a household educated more, the probability to participate in SACCO was increased by an odds ratio of .05623 and coef .8031473 with a 99% confidence interval with a p-value of 0.007 in the study area. This means the probability of engaging in SACCO increases when service delivery status rises in a good unit in the study area. The model result reveals that this variable has the expected positive sign and is

significant at a 1 percent probability level. If there is good service delivery among SACCO staff, the probability of members joining increases, as shown in the above table result.

Training: Training had a significant and positive effect at a 1% per cent probability of participating in SACCO in the area. Other factors were constant: one unit increased by birr, and the probability of participation in SACCO increased by an odds ratio of 0.0034 and coef .000055. Part of the explanation for this result training was to increase the household's participation ability and enhance the probability of household involvement in SACCO. The model result indicates that participation in SACCO and training has strong association. The amount of training also raises the capacity to participate in SACCO and is statistically significant at a 0.002 significance level in 1% of units in the study area.

Livestock Number: The number of livestock in a given household is an important variable influencing the household's participation in SACCO in the stud area. According to the table above, the number of livestock per household increases, and the probability of participating in SACCO was increased by an odds ratio of 0.0054 and coefficient of .693445 in the study area. Here, this variable was statistically significant at a 1% significance level and positively affected the participation of SACCO, and it was the confidence level of 99% from the above Table 4 result shown.

Opportunities and Challenges and of SACCO in the study area

In this objective, the researcher tried identifying existing challenges and opportunities for SACCO in a given study area. In this discussion, the promising opportunities and bad challenges affecting SACCO members are studied descriptively and qualitatively.

Table 5 Opportunities of SACCO in the study area

Opportunities of SACCO	Freq.	Percent	Cum.
Good saving habits	68	20.30	20.30
Good government support	90	39.59	39.59
Access to transport	75	23.8	23.8
Different business ideas	82	26.03	26.03
Total	315		100.0

Source: Survey result

As seen from Table 5 above, different opportunities exist for SACCO members; from a total of 315 households, almost 39.59% of respondents responded that they had good government support to start different business activities, and 26% of Sacco members answered that they had access to different business ideas beyond government support and others. Finally, almost some respondents, about 68 (20.30%) and 75 (23.8%), responded that we also have a good saving culture in our locality and reasonable market access, respectively, in the study area. These results were also identified qualitatively from discussions with SACCO members and staff in the study area.

Table 6 Challenges of SACCO in the study area

Challenges of SACCO	Freq.	Percent	Cum.
No good SACCO staff	67	21.27	20.27
Lack of cooperatives of member	46	14.60	35.87
High interest of SACCO	146	46.35	82.22
Poor financial mngt	37	11.75	93.97
Poor debt return culture	19	6.03	100.00
Total	315		100.00

Source: Survey result, 2023

As shown above Table 6, different challenges were influencing SACCO members in active participation; from a total sampled 315 households, most of the respondents were about (146) 46.35 % of respondents responded that we had a problem with high interest rate SACCO savings and debt return inters rate this mad not active enough in to start different businesses activities and capital developments and remained (67) 21.27% SACCO members answered that we had no good SACCO staffs to manage our financial resources and poor debt return culture in the study area. About 46 (14.60%) respondents answered that our significant challenges were cooperative working problems in the study area. Finally, the lowest respondents were about 37 (11.75%) and 19(6.03%), who responded that we also have poor financial management and a lack of cooperative working culture, which is a serious problem in the study area. These results were also identified qualitatively from discussions with SACCO members and staff in the study area.

Conclusions

A savings and credit cooperative is an association of people who come together with common goals to improve their livelihood economically. The study's general objective was to identify the determinants of farmers' participation in saving and credit cooperatives in Offa woreda. The previous study focused on a linear regression model and only a few variables affecting Farmer's participation. However, my study will add method and variable gaps like family size, information access and the number of livestock per family was included to examine the status of household participation in Sacco. The study applied mixed research methodologies to collect the data, which were quantitative and qualitative approaches and analyzed the data collected from the respective sources through the questionnaires. The total sample of the study was 315 households in the study area. Econometric and descriptive methods were used to analyze the collected data. Data analysis was employed to identify determinants of participation in saving and credit cooperatives. Econometric analysis was employed to identify the all-over determinants participation of sample SACCO members, and descriptive analysis was used to identify socioeconomic and demographic characteristics of SACCO's farmers. Of the 11 variables expected to influence household participation in SACCO, six (6) variables were found to be the most critical factors affecting the status of household participation in SACCO in the study area. These variables include household education, family size, income, service delivery, training and livestock number of respondents. Of the 315 households, almost 39.59% of respondents responded that they had good government support to start different business activities, and 26% of Sacco members answered that they had access to different business ideas beyond government support and others. The educational status of the households is a determinant variable that influences the participation of SACCO in the area. The household's educational status should be considered before target selection for the organizing on SACCO. When households get more educated,/she has good knowledge of managing resources and participate in high-status

Recommendations

Based on the Empirical Findings Reported in this Study, the Following Recommendations were Forwarded

The educational status of the households is a determinant variable that influences SACCO's participation in the area. The household's educational status should be considered before selecting a target organization for SACCO. When households become more educated, they have the knowledge to manage resources and participate in high-status activities.

According to descriptive and econometric results, family size is a determinant variable influencing SACCO participation. The SACCO organizing body should consider the family number of respondents before engaging in SACCO because it affects positively.

Service delivery status was a very influential variable affecting respondents' participation in SACCO in the area. SACCO staff should provide quality services to their SACCO members.

According to descriptive and econometric results, training was a determinant variable influencing the area's participation in the SACCO. The SACCO organizing body should give innovative training on time to make SACCO members effective and efficient.

Livestock per household is a determinant variable that influences SACCO participation in the area. The household numbers should be considered before target selection for organizing SACCO in the study area.

Acknowledgments

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Technical Terms

The Ethiopian people usually use technical terms, and the Government also exercises in the Official documents and reports.

Woreda means District; Kebele means Village; Dega means High land; Wynedega means Mid-highland; Kolla means low land.

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