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### **A Review of 15 Years of Implementing the Policy for Developing Agricultural Cooperative Economy in Vietnam**

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#### **ABSTRACT**

*On March 18, 2002, the Fifth Conference of 9<sup>th</sup> Central Committee of the Communist Party issued Resolution No. 13-NQ / TW on continuing to renovate, develop and improve the efficiency of the collective economy. In 2019, the Ministry of Agriculture and Rural Development (MARD) organized a conference to review the 15 years of implementing the important resolution. Attending the conference were the Representatives of the Party Central Committee's Office, Party's Central Economics Committee; member of Steering Committee for Renovation, Collective Economic Development, Cooperative (Cooperative); member of the Office of Renewal of Collective Economic Development, Cooperative; leaders of the Ministry, the General Departments, Departments, Institutes, Schools and related agencies under the Ministry of Agriculture and Rural Development; relevant socio-political organizations and organizations at the central level; leaders of the Provincial Party Committee, People's Committees of provinces and cities directly under the Central, DARDs, sub-departments of rural development; representatives of some typical cooperatives and businesses joining in cooperation with cooperatives and a number of domestic, international organizations, institutes, schools and organizations supporting agricultural and rural development.*

*This article reflects some highlights in the implementation of Resolution 13-NQ / TW, the results achieved in the past 15 years and the issues drawn to develop a cooperative economy, and agricultural cooperatives in the next stage.*

Key words: Agricultural cooperative, Collaborative group, Agricultural policies.

#### **INTRODUCTION OF THE IMPLEMENTATION OF COOPERATIVE ECONOMIC DEVELOPMENT POLICIES IN AGRICULTURE**

In implementing the Directive 11 / CT-TW of December 8, 2004 of the Secretariat, the Ministry of Agriculture and Rural Development seriously organized the study and thoroughly grasped the Resolution No. 13-NQ / TW of the Central Committee for all officials and party members of the units attached to the Ministry, creating a unity of ideology and awareness of the role and position of the collective economy in the process of industrialization and modernization of the country. Ministry leaders also thoroughly grasped this Resolution and the Ministry's Action Plan in conferences held with the leaders of the DARDs of provinces and cities directly under the Central.

The propaganda of cooperative economy to the general public has been widely distributed on mass media and many social forums. Accordingly, the awareness of officials and people has changed positively. Up to now, there have been significant changes in the view of the role of the collective economy and the position and economic development of the Party in the political system and people in most provinces. There is agreement in the whole sector that "Reorganizing production, developing collective economy, cooperatives and linking agricultural product value chains is important and necessary to achieve the goal of restructuring agriculture".

Along with propaganda, the inclusion of a new cooperative model in the criteria of new rural construction and replication of effective operating models have brought about practical results. Thanks to the participation of the entire political system, from the central to the local levels, the participation of input service suppliers and the

consumption of output products, the agricultural sector has formed many chain value linkages. Thereby, it promotes innovation of production organization, restructuring and paving the way for developing cooperative economy and building agricultural cooperatives.

In reality, officials and Party members have found its need of cooperative economy and building new rural areas. Through the strong commitment and involvement of Party Committee, together with the authorities at all levels in supporting and creating favorable conditions for the development of cooperative economy, it has contributed to raising the awareness of the majority of farmers and many cooperative groups that have developed to become new agricultural cooperatives.

The Cooperative Law was promulgated (Cooperative Law in 2003 and 2012) and its guiding documents basically met state management requirements and created favorable conditions for cooperatives to operate. According to the assigned functions and tasks, the Ministry of Agriculture and Rural Development has advised the Government and the Prime Minister to promulgate documents on supporting mechanisms and policies for agricultural cooperatives and production linkages along the value chain. The Ministry has also issued documents serving the state management and guiding agricultural cooperatives to operate as criteria for classification and evaluation of cooperatives; regulations on support conditions for infrastructure; regulations on specific activities, reporting regime and state management of agricultural cooperatives.

Along with the Ministry of Agriculture and Rural Development, all localities are interested in elaborating and promulgating guiding documents, guiding the implementation of the Cooperative Law and central documents promulgated in order to create favorable conditions for the development of cooperative economy (Ministry of Agriculture and Rural Development, 2019). Resolutions and legislative documents promulgated have created favorable institutional and psychosocial environments for cooperative economy and agricultural cooperatives. The next issue is to organize the implementation so that it is effective in each locality and cooperative. The Ministry of Agriculture and Rural Development has focused on submitting to the Prime Minister for promulgation of Schemes, Plans and Programs on renewal and development of cooperative economic organizations in agriculture; develop 15,000 cooperatives and agricultural cooperatives to operate effectively; develop cooperatives to apply high technology in production and consumption of agricultural products; link production and consumption of agricultural products between cooperatives, unions of agricultural cooperatives and businesses, etc. to further strengthen the state management, support the cooperative economy and the development of agricultural cooperatives.

Given MARD's Projects and Plans, DARDs of provinces and cities directly under the Central government have consulted and submitted to the provincial / municipal People's Committees to promulgate schemes and plans for implementation. Currently, Vietnam has 45/63 provinces and cities directly under the Central government which have issued the Scheme and Plan of Renewing, developing cooperative economy, and agricultural cooperatives. Many provinces and cities have issued implementation plans or schemes to implement Decision No. 461 / QĐ-TTg on the development of 15,000 cooperatives and effective agricultural cooperative unions.

## **CURRENT SITUATION OF COOPERATIVE ECONOMIC DEVELOPMENT AND THE ROLE OF AGRICULTURAL COOPERATIVES**

Overcoming difficulties and long-lasting weaknesses, recently, cooperative economy and agricultural cooperatives have developed in terms of both quantity and quality, and they open up possibilities to further development.

### **About collaborative groups**

As of December 31, 2018, the country had 39,354 collaborative groups, including 21,715 farming groups, 2,431 animal husbandry groups, 176 forestry groups, 2,360 fishery groups, 73 salt groups, 360 fresh water groups and 12,239 integrated groups. It was nearly 5.2 times higher than in 2003 (nearly 7,600 groups). The average number of cooperative groups has 16 members with over 638,237 participants (MARD, 2019). Highlights from the past 15 years of collaborative group are shown in the following areas:

+ The organization and management mechanism is improved step by step and more closely. Collaborative group has common property, its members participate in contributing capital and human capital; its interest is distributed according to contributed capital; and it has operational regulations. Many cooperatives have been newly established on the basis of these collaborative groups.

+ In many activities, the collaborative group has overcome the weaknesses of the household economy such as lack of capital, tools, techniques and production experience; increasing market competitiveness, contributing to improving the capacity of household economy; helping farmer households more effectively use land, labor, materials and capital; receiving information and scientific-technical progress, contributing to the development of production and business of household economy.

+ With the ability to support each other in production and life, many collaborative groups have increased household income, its contributing to hunger elimination and poverty reduction; at the same time, it is also a

bridge between local authorities, socio-political organizations and farmers in propagating and disseminating the Party and State's policies and guidelines.

Although there have been many positive aspects, but in practical activities, this form of cooperation has revealed its shortcomings, limitations specifically expressed on the following sides:

+ Collaborative groups develop spontaneously, organize inconsistently, so it has difficulty in economic transactions, dealing the conflict within the group; most members of cooperative groups are not trained or experienced in the business management; the direction of production and business development is still limited.

+ State management at many levels has not been given adequate attention; many models operate effectively, yet they are limited to the propaganda, support of state management such as local authorities in cooperative group development.

### **About agricultural cooperatives**

Agricultural Cooperatives have a broad role in developing agricultural economy and rural society. As representatives of farming communities to organize production, restructure agricultural sector and build new rural areas, and improve the lives of farmers' members, cooperatives are being recognized as extended arms to bring scientific and technical progress and State support to farmers. Cooperatives receive infrastructure investment of the State to serve production and daily life of people in rural areas, connecting farmers to carry out activities in organizing agricultural production and developing rural economy. From the role of promoting economic development of farmer households through production service activities, the cooperative supports its members in applying technical advances, developing quality standards and selling products.

In building new-style rural area, agricultural cooperatives play a key role in implementing, planning, zoning, arranging production and restructuring of crops and livestock. Through the activities of agricultural cooperatives, farmer households have production directions according to planning areas approved by competent authorities, ensuring efficient production development. Cooperatives play a crucial role in promoting farmers to join land consolidation, land embellishment, improving fields, consolidating traffic and irrigation; especially investments in infrastructure development for agricultural production and new-style rural area construction.

Along with the government's investment support policy, the cooperatives also deduct from their capital and funds to invest reciprocal capital in building infrastructure works. The majority of members of agricultural cooperatives are poor farmers, agriculture production affects their everyday life. Agricultural cooperatives also play a crucial role in creating jobs, supporting farmers to develop household economy, thereby contributing strongly to hunger eradication and poverty reduction. Working closely with the local authorities at the commune level, many agricultural cooperatives have participated in taking care of the spiritual life of their members in the area, contributing to solving many social issues in the rural community.

Implementation of Resolution 13-NQ / TW in the field of agriculture, the number and quality of cooperatives, the capacity and targets of production, business and service activities of cooperatives were raised. By the end of 2018, the number of agricultural cooperatives in Vietnam had 13,856, averagely, one province has 220 cooperatives, of which, the Red River Delta led in the number with 362 cooperatives in a province; followed by the North and South Central Coast averagely 259 cooperatives in a province, Northern midland and mountainous region with 223 cooperatives in a province, Western Highlands with 161 cooperatives in a province, Mekong River Delta with 139 cooperatives in a province, and the South-eastern region ranked last with 85 cooperatives in a province (Ministry of Agriculture and Rural Development, 2019). The number of cooperatives that stopped its operation is not much (625 cooperatives) and concentrated in the provinces of the Red River Delta, Western Highlands and some provinces in the Northern mountainous region. The majority of cooperatives are integrated accounting for 49.47% of total cooperatives in Vietnam; of which, cultivation sector led in the number while salt sector ranked last (Ministry of Agriculture and Rural Development, 2019).

According to the Ministry of Agriculture and Rural Development, the average revenue of agricultural cooperatives in 2018 reached 2,413.6 million VND (103,588 USD), increased to 6.37 times compared to 2003. With income at 1,619.9 million VND (69,524 USD) / cooperative, the average income in 2018 was 2.74 times higher than 15 years ago. Up to now, the average working capital of agricultural cooperatives is about 1,121.6 million VND (48,137 USD) in a cooperative and the total value of agricultural cooperatives in the country in 2018 was twice higher than in 2003. Assets of cooperatives is general even limited, only cooperatives with investment from the Development Assistance Fund and contributed capital from their members are capable of expanding production activities and improving business efficiency (Ministry of Agriculture and Rural Development, 2019).

By the end of 2018, the number of members participating in Vietnam's agricultural cooperatives had 3,769,964 (down 1,615,109 members compared to 2003), averagely, one cooperative has about 280 members. The significant reduction of cooperative member number is explaining by different factors. But the most important is that the change in the cooperative Laws versions. In the Law 2003, the cooperative cover whole village, but the new Cooperative Law 2012, with minimum 7 persons can establish a new coop for business purpose. The labor shortage in rural area should also a factor but may be not the main factor because in some areas where we have the agricultural labor abundance, the member number of new Cooperative was also reduced significantly. High

average members concentrated in the provinces of the Red River Delta with 527 members in a cooperative, North and South Central Coast with 324 members in a cooperative; while low average members concentrated in the provinces of the Western Highland with 42 members in a cooperative and South-eastern region with 34 members in a cooperative. According to reports of 53 provinces and cities nationwide, the total number of regular laborers in agricultural cooperatives is about 304,736 people, accounting for 8.1% of the number of cooperative members; of which, 20,601 regular labours are members of cooperatives, accounting for 5.4% of the members of cooperatives (MARD, 2019).

Management and professional qualification of cooperative staff has improved. In 2018, cooperatives' staff had intermediate or higher degree certificates accounting for 61.9% (up 2.8 times compared to 2003). However, the management level of cooperatives members is very limited, most of senior leaders are old, mainly based on practical experience and lack of sensitivity in production and business activities (Ministry of Agriculture and Rural Development, 2019). The active agricultural cooperatives set up the managerial apparatus according to the Cooperative Law. Most directors concurrently serve as chairman of the board of directors, while a few cooperatives hire chief executive officer. While most cooperatives have a professional accounting staff, some cooperatives use the commune's accounting due to shortage of qualified accountants.

### **Cooperative federation and the prominent role of agricultural cooperatives**

Cooperative Federation plays a core role in supporting production development. Its members are only agricultural cooperatives, the union is responsible for collecting and consuming agricultural products for members through contracts signed with partners. They are members of enterprises and these organizations directly sign the contract of supplying materials or consuming products with each member cooperative. Cooperative federation operating in the fields of supplying materials, product consumption and production and technical support to members play an important role in developing and expanding activities of agricultural cooperatives.

The Federation of Agricultural Cooperatives was established in association with key agricultural products of each locality such as rice, coffee, medicinal plants, fruit trees, vegetables, livestock products, aquatic products, etc. The role of unions of cooperatives becomes more and more important in restructuring production and raising the value of each agricultural sector.

By the end of 2018, Vietnam had 39 cooperative federations operating in the field of agriculture, North and South Central Coast led in the number with 12 federations, followed by the Mekong River Delta and the Northern midland and mountainous region with 10 federations (MARD, 2019). As an organization representing farmers, the agricultural cooperative has affirmed its important role in conveying, guiding and organizing the implementation of the Party and Government's policies to farmers; transferring technology into production, promoting restructuring of plants and animals. Most cooperatives have large membership size actively coordinated with local authorities to organize agricultural production, which are essential contributors in improving production efficiency.

## **DISCUSSION OF RESULTS AND CONSTRAINTS**

### **Results**

After more than 15 years of implementing Resolution 13-NQ / TW, implementing the tasks assigned by the Government, MARD has advised, directed, supported and facilitated the development of agricultural cooperatives. Cooperatives have increased in both quantity and quality, its activities have been associated with the region's key products and implemented links along the value chain. In particular, many models associated with businesses and large supermarkets have expanded the consumption of products; many agricultural cooperatives have earned hundreds of billion dong in revenue. Its contributions of agricultural cooperatives have contributed to fulfilling the goal of bringing the collective economy out of weaknesses, achieving a higher growth rate, and having an increasing proportion of GDP in the economy. During the period, some policies supplement for the Resolution 13 is also realized for the shortfall of labor in rural area such as promotion of mechanization and transfer on innovative technologies for agricultural cooperatives.

The tasks and solutions to organize the implementation of Resolution 13-NQ / TW associated with the state management of agricultural cooperatives have been implemented synchronously. Thereby, the awareness of the new type of cooperative model in agriculture has been fully understood and agreed by the staff and farmers to develop and make the agricultural cooperative become an indispensable representative organization of farmers in agricultural production associated with building new rural areas and restructuring agriculture. Linking households to cooperative groups and cooperatives has become an essential need of farmer households in production and business activities, purchasing materials, input materials and consumption of output products associated with linking agricultural product value chains.

Arising from the practical implementation of Resolution 13-NQ / TW, the Ministry of Agriculture and Rural Development has together with other ministries, sectors and localities advised the Government and the Prime Minister to promulgate supportive mechanisms and policies, aiming to create institutional and psychosocial

work environments for collective economic development. The Ministry has propagated the Party's guidelines and policies, the State's laws on collective economy and effective business models; promoted emulation movement of emulation, and praised and rewarded individuals and collectives having achievements in contributing to the collective economy; organize university, college and vocational training to train staff of the Ministry, to build curriculum, organize training and retraining on collective economy for students and agricultural cooperatives staff.

According to regular performance review and evaluation of supportive mechanisms and policies for farmers and the collective economy, the Ministry of Agriculture and Rural Development has promptly proposed to the ministries, departments, agencies and the Government to promulgate and amend mechanisms and policies to support collective economy and farmers in a practical and effective manner; to support crop varieties, animal breeds and capital when having difficulties caused by natural disasters or epidemics; support to process of agricultural products; support linkage of production and consumption of agricultural cooperatives.

The state management of cooperative economy and agricultural cooperatives has been paid attention to. Agricultural cooperative economic development programs are built in each stage and annually with the coordination and direction of localities in strengthening the organizational structure, assigning officials to perform state management and support to cooperative economy to make agricultural cooperatives facilitation more effective.

The state management apparatus of cooperative economy and agricultural cooperatives from the central to the provinces and cities under central are strengthened and promoted effectively in the state management consultant. The review of practical experience, propaganda and replication of effective models together with planning, organizing of staff training for the cooperative economy what could has been carried out regularly and became an important task of Ministry and Department of Agriculture and Rural Development.

At the Conference on summarizing 15 years implementing the Resolution 13-NQ / TW of MARD, the participants acknowledged, basically, the tasks and solutions to organize the implementation of the Resolution of the Ministry of Agriculture and Rural Development and agencies managing the agricultural sector in localities meet the requirements and operational practices what have contributed to promoting and improving the operational efficiency of agricultural cooperatives in recent years. However, the actual implementation has also revealed many shortcomings and limitations.

## **Constraints**

**About awareness.** In the general trend of Vietnam, some provinces still have not paid adequate attention to the implementation of Resolution 13-NQ / TW. In these provinces, the Provincial Party Committee has not issued resolutions and documents to guide the implementation of the Resolution. Due to the lack of attention in urging and assessing the implementation of what could has not been brought into full play the synergy of the political system to promote the collective economy and build cooperatives, but also considered it as a task of the specialized state management agencies. Due to the lack of awareness of the role, position and objective necessity of the development of cooperative economy and cooperatives, in implementing Resolution 13-NQ / TW, and leaders who lack of attention in some localities, its development of cooperative is spontaneously or only necessary in the implementation of the criteria for building new-style rural area.

**On institutions and policies.** It can be noticed that there are shortcomings and limitations at both the central and local levels. The highlight is that the time for issuing a number of documents guiding the Law on Cooperatives is long and must be adjusted, so the process of implementing the Law is still slow and difficult. Some provisions of the Law on Cooperatives are still inadequate and inappropriate, such as contributed capital of a member must not exceed 20% of the charter capital of the cooperative, which is limited and cannot attract much capital for business and production activities. of cooperatives.

There are many policies to support cooperatives that have been issued, yet due to scattering and lack of investment resources to implement policies, they have not really been fully implemented especially for policies that support linkage and product consumption; supporting infrastructure investment, borrowing credit.

The prevailing situation is that there is no specific legal framework or policy on supporting post-harvest preservation; high technology applications; applying safety standards and regulations (VietGAP standard is mostly promoted for large farm rather than cooperatives); supporting insurance public services for cooperatives operating in the agricultural sector. A number of policies issued only for businesses, not cooperatives, it make members of cooperatives suffer a lot; it even makes it difficult to organize the implementation of agricultural cooperatives such as the tax exemption for the service for members, but no exemption for the service for non-member. So in reality, cooperative cannot separate these two types of services. Corporate income tax when people who cooperate with cooperative is not subject to tax, yet members of agricultural cooperatives are subject to this tax.

Law on Cooperatives does not stipulate sanctions against violation of cooperatives, organizations and individuals. Its restriction makes it difficult for agencies to implement the Law against violation for state management activities. State management of agricultural cooperatives is still inadequate. Currently, there are many focal points for management and insufficient and inadequate of apparatus and staff in charge of managing

agricultural cooperatives. Many localities have not paid enough attention to the propaganda of the Party and State's policies on cooperative economic development, and have not focused on handling and dissolution of ceased cooperatives to make clear scepticism with old-fashioned agricultural cooperatives.

There is attention and concentration of budget capital to perform in training and retraining to improve management skills, production techniques, science and technology for the agricultural cooperative staffs, yet the effect brought is not high. Its limitation related to the program has not been integrated, many practical training materials have not been supplemented and timely updated with information and legal documents.

Review and build models suitable to the actual conditions of each sector, locality or field; theoretical research, drawing on domestic and foreign experiences to apply the construction of cooperative economic development are necessary, yet there is lack of attention, especially the replication of efficient models, remarkable examples or good practices.

Internal cooperative. Endogenous capacity of many agricultural cooperatives is weak and has many limitations; benefits for members are not much, lack of capital for production and business, lack of advice of scientific and technical staff, lack of post-harvest preservation systems and inadequate management capacity are outstanding issues. Its limitations cause many cooperatives to only provide input services to members with low efficiency.

### **Reasons for weakness and constraints**

Analyzing the causes of shortcomings and shortcomings, at the Conference on summarizing 15 years implementing the Resolution 13-NQ / TW of MARD, the participants shared the following common reviews :

- Many officials at all levels and most of farmers are core formalized cooperatives. Its awareness on cooperative economic development is incomplete, and has not properly understood the nature of agricultural production cooperatives in the current situation.
- Regarding institutions and management mechanisms: although the mechanism, policies and guidelines for the implementation of the Cooperative Law have been issued, there is a lack of evaluation of implementation, adapting to suit the needs and operational practices of agricultural cooperatives what could have revealed difficulties in implementation.
- Due to limited budget, there is no separate budget line to support cooperatives; on the other hand, cooperatives have difficulty accessing credit capital; the limited cooperative development assistance fund has greatly affected production and business activities. Its lack of working capital and financial resources to support co-operatives is a problem that needs to be removed for cooperatives now.
- Regarding state management: A large number of agricultural staff at all levels still lack professional management knowledge, and have not carefully studied the Law on Cooperatives in 2012 and guiding documents on supportive mechanisms and policies of the State, leading to the deployment organization did not meet the requirements. Many party committees and local administrations lack attention and create conditions for cooperative development; in some areas, the situation of deep intervention in financial activities, human resources of cooperatives often occur. On the other hand, the inspection, control and audit of cooperatives' activities are still limited, leading to a lack of transparency in management activities, causing skepticism and distrust of members and farmers for cooperatives. Many cooperatives are no longer capable of operation but management agencies lacked attention in dissolution. Some other cooperatives have problems with debts, assets, old key staff who no longer reside in localities or lost their records and seals, its unable to complete the procedures for dissolution.
- Regarding internal management of cooperative: due to limited management skills, the majority of elderly cooperative staff are not sensitive in operations and have not yet developed an effective business and production plan to match the market demand. The cooperative is expected to develop a more transparent business trading system and well-sound experience descending mechanism to quarantine a sustainable and continuous agricultural competitiveness of agricultural goods, but the majority of cooperatives have encountered obstacles, lack of capital for production and business, lack of scientific and technical advice, lack of post-harvest preservation systems and unmanageable management capacity.

In addition, the cooperation between farmers and cooperatives and enterprises in the organization of production, application of technical advances and product marketing has not met the requirements, resulting in many limitations and there are two few of cooperatives participating in the production linkage along value chain with enterprise. It is noteworthy that, loose connection between members and cooperatives and among members in cooperatives with a large number of members what could has led to relying on the support of the State, or it has not positively participated in activities and use of services of cooperatives.

Some cooperatives were re-registered under the Law on Cooperatives in 2012, but have not yet organized and operated as prescribed by the Law on Cooperatives such as members who are not capital contributors or a signed contract on service provision or a capital contribution certificate or using services of cooperatives or strictly implementing regulations on providing products and services to non-member customers.

### **Obtained problems**

From the above analysis, it is noticed that:

First, it is the important role of the Party leaders and authorities at all levels to organize the implementation of the Resolution and the implementation of the Cooperative Law. In any locality, the Provincial Committee promulgates a Resolution or Project, the People's Council has local mechanisms and policies and the People's Committee institutionalizes it into Programs, Action Plans; together with the drastic actions of the leaders in propaganda, learning and disseminating the Resolution and Law on Cooperatives; alongside tests, assessments, preliminary and final reviews in that locality, the collective economic movement, building cooperatives developed smoothly and achieved good results.

Second, promoting propaganda to eliminate the guilt and doubts about the image of old-style agricultural cooperatives; disseminating and replicating of new effective cooperative models is an important task to attract enthusiastic producers to participate in cooperatives and improve agricultural production efficiency.

Third, mechanisms, policies and guidelines for the implementation of the Cooperative Law must be carried out synchronously, completely and in a timely manner, which is necessary to help localities organize the implementation of the Resolution and effectively implement the Law on Cooperatives. In fact, regulations and guidelines that have been issued lately or not close to reality in recent times have led to the process of organizing the implementation of localities that are in difficulties and need to be promptly adjusted.

Fourth, the apparatus and state management officials of cooperative economy and agricultural cooperatives are important to carry out duties such as advising and proposing to party committees and authorities to deploy tasks and solutions in developing collective economy and agricultural cooperatives. Accordingly, it is necessary to improve the professional qualifications of managers, members of cooperatives and producers. This is an important factor to enhance the ability to cooperate and meet the requirements of high-tech agricultural production, safe production, environmental protection and adaptation to integration and climate change.

Fifth, consultation and support to the collective economy and construction of agricultural cooperatives should be paid attention regularly to overcome the limitations of management, science and technology to organize production and business effectively. Supportive resources play a decisive role in the effectiveness of cooperatives, so it is necessary to arrange appropriate sources of budget in the sync with mechanisms to attract social resources, especially the linkage and support of businesses in difficult financial situations.

Finally, this would require to strengthen the close coordination among all levels of government, political organizations, social organizations in the inspection, control, audit to make healthy and transparent operations of cooperatives, creating belief for farmers and the whole society.

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