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**GOVERNMENT SUPPORT FOR MODERN AGRICULTURAL
COOPERATIVES IN VIETNAM**

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INTRODUCTION

1. The necessity of the research topic

In a modern market economy, the existence of cooperatives-especially in the agricultural sector-is both widespread and objectively necessary. Cooperatives not only contribute to national economic growth and development but, more importantly, provide essential support to small-scale business entities by leveraging the advantages of large-scale linkage according to specific functions within the process of reproduction.

In Vietnam, cooperatives play an even more distinctive role. Theoretically, during the search for an appropriate form to transition the smallholder economy toward socialism, V.I. Lenin identified the cooperative model as a viable pathway. Through this model, farmers could engage in commodity transactions to safeguard their personal interests while simultaneously facilitating the application of industrial achievements to advance socialist-oriented large-scale agricultural production.

However, before the economic reform, Vietnam's practical implementation of this theory led to excessive administrative control and de-marketization of cooperatives, which stifled their developmental motivation and caused farmers to lose interest in participating. Since the *Đổi mới* (renovation) reforms, the Communist Party and the State of Vietnam have progressively renewed the cooperative system, developing modern cooperative models in line with the robust growth of the market economy.

Under current legal frameworks, cooperatives have become autonomous business entities operating in a competitive environment alongside other types of enterprises, aiming to provide the best possible services to their members. As a result of these reforms, cooperatives-particularly agricultural cooperatives-have not only regained their development momentum but have also gradually increased their contribution to GDP, supported household businesses in adapting to the modern market economy, contributed to poverty reduction in rural areas, and encouraged legitimate wealth creation among farmers.

Given the country's choice of a socialist-oriented market economy, further strengthening and developing agricultural cooperatives-especially in a context where agriculture remains largely based on household production and provides livelihoods for over 60% of Vietnam's rural population-has become a vital task for the Party, the State, and farmers alike. In pursuit of rural industrialization and modernization, the Party has promulgated various guidelines and policies to facilitate cooperative development. The Political Report of the 13th National Congress of the Communist Party of Vietnam affirms:

"The collective and cooperative economies have broad operational scopes, playing a crucial role in providing services for members; linking and coordinating business and production activities; protecting members' interests; and creating

favorable conditions for improving productivity, business efficiency, and sustainable development. Strengthen linkages among cooperatives, and establish cooperative associations and unions”.

The Government has also introduced multiple support policies aimed at promoting the effective operation of agricultural cooperatives, thereby improving farmers’ living standards. The amended *Law on Cooperatives*, effective from July 1, 2024, represents a substantial reform in the approach and development of agricultural cooperatives in line with new circumstances.

Nevertheless, agricultural cooperatives in Vietnam still face numerous challenges and have yet to fully meet the expectations of the Party, the State, society, and farmers. By the end of 2023, Vietnam had only 31,764 cooperatives, 158 cooperative unions, and 73,000 cooperative groups, contributing approximately 4% of the national GDP. Meanwhile, Resolution No. 20-NQ/TW sets the target that:

“By 2030, the country will have around 140,000 cooperative groups with 2 million members; 45,000 cooperatives with 8 million members; and 340 cooperative unions with 1,700 member cooperatives”.

In recent years, the number of newly established cooperatives has remained modest. Their operational efficiency has not been sufficiently attractive to farmers. Some economic organizations registered as cooperatives do not fully adhere to cooperative principles. Overall, competitiveness, human resources, and particularly management capacity remain limited. Business linkages among enterprises, cooperatives, and farming households are still weak and fragmented, leaving agricultural producers vulnerable to market risks. State support-especially in implementation-has been slow and inadequately aligned with practical demands.

To accelerate cooperative development and achieve the 2030 targets while mitigating risks in production and product marketing, the dissertation titled: ***“Government support for modern agricultural cooperatives in Vietnam”*** focuses on exploring key theoretical and practical issues surrounding this topic. This research has been selected by the Ph.D. candidate as the subject of their doctoral dissertation in Political Economy.

2. Research Objectives and Tasks

2.1. Research Objectives

Based on clarifying the theoretical foundations of government support for modern agricultural cooperatives, the dissertation focuses on analyzing and evaluating the State’s support policies for modern agricultural cooperatives in Vietnam during the period 2013-2023. It identifies the advantages and challenges in the process of implementing these support policies, thereby providing the basis for proposing directions and specific solutions to enhance the effectiveness of government support for modern agricultural cooperatives by 2030, with a vision toward 2045.

2.2. Research Tasks

To concretize the above research objectives, the dissertation undertakes the following tasks:

Systematize theoretical and practical issues related to government support for modern agricultural cooperatives in Vietnam.

Analyze and evaluate the current status of government support policies for modern agricultural cooperatives in Vietnam during the 2013-2023 period.

Propose orientations and solutions to strengthen government support for modern agricultural cooperatives in Vietnam.

3. Research Subject and Scope

3.1. Research Subject

The research subject of the dissertation is the State's support policies for modern agricultural cooperatives in Vietnam.

3.2. Research Scope

Content scope: The dissertation focuses on the State's support policies for modern agricultural cooperatives based on the legal foundations established in the Cooperative Law 2012 and the Cooperative Law 2023. Specifically, it examines five major policy areas: (1) Financial support policy; (2) Land policy; (3) Human resource training and development support policy; (4) Science and technology access support policy; (5) Market access support policy.

Spatial scope: Vietnam.

Temporal scope: Secondary data are collected for the period 2013-2023 (as modern cooperatives were established following the 2012 Cooperative Law). The study also discusses perspectives, orientations, and proposed support solutions for modern agricultural cooperatives toward 2030.

4. Research Approach and Methods

4.1. Research Approach

The dissertation is grounded in the methodological foundation of Marxism-Leninism, as well as the viewpoints, orientations, and socio-economic development policies of the Communist Party and the State of Vietnam, together with relevant economic theories related to agricultural cooperatives. Building upon international experiences in implementing government support policies, the study draws practical lessons for the application of these policies in Vietnam. In addition, the dissertation employs a combination of the political economy approach and the systems approach to clarify issues pertinent to the research topic.

4.2. Research Methods

Based on the methodological principles of dialectical materialism and historical materialism, the dissertation applies several specific research methods, including:

- Dialectical materialist method
- Scientific abstraction method
- Analytical and synthetic methods
- Logical and historical methods
- Expert consultation method
- Statistical and comparative methods

5. Scientific Contributions and Value of the Dissertation

5.1. Theoretical Contributions

The dissertation systematizes domestic and international research works related to the topic, thereby identifying knowledge gaps and proposing new research directions in the study of government support policies for modern agricultural cooperatives.

It clarifies the concepts, contents, evaluation criteria, and influencing factors of State support for modern agricultural cooperatives from the perspective of Political Economy.

5.2. Practical Contributions

The dissertation provides a comprehensive overview of modern agricultural cooperatives, especially in the period following the 2012 Cooperative Law. It generalizes the achievements and challenges encountered in the implementation of State support policies.

It contributes to the realization of the Party's orientations and the State's policies on sustainable development of cooperative models in general and modern agricultural cooperatives in particular.

The dissertation proposes viewpoints (orientations) and practical solutions to strengthen government support for modern agricultural cooperatives in Vietnam toward 2030.

6. Scientific Significance of the Dissertation

6.1. Theoretical Significance

The dissertation supplements and deepens the theoretical foundation concerning State support policies for modern agricultural cooperatives from the perspective of Political Economy.

6.2. Practical Significance

The dissertation provides a scientific basis for competent authorities to develop regulations, policies, and directions for implementing government support activities for Modern agricultural cooperatives in line with practical requirements.

7. Structure of the Dissertation

The dissertation consists of four chapters, in addition to the Introduction, Conclusion, and List of References.

Chapter 1: A Review of Existing Research on Government Support Policies for Modern Agricultural Cooperatives.

Chapter 2: Theoretical Perspectives on Government Support for Modern Agricultural Cooperatives in Vietnam and Lessons from Practice.

Chapter 3: The Current Situation of Government Support for Modern Agricultural Cooperatives in Vietnam during the 2013-2023 Period.

Chapter 4: Strategic Directions and Policy Solutions to Enhance Government Support for Modern Agricultural Cooperatives in Vietnam to 2030, with a Vision to 2045.

Chapter 1

A REVIEW OF EXISTING RESEARCH ON GOVERNMENT SUPPORT POLICIES FOR MODERN AGRICULTURAL COOPERATIVES.

1.1. Review of Relevant Domestic and International Research Related to the Dissertation

1.1.1. International Studies Relevant to the Dissertation

First, studies on factors influencing the development of agricultural cooperatives

Kurimoto (2014) emphasized the importance of *institutional frameworks* in shaping and developing agricultural cooperatives. Aimin and Shunfeng Song (2016) identified five major barriers to cooperative development: (1) land fragmentation and small-scale farming; (2) social stratification among farmers; (3) shortage of highly skilled labor; (4) lingering influence of the old cooperative model, which may hinder the transition to modern cooperatives; and (5) differences in organizational structures among cooperative models.

Osterberg and Nilsson (2009) argued that the success of agricultural cooperatives largely depends on the *active participation of members* and the *management capacity* of cooperative boards. Yamashita Kazuhito (2009) examined the influence of the *political environment* and the *role of rural communities* in Japan on the development of agricultural cooperatives. Access to credit was also identified as a key factor contributing to the establishment and growth of modern agricultural cooperatives (Mohamed & Temu, 2008). Scholars suggest that credit accessibility promotes the adoption of innovative but risky technologies by reducing liquidity constraints and increasing cooperatives' risk tolerance (Simtowe & Zeller, 2006). In certain cases, credit packages need to be specifically designed to meet the demands of particular types of cooperatives (Muzari et al., 2013).

Second, studies on the *role of the State* in supporting agricultural cooperative development

Marites A. Guinto and Takaaki Otahara (2018) analyzed agricultural cooperatives in the Philippines from the perspective of State management. Kimberly A. Zeuli and Robert Cropp (2020) argued that for cooperatives to fully realize their potential advantages, *governments must rapidly transform their perception and image of cooperatives*. Monica Juarez Adeler, in her study of more than 50 agricultural cooperatives across the United States, Colombia, and Belgium, concluded that the *development level* of cooperatives is closely linked to *the nature of government support policies* and the *quality of infrastructure*. Weak legal frameworks, lack of regulatory enforcement, and the absence of appropriate sanctions against contract breaches can undermine cooperative performance (Nyoro & Ngugi, 2007). Moreover, these deficiencies may erode *trust in contractual relationships* and increase *transaction costs*.

Third, studies providing *policy recommendations* for promoting agricultural cooperatives

Pauline Moris (2018), in her study “*Cooperative Development - Viewed from a Social Perspective*”, conducted research on 120 cooperatives in Quebec and concluded that assessing cooperative development policies should not rely solely on quantitative economic indicators but also consider *the broader social benefits* that cooperatives bring. Elena Garnevska and Guozhong Liu (2018) found that in Northwest China, a *stable legal environment* over time was a prerequisite for agricultural cooperative success. The United Nations Department of Social Development Policy (2020), in its evaluation of cooperative development in developing countries during 2009-2019, proposed several recommendations to ensure *sustainable growth* of agricultural cooperatives. Similarly, GF Ortmann & RP King (2020) examined agricultural cooperatives from a *structural (life-cycle)* perspective, while Maureen Casile (2020), in her study “The Success of Agricultural Cooperatives: A Case Study in the State of California”, explored the key economic and organizational factors contributing to the success and prosperity of agricultural cooperatives in California (USA).

1.1.2. Domestic Studies Related to the Dissertation

First, studies on factors influencing the development of agricultural cooperatives

Lâm Quang Huyền (2004) argued that the State’s economic activities toward agricultural cooperatives are primarily reflected in three aspects: (1) providing input and output services, investing in sectors and localities where other economic actors lack capacity or willingness to invest, or offering support for joint development among economic sectors; (2) fostering long-term linkages among agricultural cooperatives under the “four-party linkage” model (farmers, entrepreneurs, scientists, and the State); and (3) reforming land-use mechanisms within state farms. Regarding the human factor, Chử Văn Lâm (2006) emphasized that the biggest barrier to the development of agricultural cooperatives lies in the *weak management capacity* of cooperative leaders. Chu Tiến Quang (2012) analyzed factors influencing the development of modern agricultural cooperatives from two perspectives: *exogenous* and *endogenous*. Nguyễn Minh Ngọc (2012) examined the policies and legal frameworks of the Party and the State as crucial factors affecting the development of cooperatives in general and agricultural cooperatives in particular, while also identifying their developmental trends. Đinh Quang Hiếu et al. (2021), in their study “*The Current Application of Digital Technology in Agricultural Cooperatives’ Production and Business Activities in Vietnam*”, pointed out major difficulties in adopting digital technology, including outdated and inadequate information technology infrastructure and low digital literacy among cooperative members. Phạm Thị Tân (2021) affirmed that agricultural cooperatives in Vietnam have made significant progress in terms of *scale* and *organizational structure*.

Second, studies on the role of the State in supporting the development of agricultural cooperatives

Nguyễn Minh Tú's research, conducted after 2012 when the *Law on Cooperatives (2012)* came into effect, surveyed around 200 cooperatives across various sectors and identified specific approaches for establishing timely State support policies. In the study "*Barriers to the Development of Agricultural Cooperatives in the Southeast Region*", Lý Nhã Hân (2014) surveyed 120 agricultural cooperatives to gather opinions on the State's support policies since the implementation of the 2012 Cooperative Law. Similarly, Trần Đức Quang et al. (2019), based on surveys of 70 agricultural cooperatives across Vietnam, evaluated the effectiveness of government support policies through criteria such as field of operation, establishment time, level of specialization, and revenue during 2010-2018.

Third, studies providing policy recommendations for supporting agricultural cooperative development

Trần Trọng Phương & Lưu Đức Chính (2015) compiled a comprehensive overview of support policies for agricultural cooperatives based on legal documents issued prior to 2014. Hoàng Minh Thái (2021), in his study "*Solutions to Address Obstacles in Agricultural Cooperatives' Access to Credit Capital*", found that despite recent progress, Vietnam's cooperative economy still fails to meet the expected requirements and continues to face numerous shortcomings and limitations that require urgent attention.

1.2. A General Evaluation of Existing Literature and Identification of Research Gaps Addressed by the Dissertation

1.2.1. General Evaluation of Achieved Results

In terms of theory

First, existing studies have approached fundamental issues systematically, analyzing the formation and development stages of agricultural cooperatives. The most distinctive contribution lies in clarifying the gradual transition from the outdated model of traditional agricultural cooperatives to the modern agricultural cooperative model. These studies highlight the advantages and effectiveness of modern agricultural cooperatives as well as their contributions to the socioeconomic structure. Both domestic and international research confirms that the development of modern agricultural cooperatives is an *objective requirement* in the context of a market economy and international integration.

Second, studies have assessed the factors influencing the development of modern agricultural cooperatives from various dimensions and fields. Although these factors are diverse, most studies converge on the recognition of the State's essential role in creating a favorable legal framework and providing supportive mechanisms for agricultural cooperatives to develop effectively.

In terms of practice

First, the most notable finding across studies on modern agricultural cooperatives is the emphasis on the *need for human transformation* - both among managers and members - through mindset and perception changes to adapt and develop. Modern agricultural cooperatives are not limited to improving productivity but must also integrate *technical, marketing, communication, and output management* skills. Flexibility and adaptability are key to ensuring the long-term success of modern agricultural cooperatives.

Second, nearly all domestic and international research affirms the *significant role* of agricultural cooperatives in socioeconomic development. This model contributes to both national and local economies through various aspects such as income enhancement, job creation, rural development, and social welfare. However, despite their crucial role, studies also indicate several limitations, including *shortages of resources* (capital and human), *unclear institutional frameworks*, and *low managerial capacity*.

1.2.2. Identified Research Gaps Requiring Further Investigation in the Dissertation

In terms of theory

First, although studies have adopted diverse approaches to cooperative-related issues - particularly agricultural cooperatives - they often focus on *specific policies* (e.g., land policy or credit policy) rather than constructing a *comprehensive analytical framework* that encompasses the overall operation of agricultural cooperatives in Vietnam.

Second, most research has been conducted in the context of development policies derived from the *2003 Law on Cooperatives (old model)*. Although numerous studies have emerged since the enactment of the *2012 Law on Cooperatives (new model)*, few have provided in-depth assessments of the *State's support policies* for modern agricultural cooperatives - especially in light of the *2024 revision* of the Law on Cooperatives, which has only recently taken effect.

In terms of practice

First, the characteristics of cooperative support policies depend significantly on the *Law on Cooperatives* and its accompanying sub-law documents. Consequently, corresponding to each cooperative law (old and new), State support policies for agricultural cooperatives have varied across periods. Therefore, despite the diversity of studies on cooperatives, the *policy continuity and inheritance* in practical implementation remain limited.

Second, most studies on State support policies for agricultural cooperatives are *localized*-closely tied to the agricultural realities of specific provinces or regions. As a result, research adopting a *national-level, comprehensive policy perspective* remains scarce.

Third, in the current global and domestic context shaped by the *Fourth Industrial Revolution (Industry 4.0)*, the success of modern agricultural cooperatives requires effective utilization of technological advantages. This calls for *State support policies* that are compatible with these emerging needs; however, no existing research has yet approached the issue from this perspective.

Fourth, the trend of *agricultural protectionism* emerging after the *COVID-19 pandemic* also poses major challenges to the development of agricultural cooperatives and the agricultural sector in general. Therefore, *State support policies* need to be better aligned with the *current practical context* that Vietnam is experiencing.

Chapter 2

THEORETICAL PERSPECTIVES ON GOVERNMENT SUPPORT FOR MODERN AGRICULTURAL COOPERATIVES IN VIETNAM AND LESSONS FROM PRACTICE

2.1. The Concept and Importance of Government Support for Modern Agricultural Cooperatives in Vietnam

2.1.1. The Concept of Support and State Support Policies for Modern Agricultural Cooperatives in Vietnam

Concept of Agricultural Cooperative

An *agricultural cooperative* is a collective economic organization jointly owned and legally recognized, established voluntarily by at least seven members. Members cooperate and assist one another in production and business activities, creating employment opportunities to meet common needs based on autonomy, self-responsibility, equality, and democracy in cooperative management.

Concept of Modern Agricultural Cooperative: A *modern agricultural cooperative* is a legally recognized economic organization voluntarily established by at least five official members, cooperating in production and business to create jobs and meet common economic, cultural, and social needs of members, thereby contributing to building a sustainable and cohesive community.

Concept of Support

Support refers to an action by one entity that provides another entity (the recipient) with material or spiritual resources to help them overcome difficulties or achieve specific objectives.

Concept of Support Policy: According to James Anderson (2020), a *support policy* is a purposeful course of action undertaken by an actor toward specific target groups in society to achieve the objectives that the actor values or prioritizes.

Concept of State Support: As defined by Monica Juarez Adeler (2019), *state support* provides direct benefits to the recipients of the assistance and indirect benefits to the broader community or nation.

Concept of State Support for Modern Agricultural Cooperatives: Building upon the aforementioned definitions, this dissertation conceptualizes *State support for modern agricultural cooperatives (NSACs)* as a set of economic policies designed to directly or indirectly assist these cooperatives, thereby facilitating favorable conditions for their effective development. Such support aims to improve business environments and members' income levels while contributing to economic growth consistent with the socialist-oriented market economy in Vietnam.

This concept of *State support for NSACs* carries the following fundamental characteristics:

First, State support can be evaluated through two forms - *direct* and *indirect*.

Direct support can be quantified through financial values or specific policies directly targeting recipient cooperatives.

Indirect support occurs through the creation of an enabling investment and business environment that allows cooperatives to operate more effectively.

Second, State support exhibits both general and specific features.

The *general aspect* is reflected in the unified principles embedded in legal frameworks, particularly the Law on Cooperatives.

The *specific aspect* varies depending on socioeconomic contexts and external factors (such as international integration, political fluctuations, or Industry 4.0). Accordingly, policies may differ across periods but remain coherent within the overall cooperative system. The specificity also depends on the agricultural characteristics of each locality - given that regions differ in agricultural potential and challenges, policies must be tailored accordingly.

Third, State support primarily consists of *incentive-based, encouraging, and enabling policies* rather than coercive measures. It embodies both material and moral encouragement, fostering innovation and improvement among supported cooperatives in their respective fields.

Fourth, State support for NSACs extends beyond the establishment phase (formation, registration, and legal recognition) to cover their entire operational cycle. In a market economy, competition inevitably eliminates inefficient or poorly performing cooperatives. Hence, while initial support is vital, consistent, continuous, and effective assistance throughout the cooperative's development process is even more essential. In this dissertation, *effective State support* for NSACs is defined as: "Timely and appropriate assistance that meets the actual needs of cooperatives, generates substantive impacts, and results in noticeable positive transformations."

2.1.2. The Role of Modern Agricultural Cooperatives and the Necessity of State Support for Them in the Socio-Economic Development of Vietnam

Firstly, to create favorable conditions for the establishment and development of modern agricultural cooperatives.

Secondly, to enhance the role of collective economy within the national economy.

Thirdly, to contribute to building a professional leadership and management team in agriculture.

Fourthly, to help realize the goals of ecological agriculture, modern rural areas, and civilized farmers.

2.1.3. The Communist Party of Vietnam's Perspective on State Support for Modern Agricultural Cooperatives

The 1996 Cooperative Law was enacted with the aim of concretizing the driving forces for development as well as establishing the legal foundation for the cooperative model in the new era. However, this law did not clearly define the composition of participants nor the specific characteristics of the agricultural sector cooperatives.

In this spirit, the 2003 Cooperative Law was introduced, closely adhering to the essence, values, and fundamental principles of the cooperative model. The activities of cooperatives initially met the basic requirements of their members, with economic operations gaining more emphasis, closely linked to social development and community cohesion. Subsequently, the 2012 Cooperative Law was implemented, clarifying the nature of modern cooperatives, expanding the scope of participants, and defining the rights and obligations of cooperatives in supplying products, services, and employment opportunities for members in the market. The promulgation of the 2012 Cooperative Law marked a milestone, signifying the emergence of a more effective modern agricultural cooperative model within the market economy and international integration context.

The 10th (2006) and 11th (2011) National Party Congresses continued to affirm the encouragement and promotion of collective economic development, with cooperatives-particularly in agriculture-as the core. They also emphasized the need to dissolve or transform cooperatives that existed only in form into other types of production and business organizations that comply with legal regulations. To promote the development of cooperatives linked to new rural construction, the National Assembly issued Resolution No. 32/2016/QH14 on continuing to enhance the effectiveness and efficiency of the National Target Program on New Rural Development associated with agricultural restructuring, which includes the objective: "Striving to have 15,000 cooperatives and agricultural cooperative unions operating effectively by 2020."

The 13th National Party Congress (2021) highlighted that agricultural cooperatives are a production form that needs to be encouraged and developed: "Innovate and develop appropriate and effective production organization forms; promote cooperation and linkage in agricultural production and consumption, connecting with global consumption systems. Strongly develop agricultural enterprises; support and encourage the development of farm economies, agricultural cooperatives, and cooperative groups."

2.2. Contents, evaluation criteria, and factors influencing state support for modern agricultural cooperatives in vietnam

2.2.1. Contents of state support for modern agricultural cooperatives in vietnam

2.2.1.1. Financial resource support

2.2.1.2. Land policy support

2.2.1.3. Training and human resource development support

2.2.1.4. Support for access to and promotion of science and technology in agriculture

2.2.1.5. Information and forecasting support

2.2.2. Criteria for evaluating state support for modern agricultural cooperatives in vietnam

2.2.2.1. Supporting institutions

2.2.2.2. Implementation of support policies

2.2.2.3. Evaluation of support outcomes

2.2.3. Principles of State Support for Modern Agricultural Cooperatives

First, the State provides support to modern agricultural cooperatives based on the principle of respecting their autonomy and self-responsibility, and refraining from any unlawful interference in cooperative operations.

Second, the State implements support for modern agricultural cooperatives in accordance with the principles of transparency and openness, ensuring appropriate targeting and linking support measures to economic and social effectiveness.

Third, the State supports modern agricultural cooperatives based on the principle of strengthening endogenous capacity, without substituting market functions or replacing the responsibilities of the cooperatives themselves.

2.2.4. Factors influencing state support for modern agricultural cooperatives

First, policy mechanisms - the clarity, consistency, and practicality of state policies directly determine the effectiveness of support.

Second, the macroeconomic environment - factors such as inflation, fiscal policy, and market volatility influence resource allocation and the sustainability of support programs.

Third, the capacity of implementing agencies - the professionalism, administrative efficiency, and inter-agency coordination of government bodies significantly affect support outcomes.

Fourth, available resources - the adequacy of financial, human, and technical resources ensures that support policies can be implemented effectively and sustainably.

Fifth, the internal capacity of modern agricultural cooperatives - organizational competence, governance structure, and member participation influence how well cooperatives can utilize state support.

Sixth, the impact of the fourth industrial revolution and globalization - digital transformation, automation, and global market integration create both opportunities

and challenges for state support mechanisms, requiring adaptation toward smarter, technology-oriented assistance.

2.3. State Support Experiences in Cooperative Development in Selected Countries and Lessons Drawn for Vietnam

2.3.1. Experiences of State Support for Cooperative Development in Selected Countries

2.3.1.1. Japan

The Japanese government places great importance on the cooperative institution and has issued numerous development and expansion policies aimed at helping farmers increase their income. In the process of building a modern agricultural sector and addressing existing shortcomings, the Japanese government has implemented policies to promote the development of cooperatives, including: i) policies on restructuring cooperative organizations; ii) regional planning policies oriented towards “One Village, One Product”; iii) policies for the development of science and technology; iv) policies to develop processing industries with the goal of diversifying products and increasing the value of agricultural produce; v) extension policies aimed at strengthening the capacity of cooperative members; vi) policies organizing the consumption of agricultural products through auction markets.

Throughout its development, the Japanese government has continuously supported the growth of agricultural cooperatives, with particular emphasis on establishing and improving the legal framework for cooperatives. Compared to other countries worldwide, Japan was relatively early in enacting cooperative laws, with the first law introduced in 1900 and subsequently revised and improved over time to meet the cooperative development needs of specific periods. Additionally, the Japanese government has intensified the socialization of agricultural service systems, regarding agricultural cooperatives as one of the best forms of socialized services for agriculture.

2.3.1.2. South Korea

In 1961, recognizing the vital economic and political significance of the farming population to the country, the South Korean government established the National Agricultural Cooperative Federation (NACF) based on two previously independent organizations: the Agricultural Bank and the old cooperative organization. Subsequently, the Federation set up a cooperative network from the central to the grassroots level to achieve two main objectives:

i) Providing capital to farmers. During this period, the capital market operated weakly, especially in rural areas where farmers often had to borrow at exorbitant interest rates, negatively impacting production and livelihoods. Therefore, the South Korean government enacted laws prohibiting usury in rural areas and facilitated agricultural cooperatives to support farmers by providing capital for purchasing agricultural inputs needed for production.

ii) Marketing agricultural products for farmers. To promote diversification of agricultural products as a means to improve rural community livelihoods, the

government enabled agricultural cooperatives to expand their roles in marketing and product consumption activities.

2.3.1.3. India

The Central Bank and the State Cooperative Banks serve as financial support and supervisory institutions for cooperative credit societies. The operations of these banks function as a linkage between cooperative societies and the money market, acting as intermediaries by transferring funds from surplus societies to those lacking capital. At the top of the credit cooperative hierarchy is the State Cooperative Bank, known as the apex bank, which manages and finances the activities of central banks and directs the cooperative movement within the state. Financial resources come from share capital, public deposits, loans from the government, and the Reserve Bank of India. The National Cooperative Federations of India are the highest organizations promoting the cooperative movement nationwide. Within this structure, there are various types of cooperatives: agricultural credit cooperatives, non-agricultural credit cooperatives, agricultural marketing cooperatives, agricultural societies, and social service cooperatives.

2.3.2. Lessons Learned for Vietnam

Firstly, the state implements policies to leverage the strengths of various economic sectors in society.

Secondly, the state proactively supports the market consumption of farmers' products.

Thirdly, enhancing the state's role in mobilizing and supporting startup activities in high-tech agriculture within agricultural cooperatives.

Fourthly, the role of the state in developing agricultural cooperatives through the establishment of legal frameworks and policy issuance.

Chapter 3

THE CURRENT SITUATION OF GOVERNMENT SUPPORT FOR MODERN AGRICULTURAL COOPERATIVES IN VIETNAM DURING THE 2013-2023 PERIOD

3.1. Overview of the operations of modern agricultural cooperatives in Vietnam during the period 2013-2023

3.1.1. Number and structure of modern agricultural cooperatives in Vietnam (2013-2023)

As of December 2023, there were approximately 20,500 active modern agricultural cooperatives in Vietnam, accounting for about 66.7% of the total number of cooperatives nationwide. Compared with 2022, the total number of cooperatives in 2023 increased by 1,261 units (4%). The high proportion of agricultural cooperatives within the overall cooperative system demonstrates the widespread presence and importance of this model in the development of the agricultural sector in particular and the national socio-economic system in general.

3.1.2. Organizational structure of modern agricultural cooperatives in Vietnam

Currently, the management of agricultural cooperatives can be categorized into two main models: (1) Separate management and administration; (2) Combined management and administration. Among these, the second model is more commonly applied to modern agricultural cooperatives.

Regarding the organizational apparatus, there are significant differences between the Law on Cooperatives 2012 and the Law on Cooperatives 2023. Under the 2012 Law, the governance structure of agricultural cooperatives included the General Assembly of Members, Board of Directors, Director, and Supervisory Board. Meanwhile, the 2023 Law introduces greater flexibility, allowing cooperatives to choose between a full governance structure or a streamlined model depending on the number of members.

Specifically, cooperatives with more than 10 members (medium and large scale) are required to maintain a full governance structure, while those with fewer than 10 members may choose between the full or simplified model, consisting of only three components: General Assembly of Members, Director, and Controller. This flexibility represents an important innovation of the 2023 Law compared with the 2012 Law, helping cooperatives operate more efficiently and adapt to their actual scale.

3.1.3. Changes and dynamics of modern agricultural cooperatives in Vietnam

During the period 2013-2023, the number of dissolved or merged agricultural cooperatives nationwide was relatively high, totaling about 2,074 units. Hòa Bình province recorded the highest number with 130 cooperatives, followed by Cà Mau with 129, while most dissolved cooperatives were concentrated in northern and central provinces.

In addition, approximately 795 cooperatives (about 6.6% of the total) have ceased operations but have not yet been formally dissolved due to regulatory obstacles. On a more positive note, the number of newly established cooperatives has shown a strong upward trend throughout 2013-2023. While the initial years witnessed modest growth, the following years saw significant increases.

According to experts, the main driver behind this growth is the expanding export opportunities for Vietnam's agricultural products, especially after the country's participation in major trade agreements such as WTO, CPTPP, and EVFTA. These agreements have boosted agricultural trade while setting higher standards for product quality, large-scale production, and environmentally friendly practices - conditions that favor large and well-organized agricultural cooperatives.

3.1.4. Structure of Modern Agricultural Cooperatives by Sector and Economic Region in Vietnam

As of December 2023, integrated service cooperatives accounted for the highest proportion among the modern agricultural cooperatives currently operating in Vietnam. Crop production cooperatives ranked second with a 38.5% share; cooperatives in aquaculture and livestock sectors each accounted for 5.5%, while salt

production cooperatives, concentrated in coastal provinces such as Phu Yen, Binh Thuan, Binh Dinh, and Quang Ngai, held the lowest share at 0.2%. Among the various types of modern agricultural cooperatives, there remains a group of cooperatives (approximately 5.5%) that have ceased operations and are in the process of dissolution procedures.

3.2. Current status of the state support apparatus for modern agricultural cooperatives in Vietnam (2013-2023)

The state support apparatus for modern agricultural cooperatives in Vietnam has been organized at two levels: central and local.

At the central level, pursuant to Decision No. 352/QĐ-TTg (March 22, 2017) on the establishment of the *National Steering Committee on Collective Economy* and Decision No. 1242/QĐ-TTg (October 25, 2023) on the consolidation of the *Steering Committee for Renovation and Development of Collective Economy*, the central support apparatus for modern agricultural cooperatives is chaired by a Deputy Prime Minister. Accompanying the Deputy Prime Minister are three Deputy Chairpersons who jointly manage cooperative-related activities, including:

1. The Minister of Planning and Investment,
2. The Minister of Agriculture and Rural Development, and
3. The President of the Vietnam Cooperative Alliance.

In addition, Vice Ministers of relevant ministries serve as members of the Steering Committee for Renovation and Development of Collective Economy and Cooperatives.

At the local level, the management and support system for the development of modern agricultural cooperatives is divided among different departments:

1. Provincial Departments of Agriculture and Rural Development (DARDs) are responsible for managing agricultural and rural affairs, particularly the quality of agricultural production.
2. Provincial Departments of Planning and Investment (DPIs) serve as the general state management agencies for the operation of cooperatives within their jurisdictions. Other departments may assign relevant divisions on a concurrent basis to collect and monitor information regarding the operations of agricultural cooperatives in their localities.

3.3. Current state policies of state support for modern agricultural cooperatives in Vietnam

3.3.1. The Current Situation of Financial Resource Support for Modern Agricultural Cooperatives

The Cooperative Development Support Fund system operates at both the central and local levels. At the central level, the fund is managed by the Vietnam Cooperative Alliance (VCA). Since cooperatives often face difficulties in accessing credit, the establishment of these funds has provided them with alternative financial resources for production and business activities, thereby partly addressing capital shortages.

According to the report of the Vietnam Cooperative Development Support Fund, as of December 31, 2022, there were 56 cooperative support funds nationwide. At the central level, the fund had a total capital of VND 1,005 billion, financing 318 cooperative investment projects, with a loan turnover of VND 981 billion and an outstanding loan balance of VND 436.2 billion. At the local level, the total operating capital of cooperative funds was VND 2,262 billion, of which VND 990 billion came from local state budget allocations. These funds provided loans totaling VND 19,870 billion, with an outstanding balance of VND 1,561 billion, benefiting 11,059 cooperatives, 2,200 cooperative groups, and about 750,000 cooperative members. Among these, 68% of the funds supported agriculture and rural areas, while 32% supported non-agricultural activities.

3.3.2. Land support

Despite significant reforms in the Land Law 2024, the implementation process will take time, and achieving conditions favorable for land consolidation and large-scale agricultural production will not be easy in the short term.

Cooperatives still face numerous difficulties in accessing land. For instance, Decree No. 46/2014/NĐ-CP provided land rent exemptions and reductions for agricultural cooperatives until the end of 2020, including a 50% reduction in rent for cooperatives leasing land for offices or production facilities-but only for new projects.

Later, Decree No. 123/2017/NĐ-CP (effective from January 1, 2018) addressed some of the shortcomings of previous policies on rent exemptions and reductions. However, there is still no policy allowing cooperatives to lease public-use land (exceeding 5%) on a long-term basis, which would create more favorable conditions for agricultural cooperatives to secure land for offices and production facilities (this provision currently applies only to households and individuals).

3.3.3. Current situation of training and human resource development support

To support the development of agricultural cooperatives, localities have actively implemented and allocated funds for training and fostering cooperative staff. Over the past four years, localities have supported training and capacity-building for 63,621 cooperative staff members with a budget of VND 467.9 billion, accounting for 43.8% of the total support budget (including VND 265,040 million from the central budget and VND 202,854 million from local budgets). This is the most heavily funded support policy; however, its effectiveness remains limited due to fragmented and scattered implementation, which has not focused on the core and priority training contents. Moreover, training programs and curricula are not yet well tailored to the specific needs of the trainees.

3.3.4. Current situation of support in accessing and promoting the application of science and technology

With policies supporting the application of new science, techniques, and technologies, localities have supported 3,926 cooperatives with a budget of VND 1,206 billion, accounting for 18.6% of the total support budget (including VND 627

billion from the central budget and VND 579 billion from local budgets). Most of this support is implemented by the Ministry of Agriculture and Rural Development using central resources to assist provinces through the Agricultural Restructuring Program, aiming to enhance the effectiveness of science and technology application and improve the productivity and quality of agricultural products.

3.3.5. Current situation of state support in accessing and researching markets for modern agricultural cooperatives

During the 2013-2023 period, the Vietnam Cooperative Alliance has developed and implemented various trade promotion programs combined with investment promotion, value chain development, digital transformation, and efficiency enhancement for modern agricultural cooperatives in the 2023-2025 phase. The Alliance successfully organized 07 trade promotion fairs and supply-demand connection events for the collective economy and cooperatives, signing 140 contracts and memoranda of understanding, carrying out 308 consumption linkages, and introducing products for cooperatives.

In addition, the Alliance has developed its own e-commerce platform on the Alibaba digital platform, providing guidance to several cooperatives in producing and exporting agricultural products in specific sectors such as medicinal herbs and handicrafts. Export consultation sessions have been organized for markets in Australia, Europe, and Africa.

3.4. Evaluation of Factors Affecting the Process of State Support for Modern Agricultural Cooperatives in Vietnam

3.4.1. Macroeconomic Environment

GDP growth and the contribution of agriculture: In the first quarter of 2025, the national GDP is estimated to have increased by 6.93% compared to the same period last year, marking the highest growth rate among the first quarters during 2020-2025. Within this, the agriculture, forestry, and fisheries sector grew by 3.74%, contributing approximately 6.09% to the total added value of the economy (General Statistics Office, 2024). This growth indicates that agriculture still plays an important role; however, its growth rate is lower than that of the industrial and service sectors, necessitating focused support to enhance productivity and added value for modern agricultural cooperatives.

3.4.2. Capacity of State Agencies Implementing Support

Firstly, human resources and management staff capacity. In many localities, specialized officers for collective economy remain insufficient and weak in management skills and cooperative development consulting. In many places, staff hold multiple concurrent roles, resulting in support implementation that is not closely aligned with practical needs. This limitation reduces the effectiveness of policy transmission from central authorities to grassroots cooperatives.

Secondly, monitoring and evaluation capacity. State agencies have established periodic reporting systems; however, the monitoring and supervision of the performance of modern agricultural cooperatives remain largely formalistic, lacking independent evaluation mechanisms. The process of summarizing and learning from

experiences to adjust policies has been untimely, leading to many supports being misdirected or failing to achieve the desired effectiveness.

Thirdly, coordination capacity with social-professional organizations. State agencies have cooperated with the Vietnam Cooperative Alliance, farmers' associations, enterprises, and research institutions in training and transferring science and technology.

3.4.3. Resources for Support Implementation

Regarding credit capital and access to capital: According to the State Bank of Vietnam, by the end of 2023, outstanding credit in the agriculture and rural development sector reached over 3.29 million billion VND, accounting for approximately 24.29% of the total outstanding credit in the entire economy. In the first half of 2025, credit for agriculture and rural areas grew by about 5.31% compared to the end of 2024, accounting for 23.16% of the total outstanding credit nationwide.

3.4.4. Internal Capacity of Modern Agricultural Cooperatives

Firstly, regarding scale and quantity: As of 2023, there are over 20,000 modern agricultural cooperatives nationwide, accounting for more than 65% of all cooperatives. The average scale of a modern agricultural cooperative has gradually increased, with about 200 members per cooperative and a total membership exceeding 3.8 million people. This reflects organizational expansion and attractiveness to farmers, providing a basis for the formation of concentrated raw material zones and large-scale commodity production.

Secondly, regarding financial capacity: Most modern agricultural cooperatives have low charter capital, averaging only about 1.5 to 2 billion VND per cooperative. Their capital primarily relies on member contributions, bank loans, or support from state programs. Although some cooperatives have mobilized resources from partner enterprises or participated in linked chain projects, overall financial capacity remains thin, insufficient for production expansion, investment in modern machinery, or brand development.

Thirdly, regarding management capacity: Modern agricultural cooperatives have applied principles of autonomy, democracy, openness, and transparency. Some cooperatives have developed systematic production-business strategies, applied management software, and organized production based on linked contracts. However, most management boards still have limited economic management skills, marketing abilities, negotiation capabilities, and legal knowledge. Traditional and unprofessional management practices are still common, making it difficult for cooperatives to compete in the market economy.

Fourthly, regarding scientific and technological capacity: Approximately 10% of modern agricultural cooperatives have applied high-tech production methods such as greenhouses, drip irrigation, QR code traceability, and e-commerce. Typical models such as safe vegetable cooperatives, organic rice cooperatives, and VietGAP livestock cooperatives have proven effective. However, the number of cooperatives applying

advanced technology remains too low compared to demand, with most still producing on a small scale, manually, and lacking investment in technological innovation.

Fifthly, regarding market linkage capacity: Some cooperatives have signed product output contracts with enterprises and participated in agricultural value chains, contributing to stable market outlets for farmers. Nevertheless, most cooperatives still depend on free markets, with limited ability to build brands and access modern distribution channels. Lack of market information and marketing skills hampers their products from achieving high competitiveness.

Sixthly, regarding social-community capacity: Modern agricultural cooperatives have gradually enhanced the spirit of cooperation and mutual support among members, while actively contributing to the new rural development program. Some cooperatives have become key players in sustainable poverty reduction movements, creating local jobs and increasing members' income. However, there remain cases where members join cooperatives merely "in name" without real attachment, leading to low community cohesion.

3.4.5. The Impact of the Fourth Industrial Revolution and Globalization on State Support for Modern Agricultural Cooperatives

The Fourth Industrial Revolution (Industry 4.0) with technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), Big Data, blockchain technology, and e-commerce is transforming production methods, management, and distribution of agricultural products. Globalization increases integration and international competition. Participation in new-generation free trade agreements (such as CPTPP, EVFTA, RCEP) opens export opportunities for agricultural products but also imposes strict requirements on quality, food safety, traceability, and environmental standards. Industry 4.0 and globalization also change the role of the State in supporting the development of modern agricultural cooperatives.

3.5. General Assessment of State Support for Modern Agricultural Cooperatives in Vietnam

3.5.1. Achieved results

First, modern agricultural cooperatives have developed on the basis of clear orientations and policies of the Party and the State. The Party's guidelines and the State's policies and laws on the development of modern agricultural cooperatives have had multifaceted and direct impacts on consolidating, renewing, and developing cooperatives in general. They have initially changed the perceptions of officials, Party members, and farmers about the role of modern agricultural cooperatives in the agricultural restructuring process and in building new rural areas. Several cooperatives and cooperative groups have been able to mobilize internal resources and take advantage of favorable conditions for development. Many agricultural cooperatives have gradually shifted from merely organizing production or marketing agricultural products to providing services that support production and improve members' livelihoods. This transformation is consistent with changes in the market economy, the context of international economic integration, and increasing competition.

Second, modern agricultural cooperatives have grown both in quantity and quality. The incomes of effective modern agricultural cooperatives and their members have risen significantly (many cooperatives report member incomes of over VND 10 million per person per month, with some cooperatives reaching revenues of more than VND 100 billion). This has motivated members to remain committed to cooperatives, contributing to the effective implementation of agricultural restructuring programs and the building of new rural areas in localities.

Third, the quality of products from modern agricultural cooperatives has been increasingly affirmed. Many modern agricultural cooperatives in provinces and cities have developed well by boldly changing traditional production and management methods, improving operational quality and efficiency, restructuring production, and creatively applying scientific and technological advances, new technologies, and high-tech solutions. This has enhanced productivity and product quality, meeting various quality standards such as VietGAP, organic, GlobalGAP, JAS, and OCOP.

3.5.2. Limitations and causes

Limitations

First, difficulties in accessing credit and digital transformation. The credit history of many cooperatives, with high levels of risk caused by natural disasters and epidemics, makes it difficult for them to recover quickly and fulfill initial loan commitments. Because cooperatives generally lack high-value collateral, credit institutions are reluctant to disburse loans. This has also led to a reliance mentality on state support.

Second, the state management apparatus for cooperatives remains cumbersome. As of 2023, the Ministry of Agriculture and Rural Development (MARD) is one of the two ministries (MARD and the Ministry of Planning and Investment) that has maintained a dedicated state management system for cooperatives, as directed by the Resolution of the 9th Party Central Committee, 5th Plenum. The state management system for the collective economy and cooperatives in agriculture includes one specialized department (the Department of Cooperative Economy and Rural Development) under the Ministry, along with part-time officials from the Ministry's general departments and specialized departments who are responsible for cooperatives in their respective fields.

Third, the internal capacity of modern agricultural cooperatives remains limited. They face many difficulties in accessing land leases and converting land use purposes. Training, technology transfer, trade promotion, tax policies, and investment in infrastructure and product processing have not received adequate attention from local authorities. As a result, most cooperatives face challenges in investing in infrastructure, expanding production and business activities, and lack the premises necessary for project implementation, which in turn restricts their ability to secure collateral for loans.

Fourth, unstable market demand and production difficulties remain pressing issues. Modern agricultural cooperatives face high production costs due to increased and volatile input prices, unstable consumption markets, and agricultural product

prices that, despite increasing both domestically and internationally, still yield disproportionately low benefits for cooperatives compared to processing and distribution enterprises in the value chain.

Fifth, funding for trade promotion support remains modest. The implementation of trade promotion policies and market expansion for modern agricultural cooperatives is still limited. Specifically, the allocated funding accounts for only a very small proportion of the total national trade promotion program budget (around 3.93%). Many important aspects of trade promotion, such as export communication, product development, market penetration, market information, and supply-demand linkages, have not been sufficiently accessed by cooperatives. Meanwhile, opportunities for agricultural export are currently substantial, as Vietnam has signed free trade agreements with more than 60 markets.

Causes of limitations

First, state policies remain insufficiently aligned with practical realities.

Second, some cooperatives have not been truly proactive or bold in investing to recover and strengthen their internal resources for production and business development.

Third, the legal environment for the operations of modern agricultural cooperatives is not yet fully completed or harmonized.

Fourth, the capacity and qualifications of staff in the Vietnam Cooperative Alliance system in particular and the State apparatus in general are uneven and do not yet meet the growing demands of practice.

Fifth, a clear and feasible long-term development strategy has not been established.

Chapter 4

STRATEGIC DIRECTIONS AND POLICY SOLUTIONS TO ENHANCE GOVERNMENT SUPPORT FOR MODERN AGRICULTURAL COOPERATIVES IN VIETNAM TO 2030, WITH A VISION TO 2045.

4.1. Contextual Factors Influencing State Support for Modern Agricultural Cooperatives in Vietnam

4.1.1. Global Context

International integration is becoming increasingly profound, and with Vietnam being a country whose economic openness exceeds 200% of GDP, this presents significant opportunities for agricultural cooperatives to access global agricultural markets. Alongside such advantages, however, integration also poses considerable challenges. While official barriers (such as tariffs) are reduced as Vietnam joins economic organizations like CPTPP and EVFTA, low-priced agricultural products from other countries gain entry into the domestic market. Given the disparities in scale and resources, Vietnamese agricultural cooperatives are vulnerable to losing their “domestic market share” even within their own country. Therefore, state support must focus on comprehensively evaluating both the benefits and challenges that

agricultural cooperatives face during integration, thereby formulating specific policies and enforcement mechanisms.

4.1.2. Domestic Context

Financial resources for supporting the agricultural sector in general, and modern agricultural cooperatives in particular, are expected to decline. Rising labor costs undermine competitiveness that was previously based on low production costs. Overuse of inputs and natural resources has become a pressing issue, while environmental concerns are increasingly constraining productivity and international competitiveness. Vietnam stands before promising opportunities in both domestic and international markets; however, to succeed, agricultural cooperatives must produce goods (including food and other products) that are reliable, of high quality, safe, and sustainable. In the future, the agricultural sector must ensure the principle of “increasing value while reducing inputs,” meaning it must generate more economic value and efficiency for farmers and consumers, while consuming fewer resources, labor, and harmful chemicals.

4.2. Directions and Objectives of State Support for Modern Agricultural Cooperatives in Vietnam

4.2.1. perspectives on state support for modern agricultural cooperatives

First, policies should be adjusted and refined in a selective and focused manner to stimulate cooperative start-ups in agriculture, thereby promoting sustainable development of modern agricultural cooperatives.

Second, direct state support should be reduced, shifting toward encouraging development and creating a favorable production and business environment.

Third, policy planning for cooperative development must be based on unified, accurate, and highly reliable data. The policy implementation apparatus should be streamlined, focused, and capable of maximizing advantages while addressing shortcomings and limitations of previous policies.

4.2.2. Objectives of state support for modern agricultural cooperatives in Vietnam

By 2030, Vietnam aims to establish 50,000 agricultural cooperatives, each with an average capital size of 35 billion VND (compared to 19.8 billion VND per cooperative in 2023). The collective economic sector is expected to contribute 15% to GDP. Among these cooperatives, 15% should be classified as “good,” 30% “fair,” 50% “average,” and only 15% “weak.” No cooperative members should remain in poverty.

4.3. Solutions to strengthen state support for modern agricultural cooperatives in vietnam

4.3.1. financial support from the state for modern agricultural cooperatives

4.3.2. land support from the state for modern agricultural cooperatives

4.3.3. support in training and human resource development

4.3.4. support in accessing and promoting the application of science and technology

4.3.5. support in information and forecasting from the state for modern agricultural cooperatives

CONCLUSION

Modern agricultural cooperatives are becoming increasingly common and attract growing attention not only from members but also from investors in the agricultural sector. Between 2013 and 2023, the collective economic sector, including modern agricultural cooperatives, made significant progress. On average, about 1,600 to 2,000 cooperatives were established annually. Average revenue per cooperative nearly doubled from 1.6 billion VND in 2013 to 2.3 billion VND in 2023. Nationwide, approximately 3.8 million households (equivalent to 38.5% of total farming, forestry, and fishery households) participated, with each cooperative averaging 180 members. Each cooperative provided between 7 and 16 different services, of which 4,200 cooperatives offered preliminary processing, preservation, and product consumption services. More than 2,200 agricultural cooperatives invested in establishing affiliated projects and enterprises.

Despite such positive outcomes, as “new-style” entities, these cooperatives still face many difficulties and barriers during their early development stage. Thus, timely state support is essential for achieving both economic and social effectiveness.

Currently, the State has officially promulgated Cooperative Law No. 17/2023/QH15, effective from July 2024 (with internal credit service provisions effective from September 2023). This law introduces adjustments aligned with the actual development of cooperatives. In particular, the cooperative support policy framework for the period 2021-2025 remains unchanged in content, only modifying eligibility conditions to align with the new law. However, specific policies supporting digital transformation and digital technology adoption for cooperatives are still absent; such support mechanisms are instead integrated into the National Digital Transformation Program (to 2025, with orientation toward 2030).

The policy framework for supporting modern agricultural cooperatives in Vietnam is diverse, spanning multiple areas, with five prominent categories: land policy, investment support policy, access to credit, science and technology policy, labor and human resource training, and trade promotion and market expansion. Nevertheless, research indicates limitations in state support, such as: lack of consistency and alignment with the actual needs of cooperatives; inadequate specification of cooperatives as beneficiaries; fragmented resource allocation; insufficient local leadership and financial commitment to implementing cooperative support policies; and limited numbers and capacity of district- and commune-level officials providing advisory and support services.

This study proposes several solutions to enhance state support capacity for modern agricultural cooperatives, specifically: (1) financial support; (2) land support; (3) training and human resource development; (4) support in accessing and applying science and technology; and (5) information and forecasting support.

LIST OF THE AUTHOR’S PUBLISHED SCIENTIFIC WORKS RELATED TO THE DISSERTATION

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2. Nguyen Danh Hung (2024), “Promoting the Effectiveness of Modern Agricultural Cooperative Models in Can Tho City,” *Finance Journal*, Issue 2, March, No. 821.
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