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Solutions for developing Agricultural Cooperatives in Quoc Oai district, Hanoi city

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Abstract

Agricultural Cooperatives, governed by the Law on Cooperatives, are collective economic entities where members voluntarily contribute capital and labour to support shared production and business goals. These cooperatives aim to enhance both the material and spiritual well-being of their members. In Quoc Oai district, Hanoi, Agricultural Cooperatives have experienced significant growth, improving members' livelihoods and contributing to rural socio-economic development. Despite these successes, challenges persist due to the continued influence of outdated models and the absence of a clear strategic direction. To address these issues and ensure the sustainable development of cooperatives, several key solutions are required: Increase the scale of resources for Agricultural Cooperatives; Expand the services of Cooperatives; Improve the quality of the Cooperative management staff; and Increase the business results and efficiency of Cooperatives. These measures are crucial for fostering a modern, sustainable agricultural cooperative model in Quoc Oai.

Keywords: Agricultural Cooperatives; capital; collective economic; business

1. Introduction

Established and operated under the Law on Cooperatives, Agricultural Cooperatives are collective economic organisations established by members with common needs and interests, voluntarily contributing capital and efforts to promote the collective strength of each member participating in the Cooperative, helping each other effectively carry out production and business activities and improve material and spiritual life, contributing to the socio-economic development of the country.

In recent years, the activities of Agricultural Cooperatives in Quoc Oai district, Hanoi have increasingly developed, the lives of members have been increasingly improved, the face of the countryside has improved, Cooperatives have truly been a solid support, a "Midwife" for farming households in developing the local agricultural economy. However, in addition to the achievements, typical Agricultural Cooperatives operating effectively in Quoc Oai district are still limited and encounter certain difficulties, which are also common difficulties of Agricultural Cooperatives in the whole country in general. The basic reason is the negative influence of the old Cooperative model and the lack of clarity about the new development direction for the development of Cooperatives in general and Agricultural Cooperatives in particular. In order to promote the further development of the cooperative economy, especially the development of current Agricultural Cooperatives, there must be key solutions to develop Agricultural Cooperatives in Quoc Oai district in the coming time.

2. Some solutions to develop Agricultural Cooperatives in Quoc Oai district

2.1. Increase the scale of resources for Agricultural Cooperatives

Regarding capital sources: Diversify capital sources for loans to Agricultural Cooperatives: The State directs commercial banks to create favourable conditions for Agricultural Cooperatives after conversion and newly established Agricultural Cooperatives to borrow capital equally with other types of enterprises of other economic sectors; credit institutions increase loan levels and facilitate loan procedures for Agricultural Cooperatives. For Agricultural Cooperatives with small capital contributions, if the Cooperative has a feasible production and business development project, which is assessed by the People's Committee of the commune, it can borrow an amount equivalent to the capital of the Agricultural Cooperatives without having to mortgage it.

The State Bank and credit institutions create favourable conditions to help Agricultural Cooperatives use assets formed from loan capital as collateral when they need to borrow capital. Promote the movement of "promoting internal resources, solving 4 on-site problems" (mobilising capital on-site, lending on-site, investing on-site, and being effective on-site), enhancing the community spirit in creating capital sources. First of all, to help new, typical Agricultural Cooperatives that are operating with high economic efficiency or Cooperatives with good projects, with feasibility in production and processing, with conditions to renew equipment, build fields, apply biotechnology in seeds and seedlings, there should be preferential policies, preferential interest rates as well as a certain loan term so that the Cooperatives have time to recover capital.

Establishment of Agricultural Cooperatives Support Fund: The Agricultural Cooperatives Support Fund is necessary for innovation and improvement of production and business efficiency. The Agricultural Cooperatives Development Support Fund will focus on supporting activities such as training and fostering cooperative management staff, vocational training for workers, innovation, product development, technology, techniques, development and expansion of product consumption markets; building and replicating new advanced cooperative models, new cooperative unions, advanced models, etc.

The Cooperative Support Fund will actively promote, guide and assist Cooperatives in preparing loan project dossiers; receive, classify and select feasible projects for consideration and approval of loans, sign capital support contracts to help Cooperatives innovate technology, develop products, expand scale, and improve business capacity in many fields. Cooperatives borrowing capital from the Cooperative Support Fund will be monitored in using capital to ensure the right subjects, the right purposes, meeting part of the urgent capital needs of Cooperatives and promoting efficiency, helping Cooperatives invest in improving production and business capacity, solving jobs and income for member households and workers.

Improving the efficiency of capital use: Cooperatives need to actively promote the collection of overdue debts to recover capital to serve the needs of production - business, and services well implement the principles of democratic and equal management, and implement fairness in Cooperatives. The Cooperatives Board of Directors reviews and determines the debt, debt level, debt classification... and determines the debt payment ability of each subject. The Board of Directors reports to the general meeting of members to discuss and decide on debt collection solutions suitable to the circumstances and economic conditions of each subject; in case of temporary postponement, exemption or partial reduction. Cooperatives need to be based on the contract to handle, if not properly implemented, then handle according to the law. In handling overdue debts, it is necessary to note that the elderly and lonely people who are unable to pay, have no heirs, have lost the principal and cannot trace the payer, then bring it to the members for voting to cancel the debt.

In using capital, the fund needs to pay attention to the right purpose, saving and efficiency; speed up investment to promote the effectiveness of capital and contribute to the development of the local economy and society. Prevent the situation of capital appropriation in Cooperatives. Synchronously implementing the above capital solutions will create conditions for Agricultural Cooperatives to develop

healthily, meeting the needs of production and business development of the household economy and the activities of Agricultural Cooperatives.

Regarding land: In agricultural production, land is a special means of production, indispensable in the production and business process, therefore, it is very necessary to manage and use land reasonably and effectively. Having the right land policy will create conditions for developing commodity production and expanding industries.

Creating conditions and giving priority to Agricultural Cooperatives to rent public land funds of the commune: To create a large-scale concentrated production and consumption area for agricultural products, reduce labour in agriculture, reduce costs, and increase productivity, quality and efficiency, one of the measures is to continue to implement land consolidation and plot exchange in agriculture. In the process of organizing land consolidation and plot exchange, planning public land funds is concentrated in certain areas. On that basis, the Commune People's Committee should give priority to Agricultural Cooperatives to rent rice seed production to serve local households.

Research, propose to develop a plan, establish a specialized Cooperative, and jointly implement the crop rotation formula to serve the production and business of crops for export, for urban areas or to produce rice seeds for people in the commune and neighbouring areas.

Regarding labour: To develop in the district during the period of industrialization, modernization of the country and international economic integration, the role of resources is very important. Experience shows that to create effective service-providing Agricultural Cooperatives, first of all, it is necessary to have people as a premise. To enter the service business, the Cooperative needs to have key cadres who are both trustworthy with members and can manage the business, quickly adapt to the market mechanism, and know how to calculate and use resources inside and outside the Cooperative, through mutually beneficial economic linkages. Many Cooperatives cannot switch to service business because they do not have competent and ethical staff. Having good staff but not knowing how to do service business will inevitably lead to business losses, dynamic staff but with poor ethics will lead to embezzlement, causing loss of Cooperative assets.

To have good staff, it is necessary to have a strategy to select dynamic people who are passionate about Cooperatives, from which to conduct training and improve their qualifications. At the same time, it is necessary to have a satisfactory remuneration regime and social insurance regime for this team of staff. In places where Cooperative management wages are too low, there should be a supplementary subsidy regime from the local budget, considering it a necessary investment for Cooperative development.

Regarding science and technology: Focus on investing in science, technology and information, an important factor in promoting the strong development of the Collective Economy and Cooperatives, achieving high socio-economic results. Improve information levels and apply advanced technologies in production and management fields.

Applying scientific and technological advances to production: To do business effectively, increase productivity, and reduce costs, applying science and technology to production is very important. Currently, typical advanced Cooperatives all pay due attention to innovating, modernizing machinery, and equipment and applying new

scientific and technological achievements to production and business. Investment and application of science and technology must be based on the specific conditions of the Cooperative, the needs of member households, and the seasonality of agricultural production to have appropriate investment directions.

Prioritize the application of new technological achievements, especially biotechnology, to breed and select new seedlings with high quality and economic value. Apply advanced technology in cultivation and drying, preservation, etc.

Encourage scientific and technological research agencies to cooperate with Cooperatives, transfer new scientific and technological achievements to Cooperatives, research new products, and exploit and use available raw materials in the region and the whole country.

2.2. Expanding the services of Cooperatives

Diversifying the types of services of Cooperatives: Weak capital and technical facilities of Cooperatives are one of the major difficulties, significantly affecting the diversification of service activities of Cooperatives. Low working capital causes many difficulties in the production, business and service activities of Cooperatives. On the other hand, receivables in some Cooperatives are increasing, leading to a decrease in the business capital of Cooperatives. This situation leads to Cooperatives not being able to expand their service activities, low operating efficiency, and limited ability to meet the service needs of members. Furthermore, when Cooperatives shift to market-based activities, it is very difficult to carry out linkages and business cooperation with enterprises in all economic sectors, so the diversification of agricultural services is increasingly limited.

Agriculture in Quoc Oai district is identified as having a very important position, but investment is still limited. The infrastructure system serving agricultural production such as irrigation, transportation, electricity, etc. has not met the requirements, is lacking in many areas and has no basis for supplementation. Recently, several Cooperatives in the district have also invested in small irrigation works, rural roads, lighting and production of electricity, irrigation pumps, etc. from the proceeds of selling collective assets and contributions or loans from member households. In addition, the district has also spent the investment budget on the above works, but in reality, the number of invested works is still small compared to the requirements for use. Therefore, mobilizing capital to diversify types of services serving the household economy is a practical direction, gradually contributing to the development of Cooperatives today.

In Quoc Oai district, if Cooperatives only focus mainly on agricultural service activities, without developing other types of services, Agricultural Cooperatives will be deadlocked, without the ability and prospect of development. At most, they can only maintain capital funds and maintain operations to survive. In current conditions, the demand for agricultural services is limited due to limited land funds, farmers cultivate on land with the main products of rice and poultry, the rate of agricultural products is low, and the demand for agricultural services will be limited. Agricultural Cooperatives cannot continue to expand the scale of agricultural service business for farming households. In the coming years, the possibility of converting crops and livestock in farming households will continue to take place, but if there is a change in crops and livestock, services for agricultural production households will still be limited.

Therefore, the biggest prospect and also the most urgent requirement for Cooperatives today is to develop service types to serve high-tech agricultural production models and develop industries, including industries not related to agricultural production such as services for member households to organise safe vegetable production according to VietGap standards, high-quality rice production according to VietGap standards; in addition to providing seeds, it is necessary to guide advanced and modern production organisation technical processes... Therefore, for multi-industry businesses associated with agricultural services, restructuring rural labour is the right direction for Agricultural Cooperatives to develop not only in the present but also in the future.

Improving the quality of service activities of Agricultural Cooperatives: Implementing solutions to improve service quality is the key to enhancing the competitiveness of Cooperatives with other economic sectors in rural areas. Therefore, all levels, sectors and Cooperatives need to:

Further, increase investment in irrigation works. Upgrade the rural transport system in the midland and mountainous communes to improve the quality of services for member households in the district synchronously. Have a policy to support loans with preferential interest rates to help Cooperatives expand service activities for member households in the early stages of establishment.

Encourage and create conditions for Cooperatives to organize and implement scientific and technological application activities suitable to the scale and capacity of the Cooperatives; Transfer new plant and animal varieties, processing and product preservation technologies... to Cooperatives to improve the efficiency of Cooperative services. At the same time, provide partial financial support to Cooperatives, pioneer members in applying science and technology in developing new plant and animal varieties, contributing to diversifying sources of plant and animal varieties.

Implement legal consulting activities, and economic project consulting, guide Cooperatives to develop production and business service plans, and develop appropriate Cooperative charters for effective implementation in practice.

Encourage farmers to invest their capital and labour to improve fields, build canal systems and rural traffic, create conditions to promote mechanisation of agricultural production, and reduce farming costs. Encourage and help farmers exchange land with each other to overcome the situation of scattered and fragmented land, and carry out the process of land accumulation and concentration for households and farms to develop commodity production.

Innovate market policy mechanisms for the agricultural sector in the direction of stabilizing prices of some important agricultural materials such as fertilizers, pesticides, gasoline, etc.; build a system to provide information on the market of input and output factors of agricultural production, to contribute to improving the efficiency of service activities of Cooperatives.

2.3. Improve the quality of the Cooperative management staff

Strengthen the training of Cooperative staff. From the practical economic activities of Cooperatives in Quoc Oai district in recent years, it has been concluded that the Agricultural Cooperatives that operate effectively all have a team of qualified and capable managers and vice versa,

Agricultural Cooperatives whose staff have weak management skills and lack of sensitivity in operating activities will have ineffective business operations. Therefore, the solution to improve the effectiveness of training and strengthen the staff of Cooperative managers in the coming period needs to implement the following contents:

- Develop a staff plan, using it as a basis for implementing the training of Cooperative staff in the coming years, at the same time perfecting the mechanism for selecting, training, fostering, attracting and using the staff. Cooperatives need the support of all levels in many aspects, including staff work. However, that is not to intervene in the work of Cooperative staff, but the Party committee and local authorities support Cooperatives in staff work through propaganda, education, improving the general knowledge of the people and the cultural level and awareness of Cooperative staff in particular; financial support and organization of training and fostering of Cooperative staff, coordination in developing staff planning, training and fostering plans, etc.
- Training and fostering of Cooperative staff must be carried out regularly and continuously; combining training with fostering; prioritizing training and fostering of key Cooperative staff.
- Training and fostering of Cooperative staff is a necessary and effective investment direction of the State for Cooperatives. Because, after all, the human factor is still the decisive factor for the existence and development of any economic model, Cooperatives cannot be outside of that requirement. In recent years, the staff of Cooperatives has been both lacking and weak, and this is the fundamental cause of the weaknesses and limitations that need to be quickly overcome so that Cooperatives can promote their potential and develop sustainably. Therefore, it is necessary to urgently conduct training and retraining of several current Cooperative staff, especially key staff. Because the financial capacity of Cooperatives is often limited, in the immediate future, the role of providing funding for training and fostering Cooperative staff must mainly belong to the State.

Develop policies to attract quality human resources to serve Cooperatives: Continue to improve policies to attract and use Cooperative staff and encourage bold implementation of the mechanism of hiring Cooperative management staff in large-scale Cooperatives, without limiting the selection of Cooperative staff only within Cooperative members as is currently the case.

Develop preferential policies for those who are studying, are officials, members, and children of Cooperative members to work long-term at the Cooperative.

Encourage new graduates and young officials to work at the Cooperative and enjoy incentives according to the province's human resource attraction mechanism such as monthly salary support equal to the salary of civil servants, and monthly support for business expenses, if they work well, they will be elected to the board of directors, Director, Deputy Director of the Cooperative or those who wish to work long-term in the agricultural sector will be considered by the superior agency. When transferring Cooperative officials from the board of directors to another agency, there must be the consent of the member representatives, and at the same time, there must be

reserve officials to replace them or the transferring agency must supplement suitable people before being transferred. Strengthen the team of scientific and technical staff with specialized knowledge in the agricultural sector to the grassroots to guide people to effectively carry out economic activities associated with science and technology.

Clearly define the management and operation functions of the Cooperative: In arranging the management positions of the Cooperative, it is necessary to clearly define the management and operation functions of the Cooperative: the management function, and development orientation for the Cooperative is performed by the Board of Directors, the operation function, directing the implementation of daily work is performed by the Board of Directors of the Cooperative. However, in actual implementation, depending on the specific conditions of each Cooperative, these functions can be performed by two different people or concurrently. Based on clearly defining management functions and operational functions, Cooperatives need to boldly hire Cooperative Directors and other Cooperative management positions, attract people with management capacity from other places and organizations, and not limit the selection of Cooperative staff to only current Cooperative members.

Training and improving the qualifications of Cooperative staff is important and urgent, requiring the help of the city and departments. However, to have good Cooperative managers, there needs to be a selection mechanism so that farmers, members, and those with the capacity, qualities, and experience can become Cooperative managers. This mechanism will create truly dedicated managers who are committed to the Cooperative and contribute to the development of the agricultural Cooperative movement and new rural construction in Quoc Oai district.

2.4. Increase the business results and efficiency of Cooperatives

In the coming time, along with the industrialization and modernization process of the district, the agricultural land area will gradually decrease and the urban population will increase, leading to an increase in the demand for agricultural products. This is a favourable condition for the board of directors of Agricultural Cooperatives to access new production models and new consumption markets to support member households to develop, improve agricultural production efficiency, increase revenue for Cooperatives and indirectly create conditions to promote Cooperatives development.

On the other hand, the implementation of the new rural construction program in the district will also open up many new opportunities for the expansion and formation of new production and business organization methods such as: developing production forms, developing irrigation systems for irrigation; waste collection...contribute to diversifying the types of service activities of Cooperatives and increasing the profits earned by Cooperatives. Therefore, the boards of directors of Cooperatives must quickly access these project programs, and seek support from all levels and sectors to exploit and expand the types of services of Cooperatives, contributing to improving the efficiency of production and business activities of Cooperatives.

3. Conclusion

In conclusion, Agricultural Cooperatives in Quoc Oai district have played a vital role in improving rural livelihoods and

promoting local socio-economic development. However, to maintain and build on these achievements, it is necessary to address existing challenges, such as outdated cooperative models and the lack of a clear development strategy. Therefore, the essential actions included: including increasing resources, expanding cooperative services, enhancing management skills, and improving business efficiency, are crucial steps towards sustainable growth. By implementing these measures, Agricultural Cooperatives can continue to be a strong foundation for rural development and economic progress in Quoc Oai.

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