

MAPPING: KEY FIGURES

NATIONAL REPORT: VIETNAM

ICA-EU PARTNERSHIP



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Socialist Republic of Vietnam- Key Figures National Report

I. Introduction and context

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships, opportunities, as well as advocacy, and empowers co-operators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the Socialist Republic of Vietnam, hereafter referred to as Vietnam.

i. Historical background

Cooperatives play an important role in the socio-economic development of people in Vietnam. Since independence in 1945, cooperatives have emerged as strong players in developing the rural economy of Vietnam.

The cooperative movement developed its first strong foothold in Vietnam after World War II when about 50,000 cooperatives were set up. In 1946, President Ho Chi Minh wrote a letter to Vietnamese farmers and landlords calling upon for their participation in agricultural cooperatives. A series of economic units were formed, and cooperatives were developed in 1950s-1960s. These cooperatives contributed significantly to the development and recovery of the national economy. The first cooperative in Vietnam, Dan Chu handicraft production cooperative, was established in 1948. In 1955, the Co-operative Management Board of Vietnam was established.

In the early 1960s, the Vietnam cooperative movement emphasised on promoting small scale handicraft and industry as two primary fields in the country. Later, the scope of cooperatives in Vietnam expanded to other fields including transportation, trading and services, construction and other non-agricultural occupations. In 1991, the Chairman of the Council of Ministers (now referred to as the Prime Minister) issued a decision (Decision No. 409/CT) for

establishing the Provincial Central Council of Non-State Enterprises on the basis of unification of the Central Union of small-scale handicraft and industry cooperatives and Co-operative Management Board of Vietnam. In 1993, the first National Congress of Vietnam Cooperative was conducted. The Congress approved the by-law of the Central Council of Vietnam Cooperative Union that it is an organisation supporting, representing and protecting the interests and rights for cooperatives in the fields of small-scale handicraft and industry, transportation and trading services, construction and other non-agricultural occupations.

Post 2000s, the government is actively promoting cooperatives as an important player to build rural areas and promote economies of scale in different sectors, especially agriculture. Agricultural cooperatives in Vietnam play an essential role in encouraging farmers to produce commodities on a large scale by providing required market linkages. There are three types of models in play: 1) majority of them are engaged in supplying agricultural inputs; 2) those directly involved in cultivation; and 3) those involved in distribution of agricultural products, which and are less in number, given their nascent nature.

The new Cooperative Law (2012) has rejuvenated the ecosystem to strengthen agricultural cooperatives. Recently, new types of agriculture cooperatives (also called specialised cooperatives) are emerging as innovative development solutions to revamp the agriculture sector and its scale of operations. This new model is being piloted in the Mekong River Delta region, which is one of the biggest agricultural production regions in Vietnam. The Vietnamese government and cooperative federations have actively worked towards a common and priority goal of having 15,000 agricultural cooperatives nationwide between 2012-2020 with a target of nearly half of them working at full operational efficiency. The number of efficient cooperatives in Vietnam increased by 47% from 2013 to 2018. The Ministry of Agriculture and Rural Development and Vietnam Cooperative Alliance are working collaboratively to train officials of cooperatives; provide support to cooperatives in developing business plans; connect businesses and cooperatives; and build chains of safe food stores. International partnerships are also being struck such as with NETCOOP (Network of Agricultural Cooperative Development Partners) and Agriterra to promote the development of agricultural cooperatives, sustainable economic growth and prosperity of farmers.

In 2017, the by-law of Vietnam Cooperative Alliance (ICA member) was approved by the Prime Minister.

ii. Public national statistics

Public national statistics on cooperatives in Vietnam have been referred from the Annual Report of Vietnam Cooperative Alliance for the year 2019.



NUMBER OF COOPERATIVES

In 2019, there were 24,618 cooperatives of which 22,714 were in operation, 1,10,000 pre-cooperatives¹ and 85 cooperative unions.

COOPERATIVE MEMBERSHIP

In 2019, there were 7,015,000 members in 24,618 cooperatives, and 3,400,000 members in 1,10,000 pre-cooperatives.

iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

¹ Pre-cooperatives are established with various models of organisation, scale and operations in the fields of cultivation, savings, embroidery, etc. They are found in the form of clubs, occupational clubs, farming clubs, etc. in Vietnam.

The Mapping report for Vietnam was prepared using information available in the Country Snapshot on Cooperatives in Vietnam developed by ICA Asia and Pacific in 2019 and the 2019 Annual Report by Vietnam Cooperative Alliance (ICA member).

II. Key figures

Vietnam has one ICA member organisation:

Vietnam Cooperative Alliance (VCA)

Established in 1993, Vietnam Cooperative Alliance (VCA) is the apex organisation for cooperatives. The main functions of VCA include: to represent and protect the rights and interests of members; to coordinate with ministries and branches in elaborative plans in developing the collective economy, cooperatives, pre-cooperatives and individual households; to develop new cooperative models associated with key commodity value chains in sectors, fields, region; sum up and replicate; to propagate and mobilise to develop pre-cooperatives, cooperatives and cooperative unions; to implement assigned programs, projects, public services to support the development of cooperatives and cooperative unions; to participate in the formulation of policies and laws on cooperatives and cooperative unions; to support and provide necessary services for the formation and development of the collective economy, the core of which is the cooperatives and their members; to represent members in the relations and collaborations with domestic and foreign organisations in accordance with the law. The 10th Asia-Pacific Cooperative Ministers' Conference (APCMC) was organised by ICA Asia and Pacific in 2017 in collaboration with VCA and the Ministry of Planning and Investment in 2017. The Conference and the Hanoi Resolution on Multi-Stakeholder Partnerships in Realizing the Sustainable Development Goals (SDGs) brought prominence to the role of cooperatives in Vietnam and in positioning cooperatives as important players in implementing the SDGs. VCA became a member of ICA in 1993.

i. ICA member data

The data on ICA membership in this section was collected from the Country Snapshot on Cooperatives in Vietnam developed by ICA Asia and Pacific in 2019 and the 2019 Annual Report by VCA.

ii. General overview

The present section provides an overview of the ICA membership data for Vietnam. With regards to the average revenue per cooperative and total assets in cooperatives, the amount is provided both in Vietnamese Dong (VND), and the equivalent amount in EUR.

Category	Year (2019)
Number of cooperative memberships	24,618
Number of individual memberships in cooperatives represented	7,015,000
Number of employees (regular workers) in cooperatives represented	2,451,000
Number of workers who are member-workers in cooperatives represented	2,112,000
Number of pre-cooperative memberships	1,10,000
Number of individual memberships in pre-cooperatives represented	3,400,000
Number of cooperative union memberships	85
Average revenue per cooperative	EUR 157 (VND 4,078,000) ²
Total assets in cooperatives	EUR 7.26 billion (VND 189 trillion) ³

Table 1: Cooperative statistics representing ICA membership in Vietnam

In 2019, at 63 provincial/city cooperative alliances, there were 61 presidents of which 4 were women (6% of female presidents); 92 vice-presidents of which 16 were women (17% of female vice-presidents); 199 leaders of departments of which 85 were women (43% of female leaders of departments).

iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned. With regards to the total legal capital, the amount is provided both in Vietnamese Dong (VND), and the equivalent amount in EUR.

Cooperatives in Vietnam are mostly present in agricultural sector; a sector that alone accounts for 17% of the country's GDP (2017) and generates nearly 50% of the employment.

Sectors	Number of cooperatives (2019)
Agricultural cooperatives	15,495
Industry and small handicraft cooperatives	2,435
Trading cooperatives	2,041

² This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro: http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro

³ This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro.

Transportation cooperatives	1,478
People's credit funds	1,183
Construction cooperatives	995
Environment cooperatives	512
Others (healthcare, housing, eco-tourism, etc.)	479

Table 2: Cooperatives per sector in Vietnam (2019)

Sectors	Number of cooperatives	Total legal capital (2019)
Agricultural cooperatives	15,495	EUR 537.9 million (VND 14 trillion) ⁴
Non-agricultural cooperatives	7,940	EUR 691.6 million (VND 18 trillion) ⁵
People's credit funds	1,183	EUR 172.9 million (VND 4.5 trillion) ⁶

Table 3: Legal capital in cooperatives per sector (2019)

⁴ This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro.

⁵ This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro.

⁶ This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro.

III. Graphs

i. Percentage of cooperatives per sector

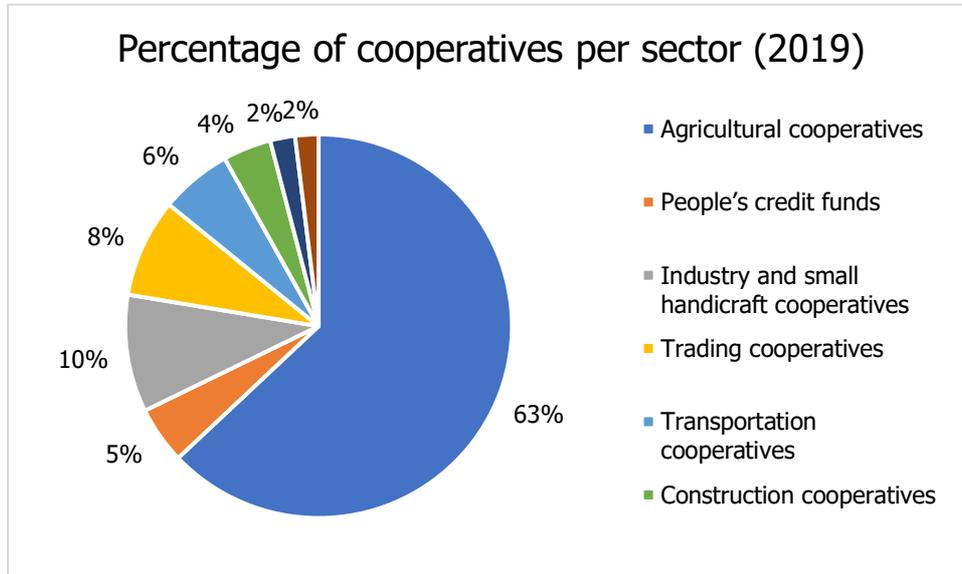


Figure 1: Percentage of cooperatives per sector in Vietnam (2019)

IV. Annexes

Sources and contacts are listed below.

Sources

1. ICA-AP (2019). [Vietnam Country Snapshot](#).
2. VCA (2019). [Annual Report](#).

Contacts

Further details on the Mapping research and other country reports are available on www.coops4dev.coop

The production of this report was overseen by staff from ICA-AP Office. For any further information or clarification, please contact mappingresearch@ica.coop

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