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Factors affecting members' satisfaction with their agricultural cooperatives: insights from small-scale farmers in Nam dinh province, northern Vietnam

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Abstract

Contributing about 12% to Vietnam's GDP, agriculture remains the backbone of the Vietnamese economy. Nevertheless, small-scale farmers and their produce are often not integrated into the agricultural value chains (VCs). As a form of collective economic organisation, agricultural cooperatives provide farmers with chances to improve their farming practice, add value to their produce and access to finance and markets. These supports prove useful in empowering farmers and promoting agricultural resilience. As such, the Vietnamese government has prioritised the development of agricultural cooperatives through a number of interventions, such as reforming policies regarding cooperatives and the collective economy. However, understanding the performance of agricultural cooperatives and the memberships of rural smallholders requires further investigation.

This paper elucidates the factors affecting farmer members' satisfaction with their agricultural cooperatives in Nam Dinh, where agricultural land accounts for approximately 70% of the total land area of the province. We employed a mixed-methods approach, including review of secondary data, interviews of 10 key informants, three focus group discussions, direct observations and a survey of 149 cooperative members through a stratified random sampling approach. The collected data were analysed using thematic, descriptive and inferential statistics, such as variance analysis, exploratory factor analysis (EFA) and ordinary least squares (OLS).

The results illustrated the diversity regarding the socio-economic features of the surveyed farmers. Various reasons were given by farmers for their participation in agricultural cooperatives. Of which the most frequent motivations were the encouragement from local government (68.67% of respondents), followed by the availability of technical support from cooperatives (58.67%) and better market access (57.33%). Statistically, there were four factors affecting the farmers' satisfaction with their agricultural cooperatives, comprising (i) the assurance of access to different services and markets (=0.18), (ii) the economic efficiency of scale (=0.15), (iii) the social cohesion in agricultural cooperatives (=0.25) and (iv) the service capacity of cooperatives' staff (=0.31). Recommendations referring to the improvement of the members' satisfaction and agricultural cooperatives' performance were delineated.

Keywords: Agriculture, collective economy, cooperatives, satisfaction, Vietnam

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