

The VCP, in its resolutions, always stresses the role of collectivism and cooperatives, affirming that they are part of the national economy, and a basis of the socialist relations of production. In recent years, cooperatives have contributed a lot to the development of productive forces and socialist relations of production, and the economic development as a whole.

Cooperative sector, after the Cooperatives Law was promulgated, has developed and achieved many good results: stopping the mass collapse of cooperatives; beefing up existing cooperatives (regarding their capital, facilities, managerial methods and managerial staff); and developing new activities (many cooperatives have engaged in new fields, such as medical care, hospitality, environment protection, undertaking business, education, scientific research, etc.).

According to a report by the Vietnam Union of Cooperatives, there are 8,303 reformed cooperatives out of 13,156 old-style cooperatives. From 1997 to 2000, some 3,000 new cooperatives have been formed. The

new and reformed cooperatives have been reorganized according to principles set by the Cooperatives Law: voluntary participation, democratic management, equal distribution of profit and benefits and full autonomy.

Besides cooperatives, other forms of simple cooperation have also developed. According to a rough estimate, there are some 140,000 simple cooperation groups under various names and forms in both cities and rural areas, but some 70% of new cooperatives are in the Mekong Delta. This means that the need for cooperatives is strong in provinces where the market economy develops well.

Thus, cooperatives have become more active, diverse and suitable to the need of their members. They have engaged in all economic activities and played an important role in the socioeconomic life.

In 1999, the gross product made by cooperatives reached VND35,000 billion, increasing by 6.6% and accounting for 9% of the GDP.

The cooperatives have 7.5 million members and employ 500,000 laborers while some 10 million people en-

gage in simple cooperation groups. This means that the cooperative sector has helped create new jobs and supply additional income to millions of persons. Many cooperatives in rural areas also take part in the building of infrastructure, schools, health care stations and kindergartens, and support many charities. Thus, cooperatives also have their role in social affairs.

These achievements have affirmed basic changes in cooperatives in recent years, but this sector also reveals many shortcomings: most cooperatives are of small scale, lack financial strength and modern facilities; their products are of low quality; their business performance is poor; most managers and laborers aren't well trained; many of them fail to cope with changes in the market mechanism. Generally, their performance didn't come up to our expectations.

Causes of these shortcomings are various: effects of old ways of thinking and doing things; failure to understand directions and features of new-style cooperatives in the market economy; low levels of skills and

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knowledge of members and managers of cooperatives. External factors also have their effects: inadequacies in the legal framework for cooperatives; ineffective control of the government over cooperatives; lack of supporting policies and suitable encouragement to cooperatives.

In such a situation, many measures should be taken to facilitate further development of cooperatives in the coming years. Some measures suggested here are: making new policies on cooperatives in the market economy; disseminating new concepts of the role and importance of cooperatives; developing new models of cooperatives; training competent managers for cooperatives, perfecting the legal framework for cooperatives, etc. ■