

- The co-operative itself and other economic form of cooperation show no guilt in putting obstacles to the development of the production and its force in the past period of subsidization. Mistakes and shortcomings in the macro- and micro-management hindered the development. We laid down the principle of co-operative organization and management as willingness, democratic management and mutual benefit. But most of agricultural co-operatives violated that principle. Those co-operatives were established in rather similar form and scale, operated mechanically everywhere, although

Just of this, the accurate determination of co-operative identity, its diversity of organizational form, flexibility in activities, abundance in resources, order in implementation steps...is inevitable in the search for the development of an economic sector including producers of small commodities.

At present many economic sectors have come to existence in our country. They will go ahead, not halt. But what direction and form, when and how they improve depend upon common rule, not on human subjective will. The human role is to understand

the objective requirement of law in certain times. To give birth to it when it did not have enough conditions is wrong, but it is also wrong and harmful to fail to form it.

In the Mekong Delta, farmers do private business in the household economic sector when leaving the production group. In that circumstance, individual and family benefits are stimulated. The private dynamic improves. Productivity, quality and efficiency of the household sector are enhanced. After several years of private business doing, farmers feel like to cooperate with other house-

holds. They spontaneously form cooperation groups since there are some work they cannot deal with alone such as irrigation, capital, application of new seed and technology, etc. Those are contemporary cooperation groups, they will stop operation when the work has been finished and other contemporary groups will be organized in the following year.

There are contemporary and permanent cooperation groups according to the time. That cooperation is an objective requirement.

Our country is in the transition to the socialism. The transitional period is very long and our country is in the first stage of that period. To become an industrial developed nation needs a far shorter time than to become a socialist one.

The way of gradually forming and developing co-operatives is the way of changing small production into large one and carrying out the socialism.

Cooperative is an economic sector. It is different from state enterprises and private capitalist sector as well.

In state enterprises, the ownership of capital goods belongs to the State. Some enterprises' capital is completely owned by the

# SOME OPINIONS ABOUT CO-OPERATIVES

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there were different features on many sides in each locality. That condition together with untrained cadres made most of various co-operatives become both ineffectiveness and obstacles to production development.

- When the Party and the Government decided on renovating the economy, policies on economic managerial mechanism, changing into the market economy, serious prejudice against co-operative took shape in our mind. That caused many persons to like quitting co-operative way and seeking for another way such as private business.





State, some has over 50% of the total capital goods under the State ownership. In some enterprises, State shares accounts for below 50%, even 30%, but they are dominant shares. Some enterprises are equitized with the shares of their workers.

In private enterprises,

state, private and co-operative sectors. Based on the reality it can be generalized in theoretical aspect as follows: A form of ownership can exist in many economic sectors, an economic sector can include many forms of ownership.

In any kind of regime, the working time is divided

come comes from various pooled capital including capital goods; payment for labor; and family business doing.

Between the three above sectors, besides the difference in ownership and distribution, there is another one in management. In state and private

cannot force anyone who does not like to join by any measures, including violent or subtle ones. A member's will to leave the co-operative will be considered similarly to his/her will to join. But when he/she is permitted to leave is ruled by the co-operative's regulations, for example, after a production cycle. Afterwards if they feel like to join the co-operative again to have more incomes, their requirement can be considered. All bias against them is wrong.

The attraction of an economic unit is its productivity, efficiency, especially members' benefits. They will join the co-operative only if it brings more profits to them.

The principle of mutual benefit reveals itself in the fact that every work, every policy must comply with the principle that the co-operative, its member and the State have got benefits together. If the work bringing benefits to the co-operative and the State only, not to the members, it cannot be accepted. The relationship between the co-operative's members has to be settled in that principle.

The principle of democratic management has an important position as the two above principles. This principle shows in members' right to take part in the management towards the co-operative's business performance. They have the right to stand for election and to vote. They can also participate in determining the co-operative's policies through the congress of members. They supervise the co-operative's activities via the supervisory board elected by them or they do by themselves.

All the above-mentioned principles are stated in the co-operative by-law.

In the process of industrialization, modernization, co-operatives are the large market for the industrial branches producing capital goods for agro-forestry-fishery. This



capital goods belong to the capitalist. Maybe some enterprises of this kind sell shares to workers within or beyond the enterprise, others to the State or other capitalists. But in any case, the capitalist holds dominant position in his/her enterprise. He/she may transfer the position to another person when he/she does not like doing business any more. Despite the change of business owner, that business is still of the private capitalist sector.

In co-operatives, the ownership playing dominant role is the collective one. It belongs to neither the State nor the private sector. This ownership may have part coming from the public assets. If the co-operative shifts to equitization, and it sells its shares to the State, then it becomes involved in the collective-state sector. In the long run, in the mutual co-operation between state and collective sectors, this economic form possibly takes shape.

That is the difference in ownership between

into two parts: one for the worker, that is, the time is used for earning money, another for the other person and the society, that is excessive labor value. It is mainly used and distributed differently in various regimes.

Between the three above-mentioned sectors, there is not only difference in ownership, but also in distribution. In state enterprises, in addition to the establishment of various funds such as welfare fund, accumulation fund to expand production...part of excessive labor value showing in profits is paid to the State budget and kept in the enterprise's asset. In the private sector, it is paid to the Treasury, the rest is the capitalist's profit. They may use it at will. They use it for expanding production and private consumption. In the co-operative sector, part of excessive labor value is paid to the State budget, another part for forming the co-operative's funds according to its regulations and the rest for its assets. The member in-

enterprises, there are management board and managing director. It's the same in co-operatives but the name can be different according to the co-operative's by-law. In private enterprises determinative authority belongs to the owner whose share is dominant. In state enterprises' management boards working in the concentrated democracy principle, the minority must observe the majority. But the congress of members has the highest power. This congress is different from that of shareholders. In the shareholders' congress, one who holds dominant share has decisive authority. That is unsimilar in co-operative sector. All members have right to vote, regardless their pooled capital. This is voting in accordance with the principle in personam, not in rem.

The co-operative sector respects highly three principles: willingness, mutual benefit and democratic management. The willingness shows in the fact that the co-operative



is also a remarkable consumer market.

The industrialization, modernization will result in the decrease in the ratio of agricultural labor in the total social labor. This ratio can drop to 10-20% and possibly lower. Therefore, agricultural co-operatives are the most important suppliers of labor to the growing industrial and service sectors in line with the alteration of economic and labor structure. The ratio of agricultural labor shows a downward trend, but the amount of agroproducts, especially food, increases sharply. Agricultural co-operatives are also important raw material sources for light and food industries.

In future, semi-processing and processing enterprises may take shape in co-operatives. One or some JV co-operatives may form such a processing establishment. The co-operative itself is not dependent on local territory. Moreover, the scale based on output will rise despite the decrease in agricultural labor force.

Handicraft co-operatives is divided into two categories by the occupational features such as traditional crafting and others. Handicraft will be gradually mechanized in the production stages. Some of these co-operatives will become satellites of big enterprises. Experience in developed countries shows small satellite enterprises play an important role in the modern production, there is a country whose 50% of its industrial GDP comes from small-size enterprises with 20 workers. Later, handicraft co-operatives can change into these small satellite enterprises. Techno-scientific achievements will enlarge the production space. These co-operatives of this kind will not depend on the location and still keep their initial characteristics.

- In the market economy, the co-operative cannot stand beyond the eco-

nomic law's impacts. As a result, the management of co-operatives has to make the best use of their advantages in competition. The following are the co-operative's advantages:

In the agricultural sector, the land fund is fixed. The land extended by deposits is unremarkable. The land area cannot increase but the demand for food is increasing. This situation leads to the rise in demand and drop in supply. The prices of agroproducts show an upward trend. Just of this cause, the prices of agroproduct, especially food prices, are

which produce profits on good land will enjoy the three above-mentioned rents. Cooperatives doing business on bad land have to enjoy the maximum land rent at least.

Up to now, in the southern plains of our country, in many cases, agroproduct prices are calculated equivalently to the production cost plus payment for farmers' labor. By that way, farmers have no excessive labor. Also, the rice exporting enterprises produce great profits, whereas rice producers earn small profits, if not to say no profits.



determined by the value of agroproducts made in the worst land. If not, the bad land will not be cultivated, therefore the social demand for food cannot be met. As a matter of fact, in capitalist countries, when the land owner and the agricultural capitalist are different persons, then the land lessee has to pay the maximum land rent, the different rent I, different rent II to the lesser. If the capitalist owned the land, he/she will enjoy this total amount of money. To understand this feature of agroproduct prices, especially food prices, we can study policies and measures for co-operatives to compete successfully. In this spirit, co-operatives

In handicraft co-operatives, there is a different advantage. Thanks to small production, the change of product items or models is done very fast. Therefore the customers' demand can be satisfied on time. The change of flower design on fabric is an example.

In order to survive and develop in the market economy, the co-operative need help of the central and local governments.

In some countries, the capitalists who have rather large capital and an army of experts trained officially in universities still went bankrupt. There are also ten thousands of small- and medium-size private enterprises going bankrupt. Cer-

tainly, new enterprises come into being despite these bankruptcies.

In our country, the co-operative is an voluntary organization of the people, its experience and capital is not large. If there is no help from the central and local governments, then the co-operative face many difficulties although it has made great effort to improve its capability.

The indispensable assistances are: favorable legal environment, preferential treatment in tax and credit, training... The Government and relevant bodies should consider to reduce and exempt some kinds of taxes and grant soft loans to co-operatives.

To tell the truth, the restoration, development and renovation of co-operatives of various kinds are difficult and complicated work for the whole country and HCMC. However, HCMC has some advantages that other provinces cannot. That is at present the city still remains 350 co-operatives of various kinds and over 180 production groups. Numerous cadres and workers are still working in those units. This army have experience, some has been retrained. They devote themselves to the co-operative's development. We will make the best use of this advantage. In other provinces, nearly 100% of the total agricultural co-operatives were disbanded.

- At last, we want to underline the starting point to build and renew the co-operative. That is higher labor productivity, quality and economic efficiency including members' living standard. If those requirements are not met, then the implementation should wait until the necessary conditions have been satisfied.

This article had been written before the Cooperative Law was passed, but it can still be useful for study. So the EDR would like to introduce it to readers.