ABSTRACT

In order to help farmers improve production, there is a need to link input and output operations, and agricultural cooperatives may be the best form. The cooperatives in Vietnam in general and in the Mekong River Delta in particular, however, still have certain drawbacks in their operation. The major objective of this paper is to find critical success factors of the agricultural cooperatives in the Mekong River Delta, Vietnam. Based on direct interviews with 125 agricultural cooperative chairmen in 5 surveyed provinces, the findings of this study found that factors such as operating environment, management, and resources were closely related to the success of these cooperatives. Specifically, this study found that the infrastructure and socioeconomic conditions where the cooperatives operated, the operational scale of the cooperatives, the size of cultivated areas, the capital amount, the educational attainment of cooperative managers, the ratio of trained managers and other related resources played an important role in the success of the cooperatives in the Mekong River Delta, Vietnam.

Keywords: Agricultural Cooperatives, Critical Success Factors, Mekong River Delta, Rural Development, Vietnam

1. INTRODUCTION

Although each country has a different political regime, they all consider cooperatives a model to help farmer households in general and the poor in particular link together to stand firm in the face of difficulties. Despite differences in socio-economic conditions, countries always look for solutions to develop their cooperative systems.

Vietnam has been growing up from a weak economy, with agriculture being the major sector. The model of cooperation between farmer households is an indispensable trend, and developing agricultural cooperatives is not only to boost economic development but also implement policies to support members in poverty reduction, equality, justice and social progress. It was stated that agricultural cooperatives can play a key role in the development of
rural areas in developing countries as well as in fighting poverty (Fatemeh, 2011).

The cooperatives in Vietnam still have certain drawbacks in their operation. First, the operation of agricultural cooperatives still has certain difficulties such as small scale and low profit. Second, the agricultural cooperatives mainly focus on input services but pay little attention to processing and output services. Third, in most cooperatives, the service quality does not meet their members’ demands. Also, their low efficiency does not correspond to their potential for economic development in recent years. Fourth, they are not yet qualified for competition and do not attract many members. Fifth, their managers lack hands-on expertise, the facilities are out of date, and new technologies are not introduced into their business. Lastly, their operation is formalistic and inefficient and does not always conform to the law.

According to the Ministry of Agriculture and Rural Development, by late 2011 Vietnam had 9,725 cooperatives, including 8,929 agricultural cooperatives, 493 aquacultural cooperatives, 187 irrigation cooperatives, 44 forestry cooperatives, and 72 salt cooperatives. Particularly, in the Mekong River Delta, there were 1,073 cooperatives, which included 885 agricultural cooperatives. The Mekong River Delta is the largest agro-ecological zone and granary in Vietnam. However, the development level of the agricultural cooperatives in the area was lower than that of other regions in the country although it possessed enormous potential.

There were studies on agricultural cooperatives in Vietnam that examined such issues as the social capital of agricultural cooperatives (Rankin MK and Russell IW, 2005), the transformation of agricultural cooperatives (Wolz A, 2000, Wolz A and Duong PB, 2008), or the characteristics of agricultural cooperatives (Dung NM 2011), etc. This study focused on critical success factors of the agricultural cooperatives in the Mekong River Delta, Vietnam. Studying critical success factors is essential as it would not only help the Vietnamese government in setting up policies to support agricultural cooperatives but also assist cooperative managers in planning operation strategies and resolve specific problems. This paper identifies and discusses the critical success factors of the agricultural cooperatives in the Mekong River Delta, Vietnam.

2. THEORETICAL FRAMEWORK

The purpose of this study is to develop a model that can identify critical success factors for an organization in general and for a cooperative in particular. Analysis of these critical success factors help achieve the following goals:

- To clarify the nature and extent of critical success factors;
- To identify sources to find out critical success factors;
- To identify the importance of critical success factors and how to measure them;
- To identify the the relationship between critical success factors and the organization.

There exist different definitions of critical success factors, of which the most popular are mentioned below:

- Critical success factors are “those characteristics, conditions or variables that, when properly sustained maintained, or managed, can have a significant impact on the success of a firm competing in particular industry” (Bruno and Leidecker 1984);
- Critical success factors are “events, conditions, circumstances or activities. Specifically, they are the limited number of areas in which results, if they are satisfactory, will ensure the successful competitive performance of the organization” (Jenster 1987);
- Critical success factors are “sub-goals, end statements, characteristics, conditions or variables that are critical for the attainment of the organization’s mission and ultimate success” (Hardaker and Ward 1987);
Understanding the Financial Derivatives Instruments
www.igi-global.com/chapter/understanding-the-financial-derivatives-instruments/180763?camid=4v1a

The Advent of Western-Style Shopping Centres and Changes in Saudi Women's Purchasing Behaviour
www.igi-global.com/chapter/the-advent-of-western-style-shopping-centres-and-changes-in-saudi-womens-purchasing-behaviour/114728?camid=4v1a