
RESEARCH ARTICLE

Principles of Democratic Management in the Law on Agricultural Cooperatives: Limitations and Suggestions for Improvement

Trịnh Minh Trạch

Doctor of Business Administration, PhD student in Economic Law, Tra Vinh University

Corresponding Author: Trịnh Minh Trạch, **E-Mail:** trachtrinhminh@gmail.com

ABSTRACT

The article focuses on researching the principles of democratic management in Vietnamese cooperative law and on the basis of comparison with Vietnamese enterprise law and cooperative law in some typical countries. After the research process, the article concludes that the principle of democratic management in cooperative law has limitations such as: not ensuring members' property ownership rights, specifically the right to dispose of property. From there, making capital contributing members less cautious when making decisions related to the cooperative. At the same time, cooperatives are at risk of being manipulated from outside.

KEYWORDS

Agricultural cooperatives; democratic principles; ownership; right to dispose of property; cooperative law

ARTICLE INFORMATION

ACCEPTED: 10 February 2024

PUBLISHED: 04 March 2025

DOI: 10.32996/ijlps.2025.7.1.6

1. Introduction

Agricultural cooperatives have existed for nearly two centuries (USAID, 2026) and have brought valuable achievements to rural communities, especially achievements in hunger eradication, poverty reduction and contributing to stabilizing food security in developing and underdeveloped countries (FAO, 2012). However, in the current context of internationalization and globalization, creating a unified market economy at the global level, competition between economic organizations becomes more perfect, and the support of Government over economic organizations is no longer a competitive advantage. In the current context, agricultural cooperatives appear to be weak, ineffective, and small-scale, which is an issue that needs attention.

Studies show that agricultural cooperatives in the Federal Republic of Germany operate inefficiently. Although it is a developed country with many forms of capital mobilization, the lack of operating capital of cooperatives is also one of the important challenges (Tu, 2022). The United States is a developed country, with many models of agricultural cooperatives with many forms of capital mobilization (Hoang, 2017), but the scale and operational efficiency are also very limited compared to investment-oriented enterprise. The trend of converting from the agricultural cooperative model to an investment-oriented enterprise is taking place strongly (Cook, 1995). According to the Report of the International Conference in Rome, the current challenge in operating capital of cooperatives is very serious (Copac, 1995). In particular, the Japanese agricultural cooperative model is relatively successful, but that success mainly comes from strong government support and the agricultural cooperative's monopoly position in the domestic market (Asuwa & Shinzaburo, 1962).

More seriously, research by Pongpanich & Peng (2016) shows that 80% of agricultural cooperatives in Thailand operate inefficiently and are maintained thanks to strong government support. In the world, the situation of agricultural cooperatives is not better, lack of operating capital, weak management teams, and small scale are also common phenomena, typically agricultural cooperatives in Ethiopia (Bekele, 2008). Chinese farmer cooperatives also face many difficulties, especially operating capital, which is also a difficult problem (Zhao, 2011). Practice shows that the performance of agricultural cooperatives in Vietnam is also very

Copyright: © 2025 the Author(s). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC-BY) 4.0 license (<https://creativecommons.org/licenses/by/4.0/>). Published by Al-Kindi Centre for Research and Development, London, United Kingdom.

serious. For example, more than 80% of agricultural cooperatives in Bac Lieu province have no headquarters and operate inefficiently (Tuan, 2017). Most agricultural cooperatives in the Mekong Delta operate inefficiently (Hai, 2014), lack capital, lack assets and weak human resources (Ha, 2017). Overall, only about 10% of Vietnamese agricultural cooperatives operate effectively and about 90% operate inefficiently (Dung, 2016).

In general, research shows that agricultural cooperatives in the world in general, and Vietnamese agricultural cooperatives in particular, operate inefficiently on a small scale. From here, the question arises: Why do agricultural cooperatives and enterprises operate in the same economic, social, and political environment, but their performance is very different? However, we must see that, although agricultural cooperatives and businesses operate in the same economic, social, and political environment, the regulatory legal frameworks are different. So, is that different regulatory legal framework the key issue that creates that difference?

From that evidence, analysis and comparison between the two legal frameworks regulating agricultural cooperatives and enterprises is necessary. In general, the process of regulating from establishment, organization to management between the two legal frameworks has almost no major differences. However, in terms of management principles between agricultural cooperatives and enterprises, there are basic differences:

Table 1: Comparison of management principles between agricultural cooperative law and enterprise law in Vietnam

Provisions of law	Cooperative law	Enterprise Law
Voting principles	One member, one vote	Voting according to capital contribution ratio

2. Research questions and hypotheses

From the survey of the above-mentioned operational efficiency of agricultural cooperatives and the current state of Vietnamese law, the research questions posed are: How are the principles of democratic management regulated by the Vietnamese agricultural cooperative law? How does that regulation affect the performance of agricultural cooperatives? What are complete solutions?

From the research questions posed, the hypothesis is: the provisions of the law on Vietnamese agricultural cooperatives on voting rights do not ensure the ownership rights of capital contributing members and investors, negatively impacting the performance of agricultural cooperatives.

3. Research Methods

To answer these questions, the article will survey and analyze the provisions of the law on Vietnamese agricultural cooperatives on principles of democratic management based on Theory of ownership and comparison with Vietnamese enterprise law and agricultural cooperative laws of some typical countries. From there, the article comes to conclusions and propose specific recommendations to improve the law on Vietnamese agricultural cooperatives.

4. Research theory: Theory of ownership

4.1 Content of ownership theory

Ownership Rights Theory was developed in the 60s of the 20th century with the research of a number of pioneering authors such as Ronald Coase (1960), Armen Alchian (1965, 1967, 1969), Harold Demsetz (1967). Despite having different perspectives (viewed from the perspective of economics or law), the multidisciplinary research of the above authors all made important contributions to the development of property rights theory. Ownership rights are all the actions of the owner that the law allows to perform in possession, use and disposition of property according to his or her will. Ownership is always attached to the subject, so ownership is considered an absolute right.

Right to possess: is the right to hold and manage one's property. The owner has the right to perform all actions according to his/her will in the process of holding and managing his/her property, or the owner has the right to entrust another person to exercise the right to possess the property as his/her will.

Right to use: is the right to exploit the uses and enjoy benefits and income from assets under one's ownership. That is, the owner has full rights or entrusts others to exploit the value of the property in many different ways according to their will to satisfy their material and spiritual needs, as long as it does not harm to the interests of other individuals and society.

Right to dispose: is the owner's full right to decide to transfer ownership of property or give up that ownership right, as long as it does not harm the interests of other individuals and society. The right to dispose includes determining the legal fate and actual fate of the assets you own (Thanh & Tuan, 2021).

4.2 Applying Ownership Theory to the research process in the article

Ownership Theory is applied throughout the process of analyzing legal regulations on agricultural cooperatives to clarify the limitations and reasonableness of legal regulations related to ownership rights in agricultural cooperatives Law.

5. Current status of democratic principles in Vietnamese cooperative law and its limitations

The 2012 Law on Cooperatives, in Clause 03, Article 07, stipulates that "Members and member cooperatives have equal rights and equal voting rights regardless of capital contribution in deciding on the organization, management and operations of cooperatives and cooperative unions". And Clause 3, Article 34 stipulates "Each member, member cooperative or member delegate attending the member congress has one vote. Voting votes have equal value, regardless of the capital contribution or position of members, member cooperatives or member delegates".

In the Enterprise Law 2020, in the regulations on partnerships, the voting rights of general partners also follow "democratic principles", meaning that the voting rights of general partners are equal. So, what is the difference between "democratic principles" in the regulations on partnerships and the Cooperative Law?

According to the provisions of Point a, Clause 1, Article 181 of the Enterprise Law 2020 on the rights of general partners "Participate in meetings, discuss and vote on company issues, each general partner has one vote or another number of votes specified in the company's charter". Thus, general partners also have the same voting rights as cooperative members. However, the liability of general partners is unlimited, which is stipulated in Point đ, Clause 2, Article 181 "(general partners) jointly responsible for paying off the remaining debts of the company if the company's assets are not enough to cover the company's debts" and Point e stipulates "(general partners) shall bear losses corresponding to capital contribution to the company or according to the agreement stipulated in the company's charter in case the company suffers a loss". At the same time, Point b, Clause 1, Article 177 stipulates that "General partners must be individuals, responsible with all their assets for the company's obligations."

In general, a general partner's liability is joint and unlimited with respect to the company's liability, meaning that the general partner's responsibilities and powers are "commensurate". So equal voting rights of general partners are appropriate. Meanwhile, the voting rights of cooperative members are equal, but the responsibilities of cooperative members are based on capital contribution and are limited, creating an "no commensuration" between the responsibilities and powers of cooperative members. In essence, the democratic principles of general partners and cooperative members are different.

The regulation "one member, one vote" in the Vietnamese cooperative law, in my opinion, is not consistent with the principles of organization and management of an economic organization, specifically:

First, this regulation leads to those who contribute large capital and those who contribute little capital have equal rights in deciding on issues in the cooperative's operations. Meanwhile, Clause 03, Article 15 stipulates that "members and member cooperatives are responsible for the debts and financial obligations of the cooperative and cooperative union within the scope of capital contributed to the cooperative and cooperative union", meaning any member who contributes a lot of capital will bear a high responsibility. Meanwhile, rights among members are equal. As a result, this is contrary to the principle that "authority must correspond to responsibility". This makes the decisions of capital contributing members less arbitrary and reckless.

In management studies, there are two important factors that decision makers must consider, which are the risks to be endured and the potential benefits that can be achieved (Tien, n.d., 85). An optimal decision is the fewest consequences with maximum effectiveness (Dung, n.d., 101). It is the principle of democracy that makes little capital contributing members when making decisions related to cooperatives, they only care about the potential benefits they can enjoy, but they do not care about the risks that members with large capital contributions (investing members) must bear.

For example, a cooperative has two investment projects to choose from: project 1 has a probability of success of 20% with a potential profit of 200%; project 2 has a 90% probability of success with a potential profit of 20%. Because of their desire for profit, members with little capital contributions tend to choose to invest in Project 1. This lack of caution can push the cooperative into high-risk projects. At the same time, this lack of caution can lead to business strategies and plans that have not been thoroughly evaluated and will be arbitrarily adopted and implemented. All of this makes the cooperative's capital use efficiency low and reduces the cooperative's competitiveness.

Second, this regulation is not consistent with the theory of ownership, specifically the right to dispose of the owner's property. This regulation unintentionally created conditions for members with little capital contributions to dispose of the assets of members with large capital contributions. Because members with little capital contributions are not responsible or have disproportionate responsibility, they become arbitrary and careless when making their own decisions regarding the fate of the cooperative.

According to the theory of ownership, the owner has "full discretion" to transfer ownership of property or give up that ownership, as long as it does not harm the interests of other individuals and society. This shows that democratic principles in cooperative management do not ensure the "full discretion" on the assets of members with large capital contributions. Legally, a cooperative is a legal entity with its own assets, but in the end, the real owners of the cooperative's assets are the members. In essence, cooperative assets are shared assets, but when making decisions related to the actual fate of the assets, the rights are "equalized" which is inconsistent with the theory of ownership.

Third, this regulation can push cooperatives into a "manipulated" situation. Because members with little capital contributions are almost not responsible for their decisions, these members with little capital contributions are easily manipulated from outside for private benefits. In the production and business process, conflicts of interest between cooperatives and competitors, partners, and even the cooperative's own members are inevitable, but due to the "asymmetry" between responsibilities and the power of members in the decision-making process related to the interests of the cooperative, making opportunists who take advantage of small capital contributors to make decisions in their favor. More seriously, this regulation also creates loopholes for opportunists to infiltrate cooperatives as members to manipulate and gain benefits.

Fourth, for the above reasons, this regulation makes current members and farmers not want to contribute capital to the cooperative. If they do, they only contribute at a minimum level to benefit from members who contribute a lot of capital. This makes the charter capital of cooperatives in general and agricultural cooperatives in particular always low, leading to no collateral to access credit capital sources. This leads to agricultural cooperatives lacking capital to conduct production and business activities and not taking advantage of economic scale, leading to low competitiveness of agricultural cooperatives and failure to complete the task of supporting the farm household economy. This has been proven through research works in Vietnam and countries around the world, as presented in the Introduction sections.

6. Comparison of democratic management principles between the law on agricultural cooperatives in Vietnam and the law on agricultural cooperatives in some typical countries

In this article, I only compare the democratic management principles of Vietnamese agricultural cooperatives with the laws on agricultural cooperatives in some typical relevant countries such as China, Thailand, Japan, Germany and the United States, in order to find out certain differences and similarities. From there, lessons can be drawn for the process of perfecting the law on Vietnamese agricultural cooperatives.

6.1 China Farmers Cooperative Law

Regarding the voting rights of members, similar to Vietnamese law, China's Law on Farmers' Cooperatives issued in 2006, in Clause 4, Article 3 also stipulates "The members are equal in status and democratic management is practiced". The principle of equality and democracy of China's Farmer Cooperative Law is specified in Article 17 as "The system of "one person, one vote" shall be adopted for election and voting at the membership assembly of a specialized farmers cooperative, and each member shall have the right to one basic vote". However, voting votes are flexibly supplemented for individual members, which is also stipulated in this Article 17 such as "Members who make considerably large capital contributions or who effect considerably large amounts (volumes) of transactions with the cooperative may, according to the stipulations of the charter, enjoy the right to extra votes. The total number of extra votes of the cooperative shall not exceed 20 percent of the total number of the members' basic votes". The principle of one person, one vote is also applied in the Board of Directors of the cooperative when making decisions, which is also stipulated in Article 26 "The system of "one person, one vote" shall be applied to voting at the meetings of the board of directors and the board of supervisors".

Although China's Farmer Cooperative Law is flexible in its democratic principles, it allocates additional votes to members with large capital contributions and members who use many significant products and services of the cooperative, but in general, the interests of large investors (members with large capital contributions) have not been given due attention. That's why China's farmer cooperatives are still not attractive to investors, so Chinese farmer cooperatives still have difficulty mobilizing operating capital. That is shown through Zhao's research. That shows the limitations of democratic principles in cooperative management.

6.2 Japanese Agricultural Cooperative Law

According to the Japanese Agricultural Cooperative Law issued in 1947, the voting rights of members of agricultural cooperatives also comply with the democratic principles of the International Cooperative Alliance. However, Japanese Agricultural Cooperatives have two types of members: regular members who are farmers and affiliated members who are not farmers but need to use the products and services of the agricultural cooperative. In which, only regular members have the right to vote, and vote according to the principle of one member, one vote. This principle is stipulated in the laws of Japanese agricultural cooperatives such as:

Article 16 stipulates that "A member has one voting right and one right to vote". However, voting rights can be flexible according to the provisions of the charter of each Federation of Agricultural Cooperatives. Clause 2, Article 16 stipulates, "An agricultural cooperative federation can grant two or more voting rights and the suffrages to its member according to the article of the federation". This principle still applies to electing the board of directors, directors and supervisory boards. This regulation is specified in Clauses 5 and 6, Article 30 "An election of an officer is based on a secret ballot. Voting rights per one person is only one. In case of the agricultural cooperative federation which grants a member the two or more suffrages, it is as written in the regulation of the federation".

Although the voting rights of the Japanese Agricultural Cooperative Law are more flexible than the Chinese and Vietnamese Cooperative Laws, in general this flexibility is not based on the ownership rights of investors. As a result, Japanese agricultural cooperatives are also limited in scale. Research by Asuwa & Shinzaburo shows that Japan and the United States are two countries with equal levels of development, but the scale of American agricultural cooperatives is much larger than Japanese agricultural cooperatives. At the same time, Prakash's research shows that Japanese agricultural cooperatives are successful mainly thanks to the support of the Government and their monopoly on dominating the domestic market.

6.3 Law on agricultural cooperatives of the Federal Republic of Germany

According to the Cooperative Law of the Federal Republic of Germany (1889), voting rights in German cooperatives are similar to cooperatives in other countries around the world, and comply with the 'one member one vote' principle of the International Cooperative Alliance. This principle is stipulated in clause 3, article 43 "Each member has one vote. The charter of association of the cooperative may provide for the grant of multiple voting rights. The requirements for granting multiple voting rights must be set out in the charter regarding the following provisions:

(1) Multiple voting rights should only be granted to members who specifically promote business activities. No member may receive more than three votes. In respect of resolutions made by law requiring a majority of three-quarters of the votes or a greater majority required, as well as in the case of resolutions on the repeal or limitation of the provisions of the articles of the Association through multiple voting rights, a member has only one voting right, even if they are granted multiple voting rights;

(2) Cooperatives with more than 3/4 of the members considered to be businessmen of Article 14 of the Civil Code as members, point 1 does not apply. Cooperatives may have many voting rights from individual members up to a maximum of one-tenth of the vote present at the General Assembly; The details will be regulated by the articles of association;

(3) For cooperatives whose members are exclusively or primarily registered cooperatives, points 1 and 2 do not apply.

In fact, the capital contribution of each member of a German cooperative is relatively small, so members pay little attention to the issue of profit sharing, but they only care about the quality of goods and services provided. At the same time, globalization is getting faster and competitive pressure is becoming fierce, causing pressure on capital to expand production and business scale. In addition, Article 18 of the German Cooperative Law stipulates that "The legal relationship between the cooperative and its members is mainly based on the terms of the cooperative association". Therefore, many agricultural cooperative associations in Germany pass their charters or resolutions to allow some investors to contribute capital to agricultural cooperatives without using the products and services of the cooperative.

This also shows that although German agricultural cooperatives have flexibility in voting rights, the capital contribution level of members is still limited, creating pressure on capital mobilization, forcing German agricultural cooperatives to seek capital from outside investors to expand scale and increase competitiveness. That also shows the limitations of democratic principles in cooperative management.

6.4 Wyoming Agricultural Cooperative Law (USA)

Wyoming corporations, partnerships and associations code 2016 regulates voting rights in section 17-10-230 "A patron member of a cooperative is only entitled to one (1) vote on an issue to be voted upon by members holding patron membership interests, except that a patron member of a cooperative described in W.S. 17-10-231 may be entitled to more than one (1) vote as

provided in that section. On any matter of the cooperative, the entire patron members voting power shall be voted collectively based upon the vote of the majority of patron members voting on the issue. A nonpatron member has the voting rights in accordance to his nonpatron membership interests as granted in the bylaws, subject to the provisions of this article”.

Clause a of Article 17-10-231 stipulates the allocation of additional voting rights to member cooperatives for central Cooperative organizations: (i) A stipulated amount of business transacted between the patron member cooperative and the central cooperative organization; (ii) A stipulated number of patron members in the member cooperative; (iii) A certain stipulated amount of equity allocated to or held by the patron member cooperative in the cooperative central organization; or (iv) A combination of methods in paragraphs (i) through (iii) of this subsection.

This shows that, although voting rights in the management of agricultural cooperatives in the State of Wyoming are more flexible than those in China and Japan, the performance of agricultural cooperatives in the State of Wyoming, in particular, and the United States in general is still limited compared to investment-oriented enterprises, the trend of restructuring and converting to an investment-oriented enterprise model has also taken place strongly in the United States.

6.5 Thai Agricultural Cooperative Law

Article (section) 59 of the Thai Cooperative Acts 1999 stipulates, “Each member or delegate of members shall have one vote. In case of equality of votes, the chairman of the meeting shall have an additional vote as a casting vote. The decisions of the general meeting shall be made by a majority of votes, except that a not less than two-thirds of majority of votes of the members or delegates of members present in the general meeting shall be required in the following cases: (1) amendment of by-law; (2) amalgamation of cooperatives; (3) division of a cooperative; (4) dissolution of a cooperative; (5) any other matter which the by-law require a not less than two-thirds majority of votes of the members or delegates of the members present in the general meeting”. Voting rights at cooperative unions also follow this principle, stipulated in article 106, “One representative shall have one vote, or may have additional votes in accordance with the proportional voting system as prescribed in the by-law of the cooperative federation”. Article 41 stipulates that some types of cooperatives may have affiliated members who do not have voting rights, “cooperatives shall not allow its associate members to have their name counted for a quorum of the general meeting, the voting in any matter or to be elected as a member of the board of directors”.

This shows that the democratic principles in the management of Thai agricultural cooperatives are stricter and less flexible than in countries such as Japan, Germany, China, and the United States. Affiliated members do not have any right to express themselves. As a result, more than 80% of Thai agricultural cooperatives operate inefficiently (Pongpanich & Peng, 2016). Thai agricultural cooperatives are able to maintain their current operations thanks to the support of the government (Hai, 2022).

7. Lessons learned for Vietnam

Thus, the voting rights of cooperative members in the countries surveyed show that most cooperative laws comply with the second principle of the International Cooperative Alliance, but these countries have more flexibility in application. Although there is flexibility, in general voting rights still do not ensure “Ownership Rights”, specifically “Rights to dispose” of assets of investing members (members with large capital contributions).

This is the reason that can push agricultural cooperatives into a state where they are susceptible to manipulation, making reckless decisions, and leading to discouraging members from investing heavily in the cooperative. That has led to the current phenomenon of agricultural cooperatives around the world lacking operating capital and small scale. This makes agricultural cooperatives unable to take advantage of “economy of scale”, leading to poor operational efficiency.

Therefore, in the law-making process on cooperatives in general and agricultural cooperatives in particular, lawmakers need to minimize the principle of “even-handed” democratic management, which Voting rights should be built according to the capital contribution ratio of members.

8. Conclusions and recommendations

From the results of analyzing the legal situation and the current status of operations of Vietnamese agricultural cooperatives based on comparisons between typical countries, it is shown that the principle of democracy specified in Clause 3, Article 7 of the Vietnam Cooperative Law 2012 is not consistent with the theory of ownership rights, contradicting the right to dispose of members' property. It is important to discourage members and farmers from contributing capital to the cooperative, leading to a limited scale of the cooperative and not taking advantage of economies of scale. The consequence is low operational efficiency and weak competitiveness of cooperatives.

To ensure members' ownership rights are fully implemented, encourage members and farmers to contribute capital to

agricultural cooperatives, mobilize idle resources in rural areas, and take advantage of economies of scale to enhance operational efficiency and competitiveness of agricultural cooperatives, we recommend:

Firstly, it is necessary to clearly define the legal status of agricultural cooperatives. Laws on cooperatives need to clearly define agricultural cooperatives as either economic organizations or non-economic associations. Because, with each different legal status, agricultural cooperatives will have different goals, roles and functions. From there, the legal framework governing agricultural cooperatives will also be different.

If an agricultural cooperative has the status of an economic organization, its main goal is profit. That is, economic efficiency is the goal. Capital is the main factor that makes the profit of agricultural cooperatives. From there, all provisions of the legal framework governing them must also aim at that goal. On the contrary, if an agricultural cooperative has legal status as an association, it means its purpose is non-profit. From there, all provisions of the legal framework governing them must also aim at that goal.

This recommendation to clearly define the legal status of agricultural cooperatives is extremely important for the legislative process to create a legal framework for agricultural cooperatives to form and develop. From there, we limit confusion in the perception of researchers, moving towards unification in the perception of agricultural cooperatives. That is an important premise in the legislative process, as well as the process of shaping strategies and plans for developing agricultural cooperatives of each country in particular, and of the world in general.

From the regulations of the International Cooperative Alliance and the 2012 Vietnam Cooperative Law presented above. We define agricultural cooperatives as economic organizations with legal status as businesses operating for profit. Therefore, the revised definition of cooperatives is *"A cooperative is an independent, autonomous organization of people voluntarily associated to meet common economic needs and aspirations in the form of a jointly owned enterprise"*.

This recommendation aims to clearly define the legal status of cooperatives as true economic organizations, limiting confusion in the perception of cooperatives' legal status as a "hybrid" organization between political, social and economic. At the same time, this recommendation clearly defines that the subject of regulation of the Cooperative Law is economic relationships, not social - non-economic relationships. From there, it serves as a premise for determining the adjustment method and basic legal principles of the Cooperative Law.

Second, from the perspective of viewing agricultural cooperatives as an economic entity with profit goals, to improve the legal framework, we recommend: Clause 03, Article 07 of Vietnam's 2012 Cooperative Law should be revised to *"Members and member cooperatives have equal rights and voting rights according to the level of capital contribution in deciding on the organization, management and operations of cooperatives and unions of cooperatives"*.

Third, Clause 3, Article 34 of the 2012 Vietnam Cooperative Law should be revised to *"Each member, member cooperative or member delegate attending the member congress has one vote. Voting votes have value corresponding to the capital contribution ratio or other privileges prescribed by the charter"*.

These two recommendations aim to ensure the ownership rights of large capital-contributing members, increase responsibility for members with small capital contributions in the process of managing and operating the cooperative, and encourage members to contribute capital to the cooperative, taking advantage of the economic scale to improve the efficiency of capital use and competitiveness of cooperatives in the market economy.

9. Study Limitations and Future Research

This article has shown that voting rights in cooperatives infringe on members' ownership rights and make cooperatives small in size. However, members' ownership rights and the economic scale of cooperatives can also be affected by the method of profit distribution in cooperatives. Therefore, further studies can focus on answering the question: How does the method of profit distribution of cooperatives affect the economic scale and ownership rights of cooperative members?

References

Legal documents

1. Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Japan 1947.
2. Agricultural Cooperatives Act, Japan 1947
3. Cooperative Law of the Federal Republic of Germany 1889
4. Law of the People's Republic of China on Specialized Farmers Cooperatives 2006
5. The cooperatives Act of Thailand, 1999
6. Vietnam Cooperative Law 2012

7. Vietnam Enterprise Law 2020
8. 2016 Wyoming Code title 17 - Corporations, partnerships and associations

References

1. Asuwa & Shinzaburo 1962. *Capital Structure of Agricultural Cooperatives*, The Review of Agricultural Economics of Hokkaido University, URI: <http://hdl.handle.net/2115/10805>
2. Cook M. L. 1995. The future of U.S. agricultural cooperatives: A neoinstitutional approach, *American Journal of Agricultural Economics*, 77(5):1153-1159.
3. Copac 1995. Capital Formation in Agricultural Cooperatives, Report of COPAC *International Technical Meeting Rome*, 8-10 November 1995, Available: <https://www.copac.coop/publications/1995-capital-formation.pdf>
4. Dung N. T. nd. Management, University of Economics and Finance, Ministry of Education and Training.
5. Dung P. V. 2016. Developing new-style cooperatives according to the 2012 Law on Cooperatives, *Vietnam Cooperative Alliance*, [<http://www.vicemvn.edu.vn/ngghien-cuu-trao-doi/530-phat-trien-hop-tac-xa-kieu-moi-theo-luat-hop-tac-xa-nam-2012.html>] (accessed 19/13/2022)
6. FAO 2012. Agricultural cooperatives: key to feeding the world, FAO.
7. Ha N. H. 2017. Factors Affecting Sustainable Development of Agricultural Cooperatives in the Mekong River Delta, Vietnam, *American Journal of Applied Sciences*, Volume 14 No. 10
8. Hai T. Q. 2014. *Development strategy of the agricultural cooperatives in Mekong Delta, Việt Nam: Signification of diversification into business and activities*, Doctoral thesis in agricultural economics, Kagoshima University, Japan.
9. Hoang V. Q. 2017. Experience in developing agricultural cooperatives in the United States, *America today*, No. 10-2017, [<https://ngkt.mofa.gov.vn/kinh-ngghien-phat-trien-hop-tac-xa-nong-nghiep-o-hoa-ky-phan-1/>] (accessed October 20, 2021)
10. Pongpanich R. & Peng K. C. 2016. Assessing the Operational Efficiency of Agricultural Cooperative in Thailand by Using Super-SBM DEA Approach, *International Journal of Scientific and Research Publications*, Volume 6, Issue 5, May 2016 247, ISSN 2250-3153.
11. Prakash D. 2003. Development of Agricultural Cooperatives - Relevance of Japanese Experiences to Developing Countries.
12. Tien N. V. nd. *Basic Management Textbook*, document available at: [<http://khxhvn.tnus.edu.vn/uploads/files/Gi%C3%A1o%20tr%C3%ACnh%20Qu%E1%BA%A3n%20tr%E1%BB%8B%20h%E1%BB%8Dc%20c%C6%A1%20b%E1%BA%A3n%281%29.pdf>]
13. Thanh D. V. & Tuan N. M. 2021. *Vietnamese Civil Law Textbook*, Hanoi Law University, People's Public Security Publishing House.
14. Tekele B. 2008. *A study on the working capital management of agriculture cooperatives union in Tigray*, Master's Thesis, Mekelle University.
15. Tu C. 2022. Agricultural cooperatives of the Federal Republic of Germany - Characteristics and operational experience, *Central Economic Committee* [<http://kinhtetrunguoc.vn/web/guest/ngghien-cuu-trao-doi/hop-tac-xa-nong-nghiep-cua-cong-hoa-lien-bang-duc-dac-diem-v.html>] (accessed October 25, 2022)
16. Tuan N. V. 2017. *Developing agricultural cooperatives in Bac Lieu province*, Doctoral thesis in economics, Can Tho University.
17. USAID 2026. Enabling Cooperative Development: Principles for legal reform, The cooperative law & Regulation initiative. https://pdf.usaid.gov/pdf_docs/pnadz695.pdf
18. Zhao L. 2011. Capital Formation in New Co-operatives in China: Policy and Practice, *Euricse Working Papers*, N.015