

# Obstacles preventing farmers from participate agricultural cooperatives in Vietnam - A study employing mean-end chain theory and laddering interview approach

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## ABSTRACT

Vietnam is a high-populated country with more than 65% of the population doing farming jobs. This is one of the reasons explaining why farmer cooperatives have become one significant economical component in the Vietnamese economy. Therefore, a comprehensive understanding of farmer cooperatives is really critical. However, the literature on farmer cooperatives in Vietnam is meager to understand the manner of its operations or promote this economical component. The system of farmer cooperatives in Vietnam has increasingly contributed to the GDP of Vietnam. In 2020, it contributed to GDP directly and indirectly at 4.8% and 30%, respectively. However, only 30% of farmer cooperatives are operating effectively; and there are many farmers who still do not want to participate in agricultural cooperatives. Hence, this study aims to explore farmers' perceptions of agricultural cooperative characteristics preventing them from participating. The method employed to conduct this study is the mean-end chain approach and a total of 20 farmers and 02 representatives of cooperatives were interviewed by soft-laddering interview technique. The research findings show that there are 14 attributes (characteristics of a cooperative system), through 11 consequences, leading to 06 (farmers') values. The findings can explain clearly the reasons preventing farmers from participating in agricultural cooperatives. Found (farmers') values can help policymakers and management of cooperatives change/adjust manners to attract farmers and promote farmer cooperatives.

## 1. Introduction

Vietnam is an agricultural-economy country with more than 65% of the population doing farming jobs (Bui & Ta, 2021). Obviously, farmers cannot set up and organize the value chain from production to consumption individually, but they need to be connected and connect to firms to set up and increase values for Vietnamese agricultural products. These connections can be built and strengthened by cooperatives. In the globe, cooperatives have been increasing their contribution to countries' GDPs, even developed or developing countries (Jasper & Su, 2019). Even though the importance of cooperatives is increasing in economies, academic and empirical attention on this issue is not enough to completely understand this commercial institution.

The result of the literature review shows that, in recent years, there are studies on cooperatives that have focused on the cooperative's performance, ownership and governance, finance, and member attitudes (Jasper & Su, 2019); the problem of commercialisation of agricultural products (Fernández, 2014); product quality of cooperatives and their own brands (Candemir, Duvaléix, & Latruffe, 2021), farmers' perceptions of cooperatives (Kontogeorgos, Sergaki, & Chatzitheodoridis, 2017; Sevinç, 2021). One significant issue confirmed by many previous studies is that cooperatives need to ensure financial benefits for their members, and they should explore reasons leading farmers to participate, become committed to cooperatives and communicate the importance of member participation (Kontogeorgos et al., 2017). Researchers also found that, in some countries, farmers lack of trust in cooperatives and do not participate in activities and events organized by cooperatives. (Kontogeorgos et al., 2017; Sevinç, 2021). This fact has seriously affected the effectiveness of cooperatives, especially in Vietnam. In the conference "Solutions to promote Cooperatives" on 19 July 2018 organized by the Ministry of Agriculture and Rural Development in Ben Tre Province, some important issues are stated, including the ineffective operation of cooperatives, the mindsets of farmers need to be changed/updated, and ineffective communication approaches of cooperatives (Tran, 2018). Although weaknesses of the cooperatives system have been identified, there are not many effective activities/policies implemented in practice. The Ministry of Agriculture and Rural Development has organized many meetings, and conferences to propose a solution to promote farmers to participate in cooperatives (Bao Thang, n.d.).

A critical review of the literature in the Vietnamese cooperative system shows that there have not been any studies exploring farmers' perceptions of cooperatives. Most reports/studies have mentioned that farmers have an old mindset about cooperatives and this mindset needs to be changed (Nguyen, 2017; Tran, 2018). However, no current literature found can explain what farmers are thinking of cooperatives and how they consider their benefits and costs when participating in cooperatives. Therefore, the present study aims to uncover reasons preventing Vietnamese farmers from participating in cooperatives, with the following research objectives: (1) to explore characteristics (attributes) of a cooperative system from farmers' viewpoints, (2) to identify the connections between (individual) farmers' values from identified attributes through consequences.

The study is conducted in Dong Thap Province - the one having the largest mango acreage among provinces in Mekong Delta. Dong Thap Province has 9,660 ha of mango with annual productivity achieving 125,000 tons, with revenue reaching 1,898 billion VND (Huu Nghia, 2020). This is also a province having the system of cooperatives specializing in culturing mango. In this province, the cooperatives only buy mangoes from farmers, then sell them. These are reasons to explain why Dong Thap is selected as the research context to conduct the present study.

## **2. Theoretical foundation**

### **2.1. Agricultural cooperatives**

Cooperatives are special business organizations to link smallholder farmers with markets. There are many explanations and analyses of cooperatives in literature because definitions of agricultural cooperatives have still not been agreed upon by scholars (Tortia et al., 2013, as cited in Candemir et al., 2021). In fact, members of cooperatives (farmers) are the owners, investors, and users of the cooperatives; therefore their roles, and contributions are changed accordingly.

In their paper, Saz-Gil, Bretos, and Díaz-Foncea (2021) explain that trust and cooperatives are the basic pillars of social firms of cooperatives. It is a kind of member-owned business organization (Saz-Gil et al., 2021); therefore, members of cooperatives are owners through their capital, and transactions with cooperatives such as employees, suppliers, or customers.

More specifically, Brandão and Breitenbach (2019, p. 121) explain a cooperative as “a form of organization of individuals with the intention to improve individual’s living conditions and create a relevant mechanism for the economic and social development of countless people around the world, whether they live in the countryside or cities”. With that definition, they explain that cooperatives can strengthen farmers’ economic positions by facilitating price negotiations, providing access to credit, and extending technical assistance. The objective of cooperatives is to connect individuals with different capacities, and smallholder farmers with markets; and, moreover they can create economic and social benefits for local communities as well.

More simply, Hueth and Marcoul (2015) defined cooperatives “as a form of coalition among farmers with similar objectives” with the aim of maximizing members’ welfare (as cited in Candemir et al., 2021, p. 4). In this coalition approach, the involvement of farmers in monitoring activities affects cooperatives’ investment decisions.

In another study, Diaz-Foncea and Marcuello (2013) define cooperatives as an organizational form with 03 main characteristics. The first is users or beneficiaries have ultimate decision-making power. The second is that owners are employees, suppliers, and/or customers. And, the last is cooperatives have the rule of one person/one vote.

Previously, in their study published in 2003, Njoku et al. (2003) defined cooperatives as “an association of persons, usually of limited resources who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organization, making equitable contributions to the capital required and accepting a fair share of risks and benefits of undertaking” (as cited in Ishemo & Bushell, 2017).

To sum up, cooperatives can be defined in many ways. However, in brief summary, cooperatives are organizing farmers to cooperate, strengthening their economic and social abilities to compete in the markets.

## ***2.2. The roles of cooperatives in the economy***

Cooperatives bring benefits to local communities and their developments, such as economic stability, and socio-labour stability (Bretos & Marcuello, 2017). In agriculture, cooperatives also strengthen farmers’ economic positions in price negotiation, and accessing credit (Guimarães et al., 2015, as cited in Brandão & Breitenbach, 2019).

In terms of economic stability, cooperatives are deeply rooted in local areas and help to contribute to stables and sustainable economic growth, so that farmers continue investing profits in their communities. Moreover, they also mobilize and redistribute resources and investments, and wealth (Bretos & Marcuello, 2017). Similarly, in their paper, Brandão and Breitenbach (2019) also stated that cooperatives can protect their members from economic insecurity.

Regarding socio-labor stability, cooperatives can create many benefits. On the one hand, they can create stable and high-quality jobs. On the other hand, they can strengthen social capital and social cohesion in local areas (Bretos & Marcuello, 2017). In the same voice, Brandão and Breitenbach (2019) also mentioned the term “social solidarity” as a benefit of cooperatives.

Furthermore, cooperatives can also influence farm sustainability, including economic, environmental, and social aspects (Candemir et al., 2021). In a review of empirical studies, Candemir et al. (2021) figure out that (a) joining cooperatives influences members’ economic sustainability positively; (b) cooperatives have influences on farmers to adopt environmentally friendly practices; and (c) being a member of a cooperative has a positive impact on membership commitment and trust; therefore members seem to be more loyal to their cooperative.

In short, cooperatives positively contribute to the economy in various aspects. The foremost contribution is that they serve as a means to develop local communities. Then, more directly, they have significant effects on farm sustainability and farmers' behavior towards the environment and farming practices.

### ***2.3. Challenges for cooperatives in the context of Vietnam***

Till the end of 2020, there were 26,000 cooperatives in Vietnam with 6.1 million members, an average revenue of around 4.3 billion VND/cooperative, and the revenue of cooperatives with members counting around 60%. Direct and indirect contributions of a cooperative system to the GDP of Vietnam are 3.9% and 30% respectively (Liên minh Hợp tác xã tỉnh Phú Thọ, 2021).

The findings from a research project funded by Ministry of Agriculture and Rural development state the following challenges that have been faced by cooperatives (Hoang, 2016):

The first challenge is global competition. With many free trade agreements, products of cooperatives have to intensively compete with new agricultural products from foreign and local suppliers. Competitive aspects include technology, quality, food safety, and the origin of agricultural products.

The second challenge is human resource working in cooperatives. This challenge is not only for Vietnam, but for many developing countries. Cooperatives in many developing countries have lacked a high-quality and professionally-skilled workforce to respond to the requirements of the 4.0 Industrial Revolution.

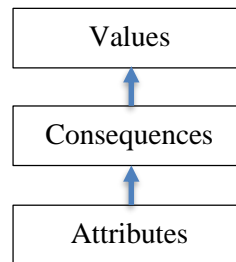
The third challenge is that Vietnam is an easily-impacted economy because of global integration. Global integration is a drive leading Vietnam to be dependent on the global market. This challenge requires cooperatives to be restructured to increase productivity, implement technology, to be adapted to climate change, and to be friendly to the environment.

With the above challenges, one well-prepared plan to develop cooperatives and promote farmers to participate is really important. In order to overcome these challenges, cooperatives have to re-engineer to (1) attract farmers to participate; (2) apply technology to increase productivity; (3) integrate into the globally competitive market.

### ***2.4. Means-end chain theory***

The Mean-End Chain (MEC) model explains consumers' behaviors based on two assumptions of (a) values, as desirable end-states of the current reality, which drive choices; and (b) a range of different things of products, which can potentially satisfy their values (Gutman, 1982). Actions of consumers result in consequences, desirably or non-desirably; and understanding consequences is the key to understanding the means-end approach (Olson, Reynolds, & Partners, 2001). In order to understand consumer behavior, the consequences or outcomes of a decision are important to explore (Olson et al., 2001).

Gutman (1982) concludes that the values-consequences are the critical linkage in the MEC model, and the other important linkage is that between consequences and product attributes. The basic A-C-V matrix is amplified through six levels, separating attributes into concrete and abstract attributes; consequences in functional and psychological; values in instrumental and terminal (Gutman, 1982; Reynolds & Olson, 2000). However, the most general means-end chain formulation has three levels of product-related knowledge, including Attributes - Consequences - Values (Reynolds & Olson, 2000).



**Figure 1.** The three-level means-end model (Reynolds & Olson, 2000)

Means-end chain theory can be used to understand the decision-making process from consumer view. In particular, this theory provides a comprehensive understanding why each step in the decision-making process is important to consumers. By employing this theory, farmers' decision-making process of not participating in cooperatives can be explored, and this can be helpful for management boards of cooperatives to revise the policies accordingly.

### 3. Methodology

With the purpose of exploring the reasons why Vietnamese farmers are reluctant to participate in agricultural cooperatives, the study employs the qualitative method based on MEC theory and soft-laddering interviews to collect the data. Soft-laddering is carried out by in-depth one-on-one interviews applying an open-question approach, that allows respondents to give unlimited answers, and using free elicitation methods to get information. Soft-laddering analysis requires a sample size of at least 20 (Reynolds, Dethloff, & Westberg, 2000), but it is not suitable for collecting a large sample (ter Hofstede, Audenaert, Steenkamp, & Wedel, 1998).

The process of conducting this study consisted of two phases: (1) preliminary research and (2) main research. In the first phase, the Attributes (A), Consequences (C), and Values (V) related to agricultural cooperatives are searched through secondary documents such as newspapers, magazines, scientific research papers, etc. Next, four interviews are carried out with three farmers and one expert (a vice president of the cooperative) to draw up a list of potential A, C, V. This helps researchers have a better overview before conducting the main research. In the second phase, the soft-laddering interview technique is applied to collect the data from farmers who used to be members of agricultural cooperatives or have never joined this kind of organization.

There are, in total, 20 farmers approached by convenience sampling method for face-to-face interviews in this study. Generally, the interview begins with questions, such as: *"What are the reasons why you decided not to participate in the agricultural cooperative?"* or *"In your opinion, what are the difficulties in joining the agricultural cooperative?"*. If the answer is an attribute (A), then the next question will be *"Why does this attribute (A) lead to your decision not to join the cooperative?"*. In the other cases, if the answer is a consequence (C) or value (V), then the follow-up question in the interview will be directed to the attribute such as *"Which characteristics of the cooperative lead to this consequence (or value) that you have just mentioned?"*. Eventually, the interviews ended when respondents mention their individual values.

The collected data will be synthesized, coded, and analyzed by Association Pattern Technique (APT), which is considered a quantitative approach in order to process the data proposed by ter Hofstede et al. (1998). There are two implication matrices analyzed separately, the A-C matrix and the C-V matrix. Based on these matrices, a Hierarchical Value Map (HVM) is developed by connecting all the linkages created among elements, A, C, and V (Reynolds & Gutman, 1988). The HVM provides a visual view of the research results and helps highlight key issues to be addressed.

#### 4. Research findings

This is a case study of mango farmers in Dong Thap Province. In total, there are 20 mango farmers interviewed by the soft-laddering method and all results are qualified for the analysis. Respondents in the aged of 30 - 40, 40 - 50, and over 50 accounted for 15%, 20%, and 65%, respectively. Most of them only make a living from farming, while some people have other jobs as teachers or veterinarians on the side. With regard to educational status, the group with an educational status less than or equal to high school (12/12) accounts for the highest proportion, at 85%. Besides, the percentage of interviewees in higher education and college level is 10% and 5%, respectively. This reflects the educational level of farmers in Vietnam, in general.

Regarding income, 50% of the interviewed farmers have an income from 200 million VND/year to 300 million VND/year. The group with an income of over 300 million VND per year is 40%. The remaining group with income less than 200 million VND/year accounts for 10%. The factor that directly affects the income of farmers is the size of farming. Specifically, 20% of the farmers surveyed had a cultivation area of less than 4,000 square meters. The highest percentage belongs to farmers who own 4,000 to 6,000 square meters of farmland, at 50%. The remaining 30% are farmers with a farming scale of more than 6,000 square meters. It can be seen that the percentage of farming scale and income are quite similar, the larger the farming scale, the higher the income.

##### *4.1. Attributes (A), Consequences (C), and Values (V) from soft-laddering interviews*

After collecting data from 20 farmers by soft-laddering interview technique, there are many characteristics of agricultural cooperatives as well as various consequences and values derived from them are explored. In total, 14 Attributes (A), 11 Consequences (C), and 06 Values (V) are defined and synthesized in Table 1.

**Table 1**

The list of attributes, consequences, and values explored from the interviews

Code	List of attributes (A)	Frequency
A1	Non-facilitation purchasing	15
A2	Lack of capital and unclear finance	6
A3	Unfavorable participation format	10
A4	Non-supportive policy	3
A5	Challenging and unclear participation criteria	5
A6	Poor communication quality	6
A7	Lack of personnel and unclear organizational structure	3
A8	Low quality of fertilizer and support services for farmers	1
A9	Unstable sales channel	8
A10	Lack of support for cooperative activities	1
A11	Uncompetitive purchase price	8

Code	List of attributes (A)	Frequency
A12	Poor connection between cooperatives and farmers	3
A13	Poor management capability	2
A14	Inappropriate business orientation	2
Code	List of consequences (C)	Frequency
C1	Negatively-impacted finance	28
C2	Self-found sales channels (for unsatisfactory products)	15
C3	Changed farming habits	11
C4	Loss of attractiveness/Reduced attractiveness	7
C5	Adversely-affected crop yield	2
C6	Decreased yield	1
C7	Non-alignment with the farmer's production orientation	5
C8	Passivity	1
C9	Adversely-affected quality of products	4
C10	Lack of information	7
C11	Unsold products	8
Code	List of values (V)	Frequency
V1	Insecurity	47
V2	No value added (knowledge, support, ...)	8
V3	Badly impacted farmers' reputation	4
V4	Badly impacted income	31
V5	Waste of time	14
V6	Negatively impacted quality of life	4

Source: Research findings

#### 4.2. Constructing the HVM

This study employs the 3-level HVM model, which includes A in the bottom level, C in the middle level, and V in the highest level at the top of the map. To construct a hierarchical value map, it is necessary to establish two distinguished implication matrices in associative modeling techniques (APT), the A - C matrix and the C - C matrix (ter Hofstede et al., 1998). The A - C matrix (Table 2) shows the relations between Attributes (A) and Consequences (C), while the C - V matrix (Table 3) indicates the linkages between Consequences (C) and Values (V).

**Table 2**

The A-C matrix

	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12	A13	A14
C1	2	6	<u>10</u>		2		1				4	1	2	
C2	6			1					<u>8</u>					
C3	<u>7</u>				4									
C4				1			1			1	3	1		
C5								1	1					
C6					1									
C7	1		1	1										2
C8						1								
C9	2								1		1			
C10						5	1					1		
C11	<u>7</u>													1

**Notes:** Underlined numbers indicate the most mentioned A – C linkages

Source: Research findings

**Table 3**

The C-V matrix

	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
V1	<u>11</u>	<u>11</u>	<u>8</u>	2		1	2	1		6	5
V2	1	2		2			2			1	
V3	3								1		
V4	<u>13</u>	4	1	2	2		1		4		4
V5		4	6	1			1				2
V6	3								1		

**Notes:** Underlined numbers indicate the most mentioned C - V linkages

Source: Research findings

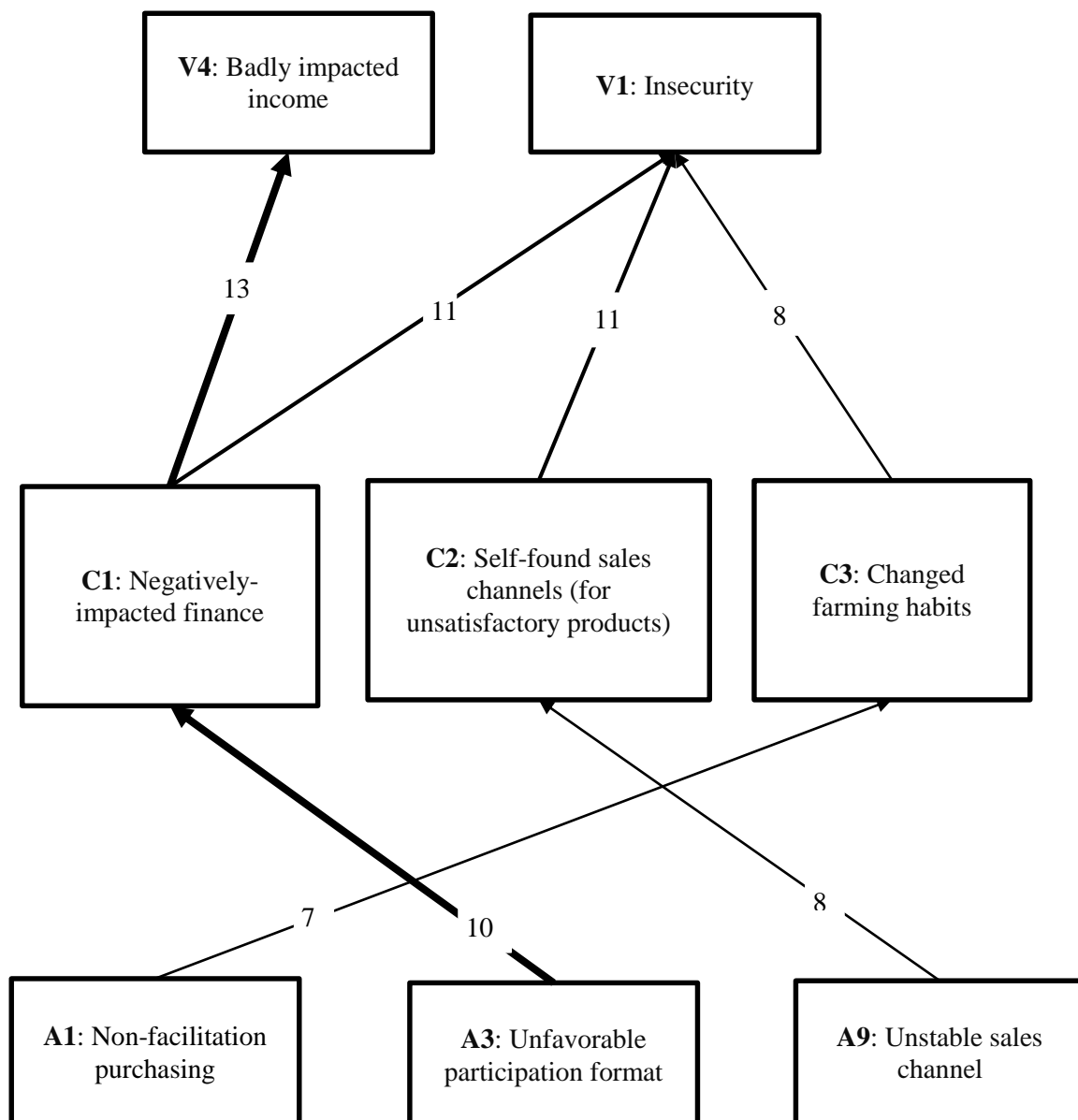
In these matrices, a number in each cell represents the frequency of the link corresponding to an A in the column to a C in the row (or a C in the column leading to a V in the row). It can be inferred the higher the number appears, the stronger the relationship and vice versa. For instance, in cell (A5; C3), number 04 shows that interviewees mentioned the relations between A5 and C3 four times. Similarly, number 02 in (C4; V2) indicates that two respondents agreed on the links between C4 and V2. In addition, cells without numbers mean no linkages created between these elements, such as (A2; C2), (A3; C4), (C5; V1), (C9; V2), etc.

Figure 2 shows the four strongest ladders. The strongest A-C relations (mentioned by many respondents) include A3 - C1; A9 - C2; A1 - C3; A1 - C11, which have at least 07 interviewees'



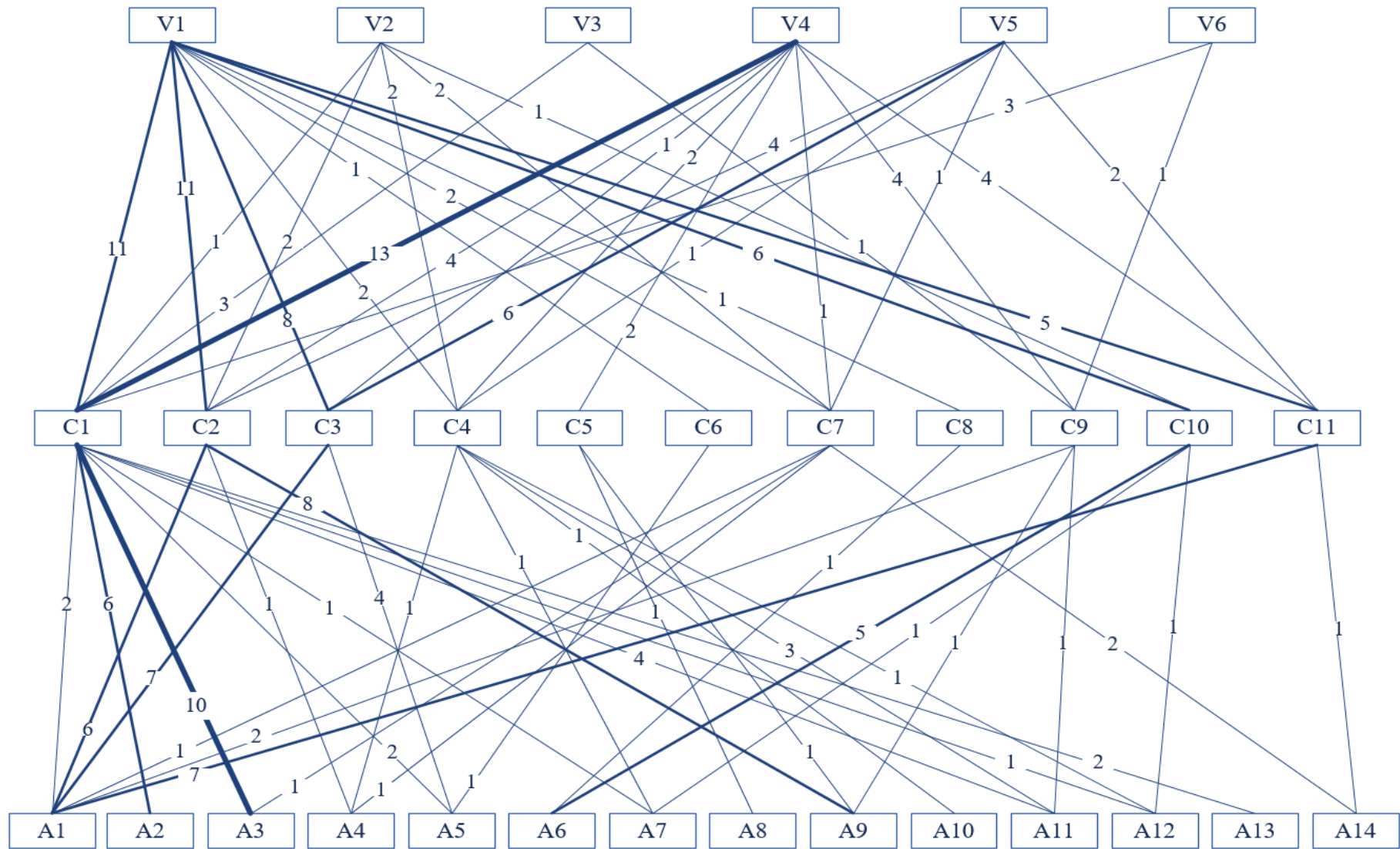
consent and are represented by darker lines. Regarding the linkages of C and V, there are four C - V relations with a frequency from 08 to 13, including C1 - V1 (11); C2 - V1 (11), C1 - V4 (13), and C3 - V1 (8).

Overall, it can be seen from the HVM (Figure 3) that the strongest link is A3 - C1 - V4. Specifically, the link between the attribute A3 - “Unfavorable participation format” and the consequence C1 - “Negatively-impacted finance” is mentioned 10 times, which is the highest frequency among A-C linkages. Likewise, the link between the consequence C1 - “Negatively-impacted finance” and the value V4 - “Badly impacted income” is also suggested most compared to other C - V relations, with 13 times.



**Figure 2.** The four strongest ladders in the HVM

Source: Research findings



**Figure 3.** The hierarchical value map for the reasons why farmers refuse to join agricultural

Source: Research findings

### 4.3. Discussion

From the implication matrices (Table 2 and 3) and the constructed HVM (Figure 3), there are 04 strongest ladders from farmers' perceptions to explain why they do not want to participate in the agriculture cooperatives, including A3 - C1 - V4; A3 - C1 - V1; A9 - C2 - V1; A1 - C3 - V1. There are some significant findings of this study are discussed in detail below.

*The first is the most mentioned attributes - The important characteristics of the agricultural cooperative*

Based on the frequency of each attribute, there are 04 attributes mentioned most by interviewees, including A1, A3, A9, and A11, with the frequency of 15, 10, 8, and 8 respectively. However, regarding the strongest A - C relations (Table 2) and the strongest ladders in HVM (Figure 2), just 03 attributes are pointed out, A1, A3, and A9. Meanwhile, A11 creates weaker relations with a few consequences, which have less than 5 interviewees mentioned. Hence, only **A1**, **A3**, and **A9** have considerable significance in creating consequences as well as values that farmers are really interested in.

Firstly, attribute **A1** (Non-facilitation purchasing) is the most mentioned reason to explain why farmers do not want to join agricultural cooperatives. Agricultural cooperatives are intermediary organizations that help connect businesses (who buy products from farmers after the harvest and then sell them to other organizations) and farmers. However, the purchase of cooperatives has many limitations in terms of types, time of purchase, and contracts for purchasing agricultural products. An expert in this study (CG1 - Nguyen Ngoc Chau) said that cooperatives only accept buying mangoes type 1 (the best product) to supply to businesses. The remaining mangoes of type 2, type 3, ... are not purchased and farmers have to handle them by themselves. As a consequence, farmers need to seek other sales channels for their agricultural products, which creates an annoying and lack of security for them. A farmer participating in the survey (ND15 - Tran Van Nghia) shared that each crop harvests a few tons of mangoes, but the cooperative buys a small amount (limited quantity), only a few hundred kilograms each time. The remaining mangoes that can't be sold will ripen and sell at a devaluation, so the family's finance will be badly affected.

The main role of agricultural cooperatives is to develop the economy and increase scale, but now they have not yet promoted that role. The make-to-order process (depending on the orders from firms) is not effective for both the cooperatives and the farmers. It can be implied that the non-facilitation purchasing (**A1**) of the cooperative causes many inconveniences to the farmers. Two obvious consequences for farmers include finding other channels to sell farming products by themselves and adversely affecting their finances.

Secondly, attribute **A3** (Unfavorable participation format) is a characteristic related to the fact that when farmers join a cooperative, they must sign a contract and contribute capital according to the regulations. This attribute creates pressure on the farmer regarding both the money issue and the member's constraints written in the contract. Signing a participation contract is a form of commitment between the farmer and the organization, while the contribution of capital is to create a budget for the cooperatives' operation. This capital contribution affects the finance of the farmers and thereby their income as well, which is mentioned in the strongest ladder (A3-C1-V4). Income is a critical factor for families to make ends meet. Therefore, from the farmer's point of view, in order to avoid adversely affecting the family's income, they do not participate in agricultural cooperatives. A farmer (ND16 - Le Thanh Phong) expressed his concern that he did not know if he could sell the fruits but he had to pay for participation (contributing capital). In addition, another farmer (ND6 - Tran An Thu) said that he does not know how cooperatives use

his money. He feels very lack of trust in cooperatives, so the contribution of capital to participate makes him feel hesitant to join. Moreover, farmers' insecurity also stems from the fact that the contract with cooperatives is not consistent with the farmers' cultivation orientation. It requires farmers to comply with many conditions and makes them feel less free and insecure in farming.

Finally, attribute **A9** (Unstable sales channel) refers to cooperatives seeking orders from customers (businesses), who will buy farmers' agricultural products. The problem that farmers are concerned with is how all agricultural products can be sold at a reasonable price, giving them a lot of profit. If the farmers find that joining the cooperative does not improve the profitability of each crop, they will choose to cultivate alone instead of becoming a member of any agricultural cooperative. According to ND3 - Nguyen Huu Quoi, a farmer who participated in the interview said: *"When merchants (thương lái) come to gardens to buy mangoes, they will usually buy all of the harvested fruits, so farmers are not afraid of the products not being sold. Nonetheless, when I join the cooperative, I do not know whether the fruits can be sold. In fact, there was only a very small quantity of harvested fruits sold. The cooperative depends on the orders placed by the businesses, that's why it is not stable to guarantee the sale of all agricultural products of the farmers. Hence, I am worried about participating in it"*. If participating in a cooperative, farmers are not allowed to find traders on their own anymore. Only after the cooperative buys quality products, will farmers find traders to buy the rest. *"At this time, most of the fruits are ripe and can not be sold at a high price"* - ND2 (Huynh Thanh Doanh) shared. Thus, besides having to find sales channels by themselves, which causes many inconveniences to farmers, their income is also significantly reduced. It can be seen that farmers expressed many concerns regarding the cooperative's distribution channels not guaranteeing the consumption of output for them. On the contrary, it also reduces the value of products and adversely affects the lives of farmers. Therefore, A9 became one of the reasons why farmers decided not to participate in the cooperative model.

*The second is the most significant values - The personal values of many farmers are badly affected*

The aim of the present study is to explore the reasons why farmers do not want to take part in any agricultural cooperatives by constructing ladders from attributes to consequences, then to the perceived values of farmers. The findings show that there are 4 strongest ladders from farmers' perceptions (Figure 3), including A3 - C1 - V4; A3 - C1 - V1; A9 - C2 - V1; A1 - C3 - V1. These strongest ladders drive to 02 significant values perceived by interviewees, namely **V1** (Insecurity) and **V4** (Badly impacted income).

### **V1 - Insecurity**

This value is related to the lack of trust, and feeling anxious and full of risks when participating in agricultural cooperatives. V1 is a very important value appearing in 03 of the 04 most important ladder chains of the present study, including A3 - C1 - **V1**; A9 - C2 - **V1**; A1 - C3 - **V1**. There are many causes leading to V1. First, the form of participation must contribute capital leading to financial impact. Farmers do not know for sure if the goods can be sold or if the money is used effectively by the cooperatives. Next, having an unstable sales channel makes farmers worry about finding their own sales channel, resulting in many worries about damaged goods due to long-term inventory and low selling prices, eventually leading to insecurity. Lastly, the purchasing of cooperatives does not create favorable conditions for farmers as in the limitation of type and quantity, and inflexible time, causing farmers to have to harvest and sell many times. That not only costs a lot of effort and money but also results in anxiety because of not knowing if the goods will be sold out. This insecurity makes farmers hesitate to become members of cooperatives.

#### ***V4 - Badly impacted income***

This is the value that almost every farmer talked about, with 31 mentions only after V1 (47 mentions). Obviously, farmers' cultivation is to earn money in order to cover the basic needs of life, so any problem that adversely affects income will make them avoid doing it. Being in the strongest ladder (A3-C1-V4), it points out that contributing capital to a cooperative without knowing how much profit they will earn, makes farmers think that joining a cooperative reduces their income. In addition, it is very expensive to hire labor to harvest many times. Compared to selling to merchants, they will go directly to the garden and harvest, not spending much money on hiring people. Moreover, if cooperatives have no order, the goods cannot be sold. Fruit is inherently a perishable product, the longer it is left, the more damaged and depreciated. Therefore, when farmers think that participating in cooperatives does not bring value in terms of income for them, they will refuse to participate.

### **5. Contributions and managerial implications**

Based on MEC theory, the present study employs a soft-laddering interview technique to collect the data. The purpose is to find the reasons why farmers refuse to take part in agriculture cooperatives, which are explained by different A-C-V ladders. The research findings show that there are 14 attributes, 11 consequences, and 06 personal values explored. From the constructed HVM, there are three attributes that are most concerning (A1, A3, A9), through the consequences leading to two important values, that are V1 - Insecurity and V4 - Badly impacted income. Additionally, four strongest links are also defined, including A3 - C1 - V4; A3 - C1 - V1; A9 - C2 - V1; A1 - C3 - V1.

Exploring reasons why farmers refuse to take part in agriculture cooperatives addresses the key purpose of the present study is to identify attributes of cooperatives that prevent them from participating. The three identified attributes (A1, A3, and A9) can be employed by the management of cooperatives to improve the current situation and encourage farmers to participate.

The first attribute which is most concerned is **A3** (Unfavorable participation format). This is one of the typical attributes of the Vietnamese agricultural cooperative. According to Decree 193/2013/NĐ-CP (Chính phủ, 2013), to commit to the selected cooperative, farmers are required to sign a contract and to invest for their participation. The amount of money is different between cooperatives and this also prevents farmers from participating in cooperatives. Board of management of each cooperative needs to issue a participation rate which should be relevant to the shared profit per year they can get. This can affirm that farmers can invest based on their financial situation, and this also makes them feel secure to get benefit from the cooperative. If these concerning attributes can be solved, two important values to farmers V1 (Insecurity) and V4 (Badly impacted income) can be addressed. With a transparent participation rate and shared profit, farmers feel secure in their investment; and they can also make decisions to choose how much to invest. Moreover, participation contracts should be replaced by a registration form to reduce pressure and farmers' misunderstanding of 'contract'. This form includes basic information, such as name, address, types of mangos, acreage, etc, so that cooperative officers can manage their members.

The second concerning attribute is **A9** (Unstable sales channel). According to one manager of a cooperative, the current sale method is that cooperatives do not actively find customers, but post information on webpages, and firms approach cooperatives. To improve the situation of the sales channel, cooperatives should change business plans, take advantage of cooperative (specialized) brands to attract firms, and push up the sales of product types. One more issue to improve sales channels is that cooperatives should extend their business to small and medium-size

firms to stabilize sales for farmers. The current sales method is also the result of attribute A7 (Lack of personnel and unclear organizational structure). A7 is about a lack of human capital and cooperatives do not have enough person in charge of marketing and sales to approach customers more actively. If A9 can be addressed, the value of wasting time (V5) and that of badly impacted income (V4) are released.

The most mentioned attribute (**A1-Non-facilitation purchasing**) can be partly solved if A9 is addressed, as it is about types of purchase, time to purchase, purchasing quantity, and payment (*buying on credit*). If sales channels can be improved, farmers do not have to worry about the types and quantity of purchased mangos. This attribute is not only mentioned by 15/20 farmers, but also by one manager of a cooperative. In particular, *buying on credit*, which impacts V1 (Insecurity) and V4 (Badly impacted income) should be replaced by *purchasing contracts*. In this purchasing contract, terms should specify issues of purchasing, including purchasing commitments, and payment agreements. More specifically, payment agreements need to clarify interest rates for payment arrears. This term will make farmers feel more secure.

## 6. Limitations and further research

Due to limited resources, interviewed farmers are only in Dong Thap Province, not in other provinces. Especially, no interviewee is from the North, where culturing customs and culture are much different as compared to the South. With this limitation, the finding can provide no idea of farmers' perception of cooperatives from other provinces, and areas. The future study should approach more interviewees, who are from different provinces.

Finally, future studies should employ the research findings of the present study (A, C, V) and apply hard-laddering interviews to approach large numbers of respondents to generalize the result which can be more meaningful to policymakers, and to cooperatives management. With a large number of respondents culturing different agricultural products, and types of cooperatives, research findings can reflect the whole picture of the cooperative system in Vietnam.

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