

REPORT
SOCIAL AND GENDER IMPACTS
OF EXPANDING SOCIAL INSURANCE COVERAGE
TO COOPERATIVE SECTOR
(Final version)

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Abstract

The cooperatives economy – the core of the collective economy – is an important economic component. There were 22,861 cooperatives, of which 13,958 active cooperatives with business results, accounting for 61.06% of the total number of cooperatives as of December 31, 2018 nationwide. The total number of members in the cooperatives is 5,998,378 people, and the active cooperatives with business results have attracted 185,714 employees. These cooperatives have been bringing economic benefits to their members, creating jobs for many workers, contributing to the improvement of the environment, especially in rural areas; creating confidence in the development prospects of the collective economic sector and cooperatives.

In addition to economic achievements, the cooperatives sector is also enjoying social achievements, including social security policies, especially social insurance ones. Actual participation in compulsory social insurance of cooperatives for their members and hired employees is very low, only 0.6% of the total number of cooperative members and 1.66% of the total number of regular employees in 2020; and there are still a number of groups of cooperative members and workers in this area who are not yet covered by the law on compulsory social insurance, including cooperative executively managerial who do not follow wage regimes. This is one of the targeted groups that are oriented to be covered by the compulsory social insurance scheme in the amendment of the Law on Social Insurance 2014.

According to the social and gender impact assessment, expanding the coverage of compulsory social insurance to the cooperative executively managerial people, who do not follow wage regimes, is unlikely to significantly increase the number of participants and beneficiaries of the social insurance policy as expected target. Expansion to this target group also does not contribute to promoting gender equality as women account for less than 30% of executive management positions in cooperatives. Expanding only the coverage of compulsory social insurance to the cooperative executively managerial people, who do not follow wage regimes will not cover the groups of cooperative members (both women and men) who do not have an employment relationship with the cooperative but still have income from self-employment, including (i) individual cooperative members who hire labourers; (ii) cooperative members are representatives of households that employ workers; as well as other cooperative members (including women and men) who need to be taken care of to ensure that they can continue to participate and stay in the system and to enjoy social insurance benefits when they face risks in the working process and upon reaching the statutory retirement age.

The fundamental solution to expand the coverage of compulsory social insurance is that the amendment and supplement of the Social Insurance Law 2014 should begin immediately building the foundation of a multi-tiered social insurance system through two basic tiers: (i) the social pension allowance tier and (ii) the contribution-based social insurance tier with appropriate support from the state budget. Such a multi-tier system will ensure a wide coverage of social insurance and all employees in the cooperative sector will be covered in this system./.

INTRODUCE

The cooperatives economy – the core of the collective economy – is an important economic component. According to the Ministry of Planning and Investment, as of December 31, 2018 nationwide, there were 22,861 cooperatives, of which 13,958 active cooperatives with business results¹, accounting for 61.06%. At this time, the total number of members in the cooperatives is 5,998,378 people, and the active cooperatives with business results have attracted 185,714 employees². Especially, from 2016 up to now, there have appeared more types of cooperatives, effective cooperation models such as high technology application, advanced management, participation in the value chain bringing economic benefits to their members; creating jobs for many workers; contributing to the improvement of the environment, especially in rural areas; creating confidence in the development prospects of the collective economic sector and cooperatives. The average monthly income of an employee of active cooperatives with business results in 2018 is 3.84 million VND with an increase of 3.2% compared to 2017³.

According to Article 34 of the Constitution of the Socialist Republic of Vietnam in 2013, “*citizens have the right to social security guarantees*” – this means the cooperative members also have that right. However, according to the Law on Social Insurance 2014, which took effect from January 1, 2016, only wage-earning cooperative managers are covered by compulsory social insurance scheme⁴ and the following groups of people, who earn income and hire workers, are not compulsory members of social insurance scheme, including:

- (i) individual cooperative members who hire labourers;
- (ii) cooperative members are representatives of households that employ workers; and
- (iii) the people in the management board of the cooperative, including: the chairman and members of the Board of Directors; director; and members of the supervisory board.

¹ Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.

² Ibid

³ Ibid

⁴ Point h Clause 1 Article 2

According to the orientation of expanding the compulsory social insurance coverage to cooperative's managers who do not follow wages regimes⁵ of the Resolution No. 28-NQ/TW dated May 23, 2018 of the Seventh Plenum of the XII Central Executive Committee on social insurance policy reform, this is an area that needs to be reviewed to expand the compulsory social insurance coverage in the amendment of the Law on Social Insurance 2014.

According to the provisions of the Law on Promulgation of Normative Documents and in order to affirm the positive effects of the expansion of the compulsory social insurance coverage to cooperative's managers who do not follow wages regimes and create a strong evidence-based foundation for future policy solutions, the GIZ Project "*Social Goals in Sustainable Green Growth in Vietnam*" (referred to as the GIZ Project) coordinated in collaboration with the Department of Social Insurance to organize a study to assess the social and gender impacts of **expanding the compulsory social insurance coverage to the above-mentioned groups in non-agricultural cooperatives.**

⁵ Point 2 Part III

I. OVERVIEW OF COOPERATIVES DEVELOPMENT IN VIETNAM

Since the Law on Cooperatives 2012 amending and supplementing the Law on Cooperatives 2002, passed by the National Assembly of the Socialist Republic of Vietnam, cooperatives – the core of the collective economic sector – have had rapid growth in number. According to data from the Ministry of Planning and Investment (MPI) and the Vietnam Cooperative Alliance (VCA), (*characterized by administrative and subsidy*) to the new model (*with autonomy, operating under the market mechanism*) has contributed to this development in recent years (see Table 1).

Table 1. Situation of cooperative development in the period 2017–2020

	<i>Cooperative, %</i>			
	2017*	2018*	2019**	2020**
Number of existing cooperatives as of December 31 th	21,009	22,861	24,618	25,454
Number of active cooperatives with business results as of December 31 th	13,226	13,958	15,130	15,018
<i>The share of active cooperatives with business results in the number of existing cooperatives</i>	<i>62.95%</i>	<i>61.06%</i>	<i>61.46%</i>	<i>59.00%</i>

Source: * Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.

** Annual Report 2019, 2020. Vietnam Cooperative Alliance.

The transformation of cooperative model reflects the trend of “*gradually converting to enterprise form*” of the Law on Cooperatives 2012 with the provisions on “*the organizational structure of cooperatives and unions of cooperatives includes general meeting of members, Board of Directors, Director (General Director), supervisory Board and controller*”⁶ which is similar to the organizational structure of an enterprise. With this model, cooperatives are mostly restructured or newly formed ones operating as enterprises and are usually managed by a small number of people with a dominant capital contribution in the cooperatives. In particular, all or most of the members of these cooperatives no longer use the cooperative's products and services (*for the service cooperative model serving members – mainly are agricultural cooperatives*) or most of the cooperative members have only

⁶ Điều 29

contributed capital but are no longer employees in the cooperatives (*for the cooperative model of employees – mainly non-agricultural cooperatives*). Only a few of the cooperative members are employees along with other workers employed by the cooperative. Table 1 also shows that despite the rapid growth in number, the number of active cooperatives with business results accounts for a small proportion of the total number of existing cooperatives (approximately 60%) and tends to decrease.

Cooperatives have become increasingly involved in various economic sectors, including agriculture, forestry and fisheries; industry and construction; and services. However, the agriculture, forestry and fishery sectors still account for the highest proportion of the number of cooperatives, followed by the industry and construction sectors. The lowest proportion are cooperatives in the service sector (see Table 2).

Table 2. Number of active cooperatives with business results as of December 31th by economic sector in 2017 and 2018

Cooperatives, %

No.	Content	2017		2018	
		Amount	Share	Amount	Share
1	WHOLE COUNTRY	13.226	100,00%	13.958	100,00%
2	Agriculture, forestry and fisheries	6.678	50,49%	7.033	50,39%
3	Industry and construction	2.509	18,97%	2.581	18,49%
4	Services	4.039	30,54%	4.344	31,12%

Source: Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.

The data in Table 2 also shows that although agricultural, forestry and fishery cooperatives continue to increase in number, their share in the total number of cooperatives tends to decrease. A similar trend occurs for industrial and construction cooperatives, which are considered easy to convert to enterprise form. Particularly, service cooperatives have an increased proportion in the total number of cooperatives.

Thus, if the cooperative’s managers are members of the board of directors, directors and the supervisory board according to the provisions of the Law on Cooperatives

2012⁷ and assuming that the board of directors: 2 persons; directors: 2 persons; and supervisory board: 2 persons, it could estimate that the maximum number of cooperative's managers in 2020 (*both follow and do not follow wages regimes*) are about **152,724 persons in all existing cooperatives and only about 90,096 persons in the active cooperatives with business results**. These are people who are not covered by the compulsory social insurance scheme according to the current social insurance law, except for those on the board of directors who are hired by the cooperative under the labor contract.

In terms of labor size, the number of active cooperatives with business results using less than 10 employees accounts for the largest proportion, about 60% of cooperatives of this type, followed by cooperatives employing between 10 and 49 employees with 38,61% in 2017 and 35,71 in 2018. Cooperatives employing 50 or more employees account for only about 3% of the total number of active cooperatives with business results (see Table 3).

Table 3. Number of active cooperatives with business results as of December 31th by size of labor force

No.	Content	2017		2018	
		Amount	Share	Amount	Share
1	WHOLE COUNTRY	13,226	100.00%	13,958	100.00%
2	Less than 10 employees	7,716	58.34%	8,605	61.65%
3	From 10 to 49 employees	5,106	38.61%	4,984	35.71%
4	From 50 to 99 employees	257	1.94%	229	1.64%
5	From 100 employees or more	147	1.11%	140	1.00%

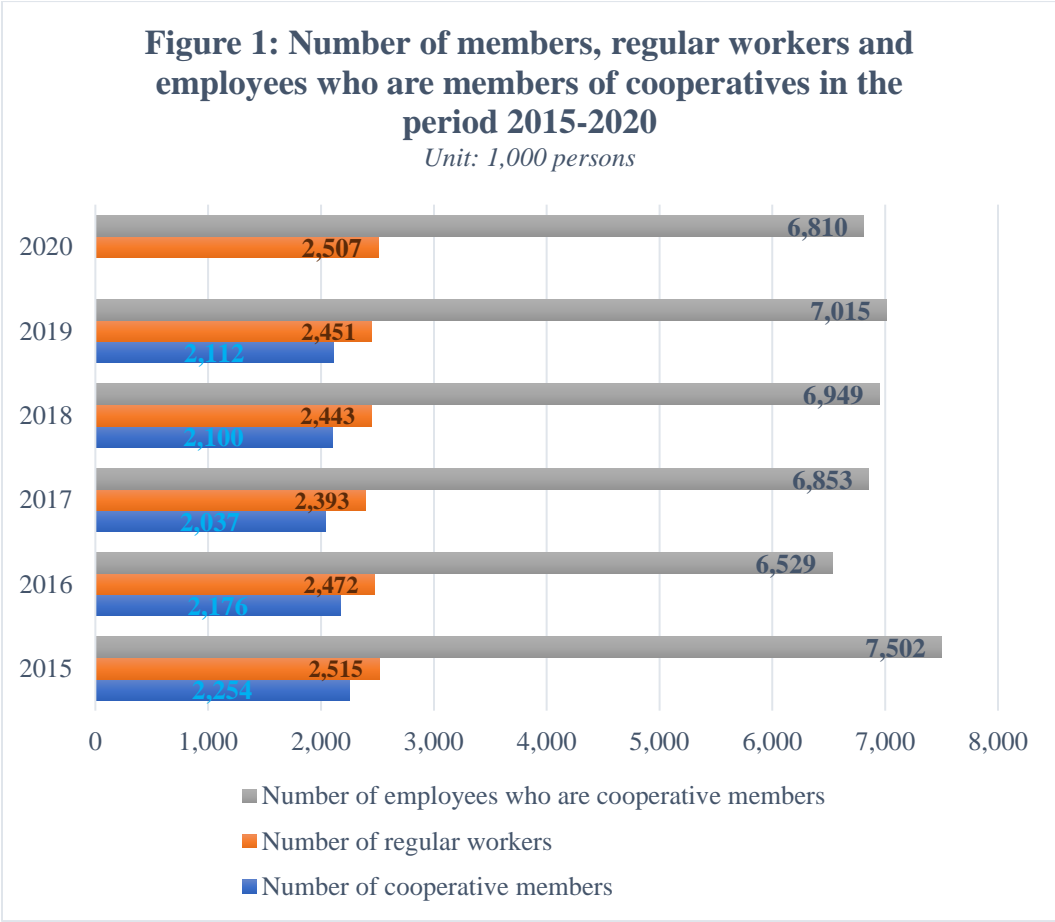
Source: Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.

Regarding cooperative members, Figure 1 shows a change in the number of members of the cooperatives in the period 2015-2020. The total number of members of the cooperatives during this period reached more than 7.5 million people in 2015, then decreased by more than 1 million people the following year, and gradually

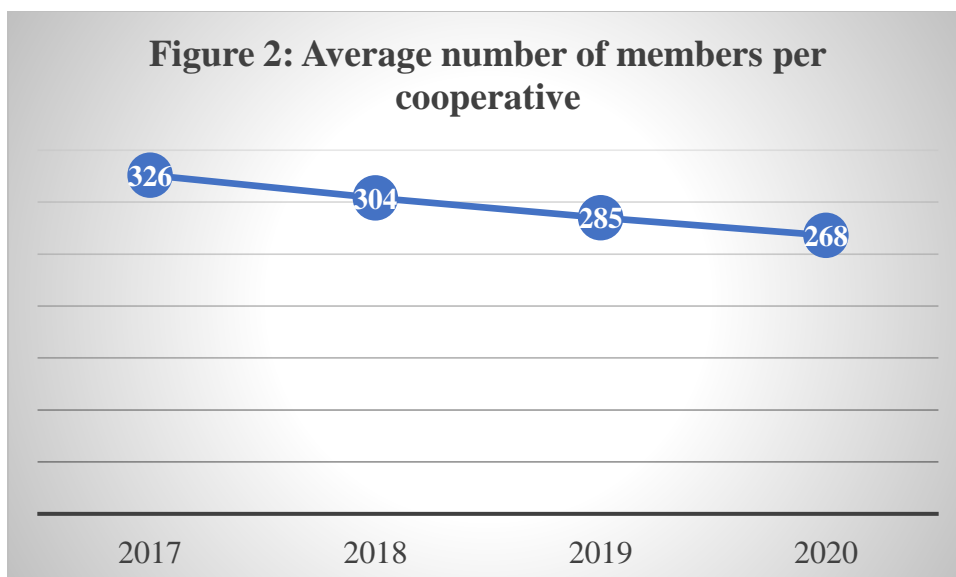
⁷ Article 29

increased again to 7 million people in 2019. By 2020 this number reduced to only 6.8 million people.

Data from the MPI and the VCA also show a downward trend in the size of the average number of members per cooperative, from about 326 members/cooperative in 2017 to 268 members/cooperative in 2020 (see Figure 2). While the number of regular employees in the cooperative is relatively stable, the fluctuations in the size of members in the entire cooperative economic sector and the average number of members per cooperative with a decreasing trend may be due to the impact of the trend of “gradually converting to enterprise form”, especially in cooperatives in the industry, construction and service sector.



Source: Annual Report 2019, 2020. Vietnam Cooperative Alliance.



Source: Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.
Annual Report 2019, 2020. Vietnam Cooperative Alliance.

Considering the correlation between the total number of cooperative members and the total number of employees working for the cooperatives, the data of the VCA shows a relatively low proportion of the number of employees who are cooperative members in the total number of cooperative members as well as of the total number of regular workers in the total number of members (*see Table 4*).

Table 4. Actual situation of using labor in the active cooperatives with business results as of December 31st

	2015	2016	2017	2018	2019	2020
Proportion of the number of employees who are cooperative members in the total number of cooperative members	30.05%	33.33%	29.72%	30.22%	30.11%	
Proportion of the number of regular workers in the total number of cooperative members	33.52%	37.86%	34.92%	35.16%	34.94%	36.81%

Source: Annual Report 2019, 2020. Vietnam Cooperative Alliance.

In 2018, the average monthly income of an employee in active cooperatives with business results nationwide was slightly higher than that of 2017, respectively VND3.84 million and VND3.72 million – much lower than the average monthly income of the corporate sector in the same period of 8.2 million VND.

Table 5. Number of active cooperatives with business results as of December 31th by size of the labor force and the economic sector

	2017		2018		Income level 2018 compared to income level 2017 (%)
	Income level (VND1,000)	Compared to the statutory pay rate 2017* (%)	Income level (VND1,000)	Compared to the statutory pay rate 2018** (%)	
WHOLE COUNTRY	3,720	286.2	3,841	276.3	103.2
By size of labor force					
Less than 10 employees	3,065	235.8	3,008	216.4	98.2
From 10 to 49 employees	3,610	277.7	3,650	262.6	101.1
From 50 to 99 employees	4,718	362.9	4,194	301.7	88.9
From 100 employees or more	4,317	332.1	5,216	375.3	12.8
By economic sector					
Agriculture, forestry and fishery	1,543	118.69	1,672	120.3	108.4
Industry and construction	4,055	311.92	3,798	273.2	93.7
Service	6,201	477.00	6,550	471.2	105.6

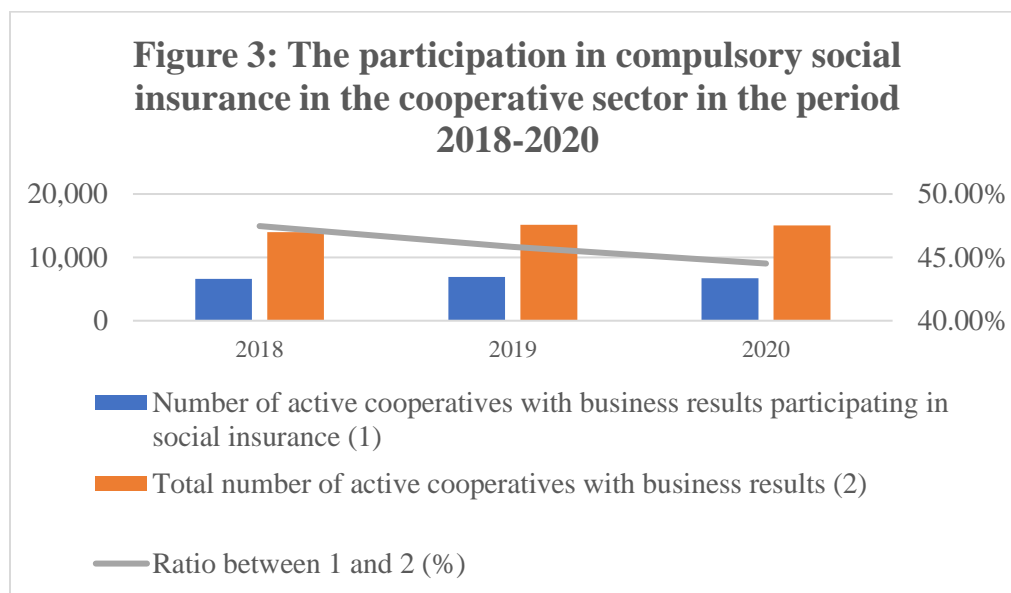
Note: * Decree No. 47/2017/ND-CP dated 24 April 2017 of the Government providing for the statutory pay rate of officials, public employees and armed forces' personnel (VND1,300,000)

** Decree No. 72/2018/ND-CP dated 15 May 2018 of the Government providing for the statutory pay rate of officials, public employees and armed forces' personnel (VND1,390,000)

Source: Ministry of Planning and Investment. 2020 Vietnamese co-operatives white house book. Statistic Publishing House.

The average monthly income of an employee in active cooperatives with business results varies depending on the size of the cooperative's labour force. In 2018, cooperatives with over 100 employees had the highest average monthly income of 5.2 million VND; followed by cooperatives with sizes from 50 to 99 employees – approximately 4.2 million VND; from 10 to 49 employees – approximately 3.7 million VND and the lowest is in cooperatives with less than 10 employees – 3.0 million VND (see Table 5).

The average monthly income of an employee in active cooperatives with business results also depends on the economic sector. In 2018, the average monthly income of an employee of the cooperatives in service sector was much higher than that of the cooperative in other economic sectors as with VND6.6 million; while the average monthly income of cooperatives in the industrial and construction cooperatives sector only reached VND3.8 million; the agricultural, forestry and fishery cooperatives reached the lowest level of the average monthly income with approximately VND1.7 million – only 20% higher than the statutory pay rate and much lower than the region-based minimum wages applied for enterprises located in region IV of the same year (VND2,760,000)⁸.

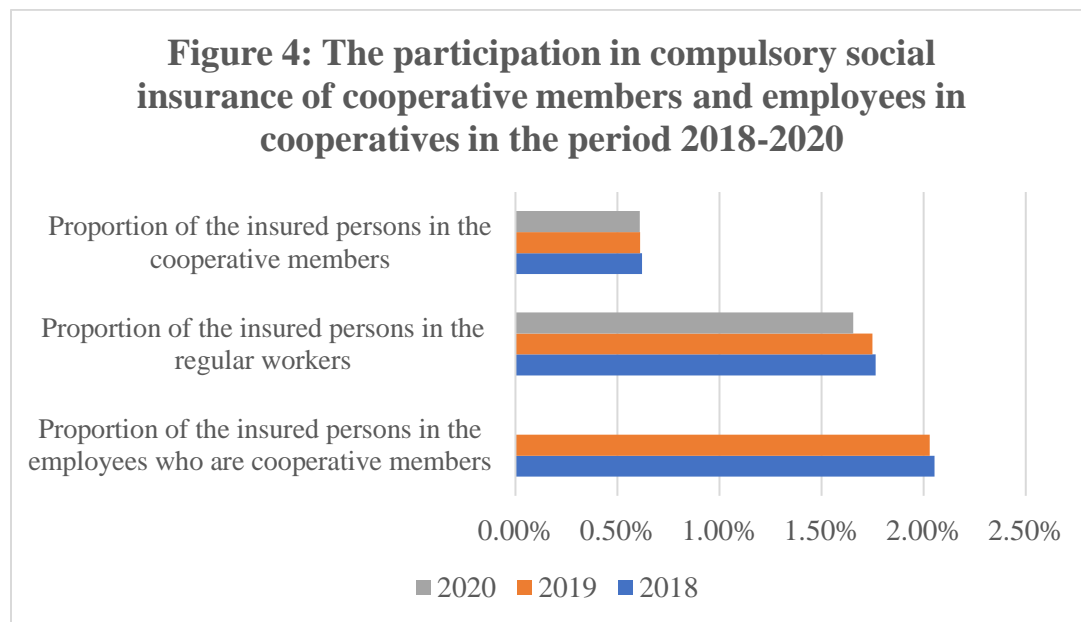


Source: Social Insurance Department, Ministry of Labour – Invalids and Social Affairs. 2020
Annual Report 2019, 2020. Vietnam Cooperative Alliance.

⁸ Decree 141/2017/ND-CP region based minimum wages applied to employees working under labor contracts.

With the mentioned-above average monthly income of an employee working in cooperatives, the cooperatives' participation in compulsory social insurance scheme for their employees is quite difficult, especially in agricultural cooperatives. In the period 2018-2020, the number of cooperatives of the total number of active cooperatives with business results, which participated in compulsory social insurance scheme for their employees (including cooperative members and employees hired by the cooperative), tends to decrease from 47.47% in 2018 to 45.83% in 2019 and only reached 44.51% in 2020 (see Figure 3).

In terms of the number of people participating in social insurance, in 2020 the number of cooperative members and employees hired by the cooperative to participate in compulsory social insurance is very low, only 0.6% of the total number of cooperative members and 1.66% of the total number of regular employees in cooperatives. It is worth noting that these ratios have tended to decrease from 2018 up to now (see Figure 4).



Source: Social Insurance Department, Ministry of Labour – Invalids and Social Affairs. 2020

Annual Report 2019, 2020. Vietnam Cooperative Alliance.

In summary, due to the organizational characteristics of cooperatives and their business activities, the level of participation in compulsory social insurance of cooperatives is still very limited. This has led to the level of social insurance coverage for employees (including members and employees hired by the

cooperative) in the cooperative area is very low compared to the current general social insurance coverage of the whole country.

It is worth noting that due to the lack of gender disaggregated data, it is not possible to get a picture of the participation in social insurance of cooperative members and workers employed by the cooperative in the cooperative area from a gender perspective. The gender dimension will be further analyzed in Part III below, based on the results of the fieldwork.

II. POLICIES AND LAW ON SOCIAL INSURANCE IN THE VIETNAMESE COOPERATIVES DEVELOPMENT CONTEXT AND ORIENTATION FOR EXPANDING COMPULSORY SOCIAL INSURANCE COVERAGE

Before January 1, 2003, the cooperative sector was not governed by the law on social insurance according to the Social Insurance Charter promulgated together with the Government's Decree No. 12/CP of January 26th, 1995, so those who Executive managers (*both who follow and do not follow wages regimes*) and employees working for cooperatives are not covered by compulsory social insurance.

To be consistent with the Law on Cooperatives 2002 (*effective from January 1st, 2003*), Decree No. 01/2003/ND-CP dated January 9th, 2003 of the Government amending and supplementing a number of articles of the Social Insurance Charter promulgated together with the Government's Decree No. 12/CP dated January 26th, 1995, extended the compulsory social insurance coverage to employees and executive managers working for cooperatives under a labor contract with an indefinite term or with a definite term of at least 3 months. This coverage is maintained in the Law on Social Insurance 2006. Thus, according to these regulations, the cooperative managers, who are elected by the general meeting of cooperative members, and the cooperative members, who are not directly involved in the production and business process, are understood as not covered by compulsory social insurance scheme.

After the approval of Law on Cooperatives 2012, the Prime Minister issued Decision No. 250/QD-TTg dated 29 January 2013 on the social insurance policies for the chairmen of agricultural, fishery and salt production cooperatives with organizational scale throughout the commune before July 1, 1997 and those persons have not yet enjoyed the benefits related to social insurance.

The Law on Social Insurance 2014, which replaced the Law on Social Insurance 2006, also did not make many changes in terms of social insurance coverage for the cooperative sector, apart from the regulation to expand the compulsory social insurance coverage to those working under labor contracts with a fixed term from full 01 month to less than 03 months from January 1st, 2018 – applicable also to the cooperative sector. Details of the legal provisions on compulsory social insurance coverage are provided in Appendix 1.

According to the ILO Social Security (Minimum Standards) Convention, 1952, in general the total insured persons should be at least 50% of all employees, and also

their wives and children; or at least 20% of all residents, and also their wives and children. This is the minimum coverage that a social insurance system must achieve and ideally ensures that everyone can “*against the economic and social distress that otherwise would be caused by the stoppage, or substantial reduction, of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care; and the provision of subsidies for families with children*”⁹. The ILO Social Protection Floors Recommendation, 2012 (No. 202) also expanded the coverage of social security by suggesting that member countries should ensure the basic social security guarantees, including basic income security for older persons to at least all residents and children, as defined in national laws and regulations. Thus, for contribution-based social insurance systems, effective coverage is guaranteed (i) a high ratio between actually insured persons and population group adjusted by Social Insurance Law; and (ii) a high ratio between the actual beneficiaries of the social insurance schemes and the population group targeted by Social Insurance Law.

In summary, in both practical and legal aspects (both national and international), the compulsory social insurance coverage for the cooperative sector is still limited compared to the needs and the ability of managers and employees in this sector to participate into the scheme. To be able to gradually expand compulsory social insurance coverage for the cooperative sector in line with the its actual situation and development level, the Resolution No. 28-NQ/TW dated May 23, 2018 of the Seventh Plenum of the XII Central Executive Committee on social insurance policy reform, has oriented one of the reform contents as “*reviewing and expanding the compulsory social insurance coverage to groups of business household heads, business managers, cooperative’s managers who do not follow wages regimes, workers with a flexible working time regimes*”.

⁹ Beyond HEPR: A framework for integrated national system of Social security in Vietnam UNDP-DFID 2005.

III. ASSESSMENT OF THE SOCIAL AND GENDER IMPACTS OF EXPANDING COMPULSORY SOCIAL INSURANCE COVERAGE FOR COOPERATIVES AREA

3.1. Target

Assessing the social and gender impacts of expanding the compulsory social insurance coverage for members of cooperatives, focusing on the group of managers and executives of cooperatives without payment in the immediate future. salary in order to affirm the positive aspects of the policy and create a solid evidence-based basis for policy solutions in the upcoming revision of the 2014 Law on Social Insurance, at the same time, point out the limitations and look for potential solutions. solutions to overcome those limitations to create consensus in the implementation of expanding the subjects participating in compulsory social insurance for members of cooperatives in general and groups of cooperative managers and executives. communes do not receive wages in particular.

Gender and social impact assessment are two aspects of the overall policy impact assessment, including economic, administrative, social, gender and legal systems. This study only focuses on the following social and gender perspectives:

- (i) Clearly identify the needs and capabilities of the above target groups in participating in compulsory social insurance;
- (ii) Assess the social and gender impacts of the expansion of the compulsory social insurance coverage for the above target group;
- (iii) Recommendations on future solutions.

3.2. Evaluation methods

As analyzed in Part I, due to the lack of gender disaggregated data on production and business activities and income in general and the participation in social insurance in particular of cooperative members and employees employed by the cooperative in the region. This gender and social impact assessment study will use qualitative and quantitative methods including literature review and field survey.

3.2.1. Desk review

A review of available literature and statistics aims to:

- Give an overview of the social insurance participation status of people working in cooperatives, especially in non-agricultural cooperatives in general and of the group of unpaid cooperative managers and executives in private;
- Determine the need and ability to participate in compulsory social insurance of the above-mentioned groups of subjects according to their business lines, age, gender, ethnicity and region;
- Identify the initial social and gender impacts on the above target group to determine what additional information needs to be collected for social and gender impact assessment through survey at local.

The results of a review of the available literature and statistics are presented in Parts I and II of this Report.

3.2.2. Field survey

The surveys were conducted in 3 province/cities: Hanoi, Quang Nam and Ho Chi Minh City where are *with a large number of cooperatives and members* and represent the North - Central - South regions based on the results of the desk review.

The surveys in 3 province/cities were conducted through interviews using a questionnaire to collect the necessary information to overcome the lack of gender disaggregated data in the existing statistics and for in-depth analysis. social and gender impacts of expanding the subject of compulsory social insurance coverage for members of cooperatives in general and groups of unpaid cooperative managers and executives in particular. Two main target groups were focused on surveying, including:

Group 1: People who manage and run cooperatives, including salaried and unpaid employees (3 people/cooperative); and

Group 2: Employees working for the cooperative, including cooperative members and employees hired by the cooperative (2 people/cooperative).

In addition to the questionnaire interviews for the above subjects, meetings with representatives of the provincial and district social insurance agencies and the provincial Cooperative Union at the local level selected for the survey were also conducted to find out an overview of the implementation of policies and laws on social insurance of these localities, focusing on the cooperative sector.

On the basis of existing statistics, each locality is initially expected to choose 2 districts/districts/cities to conduct a survey with 33 cooperatives according to different economic sectors (*see Table 6 for details*).

Table 6. Number of cooperative samples expected to be surveyed

Types of cooperative	Ha Noi	HCM City	Quang Nam province
Industrial cooperative	10	5	14
Construction cooperative	2	2	5
Service cooperative	21	26	14

The selection of cooperatives for the survey was carried out with the following specific criteria:

- (i) focus on cooperatives employing 10 or more employees, including workers who are members of the cooperative and employees employed by the cooperative; and
- (ii) ensure gender balance (preferably 50:50 ratio) with at least 30% of respondents being female.

Table 7. Actual sample of cooperatives surveyed

Province/ city	Service cooperative				Industrial cooperative	Construction cooperative	
	Amount	Of which					
		Commerce	Transportation	Agriculture			Other
Ha Noi	22	13	1	8	5	9	0
Quang Nam	25	6	2	17	3	6	0
HCM City	27	15	12	0	0	1	1
Total	74	26	15	25	8	16	1

However, the headquarters and production and business locations of the cooperatives in the selected province/cities for the survey are not consistent with the number of samples initially expected for each district/district/city. On the other hand, interviews were highly dependent on the acceptance of the cooperatives, so the survey was carried out in different districts/cities as suggested by the local district

social insurance agencies. The number of cooperatives surveyed in Hanoi, Quang Nam and Ho Chi Minh City were 31, 31 and 29, respectively (see Table 7 for details). Table 8 shows a detail the number of respondents.

Table 8. Number of respondents by position in the cooperative and gender

No.	Position	Title	Amount	Of which	
				Male	Female
1	Executively managerial persons	Chairman of the Board of Directors	16	15	1
		Member of the Board of Directors	40	28	12
		Chairman cum CEO	56	45	11
		CEO who is cooperative member	16	11	-
		CEO who is hired by cooperative	3	3	0
		Deputy CEO who is cooperative member	17	9	8
		Deputy CEO who is hired by cooperative	3	3	-
		Chief of supervisory Board	29	20	9
		Controller	21	16	5
		TOTAL (1)	201	150	51
2	Employees	Cooperative members	84	31	53
		Employees hired by cooperative	74	18	56
		TOTAL (2)	158	49	109
TOTAL (1+2)			359	199	160

The surveys were conducted in 4 working days in each province/city, specifically as follows:

In the city. Ho Chi Minh: From April 6 to 9, 2021.

In Quang Nam: From April 13 to 16, 2021

In Hanoi: April 20, 22, 23 and 27, 2021 due to public holidays.

The surveys were carried out in close cooperation and coordination between the assessment team and the Social Insurance Department under the Ministry of Labor, War Invalids and Social Affairs, Vietnam Social Insurance, the Vietnam Cooperative Alliance and the social insurance agencies at provincial and district levels and the provincial Cooperative Alliance in the surveyed province/cities. Interviews were conducted at the registered office of the cooperatives with people currently working for the cooperative. Because the surveys were conducted at the workplace and between 8.00AM and 5.00PM, therefore, when the research team carried out the survey, there were not enough people to interview as initially planned due to work reasons at many cooperatives.

3.2.3 Field survey results

Analysis of the data collected through the survey in 3 provinces/cities shows the following results:

1• Types and business activities of cooperatives:

Most of the surveyed cooperatives operate in the service sector (81.32%), the rest are industrial and construction cooperatives. Out of the total number of cooperatives surveyed, there was only one construction cooperative. In particular, service cooperatives focus mainly on trade (35.14%), agricultural material supply (33.78%), and transport (20.27%), based on previously registered business activities. Other service cooperatives, including health care, rural electricity supply, environment and credit accounted for only 10.81% of the total number of service cooperatives surveyed. The share in terms of business activities of these cooperatives is quite consistent with the data obtained from national statistical sources (see Part I).

Most of the surveyed cooperatives were established before the 2002 Cooperative Law was passed. Only very few cooperatives have been established since 2012. All of these cooperatives have been restructured under the Law on Cooperatives in 2012 with an enterprise-style operating model, consisting of a Board of Directors, Directors and a Supervisory Board.

2• Status of members and use of labor in cooperatives:

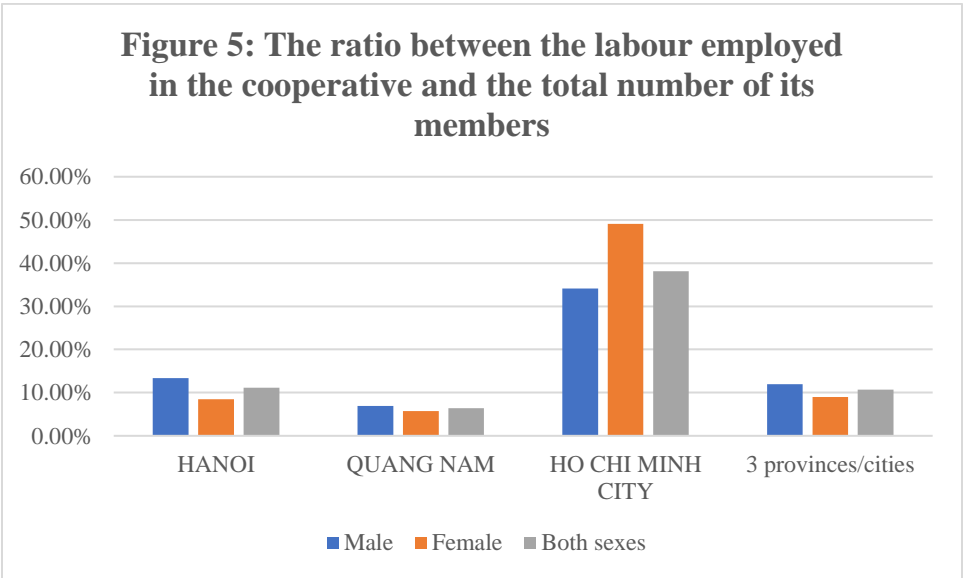
According to national statistics, a characteristic feature of cooperatives is that the number of workers employed by cooperatives is much lower than the total number of cooperative members, only about 35%. However, the survey in 3 provinces/cities shows that there is a rather large difference between this proportion of them compared to that of the whole country with 10.68 % (*11.99% for men and 8.98% for women*). See Table 9 for details on membership and labour use in cooperatives. The explanation for this situation is that most of the cooperative members only contribute capital and enjoy the benefits from the capital contribution, but do not participate directly in the business process of the cooperative, especially common in agricultural cooperatives that convert to service ones supplying agricultural and plant protection materials and irrigation. Many of cooperatives of this type have thousands of members but only employ a few dozen workers (*mostly seasonal workers performing irrigation services*).

Table 9. Actual status of members and labor used in surveyed cooperatives

Unit: person

Province/city	Cooperative member			Labor used in cooperatives								
	Male	Female	<i>Both sexes</i>	<i>Cooperative member</i>		<i>Employees hired by cooperative</i>		<i>Seasonal workers</i>		<i>TOTAL</i>		
				Male	Female	Male	Female	Male	Female	Male	Female	<i>Both sexes</i>
HANOI	4,000	3,379	7,379	483	262	41	24	10	0	534	286	820
QUANG NAM	7,627	6,228	13,855	275	143	134	111	119	103	528	357	885
HOCHIMINH CITY	1,501	548	2,049	227	147	243	120	42	2	512	269	781
TOTAL	<u>13,128</u>	<u>10,155</u>	<u>23,283</u>	<u>985</u>	<u>552</u>	<u>418</u>	<u>255</u>	<u>171</u>	<u>105</u>	<u>1,574</u>	<u>912</u>	<u>2,486</u>

In Hanoi and Quang Nam, the ratio between the total number of regular employees in the cooperative and the total number of members is extremely low at 11.11% and 6.39% respectively. From a gender perspective, this proportion is even more different with 8.46% for women and 13.35% for men in Hanoi; and 5.73% for women and 6.92% for men in Quang Nam. This is explained by a large number of surveyed cooperatives that are agricultural cooperatives converted to service ones. The proportion between the total number of regular employees in the cooperative and the total number of members in Ho Chi Minh City is quite similar to the national average proportion with 38.12% (34.11% for men and 49.09% for women), see Figure 5. The high proportion of Ho Chi Minh City is explained by a relatively large number of transport cooperatives surveyed (12/29 cooperatives). The characteristic of this type of cooperative is that members contribute capital through the contribution of vehicles to the cooperative. These members can directly drive the vehicle or through their authorized person in the business process of the cooperative.



The surveyed cooperatives often employ workers in two main groups, including: (i) office workers to assisting the Board of Directors and CEO, such as accountants, treasurers or IT staff; and (ii) workers directly create products of the cooperatives.

In general, surveyed cooperatives often prioritize the use of labor from their members and only hire labor when their members cannot meet the demand for work skills. Female workers account for a high proportion in the office workers group, while men are used more in the process of directly creating products.

3• *Regarding the gender of respondents:*

The survey of cooperatives shows that except for the position of deputy director, men account for a large proportion of all executive management positions (above 70%), while women make up a high percentage of workers (including cooperative members – 64% and employees who are employed by cooperatives – 76%).

4• *Regarding the age of the respondents:*

The average age of respondents in executive management positions group is generally over 50 years old for both men and women (*except in the case of hired deputy directors – 49 years old*) (see Table 12). This is the age that makes people very hesitant to decide to participate in social insurance when the condition to enjoy the monthly pension is to have full 20 years of contributions. It is worth noting that the survey shows that the ages of executive managers, who do not follow wage regimes, are often higher than the average age of those who do follow wage regimes (*hired director – 52 years old and hired deputy director – 49 years old*). Especially in key positions – Chairman of the Board of Directors or CEO – whether they do or do not follow wage regimes, all women are at the statutory retirement age (55 years old).

Table 10. Average age of respondents

No.	Position	Title	Male	Female
1	Executively managerial persons	Chairman of the Board of Directors	59	58
		Member of the Board of Directors	55.5	55
		Chairman cum CEO	55.5	55.5
		CEO who is cooperative member	54.5	54.5
		CEO who is hired by cooperative	52	
		Deputy CEO who is cooperative member	55	50
		Deputy CEO who is hired by cooperative	49	
		Chief of supervisory Board	57.5	52.5
		Controller	50.5	53
2	Employees	Cooperative members	47	44
		Employees hired by cooperative	46	37

Table 10 shows that there is no big difference between men and women in the average age of cooperative members who are currently directly involved in the cooperative's business process (*47 years old for men and 44 years old for women*). However, the average age of the hired workers is quite different between men and women (*46 years old for men and 37 years old for women*). These are the ages at which employees need to participate in compulsory social insurance to be able to accumulate a contribution period to be eligible for monthly pensions when they are old.

5• *Marital status and dependent children of respondents*: The survey in 3 provinces/cities shows that most of both men and women are married and still living with their respective partners at 88% and 87% respectively. 9% of men and 7% of women are currently unmarried, the rest are divorced or widowed.

Table 11. Status of children under 18 years of age of the respondents

No.	Position	Male			Female		
		<i>Under 7 years old</i>	<i>From 7 years old to under 18</i>	<i>Both age groups</i>	<i>Under 7 years old</i>	<i>From 7 years old to under 18</i>	<i>Both age groups</i>
1	Executively managerial persons	6.67%	23.33%	10.00%	7.84%	21.57%	7.84%
2	Employees	8.33%	22.92%	12.50%	24.55%	30.00%	20.00%

The survey also shows that more than half of the respondents (*50.7% of both executively managerial persons and employees*) are currently raising children under the age of 18 with 40.9% for men and 62.7% for women. From a gender perspective, at child age groups (*under 7 years old and from 7 years old to under 18 years old*), women in the total number of respondents accounted for a higher proportion than men in the total respondents – 32.39 % compared to 15.00% for child age group of under 7 years old and 51.57% compared to 46.25% for child age group from 7 years old to under 18 years old (*see Table 11*). This data shows that in both management and employee groups, women have more needs than men in sickness benefit (when their children are sick), maternity benefit (pregnancy and childbirth) and survivorship one (raising children under 18 when the breadwinner dies).

6• Regarding the ethnicity and disability status of respondents:

- Regarding ethnicity, out of a total of 359 respondents (199 men and 160 women), only 6 people are of the Hoa ethnic group (4 men and 2 women) and the rest are Kinh people. Therefore, ethnicity is not clearly reflected in this survey. In order to clarify the impact of the policy of expanding social insurance participation in the cooperative sector on ethnic minorities, a separate study is required.

- Regarding disability status, the survey shows that only 8/359 respondents have a disability. All were men and wounded soldiers, including a person with particularly severe disability; 2 persons with severe disability; and 5 persons with mild disability. Only 1 of them is an employee, the rest are in the position of executive managers. Currently, these war invalids are entitled to preferential policies for people with meritorious services, so they do not face difficulties in participating in social insurance.

7• Regarding the qualifications of the respondents:

In general, the survey shows that university or higher degree accounts for the highest proportion of the total number of respondents in the executive managerial group for both men and women, with 27.8% and 39.1% respectively. The follow is the intermediate level with 27.8% for men and 24.8% for women (*see Table 12*). It is noteworthy that the untrained rate of executive managers is quite high (24.7% for men and 14.9% for women) compared to that of the group with college level (7.1% for men and 10.6% for women).

From a gender perspective, in the executive management group, the rate of untrained women is much lower than that of men, respectively 11.8% and 20%, while with a university degree and above, the rate of women is higher than that of men, respectively 37.3% and 30.7%. Especially in the group of employees, the proportion of women who have not qualification and primary level is much lower than that of men with 16.4% untrained and 5.5% primary level for women and 39.6% untrained and 18.8% primary level for men. While at university level and above, the rate of women is much higher than that of men among respondents, with 40.0% and 18.8% respectively.

Please note, qualifications will normally determine a person's employment status leading to his or her salary and income. However, in the case of the surveyed cooperatives, there is a relatively high percentage of people, who are holding executive management positions, have no qualification or have only elementary level of qualifications with 37.3% for men and 25.5% for women.

Tale 12. Qualifications of respondents in surveyed cooperatives

No.	Position	Male					Female				
		<i>Untrained</i>	<i>Primary level</i>	<i>Intermediate level</i>	<i>College level</i>	<i>University and above</i>	<i>Untrained</i>	<i>Primary level</i>	<i>Intermediate level</i>	<i>College level</i>	<i>University and above</i>
1	Executively managerial persons	20.0%	10.7%	30.7%	8.0%	30.7%	11.8%	21.6%	23.5%	5.9%	37.3%
2	Employees	39.6%	18.8%	18.8%	4.2%	18.8%	16.4%	5.5%	25.5%	12.7%	40.0%
<u>Both groups</u>		<u>24.7%</u>	<u>12.6%</u>	<u>27.8%</u>	<u>7.1%</u>	<u>27.8%</u>	<u>14.9%</u>	<u>10.6%</u>	<u>24.8%</u>	<u>10.6%</u>	<u>39.1%</u>

8• *Working conditions in cooperatives:*

There is a recognition on the negative impact of work in the cooperative. The survey results show that a rate of the executively managerial persons, who recognized the bad effects of work in their cooperatives, among the respondents in the same group is higher than that of the employees, who recognized the negative impact of their work, among the respondents in the same group (see Table 13).

Table 13. Respondent's recognition on the bad impact of work

Position in cooperative	Male			Female		
	Yes	No	No response	Yes	No	No response
Executively managerial persons	32.00%	52.67%	15.33%	23.53%	66.67%	9.80%
Employees	26.53%	73.47%	-	5.50%	92.66%	1.83%

The rates of men recognizing the negative impact of their work were higher than those for women, with 32.00% and 23.53% for the executively managerial persons and 26.53% and 5.50% for employees, respectively. The high percentage of female workers who did not recognize the negative impact of work is explained by the fact that the majority of them are office workers.

The most recorded negative effects of work on workers were “*inflammable and explosive materials and working equipment; electric shock*” with 32 out of 79 records – mainly come from the number of cooperatives performing rural electricity supply services. The follow are the factors of “*having to be exposed to high concentrations of smoke, dust, substances, vapors, toxic gases, unpleasant odors*” with 26 out of 79 records. 20 out of 79 records noted for the factor “*having to be exposed to loud noise and high vibration*” – mainly from the number of industrial cooperatives, especially mechanical cooperatives. Notably, there were 19/79 records of the factor of “*prone to traffic accidents*” – mainly from the number of service cooperatives with transport activities. A common feature of these cooperatives is that they employ more male workers than female ones.

9• Regarding the type of work of the respondents:

The information obtained from the survey on the jobs/occupations held by the respondents shows that workers hired by cooperatives are mainly office staff with accountants – 60/158 respondents; and office workers (using computers and information technology software) – 20/158 respondents (see Table 14).

Table 14. Type of current job/occupation of the respondents

No.	Type of current job/occupation	Sex	Hanoi	Quang Nam	HCM City	Total
1	Accountant	Male	3	0	0	3
		Female	19	21	17	57
2	Treasurer	Male	0	2	2	4
		Female	5	8	4	17
3	Guard staff	Male	1	1	6	8
		Female	0	0	0	0
4	Mechanic, electrician, welder, machine operator	Male	4	3	0	7
		Female	0	0	0	0
5	Salespersons	Male	2	0	0	2
		Female	3	3	4	10
6	Agricultural workers	Male	3	1	0	4
		Female	0	1	0	1
7	Agricultural technician	Male	4	1	0	5
		Female	2	0	0	2
8	Office staff	Male	0	2	3	5
		Female	2	1	12	15
9	Unskilled workers/cleaners	Male	0	2	1	3
		Female	1	0	1	2
10	Engineer	Male	0	3	1	4
		Female	0	0	0	0
11	Driver	Male	0	1	3	4
		Female	0	0	0	0
12	Garment worker/craftsman	Male	0	0	0	0
		Female	0	2	1	3
13	Medical staff	Male	0	0	0	0
		Female	0	2	0	2
	Sub-total	Male	17	16	16	49
		Female	32	38	39	109
		TOTAL	49	54	55	158

The office workers are mainly women. Other jobs are prioritized by the cooperative for its members when they meet the requirements.

10• Regarding the actual situation of concluding labor contracts of the respondents:

As analyzed above, due to the increasing awareness of employees' social insurance benefits, especially those who have worked elsewhere before working for the cooperative, most of the respondents have concluded a labor contract with the cooperative, even with a working term of only 1 to less than 3 months. The majority of employees concluded labor contracts with an indefinite term or a fixed term of 1 year or more (*see Table 15*).

The number of respondents who did not conclude labor contracts with cooperatives was the highest in Hanoi. The reason given by the employees was that they are a member of the cooperative, therefore do not need to be bound by the labor contract, but only a cooperative document on their work in order to avoid participating in social insurance – this happens mainly to the elderly. However, there are also people who believe that they only want to make a verbal agreement to easily switch to another employer with high income.

It is worth noting that the number of people concluding labor contracts with the cooperative more than once is quite large (*36.73% for men and 30.27% for women*) (*see Table 16*). In addition to the reason that the re-concluding of the labor contract is associated with the restructuring of the cooperative according to the change of the Law on Cooperatives in years 2002 and 2012, interviewed female workers said that they often terminated their labor contracts with the cooperative upon giving birth and enjoyed a social insurance lump sum payment. They return to work for the cooperative when the child is one year old or older and re-conclude the labor contract with the cooperative.

Table 15. Actual situation of conclusion of labor contracts with employees in surveyed cooperatives by type of labor contract

Province/City	Conclusion of labor contracts				Type of concluded labor contract							
	Male		Female		Male				Female			
	Yes	No	Yes	No	Indefinite-term	Definite-term	3 to 12 months	1 to less than 3 months	Indefinite-term	Definite-term	3 to 12 months	1 to less than 3 months
Hanoi	15	2	24	8	11	4	0	0	13	9	2	0
Quang Nam	14	2	37	1	10	3	0	1	22	14	0	1
HCM City	14	2	38	1	7	6	1	0	30	8	0	0
Total	<u>43</u>	<u>6</u>	<u>99</u>	<u>10</u>	<u>28</u>	<u>13</u>	<u>1</u>	<u>1</u>	<u>65</u>	<u>31</u>	<u>2</u>	<u>1</u>

Table 16. Number of times of labor contract conclusion during working time for cooperative and reasons for not concluding labor contracts of the respondents

Province/City	Number of times of labor contract conclusion								Reasons for not concluding labor contracts			
	Male				Female				Male		Female	
	1 time	2 times	3 times	More than 3 times	1 time	2 times	3 times	More than 3 times	Cooperative member	Verbal agreement	Cooperative member	Verbal agreement
Hanoi	11	2	0	2	14	6	2	2	0	2	5	3
Quang Nam	8	3	3	0	24	3	4	6	1	1	0	1
HCM City	6	3	2	3	28	2	4	4	2	0	0	0
Total	<u>25</u>	<u>8</u>	<u>5</u>	<u>5</u>	<u>66</u>	<u>11</u>	<u>10</u>	<u>12</u>	<u>3</u>	<u>3</u>	<u>6</u>	<u>4</u>

11• Wages/income and participation in social insurance of the cooperative for its employees:

In all 3 province/cities, the survey results show that most service cooperatives (including agricultural cooperatives converted into the form of supplying agricultural materials) generate an average monthly income of VND5 to 6 million for their employees. Notably transport, health or credit cooperatives can generate an average income of VND8 million to 12 million for employees, although they are also service cooperatives. The average monthly income of workers in industrial and construction cooperatives is slightly lower ranging from VND4.5 million to 5.5 million. The survey did not find any gender discrimination in the wages/income of workers who are in the same jobs. The gender difference in wages/income of workers is often reflected in the positions held by workers. For example: (i) in transport cooperatives, men often have higher incomes than women because men drive vehicles while women work in the office; or (ii) in commercial cooperatives, men often have lower incomes than women because men mainly work as guard staff while women are usually salespersons cum cashiers or accountants.

12• Regarding the participation in and enjoyment of social insurance benefits of the respondents:

Respondents who are managers of cooperatives said that they comply with the law on compulsory social insurance for employees and only pay contributions for their employees, who work as office staff, with a small number of 1 to 3 people. To avoid the responsibility on social insurance for those directly involved in the production and business process, the cooperatives tend to put them in the group of seasonal workers and make verbal agreements on employment with them. This is quite common in transport cooperatives for drivers and in agricultural service cooperatives for irrigation officers – mostly men. In general, except for cooperatives in Ho Chi Minh City, the rate of participation in social insurance for their employees, both members and hired workers in Hanoi and Quang Nam is still low compared to is still low compared to the actual number of workers employed (*see Table 17*).

Hired workers often have a higher rate of participation in social insurance than that of cooperative members. To explain this situation, the information obtained from the survey shows the following:

- (i) Many cooperative members are over the working age (55 year-old for women and 60 year-old for men);
- (ii) An increasing understanding of the social insurance benefits of workers employed by the cooperative.

Table 17. The ratio between the number of employees contributed social insurance premiums by the cooperative and the total number of workers employed in the cooperative as of December 31, 2020

Province/city	Cooperative member		Employees hired by cooperative		TOTAL		
	Male	Female	Male	Female	Male	Female	<i>Both sexes</i>
Hanoi	19.67%	18.32%	36.59%	62.50%	20.60%	22.03%	21.10%
Quang Nam	39.64%	51.75%	62.69%	59.46%	36.55%	39.22%	37.63%
Ho Chi Minh City	85.02%	83.67%	100.00%	99.17%	85.16%	89.96%	86.81%
TOTAL	40.30%	44.38%	81.82%	78.43%	46.95%	48.79%	47.63%

The survey results also show that only 74.9% of respondents (both executive managers and employees) are currently participating in social insurance, both compulsory and voluntary (*see Table 18*). The rate of women participating in social insurance is much higher than that of men, at 80.1% and 70.7%, respectively. Among social insurance participants, those, who are participating in voluntary social insurance, only belonged the management group with a very low rate – 3.97% of the total number of participants in social insurance (*2.94% for men and 6.90% for women of the total number of respondents in the same group*). Participating in voluntary social insurance is explained by the respondents that currently, they are not covered by the compulsory social insurance scheme, but have had a period of social insurance contributions before and are close to being eligible for pension, so they try to participate in voluntary social insurance.

In terms of position in the cooperative, the survey results show that the proportion of men participating in compulsory social insurance in the management group is much higher than that of women at 66% and 52.9%, respectively. The rate of participation in compulsory social insurance in the management group is much lower than that of the employee group, both for men and women, at 66% versus 79.2% for men and 52.9% versus 90.9% for women, respectively. It is worth noting that the participation in social insurance of executive managers does not depend on whether they do follow or do not follow wage regimes. The reasons for the low rate of participation in compulsory social insurance of the executive management group are: (i) the average age is usually approximately or higher than the statutory retirement age; and (ii) many people in the executive management group are receiving a monthly pension.

Table 18. Status of participation in social insurance in surveyed cooperatives

Position	Number of respondents	Of which		Compulsory participation			Voluntary participation		
		Male	Female	Amount	Of which		Amount	Of which	
					Male	Female		Male	Female
Executively managerial persons	201	150	51	126	99	27	5	3	2
Employees	158	48	110	138	38	100	-	-	-
Total	359	198	161	264	137	127	5	3	2

Table 19. Situation of and reasons for not participating in social insurance of respondents

Position	Male						Female					
	Number of respondents	Number of people not participating in SI	Of which				Number of respondents	Number of people not participating in SI	Of which			
			Enjoying a pension	Over working age	Taking part in commercial insurance	Do not want			Enjoying a pension	Over working age	Taking part in commercial insurance	Do not want
Executively managerial persons	150	48	10	29	4	5	51	22	5	12	1	4
Employees	48	10		6		4	110	10	2	4	1	3
Total	198	58	10	35	4	9	161	32	7	16	2	7

In employee group, there is a rather large gap between men and women in the rate of compulsory social insurance participation with 79.2% for men, and 90.9% for women. This is explained by the fact that most drivers in the surveyed transport cooperatives do not participate in compulsory social insurance because these cooperatives usually only make verbal agreements with their cooperative members, who have their vehicles as capital invested in the cooperative. These members directly drive their vehicles or hire drivers for them and are paid for their expenses right after each trip. The cooperatives always consider them as seasonal workers and do not register to participate in social insurance for them. On the other hand, drivers often use that as an excuse to avoid participating in social insurance. However, in reality, drivers for cooperatives not only drive one vehicle, but can drive different vehicles for different cooperatives, so their monthly incomes are not low and their employment is regular, not seasonal. Please note that the rate of participation in social insurance mentioned here is calculated only on the number of people, who are directly involved in the product creation process of the cooperative. If this ratio is calculated on the total number of cooperative members, it is relatively consistent with the national statistics mentioned in Part I above.

Table 19a. reasons for not participating in social insurance of respondents
(by percentage)

Position	Sex	<i>Enjoying a pension</i>	<i>Over working age</i>	<i>Taking part in commercial insurance</i>	<i>Do not want</i>
Executively managerial persons	<i>Male</i>	20.83	60.42	8.33	10.42
	<i>Female</i>	22.73	54.55	4.55	18.18
Employees	<i>Male</i>	0	60,00	0	40.00
	<i>Female</i>	20.00	40.00	10.00	30.00
Total	<i>Male</i>	17.24	60.34	6.90	15.52
	<i>Female</i>	21.88	50.00	6.25	21.88

Regarding the cases of not participating in social insurance, the survey shows that the rate of men not participating in social insurance is higher than that of women for both management and employee groups, with 29.29% and 19.88% respectively (see Tables 19 and 19a). For each group separately, the rate of men not participating in social insurance in the management group is lower than that of women, respectively 32% and 43.14%; while the rate of men not participating in social insurance in the

employee group is much higher than that of women with 20.83% and 9.09% respectively. The main reason for not participating in social insurance given by respondents of both groups is that their age exceeds the statutory retirement age, so they do not want to participate in social insurance (60% for both men and women). Another reason to note is that over 20% of people who do not participate in social insurance (both women – 22.73% and men – 20.83%) in the management group are currently enjoying a monthly pension. In the group of employees, women also have a similar rate (20%). If this situation continues in the near future, the expansion of the compulsory social insurance coverage in the cooperative sector for executives who do not follow the wage regimes will not increase the number of participants in the compulsory social insurance scheme as well as social insurance beneficiaries.

In terms of social insurance contribution levels, the majority of respondents, both managers and employees, said their social insurance contributions are based on the minimum wage in the region where the cooperative is headquartered. Only a few cooperatives pay social insurance contributions based on the wage rate stated in the labor contracts with their workers. However, the level of wages is often much lower than that of the actual income paid by the cooperative.

13• Regarding the views on expanding compulsory social insurance coverage in the cooperative area: During the survey, questions about the respondents' views on the expansion of the compulsory social insurance coverage in the cooperative area were explained quite specifically for each respondent. The main contents are shown in the notes from E1 to E5 and from N1 to N5 of Table 20 below. The questions focused not only on the executive managerial persons who do not follow the wage regimes but extended to all members of the cooperative, workers who are members of the cooperative or employed by the cooperative.

- Agree with expanding compulsory social insurance coverage in the cooperative area:

Option E1 for the case of agreeing to the expansion of the compulsory social insurance coverage in the cooperative sector – *The same benefits are guaranteed as employees working in other areas, such as the public sector or business sector* – is the one that received the most agreement among both men and women as well as in both the executive management and the employee groups with 112/198 respondents for men and 97/161 respondents for women, respectively 56.6% and 60.2%.

The next agreed option that received much consensus is option E2 – *People working in cooperatives also have to bear the same risks of loss of income as workers in*

enterprises when they get sick or pregnant; or had employment injuries at work; or have to stop business activities due to events such as Co-vit 19 – with 84/198 respondents for men and 77/161 respondents for women, respectively 42.4% and 47.8%. In both options E1 and E2, the consent rate of women in both executive and employee groups is higher than that of male respondents in the same group (see Table 21).

Option C3 – *Creating trust among employees as well as cooperative members in the collective economic sector, contributing to the development of the cooperative economy* – received the consensus of 36.9% in total number of male respondents of both executive and employee groups. This rate in women is 32.3%. Consensus rates for men in both executive and employee groups were higher than that of women in the same group at 35.3% and 41.7% of men vs 29.4% and 33.6% of women respectively.

Table 20. The respondents' views on the expansion of the compulsory social insurance coverage in the cooperative area

Position	Male										Female									
	Yes					No					Yes					No				
	E1	E2	E3	E4	E5	N1	N2	N3	N4	N5	E1	E2	E3	E4	E5	N1	N2	N3	N4	N5
Executively managerial persons	82	62	53	40	0	32	8	35	8	10	28	24	15	10	-	13	3	16	2	2
Employees	30	22	20	13	4	1	2	9	1	4	69	53	37	30	7	6	3	21	5	3
Total	112	84	73	53	4	33	10	44	9	14	97	77	52	40	7	19	6	37	7	5

Notes:

Members of cooperatives including executive managers should be covered by the compulsory social insurance because:

E1: The same benefits are guaranteed as employees working in other areas, such as the public sector or business sector.

E2: People working in cooperatives also have to bear the same risks of loss of income as workers in enterprises when they get sick or pregnant; or had employment injuries at work; or have to stop business activities due to events such as Co-vit 19.

E3: Creating trust among employees as well as cooperative members in the collective economic sector, contributing to the development of the cooperative economy.

E4: In line with the principle of establishment on the foundation of mutual cooperation and assistance in business activities, and job creation in order to meet the common needs of cooperative members.

E5: Other ideas

Members of cooperatives including executive managers should not be covered by the compulsory social insurance because:

N1: The financial capacity of the cooperative to carry out the responsibility of paying compulsory social insurance contributions for its members is limited

N2: Agricultural cooperatives still account for a large proportion; The revenue of these cooperatives is not stable, leading to unstable income of the members. This easily leads to evasion of social insurance contributions.

N3: The income of cooperative members is not regular, so the deduction of income to pay social insurance contributions will face many difficulties on both the cooperative side and the members side.

N4: Due to the lack of professionalism in personnel management of cooperatives, registration for participation in social insurance and management of records for participation in compulsory social insurance will be very difficult.

N5: Other ideas

Table 21. Consensus opinion of the respondents on the expansion of the compulsory social insurance coverage for the cooperative sector
(by percentage %)

Position	Male					Female				
	E1	E2	E3	E4	E5	E1	E2	E3	E4	E5
Executively managerial persons	54.7%	41.3%	35.3%	26.7%	-	54.9%	47.1%	29.4%	19.6%	0.0%
Employees	62.5%	45.8%	41.7%	27.1%	8.3%	62.7%	48.2%	33.6%	27.3%	6.4%
Total	56.6%	42.4%	36.9%	26.8%	2.0%	60.2%	47.8%	32.3%	24.8%	4.3%

Disagree with the expansion of social insurance coverage in the cooperative sector: The main content of disagreement is shown in the notes from K1 to K5 of Table 22 below.

Option K3 – *The income of cooperative members is not regular, so the deduction of income to pay social insurance contributions will face many difficulties on both the cooperative side and the members side* – the most chosen by the respondents in both men and women with executive management and workers groups, 22.2% and 23.0% respectively (see Table 22).

Table 22. Disagreeing views of the respondents on the expansion of the compulsory social insurance coverage for the cooperative sector
(by percentage %)

Position	Male					Female				
	N1	N2	N3	N4	N5	N1	N2	N3	N4	N5
Executively managerial persons	21.3%	5.3%	23.3%	5.3%	6.7%	25.5%	5.9%	31.4%	3.9%	3.9%
Employees	2.1%	4.2%	18.8%	2.1%	8.3%	5.5%	2.7%	19.1%	4.5%	2.7%
Total	16.7%	5.1%	22.2%	4.5%	7.1%	11.8%	3.7%	23.0%	4.3%	3.1%

Next is option K1 – *The financial capacity of the cooperative to carry out the responsibility of paying compulsory social insurance contributions for its members is limited* – with 16.7% for men and 11.8% for women, both the executive management group and the employee group. It is worth noting that the rate of

disagreement of the workers group is much lower than that of the executive management group for both men and women, with 2.1% for men compared to 21.3% and 5.5% for women compared to 25.5%.

There are 30 opinions given by the respondents (*18 of men and 12 of women*) that are different from the suggested options. These comments mainly focused on issues of:

(i) the condition on the period of social insurance contributions for being entitled to a monthly pension – 20 years is too long. In fact, the survey shows that there are relatively many men and women, both in the positions of executive managers and employees, who have paid social insurance contributions from 15 to less than 20 years (*mainly people who have worked for cooperatives since the 2002 Law on Cooperatives took effect*), but are not entitled to a pension even though they have reached the statutory retirement age. Therefore, they must continue to work for the cooperative until they are eligible for monthly pension;

(ii) the voluntary social insurance scheme is not attractive. Its contribution rate is too high compared to the employee's ability when he/she has to pay the employer's share. Besides, the voluntary social insurance scheme has too few benefits compared to those of the compulsory social insurance one.

(iii) the expansion of the compulsory social insurance coverage in the cooperative sector is only suitable for those who are directly involved in business process of the cooperative, regardless of whether they are the managers who do follow or not follow the wage regimes, who are the cooperative's members or who are workers employed by the cooperative. The expansion will not be suitable if applied to all, including cooperative members who only benefit from share contributions but do not participate directly in the cooperative's business process.

14• Regarding the suggestions of the respondents: During the survey, the questions about the respondents' suggestions for the expansion of social insurance participants in the cooperative area were explained quite specifically for each respondent. The main contents are shown in the notes from S1 to S4 of Table 23 below. The questions focused not only on the executive managerial persons who do not follow the wage regimes but extended to all members of the cooperative, workers who are members of the cooperative or employed by the cooperative.

Table 23. Suggestions by respondents on the expansion of the compulsory social insurance coverage for the cooperative sector

Position	Male				Female			
	S1	S2	S3	S4	S1	S2	S3	S4
Executively managerial persons	21	23	51	18	10	10	17	5
Employees	5	15	12	5	9	27	32	5
Total	26	38	63	23	19	37	49	10

Note:

S1: First of all, it should only be applied to non-agricultural cooperatives;

S2: It is recommended to combine the expansion of the compulsory social insurance for coverage to all members of non-agricultural cooperatives with an increase in the level of State support for payment of social insurance contributions for employees covered by voluntary social insurance paid by the State for the agricultural cooperative's members;

S3: Prescribing a minimum contribution rate for the first 5 years of participation in order to reduce the financial burden on cooperatives and cooperative members if the expansion of the compulsory social insurance for coverage to members of non-agricultural cooperatives would be applied;

S4: Other suggestions.

Option S3 – *Prescribing a minimum contribution rate for the first 5 years of participation in order to reduce the financial burden on cooperatives and cooperative members if the expansion of the compulsory social insurance for coverage to members of non-agricultural cooperatives would be applied* – is the most commonly chosen option for both the executive management and the employee groups and also both men and women, representing 31.8% and 30.4%, respectively. The percentage of women who choose this option in the employee group is higher than that of men in the same group, 29.1% and 25.0% respectively; while the percentage of women choosing this option in the management group is lower than that of men in the same group, 33.3% and 34.0% respectively (see Table 24).

Next is option S2 – *The application of compulsory social insurance coverage for members of non-agricultural cooperatives should be combined with an increase in the level of State support paid by the State for payment of social insurance contributions for members of agricultural cooperatives when they participate into the voluntary social insurance scheme* – with 19.2% for men and 23.0% for women

for both executive management and employee groups. However, the proportion of men choosing this option in the executive group is lower than that of women in the same group, 15.3% and 19.6% respectively and much lower than that of men in the employee group (31.3%). The percentage of women who choose this option in the management group is also lower than that of both men and women in the employee group.

There were quite a few respondents who proposed their options (23 men and 10 women) for expanding the compulsory social insurance coverage in the cooperative area. Their recommendations focus on the following issues:

(i) The coverage expansion should not be applied to cooperative members who only benefit from share contributions but do not participate directly in the cooperative's business process.

(ii) It is necessary to study a way to participate into compulsory social insurance of some specific groups of workers, such as the transport cooperative drivers who do not conclude labor contracts with the cooperative but only work for the cooperative as a substitute for the capital contributors of the cooperative - the owners of the contributed vehicles.

Table 24. Suggestions by respondents on the expansion of the compulsory social insurance coverage for the cooperative sector
(by percentage %)

Position	Male				Female			
	S1	S2	S3	S4	S1	S2	S3	S4
Executively managerial persons	14.0%	15.3%	34.0%	12.0%	19.6%	19.6%	33.3%	9.8%
Employees	10.4%	31.3%	25.0%	10.4%	8.2%	24.5%	29.1%	4.5%
Total	13.1%	19.2%	31.8%	11.6%	11.8%	23.0%	30.4%	6.2%

IV. SOCIAL AND SOCIAL IMPLICATIONS OF EXPANDING COMPULSORY SOCIAL INSURANCE COVERAGE FOR COOPERATIVE AREA AND RECOMMENDATIONS FOR IMPROVEMENT

4.1 Social and gender implications of expanding compulsory social insurance coverage for the cooperatives area

Based on the analysis of statistics and information obtained from field surveys in 3 provinces/cities, the social and gender impacts of the expansion of compulsory social insurance coverage for the cooperative area are found as follows:

1. According to the analysis in Part I above, in the management group (*including both those who do follow and do not follow the wage regimes*), it is estimated that there is a maximum of 152,724 people in all existing cooperatives and 90,096 people in the active cooperatives with business results. According to the results of the field survey in 3 provinces/cities, out of the total number of executives surveyed, only 6/201 people were hired by cooperatives and concluded labor contracts under the title of CEO or deputy CEO, who are covered by the compulsory social insurance according as stipulated by the current law. In the upcoming amendment of the Law on Social Insurance 2014, the rest of them will be oriented to participate in compulsory social insurance. However, many of them are either (i) approximately or over the statutory retirement age (*including the retirement age raised according to the roadmap – men from 60 to 62 years old and women from 55 to 60 years old*); or (ii) enjoying a monthly pension with 6.673% of men and 9.80% of women.

Therefore, expanding the compulsory social insurance coverage to executive managerial persons, who do not follow the wage regimes may not significantly increase the number of participants and beneficiaries of social insurance policies as expected. Especially for people whose age is less than 10 years below the statutory retirement age, the condition for enjoying the monthly pension under the current regulations, that is 20 years or even if it could be reduced to 15 years in the future, would still keep them out of their monthly pension when the policy is in place.

Expanding the compulsory social insurance coverage to this target group also will not contribute to promoting gender equality as women account for less than 30% of executive management positions in cooperatives. In addition, the age of women in executive management positions is often approximately the same as the statutory retirement age and a much longer retirement age adjustment roadmap for women than for men all are factors that would make a certainly lower rate of women benefiting from the policy.

2. Statistics and field surveys show that, in their business, cooperatives only use a small number of their members along with other hired employees. The number of regular workers employed by cooperatives is much lower than the total number of cooperative members at about 35% according to national statistics and much lower in the three surveyed provinces/cities with 10, 68% (*11.99% for men and 8.98% for women*). This fact is because the majority of cooperative members only contribute capital and benefit from their capital contribution, but do not participate directly in the business process of the cooperative and have not labor relationship with the cooperative. It is especially common in the agricultural cooperatives transformed into cooperatives that provide agricultural materials, plant protection and irrigation services. Therefore, according to the current social insurance law, the majority of the workforce in the cooperative sector, including both men and women, are not covered by compulsory social insurance and are not entitled to sickness, maternity, employment injury benefits like other economic sectors. Expanding the compulsory social insurance coverage to only the cooperative management persons who do not follow the wage regimes will not cover the group of cooperative members (both women and men) who do not have an employment relationship with the cooperative but still have income from self-employment, including:

- (i) members of the cooperative are individuals who employ workers;
- (ii) members of cooperatives are representatives of households that employ workers.

3. Working conditions in cooperatives are recognized as having negative impacts on employees depending on the type of cooperative business activities. The negative effects of work on employees are mainly inflammable and explosive materials and working equipment; electric shock; having to be exposed to high concentrations of smoke, dust, substances, vapors, toxic gases, unpleasant odors; having to be exposed to loud noise and high vibration; and prone to traffic accidents. – mainly from the number of service cooperatives with transport activities. A common feature of these cooperatives is that they employ more male workers than female ones. These adverse effects are commonly observed in cooperatives providing rural electricity, environment, mechanical engineering, and transportation, which employ more male workers than female workers. These cooperatives often avoid their responsibility to participate in social insurance compulsory for their workers by using labor in the form of seasonal or contracted work. These are the groups of workers that need to be protected during their work because of hazardous working conditions such as illness and employment injury. Therefore, in addition to expanding the compulsory social insurance coverage to the cooperative management persons who do not follow the wage regimes, it is also necessary to have solutions to ensure social insurance benefits for employees who are adversely affected by their work in cooperatives.

4. Most cooperatives, including agricultural cooperatives, conclude labor contracts with their employees. The vast majority of workers hired by the cooperative, even with a working term of only 1 to less than 3 months, conclude labor contracts with the cooperative because they are increasingly aware of their social insurance benefits. However, the situation of not concluding labor contracts is quite common for employees who are cooperative members because both the cooperative and the employee do not want to be bound by the labor contract, but just need a decision to go to work to avoid participating in social insurance. This is quite common in transport cooperatives where their members, mainly men, who have vehicles as invested capital to the cooperative. These members work for cooperative as drivers or hire drivers to replace them to work for the cooperative and get paid immediately after each trip. Non-concluding of labor contracts also occurs among hired workers, including women and men, who approach statutory retirement age. Thus, compared to the number of managers, this is a large number of workers in this area, who are covered by the statutory compulsory social insurance but did not participate because they did not conclude labor contracts.

Re-concluding of labor contracts (two or more times) between cooperatives and employees took place quite a lot with 36.73% for men and 30.27% for women. In addition to the reason that the re-concluding of the labor contract is associated with the restructuring of the cooperative according to the change of the Law on Cooperatives in 2002 and 2012, the reason for giving birth and enjoying a social insurance lump sum payment is often cited by female employees (both cooperative members and hired employees). This shows that the social insurance lump sum payment policy is greatly affecting the process of accumulating period of social insurance contributions of employees in general and female employees in particular – who perform the functions of pregnancy, childbirth, and are primarily responsible for childcare.

5. The cooperative financial capacity and the employee's income are decisive factors for participation in social insurance. However, these factors depend a lot on the type of cooperative business activities. At the national level, in 2018, the average monthly income of an employee of the cooperatives in service sector was much higher than that of the cooperative in other economic sectors as with VND6.6 million; while the average monthly income of cooperatives in the industrial and construction cooperatives sector only reached VND3.8 million; the agricultural, forestry and fishery cooperatives reached the lowest level of the average monthly income with approximately VND1.7 million – only 20% higher than the statutory pay rate and much lower than the region-based minimum wages applied for enterprise also

showed similar results in service cooperatives with 5-6 million VND/month/employee. However, some types of service cooperatives, such as transport, health or credit cooperatives, can generate an average income of 8 million to 12 million VND/month/employee. The average monthly income of workers in industrial and construction cooperatives is slightly lower ranging from VND4.5 million to 5.5 million. The survey did not find any gender discrimination in the wages/income of workers who are in the same jobs. The gender difference in wages/income of workers is often reflected in the positions held by workers. For example: (i) in transport cooperatives, men often have higher incomes than women because men drive vehicles while women work in the office; or (ii) in commercial cooperatives, men often have lower incomes than women because men mainly work as guard staff while women are usually salespersons cum cashiers or accountants.

With the current average monthly income of an employee working in cooperatives, especially in agricultural ones, it is quite difficult for cooperatives to pay compulsory social insurance contributions for their employees. The level of social insurance contribution is mainly based on the minimum wage in the region where the cooperative is headquartered (*for both men and women*). Very few cooperatives pay social insurance for their employees based on the wages stated in the labor contract. This will lead to an extremely low level of social insurance benefits, especially for women in the maternity period, even though the benefit level is equal to 100% of the salary as the basis for paying social insurance contributions.

6. Actual participation in compulsory social insurance of cooperatives and their employees is very low. Only active cooperatives with business results participate in compulsory social insurance for their employees (including cooperative members and hired employees), however the number of these cooperatives tends to decrease from 47.47% in 2018 to 45.83% in 2019 and only reached 44.51% in 2020. National statistics also show in 2020 the number of cooperative members and employees hired by the cooperative to participate in compulsory social insurance is only 0.6% of the total number of cooperative members and 1.66% of the total number of regular employees in cooperatives. This rate is quite similar to the results obtained from the field survey in 3 provinces/cities.

Due to historical conditions, many cooperative members had participated in management before 1997 and that period of time was counted as participating in social insurance. After that, according to Decree 12/CP, these people were no longer eligible to participate in social insurance and were entitled to a social insurance lump sum payment. 1997, because they no longer were covered by social insurance scheme, they had to enjoy social insurance lump sum allowance. Since 2003 (when

the Law on Cooperatives 2002 took effect) they have re-joined compulsory social insurance. From 2003 onwards (*when the Law on Cooperatives 2002 took effect*) these managerial persons were again covered by the compulsory social insurance scheme according to Decree No. 01/2003/ND-CP. However, due to their age (*many people are over 62 years old for men and 60 years old for women - equivalent to the retirement age raised according to the roadmap*), so they can hardly qualify for 20 years of contributions to enjoy a monthly pension. Most of them accepted the lump-sum social insurance benefits and regret not receiving the monthly pension. A very few – *only executive managers* - with more than 15 years of paying social insurance have tried to pursue by participating in voluntary social insurance to enjoy monthly pension.

Although Decision No. 250/QĐ-TTg dated 29 January 2013 of the Prime Minister has provided solutions on the social insurance policies for the heads of agricultural, fishery and salt-based cooperatives, but its implementation has shown a number of shortcomings that need to be considered, including:

- According to the Social Insurance Charter promulgated together with Decree No. 12/CP, executive managers and employees working in cooperatives were not covered by the compulsory social insurance scheme, so in the period between July 1st, 1997 and before January 1st, 2007 (the effective date of the Law on Social Insurance 2006), many of them, who although continued to be the heads of cooperatives, were not covered by compulsory social insurance scheme. This resulted in the interruption of the process of accumulating their social insurance contributions to calculate pensions;
- Many of them, who had a period of time as the chairmen of the cooperative – the period of time is considered as the period of social insurance contributions to calculate the social insurance benefits, did not follow wages regimes or did not receive monthly subsistence allowance for commune officials during this period. This has caused problems in calculating the average monthly salary on which social insurance contributions are based in these cases
- The model of agricultural, fishery and salt-based cooperative with organizational scale throughout the commune is only common in the northern provinces/cities while in the southern there may have more than one cooperative in the form of agriculture, fishery and salt production in a commune.

Thus, besides the cooperative managers who do not follow wage regimes, there are other group of people (including women and men) that need to be taken care of to ensure they continue to participate in the system and enjoy the social insurance

benefits when facing risks during work and when reaching the statutory retirement age.

7. *The views on expanding compulsory social insurance coverage in the cooperative area:*

- Agree with expanding compulsory social insurance coverage in the cooperative area: *“The same benefits are guaranteed as employees working in other areas, such as the public sector or business sector”* is the one that received the most agreement among both men and women as well as in both the executive management and the employee groups. The next agreed option is that *“People working in cooperatives also have to bear the same risks of loss of income as workers in enterprises when they get sick or pregnant; or had employment injuries at work; or have to stop business activities due to events such as Co-vit 19”*. In both options, the consent rate of women in both executive and employee groups is higher than that of male respondents in the same group.

- Disagree with the expansion of social insurance coverage in the cooperative sector: *“The income of cooperative members is not regular, so the deduction of income to pay social insurance contributions will face many difficulties on both the cooperative side and the members side”* is the most chosen by both men and women in both executive management and workers groups. Next is the option that *“the financial capacity of the cooperative to carry out the responsibility of paying compulsory social insurance contributions for its members is limited”*.

The dissent rate is much lower than the consensus rate, and the dissent rate of the workers group is much lower than that of the executive management group in both men and women.

Some of the suggestions offered by both the executive management and the workers groups include:

- The expansion of the compulsory social insurance coverage for the cooperative sector is only suitable for those directly involved in the business process of the cooperative, regardless of whether they do or do not follow wage regimes, they are cooperative members of the cooperative hired employees and it would not be appropriate to apply to all, including members of the cooperative who only benefit from their invested capital in cooperatives but do not participate directly in the business process. of the cooperative;

- The entitlement conditions for monthly retirement pension with 20 years of social insurance contribution is too long;
- Although there is support from the State, but the contribution rate of voluntary social insurance scheme is too high compared to the employee's ability to contribute when he/she has to pay the employer's share if they want to maintain the same level of contribution as the compulsory social insurance one. Besides, the respondents are not interested in voluntary social insurance due to too few benefits, so instead of participating in social insurance, they find commercial insurance more reasonable for their situation.
- There should be a separate way to participate in compulsory social insurance for some specific groups of workers, such as drivers in transport cooperatives who do not conclude a labor contract with the cooperative, but only work for the cooperative with as a substitute for the capital contributor of the cooperative - the owner of the contributed vehicles.

8. A number of other problems may arise when the extending the compulsory social insurance coverage could be applied to executively managerial persons, who do not follow the wage regimes, including:

- There is a concern that by extending the compulsory social insurance coverage to executively managerial persons who do not follow the wage regimes, the cooperative will have to pay a large share of their total social insurance contribution, therefore, there may be a situation of taking turns on executive management positions of persons who do not follow the wage regimes in the cooperative. This will lead to intermittent participation in social insurance and not accumulate enough years of social insurance contributions to enjoy a monthly pension in old age – the main objective of the policy is not achieved.
- For the group of cooperative members who do not directly participate in the business process of the cooperative. This is the largest group in the cooperative and only receives profit from the cooperative's business activities. However, the field survey showed that most cooperatives pay profit every year or every 5 years and the amount of profit received is insignificant, especially in agricultural cooperatives. Therefore, if the executive managers, who do not follow the wage regimes, would be are paid a share (large share) of the total social insurance contribution to by the cooperative and the other members of the cooperative would not, it is completely unreasonable to them.
- Certainly, the workload of the agency implementing the social insurance policy and law must increase when it is necessary to clearly identify who are the executive managers not following the wage regimes in the cooperative. The number of these

people, which may change after each cooperative general meeting of members, is also an issue that the policy implementing agency must grasp. Therefore, the ultimate goal of the social insurance implementing agency's efforts, which is to have more people to participate in compulsory social insurance and enjoy monthly pensions, is difficult to come true.

4.2 Recommendations for improvement

In order to expand the compulsory social insurance coverage for the cooperative sector, the following solutions should be considered:

1. The expansion of the compulsory social insurance coverage for the cooperative sector is very necessary because the social insurance coverage in this sector is very low compared to the social insurance coverage nationwide. Therefore, it is not enough to just expand the social insurance coverage to executive managers who do not follow the wage regimes in the cooperative, but also to pay attention to the other groups that still have not yet been covered by the compulsory social insurance scheme such as (i) individual cooperative members who hire labourers; (ii) cooperative members are representatives of households that employ workers; as well as other cooperative members

The amendment and supplement of the Social Insurance Law 2014 should begin immediately building the foundation of a multi-tiered social insurance system through two basic tiers: (i) the social pension allowance tier and (ii) the contribution-based social insurance tier with appropriate support from the state budget. Such a multi-tier system will ensure a wide coverage of social insurance and all employees in the cooperative sector will be covered in this system.

2. Besides building the foundation of a multi-tiered social insurance system, the gradual expansion of the compulsory social insurance coverage in the cooperative area and according to the roadmap should also be carried out for all members of the cooperative, especially in the context of the 2019 Labor Code regulates all “*employees, apprentices, trainees, and other persons working without labour relations*”¹⁰.

In the short term, it can only be applied to non-agricultural cooperatives with a minimum compulsory social insurance contribution in the first 5 years of participation. In order to reduce the financial burden on the cooperative and to create

¹⁰ Clause 1 Article 2

the sense and habit of self-security among the members of the cooperative, it is possible to encourage the cooperative to use part of its annual profit to pay social insurance contributions for its members.

3. Consider allowing cooperative members, who used to manage and operate before 1997, are now full 62 years old for men and 60 years old for women and have from 15 years to under 20 years of social insurance contributions to enjoy monthly pension when it is not possible to change the condition of 20 years of social insurance contributions.

4. Strengthen the inspection of the implementation of responsibilities of cooperatives in paying social insurance contributions for their employees to ensure that cooperatives fulfill their responsibilities for some specific groups of workers such as truck drivers in transport cooperatives, irrigation workers in agricultural cooperatives, and cleaners in cooperatives.

5. Policies to promote cooperative development, such as the Cooperative Development Assistance Fund, should be closely linked to ensuring that in order to benefit from such policies, for example cooperatives must commit to the responsibility to participate in compulsory social insurance for their employees (*including members and employees hired by cooperative*)./.

V. APPENDIX.

REGULATIONS OF THE SOCIAL INSURANCE LAW ON COVERAGE OF COMPULSORY SOCIAL INSURANCE SCHEME FOR COOPERATIVE AREA

No.	Documents	Contents of regulations
1	Decree No. 12/CP dated January 26th, 1995 of the Government	Not applicable to cooperatives
2	Decree No. 01/2003/ND-CP dated January 9th, 2003 of the Government	<p><i>Persons, who work for cooperative, are covered by the compulsory social insurance, including:</i></p> <ul style="list-style-type: none"> - The persons, who work under a labor contract with a definite term of at least 3 months or with an indefinite term in: <ul style="list-style-type: none"> i) Individual business households, cooperative teams; and ii) Other organizations employing labour. - Employees and cooperative members who work and follow wages regimes under labor contracts for full 3 months or more in cooperatives established and operating under the Law on Cooperatives.
3	Social Insurance Law 2006	<p><i>Persons, who work for cooperative, are covered by the compulsory social insurance, including:</i></p> <ul style="list-style-type: none"> - The persons, who work under a labor contract with an indefinite term or with a definite term of at least 3 months; - Employers covered by compulsory social insurance include state agencies, non-business units and people's armed forces units; political organizations, socio-political organizations, socio-politico-professional organizations, socio-professional organizations and other social organizations; foreign agencies and organizations, and international organizations operating in the Vietnamese territory; enterprises, cooperatives, individual business

		households, cooperative teams, and other organizations and individuals hiring, using and remunerating employees.
No.	Documents	Contents of regulations
4	Decision No. 250/QD-TTg dated January 1st, 2013 of the Prime Minister	<p><i>Persons, who work for cooperative, are covered by the compulsory social insurance, including:</i></p> <p>A person, who used to be the chairman of agricultural, fishery and salt production cooperatives with organizational scale throughout the commune from July 1, 1997 or earlier, had not yet enjoyed the social insurance benefits for the time as the cooperative chairman, if he/she undertook at least one of the prescribed jobs after no longer holding this position:</p> <ul style="list-style-type: none"> - For the person, who did not undertake at least one of the prescribed jobs after no longer holding the position as the chairman of the cooperative, shall be entitled to a lump-sum allowance paid from the provincial budget. <p>Each year of working as the cooperative chairman shall be equivalent to 01 month of the current general minimum salary. The lowest level of the lump-sum allowance is equal to 03 months of the current general minimum salary;</p> <p>If the duration of working as the cooperative chairman was less than 03 months, it shall not be considered as SI contribution time; from 03 months to 06 months shall be considered as half a year of SI contribution; more than 6 months shall be considered as a year of SI contribution; For a person, who have been interrupted for 12 months or more as the Chairman of the cooperative, his/her period before interruption shall not be considered as time for enjoying allowances specified in this Decision.</p> <ul style="list-style-type: none"> - For a person, who undertook at least one of the prescribed jobs after no longer holding the position of cooperative chairman (<i>if a period of time of undertaking the prescribed jobs is intermittent, it can be accumulated and if the social insurance contributions have not been done for the period of time after no longer holding the position of cooperative chairman, these contributions must be repaid</i>), the period of serving as the cooperative chairman shall be added to the period of payment of social insurance contributions to enjoy the social insurance benefits according to current regulations of law. <p>In case the social insurance contributions are not repaid as prescribed in this Clause, the duration of serving as the cooperative chairman shall be entitled to a lump-sum allowance</p>

		paid from the provincial budget. The level of the lump-sum allowance shall be calculated as above.
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No.	Documents	Contents of regulations
5	Social Insurance Law 2014	<ul style="list-style-type: none"> - Persons working under indefinite-term labor contracts, definite-term labor contracts, seasonal labor contracts or contracts for given jobs with a term of between full 3 months and under 12 months, including also labor contracts signed between employers and at-law representatives of persons aged under 15 years in accordance with the labor law; <i>(come into effect from January 1, 2016)</i> - Persons working under labor contracts with a term of between full 1 month and under 3 months; <i>(come into effect from January 1, 2018)</i> - Employers covered by compulsory social insurance include state agencies, non-business units and people's armed forces units; political organizations, socio-political organizations, socio-politico-professional organizations, socio-professional organizations and other social organizations; foreign agencies and organizations, and international organizations operating in the Vietnamese territory; enterprises, cooperatives, individual business households, cooperative teams, and other organizations and individuals that hire or employ employees under labor contracts.

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