International Labour Organization

ILO brief

Mapping the social and solidarity economy in Viet Nam

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Key points

- The concept of the social and solidarity economy (SSE) closely aligns with Viet Nam's concept of the collective economy, which includes cooperatives, cooperative unions and *artels*.
- In Viet Nam, SSE actors may include *artels*, cooperatives, cooperative unions, associations, social enterprises and informal self-help groups. Cooperatives are central, with the Viet Nam Cooperative Alliance (VCA) as their main representative and an ILO constituent.
- While Viet Nam has no legal framework covering the SSE in its entirety, the different entities comprising the SSE are supported by a comprehensive and continuously developing framework of national laws and decrees.
- SSE entities in Viet Nam contribute to job creation and sustainable development, especially for women, ethnic minorities and rural populations, but face challenges including limited finance, capacity, policy coherence and decent work deficits in smaller cooperatives and *artels*.

This brief examines the contours of the social and solidarity economy (SSE) in Viet Nam, emphasizing its contributions to decent work and sustainable development. It outlines relevant legal, institutional and policy frameworks, and identifies pathways for further advancement of the SSE.

The social and solidarity economy in context

Although the term SSE is not the primary legal concept, the practices and organizational forms reflecting its values are widespread. Viet Nam's Collective Economy serves as the main national framework for these entities.

Historically, initiatives using business activities to deliver sustainable social solutions began to take shape after the introduction of the *Đổi Mới* (renovation) policy in 1986. This policy marked a turning point by recognizing a multi-component economy, where different forms of ownership and economic activity could coexist under state management, enabling individuals and communities to participate more directly in responding to social needs.

The SSE in Viet Nam is not new. Its roots run deep in Vietnamese culture, rooted in collective and community-based practices. For generations, village communities (*làng xã*) engaged in collective responsibility and mutual aid through practices such as *đổi công* (labour exchange), *tương thân tương ái* (mutual assistance and solidarity), communal management of irrigation and land, and *family clan (họ) support for* education and livelihoods. These foundations aligned with the principles of solidarity and cooperation later advanced by President Hồ Chí Minh, who in 1927 described cooperatives as vehicles for democratic member control, collective ownership and mutual benefit. Following independence, cooperatives were promoted as essential to rural development and social solidarity.

Building on these traditions, Viet Nam's constitutional framework recognizes a collective economy that closely aligns with SSE principles. It is recognized in the 2013 Constitution as one of the four main sectors of the national economy in Viet Nam, which shares key characteristics with the SSE and "involves economic establishments in which members contribute capital, assets, means of production voluntarily; conduct production and business jointly; perform management collectively according to the principles of democracy and equality; ensure distribution in alignment with contributed capital, labour or engagement service levels".[1]

▶ The ILO definition of the SSE

The SSE encompasses enterprises, organizations and other entities that are engaged in economic, social, and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence, and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits as well as assets. SSE entities aspire to long-term viability and sustainability, and to the transition from the informal to the formal economy and operate in all sectors of the economy. They put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods. According to national circumstances, the SSE includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the SSE

ILO Resolution concerning decent work and the social and solidarity economy, 2022.

Viet Nam's collective economy broadly reflects these principles, such as voluntarism, democratic governance and member benefit. Within this framework, the core entities are *artels,* cooperatives – including agricultural cooperatives and people's credit funds – and cooperative unions **The Viet Nam's government actively promotes the development of the collective economy**, which comprises organizational forms that progress from low to high levels of cooperation, as outlined in table 1.

▶ Table 1: Collective economy forms in Viet Nam

Form	Legal status	Membership	Key features
Artels (tổ hợp tác / cooperative groups)	No legal status (based on cooperation contract)	At least 2 members (individuals or households)	Simplest form of collective economy; members pool capital and labour; often evolve into cooperatives
Cooperatives (*hợp tác xã*)	Legal entity: *Law on Cooperatives 2023*	Minimum 5 members (individuals or legal entities)	Core unit of the collective economy; democratic governance;
Cooperatives Unions (*liên hiệp hợp tác xã*)	Legal entity: *Law on Cooperatives 2023*	Formed by at least 2 cooperatives	Federation level; link production and markets; enhance bargaining power

Source: VCA, *White Book on Cooperatives 2024*

At the entry level of cooperation are *artels* (tổ hợp tác), representing the simplest form of Viet Nam's collective economy. They are voluntary groups of at least two members who contribute capital and labour to carry out specific activities for mutual benefit. While they share several characteristics with cooperatives, such as collective ownership, democratic cooperation and joint responsibility, *artels* differ in that they lack juridical personality. In 2023, there were about 72,183 *artels* nationwide, many operating in agriculture, fisheries, handicrafts and small-scale services.[2] They often serve as a transitional form between individual household production and formally registered cooperatives, contributing to rural livelihoods and local economic cooperation. The ILO has supported the formalization of the *artels* by providing technical assistance which can include developing tailored training and digital tools that that support their transition into formally registered cooperatives, enabling access to legal status, social protection and finance.

Cooperatives (hợp tác xã) are the core entities of Viet Nam's collective economy. They combine voluntary membership, mutual aid, democratic governance and active economic participation and operate as legal entities under the *Law on Cooperatives (2023)*. Cooperatives enable members to jointly produce, trade and access goods and services that improve livelihoods and strengthen community resilience. Historically, this model has adapted across periods of conflict, reconstruction and reform.

▶ Case study: Evolution of cooperatives in Viet Nam

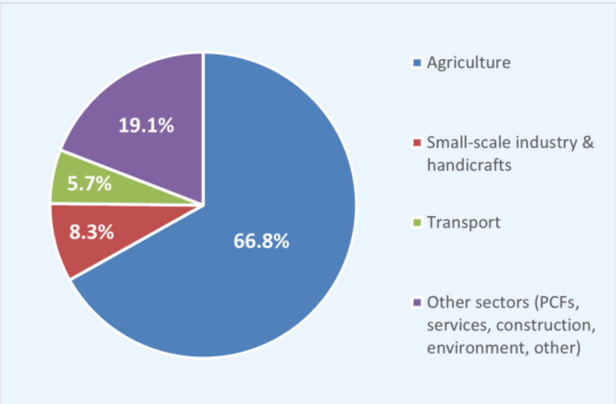
The first cooperative was formally established in Viet Nam in 1948, with the **Dan Chu Handicraft Production Cooperative**, followed by many others between 1948 and 1950. Cooperatives made a substantial contribution in food production during the period 1955–1975, supporting soldiers and local communities. After that period, cooperatives continued to contribute to the country's reconstruction. The presence of cooperatives in the country decreased significantly in the follow up of the *Đổi Mới* (Renovation) reform policy introduced in 1986, when collective farms were dissolved and land was distributed among small farmers. Earlier cooperative models were essential during periods of conflict and reconstruction but faced challenges adapting to new economic realities. The present model builds on the foundations of the *Đổi Mới* reform policy (1986), incorporates these lessons and is now better aligned with the ICA cooperative principles and ILO Recommendation 193 on the Promotion of Cooperatives (2002).

[1] Organ of Political Theory of Vietnam. Developing collective economy and cooperatives. 2022

[2] VCA, White Book on Cooperatives (p.10, 2024)

Today, the scale and composition of the cooperative movement reflect that evolution. In 2024, Viet Nam had an estimated 33,557 cooperatives, including 22,415 agricultural and 11,142 non-agricultural cooperatives. [3] **Agricultural cooperatives** operate mainly in farming and allied activities, supporting members through input supply, collective purchasing, and the adoption of high-tech and digital tools. Many are integrated into value chains and engage in collective branding to enhance quality and market access.

▶ Figure 1: Distribution of cooperatives by sector, 2024



Source: VCA, *White Book on Cooperatives 2024*.

Non-agricultural cooperatives are active in sectors such as small-scale industry and handicrafts, trade and services, transport, construction and environmental management. They diversify local economies, create employment and respond to community needs. The sectoral distribution of cooperatives by main area of activity is shown in Figure 1, which highlights the predominance of agricultural cooperatives, accounting for about 67 per cent of all cooperatives nationwide.

People's Credit Funds (PCFs) (*quỹ tín dụng nhân dân*) are financial cooperatives. Under the Law on Credit Institutions, they are "credit institutions voluntarily established by juridical persons, individuals and households as cooperatives with the main purpose of mutual assistance in production, business, and daily life".[4] As of 2023, Viet Nam's 1,181 PCFs advanced SSE principles by operating on voluntary membership, mutual assistance and democratic governance in the provision of financial services. [5] Larger and more capitalized than most non-agricultural cooperatives, PCFs provide savings and credit to small producers and households, promote inclusive finance, local development and social protection, supporting the transition from the informal to the formal economy.

At a higher level of organization, **cooperative unions (*liên hiệp hợp tác xã*),** federations formed by at least two cooperatives, facilitate coordination, shared services, and market linkages. By the end of 2024, there were 141 unions in the country, over half operating effectively and contributing to regional economic integration. [6] While cooperative unions represent the highest level of aggregation, cooperatives remain central.

In Viet Nam, cooperatives, along with People's Credit Funds, are most aligned with SSE principles, combining voluntary membership, mutual aid, democratic governance and active economic engagement. *Artels* share many features but lack juridical status, while associations emphasize participation and social purpose with less focus on economic activity. Alongside these core collective economy forms, a wider range of organizations share SSE values and principles. Their scale and diversity are illustrated in Table 2.

Beyond the collective economy, other organizations also express SSE values to varying degrees, including associations, social enterprises and self-help groups. Associations in particular have a long institutional history in Viet Nam: many villages established professional guilds and groups of craftworkers, while tradespeople organized around shared rules to stabilize production, alongside clan councils and other community-based groups. Over time, these evolved into a wide range of associations, including relief, trade, agricultural and education promotion associations.

Today, associations represent a diverse and extensive part of the SSE landscape, emphasizing participation, solidarity and public benefit over profit. Under Decree No. 126/2024/ND-CP (October 8, 2024), they are defined as organizations that operate regularly and not for profit to protect members' legitimate rights and interests, support mutual cooperation and contribute to socio-economic development. In recent decades, thousands of new associations have been established, most of which are small in scale with a limited scope of operations. Associations totalled 93,425 in 2021, with 571 operating at

[3] VCA, White Book on Cooperatives (p.9, 2024)
[4] Law on Credit Institutions (2024)
[5] VCA, White Book on Cooperatives (p.9, 2024)
[6] VCA, White Book on Cooperatives (p.10, 2024)

the national or inter-provincial level, while the vast majority operate locally.[7]

▶ **Table 2: Types and number of entities in Viet Nam that share some SSE values and principles**

Entity Type	No of Entities	Source
Agricultural Cooperatives	22,415	VCA, White Book on Cooperatives, p. 9, 2024
Non-agricultural Cooperatives	11,142	VCA, White Book on Cooperatives, p.9, 2024
Artels	72,183	VCA, White Book on Cooperatives, p.10, 2024
People's Credit Funds	1,181	VCA, White Book on Cooperatives, p.9, 2024
Associations	93,425	Báo Chính Phủ. 2022
Social Enterprises	700	National Business Registration Portal, 2023
Enterprises owned by disadvantaged individuals	16,500	MOLISA, admin. data[8]
Enterprises contributing to social and environmental goals	18,600	GSO; British Council, 2017[9]
Self-help Groups	N/A	N/A

Note: Hyperlinks are provided where publicly accessible sources exist. Where figures are based on administrative data or estimates without a public database, sources are cited in text or footnotes.

Social enterprises are a relatively new phenomenon in Viet Nam. They have been officially recognized since 2014 under the *Law on Enterprises/No. 68*, which lets firms register as social enterprises if they pursue social or environmental objectives and reinvest profits in their social purpose. Approximately 700 businesses were formally registered as social enterprises in 2023, though the number of potential candidates is likely higher due to low registration rates and limited incentives.

While entities that share SSE values in Viet Nam are diverse, they face common challenges that constrain development. Rapid economic growth has increased competition and market pressures, making it difficult to compete with larger, profit-driven companies, particularly in accessing capital and markets. SSE entities also face challenges related to a complex and low-visibility legal framework, highlighting the need for greater policy coherence. As many newer and smaller entities further struggle with limited management and governance capacity.

Contributions to decent work and sustainable development

In Viet Nam, entities that reflect SSE values contribute to inclusive and sustainable development by generating employment, strengthening local economic resilience, advancing social protection and supporting community well-being. Through democratic governance and solidarity-based practices, they help address structural inequalities and advance national and global development goals, including decent work, sustainable development and social justice.

SSE entities contribute to decent work by creating employment, formalizing economic activities and promoting social dialogue. In Viet Nam, cooperatives comprise over 7 million members and directly employ about 2.5 million regular workers, while their activities also support the livelihoods of an estimated 2 million additional people indirectly, particularly in rural and mountainous areas.[10] They help generate stable incomes, provide services tailored to members' needs and raise living standards. Social enterprises also contribute by employing disadvantaged groups, including persons with disabilities and ethnic minorities, and providing vocational training. Together, these contributions advance the priorities of Viet Nam's National Decent Work Country Programme (2022-26).

▶ **Case study: Co Chat Silk Cooperative**

Co Chat Silk Cooperative was established in 2021 by eleven weaving households. According to the cooperative, it currently engages about 20 regular workers and organizes member households in collective production and marketing. The cooperative was formed during the COVID-19 period to maintain production and stabilize sales when local demand and mobility were disrupted. Its activities include silk weaving and finishing, with products offered through e-commerce channels managed by the cooperative and its members.

Source: Vietnam News Agency (VNA), 2021

[7] Báo Chính Phủ. (2022). *Tăng cường quản lý nhà nước các quỹ xã hội, quỹ từ thiện*.

[8] This figure is based on administrative data from the MOLISA and refers to enterprises and household businesses owned by individuals in vulnerable situations. Data are not disaggregated by legal form, sector or type of vulnerability.

[9] Estimated using GSO enterprise data and an assumed share (1.1%) of SMEs with social or environmental objectives, based on British Council (2017). As no official classification exists, this estimate is indicative.

[10] ICA-EU Partnership: Mapping – Key Figures National Report: Vietnam (2021)

SSE entities use democratic governance to share results. In cooperatives, this typically involves allocating surpluses through reserves and patronage refunds linked to members' transactions, with capped or no returns on capital. Such arrangements help reduce income disparities, broaden access to services and decision-making and support higher participation and leadership of under-represented groups, including women.

▶ Case study: KOTO (Know One, Teach One)

KOTO is a social enterprise established in 1999 to support disadvantaged and at-risk youth to enter the hospitality labour market. It runs a 24-month accredited training programme that combines technical and vocational instruction with English, IT, life skills training and individual mentorship. Delivery takes place at KOTO's Dream School in Bac Ninh and at its training restaurant in Hanoi, where trainees complete supervised workplace rotations. Since inception, nearly 1,700 participants have graduated. KOTO reports that all graduates secure employment upon completion, and alumni now work as chefs, hotel managers and entrepreneurs in 14 countries.

Source: KOTO official site, 2025

During crises, SSE entities enhance local resilience by securing livelihoods, stabilizing incomes and supporting recovery. In Viet Nam, cooperatives help communities absorb economic shocks by pooling resources, fostering mutual support and maintaining employment. During past crises, including the 2008 global recession and the COVID-19 pandemic, cooperatives contributed to job protection and economic recovery, particularly in rural areas. Following recent shocks, such as Typhoon Yagi in 2024, agricultural cooperatives have supported the restoration of livelihoods and production through strengthened value chains and risk-prevention training.

▶ Case study: YOUCOOL Project – Youth and Digital Transformation in Cooperatives

The YOUCOOL project is a three-year initiative launched in 2024 by the Vietnam Cooperative Alliance with support from the European Union. It focuses on youth engagement in cooperatives through training on digital skills, support for cooperative governance, and steps to digitize operations, particularly in the coffee supply chain. Project estimates suggest that by 2024-2025, up to 9.4 million cooperative members could benefit from improved access to digital resources and technology in cooperative activities.

Source: International Cooperative Alliance Asia–Pacific (ICA-AP), 2025

Digitalization is becoming an important feature of cooperative development in Viet Nam. The *2023 Cooperative Law* introduced online registration, electronic voting and a national information system on cooperatives. In addition, *Directive No. 19/CT-TTG* (June 3, 2023) promotes digital transformation across the market economy, including cooperatives,, reinforcing these policy efforts.

Building on these legal reforms, more than 2,500 agricultural cooperatives already apply digital tools in production and services, supporting value chain integration and market expansion. In this context, youth-focused initiatives such as YOUCOOL complement these reforms by incorporating digital practices in cooperative operations and encouraging broader participation in the country's just digital transition.

▶ Case study: Ut Mung Ltd Company

Ut Mung Ltd Company is a social enterprise that was founded in 2009. It manufactures coconut-based products, including coir fibre mats, coco peat (coir pith) and processed coconut shells, for export. It uses coconut husk and shell byproducts as raw materials and reports sales to markets in Asian countries. According to company information, Ut Mung employs approximately 150–200 local workers; about 80 per cent are women and around 15 per cent identify as Khmer ethnic minority. Ut Mung Ltd states that employees are enrolled in Viet Nam's statutory social insurance and health insurance schemes and that average earnings exceed the provincial average. Figures on employment composition, wages and benefits are self-reported by the firm.

Source: Vietnam News Agency (VNA)

Beyond their role in agriculture and services, cooperatives in Viet Nam are increasingly recognized for their potential contributions to the care economy. Further cooperation between the Viet Nam Cooperative Alliance (VCA) and the ILO could focus on the development of gender-responsive care cooperatives as an emerging area, including through the Care Economy Pilot aimed at formalizing care services and creating decent jobs with social protection. Even without a dedicated policy focus, many cooperatives provide access to basic social services, particularly in rural areas, acting as informal safety nets that strengthen resilience and social protection. With women managing around 10 per cent of agricultural cooperatives, expanding cooperative engagement in care-related activities could further promote gender equality and create quality jobs.[11]

▶ Case study: Hao Dat Tea Cooperative

Hao Dat Tea Cooperative was established in 2017 by a group of 41 tea producers, most of them women. It currently reports to 70 members with more than 35 hectares of associated tea land. The cooperative employs around 50 regular workers and contracts several hundred seasonal workers during harvest periods, with women constituting most of the workers in both categories. According to the cooperative, personnel policies include social-protection benefits, skills training and opportunities for seasonal workers to apply for permanent roles. On the production side, Hao Dat produces VietGAP-certified teas and reports progressively phasing out synthetic pesticides and chemical fertilizers. The cooperative provides members with support in the form of capital, training and production technology. These measures are intended to improve product quality and food safety and to stabilize smallholder incomes.

Source: Vietnam News Agency (VNA), 2023

Entities with SSE features contribute to Viet Nam's green and just transition by promoting environmentally sustainable and socially inclusive practices. Cooperatives support organic farming, sustainable resource management and renewable energy use, while their collaborative models enable economies of scale and innovation in clean production, green transport and climate-resilient agriculture. By integrating social equity into environmental action, SSE entities help ensure that the green transition responds to local needs and does not reinforce existing disparities.

Legal, policy and institutional framework

Although the concept of the SSE is not explicitly mentioned, SSE entities' contributions are recognized in Viet Nam's national development strategies. Several Party Resolutions, such as Party Resolution No. 20-NQ/TW (June 16, 2022) emphasizes the collective economy as a key pillar of Viet Nam's socialist-oriented market economy and calls for continued innovation and institutional strengthening in this sector.[12]

Legal framework overview

Despite this policy recognition, there is no coherent legal framework explicitly governing the SSE. Instead, the various entities that may form part of the SSE are regulated through sector-specific legislation, reflecting a fragmented but functional legal approach. Table 3 provides an overview of the main entity types, their governing legislation and the authorities responsible for oversight.

▶ Table 3: Entities with SSE features, relevant legislation and authority in charge

Type of entity	Legislation	Authority in charge
Agricultural Cooperatives	*Law on Cooperatives (2023)*	Ministry of Planning and Investment *also*: Ministry of Agriculture & Rural Development[13]
Non-agricultural Cooperatives	*Law on Cooperatives (2023)*	Ministry of Planning and Investment
Artels	*Law on Cooperatives (2023)*	Ministry of Planning and Investment *also*: Ministry of Agriculture and Rural Development
People's Credit Funds	*Law on Credit Institutions (2024)* and *Law on Cooperatives (2023)*	State Bank of Vietnam and Ministry of Planning and Investment
Associations	*Civil Law*, *Decree No. 126/2024/ND-CP*	Ministry of Home Affairs
Social Enterprises	*Law on Enterprises (2020)*	Department of Planning and Investment at provincial level

In 2023 the Viet Nam National Assembly adopted a new Law on Cooperatives. The reform was Government-led, with tripartite consultations involving the VCA and other social partners. The ILO provided valuable technical input and comparative experience to support this national legislative process. The law governs cooperatives, cooperative unions and *artels*, as well as people's credit funds which are also regulated under the 2024 *Law on Credit Institutions*. It aims to facilitate the transition from the informal to the formal economy by simplifying requirements for administrative procedures for establishing and operating cooperatives, including through digitalization. This achievement was further reflected in the issuance of *Decree 92/2024/ND-CP* (18 July 2024) which stipulates the dossier, order and procedures for the registration of *artels*, cooperatives and cooperative unions,

[11] Vietnam Cooperative Alliance (VCA), *2025 Vietnam Snapshot*, 2024

[12] See also: Resolution No. 11-NQ/TW (June 3, 2017) on improving the socialist-oriented market economy institution and Resolution No. 10-NQ/TW (June 3, 2017) on developing the private economy as a key driver of the economy.

[13] These figures reflect pre-July 2025 institutional arrangements. Following government restructuring, the Ministry of Planning and Investment merged into the Ministry of Finance, while the Ministry of Agriculture and Rural Development became the Ministry of Agriculture and Environment.

and reinforces digitalized registration, data standardization and tax-registration links.

The revised *Social Insurance Law* (No. 41/2024/QH15), effective from July 2025, expands coverage to members of cooperatives and other workers in non-standard forms of employment. The ILO provided significant technical assistance during the revision process, supporting policy design and capacity development to enable the effective extension of social-insurance coverage to cooperative members. The Program to support the Development of the Collective Economy and Cooperatives (2021-2025) served as a main instrument for implementing these policies.

Associations in Viet Nam are currently governed under *Decree No. 126/2024/ND-CP*, which replaces *Decree No. 45/2010/ND-CP*. According to Article 5, associations operate on the principles of voluntarism, self-governance, democracy, equality, openness, and transparency, and are expected to be financially self-sustaining and not-for-profit. They may take various forms, including joint associations, federations or clubs.

In essence, associations are voluntary organizations of individuals or entities sharing common professions or interests, established to protect members' rights, enhance operational effectiveness and contribute to national socio-economic development. Given their diversity and large number, building a comprehensive legal and policy framework for associations remains complex. *Decree No. 126/2024/ND-CP* introduces several important updates, notably clearer regulations on management and sanctions.

Social enterprises (SEs) in Viet Nam are recognized under the *Law on Enterprises (2020)* but do not constitute a separate legal form. Legally, SEs are defined in Article 10 as businesses that (1) primarily resolve social and environmental issues for community benefit and (2) reinvest at least 51 per cent of annual post-tax profits to these goals. SEs may take the form of joint-stock companies, limited liability companies, partnerships or private enterprises. Enterprises wishing to operate as SEs must register through the National Business Registration Portal; as of 2023, about 700 had done so, though the actual number is likely higher due to limited incentives.

Policy instruments and national programmes

The 10-Year Socio-Economic Development Strategy (2021–2030) includes SSE entities as key stakeholders contributing to economic activity and addressing social challenges such as employment, cultural preservation and environmental protection. It emphasizes innovation, improved efficiency and enhanced member benefits in collective economic organizations, with state support for agricultural cooperatives and *artels*. The Collective and Cooperative Economic Development Strategy (2021–2030) and its implementation plan for 2021–2025 further support the development of cooperatives and the collective economy.

SSE entities, particularly cooperatives, also contribute to the objectives of the Decent Work Country Programme (DWCP) for Vietnam (2022–2026), including: contributing to job creation, social protection expansion, poverty reduction and improved labour market governance. Under the United Nations Sustainable Development Cooperation Framework (UNSDCF) for Viet Nam, cooperatives are acknowledged as key contributors to achieving the Sustainable Development Goals, including by promoting inclusive development, equitable access to resources and services and environmentally sustainable economic activities.

In operational terms, SSE entities are also central to Viet Nam's three major National Target Programmes (2021-2025): socio-economic development in ethnic minorities and mountainous areas, sustainable poverty reduction and building new rural areas. Cooperatives serve as both implementers and beneficiaries, supporting job creation, income generation, social cohesion and the organization of production and market linkages in rural areas. Additionally, cooperatives are key actors in the One Commune One Product (OCOP) programme, launched in 2018, that promotes rural economic development and seeks to reduce disparities between rural and urban areas by leveraging local strengths and traditional knowledge.[14]

Institutional players and coordination mechanisms[15]

Governance and representation of entities with SSE features are defined by law. The Government unifies state management of *artels*, cooperatives and cooperative unions, with the Ministry of Planning and Investment (MPI) as the focal agency responsible for strategy and policy

[14] Examples of OCOP-supported cooperatives include: the Tuyet Huong Cooperative producing Minh Tam Tea; the Quang Vinh Ceramic Cooperative recognized for its Trang ceramics; the Hoa Le Cooperative producing dragon fruit and processed products ; and Khai Hoan Fish Sauce (Phu Quoc).

[15] These governance mandates reflected the structures of MPI, MARD, VCA, SBV and MOHA prior ongoing restructuring announced in July 2025, which merged several ministries (e.g. MPI into Finance), reduced provinces from 63 to 34 with district-level administration removed and introduced judicial reforms including a three-tier court system with specialized IP courts.

guidance, inspections and international cooperation. The Ministry of Agriculture and Rural Development (MARD) oversees entities in agriculture and rural development. In the financial sphere, the State Bank of Viet Nam (SBV) supervises People's Credit Funds and the Cooperative Bank under the Law on Credit Institutions. Associations fall under the Ministry of Home Affairs (MOHA) following Decree 126/2024, while social enterprises register under the Law on Enterprises with provincial Departments of Planning and Investment.

The institutional landscape is led by the Viet Nam Cooperative Alliance (VCA), the national apex body for cooperatives, which now operates under the Vietnam Fatherland Front. [16] Recognized as an employers' organization by Vietnamese law, the VCA represents and promotes cooperatives, advocates for policy and legal reforms, provides legal advice and training, and engages in international cooperative platforms.[17] It also coordinates a nationwide network of provincial cooperative alliances. In 2024, the VCA initiated a cooperation programme with the Viet Nam Bank for Social Policies and the Co-operative Bank of Viet Nam (Co-op Bank) to expand credit access for cooperatives.

The Co-operative Bank of Viet Nam (Co-op Bank) serves as the central institution of the People's Credit Fund network, providing system-wide financial services to cooperatives. Other representative bodies, as well as support NGOs, universities and research institutes, contribute to advocacy, coordination, training and knowledge generation, and facilitate linkages with government agencies.

Pathways for advancement

Viet Nam has a strong foundation for SSE development, supported by an expanding policy framework. However, the absence of a coherent legal and policy umbrella results in fragmented regulation and uneven support, with cooperatives benefiting from clearer rules than social enterprises and associations. Data gaps also persist, as statistics on cooperatives are more developed than those for other SSE actors, limiting evidence-based policymaking.

Key challenges

Viet Nam has a solid foundation for SSE development, reflected in a growing body of supportive policies and programmes. However, the absence of a coherent legal framework and umbrella SSE policy results in fragmented regulation and uneven support across entities. While cooperatives benefit from a clearer regulatory base, social enterprises and associations operate under scattered provisions. Data availability also remains uneven, with relatively robust statistics on cooperatives but limited or estimated data on other SSE actors, constraining evidence-based policymaking.

Despite being the national apex body, the Viet Nam Cooperative Alliance (VCA) continues to face capacity gaps. Assessments of ILO–VCA cooperation highlight limited technical expertise and financial resources compared to the size and needs of the cooperatives in Viet Nam. Other representative bodies, such as the Viet Nam Network of Social Enterprises (VNSE), and intermediaries like NGOs and universities, contribute to SSE promotion but with limited visibility and coordination. As a result, the SSE support framework remains fragmented, with institutions lacking sufficient resources to provide services and advocacy across all SSE entities.

Financial constraints remain a major obstacle for SSE entities. Most SSE organizations operate with small capital bases, find it difficult to access affordable credit and face barriers to expanding markets. While instruments such as the Cooperative Development Assistance Fund and SME Development Fund exist, eligibility conditions and collateral requirements limit their reach. Technical and managerial skills, including digital transformation, remain underdeveloped, constraining productivity and innovation. At the same time, access to markets is narrow, despite some progress through the One Commune One Product (OCOP). Many SSE entities are not yet integrated into value chains, reducing their competitiveness.

The SSE continues to lack visibility and recognition in Viet Nam. This lack of recognition discourages engagement and weakens political momentum for supportive policies.

[16] The Vietnam Fatherland Front is a nationwide umbrella organization in Viet Nam that brings together mass organizations, professional associations, religious groups, and other social bodies under the leadership of the Communist Party of Viet Nam. Through this structure, the State engages organized social actors in policy dialogue, public consensus-building, and the implementation of national socio-economic priorities.

[17] Article 7 of the Labor Code (Law No. 45/2019/QH14), 2019.

Barriers to formalization remain significant for SSE actors. Complex procedures, limited incentives and high perceived costs discourage informal workers and household businesses from joining SSE models. Recent reforms, such as *Decree No. 92/2024/ND-CP*, which streamlines cooperative registration and leverages digital platforms, represent important steps forward. As highlighted in the ILO's Innovative approaches to formalization in Asia and the Pacific (2025), such measures can reduce costs and encourage the transition from informal to formal work, while protecting workers' rights and supporting sustainable SSE development.

To further build on this foundation, the Government of Viet Nam and its partners should act collectively to strengthen the SSE. Collaboration among public institutions, civil society, social partners and international actors can raise the SSE's visibility, improve its integration into national strategies and expand financial and institutional support, enabling it to contribute more effectively to an inclusive, resilient and sustainable future.

Recommendations

In advancing decent work and sustainable development through the SSE, the following priorities may be considered:

The Government could:

- **Promote formalization and job creation** by continuing to simplify procedures for formal registration for informal groups and household businesses into cooperative groups, cooperatives and other SSE entities, including through DWCP-supported pilots that link registration with OSH compliance, skills development and social insurance enrolment.
- **Strengthen SSE statistics and visibility** by working with the National Statistical Office (NSO) to develop satellite accounts and update indicators to cover all SSE entities, including by piloting DWCP-supported SSE data modules (starting with cooperatives and *artels*), in coordination with the ministry responsible for the collective economy, while leveraging digital tools and platforms for more efficient and accurate data collection and analysis.
- **Enhance SSE visibility and public awareness** by launching a National SSE Awareness Campaign coordinated with the VCA to raise public knowledge of the role and contribution of the SSE to inclusive and sustainable development, supported by education and training initiatives.
- **Expand financing and market opportunities** through tailored fiscal incentives (such as social impact bonds, guarantee funds and tax benefits), improved access to credit, preferential public procurement, and digital market platforms linked to the One Commune One Product (OCOP) programme, including the use of Green Finance Certification mechanisms, in collaboration with the State Bank of Viet Nam, to facilitate SSE entities' access to preferential credit for environmentally sustainable projects.
- **Strengthen the role of the SSE as a delivery mechanism** for promoting a just transition, accelerating formalization and creating decent employment, aligning SSE development with UN Global Accelerator on Jobs and Social Protection for Just Transitions and the ILO Global Coalition for Social Justice.

Employers' organizations could:

- **Contribute to clarifying the scope and definition of the SSE in Viet Nam**, for example by conducting a nationwide survey to assess various entities against internationally agreed SSE values and principles.
- **Advocate for an enabling SSE framework** that supports sustainable business practices while adhering to social principles, ensuring that regulations are practical and do not stifle innovation or growth.
- **Advocate for admitting SSE entities as members of chambers of commerce and agriculture** to unlock access to export incentives, supplier development and trade promotion.
- **Provide business development services for SSE entities**, including training, peer learning and market intelligence, linked to ILO tools such as Start.COOP, Think.COOP and EIIP, with a focus on value chain upgrading, digitalization and green production under the DWCP, and facilitate access to trade, technology and finance through employer networks and chambers of commerce.
- **Collaborate with government and VCA to promote responsible business conduct** by supporting environmental standards, sustainable production and supply chains and voluntary certification schemes among SSE entities, particularly those participating in export markets.

- **Advocate for harmonized and complementary legislation and policies** that consistently support the diverse range of SSE entities (including cooperatives, social enterprises and other forms) across different legal frameworks.

Workers' organizations could:

- **Promote SSE principles and provide training on democratic governance**, **workers' rights and sustainable business practices,** enabling active participation and collective bargaining.
- **Reinforce outreach to SSE workers**, including those in the informal economy, by raising awareness of labour rights and advancing fundamental principles and rights at work, including OSH, the elimination of child labour and freedom of association and collective bargaining, through the integration of OSH and child labour prevention modules into DWCP-supported cooperative training programmes.
- **Strengthen linkages between SSE formalization and labour institutions** by connecting SSE workers with trade union recruitment, labour inspection support and social protection enrolment.

National SSE entities and support institutions could:

- **Map and maintain registries of SSE entities at local level** to clarify scope and feed into official statistics.
- **Engage in policy dialogue by** providing evidence from practice and field-based research, and advocate for regulatory frameworks that reflect the realities and needs of SSE entities.
- **Promote peer learning and good practice exchange** among SSE entities to strengthen innovation, governance and service delivery, while showcasing successful models to engage communities and raise awareness of SSE values.

Development partners could:

- **Foster multistakeholder dialogue on SSE's role in decent work and sustainable development,** highlighting its alignment with Viet Nam's collective economy principles and the SDGs to build stronger government commitment. This could include supporting an annual Viet Nam SSE Policy and Practice Forum, linked to the launch and follow-up of the SSE policy brief, and connected to DWCP monitoring, UN Viet Nam Results Groups coordination, and resource mobilization efforts.
- **Provide technical assistance and capacity building** for policymakers and SSE institutions on cooperative management, democratic governance and SSE principles.
- **Facilitate partnerships** between SSE entities and employers' and workers' organizations to strengthen joint advocacy and coordinated action.
- **Promote the SSE's role in just transition, formalization and job creation** by linking Viet Nam's efforts with the UN Global Accelerator on Jobs and Social Protection for Just Transitions and the ILO Global Coalition for Social Justice, while mobilizing resources and knowledge. Support SSE entities transitioning to green business models (e.g. organic agriculture, clean energy cooperatives) and explicitly measure job creation among vulnerable groups.
- **Support Viet Nam's National Statistical Office** to improve SSE data by piloting thematic accounts, updating classifications to capture social enterprises and household businesses, aligning methodologies and indicators with international standards, and funding technical assistance and capacity building for the NSO in this area.

This policy brief is based on a background report drafted by researchers at the Vietnam Cooperative Alliance (VCA) and the Centre for Social Initiatives Promotion (CSIP), Viet Nam for the ILO under its Strengthening the Social and Solidarity Economy in Asia project, funded by the Ministry of Employment and Labour of the Republic of Korea. The views expressed herein do not necessarily reflect the views of the ILO. Reference to specific entities does not constitute endorsement by the ILO, and the omission of any such reference does not imply disapproval.

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