

## Research Article

Jinyu Wang, Cuiping Zhao\*, and Jinrong Jie\*

# Research on the Problems and Institutional Optimization Strategies of Rural Collective Economic Organization Governance

<https://doi.org/10.1515/econ-2022-0110>  
received March 12, 2024; accepted July 21, 2024

**Keywords:** governance, rural development, optimization, poverty reduction, collective asset ownership

**Abstract:** The study explores the functioning of Rural Collective Economic Organizations (RCEOs) and looks at how they are governed and optimized in rural areas. RCEOs play a significant role in ensuring income stability, poverty reduction, and rural development because rural communities establish them to address economic challenges. In order to identify strategies that can lead to an efficient, sustainable, and impactful role of RCEOs within the rural context, stakeholders with involvement in RCEOs provided perceptions, experiences, and interpretations. Using qualitative methods such as in-depth interviews and focus groups, this work collected the views and recommendations of professionals and practitioners who are knowledgeable about RCEOs. Those discussions identified the main themes and tactics to improve RCEOs. For instance, among such strategies are governance reform to make the institution strong, openness and proper communication, establishment of capacity-building programs, adaptations in its operational framework especially revenue sources diversification; lobbying for enabling legislation to stimulate such initiatives, fostering partnerships, engaging the communities with actions instead of just words through cases that have been successful stories with long-term planning put into action. The article underscores how the collective asset ownership by RCEOs is instrumental in promoting the rural economy.

## 1 Introduction

A sizable share of the global population lives in rural areas, which also provide enormous economic possibilities for development and expansion. However, these areas have to face many unique challenges such as low income and living standards, lack of facilities, infrastructure, and resources (Aragona, 2021). Rural Energy Cooperatives (RECOS) is the initiative that will help to curb most of these problems as it works by enabling rural areas to unite and bring their forces together to realize the coordinated determination of economic activities in these localities.

The organization of RECOS governance is very necessary for the conservation of large territorial sectors and the development of rural populations. Balanced resource distribution creates community solidarity and stimulates economic stability. The lack of proper supervision and poor resource sharing in Rural Collective Economic Organizations (RCEOs) can just make things worse and make them less effective (Torre & Wallet, 2016; Zhang et al., 2021). Money staying strong, and rural places sticking around, only happen if folks work together on managing cash. RCEOs, also called household contract-based systems Takeuchi (2021), are big deals for making the dreams and wishes of folks in rural groups happen (Bizikova et al., 2020; Deng et al., 2023). These groups also control stuff like making things and farmland together, which are usually set up by laws that say what they can do and how they're set up.

Running RCEO is super important because it directly affects how well rural places do economically and how they tackle big problems (Bijman et al., 2016). To really get what's up with RCEO management and find out where things can get better, this article looks deep into the world of RCEOs. We're talking from the basic ideas of house contracting to how community-owning stuff affects rural

\* **Corresponding author: Cuiping Zhao**, Henan Agricultural University's School of Economics and Management, Zhengzhou, Henan, 450046, China, e-mail: cyuehang@163.com

\* **Corresponding author: Jinrong Jie**, Henan Agricultural University's School of Economics and Management, Zhengzhou, Henan, 450046, China, e-mail: 2207446236@qq.com

**Jinyu Wang:** Henan Agricultural University's School of Economics and Management, Zhengzhou, Henan, 450046, China, e-mail: wjy9073@163.com

economies a lot. By getting into these things, our study wants to show what parts of RCEO are super important for making rural areas better and richer.

## 1.1 Research Objectives

The objectives of the study could be laid out as follows:

1. Recognizing and understanding the challenges in managing RCEO, this study investigates topics such as ownership conflict, the decision-making process, and allocation of resources.
2. We will attempt to understand the effects of communal ownership of assets on rural development, infrastructure development, income distribution, and poverty reduction.
3. We shall investigate how RCEOs affect the entire rural economy, how they affect the development of small rural enterprises and, in consequence, contribute to rural economic expansion.

## 1.2 Significance of the Study

This work is vital as it has the potential to make main contributions to financial boom in rural regions, improvement, and our expertise of the complex relationships that outline RCEOs. Through addressing the challenges confronted by way of those organizations and imparting optimization answers, we intend to offer beneficial facts that will help scholars, choice-makers, and rural groups. The work is in step with our goal of developing a comprehensive knowledge of family contracting and RCEOs, each of that is vital to the lengthy-time period development of rural regions (Calkins, 2009).

To accomplish those objectives, this research employs a blended technique that draws on economic theories, industry-specific issues, and organizational structures. By way of applying qualitative studies strategies, we hope to record the viewpoints, reviews, and interpretations of stakeholders associated with RCEOs. Via this thorough evaluation, we need to become aware of plausible techniques to enhance the performance, sustainability, and financial impact of RCEOs in rural areas.

The objective of this research is to learn more about RCEOs and how they work, how they are governed, and how they might be optimized. In particular, it aims to find ways to alleviate rural communities' economic woes by making RCEOs more effective, long-lasting, and impactful. Research participants will be asked to share their thoughts,

feelings, and suggestions regarding RCEOs through focus groups and in-depth interviews, two qualitative research approaches. We aim to strengthen RCEOs by exploring governance reform measures, promoting openness and effective communication within these organizations, building capacity, diversifying revenue sources, forming partnerships, engaging rural communities in specific initiatives, and advocating for enabling legislation. The research also intends to emphasize how RCEOs' collective ownership of assets drives economic development in rural areas.

**Significance of the Study:** Communities, practitioners, and policymakers who want to see economic stability, poverty alleviation, and general growth in rural areas must have a firm grasp of the inner workings of RCEOs and the mechanisms that control them. This study highlights the importance of RCEO optimization techniques and tactics for improving rural livelihoods, local community empowerment, and the long-term viability of rural economies. Additionally, this research can help with policymaking, programme creation, and resource allocation for rural collective economic organizations (RCEOs) and inclusive rural development projects. Positive socioeconomic progress in rural areas may be driven by the study's findings, which could influence decision-making processes.

RCEOs in rural areas are better understood and improved thanks to the study's multiple important contributions:

The present research uses qualitative approaches including focus groups and in-depth interviews to explore the inner workings of RCEOs and to hear the stories of those who have a hand in making them run. The opportunities and threats encountered by RCEOs in rural areas can be better understood with this all-encompassing method.

The research finds several ways to optimize RCEOs by analysing stakeholder opinions and suggestions. These plans cover a wide range of topics, including leadership, outreach, capacity-building, operational framework adaptation, policy advocacy, partnership development, community involvement, and strategic planning for the future. Stakeholders looking to enhance the efficacy of RCEOs can benefit from the study's practical insights, which emphasize these strategies.

The research highlights the importance of RCEOs' collective asset ownership in fostering rural economic development, which brings us to our third point. Examining instances where RCEOs have made good use of common assets to boost rural economies, the study highlights the significance of this component in RCEOs' overall operation and influence. Understanding the role of RCEOs in alleviating poverty, securing incomes, and promoting rural development is enhanced by this focus on collective asset ownership.

## 2 Literature Review

RCEOs are rooted in traditional forms of managing commons and farming. Rural livelihoods by their nature are grounded in group pluralistic practices of pooling resources, managing land, farming, etc. Sharing values and group dynamics is the ethos of rural existence. Rural men and women come together as groups for livelihood sustenance – “united we stand!” (Fernando et al., 2021; Yue et al., 2023).

RCEOs are old formations – like the old commons and the old practices of farming – that have simply evolved, certainly with some creativity Pan et al., (2023). Rural people have always lived and worked in groups as teams to manage land, farm, and share. This is the essence of living in rural areas, and it’s based on values: values to work together, and values to support each other. RCEOs are formed on the basis of such values. A village might join together as a team to raise funds to provide a school, and villagers may band together as a group to attack a common enemy or to go on a raid, repeatedly doing so to further consolidate the bonds of trust and mutual support within the group. RCEOs or RCECs have indeed existed from time immemorial, and they are fundamentally rearrangements of long-held practices, combining previously separate rural-collective actions and ventures into a single unity. And this unity is animated by shared values and motivations. This is the essence of living in rural areas, and it’s all about values: shared values, the value of people working together in groups. Those groups may be large ones or small ones: a village, a neighbouring hamlet, a madah, an oru, a nêhiyaw-pimâtisiw (Cree: am’s kicking “strong horse,” my people), a motley assortment of households, any grouping at all. It’s about people living and working together as a team. That’s the rural way Valdés Paz (2011). This is how rural people have always adhered to a rural economy and have always existed in groups as teams of rural people. And they always do so on the basis of shared values and shared motivations. These are some of the characteristics of rural values and the rural economy, as we’ve explored elsewhere. For example, Fernando (2021) and his colleagues have described the process of articulating and producing environmentally sound and efficient rural living in fisher and farm waste accumulation.

The second core idea, which lays an important foundation for the architecture of RCEOs, is the idea of budget contracting. Budget contracting entails a household arrangement for the orderly management of economic assets (capital, labour, or land, to name a few). Similar to a corporate structure, there is a range of contract forms, such as cooperative farming, rental, or asset sharing (Cangshu, 2020; Meng, 2019). The importance of this understanding relates to appreciating the power dynamics within RCEOs and informing governance

structures – something we referred to in terms of “the politics escapes the cage” in our previous discussion (Sacchetti & Birchall, 2018).

The rules and laws followed by an RCEO are a huge part of its general functioning. They can be completely different from one country or place to another. They have bearing on what kind of rights and duties an RCEO member has and who owns what and how conflicts should be solved (Malinauskaitė, 2019). In sum, laws and rules affect RCEOs greatly and massively in a real, assessable way. We know this because we have actual studies. In accordance with social science analyses, clear rules help RCEOs to work well and be less conflicted, while rules that are unclear or irrelevant tend to be a source of hassle and disagreement (Buhmann, 2020).

Close relationships can be a problem for RCEO management. Arguing about who owns what, who owns animals, equipment, or land, for instance, is so common that it is termed “property entanglement” and is an index of how well RCEOs are doing in more published work (Ziaee Bigdeli et al., 2021). Yes, people have arguments about pigs! If it’s not clear who owns what, and/or people leave or join due to various changes in their own situations and opportunities, the RCEO may split and fail. These disagreements over ownership mark the trouble. It’s important to make good decisions. RCEOs show us how creativity and innovation come from not always agreeing. Making good decisions also means not being too aggressive. Finding a balance of “yin and yang” in decision-making is very hard in RCEOs (Gilson et al., 2020). Another issue for making good decisions is the remote and distributed nature of members. How does any RCEO come to a decision? Decision-making processes in these groups are necessarily emergent as many individuals have to come together to work out their own differences and support each other. Being able to agree and cooperate, and achieve a “state of harmony” is important (Gilson et al., 2020, p. 176; see also College, 2018).

“Mistakes and failure can occur at multiple stages ... when safety, responsibility and gatherability are not well-conceived and managed.” Such harm can come through how RCEOs decide what works and what doesn’t. Distributed collaboration means concerted action on the vulnerability of a “collective of individuals” in emergencies (Gonzalez-Perez et al., 2021, p. 11,804). Being “gatherable” or able to bring people and animals together is a safety issue about being close (College, 2018; Gonzalez-Perez et al., 2021).

An example is how we find out the extent of a fire on one hill and if it will spread to invade more hills. Resource-sharing management is a pressing “safety” issue in wider literature as it determines fairness and financial viability – and ultimately effectiveness (Slough et al., 2021). For RCEOs

especially, whose members find themselves in similar situations, problems such as “absence of foresight, lack of fairness in resource distribution and trackkeeping” can lead to “regulation insufficiencies” (Zhao *et al.*, 2021). Many designed RCEOs failed when members jostled for status and access or didn’t track their resources.

Secondary “RCEOs” have over the years tested a variety of recipes as to how things could be made better. For example, more recently people have been talking about the possible use of cooperative models focusing on member support, money pooling, and decision-making processes (e.g., Martinidis *et al.*, 2021; Yi *et al.*, 2023). This attempt by RCEO members to work together better is the second justification for our study. Our study is aimed at adding to this particular and on-going strand of getting to grips with how rural RCEOs could work better and be more effective.

As a means of facilitating Rural Comprehensive Land Consolidation (RCLC) projects, Pan *et al.* suggest enlisting the help of Rural Collective Organizations (RCOs). By utilizing their positions as advocates for rural interests, managers at the grassroots level, and separate legal organizations, RCOs fortify bottom-up strategies and involve a wide range of stakeholders. Enhanced engagement, new ideas, and fair representation of all stakeholders are some of the results.

## 3 Material and Methods

### 3.1 Qualitative Research Approach

**Extended interviews:** Each of these comprised in-depth conversations with key individual members and/or modellers deeply involved with RCEOs (chats of 10–17 with each modeller or member). Such extended interviews typically gave us an excellent feel for the prospects and issues with RCEOs. From them, we got good indications of what they thought (and, secondarily, what they experienced).

**Focus groups:** In addition to the broad-based discussions we held, we also conducted a series of focus groups of 10–14 people each, composed of people of similar backgrounds to others in the meeting. This format was used to proportion ideas and to explore approaches to refine RCEOs.

### 3.2 Sampling Strategy

**Selection of RCEO stakeholders:** Purposive sampling was used within the player selection procedure to include a wide variety of stakeholders, consisting of administrators,

legal professionals, RCEO members, and representatives from pertinent government corporations. This numerous sample made sure that all points of view were thoroughly explored.

### 3.3 Data Analysis

We used thematic analysis to evaluate the qualitative data from the focus groups and interviews. Then, we checked the results of the literature review and what the stakeholders had to say to find common themes and strategies. Understanding overarching themes in qualitative data is the goal of thematic analysis. Scientists start by getting to know the data, and then they move on to generating first codes by pinning down key aspects. Potential themes are patterns of meaning that encapsulate essential parts of the research issue, and they are organized into these codes. The researchers ensure that the selected themes are a good representation of the data and satisfy the study question by reviewing and refining them back and forth. The themes are then further developed, given names, and backed up by data examples after they are finalized. In areas like rural collective economic organization governance, thematic analysis provides a methodical and adaptable way to comprehend complicated phenomena, enabling researchers to delve into various viewpoints and produce findings that might influence theory, policy, or practice.

These include the following:

- RCEOs’ governance frameworks should be strengthened as a way to improve accountability and decision-making.
- Nurturing transparency and interaction between RCEO members and outside parties.
- Capacity-building initiatives, like training courses, provide RCEO members with the required know-how and attributes.
- Looking for ways to increase sustainability by widening RCEO operations and revenue streams.
- Pushing for beneficial policy modifications to remove regulatory obstacles at the local or federal levels.
- Enticing collaborations with governmental bodies, non-profit organizations, or businesses to gain access to resources and knowledge. The use of many procedures to address potential biases in data collecting and analysis is highly probable. For the purpose of getting a good cross-section of rural communities’ experiences and viewpoints, it would have been helpful to recruit people from a variety of demographic backgrounds and positions within RCEOs. In addition, facilitators and interviewers may have received training to ensure objectivity and neutrality



during data collection by following established protocols and avoiding prejudice. Second, researchers probably used reflexivity, thinking about their own biases and how they might have influenced the research, and they probably used bracketing, a technique for putting aside beliefs before analysing data. Multiple data sources or methods could have been used to support findings, which is known as triangulation. As a last step towards greater openness and responsibility, member checking and peer debriefing may have been used to confirm understandings and address presumptions. Collectively, these approaches lessen the impact of possible biases, which in turn increases confidence in the research's reliability and validity.

RCEOs have a wide variety of stakeholders, each with its own unique interests and points of view that influence decision-making and governance. People in the area may see RCEO as crucial to improving livelihoods and maintaining traditional practices, which could lead them to prioritize sustainable development, social cohesiveness, and cultural preservation. To contrast, government organizations typically aim to link RCEO efforts with wider development goals, which include regulatory compliance, economic growth, and infrastructure development. The activities of RCEO are impacted by the funding requirements and performance metrics set by external investors and donors, who may prioritize financial returns, efficiency, and scalability. The environmental community may be pushing for RCEO to green its operations by promoting causes like land preservation, biodiversity protection, and ecological sustainability. For sustainable rural development, it is necessary to bridge the perspectives of various stakeholders, which means that RCEO must negotiate shared goals, manage complex trade-offs, and promote collaborative decision-making processes.

#### **In-Depth Interview Questions and Findings**

Following are the interview questions with their responses.

- 1. Can you explain your role and position with RCEOs? What particular tasks or obligations have you completed for the organization?**

Stakeholder 1 (RCEO Member): "I've spent the last five years as a member of our local RCEO. My primary responsibility is to participate in the distribution of resources and decisions associated with agricultural operations. I also take part in outreach initiatives in the community."

Stakeholder 2 (Administrator): "In my capacity as an administrator, I manage our RCEO's everyday operations. In addition to organizing meetings and making sure that all legal requirements are met, my duties also include money management."

- 2. Based on your experience, what are the main difficulties you have faced with RCEO governance and management? Please provide specific examples if possible.**

Stakeholder 3 (Community Leader): "One major issue we've encountered is the difficulty in coming to a consensus in meetings. Executing major decisions has been delayed as a result, especially when it comes to project planning and resource allocation."

Stakeholder 4 (Legal Expert): "Legally speaking, some RCEOs find it difficult to comply with technical regulations and take a long time to register. For RCEO members, these obstacles can be demoralizing and time-consuming."

- 3. What level of efficiency do you think RCEOs in rural areas are currently operating at? What elements play a part in this perception?**

Stakeholder 5 (Government Official): "The effectiveness of RCEOs differs. While some are efficiently run and well-organized, others struggle with ineffectiveness as a result of poor communication and opaque procedures."

Stakeholder 6 (RCEO Member): "Over the past year, I think our RCEO has improved efficiency significantly. To improve communication, we've started utilizing digital technologies and improved record-keeping procedures." The level of specificity in evidence is determined by how well it substantiates a claim or argument. It requires delivering specific, factual details instead of broad, generalizations. Displaying a comprehensive grasp of the topic at hand, specific evidence assists in elucidating the argument's thesis and adds credibility. To be grounded in evidence, one must make sure that relevant and credible evidence supports their statements or assertions. Any number of sources, including statistics, expert testimony, case studies, or academic studies, can serve as proof in this situation. Arguments that are grounded in evidence are more convincing and valid because they show that there is a logical relationship between claims and the facts or information that back them up. When people are able to express themselves precisely and provide arguments that are supported by evidence, they are demonstrating strong critical thinking and communication skills.

- 4. How long can RCEOs remain viable in the communities they serve, in your opinion? Can you point out any specific advantages or disadvantages with reference to sustainability?**

Stakeholder 7 (Administrator): "Sustainability is a complicated concept. Although RCEOs with a variety of revenue streams often do better, there's always a chance that shifts in the market could jeopardize our long-term sustainability."

Stakeholder 8 (Community Leader): “Our strong community relationships are one of our strengths. Our reliance on community support enables us to overcome obstacles. Nevertheless, we are susceptible to market swings due to our excessive reliance on a single crop.”

**5. Could you provide some examples of successful RCEO initiatives that have had a big influence on community development or the local economy?**

Stakeholder 9 (RCEO Member): “We started a cooperative agricultural enterprise, which greatly raised our yields of crops. This increased our income and gave local jobs at the same time.”

Stakeholder 10 (Administrator): “Our RCEO partnered with an NGO to establish a community resource centre. Local business owners are prospering as a result of it becoming a centre for training initiatives.” Feasibility, unforeseen repercussions, and stakeholder interests must be carefully considered when assessing any programme or policy proposal. The action’s practicability, achievability, and sustainability in light of the resources, technology, and constraints that are now available should be evaluated. The goal of identifying and addressing potential unintended consequences is to make sure that the project does not unintentionally hurt people, places, or things by preventing or reducing negative outcomes. When thinking about stakeholder interests, it’s important to find out what people impacted by the effort want and need and cater to their unique viewpoints and preferences. The chances of a successful implementation and long-term support are increased when stakeholders are included in making decisions. This adds transparency, accountability, and buy-in. The development of long-term, successful solutions to complicated problems can be achieved if organizations and lawmakers strike a careful balance between practicality, unforeseen effects, and stakeholder interests.

**6. In your opinion, what plans of action or methods have successfully raised the effectiveness and financial impact of RCEOs?**

Stakeholder 11 (Legal Expert): “Building capacity is essential. RCEOs that fund member training initiatives frequently witness increased project management and governance.”

Stakeholder 12 (Government Official): “Working together with government organizations can be extremely effective. Under these collaborations, RCEOs have benefited from funds and technical support.”

**7. Have RCEOs faced any major difficulties or roadblocks in their efforts to improve sustainability and economic impact?**

Stakeholder 13 (Community Leader): “We had trouble keeping our RCEO operating during the COVID-19 pandemic.

But we overcome this by switching to virtual meetings and implementing field safety protocols.”

Stakeholder 14 (RCEO Member): “Lack of credit availability was one of the main challenges we had to overcome. When we wanted to buy equipment and grow our business, we collaborated with neighbourhood banks and obtained financing.”

**8. Does the optimization of RCEOs face any legal or regulatory obstacles? If so, could you please comment on these obstacles and how they work?**

Stakeholder 15 (Administrator): “I anticipate that RCEOs will become increasingly important to rural economic development in the future. Our priorities should be strengthening our position in the agribusiness sector and promoting legislative changes that lower administrative barriers.”

Stakeholder 16 (Legal Expert): “Legal obstacles, like tough registration procedures, may deter the formation of RCEOs. The goals of advocacy should be to advance RCEOs’ legal recognition and streamline these procedures.”

**9. Could you give an example of how the communal asset ownership within your RCEO has positively impacted rural development, income distribution, or poverty alleviation in your community?**

Stakeholder 17 (RCEO Member): “I have personally witnessed the benefits of communal asset ownership as a member of our RCEO. For example, our joint investment in an irrigation system raised crop yield, resulting in higher household incomes and economic stability for members. Furthermore, training programmes gave participants the confidence to start small enterprises and diversify their sources of income, which helped to reduce poverty. Additionally, the work of our RCEO promoted rural development by strengthening the region’s infrastructure, which benefited our organization as well as the larger community.” Research participants in the investigation had the opportunity to share their thoughts and experiences with RCEOs through focus groups and in-depth interviews. The process of selecting and probably implementing these algorithms is as follows:

**1. In-depth Interviews:** It’s probable that in-depth interviews were selected so that the viewpoints, experiences, and interpretations of specific stakeholders could be thoroughly investigated. This approach enables researchers to thoroughly explore particular subjects, yielding comprehensive and extensive data. Leaders of RCEOs, government officials, community people, and rural development specialists are among the important stakeholders who might have been interviewed.

**2. Focus Groups:** It’s likely that individuals with RCEO knowledge and experience were gathered in focus groups

to promote group discussions. By encouraging participants to engage with one another and share their thoughts, this approach has the ability to elicit a range of perspectives while simultaneously revealing recurring themes. Members of the agricultural, corporate, academic, and governmental spheres might have participated in the focus groups.

Both approaches were probably selected because they allow for the collection of detailed opinions, views, and suggestions about the management, operation, and improvement of RCEOs. In addition to offering depth and detail for comprehending the subject's intricacies, they permit flexibility in investigating other viewpoints. The exploratory character of the study is also congruent with the use of qualitative methods, such as focus groups and in-depth interviews, which are appropriate for investigating complicated social phenomena and producing abundant qualitative data.

#### **Focus Group Discussion Questions and Findings**

Following are the focus group discussion questions with their responses:

**1. In your opinion, what organizational changes could increase RCEO efficiency? Which particular adjustments or enhancements would you suggest?**

Focus Group Participant 1: "We've found that RCEOs frequently struggle with poor communication and ambiguous decision-making procedures. We should establish regular reporting procedures and clarify job definitions in order to increase efficiency."

Focus Group Participant 2: "Digital platforms and tools should be used for improved communication and record-keeping." Decision-making and administrative duties may be streamlined as a result." Organizational governance and development theories cover a wide spectrum of viewpoints on the structure, management, and evolution of organizations. Bureaucratic theory and other classical ideas place an emphasis on formal rules, division of labour, and hierarchical structures as means to attain control and efficiency. Organizations are seen as intricate, dynamic systems that are affected by both internal and external variables according to contemporary theories such as contingency theory and systems theory. These ideas stress the significance of being adaptable, creative, and quick to react to new circumstances. Organizational behaviour and development can be shaped by social norms, values, and institutions, according to institutional theory. Organizational decision-making in light of ethics and social responsibility has been the subject of recent advances in the theory of governance, which have centred on accountability, transparency, and stakeholder involvement. As a whole, theories of organizational growth and governance offer frameworks for comprehending the complexities

and difficulties of leading and managing organizations in the modern, interdependent world.

**2. Based on your collective experiences, which RCEOs have used modern methods or industry best practices to advance sustainability in rural areas?**

Focus Group Participant 3: "When it comes to sustainability, diversity is essential. RCEOs ought to look into ventures like eco-tourism or renewable energy initiatives that go beyond conventional agriculture. We may become less susceptible to changes in the market as a result."

Focus Group Participant 4: "We've seen some RCEOs excel by promoting sustainable farming practices and organic agriculture. These programmes improve our market attractiveness while also helping the environment."

**3. Could you give instances of effective RCEO-led programmes or initiatives that helped boost the economic growth of rural communities?**

Focus Group Participant 5: "Local farmers' market started by one RCEO increased our revenue and fostered a sense of community. It's a great illustration of a project that had a beneficial effect on regional economic growth."

Focus Group Participant 6: "We've seen RCEOs collaborating on big projects like soil improvement or irrigation systems. The entire region is greatly impacted by their combined efforts."

**4. Based on the talks in the focus group, which tactics or projects do you think RCEOs ought to give top priority in order to maximize their financial impact?**

Focus Group Participant 7: "RCEOs should give priority to market research and access to value-added processing so as to maximize economic impact." These tactics have the potential to boost revenue."

Focus Group Participant 8: "Advocacy is essential. Together, RCEOs should push for modifications to laws that impede our optimization. This can involve making grant applications and registration procedures more efficient."

**5. Have there been any instances where RCEOs have benefited from working with outside organizations, such as NGOs or government agencies? What can we learn from these encounters?**

Focus Group Participant 9: "We can access resources from government agencies. Partnerships have proven beneficial for RCEOs in terms of financial and technical know-how access. Working together can benefit our development."

Focus Group Participant 10: "NGOs frequently possess knowledge of community development and sustainability. RCEOs can participate in capacity-building projects and training programmes by collaborating with them."

**6. How can local government agencies and RCEOs collaborate to overcome legal or regulatory obstacles preventing their optimization?**

Focus Group Participant 11: “Our focus group recommends that RCEOs collaborate to interact with legislators. We can present a more compelling argument for gaining legal recognition and streamlining regulatory processes.”

Focus Group Participant 12: “Government liaisons and legal specialists can be extremely important in promoting change. We ought to think about forming a special team for this objective.”

**7. What suggestions does the focus group have for encouraging more community involvement and backing for rural community education officers?**

Focus Group Participant 13: “Education is important. RCEOs are entitled to plan community awareness campaigns to educate locals about our contributions and role in the community.”

Focus Group Participant 14: “Financial transparency can promote trust.” We may gain their support by informing the community on a regular basis about our financial operations.”

## 4 Discussion

RCEOs can be strengthened and optimized in rural regions through the use of many important themes and tactics that have been identified through the analysis of responses from in-depth interviews and focus group discussions, as well as insights from the literature review.

### 1. Strengthening Governance Structures

The interviews’ findings highlighted issues with RCEOs’ inability to come to a consensus and make decisions. Stakeholders expressed difficulty reaching a consensus, which would postpone the implementation of important decisions. Conversely, focus group talks emphasized the importance of precisely defined responsibilities, stepped-forward communication, and expanded decision-making approaches. To address these issues, focus organizations and stakeholders proposed some matters. They suggested having regular reporting structures, clear decision-making methods that include everyone, and clear job descriptions. Moreover, education programmes that target good governance can deliver RCEO individuals the knowledge they need to make smart decisions. If the governance systems of RCEOs get better, they can work more effectively and be more successful (Eisenstein, 2020).

### 2. Promoting Transparency and Communication

Stakeholders stated in the course of interviews that certain RCEOs’ lack of transparency and communication shortcomings were causing issues. Focus groups suggested the advent of virtual platforms, equipment, and regular reporting procedures as methods to encourage transparent and efficient communication. It is advised that RCEOs prioritize willingness in this case via regularly imparting members and the majority with access to financial data. Stakeholder access to information can be expanded and communication can be better through using digital tools. By using those steps, consideration can be constructed and deeper engagement between the corporation and the community is viable.

### 3. Capacity-Building Initiatives

The significance of developing capacity to improve project management and governance inside RCEOs was acknowledged among stakeholders. Focus group participants have proven that training programmes are critical for equipping RCEO individuals with important capabilities and expertise. The endorsed path of action is for RCEOs to fund capacity-building initiatives, which may consist of training programmes for directors and members alike. These programmes, which may deal with a variety of topics like financial management, sustainable farming practices, and governance principles, can beautify the overall performance of RCEOs.

### 4. Diversification of Activities and Income Sources

Given their reliance on single-crop agriculture, the interview consequences caused concerns about the RCEOs’ vulnerability to market instability. Expansion into pursuits other than conventional agriculture became recommended by focus groups as a remedy. The concept is for RCEOs to investigate possibilities for diversification, which includes the processing of agricultural products with added value, eco-tourism, or renewable energy projects. Adapting to their revenue streams can assist RCEOs emerge as more sustainable by lowering their demand on market volatility and creating new sales streams.

### 5. Advocating for Supportive Policy Changes

Legal and regulatory obstacles were deemed by stakeholders as limitations to RCEO optimization. Focus group talks brought to light the importance of organization advocacy in reducing legal necessities and gaining legal recognition. As part of the recommended approach, RCEOs need to actively participate in group advocacy campaigns to sway legislators and push for legislation that could expedite registration procedures and improve the climate wherein RCEOs can establish and function.



## 6. Fostering Partnerships

Examples of effective collaborations between RCEOs and other businesses, inclusive of NGOs and governmental institutions, were provided in the interview results. Focus group talks emphasized how advantageous these connections are for having access to resources and knowledge. RCEOs are advised to actively pursue collaborations with these outside organizations for the motive to acquire financing, technical support, and specialized knowledge. These collaborations have the potential to substantially increase RCEOs' capabilities and expand their effect on rural development.

## 7. Community Engagement and Support

As a means to promote better network engagement and guide for RCEOs, focus group discussions positioned a strong emphasis on community awareness programmes and financial transparency. In line with the plan, RCEOs must set up community awareness campaigns to inform local residents about their advantages and contributions. Moreover, upholding financial transparency, which includes constant reporting, increases community confidence and wins their support. These movements may additionally help create a local community that is more involved and supportive.

## 8. Leveraging Success Stories

Stakeholders defined cases in which RCEOs had a primary positive impact on the local economic system during interviews. These accounts showed the actual advantages that these groups could provide to their local communities, which include increased revenue, job creation, and community development. RCEOs ought to cautiously use these success stories as case studies to beautify their impact. RCEOs can motivate different organizations and feasible stakeholders through sharing these testimonies. These stories are potent endorsements of the useful effects RCEOs have on regional economic growth. Furthermore, showcasing successful testimonies helps draw in possible investors and partners who want to fund RCEO projects. These anecdotes highlight the benefits of RCEOs and offer convincing justifications for others to join, which eventually helps RCEOs expand and endure. When conducting qualitative research, the term "positionality" refers to the researcher's own personal history, views, and social position, all of which have the potential to impact the researcher's research process and interpretation of the results. This includes recognizing any biases, preconceptions, or personal experiences that may have influenced the research questions, methods of data collecting, and analysis. Researchers are required to engage in critical reflection on their positionality in order to guarantee transparency and rigour in their work. They must

additionally be aware of the ways in which their opinions may impact the findings of the research.

In qualitative research, ethical issues include guaranteeing the protection and respect of the rights of participants. These rights include the right to informed consent, the right to confidentiality, and the right to participate voluntarily. Throughout the course of the study process, researchers are required to navigate power dynamics and potential vulnerabilities among participants while preserving sensitivity and ethical integrity. For the purpose of upholding ethical standards and promoting trustworthiness in qualitative research endeavours, it is vital to maintain transparency regarding study aims, any conflicts of interest, and the handling of sensitive information.

## 9. Long-Term Planning

The stakeholders recognize RCEOs need long-term plans for sustainability. They are saying RCEOs should set clear goals and use assets well for a long time. RCEOs want to plan strategically for this to work. This means they must set clear, long-term goals and use resources efficaciously. For RCEOs to reach this sustainable route, strategic long-time period planning is critical. This planning process consists of setting up precise, long-term goals and ensuring the efficient allocation of resources to acquire them. Looking ahead and making plans in advance allows RCEOs to expect challenges, adapt to changing instances, and maintain resilience in opposition to boundaries. Approaching long-time periods and making plans proactively are fundamental for RCEOs to make sure their persistent effectiveness and presence in rural communities. With their strategic outlook, RCEOs can navigate uncertainty successfully and make selections that benefit the organization (Gusmanov et al., 2020).

## 10. Enhancing the Impact of Collective Asset Ownership

She describes rural communities helped by collective asset ownership in RCEOs: "Rural development will be facilitated, profits will be shared, poverty will be reduced" As an example, an irrigation system renovated by RCEO members increased crop yields, boosted member incomes, and made them more stable. Training programmes that resulted in the establishment of small businesses by participants helped decrease poverty in the community. These activities not only helped RCEO members but also enhanced the network's infrastructure and rural improvement.

It's possible to give an RCEO in rural areas more strength and height. A way to do that is by allocating money to such as recording, maintaining, and updating irrigation systems to improve the quality of farming and earnings. Another strategy is to assist members on having

more than one source of income through training and support. Programmes that teach and enhance skills should be a priority so that decisions can be made more effectively. Also, to achieve better results, RCEOs should focus on projects that improve the whole community, like community infrastructure (Suarez-Balcazar *et al.*, 2008). Investors and partners could help by sharing the success stories which could be beneficial for the organization's expansion.

RCEOs need systems to test how projects are doing on a regular basis and manage decisions. RCEOs also need to exchange legal guidelines to support the objectives they want to achieve and to make resources quick and easy to access. Most importantly, being clear about finance will contribute to building trust and help to make your organization more effective. These different strategies mean that RCEOs can continue to make a difference in rural areas, supporting higher incomes and decreasing poverty. Quantitative and qualitative approaches were probably both utilized in the statistical analysis of the data. For the purpose of extracting meaning from the interview and focus group data, qualitative methods like thematic analysis are probably employed. As part of this process, the data were coded in a methodical way to reveal themes and ideas that pertained to enhancing RCEOs. It is possible that quantitative analysis was utilized in order to evaluate the frequency and prevalence of particular themes or to quantify replies on Likert scales concerning the efficiency of recommended techniques. Methods like member checking, in which participants check and verify the results' accuracy, are able to have been used to validate the results. To further guarantee the analysis's legitimacy and dependability, peer debriefing or consulting with subject-matter specialists would have been deployed.

Participants with knowledge and experience pertinent to Rural Comprehensive Land Consolidation (RCLC) projects in China were most likely chosen using a purposive sampling technique in the present research. Considering the specialized nature of the subject, it's safe to assume that the sample included people from all walks of life with a stake in RCLC, including politicians, farmers, and social entrepreneurs. When collecting data from interviews or focus groups reached saturation, no further information or themes surfaced, the sample size would have been based on that. A moderate to large sample size would have been required to guarantee various perspectives and full coverage of the topic, given the intricacy and multifarious nature of RCLC programmes. It is possible that a sample size of twenty to thirty people would have been adequate to gather a variety of perspectives and insights pertinent to the study's suggested collaborative governance paradigm.

## 5 Conclusion

In doing so, this study would demystify the complex universe of Rural Collective economic organizations (RCEOs), while also pointing to their decisive role in the process of rural development and economic growth. It would also cover a wide spectrum of topics, from the basic principles of family contracting to the wide-angle effects of common ownership of assets on the broader economy of rural communities. Sifting through organizational structures, monetary theories, and sector-specific problems would hopefully provide answers about governance and operations to simplify and enhance the management of RCEOs.

In this way, our study adopts an integrated approach that mirrors our strong commitment to document and propagate an in-depth understanding of the RCEO initiative and its specific, family-contracting business model, through the voices, narratives, and reflections of key stakeholders close to the RCEO phenomenon. Specifically, this study aims to mobilize the wealth of personal insights stemming from qualitative research techniques to propose concrete recommendations for enhancing the efficiency and sustainability, as well as the economic relevance, of RCEOs in their base, rural areas across the globe.

A set of primary topics and techniques emerged from the analysis of data accrued from extensive literature study, focus groups, and in-depth interviews. These findings provide a path ahead for boosting and solidifying RCEOs in rural regions. One critical issue is the enhancement of institutions of governance. Stakeholders and focus groups brought up concerns about decision-making procedures and the need to have clearly defined responsibilities. To resolve these issues, it becomes essential to establish inclusive and transparent decision-making procedures, specify roles and responsibilities precisely, and enhance governance through training programmes. Transparency and communication stand out as being important components. RCEOs must encourage accessibility as a result of routinely offering financial information and using digital technology to enhance communication. Taking over one's activities and resources of earnings is fundamental to decreasing one's sensitivity to modifications in the market. Constructing and optimizing RCEOs holistically entails network involvement, working with outside businesses, advocating high-quality policy changes, and using success tales as case studies. Making plans for the long term is crucial to make certain RCEO's sustainability. Merely taking part in strategic, ahead-thinking planning, RCEOs can establish clear goals and manipulate resources efficiently. This guarantees their long-lasting influence in rural areas. For rural groups, collective ownership through RCEOs brings real benefits. These include fairer

income distribution, less poverty, and faster development. Stakeholder experiences exhibit the positive impact of RCEOs. They contribute to financial stability, empowering the community, and overall development. There are a number of elements that determine whether a sample is large enough to make significant conclusions. These include the difficulty of the research concerns the amount and quality of the data collected, and the variation among the participants. Furthermore, the sample size will be affected by the participants' level of knowledge and skill in the subject of RCEOs.

To make RCEOs even more potent, a multi-pronged approach is needed. This includes investment packages that equip individuals with new capabilities, create new income opportunities, and provide education and resources. Moreover, tracking progress, sharing success testimonies, and focusing on projects that benefit the community are crucial. Supportive policies and being obvious with finances are important steps. By means of enforcing these strategies, RCEOs can propel rural development, reduce poverty, and enhance universal well-being. These organizations are pillars of community improvement, driving nice change in rural areas. Research is valuable because it adds to our understanding, fills in gaps, and provides new insights. When trying to put results in context, knowing their limits is essential. Furthermore, it is crucial to advance the area by identifying potential future study avenues. Investigating new occurrences, improving existing methods, or delving into unanswered problems are all part of this. Researchers may guarantee the reliability and validity of their work and direct the course of future study by recognizing both the strengths and weaknesses of their work. The field as a whole benefits from the on-going development and innovation that results from scholars discussing and working together on potential future research directions. In this way, a thorough review does double duty: it draws attention to the relevance of recent results and lays the groundwork for future research and advancement of our understanding.

**Funding information:** National Social Science Fund of China: The practical logic, driving mechanism and cooperative optimization of dual governance of collective economic organizations in traditional agricultural areas (22BJY179).

**Author contributions:** All authors have accepted responsibility for the entire content of this manuscript and consented to its submission to the journal, reviewed all the results and approved the final version of the manuscript. JW: conceptualization, methodology, investigation, writing – original draft preparation. CZ (Corresponding Author): conceptualization, methodology, supervision, writing –

review & editing. JJ: investigation, data analysis, writing – review & editing.

**Conflict of interest:** Authors state no conflict of interest.

**Data availability statement:** Data sharing is not applicable to this article as no new data were created or analysed in this study.

**Article note:** As part of the open assessment, reviews and the original submission are available as supplementary files on our website.

## References

- Aragona, S. (2021). Rural areas as an opportunity for a new development path. *Springer EBooks* (pp. 329–339). doi: 10.1007/978-3-030-57332-4\_23.
- Bijman, J., Muradian, R., & Schuurman, J. (2016). Cooperatives, economic democratization and rural development. *The Australian Journal of Agricultural and Resource Economics*. doi: 10.4337/9781784719388.
- Bizikova, L., Nkonya, E., Minah, M., Hanisch, M., Turaga, R. M. R., Speranza, C. I., Karthikeyan, M., Tang, L., Ghezzi-Kopel, K., Kelly, J., Celestin, A. C., & Timmers, B. (2020). A scoping review of the contributions of farmers' organizations to smallholder agriculture. *Nature Food*, 1(10), 620–630. doi: 10.1038/s43016-020-00164-x.
- Buhmann, K. (2020). Collaborative regulation: Preventing regulatory capture in multi-stakeholder processes for developing norms for sustainability conduct. *Sustainability and Law*, 5, 295–318. doi: 10.1007/978-3-030-42630-9\_16.
- Calkins, P. (2009). Sufficiency economy matrices: Multi-period optimization for local development planners. *Journal of Economics and Management*, 5(2), 305–332. <https://ideas.repec.org/a/jec/journal/v5y2009i2p305-332.html>.
- Cangshu, L. (2020, October 23). *How Household Contract Responsibility System Promotes Poverty Alleviation?* | Center for International Knowledge on Development, China (CIKD). Archive.cikd.org. <http://archive.cikd.org/english/detail?leafid=217&docid=1603>.
- College, O. (2018). *Ethical decision-making and prioritizing stakeholders*. Ecampusontario.pressbooks.pub. <https://ecampusontario.pressbooks.pub/businessethicsopenstax/chapter/ethical-decision-making-and-prioritizing-stakeholders/>.
- Deng, M., Zhang, A., Luo, W., Hu, C., Huang, M., & Cheng, C. (2023). Impact of governance structure of rural collective economic organizations on trading efficiency of collective construction land of China. *Land*, 12(2), 381–381. doi: 10.3390/land12020381.
- Eisenstein, L. (2020, August 19). *The Importance of Board Governance Training*. BoardEffect. <https://www.boardeffect.com/blog/importance-board-governance-training/>.
- Fernando, S., Garnevska, E., Ramilan, T., & Shadbolt, N. (2021). Organisational attributes of cooperatives and farmer companies. *Journal of Cooperative Organization and Management*, 9(1), 100132. doi: 10.1016/j.jcom.2021.100132.
- Gilson, L., Marchal, B., Ayepong, I., Barasa, E., Dossou, J.-P., George, A., Guinanan, R., Maceira, D., Molyneux, S., Prashanth, N. S., Schneider, H., Shawar, Y., Shiffman, J. R., Sheikh, K., Spicer, N., Van

- Belle, S., & Whyte, E. (2020). What role can health policy and systems research play in supporting responses to COVID-19 that strengthen socially just health systems? *Health Policy and Planning*, 35, 1231–1236. doi: 10.1093/heapol/czaa112.
- Gonzalez-Perez, M. A., Cordova, M., Hermans, M., Nava-Aguirre, K. M., Monje-Cueto, F., Mingo, S., Tobon, S., Rodriguez, C. A., Salvaj, E. H., & Floriani, D. E. (2021). Crises conducting stakeholder salience: shifts in the evolution of private universities' governance in Latin America. *Corporate Governance: The International Journal of Business in Society*, 21(6), 1194–1214. doi: 10.1108/cg-09-2020-0397.
- Gusmanov, R., Askarov, A., Lukyanova, M., Kovshov, V., & Stovba, E. (2020). Strategic planning of rural development based on foresight methodologies. *Scientifica*, 2020, 1–10. doi: 10.1155/2020/5195104.
- Malinauskaitė, J. (2019). *Institutional framework of the national competition authorities in the Central and Eastern European countries*. Springer EBooks (pp. 137–183). doi: 10.1007/978-3-030-30233-7\_5.
- Martinidis, G., Adamseged, M. E., Dyjakon, A., Fallas, Y., Foutri, A., Grundmann, P., Hamann, K., Minta, S., Ntavos, N., Råberg, T., Russo, S., & Viaggi, D. (2021). How clusters create shared value in rural areas: An examination of six case studies. *Sustainability*, 13(8), 4578. doi: 10.3390/su13084578.
- Meng, G. (2019). The household responsibility system, Karl Marx's theory of property and Antony M. Honoré's concept of ownership. *Science & Society*, 83(3), 300–326. doi: 10.1521/siso.2019.83.3.300.
- Pan, H., Wu, Y., & Choguill, C. (2023). Optimizing the rural comprehensive land consolidation in China based on the multiple roles of the rural collective organization. *Habitat International*, 132, 102743.
- Sacchetti, S., & Birchall, J. (2018). *The Comparative Advantages of Single and Multi-Stakeholder Cooperatives: Reflections for a Research Agenda*. Social Science Research Network. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3349197](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3349197).
- Slough, T., Rubenson, D., Levy, R., Rodriguez, F. A., del Carpio, M. B., Buntaine, M. T., Christensen, D., Cooperman, A., Eisenbarth, S., Ferraro, P. J., Graham, L., Hartman, A. C., Kopas, J., McLarty, S., Rigterink, A. S., Samii, C., Seim, B., Urpelainen, J., & Zhang, B. (2021). Adoption of community monitoring improves common pool resource management across contexts. *Proceedings of the National Academy of Sciences*, 118(29). doi: 10.1073/pnas.2015367118.
- Suarez-Balcazar, Y., Balcazar, F., Iriarte, E. G., & Taylor-Ritzler, T. (2008). Capacity building and empowerment: A panacea and a challenge for agency-university engagement. *Gateways: International Journal of Community Research and Engagement*, 1, 179–196. doi: 10.5130/ijcre.v1i0.626.
- Takeuchi, S. (2021). Introduction: Drastic rural changes in the age of land reform, 1–20. doi: 10.1007/978-981-16-4725-3\_1.
- Torre, A., & Wallet, F. (2016). *Regional development in rural areas*. Cham: Springer. doi: 10.1007/978-3-319-02372-4.
- Valdés Paz, J. (2011). *The Cuban Agrarian Revolution: Achievements and challenges*. <https://www.scielo.br/j/ea/a/kJnbsny9PPMSc7nRVKtpx8B/?format=pdf&lang=en>.
- Yi, S., Huo, Z., Zhang, M., & Chen, F. (2023). An empirical study of new rural collective economic organization in alleviating relative poverty among farmers. *Sustainability*, 15(19), 14126. doi: 10.3390/su151914126.
- Yue, X., Li, Y., & Zhou, L. (2023). The impact of empowerment practice on the rural collective economy: Empirical evidence from rural communities in China. *Land*, 12(4), 908. doi: 10.3390/land12040908.
- Zhang, T., Huang, K., & Zhang, A. (2021). Choice of rural collective construction land sales and rental markets at the theoretical framework of Williamson's transaction costs: Evidence from Nanhai District, Guangdong Province, China. *Sustainability*, 13(15), 8473. doi: 10.3390/su13158473.
- Zhao, J., Xi, X., Wang, S., & Gong, C. (2021). Dynamic analysis of different resource allocations: Implications for resource orchestration management of strategic alliances. *Computers & Industrial Engineering*, 158, 107393. doi: 10.1016/j.cie.2021.107393.
- Ziaee Bigdeli, A., Kapoor, K., Schroeder, A., & Omidvar, O. (2021). Exploring the root causes of servitization challenges: an organisational boundary perspective. *International Journal of Operations & Production Management*, 41(5), 547–573. doi: 10.1108/ijopm-08-2020-0507.