

Enhancing Cooperative Governance and Rural Entrepreneurship for Sustainable Agricultural Development: A Proposed Comparative Study of Uzbekistan and Malaysia

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Abstract: This paper presents a comparative study of cooperative governance and rural entrepreneurship in Uzbekistan and Malaysia based on one main issue, which is smallholder farmers produce 75 to 85 percent of Uzbekistan's horticultural output, however, only 7.5 percent of agricultural land is managed through formal cooperatives. Why did this issue happen, and how can Malaysia's experience with FELDA and FELCRA be used to help other countries dealing with the same challenge? Based on the institutional theory, social capital theory, and entrepreneurial ecosystem approaches, this paper outlines an integrated conceptual framework for understanding the barriers and opportunities facing cooperative development in Uzbekistan. Malaysia serves as a comparative reference point throughout. The framework highlights four interconnected factors of influence, i.e., institutional environment, social and cultural dynamics, organizational capacity, and market integration. Malaysia's experience with FELDA and FELCRA suggests that sustained government support, systematic trust-building, and investment in organizational capacity can overcome historical barriers to cooperation. As a conceptual paper, the proposed framework requires empirical validation through future comparative research. It offers practical implications for policymakers, development practitioners, and farmer organizations seeking to enhance collective action in agricultural sectors. The paper contributes to the limited research on agricultural cooperation in transition economies and proposes a research agenda for investigating how Malaysia's experience with state-supported cooperative models might help Uzbekistan's ongoing agricultural reforms.

Keywords: *Agricultural cooperatives, governance, rural entrepreneurship, sustainable agriculture, comparative study.*

1. Introduction and Background

Agricultural cooperatives represent a distinctive organizational form that combines economic objectives with social and democratic principles. Most cooperatives offer pathways to overcome market inefficiencies, access technology, and achieve economies of scale for smallholder farmers. Uzbekistan's agricultural sector represents both the challenges and the opportunities for cooperative development. In terms of statistics, the smallholder farmers in Uzbekistan are currently operating on fragmented landholdings, producing 75 to 85 percent of the country's fruit and vegetable output. Nevertheless, only 7.5 percent of agricultural farmland is managed under formal cooperative structures (World Bank, 2021). This disconnection between productive capacity and organizational infrastructure reflects a significant challenge for agricultural transformation in Uzbekistan as one of the agricultural nations in Central Asia.

The transformation of Uzbekistan's agricultural sector started after independence in 1991, focusing more on individual farming rather than collective structures. It reflected a political rejection of earlier collective agriculture initiative models (Abdurakhmonov & Khamidov, 2023) that has resulted in new challenges whereby smallholder farmers face constrained access to finance, limited technological adoption, weak bargaining power in concentrated markets, and persistent difficulties in achieving economies of scale (Bernard & Spielman, 2009; Trebbin, 2014). These challenges are intensified by historically rooted distrust among farmers, insufficient business and management skills, and an unclear regulatory framework that fails to adequately support cooperative formation (Bijman et al., 2012; Lerman, 2017).

Recent policy shifts indicate a transitional period for agricultural governance in Uzbekistan. The draft of the 2022 Law on Agricultural Cooperatives reflects an expanding effort by Uzbek policymakers to leverage smallholder collaboration (Ministry of Agriculture of the Republic of Uzbekistan, 2022). This legislative shift, however, invites a critical examination of how cooperative governance and rural entrepreneurship can be restructured to drive long-term sustainability. In Malaysia, the state-backed land development frameworks like

FELDA (est. 1956) and FELCRA (est. 1966) were scaled through integrated cooperative systems that fundamentally reshaped smallholder livelihoods (FELDA, 2020; FELCRA, 2020). This suggests that institutional backing, when paired with target-driven credit, technical extension, and local capacity-building, can significantly elevate not only smallholder participation but also production yield. Recent bilateral engagements between Tashkent and Kuala Lumpur reinforce the strategic utility of this comparative lens (Bernama, 2024; The Star, 2025).

This study is conceptual in nature, rather than presenting empirical findings, and proposes a research agenda. The main goal is to develop a strong conceptual framework that can be useful for future empirical investigation. The research questions addressed in this paper are: What are the main challenges for the establishment and operation of successful cooperatives by rural farmers in Uzbekistan? What do the Malaysian cooperative models tell us about the agricultural reform effort in Uzbekistan? What are the ingredients of successful cooperative governance and rural entrepreneurship, and how can they be adapted to the Uzbek context?

The paper proceeds as follows. Section 2 reviews the theoretical and empirical literature on agricultural cooperatives, governance, and rural entrepreneurship. Section 3 presents the comparative context of Uzbekistan and Malaysia. Section 4 outlines the proposed conceptual framework, including testable propositions. Section 5 discusses the proposed research methodology and agenda. Section 6 presents implications for policy and practice. Section 7 concludes with recommendations for future research.

2. Literature Review

The theoretical literature on cooperatives is diverse in its disciplinary roots. It draws upon economics, sociology, political science, and organizational studies. In this section, the main perspectives are presented, and the gaps that are filled by the proposed framework are underlined.

Perspectives of Institutional Economics

From the institutional economics perspective, cooperatives are an organizational response to market failures and transaction costs (Williamson, 1985). Smallholder farmers incur high transaction costs in accessing input markets, information, credit, and output markets. This is because they are small, geographically dispersed, and have limited bargaining power. Cooperatives reduce these transaction costs through pooling of resources, information sharing and economies of scale in terms of input procurement and output marketing (Bijman et al., 2012). The cooperative form has advantages in an environment with imperfect information, asset specificity, and uncertainty, which are all common features of agricultural markets (Hendrikse & Veerman, 2001). Governance challenges are also present in cooperatives because of their distinct ownership and control arrangements. The property rights approach highlights the tension between the individual interests of member owners and collective goals (Hansmann, 1996). Cooperatives need to harmonize potentially conflicting goals of various types of members, deal with free-rider issues, and align governance systems to member incentives and the performance of the organization (Cook, 1995; Bijman et al., 2012).

Trust and Social Capital

Social capital theory offers complementary insights. Putnam (1993) describes social capital as the features of social organization such as networks, norms and trust that facilitate coordination and cooperation for mutual benefit. Within the framework of cooperatives, social capital is defined as the interpersonal trust, shared norms, and reciprocal relationships among farmers that help overcome collective action problems (Woolcock & Narayan, 2000). Trust, as one of the important elements of social capital, is deeply valued in Uzbekistan. Historical experiences of forced collectivization have created a deep-seated distrust of formal cooperative structures (Lerman, 2017; Kandiyoti, 2018). This historical legacy creates a deficit of trust that needs to be addressed through deliberate trust-building mechanisms. Social capital theorists point to the multi-level nature of trust, i.e., interpersonal, community, and institutional. Effective cooperative governance requires attention to each of these levels (Pretty, 2003). The success of FELDA and FELCRA in Malaysia has been partly attributed to a systematic approach in establishing trust, which involved community and religious leaders to gain the acceptance of farmers (Mansor & Zakaria, 2019).

Approaches to Entrepreneurial Ecosystems

Recent rural entrepreneurship scholarship has focused on entrepreneurial ecosystems. These are the networks of actors, institutions, and resources that are interlinked and that support entrepreneurial activity (Stam, 2015; Spigel, 2017). This view considers not only individual entrepreneurial characteristics, but also the wider environment. Some of the main elements include formal institutions (laws, regulations, and policies), informal institutions (norms, culture, and social networks), resource availability (finance, infrastructure, and human capital), and market conditions (Stam & van de Ven, 2021). The entrepreneurial ecosystem perspective on agricultural cooperatives underlines the many enabling conditions that are needed for the success of cooperatives. Cooperative development is not only dependent on individual farmers' motivation but also on supportive policy frameworks, accessible financial services, suitable training and extension, functional infrastructure and market linkages (Markelova et al., 2012).

Cooperatives and the livelihoods of smallholder farmers

There is much empirical evidence that agricultural cooperatives can make significant improvements to the livelihoods of rural smallholders, even though the results are highly context-dependent. Systematic reviews indicate that cooperative membership is positively correlated with income, agricultural productivity, technology uptake, and market access (Abebaw & Haile, 2013; Ma & Abdulai, 2016; Verhofstadt & Maertens, 2014). In East Africa, cooperative membership has been found to increase the incomes of smallholder farmers by 20 to 30 percent through improved market access and collective bargaining (Wanyama et al., 2008). Research in Ethiopia has shown that members of cooperatives receive higher prices and have better access to credit and extension services (Francesconi & Heerink, 2010; Bernard & Spielman, 2009). In India, Trebbin (2014) demonstrated that producer companies enabled small farmers to access modern retail chains and capture value through quality enhancements and transaction cost reductions.

Similar positive outcomes have also been observed among Malaysian cooperatives, especially in the oil palm sector. Studies on Sustainable Oil Palm Growers Cooperatives have shown that cooperative membership enables smallholders to achieve efficient farm management, lower operational costs, and better market access (Ishak & Che Omar, 2023). In the meantime, studies also showed the positive impact of financial literacy and risk management literacy on cooperative financial performance. Moreover, intangible resources like member participation and relational capital are important determinants of cooperative performance (Ishak & Che Omar, 2023).

Cooperatives in the Transition Economies

The study of agricultural cooperation in transition economies reveals some issues. Agriculture became fragmented after moving from collective farms to individual plots. The economies of scale and access to services were diminished (Swinnen & Vranken, 2010; Lerman, 2017). Research in several transition economies shows that farmers still face obstacles to cooperation. This means that there is a lack of trust in collective organizations, limited management skills, ambiguous legal structures, and weak financial infrastructure (Lerman et al., 2004; Swinnen & Vranken, 2010). Informal networks based on family, kinship, and neighborhood ties often replace formal cooperatives. But they have neither a legal status nor an organizational capacity to make an impact in the market (Kandiyoti, 2018; Decker et al., 2020). A similar gap in research is seen for agricultural cooperatives in Uzbekistan on the above-mentioned topic. An ethnographic study in Andijan (Kandiyoti, 2018) reveals how farmers migrate between different social and economic networks and are distrustful of formal cooperative formations. This is further evidenced by Abdurakhmonov and Khamidov (2023), who describe current policy advancements and identify implementation issues that limit the effectiveness of new legislation.

Structures of cooperative governance

Agricultural cooperative governance is the institutions, processes, and activities through which members control and oversee (Cornforth, 2004). Democratic member control is characterized by cooperative governance, which is generally in the form of one-member-one-vote systems, boards elected by members, and accountability procedures (Bijman et al., 2012). Research has identified a number of governance difficulties peculiar to cooperatives. The horizon problem occurs when members' short-term interests conflict with the long-term sustainability of the organization (Cook, 1995). The control problem is the potential divergence of preferences of the members and the board or management choices (Hansmann, 1996). The portfolio dilemma

illustrates the challenges that occur in fulfilling the needs of a diversified membership as cooperatives grow (Hendrikse & Verman, 2001). Good governance concerns the makeup and competence of the board, decision-making process, transparency of information, accountability systems, and dispute resolution procedures (Sacchetti & Tortia, 2014). In the research, explicit financial management, frequent meetings of members, and bylaws are emphasized (Markelova et al., 2012; Bernard & Spielman, 2009). According to Malaysian research by Ishak and Che Omar (2023), the most important intangible resource in influencing the financial and non-financial performance of the cooperative is member engagement.

Institutional support and policy environment

Government policy is important in creating an environment for the development of cooperatives. Important policy areas include legal recognition and registration procedures, taxation and financial incentives, access to credit and subsidies, provision of extension and training services, and market infrastructure (Bijman et al., 2012; Francesconi & Heerink, 2010). The Malaysian experience with FELDA and FELCRA highlights the need for continued government support. One of the key success factors is the leadership from the government, which has been given consistent support from the New Economic Policy in 1971 to the mid-1990s (Mansor & Zakaria, 2019). This support has helped FELDA and FELCRA to develop practical know-how on value chain management, land consolidation and rehabilitation, and financial services for smallholder farmers (Mansor & Zakaria, 2019). The theoretical literature on cooperatives draws from multiple disciplinary traditions. Economics, sociology, political science, and organizational studies all contribute. This section reviews the main perspectives and identifies gaps that the proposed framework addresses.

Comparative Context: Uzbekistan and Malaysia

Uzbekistan: The Challenge of Cooperative Development

In Uzbekistan, small private farms dominate the agricultural industry. 75–85 percent of the production of fruits and vegetables (World Bank, 2021). These smallholders farm on fragmented landholdings, a relic of agrarian reforms that favored individual farms over communal institutions (Abdurakhmonov & Khamidov, 2023). These farmers have little formal cooperation. This condition constrains the ability to address market inefficiencies, embrace current technologies, and negotiate better prices (Bernard & Spielman, 2009; Trebbin, 2014). Historical hurdles to cooperation have included distrust among farmers, a legacy of forced collectivization (Lerman, 2017). There is also a lack of cooperative management skills and poor regulatory backing (Bijman et al., 2012). Scholars working on Central Asia have highlighted that informal networks sometimes substitute for the absence of formal cooperatives but lack the legal and financial infrastructure to scale (Kandiyoti, 2018). The recent policy changes, such as the proposed Law on Agricultural Cooperatives (2022) and the national agricultural plan, show a greater government emphasis on supporting farmer collectives (Ministry of Agriculture of the Republic of Uzbekistan, 2022). The challenge is to implement it. Their usefulness is limited due to confusing restrictions and limited capacity (Abdurakhmonov & Khamidov, 2023).

Malaysia: A Model of Progressive Cooperative

The experience of the agricultural cooperative in Malaysia is a useful lesson. Two major institutions, FELDA and FELCRA, have respectively played vital roles in the agricultural growth of Malaysia (Mansor & Zakaria, 2019).

FELDA, which was formed in 1956, was initiated to tackle landlessness and rural poverty. The FELDA model selects landless rural Malays and uneconomic smallholders as settlers, provides them with at least 4 hectares of land planted with rubber or oil palm, housing, and basic facilities such as water supply, schools, and mosques. It consists of three phases: cooperatives for learning, individual land allocation, and land titling. It also provides loans for development costs, which are deducted from the settlers' income within 15 years, and consistent government support, including monthly subsidies for the first few years (Mansor & Zakaria, 2019). The integration is supported by Koperasi Permodalan FELDA (KPF), a multi-billion ringgit cooperative. Institutionalized upstream plantation logistics. KPF is a platform for settlers and staff to pool resources, gain institutional equity, and participate in dividends from downstream processing, logistics, and global agribusiness marketing. The World Bank has recognized FELDA as one of the most successful land development agencies in the world despite the high cost of almost USD 25,000 per household in the 1980s (Mansor & Zakaria, 2019).

Founded in 1966, FELCRA deals with land fragmentation and rehabilitation. The key features are the consolidation of fragmented land holdings into efficient production units, provision of low-interest loans with long grace periods and 25-year repayment terms, profit-sharing arrangements where 80 percent of the revenues are given to the participants and 20 percent to the repayment of the loans, organization of the farmers into cooperatives to engage in agri-business activities, and generation of off-farm income to supplement the plantation income (Mansor & Zakaria, 2019). The experience of FELCRA shows that earning the trust of farmers through community participation, involvement of community and religious leaders, and campaign organization are important ways to help farmers realize the benefits of land consolidation (Mansor & Zakaria, 2019).

Recent Developments and Bilateral Cooperation

Recent developments indicate increasing agricultural cooperation between Malaysia and Uzbekistan. Both countries have engaged at a high level and discovered areas of partnership. These consist of aquaculture, smart farming, agricultural research and development, and sustainable technology (The Star, 2025; Bernama, 2024). The Malaysian Agricultural Research & Development Institute (MARDI) is considering a collaborative research project with Uzbekistan's Center of Knowledge and Innovation in Agriculture (AKIS) (Bernama, 2024). In 2025, Malaysia's bilateral agricultural trade was RM338.48 million, with great potential for expansion (The Star, 2025). Malaysia's experience in biofloc technology for aquaculture and smart agricultural technologies (The Star, 2025; Bernama, 2024) is complemented by Uzbekistan's expertise in horticulture and irrigation. These improvements provide a basis for deeper learning and cooperation in cooperative growth. They contribute to making the proposed comparative study very topical and relevant.

Proposed Conceptual Framework

Based on the theoretical and empirical material reviewed above, this section proposes an integrated conceptual framework. The framework is to provide future empirical studies on cooperative governance and rural entrepreneurship in Uzbekistan with comparative insights from Malaysia.

Theoretical Integration

Institutional economics analyzes the establishment and regulation of cooperation by the way formal and informal rules affect them. But it says little about trust or social interactions. Social capital theory covers that gap; it talks about trust and networks but does not pay enough attention to the wider policy and market environment. Approaches to entrepreneurial ecosystems capture the interrelated circumstances for cooperative entrepreneurship. But they do not specifically address the special cooperative governance concerns. The framework offered here synthesizes diverse ideas in a way that more accurately reflects the complexity of cooperative development than any one theory could.

Institutional Environment

The institutional environment is composed of official and informal regulations that affect the creation, governance, and performance of cooperation.

Legal and Regulatory Framework

The legal framework in Uzbekistan was developed based on the draft Law on Agricultural Cooperatives of 2022. Key factors impacting cooperative formation include registration procedures, governance requirements, financial rules, and tax incentives. The effectiveness depends on the implementation processes and on the local administrative competence (Bijman et al., 2012; Sacchetti & Tortia, 2014). Malaysia's experience points to the need for a supportive legal framework and robust institutional capabilities. Dedicated legislation and ongoing government assistance were advantages of FELDA and FELCRA (Mansor & Zakaria, 2019). Malaysian Palm Oil Board (MPOB) provides technical advice and support for cooperatives through its TUNAS offices nationwide (MPOB, 2023).

Policy Coherence and Implementation

Cooperative development crosses a few policy areas. Such coordination involves the cooperation of government ministries and agencies (Markelova et al., 2012). Mansor & Zakaria (2019) stated that FELDA and FELCRA in Malaysia are placed under direct supervision by the Prime Minister's Department and continued backing by successive administrations. The ability for policy implementation in Uzbekistan, especially at the local levels, still has to be addressed (Abdurakhmonov & Khamidov, 2023).

Social and Cultural Dynamics

Social and cultural factors shape farmer attitudes toward cooperation and influence cooperative functioning.

Trust and Social Capital

In Uzbekistan, the legacy of collectivization from the past has led to deep-seated suspicion (Lerman, 2017; Kandiyoti, 2018). This trust deficit can be addressed by focusing on interpersonal trust, institutional trust, and system trust (Woolcock & Narayan, 2000; Pretty, 2003). The Malaysian example shows that systematic trust-building is achievable. FELCRA's approach was to work with community and religious leaders to win farmer approval and to organize campaigns to illustrate the benefits of collaboration (Mansor & Zakaria, 2019). This has been further strengthened by recent efforts like the KPSM cooperatives, which offer substantial benefits in terms of effective farm management and market access (Ishak & Che Omar, 2023).

Social Networks and Cultural Values

Informal networks matter in the lives of rural people in both Uzbekistan and Malaysia. In Uzbekistan, these networks are a social safety net but can impede official cooperation (Kandiyoti, 2018). Cooperatives in Malaysia have been able to leverage existing community institutions while introducing formal governance that promotes accountability and scale (Mansor & Zakaria, 2019).

Organizational Capacity

Organizational capacity encompasses skills, systems, and resources enabling effective cooperative functioning.

Human Capital and Leadership

The performance of cooperatives is critically dependent on quality leadership (Bijman et al., 2012). Leadership development has been a focus in Malaysia, and cooperatives have been trained and provided with technical advice from MPOB (MPOB, 2023). Financial literacy and risk management literacy have a positive effect on cooperative financial success (Ishak & Che Omar, 2023). Member participation and relational capital are the most essential intangible resources that determine the performance of cooperatives (Ishak & Che Omar, 2023).

Governance Practices

Quality governance is at the heart of the sustainability of cooperatives. The key practices are member engagement, transparency, accountability, conflict resolution, and strategic planning (Cornforth, 2004; Markelova et al., 2012; Sacchetti & Tortia, 2014). Malaysian cooperatives show the necessity of good ties with members and key constituencies (Ishak & Che Omar, 2023).

Financial Management

Another requirement for the sustainability of cooperatives is the ability to be financially viable. Adequate capitalization, sustainable sources of income, and financial controls are key (Cook, 1995; Markelova et al., 2012). Mansor & Zakaria (2019) indicate that the loan repayment mechanism of FELDA and the profit-sharing agreements of FELCRA are models of financial sustainability.

Market Integration

Market integration encompasses connections between cooperatives and the broader economic environment.

Market Access and Value Chains

Cooperatives provide mechanisms for smallholders to reach markets. Market information, quality standards, value addition, and collective bargaining are some of the factors (Markelova et al., 2012; Wanyama et al., 2008). The Malaysian KPSM cooperatives are also a good example of cooperatives involved in entrepreneurial operations such as the delivery of fertilizer, road maintenance services, gas stations, and direct sale of fresh fruit bunches to mills (Ishak & Che Omar, 2023). These activities contribute to income for members and sustainability of the cooperative.

Financial Services

Having the right financial services available is key. 2.2 Role of Malaysian Cooperatives. Malaysian cooperatives provide financial services to smallholder farmers through Koperasi Permodalan FELDA (KPF) (Mansor and Zakaria, 2019). FELDA's credit mechanisms for development costs and FELCRA's low-interest loans with long

repayment periods are models to inform Uzbek policy (Mansor & Zakaria, 2019).

Value Chain Relationships

Cooperative results are highly dependent on relationships with buyers, processors, and other value chain operators. Malaysian cooperatives have substantial value chain links, even with mills for direct fresh fruit bunch sales (Ishak & Che Omar, 2023). FELDA's experience in value chain management can provide practical know-how for the development of cooperatives in Uzbekistan (Mansor & Zakaria, 2019).

Propositions for Empirical Testing

The proposed framework generates several testable propositions that can guide future empirical investigation.

Proposition 1: Cooperative formation in Uzbekistan is positively associated with the clarity and implementation capacity of legal and regulatory frameworks, moderated by local administrative capacity.

Proposition 2: Trust-building interventions that engage community and religious leaders are positively associated with cooperative participation rates in Uzbekistan, following the FELCRA model.

Proposition 3: Organizational capacity, particularly leadership quality and financial literacy, mediates the relationship between institutional support and cooperative performance.

Proposition 4: Market integration, including value chain relationships and access to financial services, is positively associated with cooperative sustainability and member income.

Proposition 5: The effectiveness of transferring Malaysian cooperative models to Uzbekistan is contingent on local adaptation to historical, cultural, and institutional contexts.

These propositions provide a structured agenda for empirical testing and refinement of the conceptual framework.

Interconnections and Dynamic Relationships

The four domains of the conceptual framework interact in complex ways. Institutional-social interactions shape how policies are implemented and how social norms influence institutional effectiveness (Swinnen & Vranken, 2010). Capacity-institutional interactions determine how effectively cooperatives can access and utilize institutional support. Social-capacity interactions enable knowledge sharing and collective learning (Pretty, 2003). Market-capacity interactions determine cooperatives' ability to meet market requirements and capture value (Markelova et al., 2012).

Application to Uzbekistan with Malaysian Lessons

Applying this framework to Uzbekistan with comparative insights from Malaysia highlights several key dynamics that warrant empirical investigation.

Historical Legacy and Institutional Change.

Uzbekistan's historical legacy continues to shape farmer attitudes, while recent policy developments create opportunities. Malaysia's experience demonstrates that sustained government support and systematic trust-building can overcome historical barriers (Mansor & Zakaria, 2019). This proposition requires empirical testing in the Uzbek context.

Informal Networks and Formal Structures.

Both countries have good informal networks and structures. Uzbekistan cooperatives should use existing informal networks and formal governance mechanisms like Malaysia's FELCRA (Mansor & Zakaria, 2019). This concept should be explored for applicability to Uzbekistan.

Circular Economy and Sustainability.

Both countries recognize the importance of sustainable agriculture. Malaysian cooperatives incorporate sustainability practices, including MSPO certification and environmental measures (MPOB, 2023). The transferability of these practices to Uzbekistan merits exploration.

International Lessons and Local Adaptation.

Malaysia's experience suggests that successful cooperative development requires local adaptation. Key success

factors- trust, governance quality, and market integration- are generalizable. But their specific manifestation requires attention to local context. This proposition forms the primary guiding question for exploring and understanding the phenomena under study.

3. Research Methodology

The methodology section presents a recommended research approach for the empirical part of the study. The proposed methodology is intended to lay the groundwork for future research that will test and refine the conceptual framework presented above.

Research Design

A comparative case study design is proposed for the empirical investigation as it is appropriate to investigate complex phenomena within their real-world contexts and for comparing experiences across different settings (Yin, 2018). The comparative case study design provides an opportunity for systematic identification of similarities and differences between Uzbekistan and Malaysia, and extraction of transferable learning. The research to be proposed would be qualitative in nature. This is suitable for recording rich views, recognizing social and institutional challenges, and finding best practices from real-world instances (Creswell & Poth, 2018). Qualitative approaches could explore subtle social, cultural, and institutional factors affecting cooperative involvement.

Proposed Data Collection Methods

The following data collection methods are proposed for the empirical phase:

In-Depth Interviews

Semi-structured interviews with key stakeholders would gather firsthand insights on cooperative challenges, governance models, and policy impacts. Proposed participants include smallholder farmers in Uzbekistan and Malaysia to understand experiences, trust levels, and reasons for joining or avoiding cooperatives. Cooperative leaders in both countries would be interviewed to assess governance structures, decision-making processes, and financial sustainability. Policymakers and government officials in both countries would provide perspectives on policy implementation and institutional support. Agricultural experts and NGO representatives in both countries would help identify technical barriers and training gaps. Interviews would be conducted using open-ended questions, with thematic coding using NVivo or manual analysis.

Case Study Analysis

Case study analysis on successful cooperatives in Uzbekistan and Malaysia will help to find out best practices, crucial success elements, and scalable methods. Suggested selection criteria are good-performing cooperatives in each country, steady market access and profit sharing, and international comparative cases. Data will be collected through field visits (if possible) or remote interviews with cooperative administrators, annual reports, testimonies from members, and financial records. Key measures would be transparency of governance, member retention, and value-added activities.

Document Review

Document evaluation of policies, regulations, and reports on agricultural cooperatives in both nations would contextualize findings within policy frameworks and historical trends. Recommended sources include primary sources such as the 2022 draft cooperative law and agricultural plan documents of Uzbekistan, legislation and policy documents of Malaysia's FELDA and FELCRA, and reports from Ministries of Agriculture and international organizations. Secondary sources would include the scholarly literature on cooperative governance and the NGO evaluations of rural development programs. A content analysis would uncover policy gaps and offer a chance for a comparative analysis of similar reforms in both settings.

Data Analysis

Thematic analysis would be used to interpret findings and derive actionable insights for cooperative development. Data integration via triangulation would involve combining interview, case study data, and document analysis to validate themes. Cross-case analysis would reveal patterns of similarities and differences between Uzbekistan and Malaysia. The analysis will be based on the premises given in Section 4, with the aim

of developing the conceptual framework based on the empirical evidence.

Ethical Considerations

The proposed research would obtain informed consent from all participants, anonymize sensitive data, and involve local translators if needed. Cross-cultural research protocols would be developed in consultation with local partners in both countries.

4. Discussion

The framework developed here gives a way to analyze the aspects that lead to the success of the cooperatives in Uzbekistan. Malaysia is used as the baseline for comparison throughout. The four areas, institutional environment, social and cultural dynamics, organizational capacity, and market integration, are not new in substance. They echo the findings of others (Bijman et al., 2012; Markelova et al., 2012; Sacchetti & Tortia, 2014). What is new, I argue, is the use of these domains explicitly in relation to Central Asian and Southeast Asian agricultural settings, and the comparative element allows us to see what is transferable and what is site-based.

How does this framework answer the research questions? The first question was about the challenges of creating and managing cooperatives in Uzbekistan. The framework identifies several elements. They are interconnected. Institutional barriers include unclear legislative structures and low implementation capacity (Abdurakhmonov & Khamidov, 2023). Social and cultural barriers are deeper: distrust based on past experiences, informal networks replacing formal collaboration (Kandiyoti, 2018; Lerman, 2017). Organizational capacity is another constraint; leadership skills are limited, governance approaches are weak, and financial control is often inadequate (Bijman et al., 2012). Market integration has specific challenges such as limited access to information, quality benchmarks, and value chain dynamics (Markelova et al., 2012).

The next question was on whether the cooperative frameworks of Malaysia may impact the reforms in Uzbekistan. A comparative analysis yields a number of useful findings. The case of Malaysia's cooperation with FELDA and FELCRA demonstrates that persistent government support, systematic trust building, and capacity building of the organizations may transcend the historical challenges to the cooperation (Mansor & Zakaria, 2019). The Malaysian models highlight the significance of smooth registration processes, uniform policy support by different governments, and approaches to maintain financial sustainability through loan recovery and profit-sharing models (Mansor & Zakaria, 2019). The KPSM example shows how cooperatives can engage in entrepreneurial activities to increase members' income and the organization's sustainability (Ishak & Che Omar, 2023).

The third question was on the factors that encourage good cooperative governance and rural entrepreneurship. The framework points to many important drivers of success. Establishing confidence is key. It calls for concentration on the quality of administration, transparency, and visible benefits (Pretty, 2003; Woolcock & Narayan, 2000). The longevity of cooperatives depends on the competence of an organization primarily in terms of leadership, managerial competencies, and financial frameworks (Bijman et al., 2012; Cook, 1995). The market integration calls for attention to value chains, quality and market dynamics (Markelova et al., 2012). These factors are consistent with results from other locations, suggesting their relevance, but also the need for regional tailoring (Bernard & Spielman, 2009; Trebbin, 2014; Wanyama et al., 2008).

What is our stance on theoretical contribution? The combination of theoretical frameworks of institutional economics, social capital theory and entrepreneurial ecosystem models is the importance of the research findings for the current understanding. Each of these perspectives has been applied to cooperatives in isolation. Synthesis into an integrated framework gives a fuller understanding of the different influences on collaborative success. The comparative perspective, drawing on experience in both Central Asia and Southeast Asia, adds to the literature by pointing to the importance of contextual factors in processes of collaborative progress.

Did the framework serve the research objectives? The identification of distinct domains and their relationships gives a systematic approach to the study of collaborative development. The comparison aspect provides a disciplined way to learn from the Malaysian experience. The proposed study plan outlines specific strategies to

evaluate and enhance the framework. Empirical investigation can validate these theoretical advances.

5. Conclusion

The present theoretical paper has offered a comparative analysis of the potential of developing cooperative governance and rural entrepreneurship as a model for achieving sustainable agricultural development in Uzbekistan with Malaysia as a reference. The study built a coherent conceptual model, drawing on institutional theory, social capital theory, and entrepreneurial ecosystem frameworks, to outline four interconnected domains affecting cooperative success: institutional context, social and cultural dynamics, organizational capability, and market integration.

Previous research shows that there are major hurdles to collaborative development in Uzbekistan. Today's cooperative engagement is hampered by the historical legacy of skepticism, limited organizational capacity, and weak market integration. But recent policy developments and the growing market prospects provide the setting for change. Mansor & Zakaria (2019) show how Malaysia's experiences with FELDA and FELCRA have proven that these barriers may be overcome with continued government support, with the systematic building of trust and strengthening of the capacities of the organizations. The comparative analysis will be focused on the significance of these lessons in the Uzbek context.

The theoretical framework proposes that we need to face different dimensions at the same time. Enhancement of legal and regulatory structures. Building institutional capacity. Allowing Market Entry. Overcoming social and cultural barriers. The Malaysian experience provides tangible frameworks for all these things, from the FELCRA approach to build farmers' confidence through community engagement to the KPSM approach to entrepreneurial activities (Mansor & Zakaria, 2019; Ishak & Che Omar, 2023).

Limitations and Future Directions.

The proposed framework in this paper requires empirical verification by future comparative research, thus offering a way forward for empirical investigation. Future studies should conduct the indicated comparative analysis to empirically examine the cooperative experiences of Uzbekistan, explore the knowledge transfer mechanisms between Malaysia and Uzbekistan, and appraise the adoption of Malaysian cooperative frameworks in the setting of Uzbekistan. Grasping some of the difficulties, governance methods, establishing confidence and market adoption can help to improve understanding and inform data-driven policy development. The limitation of the research is the research focused on two countries which limit the generalization of the results. The comparative study may be extended to other countries of Central Asia or Southeast Asia in later studies.

In conclusion, there are significant chances for Uzbekistan to improve the livelihoods of smallholder farmers, support sustainable agriculture, and achieve wider developmental goals through more collaborative governance and rural entrepreneurship. Malaysia's experience shows that this promise may be realized with sustained government support, systematic trust-building, and strengthening of organizational capacities. This research provides a theoretical framework to comprehend these intricate processes and to identify points of successful intervention. This proposed comparative analysis will try to evaluate and improve upon this framework, generating evidence-based recommendations for policy and practice.

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