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Beyond OCOP Targets: Indicator Mismatch and Microeconomic Constraints in Mekong Delta Craft Villages

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Abstract: *This paper examines the microeconomic constraints reported for traditional craft villages in the Vietnamese Mekong Delta and argues that the regional indicators most often cited obscure conditions in the sector those indicators describe. The craft village is framed as an agricultural household producing under one budget constraint, from which three propositions follow: incomplete credit markets make craft input purchase respond to farm income shocks; credit is rationed by quantity rather than by price; and apprenticeship is underprovided because part of its return accrues beyond the household. The One Commune One Product (OCOP) programme, though it has exceeded its certification targets, is dominated by food products, at 78.3 per cent of the certified national stock against 9.1 per cent for handicrafts, which bounds what a certification count can establish about craft production. Neither that series nor handicraft export earnings is published for the delta. Rebasing the published enterprise series onto the five units established on 1 July 2025 gives 57,104 operating enterprises across all sectors at 31 December 2024, against 774,392 handicraft establishments recorded nationally, indicating that craft production sits outside the enterprise register. Out-migration of adults aged 20 to 39 weakens apprenticeship, and salinity intrusion compresses household working capital; neither constraint is visible in regional statistics. Four policy implications follow, on statistical reporting, credit assessment, logistics and skills transmission.*
Keywords: Craft Villages; Mekong Delta; Rural Non-Farm Economy; OCOP Certification; Economic Measurement; Labour Migration; Policy Indicators

1. Introduction

Two accounts of the traditional craft-village sector in the Vietnamese Mekong Delta circulate at once. On one the sector is expanding: at September 2025 the delta held 3,907 products certified at three stars or above under the One Commune One Product (OCOP) programme across 2,009 producing units, second nationally (Ministry of Agriculture and Environment, 2025), and by April 2026 its share stood at 22.2 per cent of a national stock exceeding 20,000 (Central Office for New Rural Development Coordination, 2026). On the other it is contracting: national handicraft export earnings were approximately USD 2 billion for 2024 against the USD 4 billion set for 2025 by Decision 801/QĐ-TTg (Prime Minister of Vietnam, 2022a; Department of Cooperatives and Rural Development, 2024); the non-farm business share of household income fell from 24.4 to 22.8 per cent between 2023 and 2024 (National Statistics Office, 2025a); and the delta recorded roughly 1.1 million net out-migrants over the decade to 2019 (VCCI and Fulbright School of Public Policy and Management, 2020).

The series are not straightforwardly contradictory. Certification counts are administrative, rising with the reach of the programme; export earnings and income shares are generated by market transactions and household surveys. A sector may therefore become more visible to the state while becoming smaller in the market. The two series also appear to count different sectors: OCOP covers six product groups, of which handicraft is one, and food makes up 78.3 per cent of the certified national stock against 9.1 per cent for handicrafts (Central Office for New Rural Development Coordination, 2026). That mismatch, and what remains of the divergence once it is allowed for, is the organising problem of the paper.

A second consideration is administrative. From 1 July 2025 the thirteen provincial units of the delta were consolidated into five, and the region redefined as Cần Thơ, Vĩnh Long, Đồng Tháp, An Giang and Cà Mau (National Assembly, 2025; Government of Vietnam, 2025), with Long An moved to a unit outside it. Province-level series on migration, income and enterprise counts break at that date, and regional aggregates published before and after it are not comparable.

Three questions organise what follows. First, what microeconomic constraints on craft production in the delta can be established from the available evidence, in labour supply, credit access and household working capital? Second, why can these constraints not be observed at regional level, and what upper bound does the difference in coverage place on inferences drawn from comparing the two series? Third, what reporting framework on the new administrative base would make the constraints observable?

The paper contributes in three respects. First, it sets out a household-level frame in which labour withdrawal, credit rationing and working-capital compression are consequences of one structure rather than three separate findings, and shows that the constraints in the existing literature are estimated for agricultural and general rural households rather than craft-producing ones. Second, it establishes why the gap persists: the certification series is dominated by food processing, and the delta has no published regional series on craft villages at all, an absence treated as a finding about the statistical system. Third, it sets out four policy implications and demonstrates the first by rebasing the published enterprise series onto the five new units.

2. Literature review

2.1. Structural transformation and the rural non-farm sector

Development economics treats the shift of labour from agriculture toward higher-productivity industry and services as central to growth. The rural non-farm economy occupies an ambiguous place in that account. Lanjouw and Lanjouw (2001) show it is not a residual absorbing surplus labour but a differentiated sector, in which a remunerative segment governed by education, capital and connections coexists with a low-return segment absorbing those excluded from both farming and formal employment. Haggblade, Hazell and Reardon (2010) add that prospects are brightest in well-connected regions with growing agriculture, and that sector-wide growth can mask the decline of specific traditional trades.

Two implications follow. A contraction in traditional rural production is not inherently a policy failure, and distinguishing it from distress requires evidence on labour destinations and residual incomes. Because the sector is internally differentiated, a raw count of programme participants is uninformative without its composition, the question taken up in Section 4.1.

2.2. Empirical work on Vietnam and the Mekong Delta

The Vietnamese craft-village literature largely predates the current period: Duong (2001) frames craft villages as rural industry to be modernised, Tran (2004) documents family-based skill transmission, and Truong (2011–2012) compiles a six-volume national inventory. Decree 52/2018/NĐ-CP defines a craft village by a 20 per cent household-participation threshold, two years of stable production and environmental compliance, with traditional status requiring a trade over fifty years old (Socialist Republic of Vietnam, 2018a, arts. 3, 5–6). Two features matter. The threshold measures participation, not output, so a village retains its designation even as its output contracts; and the decree spans seven trade groups, so a craft village is not necessarily a handicraft village, which makes the register broader than the export series it is compared against.

A second strand estimates household-level relationships. Barslund and Tarp (2008) find formal and informal rural credit serve distinct functions, with rationing driven by education and credit history rather than interest rates. Brünjes and Revilla Diez (2016) show rural non-farm wage employment is heterogeneous. For the delta, Ho et al. (2024) link non-farm diversification to financial capital and market access, while Thach et al. (2023) establish by difference-in-differences that salinity intrusion depresses rice production. Together these indicate that the capacity of delta households for non-farm activity is conditioned by credit access and climate shocks.

A further literature bears on certification but has not been connected to the Vietnamese case. OCOP descends from Japan's OVOP and Thailand's OTOP (Prime Minister of Vietnam, 2022b). Kurokawa (2009) frames the government-led design as the source of both its effectiveness and its limits; Ponark and Ahmad (2025) find OTOP raised productivity and market access but suffered from limited funding and weak evaluation, with benefits concentrated among producers already holding complementary capabilities. Sitabutr and Pimdee (2017) find export performance runs through perceived quality and trust rather than certification status, a pattern echoed domestically where certified Vietnamese SMEs gain productivity only alongside innovation (Calza et al., 2019). Certification interacts with pre-existing capability rather than substituting for it.

Two gaps remain. OTOP evaluations document uneven certification benefits but never ask whether the certified stock is drawn from the sector it purports to represent, a question answerable from published Vietnamese composition data. And the delta lacks any published regional series on craft villages, a gap the 2025 reorganisation makes more acute.

2.3. A microeconomic frame for craft-household production

The constraints reviewed above are ordinarily reported as separate findings. Those constraints are better read as consequences of one structure, set out here because it organises the evidence in Section 4 and supplies the rationale for Section 5. The producing unit in a Vietnamese craft village is a household rather than a firm: Decree 52/2018/NĐ-CP defines recognition by household participation, and the establishment counts reported below are household business units. The agricultural household model represents such a unit, treating production, consumption and labour supply as decisions taken jointly under one budget constraint (Singh et al., 1986). Its central result is conditional. Where the markets for credit, labour and output are complete, production decisions separate from consumption decisions and a shock to one income source is absorbed by borrowing. Where a market is missing, separation fails and production choices become a function of the household's own endowments and of shocks to its other activities (de Janvry et al., 1991).

Three propositions follow, each corresponding to evidence assembled in Section 4. Starting with the credit market, if it is incomplete then craft input purchase should respond to agricultural income shocks; under separation it would not, since the household would borrow against the return to craft production and leave input purchase unchanged. Evidence that salinity shocks compress craft working capital is therefore treated not as a second constraint standing alongside credit, but as the observable signature of the first.

Turning to the form rationing takes, credit here should be rationed by quantity rather than by price. Where the lender cannot observe borrower type, raising the interest rate selects adversely among applicants, so the lender refuses loans and requires security rather than clearing on price (Stiglitz & Weiss, 1981). Barslund and Tarp (2008) report that pattern for rural Vietnam, with rationing driven by documentation and land-use certificates. An unregistered craft household is therefore not rationed because its project is unprofitable, but because it holds no instrument the lender can use to screen it, which admits a different remedy.

The third proposition concerns skill. Household investment in apprenticeship would plausibly fall below the level a planner would choose, because the household bears the full cost in forgone earnings of the apprentice while part of the return, the continued

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existence of the trade, accrues to the village. Out-migration raises that cost directly, since the wage available in the industrial South East is the alternative use of the apprentice's time. Such a wedge between private and social return is the standard case for a subsidy attached to training rather than to output.

One qualification belongs here. The frame is not estimated, and no parameter of it is recovered from data; its role is to specify what a delta series would have to contain for the three propositions to be testable, the question taken up in Section 4.2 and answered in Section 5.1. Since the rural non-farm sector is internally differentiated (Lanjouw & Lanjouw, 2001), the frame is stated for the craft-producing household rather than for the rural household in general.

3. Research design and data

This study is a descriptive synthesis of secondary evidence. It collects no primary data and estimates no statistical model. Such designs suit a phenomenon that cannot be manipulated experimentally and a population, here craft-village producers in the delta, not covered by any published sampling frame.

Sources were assembled in three passes: official statistical publications and legal instruments on craft villages, rural non-farm activity and OCOP, searched under the Vietnamese terms "làng nghề, ngành nghề nông thôn, thủ công mỹ nghệ" on the portals of the National Statistics Office and the Ministry of Agriculture and Environment and on the national legal database; peer-reviewed studies of the delta on migration, rural credit, salinity and OCOP; and regional disaggregations of each national indicator. Where a regional figure was sought and not located, that is recorded in the exhibits rather than filled by estimation, and figures reported in secondary summaries were traced to the issuing source before use.

Priority goes to official statistical sources: the National Statistics Office, and the Ministry of Agriculture and Environment with its Department of Cooperatives and Rural Development and its Central Office for New Rural Development Coordination. Policy targets are taken from the legal instruments themselves. Population and living-standards data come from the 2019 Population and Housing Census, the Household Living Standards Surveys of 2023 and 2024, the latter covering 46,995 households nationally, and the Statistical Yearbook; enterprise counts from the annual white book on Vietnamese enterprises. A figure that could not be located has been left out rather than estimated.

One feature of the data requires treatment. Table 1 maps the provincial units after the reorganisation of 1 July 2025. Series indexed to the former provinces terminate at that date, and Long An, formerly counted within the delta, was merged into a unit outside it; because Long An is a substantial share of several pre-2025 aggregates, those aggregates overstate the redefined region and are reported as historical. Where a province-level series is published, however, rebasing it onto the new units is arithmetic rather than estimation, and Table 1 sets out one such rebasing for enterprise counts.

Table 1. Administrative reorganisation of the Mekong Delta effective 1 July 2025

New unit	Former units consolidated	Operating enterprises, all sectors, 31 Dec 2024	Note
Cần Thơ (city)	Cần Thơ, Hậu Giang, Sóc Trăng	16,725	Sóc Trăng recorded the most negative net migration rate nationally in 2019
Vĩnh Long	Vĩnh Long, Bến Tre, Trà Vinh	9,928	Coastal salinity exposure now spans a single reporting unit
Đồng Tháp	Đồng Tháp, Tiền Giang	10,384	Upstream and midstream production zones combined
An Giang	An Giang, Kiên Giang	14,009	An Giang had the largest absolute net out-migration in 2019
Cà Mau	Cà Mau, Bạc Liêu	6,058	Coastal aquaculture zone consolidated
(outside the region)	Long An	13,575	Reassigned outside the delta; regional aggregates before and after 2025 differ in coverage

Note. Consolidation under National Assembly Resolution 202/2025/QH15 of 12 June 2025 (National Assembly, 2025); the adjusted national master plan lists five units for the Mekong Delta (Government of Vietnam, 2025). Migration characterisations are from the 2019 Population and Housing Census (National Statistics Office, 2019). Enterprise counts are the authors' aggregation of the province-level series for 31 December 2024 published in the white book on Vietnamese enterprises (National Statistics Office, 2025b, Table 2) onto the units established on 1 July 2025. The five delta units sum to 57,104; adding Long An reproduces the published regional total of 70,679.

4. Findings and discussion

4.1. What the certification series counts

The certification series and the export series do not describe the same producers. OCOP classifies products into six groups, of which handicraft is one, alongside food, beverages, medicinal products, ornamental plants and community tourism services (Prime Minister of Vietnam, 2022b). Table 2 reports the composition: food accounts for 78.3 per cent of certified products nationally and handicrafts for 9.1 per cent (Central Office for New Rural Development Coordination, 2026). A certification count cited as evidence

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about craft villages is therefore, in the main, a count of food-processing products. Group breakdowns for the five current delta units are not published, so the delta's own handicraft share cannot be read from the series at all.

Table 2. Composition of the OCOP certified product stock by group

Product group	Share of national certified stock	Note
Food	78.3%	Dominant group in every reporting period located
Handicraft	9.1%	The group corresponding to craft-village output
Beverages	8.3%	
Medicinal, ornamental plants, community tourism	≈4.3%	Residual; not published separately
Delta share of national certified stock	22.2%	Second among six regions
Handicraft share, former An Giang province	1.35%	Audit of the full certified stock at October 2022 (Vo et al., 2023)

Note. National composition as reported for the 2021–2025 programme period by the Central Office for New Rural Development Coordination (2026). The provincial figure is an audit of the certified stock of the former An Giang province at October 2022 (Vo et al., 2023) and predates the consolidation of 1 July 2025; group breakdowns for the five current delta units are not published. Group definitions follow Decision 919/QĐ-TTg.

Two concurrent policy targets diverge in a way that is compositional rather than substantive. OCOP exceeded its 2025 target of 10,000 certified products, reaching more than 20,000 by April 2026 across 10,615 registered units (Central Office for New Rural Development Coordination, 2026), while national handicraft export earnings reached about half of the USD 4 billion set for 2025 (Department of Cooperatives and Rural Development, 2024; Prime Minister of Vietnam, 2022a). Figure 1 states the divergence as an achievement rate against each target, placing the two on one scale without implying that both measure one thing. Two comparisons must be kept apart. Decision 801/QĐ-TTg defines its target over handicraft export earnings specifically, so that shortfall is measured against a like aggregate and stands; setting the certification count against it pairs a food-processing aggregate with a handicraft one, and it is that pairing, not either series alone, that is uninformative. An audit of the certified stock of An Giang province is consistent with this reading, classifying 74 products into 60 food items, 13 beverages and a single handicraft item, or 1.35 per cent, at October 2022 (Vo et al., 2023).

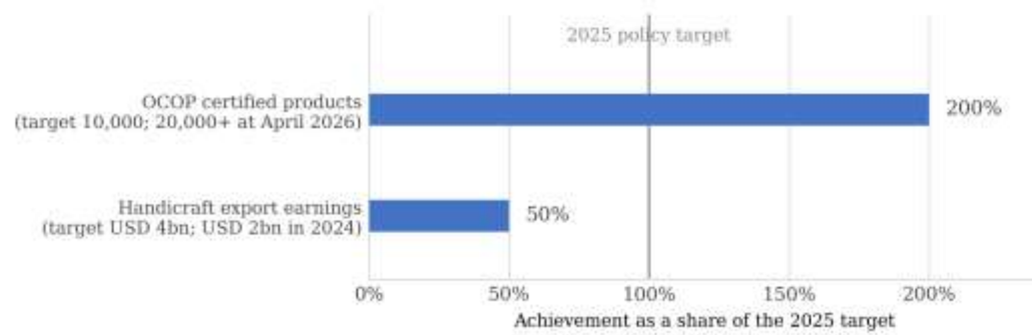

Figure 1. Achievement against two 2025 policy targets

Note. OCOP certification against the 10,000-product target set by Decision 919/QĐ-TTg, at more than 20,000 products in April 2026 (Central Office for New Rural Development Coordination, 2026); handicraft export earnings against the USD 4 billion target set by Decision 801/QĐ-TTg, at approximately USD 2 billion in 2024 (Department of Cooperatives and Rural Development, 2024). Each quantity is expressed as a share of its own target so that one scale carries both. The figure states the divergence; the text below sets out why the pairing of the two series is uninformative.

4.2. Administrative registers and the statistical location of craft production

The problem extends to other administrative series. Recognition under Decree 52/2018/NĐ-CP spans seven activity groups, so the approximately 1,400 recognised craft villages nationally include food processing, salt production and rural services (Socialist Republic of Vietnam, 2018a; Department of Cooperatives and Rural Development, 2024). These registers are therefore materially broader than the handicraft sector commonly read off the register count.

National sources give estimates of the sector's size ranging from approximately 2,000 traditional villages to more than 5,000, and earlier national mapping placed the delta at approximately 211 traditional craft villages against 886 in the Red River Delta, on a national total above 2,000 (Pham & Trinh, 2012), which is difficult to reconcile with the approximately 1,400 recognised villages reported nationally. Three sources therefore give three magnitudes for the same quantity. The statistical location of the producing units appears to explain much of that opacity. The 774,392 handicraft establishments reported by the Department of Cooperatives and Rural Development (2024) cannot be formal enterprises, since only 940,078 enterprises across all sectors were operating

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nationally at 31 December 2024 (National Statistics Office, 2025b). The delta comparison is sharper. Aggregated onto the units established on 1 July 2025, the five delta units held 57,104 operating enterprises at that date, of which 51,301 reported production and business results, against 70,679 and 61,983 for the thirteen provinces constituting the region before Long An was reassigned (National Statistics Office, 2025b, Tables 2 and 6; authors' calculation, Table 1). Figure 2 places the delta among the six regions on enterprise density: at 4.0 per 1,000 population it sits well below the national 9.3 and the 19.1 in the South East, second lowest of the six. Even were every delta enterprise a craft establishment, the register would still be unlikely to hold the reported national base; nor does its smallest category correspond to the household unit, since micro enterprises, 67.1 per cent of the national total, employ 2.9 workers on average and are registered firms. Table 3 records the most recent published value for each indicator and whether a delta figure exists. Craft production therefore falls between two enumerations: outside the enterprise register, because the producing unit is a household, and unseparated within labour statistics, because the activity is recorded under rural employment.

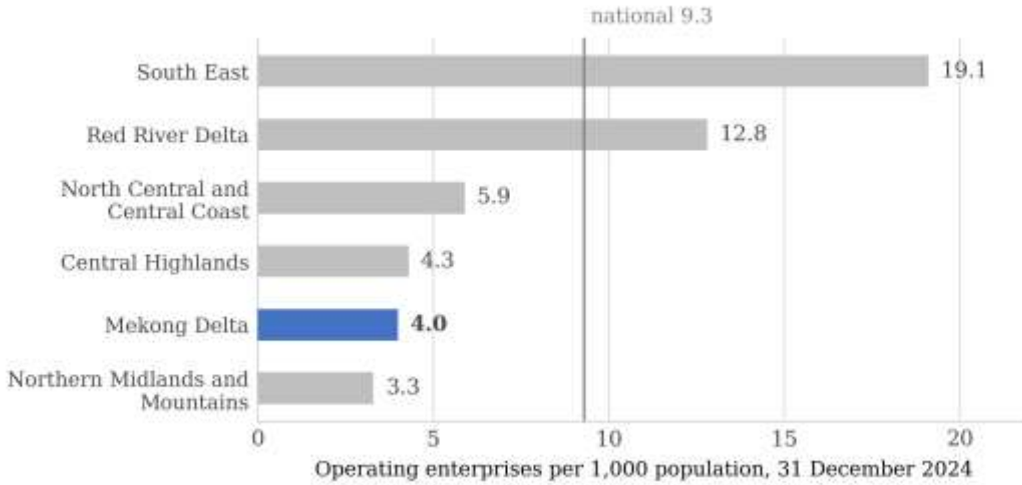

Figure 2. Operating enterprises per 1,000 population by region, 31 December 2024

Note. Computed from the province-level series in the white book on Vietnamese enterprises (National Statistics Office, 2025b). The vertical rule marks the national figure of 9.3. Regional boundaries are those in force before 1 July 2025.

Table 3. Craft-village and handicraft indicators, most recent published values

Indicator	Mekong Delta	National
Traditional craft villages	not published separately	approx. 1,400
Handicraft production and trading establishments	not published separately	774,392
Employment in craft villages	not published separately	above 1.4 million workers
Recognised artisans and skilled craftworkers	not published separately	2,107, of which 571 provincial artisans
OCOP products certified at three stars or above	3,907 (September 2025)	17,316 (September 2025); more than 20,000 (April 2026)
Registered OCOP producing units	2,009 (September 2025)	9,345 (September 2025); 10,615 (April 2026)
Handicraft export earnings	not published separately	approx. USD 2 billion (2024)
Handicraft export target	not set separately	USD 4 billion by 2025; USD 6 billion by 2030
Non-farm share of household income	not published separately	22.8 per cent (2024); 24.4 per cent (2023)
Share of national output	55.4 per cent of rice; 55.7 per cent of aquaculture; 60 per cent of fruit (2024)	not applicable

Note. National craft-village figures from the Department of Cooperatives and Rural Development (2024); OCOP figures from Ministry of Agriculture and Environment (2025) for the delta at September 2025 and from the Central Office for New Rural Development Coordination (2026) for the national stock, with the reporting date given in each cell; income shares from the 2024 Household Living Standards Survey (National Statistics Office, 2025a); targets from Decision 801/QĐ-TTg and Decision 919/QĐ-TTg; shares of national agricultural output for 2024 from the Ministry of Planning and Investment (2025). Entries reading "not published separately" indicate that the regional disaggregation was sought and not located; that absence is discussed in Section 4.2 and is treated here as a finding rather than as a gap in the search.

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OCOP appears to reach a small fraction of the establishment base. Ministry reporting identifies close to 1,400 recognised traditional craft villages nationally alongside 774,392 handicraft establishments, craft-village employment above 1.4 million workers, and 2,107 recognised artisans of whom 571 hold provincial status (Department of Cooperatives and Rural Development, 2024). With 10,615 registered subjects across all product groups, the programme engages under 1.4 per cent of the establishment base, and specialised skill rests on roughly one recognised artisan for every 700 workers. Because transmission relies on family apprenticeship, out-migration of younger cohorts erodes that base well before the loss appears in employment data.

The programme nonetheless appears to deliver outcomes that export metrics do not capture. Over 2021–2025 more than 70,000 people were trained and close to 22,000 rural jobs created, and approximately 40 per cent of registered units are led by women (Central Office for New Rural Development Coordination, 2026). It is therefore better evaluated against its training and inclusion objectives than against aggregate export earnings. Its prospects remain tied to the delta's agricultural base, which in 2024 supplied 55.4 per cent of national rice output, 55.7 per cent of aquaculture and 60 per cent of fruit (Ministry of Planning and Investment, 2025).

4.3. Labour withdrawal and workforce composition

Demographic change appears to constrain craft production through the composition of the workforce that remains. The 2019 census records the South East as the leading destination for internal migrants, with 1.3 million in-migrants, and 61.8 per cent of migrants nationally aged 20 to 39 (National Statistics Office, 2019). The outflow is age-selective toward the cohort from which apprentices are broadly drawn, so it alters the composition of the remaining rural workforce as well as its size. In the terms of Section 2.3, the South East wage is the opportunity cost of the apprentice's time, so out-migration raises the private cost of training without altering the part of its return accruing to the village.

The pull is visible in household income. Nationally the wage share rose to 55.7 per cent in 2024 while the non-farm business share fell from 24.4 to 22.8 per cent (National Statistics Office, 2025a). Local evidence agrees: the craft villages of Lấp Vò district in Đồng Tháp report 1,526 producing households and 3,479 regular workers generating 113.9 billion VND, with average earnings of approximately 1.2 million VND per person per month (Nguyen & Nguyen, 2026), roughly a quarter of the 2024 rural average of 4.5 million VND. Craft production is therefore likely to compete poorly with wage labour. Formal statistics are unlikely to register the skill difference: the share of workers holding a training certificate in the delta is the lowest of any region at 16.4 per cent (National Statistics Office, 2025c), and skills transmitted through family apprenticeship carry no certificate at all.

4.4. Credit constraints and scaling barriers

Access to formal credit for delta craft households appears to be constrained by collateral-based assessment, the quantity rationing anticipated in Section 2.3. Rural credit rationing in Vietnam hinges on documentation and material security such as land-use rights rather than on willingness to pay (Barslund & Tarp, 2008; Luan & Tung, 2019). Successive instruments (Decree 55/2015/NĐ-CP, Decree 116/2018/NĐ-CP, Decree 52/2018/NĐ-CP and Decree 156/2025/NĐ-CP) have raised unsecured lending ceilings and given statutory priority to rural trades (Socialist Republic of Vietnam, 2015, 2018a, 2018b, 2025), but appear not to have altered security-dependent banking practice. Microcredit expansion has historically driven rural consumption rather than productive income growth (Phan et al., 2014), and working capital for trading stocks, the category craft production depends on, has long attracted a marginal share of rural lending (Le Roy & Robert, 1999).

Downstream market barriers plausibly compound this. Small units face unstable raw material supply and working-capital shortage, and a provincial legislative survey of OCOP producers in Đồng Tháp records payment to suppliers running to around 45 days as a barrier to entering supermarket systems, with an explicit effect on producers' working capital (Dong Thap Provincial People’s Council, 2023). Logistics costs and absent digital skills constrain scaling: a survey of 40 craft-village owners across five delta provinces reported preliminary findings in which 75 per cent identified absent digital skills as the principal barrier and 68 per cent shipping costs and fraud risk, while 60 per cent of those trying e-commerce reported revenue gains of 10 to 20 per cent (Luu et al., 2025); the authors describe these as preliminary and the sample is purposive, so the figures stand as indicative observations. Certification appears not to address the working-capital and logistical requirements of sustained distribution contracts.

4.5. Salinity intrusion and working-capital compression

Climate shocks operate on non-farm production through the household budget rather than the craft market. Dry-season salinity intrusion is a recurrent condition of the delta, and the events of 2015–2016 and 2019–2020 damaged the rice crop in the coastal provinces.

The household-level effect has been estimated directly. Using difference-in-differences on Vietnam Household Living Standards Survey panel data for 2014 and 2016, covering 204 farm households across the thirteen delta provinces of that period, Thach et al. (2023) report rice productivity among affected households 761.47 kilograms per hectare lower than among comparable unaffected households, and net revenue 4,933.48 thousand VND per hectare lower. Because craft production is predominantly self-financed within the household, a reduction of that order compresses the budget for raw materials, equipment and inventory, and the capacity to diversify depends on fixed assets and credit access (Ho et al., 2024), both eroded in high-salinity years. This is the signature of the non-separability set out in Section 2.3: were the credit market complete, the household would borrow against the return to craft production and the salinity effect would not appear in craft activity at all. That it plausibly does appear is evidence about the credit market rather than about the weather.

5. Conclusions and policy implications

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This section returns to the three questions of Section 1. On the first, the constraints that can be established for craft production in the delta, namely labour withdrawal, collateral-based credit rationing and working-capital compression, are documented for rural households in general rather than for craft-producing ones, and no delta estimate exists for any of the three. On the second, the reason the constraints cannot be observed at regional level is compositional before it is empirical: the certification series is 78.3 per cent food products and 9.1 per cent handicrafts nationally, so a rising count and falling handicraft exports are not in contradiction, and the market position of the craft sector cannot be inferred from the administrative visibility of a different product group.

On the third, the delta has no published regional series on craft villages at all, which leaves household-level production unrepresented by the enterprise register and by employment statistics alike; that absence is a finding about the reporting system rather than a limitation of this study. Two constraints nonetheless remain measurable and are not addressed by certification: out-migration is age-selective toward the cohort on which apprenticeship depends, and salinity intrusion reduces agricultural net revenue by approximately 4.9 million VND per hectare among affected households. Neither would be detected by the reporting framework as it stands.

5.1. Implications for microeconomic policy and measurement

(1) Publish existing craft-village data on the new administrative base. Rather than build a new reporting system, the Ministry of Agriculture and Environment could publish the statutory annual returns already mandated by Decree 52/2018/NĐ-CP, aggregated across the five delta units, giving a regional series on active households, employment and output value. Local practice suggests this is a matter of execution rather than of capability: the municipal economic office of Bắc Giang city compiled a continuous 2017–2021 series covering producing households by village, revenue, cost, profit and equipment stock, on which producing households fell from 854 to 255, and one of its authors is attached to the district statistical office, so the data sit within the statistical system (Nguyen et al., 2024). That series is now itself interrupted, since Bắc Giang was consolidated into Bắc Ninh under Resolution 202/2025/QH15 on the same date as the delta units (National Assembly, 2025), which arguably strengthens the case for acting without delay. Rebasing is not the obstacle: Table 1 aggregates the published province-level enterprise series onto the five units and reconciles exactly with the published regional total, so any series released at province level can be carried onto the new base by addition alone. Success should be measured by the sustained availability of the regional series rather than by the count of recognised villages.

(2) Shift credit assessment from collateral to production capacity. Because rationing here is by quantity rather than price (Stiglitz & Weiss, 1981; Barslund & Tarp, 2008), raising disbursement volumes or interest subsidies is unlikely to reach unregistered craft households: the binding constraint is the absence of a screening instrument, not the cost of funds. State banks could substitute an observable the household does hold, its order book and inventory, for collateral it does not, through order-backed and inventory-backed facilities with group guarantees and simplified assessment for certified producers, as permitted by Decree 156/2025/NĐ-CP (Socialist Republic of Vietnam, 2025). Performance should be evaluated by the approval rate among unregistered producers and the share of lending that is working capital, not by total disbursement.

(3) Raise funding ceilings for collective market-access initiatives. Decree 52/2018/NĐ-CP caps trade-promotion support at 50 million VND per establishment and infrastructure and equipment support at 500 million VND per project (Socialist Republic of Vietnam, 2018a, arts. 9, 12). Shared bottlenecks such as warehousing or consolidated shipping fall between the two instruments: the per-establishment ceiling is too small to carry a shared asset, while the project ceiling is written for a single applicant rather than a group. Provincial authorities could make collective applications explicitly eligible for the project ceiling and prioritise trades holding certification but lacking standing distribution contracts, with progress measured by the number of producer groups holding such contracts twelve months after support.

(4) Operationalise artisan training and integrate climate finance. With 2,107 recognised artisans supporting more than 1.4 million craft-village workers (Department of Cooperatives and Rural Development, 2024), skill transmission rests on a narrow base. Because the household bears the full cost of training while part of the return accrues to the village, the private return falls below the social one, and a payment attached to training rather than to output is the corresponding remedy. Provincial departments could convert the permissive training funding under Decree 52/2018/NĐ-CP into a per-apprentice payment, triggered when the artisan count in a recognised trade falls below a stated threshold and measured by apprentices completing a full cycle. Since climate shocks erode craft working capital through agricultural income, adaptation support and craft-sector credit would plausibly be more effective as one instrument than two.

5.2. Limitations and further research

Five limitations apply. The frame in Section 2.3 organises the evidence and generates testable propositions, but none of its parameters is estimated, so the three propositions are stated rather than tested. As a synthesis of secondary sources, the study establishes no causal relationships. The national craft-village aggregates are administrative estimates without transparent methodological documentation, and cannot be reconciled with the enterprise register. The compositional breakdown relies on national averages and a single pre-consolidation provincial audit, so the delta's handicraft share is bounded rather than measured. And the effect of salinity on craft working capital is inferred from agricultural income losses rather than measured through craft output.

Future research could use the OCOP registry as a sampling frame for household surveys of certified producers, and compile a regional register from the provincial recognition decisions issued under Decree 52/2018/NĐ-CP, which would supply the delta series presently absent. The discontinuity introduced on 1 July 2025 also merits evaluation in its own right.

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