

# ON FARMING AND RURAL DEVELOPMENT

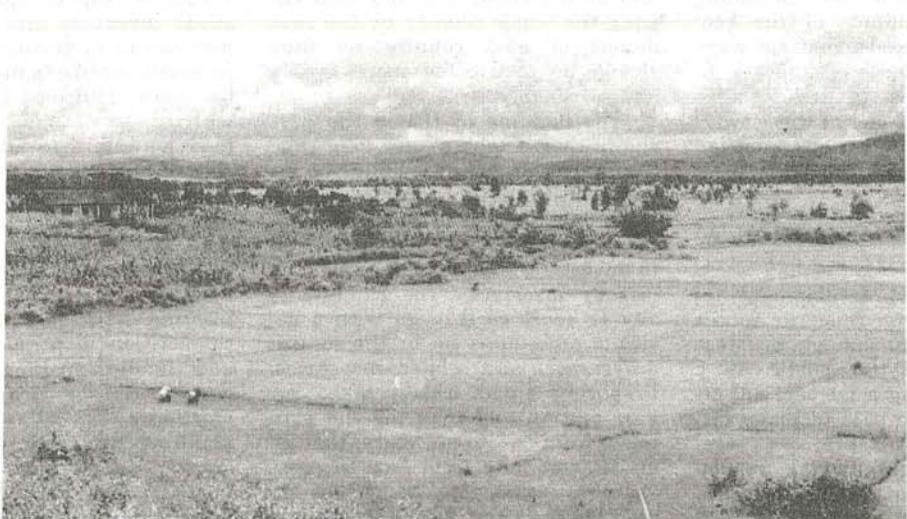
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On November 11, 1998, the Politburo issued Resolution 06/NQ/TU on farming and rural development.

The key target of the Government's socio-economic tasks in 1999 is: "to develop agriculture and rural economy in the direction of modernization, applying advanced technology to raising productivity and product quality, enhancing post-harvest technology and processing industry, and making cooperation and connection between production and circulation and processing".

At the same time, every branch and locality should underline farming promotion measures for agricultural and rural development; rationalize investment and economic structure; boost agroproduct processing; seek and expand markets; reinforce export; improve product quality; encourage farm establishment and raise the efficiency of management.

In the international workshop entitled "Food Security of Vietnam and ASEAN" held in early November 1998 in Hà Nội, Prime Minister Phan Văn Khải asserted: "Boosting farming production is a ground for ensuring food security for 100 million people in future." He added that Vietnam economy would face a seri-



ous danger if its farming sector and rural areas were not stable.

In the meeting with the leadership of Long An and Tiền Giang Provinces on Nov 6, 1998, Advisor Võ Văn Kiết instructed: "Not only Tiền Giang, but also the entire Mekong Delta should mobilize all sources for the winter-spring crop and the next summer-autumn because rice issue is not only food security, but also political issue".

The Southeast Asia, the world's largest rice granary, is facing challenges deriving from the currency crisis. Only for a short time, some ASEAN countries ran into loss of food security seriously, especially Indonesia. At present, Indonesia has to import around 4 million tonnes of rice to settle food shortage. The Government made an urgent relief to 4.6 million people. In Philippines, there are currently 500 thousand poverty-hit households, of which 200 thousand are in the worst

condition.

The recent financial crisis in the region and the world showed food security is a component of economic and political security. To ensure food security is not only a current issue, but also a condition to guarantee the sustainable development of ASEAN countries in future. The reality requires ASEAN members to take effective measures to enhance food security in the region and overcome long bad consequences soon.

The above events generate timely and urgent lessons. In 1998, Vietnamese farming sector grew comprehensively, the food output reached 31.3 million tonnes with an average of 400 kg per capita. The rice exports are estimated at 3.8 million tonnes, the highest so far. The rural production and life are increasingly improved. The problem is how to continue to affirm strategies, solutions and policies suited to the farming and rural progress.

The *Nông Nghiệp Việt Nam* paper No. 89/743 on Nov 8, 1998 reported that the deputies to the National Assembly in recent session had mentioned three surplus and three shortage symptoms (surplus of cement, sugarcane, industrial parks).

Few years ago, when

the regional finance crisis did not burst out, some of us felt excited before rapid growth of Asian dragons in manufacturing and trade. Recall our agriculture is a traditional sector, attracting the better part of population. It is greatly affected by conditions of land, climate and is the only sector producing food and foodstuff. Therefore, farming plays a crucial role in economic development. But both overvaluing and undervaluing the role of farming are wrong and this will weaken the national economy. Only the manufacturing and services can magnify growth rate.

It should be asserted that investments must be put in predominance of each region and locality (farming, manufacturing or trade and services) and these potentials must be effectively tapped. If this concept is not determined, investments will be scattered, causing wastes and surplus-shortage events as before. Notably, there is

no socio-economic policies suited to all regions, branches and sectors in the country.

Due to the backward manufacturing of our country, we must rely on agriculture to build initial conditions for development. The saying of Mr. Lê Quý Đôn, a Vietnamese famous scholar in the early eighteenth century said: "No manufacturing, no wealth and no farming, no stability". This saying reflected our ancestor's profound understanding.

In the international seminar held by the State Committee for Science and FAO in August 1990

strategies. Developed farming, intensified rural economy and stable rural life will be a lever and support for the new stage of economic development.

Specifying the feature, position and role of the farming sector is an important basis for determining suitable policies for development. Stabilizing input and output of production is a key factor of policies. The system of policies and solutions aims at creating incentives in the new period, they are set up in some trends as follows:

First, at the microlevel, giving autonomy

to farmers and other sectors, speeding up the process of renewing and promoting economic cooperation forms in rural areas which are compatible with the characteristic and level of each area's productive forces; reforming state-run enterprises and building cooperative links between sectors under the socialist orientation.

Second, at the macrolevel, renovating policies on farming, protecting farmers' legal benefits and enhancing production with a view to making the people rich and the country powerful.

The Government's policies should target at boosting economic restructure and efficiency, combining manufacturing and trade with farming to generate sustainable development until 2000, 2010

The agriculture comprises natural, economic, technical and social factors. Farming policies are related to vast and complicated areas. As a result, single policy will find it hard to create rapid changes. Policies and solutions should be supplement and interactive tools to make favorable conditions for farming evolution.

The key policies and solutions include those concerning land; investment and credit; market for agroproducts; taxes on farming; science, technology and agricultural promotion; expansion of cooperative forms; social programs; training, and employing officials in farming■

#### Reference:

(1) *Ảnh hưởng của chính sách nông nghiệp; kinh nghiệm các nước châu Á và Đông Âu, những gợi ý đối với Việt Nam* (Effects of Farming Policies; Experience from Asian Countries, Implications to Vietnam). State Committee for Science Press. 1991, p.248, 249.



in Hà Nội on farming development in Vietnam, Mr. Randolph Barker, an economist of the Cornell University said: "However, we think that in Vietnam, the top priority is to give incentives to income raising by creating surplus in farming. We see rural development is a requirement, but not enough for economic progress. If macroeconomic policies do not generate a stable environment, then any plans to improve the farming sector will fail." (1).

The agriculture, rural society and economy have a decisive position in our country's socio-economic

