

ON ALTERATION OF THE ECONOMIC STRUCTURE IN THỪA THIÊN - HUẾ RURAL AREAS

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Realizing the VCP's renovation policy, the economic structure in Thừa Thiên-Huế rural areas has experienced many encouraging changes in the past few years. Agriculture, animal husbandry, mariculture, small industry and service have grown well. The most remarkable development was in rice production. Except summer - autumn crop in 1993, rice yield and output increased regularly, from 156,361 tonnes in 1990, to 182,945 in 1991 and 192,250 tonnes in 1992.

The percentage of animal husbandry increased from 27 per cent in 1990 to 31.9 per cent in 1992. Mariculture has taken shape and develop rather well, some 150 to 170 tonnes of shrimp and crab were produced from 483 hectares of sea farming land in 1993. Small industry and services have made good progress. Therefore, the living standard of the people has been improved, number of well - to - do households has increased and number of poor ones has reduced. Generally, rural areas are starting a new life.

However, agriculture in Thừa Thiên - Huế is basically a monocultural and small-scaled one. It depends on natural conditions and far from being market gardening. Infrastructure in rural areas is very poor. Up till now, of

126 villages surveyed, 118 had asphalted roads, 47 had transformer stations, 49 had pumping stations, 33 had post offices, 45 had PA systems, 69 had middle schools, 21 had kindergartens. Only 27.9 per cent of rural households were supplied with electricity and 2.44 per cent with water. There is almost no dead money in rural inhabitants and they seldom secure any loans from state banks. There's only a handful of agricultural experts. Most farming works were done by hand, labor efficiency is low and its products can't get a foot in the door of domestic or foreign markets.

On the other hand, the economic structure in rural areas is slow to change. The percentage of primary industry is too big whereas secondary and tertiary industries are too small as we can see in the following table:

Structure of industry in rural area	1991	1992	1993
Agriculture	82.4%	85.8%	83%
Other industries	17.6%	14.2%	17%

The rural economy is still inclined to be purely agricultural. The output of annuals (peanut, sesame, tobacco, sugar cane) decreased from 19,485 ton-

nes in 1991 to 16,892 tonnes in 1992 and 16,475 tonnes in 1993. Of total income of rural inhabitants, 62.6 per cent came from farming, 26.4 per cent from animal husbandry and 9.2 per cent from service and manufacturing occupations.

In the meantime, many potentials in rural areas were left untapped: 5,000 hectares of sea farming land, 184,000 hectares of bare hills or wasteland, 23,000 hectares of sandbank, 80,000 unemployed laborers, many dying traditional handicrafts haven't been revived...

Therefore, realizing industrialization and modernization in rural areas in order to change the structure of industry is a matter of great urgency now. This is the basic way to change division of labor, create more jobs, exploit local potentialities, raise personal

income and spending power and activate socio-economic development.

In order to change the structure of industry in Thừa Thiên-Huế rural

areas from now until 2000, the following problems should be solved:

1. In agriculture

- Developing production of foodgrains where they can give the best yield by carrying out irrigation projects, encouraging intensive farming, changing structure of crop and seed.

- Rice farming land of bad yield could be used to produce other crops (maize, manioc or plants used as raw material for agro-industry...).

- Many researches should be carried out in order to find out agricultural products (high-quality rice and vegetables or fruits) which are specialties of Huế.

- Bare hills and wasteland could be used to plant perennials such as rubber, tea, black pepper, cinnamon... or annuals such as pea, peanut, sugar cane, sesame... and these products could be produced in large quantities.

2. In mariculture

- Inhabitants by waterside (river, lake, lagoon or sea) could change their trade from cultivation and animal husbandry to mariculture or sea product processing. The local authorities should play an active role in this project.

- Waterside areas appropriate to mariculture should be planned as soon as possible so we can make plan to build infrastructure there.

- The local authorities should take appropriate measures to encourage people to invest in fisheries (buying new motor fishing boats, applying new techniques to mariculture...). The targets of Thừa Thiên-Huế fisheries upto 2000 will be: 5,000 hectares of fish-farm, fishing output of 18,000 tonnes (20 or 30 per cent of which will come from offshore fisheries), US\$9 million worth of exportation of fish.

3. In forestry

- The main targets of Thừa Thiên-Huế forestry are: looking after existing forest, planting new trees and afforesting bare hills and wasteland. Therefore, the provincial authorities should save part of the public funds for realizing these targets.

- Inhabitants of mountainous areas could be directed towards developing both cultivation and forestry. They should be encouraged to settle and give up nomadic life, and engage in forestry business. This measure can also help with improving their living standard.

4. In animal husbandry

- Many animals could be kept on mountainous areas, such as cattle and pig. This business should be developed properly.

- Various modern techniques could be applied to food processing, veterinary business, interbreeding... in order to improve output of animal husbandry and quality of meat, reduce production cost and raise percentage of this business in the agriculture of Thừa Thiên-Huế.

- We should pay enough attention to meat processing business in order to put an end to exportation of unprocessed food as we did now.

5. In manufacturing and service industries

- We should develop agro-industries with a view to raising value of our agricultural products in both domestic and foreign markets.

- Traditional handicrafts should be revived (wood carving, pottery, needlework, rattan products...). Production of building materials could be also developed basing on local raw materials.

- The service industry could have good effects on production and life of rural areas. This industry can supply materials (fertilizers, insecticide, new seed...) and new techniques of harvesting, storing, processing... and market the agricultural products. It was planned that upto 2000, the structure of industry in Thừa Thiên-Huế rural areas would comprise a rather large primary sector (50 per cent), and medium secondary and tertiary sectors (25 per cent each).

6. In public administration

The local authorities should carry out a lot of measures to encourage local economic development in order to ac-

celerate process of changing the structure of industry. The most urgent requirements are:

- *Stabilizing and expanding markets for the agricultural products:* New customers should be found, personal income and spending power should be increased.

- *Capital for development:* The provincial authorities should find enough capital (from many sources) to improve the infrastructure in rural areas (irrigation canals, roads, electricity supply, telecommunications, water supply...). The state banks should provide poor peasants with low-interest loans.

- *New technology and price support:* Peasants badly need new technology and support from the government to develop their business. A plan to train technicians and agricultural experts is also a matter of great urgency.

- All of the public funds should be used properly in order to help peasants and their children feel secured about their businesses and future.

Although a lot of difficulties we will meet on changing the structure of industry in rural areas (capital, markets, technology, natural conditions...), but this is the only way to help Thừa Thiên-Huế rural areas make progress towards socialism side by side with other localities ♣

Reference materials

- Thừa Thiên-Huế VCP committee's decision on the economic renovation and development in rural areas.
- Thừa Thiên-Huế weekly, 1994.

