

Effects of Craft Villages on Socioeconomic Development in Rural Areas of Vietnam

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Photo by C.T.V

Vietnam's craft villages have been established, maintained and developed for hundreds of years. So far, the country has 2,017 craft villages (according to the classification criteria of the Ministry of Agriculture and Rural Development and Japan International Cooperation Agency - JICA). More than 40% of lacquer painting villages are over 100 years old, and 30% less than 10 years old. In the renovation period, the number of craft villages tends to increase. In spite of their ups and downs, craft villages still survive, grow up and affirm their vitality. Their activities have good effects on Vietnam's rural development. This article focuses major effects on the following sides:

1. Craft villages help mobilize and use rural resources

The survey of craft villages reveals most of them use local raw materials: mat made with sedge; rattan and bamboo handicrafts with bamboo, rattan cane, fan palm, carved stone with stone, stone powder, color powder and glue; lacquer painting with wood, plywood, and lacquer...It is noteworthy that craft villages have created valuable products from materials which are simple, traditional and available in localities. Their utilization of local raw materials have good impacts: first, it helps preserve and expand production of materials including cotton, sedge, coconut trees, etc; generate more jobs to farmers and increase income on an area unit of farm land. Second, it stabilizes the craft village development. Third, it is the most important to

produce goods for export at less costs of imported inputs. At present, in our country many industries earn large income in foreign currency but it depends greatly on foreign-imported materials, for example, 80% of inputs of the textile and garment, electronics sector must be imported. The export value of products made in craft villages reached US\$350 million one year but their real USD earning was equivalent to US\$1.14 billion worth of exported garments at the same period.

More importantly, the development of craft villages has contributed on reduction of unemployment rate in rural areas. To date, Vietnam's current unemployment rate in urban areas amounts to 6% and tens of millions of unemployed people are living in rural areas. Job insufficiency is an important cause of social evils. The attraction of laborers to craft villages has great influence on socioeconomic security in the countryside. In Quảng Nam, a province in central Vietnam, there are 33 craft villages generating jobs for 14,606 workers. In Bình Thuận province, the survey of 17 craft villages shows as many as 2,579 families produce goods, offering jobs to 7,156 people. In southern provinces including Bình Dương, Tiền Giang, Vĩnh Long, craft villages have given jobs to tens of thousands of laborers. The Hồng River Delta accounts for nearly half of the country's craft villages. In this region, hundreds of thousands of people are employed by craft villages, for instance, 32,120 workers in Bắc Ninh province, 100,000 in Hà Tây province and 55,102 in Nam Định province.

2. Craft villages helps increase income of rural residents which is higher than that from farming

The basic characteristic of craft villages is their establishment in rural areas which is in adherence to agricultural production. In the years of renovation although the incomes of most rural residents increased, they remained low. Until the end of 2003, the average income of a person was less than VND300,000. The rate of poverty and hunger stood high in rural areas.

The evidence reveals in rural areas having the same conditions of cultivated land, the people's income is higher where craft villages have developed. In each village, those families specialized or involved in craft production or services gain much more income than purely farming families.

According to statistics of rural craft villages, the incomes of craft labor and families are 1.5 to 2 times higher than purely farming people and families. Tiền Giang Province is an example, in the broom (making) village in Hoà Tịnh Commune, Chợ Gạo District; the mat village in Long Định Commune, Châu Thành District; the incense village in Tân Trung Commune, Gò Công District; shrimp chip village in Cái Bè District, the average income of a worker ranges from VND400,000 to 500,000.

3. The development of craft villages has created large income to the economy and helped enhance economic restructuring in rural areas

Craft villages have produced a large quantity of goods for domestic consumption and export. In recent years, many rural craft villages have created traditional high quality products and improved product designs in line with market requirements. The output value of craft villages continue rising over years. In Kiên Giang Province, for example, the mat production reached 120,000 articles in 2001 worth VND480 million and 130,000. With respect to production of manual farm equipment, the output attained 120,000 units valued at VND1.32 billion in 2001 and up to VND1.43 billion in 2002. Other products like forest and mechanical products, textile and garments of craft villages also shows an upward trend.

According to the survey of the national project KC.08 "the Environment of Craft Villages", the country's craft villages produce goods worth tens of billions of *đồng* and an export value of US\$600 million. Their products are shipped to many countries in the world. The increase in export turnover is extremely important to the national economy. Nevertheless, many Vietnam's high valued exports are manufactured with a great quantity of foreign-imported materials. As a result, their real income in foreign currency accounts for a small proportion. With respect to craft villages on the whole, and handicrafts in particular, most of inputs are made domestically, so their real dollar revenue has a high ratio.

The development of craft villages is one of key factors boosting rural economic restructuring. The survey

of many rural areas having craft villages or not in provinces of Tiền Giang, Quảng Nam, Hà Tây, and Bắc Ninh indicates craft villages are key factors in the change of pure farming to diversified expansion. In the transition to other sectors, the revenue value of industries on the whole and craft villages in particular is much higher than that from pure farming in Cai Lậy District (Tiền Giang Province), Yên Phong District (Bắc Ninh Province), Ý Yên District (Nam Định Province). In the provinces having high urbanization rate like Bình Dương, Hưng Yên, Hà Tây, when the farmland is changed into non-farm land, the promotion of craft villages is an important factor in economic stabilization and reduction of social evils in rural areas.

4. The growth of craft villages is an important factor to enhance industrialization and modernization in rural areas

To speed up industrialization and modernization of agriculture and rural areas is a great policy of the Party and the Government and it is also a main content of the national industrialization and modernization in the early stage. Nevertheless, the shortage of jobs has place barriers to the process of agricultural modernization because farmers are willing to lease plowing machines only when they have another job to do during the plowing time and the wage is enough to pay for the lease of plowing machine. In Districts of Yên Phong and Yên Sơn of Bắc Ninh Province, the ratio of plowing mechanization

reaches 70% of total cultivated land area due to expansion of craft villages and services. Nevertheless, in Gia Lương District, although each family has higher area of farmland per capita, the plowing mechanization ratio is only 30% due to its pure farming. In those areas having developed craft villages, the networks of roads, electricity and communications are much better because there are a lot of non-farm businesses and the income of residents is higher.

The positive effects of craft villages on rural socio-economic development have helped produced a lot of jobs and goods for domestic consumption and export and speed up rural economic restructuring. This confirms proper policies of the Party and the Government for the promotion of craft villages. Nevertheless, in the process of expansion, they are showing shortcomings and difficulties. Therefore, the Government is required to devise flexible and effective policies to facilitate the improvement of craft villages and make the best use of their good impacts on rural socio-economic development. ■

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