

**L**abor and land are important resources for agricultural production. In Vietnam, per capita farming land area is small, so doing intensive farming and developing crafts and service business are the right ways to improve the agricultural economy.

An economist from South Korea said: "Vietnam has an abundant source of labor, it needs right policies, especially policy on human development, to change into a developed economy in next two decades". A Swedish economist said: "Labor is essential resource of Vietnam, foreign investment and technology are important factors. Generally, using human resources reasonably will make the economy develop".

In rural areas today, there are 56.27 million people, equivalent to 78.2% of Vietnam population, around 23.6 million people of which are in working age (or 50% of Vietnam population). However, quality of this labor force is poor: 17.2% of rural population of 5 years old and above are illiterate; 1.6 million people (or 6.4%) are workers of grade 3 or above.

This labor force is underemployed: of 24.5 million people doing business in rural areas, 22.7 million (or 44.8%) people have work to do for 6 months or above every year. That is why in many towns and cities, labor exchange markets came into being.

In rural areas, the multi-sector economy developed more slowly than in cities, so there are too few jobs for this labor force, and underemployment becomes widespread. According to a survey carried out in the Hồng Delta in the North, a farmer had nothing to do in 133 days every year. A working day could bring him in from 10 to 12 kg of rice, after covering all expenses, only 3 kg remained. It's a too low income at this time.

The situation of labor and job problem shows that we should develop crafts and service business in rural areas. This is the only solution in present condition, because no matter how intensive or specialized the farming is, the farmer can't live by doing farming only, he has to have part-time jobs. Developing crafts and service business could create more jobs, exploit existing sources of labor and dead money. A survey showed that 27% of rural households were well off because they had other occupations than farming only, 3% of rural households specializing in crafts (carpentry or blacksmith service, etc.) had medium incomes and 70% specializing in farming earned low incomes.

In developing crafts and service business, we had better pay attention to small industries, especially manufacturing one, because this industry could increase the price and value of agricultural products, increase the spending power of rural population and total export turnover. Moreover, it could create more jobs. For example, planting 10,000 hectares of jute, along with processing jute fibre and making carpet could create 100,000 jobs. This is also a way of industrializing the rural areas.

In rural areas today, there are nearly 14,000 industrial concerns

farming, crafts and rural industries should be developed proportionally.

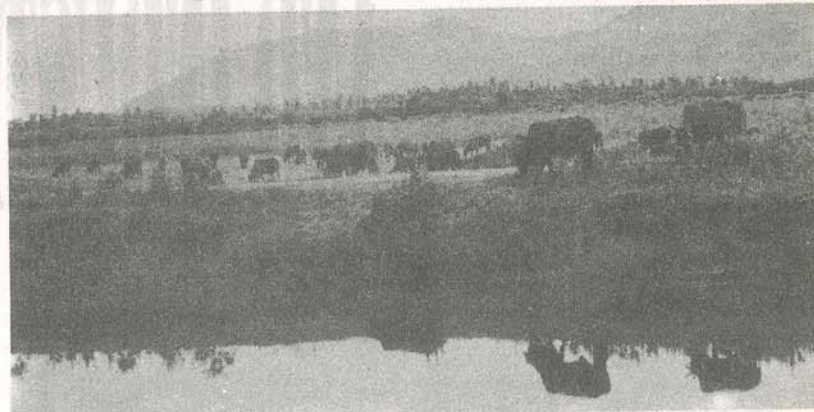
2. Agricultural encouragement programs should be carried out uniformly (supplying information and agronomic knowledge, creating conditions favorable for development of rural family businesses, etc.)

3. Policy on encouraging all economic sectors to develop should be adopted with a view to helping all sectors co-operate in producing, processing and distributing goods.

4. The Government had better allow the mobility of labor in order to form and develop the labor market

# LABOR AND EMPLOYMENT IN RURAL AREAS TODAY

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supplying jobs to over 500,000 laborers. In many localities, these concerns employed over 30% of local labor force and produced 40% to 50% of local gross product.

Other traditional crafts need to be developed because they are appropriate to family businesses and could supply part-time jobs and increase personal income of rural population.

In short, poor division of labor and shortage of farming land led to underemployment and structural unemployment in rural areas. In order to solve this problem, in our opinion, the following measures should be taken:

1. Intensive and specialized

which is important to the concentration of production and creating jobs in rural areas.

5. A national job supplying program should be mapped out. Foreign and domestic sources of capital should be attracted in order to improve the infrastructure in rural areas. This process could not only supply jobs, but also help the rural economy develop.

6. New economic zones should be developed continuously. In building these zones, we should draw lessons from the past realization and from foreign experience, because this is one of effective ways of increasing farming land.