

Measures to Develop Traditional Guilds from Now to 2010

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Traditional guild in Vietnam is usually a community of the same village or hamlet doing some non-farming occupations, especially handicraft or small manufacturing business. Income and employment by such occupations play an important role in the life of the village. Development of the traditional guilds is affected by the following factors:

- Markets for input and output of the guild.
- Craftsmanship and managerial skills.
- Supply of raw materials.
- Social and market demand for guild's products.
- Technical level used by the guild for making goods.
- Economic mechanism and government intervention.
- Level and characteristics of the agricultural development.

1. Recent developments of traditional guilds

In Vietnam many guilds making cloth and lacquer ware have come into being for 100 years. Regarding the lacquer ware business alone, some 40% of these guilds have existed for at least 100 years and 30% of them have operated for at least 10 years. At present, according to a



study by the Japanese JICA in cooperation with the Ministry of Agriculture and Rural Development in 2002, Vietnam had 2,017 traditional guilds; 63% of them were in the North and 43% in the Hồng Delta. In the South, there were only 15% of these guilds.

Regarding their distribution over three regions of Vietnam, 1,277 guilds are in the North, 428 in Central Vietnam and 312 in the South.

These guilds produce various kinds of products.

The development rate of traditional guilds varied over time according to the economic growth and changes in the economic policies. These changes have affected greatly the recovery and development of the guilds. The most noteworthy were: the policy to acknowledge individual peasants' autonomy in production; the policy to allow the use of farm

hands; the acknowledgement of the mobility of labor; and the policy to diversify ownership and production in rural areas.

New forms of business allowed by law have encouraged skilled workers to return to their traditional occupations and improve their products. Some cooperatives and companies have become sources of technical assistance and distributors for the guilds.

Many policies have been adopted to encourage the traditional guilds and non-farming business in general in rural areas. These policies, especially ones on credit supply, training of human resource, export promotion and infrastructure building, have been carried out actively affecting favorably the development of the guilds in rural areas.

2. Role of the guilds in the socio-economic development

The recovery and development of traditional guilds in rural areas have helped create new jobs, make the best use of local raw materials and diversify the structure of crops. Many surveys of these guilds show that they all use local materials. Besides creating new jobs, these guilds have helped increase the personal income in rural areas. In most guilds, the average income is usually higher than what is earned by the farming laborer.

The guilds also produce goods for export. In recent years, their products have been improved in terms of quality and designs and proved saleable in many foreign markets.

3. Problems with the development of the traditional guilds

- The environment in most guilds is polluted seriously causing health problems for local residents and damage to the eco-system.

- Products from some guilds are less competitive in comparison with their foreign counterparts.

- Most guilds are employing obsolete techniques and equipment with the result that their products are of poor quality.

- Most laborers are badly-trained. They are usually apprenticed to their fathers or relatives. In other words, the craftsmanship is usually handed down from generation to generation.

- In most villages, the area used by guilds is limited and the infrastructure is underdeveloped.

- Production capacity of most guilds is low. There is no cooperation between them.

- The State control over guilds is not reasonable and helpful.

4. Measures to develop the traditional guilds

- Realizing long-lasting importance and benefits of the development of the guilds to work out necessary strategies.

- Expanding markets for products from the guilds.

- Making a master plan on the guilds and adjusting their structure of products.

- Making business strategies of the guilds suitable to the market demand.

- Promoting the human resource training and employment in the guilds.

- Developing and managing the infrastructure and location of the guilds: The guilds could be divided into two groups. The first one comprises guilds that must be moved to industrial parks because of environmental problems; and the second one, guilds that could exist in residential areas. For each group, there must be suitable policies and investment strategies.

- Technological and environmental problems:

+ Disseminating scientific and technological knowledge among members of the guilds through suitable channels.

+ Introducing appropriate technologies to the guilds with a view to helping them improve the product quality and reduce the production cost.

+ Modernizing traditional techniques in order to enhance the productivity without damaging traditional uniqueness of their products.

+ Encouraging technological replacement process in the guilds; and giving priority to eco-friendly and labor - intensive technologies.

+ Researching and transferring technologies for treatment of waste materials to the guilds; and for the time being solving environmental problems in certain guilds, especially ones producing chemicals, hide, building materials, cloth dyeing, etc.

- Land use problems:

+ As for guilds that cause environmental problems, they must be moved to new sites or industrial parks. The government had better undertake tasks of building the infrastructure, ensure land clearance and give tax incentives to smooth this process.

+ As for guilds that need more areas, local governments could persuade local residents to transfer or sell their land needed for infrastructure building or start such projects in cooperation with local residents.

- Tax policy on the guilds:

Just because of social benefit brought about by the guilds, the Government had better use tax incentives for encouraging their development for one thing. For another, local governments have to take measures to prevent tax evasion and commercial frauds in order to help the guilds develop healthily.

In my opinion, the development of traditional guilds could help solve many social problems under current conditions that the Government should pay more attention to. That is why analyses of relevant factors and necessary measures to accelerate the development are of great importance. ■

