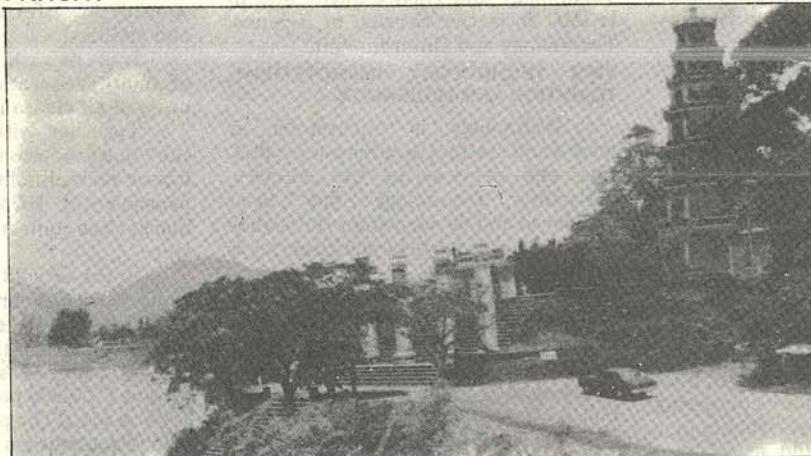


DEVELOPING MANUFACTURING AND SERVICE OCCUPATIONS IN THỪA THIỀN - HUẾ RURAL AREAS

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In Thừa Thiên-Huế, there are over 113,000 households (represented 76% of population and 70% of labor force) living in rural areas, 76% of which lived by farming. In recent years, the agricultural production of Thừa Thiên-Huế has developed, its output reached VND 131.9 billion in 1992 from 130 in 1991 and 116 in 1990. However, the income per capita remains low because there is a shortage of cultivable land and other occupations haven't developed yet. In 1992, there was the best harvest Thừa Thiên - Huế has ever done, but per capita output was only 376 kg per year.

It's worth noting that nearly 30% of provincial total income earned by households living by manufacturing and service occupations, the poor households represented under 20% of total income, and the poorest are households of purely farming occupations.

Therefore, developing manufacturing and service occupations in order to change Thừa Thiên-Huế economic structure, and reduce poverty in rural areas has been a matter of great urgency in Thừa Thiên-Huế today.

In our opinion, the following measures needed be taken:

1. Making an appropriate and feasible plan for developing manufacturing and service occupations: The main features of this plan could be as follows:

- Diversifying crops and livestock in order to reduce disproportion between population and farming land, idle time and low income of farmers, and between agricultural production and processing or distributing farm

products.

- Developing traditional handicrafts and introducing new kinds of work with a view to exploiting local raw materials, creating as many jobs as possible and satisfying local need. The businesses of small and medium size are the most appropriate forms.

2. Creating conditions favorable for doing business and connecting local market with national and international markets: For the time being, we should remove blockages in distribution of farm products, supply information about prices and markets in order to help farmers do their businesses profitably. On the other hand, we should expand local consumption capacity by building frozen food factories, livestock food factories ... in order to encourage market gardening and keep farm product market from being depressed by private traders.

3. Developing manufacturing and service occupations along with agricultural production: We develop other occupations in order to develop agriculture and raise living standard in rural areas, therefore, we should pay attention to the development for agro-industries, farm machinery and implement factories and other services necessary for agricultural development such as supplying fertilizer and insecticide; repairing farm machinery; transporting farm products... But these occupations couldn't develop without the development of industry. So, in the coming years, we have to perform well the role of a satellite town subordinating to big industrial centers and develop gradually industries of our own.

4. Encouraging capital accumulation: we can carry out "rural credit"

program in order to attract personal savings; exempt farmers doing crafts from taxes in order to help them develop their businesses; make policy on encouraging investors to invest the rural areas; and make the best use of foreign aids to develop socio-economic life in rural areas. In doing so, we can form many estates producing both agricultural and non-agricultural products, and many specialized districts or villages will be formed.

5. Securing human resource: A low intellectual standard has prevented farmers from learning new techniques; organizing their business and marketing their products. The government should invest in training and education in order to help rural people get jobs and do jobs well, and at the same time, encourage businesspersons and organizations to transfer technology, give expert advice or help farmers carry out projects to develop rural occupations and services.

6. Investing properly in building infrastructure in rural areas: the poor infrastructure has been a big obstacle to the development of manufacturing and service occupations in rural areas. It makes farm products dearer and less competitive and limits transfer of new techniques and new occupations to rural areas. Therefore, for the time being, we have to realize main projects such as upgrading the National Route No 1, ports and airport of Thừa Thiên-Huế, perfecting existing irrigation canals, building Trùm dam (Phú Lộc district), repairing roads regularly and constructing new feeder roads ... These projects will have a great effect on the socio-economic development of the rural areas ♣