



1. The development of agricultural economy and rural areas is presented in economic theories. There are dualistic economic theories concerning to economies of developing countries. According to these theories, the economy is divided into two sectors: modern and traditional ones.

The modern economic sector has high productivity, great accumulation and expanded reproduction.

The traditional economic sector comprises mainly agriculture-simple labor with low productivity and high unemployment.

The dualistic economic theories of growth and development concerning agriculture can be sorted into two groups.

The first group says the development of the traditional economic sector (agriculture) depends on the development of the modern economic sector. The economic theories representing this viewpoint are models of Arthur-Louis (Nobel Prize 1979), Fei-Ranis, Herris-Tarado. In these above economic models, although their analyses are different to some extent but they have a same view that in developing countries, investment should be focussed on the modern economic sector, improving its growth, increasing demand for labor of the sector, and creating labor attraction of the traditional economic sector. The growth and development tempo of the whole economy depends on the growth and development of the modern economic sector.

The economic theories of the second group are represented by the model of the Japanese economist Harry Toshima. He said, as for the

progress in agriculture, replacing manual labor with machinery, raising labor productivity and increasing the GNP.

In short, Harry Toshima thought the economic development in Asian monsoon agricultural economies must start from agriculture, produce good effects on farming to open the growth of the whole economy, forming the economic structure of industry-agriculture-service.

2. The special position of the issue of farmers, agriculture in the economic restoration, development was brought out by V. Lenine in the New Economic Policy (NEP). NEP was applied to Russia from Spring 1921. Russia had just escaped from the bloody civil war. The economy was seriously destroyed. The famine occurred in cities. Due to shortage of material, series of factories were closed or operated perfunctorily, numerous workers lost jobs. The implementation of compulsory purchase and confiscation of food in the war-

# DEVELOPMENT OF AGRICULTURAL ECONOMY AND RURAL AREAS IN THE PROCESS OF INDUSTRIALIZATION AND MODERNIZATION

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monsoon farming economies, the labor redundancy was seasonal, that is, it happened only in idle months and there was still shortage of labor in the crop peak. Therefore Harry Toshima put forward the economic model where the development began from keeping up labor in agriculture, and creating more jobs by increasing crops, diversifying plants, developing husbandry and labor-intensive industries.

The farmers' incomes will increase due to more jobs. It will also expand domestic market for industries and services, and make preconditions for enhancing technical pro-

time communist policy placed farmers at an low ebb.

The agro-production declined drastically. Russia was still under the siege of the international hostile forces. In that circumstance, V. Lenine laid out NEP to restore the economy and industrialize the economy. The NEP's viewpoint started from farmers, agriculture. Lenine had brought out series of measures to develop farmers' economy such as: replacing the policy on compulsory purchase, confiscation of farmers' excessive food with policy on agricultural tax (very low tax rates); allowing farmers to freely circulate their re-

maining food; improving goods exchange in rural areas and product exchange between industry and farming sector.

Along with other series of successive measures, Lenine's proper advocations starting from farmers, agriculture had made fast contributions to restoring the Russian economy, created ground for carrying out the plan for energizing the whole Russia.

3. In our country, the position of rural areas, agriculture is considered in economic policies as: where to supply food and foodstuff to the society; provide raw materials to processing industries, services, source of initial capital accumulation for industrialization through export of product.

From the fifth National Congress of Vietnamese Communist Party, the agriculture has been put at the top position with the aim to realize the country's three major economic programs: food, foodstuff, consumer goods and exports.

The viewpoints of the fifth Congress had been improved by the following Party Congresses, the countryside, agricultural issue was posed in the relationship with the development of other industries and economic sectors - The advocations on the development of rural infrastructures, processing industries, the innovation of biological technology, the division of local labor force ..., step by step ensures the sustainable development of rural areas and agriculture.

Our recent achievements of agricultural production (not only securing food for the country but also making Vietnam become the third biggest rice exporter in the world) are worth of pride. However the reality of rural areas and agriculture still cause many concerns:

- Labor redundancy in rural areas is still great. It places obstacles to the application of advanced technique. Low farming labor productivity has bad effects on farmers' incomes and the capability of expanded reproduction in agriculture.

- Labor division hasn't got rid of monoculture state, food, husbandry industries hasn't become main ones, other industries haven't developed yet. The farmers' living standard is still low.

- Potentials to develop rural commodity economy have been untapped due to deficiencies in transportation, communications, processing industry.

- There are still many perplexities in the determination of socio-economic forms to develop the countryside and agriculture.

Based on the Party's viewpoints and policies on the development of

rural areas, agriculture in the country's process of industrialization, modernization, we would like to clarify the following issues:

*Firstly*, the interactive relations between agriculture and industry, service; countryside and city, domestic and international production should be thoroughly grasped. the countryside and agriculture were industrialized only in these relations and just industrialization, modernization of the countryside and agriculture will speed up vigorously the country's industrialization and development of foreign economic relations.



Investment to develop agriculture, raise farmers' living standard is not only requirement of socialist orientation in economic development, but also makes conditions for expanding domestic market for industry, service, and provide the processing industry with raw materials. Moreover, as Lenine put it, the real policy on food tax is to create the new content for the political ally between workers and farmers.

*Secondly*, when our industry, services and cities are underdeveloped, a lion's share of working population is of rural areas and agriculture, the labor move from rural areas to cities is still inevitable in the process of industrialization and modernization. the development of labor intensive industries, vocational training center is indispensable. However from foreign experiences, we do not advocate to develop big cities, but many satellite towns.

*Thirdly*, the diversification of socio-economic forms should be improved to develop rural areas, agriculture and many different industries, technique and technology in rural areas, agriculture.

The agricultural co-operatives have been a major form to develop the rural economy before. The advocation of developing family economy has given new impetus to agricultural development. We have also decided on developing cooperation forms in services, shareholder cooperatives. But on the whole, that's the development of collective economic forms with many perplexities.

In our opinion, we should develop collective economy, but that development doesn't mean to raise the ratio of collective economy gradually, but place it in relations with economic sectors. The rural areas, agriculture is lacking in the development of private capitalist sectors and forms of State economy.

In cities foreigners are allowed to rent land in tens of years, but in rural areas, that's scarce and does not happen in many areas. There is no investment in exploiting our midland, mountainous areas, including plains. The countryside is badly in need of capital, new technique and technology, changing production method...As a result, we should diversify economic forms. Besides the way of forming cooperatives to develop rural economy, agriculture, economy of individual, farmer household can develop in the direction of private and public economy. The Government forced the people to build new economic areas long ago. But because of lack in capital, obsolescent technique and technology, residents in new economic areas still made small farming production. The economic efficiency of that population move was very low. If the diversification of rural economic sectors is improved, the countryside will attract private capital and technology from cities and foreign countries to develop husbandry, service, and rural industry. So the small production method in the countryside will be turned into large, modern one.

As a result, the viewpoint to realize industrialization, modernization by sources of economic sectors should be thoroughly grasped in the process of industrializing, modernizing the countryside, agriculture.

According to that view, to secure the socialist orientation in the development of multisectoral commodity economy, the State economy should play a leading role, especially in trade area - an important link of the economic chain, as V. Lenine put it ■