

The country's policy on developing economic areas is of extreme significance, especially for mountainous and midland areas. Just after the Vietnam Communist Party's eighth national congress (June 1996), to implement the policy on preferential development of mountainous and midland areas, the Government held the conference on socio-economic development of the Central Highlands in the period 1996 - 2000 and by the year 2010 from July 16 to 17, 1996.

After a year of implementing the Prime Minister's instruction of basic



MOBILIZING ALL SOURCES FOR THE CENTRAL HIGHLANDS' COMPREHENSIVE DEVELOPMENT

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solutions to the Central Highlands' socio-economic development. The second conference on the Central Highlands was held just after the first session of the National Assembly, term X, in HCMC from October 24 to 25, 1997. This is a great effort and resolution of the Government to mobilize all sources and exploit local potentials reasonably and effectively for the Central Highlands' comprehensive socio-economic development.

I. REALITY AND PROSPECT

The Central Highlands' economy and society remain deficient, the industry and service sectors (mainly industry of building materials and agricultural product processing) accounted for only 17% of GDP, their products and goods are of low quality and less competitiveness. The foreign trade progressed slowly and not proportionately. Foreign investment was not strongly attracted, the

whole area had only 33 projects with total investment capital of US\$176 million, equivalent to 1% of the whole country (particularly Kontum Province had no investment project).

The life of local residents still faced with many challenges, especially ethnic minorities, the gap between rich and poor was very large (about 40 times), 12% of the local population still practised nomadic agriculture (about 400,000 people), per cap-

ita GDP was US\$183 in 1995 (ranked fifth among the country's eight economic areas). The free immigration from 1988 until now (about 650,000 people) destroyed the Central Highlands' environment and ecology seriously, the forest resource was being exhausted, the fertile soil was worn out, precious and rare animals and pharmaceutical herbs were gradually deprived and encountered a danger of extinction.

The investment capital came mainly from the State budget but was allocated unevenly, concentrated only on cities, developed areas. There was no mechanism to attract capital from the localities, other provinces and foreign countries, the investment, on the whole, was dispersed and less efficacious.

The infrastructure was both poor and not uniform. The Central Highlands' network of national roads was 1,920 km long but nearly 48% of which was of low quality; provincial roads 1,520 km and 67%; and rural roads 11,700 km and 90% respectively. Nine hundred irrigation projects have been built but they secured water for only

14.5% of the perennial growing area.

The local intellectual level was still too low, 60% of one million ethnic people was illiterate. Those having element education represented 21%, junior high education 3.8%, senior high education 0.3%. The disease of the thyroid gland and malaria in some areas was prevailing and they have not been cured on time.

However, in addition to difficulties and restrictions mentioned above, the Central Highlands possess great potentials which have not been tapped reasonably and sufficiently.

The Central Highlands include 6 provinces: Kon Tum, Gia Lai, Daklak, Lâm Đồng, Bình Thuận and Ninh Thuận. They are situated on the Indochina's three-way intersection and have a strategic position important to the national economy and defense. They are also a bridge linking the country's central and southeastern areas. Their natural area totals 6.5 million hectares and their population amount to 4 million people, making up 17.5% and 5.3% of the whole country's area and population respectively. Energy, minerals, industrial perennials and forestry are regarded as the Central Highlands' largest advantages but they have been tapped in small scale or untapped.

The Central Highlands have an abundant variety of potentials. Outstanding are industrial perennials such as coffee, rubber, pepper, cashew, tea, mulberry... The localities had 200,000 ha of coffee trees, accounting for 75% and 85% of the whole country's coffee tree growing area and coffee output respectively. In 1995 the area earned US\$500 million from coffee export, contributed to the country's second rank among ASEAN countries, behind In-

donesia and eighth rank among the world's 51 coffee exporters.

The Central Highlands' forestry resource topped the country's list with an area of 3 million hectares, accounting for 36% the national forest area with the reserve of 283 million cubic meter of timber and 2 billion bamboo trees. The general survey on natural forests in 1990 revealed the value of the Central Highlands' natural forests totalled VND1,745 billion, accounting for 27% of the whole country's total value.

The Central Highlands' untapped mineral reserve is very large, including bauxite having highest value and waiting for exploitation. Some precious ferrous minerals such as tin, gold have been exploited but their reserves have not been fully accessed. The source of hydro electricity is plentiful, the Yaly hydro-power project with the capacity of 700 MW has been built and combined with the north-south 500 KV line, other projects such as Séan I, Séan II and Sérépok with a total capacity of 1770 MW are under consideration. These projects aim at overcoming the power shortage and preparing infrastructures for the Central Highlands which have only 30% of their villages electrified.

In addition, the Central Highlands also obtain great advantages of husbandry and wild animal preservation. The direction is to raise 600,000 heads of cattle and 400,000 cows, at the same time develop the herd of pigs with a view to reaching the output of 55,000 tonne of meat, and the domestic fowls to 6 million heads by the year 2000. Along with husbandry development, the localities set up concentrated meadows and modern processing factories so that 10%

of the output is of high quality for export.

The prospect of the Central Highlands' tourism is also mammoth. In particular, favorable conditions such as territories and landscapes, waterfalls, lakes, primeval forests, precious and rare animals, traditional festivals of the ethnic minorities are magnets for home and foreign visitors.

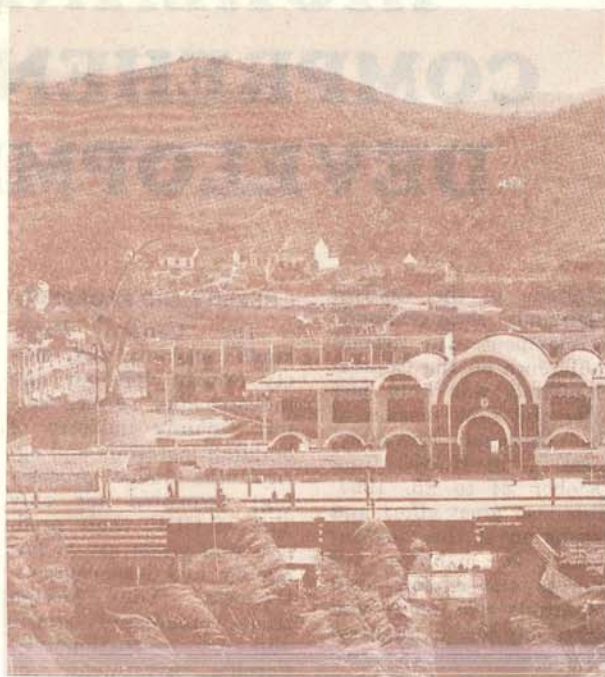
The localities' potential advantages should be planned, studied, exploited and employed effectively with the aim to make an energetic alteration in the next 5 to 10 years. With the persistent efforts of the Government, relevant ministries and branches, and 6 local provinces along with policies and mechanisms favorable for the Central Highlands, socio-economic targets in the period 1996-2000 and by the year 2010 may be reached.

II. THE POLICIES ON MOBILIZING SOURCES

To accelerate the local

socio-economic development in line with its characteristics and potentials in the period 1996-2000 and by the year 2010, the Prime Minister issued Directives 393/TTg on June 10, 1996 and 656/TTg on September 11, 1996 on concrete policies and measures for the Central Highlands' industrialization and modernization.

With the target of developing the Central Highlands comprehensively and in the early stage eradicating poverty and alleviating hunger of 40,000 ethnic households, the first effort is to extend, build and upgrade the national route 14 and roads from here to the country's border, the central coastal and the south-eastern provinces. The experience from regional countries shows that more roads are built, more people become rich, so the local road network is an extremely important factor and also a major key to socio-economic development, cultural exchange and expansion of foreign



relations. In the period 1996-2000, the Ministry of Communications and Transport proposed investment projects capitalized at VNĐ3,800 billion to build roads. The localities continue to invest large funds in building 210 km of roads from districts to communes, upgrading 4,000 km of interdistrict roads and nearly 8,000 km of intercommune roads and erecting bridges across rivers and streams to help 8-tonne vehicles go through.

Communications development is one of major steps to boost the local growth. It is also a decisive condition to implement such economic programs as: agro-forestry development, construction of infrastructures and social plans (health, education, trade...). They are grounds for industries processing and exploiting perennials and minerals.

The Central Highlands' targets of growing and processing industrial perennials by the years 2010 are to produce 300,000 tonnes of coffee, 60,000 tonnes of latex, earn between US\$800 million and US\$1 billion from export, protect 3.2 million ha of current forests, afforest 300,000 ha and secure the agricultural and forest land accounts for 66% to 75% of the local area. This is a foundation for building factories processing agro-forestry products as well as forest industries. In addition, the localities should ensure food safety and produce animal food step by step; try to reach an output equivalent to 1-1.5 million tonnes of rice paddy, make the best use of advantages of basaltic soil to develop perennials and short-term plants, especially mulberry, fruit, sugar cane, tea, etc. and vast areas of coffee and rubber trees, and to increase the fertility of basaltic soil, a valuable potential of the Central

Highlands.

Along with programs building infrastructure and developing the economy, the local governments should invest in realizing irrigation projects which exploit water from Sêrêpok River of which flow can reach 8 billion m³ per year, study and use underground water source for cultivation and consumption of 30,000 people living in mountainous areas.

The capital needed for local comprehensive development in the period 1996-2000 amounts to VNĐ8,850 billion and by the year 2010 VNĐ21,650 billion. This is an ex-

minorities' life in the direction of settling the cultivation and encourage skilled workers and investors to develop the Central Highlands. The Government shall build infrastructure, reclaim land and assign land and forest to family households according to the master plan. Besides, the Government shall make favorable conditions for and stimulate ethnic young people to study at universities and vocational high schools, technical experts and workers to contribute their energy to the local development, in addition the local governments shall guide the



tremely high requirement for the Central Highlands, so they have to depend on funds allocated by the State and attracted from domestic and foreign sources.

To reach their targets of economic development, the Central Highlands has requested ministries, branches and localities across the country to take effective measures, coordinate uniformly and concentrate all powers to develop the Central Highlands comprehensively. The Government continues to promulgate new policies to rehabilitate and stabilize the ethnic

population to earn their living and make rich. At the same time, the Government also makes policies on and invests in scientific research and technology transfer to perfect the agro-forestry structure and the rural economy.

III. SOME MEASURES

- Focus all capital sources on step by step changing the self-sufficing and naturally exploiting economy to commodity producing one. Strengthen and rectify the program of reafforestation effectively. Establish industrial parks processing farming prod-

ucts and specialties and exploiting minerals.

- Expand the policy on protecting and recreating forest resource, especially forest for protection at the upper section and national special use. Soon implement active measures to restore the local environment and ecology, protect soil fertility and restrict erosion. Gradually set up areas of industrial perennials, pharmaceutical herbs, fruits. Strive to increase the percentage of forest coverage to 50-60% (currently 36%) of the total area.

- Develop communications, transport, post, and power source at the early stage. Upgrade and build roads linking high and remote areas with the national communications networks.

- Construct and reinforce the system of schools and hospitals at every level, ensure to attract 100% of school-age children to school. Establish social, cultural and recreational centers for young people and step by step eliminate backward habits and superstitious practices.

- Strictly control and plan immigration, rehabilitate residents, develop working force, erect new residential areas, well manage social issues and build infrastructure for residential areas.

In brief, to mobilize all local, domestic and foreign sources for comprehensive development of the Central Highlands aims at improving material and spiritual life of local ethnic minorities, gradually bridge the gap between mountainous and plain areas, implement social equity between races, and narrow the difference in income between areas in the country. This also makes the Central Highlands become rich and civilized, contributing to the success of national industrialization and modernization.