

With an area of 3,960 million hectares (12% of Vietnam's area), and population of 15.8 million people (21.6% of Vietnam population), the Mekong Delta (MD) plays an important role in Vietnam agricultural production and supplies 50% of national rice output. From 1988 to 1994, the MD exported 9.44 million tonnes of rice (70% to 80% of rice for sale of the country).

FROM REALITIES OF RURAL LIFE

In spite of its resources, the majority of farmers in the MD suffered a low standard of living. Fifty percent of households living in the MD had low income, 20% which lived below the poverty line with an average per capita income of VNĐ 40,000 per month, or around VNĐ500,000 a year.

capital and knowledge, low efficiency and to low income, that is, to poverty. Of poor families, 8% of them had members of family working as servants of the rich, 9.16% had to sell their crops before harvesting for only a hand-to-mouth existence.

As for the spiritual life, farmers in the MD didn't get much benefit from education and health caring programs. Their life, to some extent is at the same level as that of people living in northern and western mountainous areas. For example, sick people in the MD are of 69.6% while the national average is 66.2% and that of the Hồng River Delta is 61.2%. Around 20% to 30% of children of school age had chances of going to school. This figure is low in comparison with the national and the Hồng River Delta av-

tion are low and fall short of increasing requirement of the industrialization and modernization. Therefore, enhancing the educational level of the MD farmers should be considered as our prime concern.

...TO SITUATION OF PRODUCTION

The MD has the agricultural production of higher level compared with other regions: larger investment in intensive farming (an investment of VNĐ2.1 - 2.3 million in a hectare of farming land on average, over two times as many as the national average, or over three times as the Hồng River Delta average); the degree of mechanization is of 150% higher than the national average or 174% higher than the Hồng River Delta average. Using hired hand and doing market gardening are more widespread here

LIFE AND BUSINESS OF FARMERS IN THE MEKONG DELTA REALITIES AND SOLUTIONS

In three days, from Aug 23 to 25, 1995, the conference "Developing the agronomy and co-operation in the Mekong Delta" was held at Cần Thơ University by the Central Farmers' Association in co-operation with the HCMC University of Economics, Cần Thơ University and German Hanns Seidel Foundation. Besides delegations from many provinces, there was the active participation of many experts from FAO and Thailand. The following are some basic observations about the conference.

by Dr. HOÀNG THỊ CHÍNH

The main cause of their poverty is the big family. An average family has 5.4 persons (compared with the national figure of 4.9). This figure rises to 6.4 in poor families. Nearly 90% of poor farmers lamented their shortage of capital, and around 25% lamented over their shortage of knowledge of doing business. Moreover, their lands are of small areas, equivalent to one-third of lands of richer families. So they have to know how to develop animal husbandry and other business if they want to improve their standard of living. And they face again the shortage of capital and knowledge. Their life is a vicious circle: poverty leads to shortage of

erages. The percentage of people receiving secondary education and above didn't rise half as high as the national average.

The average income of a household in the MD, however, is 23.9% higher than the national average and its spending on education and health caring is bigger than that of households living in other regions. But their material and spiritual lives are poor as stated above. It suggests that the Government investment in supplying these services to farmers in the MD is low, and the farmers had to care for themselves.

Generally, up to now, the levels of skill and education of rural popula-

In the MD, the percentage of rice for sale is 38.3% (2.43 times higher than the national average and 2.88 times than the Hồng River Delta average). The yield is high here: a hectare of rice brings in from VNĐ2.5 to 2.7 million. The daily wage varies from VNĐ22,700 to 24,500. The per capita rice output is 884kg (around two times as much as the national average).

Service supply in the MD was improved considerably in recent years. There are branches of Bank for Agriculture at every district. In 1994 1,339 million households received a total loan of VNĐ2,490 billion (or VNĐ1.8 million for a family on aver-

age in comparison with the national average of 1.5 million). But most of poor families had to lend money on security. Most loans are short-term ones which aren't appropriate to the agricultural production. The procedure for obtaining loans from banks is complicated and time-consuming, and many farmers felt discouraged. But some farmers spent bank loans lavishly instead of putting into production, and became defaulters. These farmers have ruined the reputation of the farmer in general, because in many localities, no farmer becomes bad debt to the bank.

The supply of materials is the MD has been commercialized recently. Private businesses developed everywhere and helped the farmer secure materials needed for production on time at reasonable prices. In recent years, however, because of loose import control, the prices of agricultural materials have risen too high and made difficulties for the farmer. In many cases, the farmer had to suffer losses after harvesting.

Agricultural incentive schemes have had good effects on the agricultural production recently. Agricultural incentive centers at province and district levels have been established. These centers in An Giang have helped the farmer improve the yield, in 1994, for example, An Giang produced over 1 million tonnes of rice, the per capita rice output reached over 1,000kg. In other provinces, however, this scheme was carried out ineffectively, inclining to solving technical matters and neglecting product processing and distributing. In addition, commercialization in the agricultural incentive scheme had bad effects on the environment and farmers' interests.

After the Resolution 10 of the Politburo, farmer household became an independent economic unit. Because of a wrong concept of collectivization, organization and control of production, and distribution of products in co-operatives, the system of co-operatives have disintegrated. Doing business independently, the farmer enjoyed freedom to produce, invest money, select appropriate techniques and sell products as they wished. Due to the liberalization of productive forces, the production of farmer households in the MD was on the increase in recent years, particularly, the former middle-class farmers who could accumulate enough capital and knowledge have developed their businesses well.

However, in doing business independently, the farmer has lost many things: solidarity and mutual sup-

port (because of unfair competition), capability to make big investments and dramatic technical innovations, and capability to take part in the socio-political life.

In many provinces, after the disintegration of co-operatives, the gap between the rich and the poor in rural areas became larger, the poor met with a lot of difficulties in doing business. At present, there have been demands for formation of farmers collectives or cooperatives in the MD.

SOLUTIONS TO THE PROBLEM

1. In social aspect

First of all, the birth rate should be reduced because the population growth is a great pressure now in the MD. It became an obstacle to the socio-economic life in rural areas and made the poor poorer. In order to realize this program, big investments and human resources are needed. Contraceptive methods and family planning knowledge should be popularized in the remotest areas because the birth rate there is very high.

Local authorities and central government should pay full attention to improvement of spiritual life of rural population. Preferential treatment should be given to students from remote localities and officials who are ready to go working in rural areas. In Thailand for example, poor population are classified according to locality with a view to creating more opportunities for them to receive social services from the government.

These social solutions could only be realized by the coordination of the work of the central government, local authorities and the farmer.

2. Techno-economic solutions

The agricultural incentive scheme should be realized at all villages basing on local conditions. The rural development program could be realized by seven steps as done by Tuyen Quang authorities. The agricultural incentive scheme should supply not only new techniques or production methods but also general knowledge of social and family affairs. Realizing this scheme well is a way of encouraging the poor to make money.

The Bank for Agriculture should renovate its way of doing business with a view to supplying more medium - and long-term loans to the farmer. Procedures for borrowing money should be simplified, giving security need not be considered as a must, more soft loans should be supplied to the poor farmers. In Thailand and many other developing countries, banks for poor farmers were established. It's a good lesson for us.

All provinces have contributions of their own to the national economic development but not all provinces are invested by the government according to their contributions. So the government's socio-economic programs should aim at investing more money in rural areas, especially in building infrastructure and supplying social services. For the time being, each province should be allowed to retain a higher percentage from its income to put in new local projects. Price support should be given to the agriculture. Poor farmers should be supplied with subsidy to some extent. Animal husbandry and service and crafts will be encouraged to develop with a view to changing the economic structure in rural areas.

3. Encouragement to rural co-operation

In order to cope with unexpected changes of the market, natural disasters and other problems in the socio-economic life, all farmer households should co-operate together. However, in forming farmers cooperatives this time, we should respect the principle of self-determination and refrain from using administrative measures. The cooperatives should be formed in response to farmers demand and developed from low to high levels. These co-operatives will have a wide scope of activities, from production, distribution, processing products or supplying various services to the members. The Hanns Seidel Foundation has introduced a model of "community village" and planned to build a pilot village in the MD in 1996. The community village is considered as an overall cooperative organization of farmers who want to develop the rural economy and modernize rural areas. In the community village, there will be many activities such as supplying loans, technical assistance, and other services; carrying out agricultural incentive scheme, distributing agricultural products, etc.

Obviously, co-operation is an urgent matter in the MD now. By co-operation, the poor, and the rich as well, will become richer. So the government should promulgate the law on co-operative with a view to providing a legal basis for the farmers' co-operation.

Because of its important role in the national economy, the MD should be developed properly in the direction of industrialization and modernization. This task is a great challenge which requires corporate effort and determination of the farmer, the central government and local authorities to fulfil it ■