

The industrialization and modernization of agriculture and rural areas couldn't be separated from the role of the Government in devising appropriate policies and implementing them properly. In this article, stress is put on policies to accelerate the industrialization and modernization of agriculture and rural areas, especially in the Mekong Delta, not on the ways they are carried out.

I. OBJECTIVES OF THE INDUSTRIALIZATION AND MODERNIZATION IN THE MEKONG DELTA

The industrialization and modernization of agriculture and rural areas, in our opinion, is an overall process that aims at developing the export-oriented commercial farming, mechanizing the agriculture, build-

ing agro-industries, improving the living standard of rural residents and bridging the gap between rural areas and cities. This process, under direction of the Government, should mobilize efforts of all farmers and rural residents to achieve those long-term objectives.

II. SOME VIEWS TO AGREE ON

In our opinion, authorities of all level should agree on the following views when carrying out the industrialization and modernization program in rural areas.

(1) The industrialization and modernization is a process of accumulating capital for expanding the production. It is a time-consuming one that allows no short cut.

(2) During the industrialization and modernization process, it's inevitable that the gap between farmers widens and many farmers have to adopt new trades. This process may be less grievous than what took place

in capitalist countries but the social division is unavoidable.

(3) The transition from small-scale production to industrialization through the market mechanism isn't a peaceful process. It implies keen competition between farmers, and between local and foreign producers.

(4) The industrialization and modernization should be a movement carried out by farmers only and nobody could do it for them. In this process, the Government acts as a supporter and leader, and all policies it adopts will end in failure if they go against economic laws.

III. SOME MAJOR POLICIES TO PROMOTE THE INDUSTRIALIZATION AND MODERNIZATION IN RURAL AREAS

1. Agriculture promotion

This policy aims at encouraging the commercial farming by manipulating economic laws in the market mechanism. In our opinion, appropriate economic models in rural areas during the transition to the industrialization and modernization are:

- Household economy (family business).
- Farm economy
- Consumer and credit cooperatives.

Other models, such as agricultural-industrial farm or cooperative, equitization, etc. aren't suitable to current socioeconomic conditions in rural areas.

2. Production development

This policy aims at orienting the commercial farming towards export by diversifying the agricultural pro-

ON INDUSTRIALIZATION AND MODERNIZATION OF THE MEKONG DELTA

by Dr. PHẠM MINH TRÍ

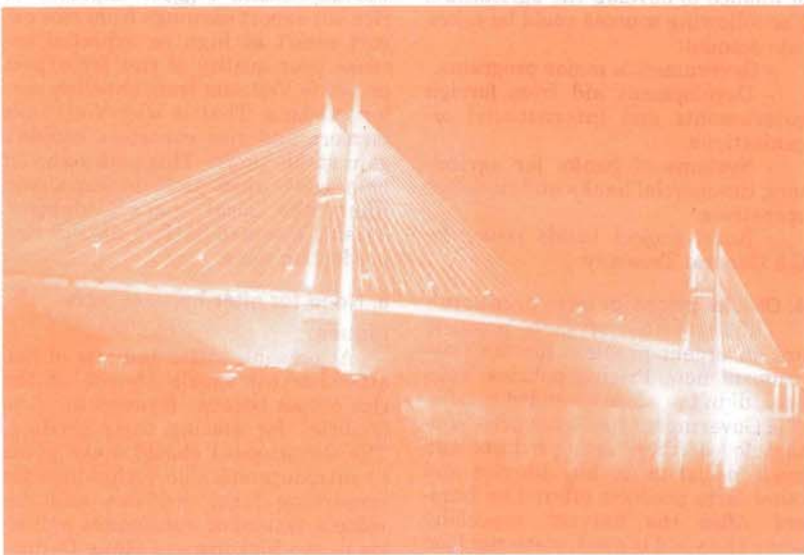


Photo by Thiên Triều

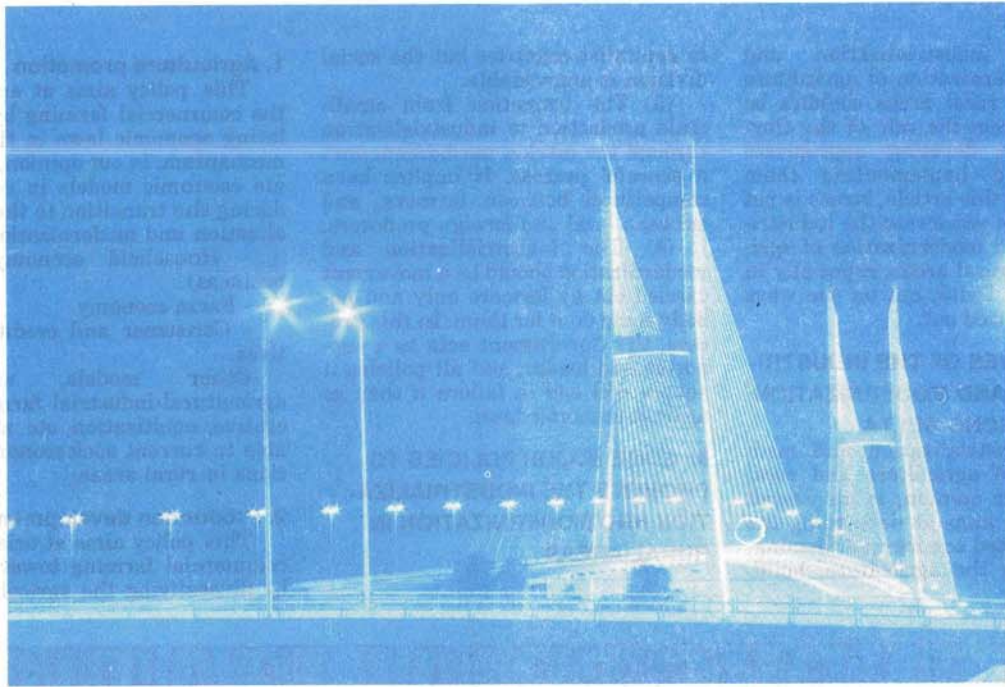


Photo by Thiên Triều

duction (removing the rice monoculture) and reorganizing the mechanism for purchasing and exporting rice (at present, the rice export brings in a lot of profits for private traders and rice mills instead of farmers and rice exporters).

3. Supply of credit to rural residents

In recent years, although the public investment in agriculture has increased remarkably, it still fails to meet the demand. This means that the Government should work out a plan to mobilize all possible sources of finance to develop the agriculture. The following sources could be taken into account:

- Government's major programs.
- Development aid from foreign governments and international organizations.
- Systems of banks for agriculture, commercial banks and credit cooperatives.
- Rural project bonds issued by the General Treasury.

4. Official prices of farm products

Official prices of farm products are an urgent problem for the Government now. Pricing policies, however, didn't produce intended results. The Government has fixed price ceilings for certain farm products and made decisions to buy up rice and other farm products offered by farmers. After the harvest, especially when the yield is good, state-run food trading and export companies

couldn't do as required because of a lack of funds with the result that farmers had to sell them at cut prices lower than the official price ceilings and suffer great losses.

Experience from Thailand and other neighboring countries (the official price equals production cost plus a profit of 30% or 40%) may be useful and worth studying.

5. Markets for commercial farm products

This policy aims at expanding both domestic and foreign markets for farm products. Vietnam is the world's second biggest exporter of rice but export earnings from rice export aren't as high as expected because poor quality of rice for export prevents Vietnam from entering major markets. That is why Vietnam's farmers and rice exporters couldn't gain stable profit. This policy should help solve this problem especially when the local market demand doesn't increase as fast as the rice production does.

6. Need for after-harvest techniques

At present, waste and loss of rice after harvest equals 15-20% of the rice output because farmers have no facilities for storing their produce. The Government should make plans to introduce suitable techniques for preserving farm products and develop a system of warehouses and silos in the Mekong and Hồng Deltas.

7. Rural infrastructure

This policy, as part of the regional policy, aims at facilitating communication between cities and rural areas and attracting foreign investment.

8. Introduction of techno-scientific achievements

In developing techno-scientific achievements in agriculture, full attention should be paid to:

- Investigating and making use of local potentials and advantages.
- Applying new achievements in disease control, use of fertilizer and new strains of plants and animals, and food preservation and processing.

9. Training of agricultural experts

- Encouraging students from farmer families to study agronomy and forestry.
- Training experts in hybridization, disease control, plant protection and soil conservation.

10. Social and cultural life in rural areas

This policy aim at introducing new lifestyle and struggling against outmoded traditions and customs.

Industrializing and modernizing rural areas, and the Mekong Delta to be precise, is a long-term process that requires the Government to work out suitable policies and implement them properly to change the face of rural areas