



significantly. In contrast, the machinery was isolated and became rust and broken. If the rural industrialization and modernization is to bring the processing industry to the countryside, the result is the same. We cannot build factories in distant and remote areas. In addition, many problems arise, for example, raw material areas; technical labor and infrastructure must be secured. The concept of rural industrialization and modernization as urbanization of rural areas is not adequate because the agriculture requires its own environment and farmers need land and fields to earn income from farming.

Based on requirements of rural industrialization and modernization, the concept of rural industrialization and modernization must reflect sig-

SOME OPINIONS ABOUT VIETNAM'S RURAL INDUSTRIALIZATION AND MODERNIZATION

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According to Japanese economist Harry Toshima, in Asian developing economies having wet rice agriculture, the farming workforce faces seasonal layoffs. Therefore, the concentration of all sources on development of modern economic sectors including the industry as a leading one is not optimal. He says the model of economic growth and development should be formulated by using rural labor to boost agriculture, not by the industrial motivation. He proposes to create new activities in the agricultural leisure such as: husbandry, farm product processing, handicraft, services, and so on. These jobs not only secure working population for the farming economy but also increase farmers' income and expand markets for agricultural products.

In the other hand, when the labor market in agriculture contracts, the real wage increases, farms, cooperatives, and households will be forced to change into agricultural mechanization with small machinery first, then large modern lines. As a result, agriculturalization is the best way to spark off an economic development strategy in Asia. We also call this

method rural industrialization and modernization. The theory on rural industrialization and modernization remains a lot of problems, which have not yet had deep researches. I would like to mention the concept and content of rural industrialization and modernization in Vietnam.

There are different viewpoints about rural industrialization and modernization. Some argue that it is to bring industrial production to rural areas or industrialize farm production. Others understand rural industrialization and modernization is the process of urbanizing rural areas. These above views reflect one aspect of the process of rural industrialization and modernization. However, each is unilateral and does not include internal and objective relations of the process of rural industrialization and modernization. If it is understood as the process of agricultural mechanization, then the target is reached when the mechanization is complete.

Nevertheless, the evidence shows the country's agriculture has been equipped with a great quantity of plowing machines and tractors, but its productivity has not increased

nificant relations between productive forces and relations in this process in agriculture and rural areas. Furthermore, it must indicate the target, measures, and means to implement the process.

As a result, rural industrialization and modernization is the process of transforming, basically and comprehensively, the farm production and rural economic face. It will change manual labor into mechanical one; and small production to mass commercial production. This process will also restructure the farm economy in the direction of increasing the percentage of non-agricultural activities (rural industry, services), thus bridging the socio-economic gap between urban and rural areas.

If the national industrialization and modernization includes technological revolution to build infrastructure for socialism and economic restructure, the contents of rural industrialization and modernization are as follows:

- Rural industrialization and modernization is a major part of the national industrialization and modernization.

- Rural industrialization and modernization is the process of changing production forms and planning as well as farmers' living standard. Its target is to restructure the farm economy, cultivation and husbandry, and crops in order to eradicate hunger and alleviate poverty, implement the social equality and urbanize rural areas.

- Rural industrialization and modernization should be combined with the collectivization and development of farm product processing industry.

- Rural industrialization and modernization is required to involve all economic sectors with the government's assistance.

To implement the rural industrialization and modernization, the country should solve many problems such as irrigation, consumption of agro-products, biotechnological application, mechanization, electrification, development of commercial economy and service networks, etc.

1. Rural markets

Rural markets remain small. Whenever farmers enjoy bumper crops, farm products are glutted and their prices are lower than production costs. Just because of this, the market for farm products should be expanded as follows:

- Building and developing domestic markets: This is a prerequisite for rural industrialization and modernization.

- Expanding export markets and seeking new ones.

- Making appropriate investment in rural market research and forecast.

- Developing processing industry in the trend of technological modernization and diversification.

- The Government continues to fix floor prices of some major farm products and exported ones. Enterprises sign contracts with farmers to buy up products such as sugarcane, fish, litchi...The businesses should be given soft loans and price support to buy farm products.

2. Farm technique

After years of recession, the farm mechanization has made good progress. The whole country has 115,000 tractors of various kinds with combined capacity 1.5 times higher than that of 1985. In the five years from 1992 to 1997, the number of farm machines increased 6.2 times. In addition to cultivation mechanization, the transport by means of autos, ships and tractors has been also speeded up. The post-harvest work such as husking and processing has been paid initial attention. The current machinery can secure processing 15 million tonnes of rice. The Ministry of Agriculture and Rural Development and research institutes have produced high-yield strains.

- The technology for farm processing is a major tool to change natural agriculture into commercial one. However, the industry has low level, obsolete equipment, and technology. The processing quality is not high and not a few enterprises use only 30%-40% of their capacity. As a result, local farm products are less competitive even in domestic markets and foreign ones. In addition, if the processing industry grows, farmers will not be concerned and suffer no losses in bumper crops.

- The banks grant sufficient loans to enterprises to buy farm products in the peak harvest. This will contribute to the market stabilization.

- The promotion of processing industry should be carried out in parallel with the restructuring of rural economy. The relevant authorities are required to make master plans on rural industries and services for development investment. The rural electrification should be completed. Priorities are given to the construction of transport networks.

- The commercial banks have responsibilities for rural industrialization.

- The traditional industries and careers are improved along with services for rural production.

3. Ecological environment

According to the Ministry of Science, Technology and Environment's estimates, the technology of Vietnam's processing industry is 50-100 years old. The clean technologies are not used, thus cause a great quantity of polluting wastes.

Wastes disposed from occupational villages (producing paper, liquor, glass, and porcelain, processing food, plating, and so on) are source of various diseases and polluted environment.

These establishments must be installed with equipment treating environmental pollution. They are obliged to replace obsolete technologies with clean ones. The polluting establishments must move from populous areas. The governmental role of economic management should be enhanced to make a complete solution to this problem. ■

