ON NON-FARMING OCCUPATIONS IN RURAL AREAS TODAY

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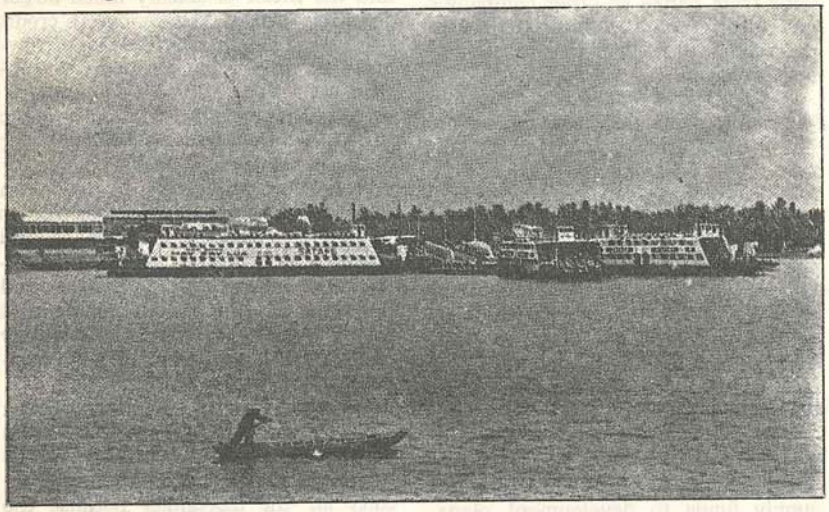
1. General view

Industries of the economy come into being and develop in the process of labor division. This process reflects the specialization of laborers in which productive efforts of laborers are concentrated on separate activities discriminated one from another by characteristics of functions which laborers carry out, by technological processes, by results of labor, etc. With different characteristics, industries are divided, or classified, by many methods and each method had its relative meaning which is helpful to the management task.



Generally, an industry is conceived as an assemblage of factories, economic concerns and organizations taking part in a certain socio-economic activity.

Today, the UN divides industries of the economy into three categories: the primary industry (farming, fishing and mining), the secondary industry (manufacturing, construction) and the tertiary industry (transport, post, banking, trade...). In this division, the tertiary industry is usually called the service industry.

In an industry, there are many occupations. Concepts of occupations are different over countries, but in general, we can conceive that an occupation is a kind of work formed by the division of labor. Each occupation is characterized by professional knowledge, technical skills, features of products, labor tools, labor object and technological process organization. As these characteristics change, the labor features of the laborer also alter. Moreover, the development of labor division leads to the appearance of new work and the disappearance of old and unappropriate jobs.

Thus, the concept of profession could be seen as the combination of the concepts of industry and of occupation. Generally, we can consider profession as a paid occupation of a laborer in certain industry.

2. View on occupation in rural areas

Speaking of occupations in rural areas, we want to refer to non-farming occupations. In developed countries, such terms as "rural industries" or "village industries" were given to all handicraft and small industrial businesses as a whole in rural areas. The concept of "handicraft" used in studies of rural businesses seems to have no practical meaning, because in most countries, handicraft is only a part of non-farming occupations.

Regardless of what concept is used, the non-farming occupations is becoming one of main problems which is studied by international experts in an effort to help under-developed countries defeat poverty and sufferings.

In the aspect of regional economic structure, the development of non-farming occupations in rural areas is considered as basic measure to develop the regional economy and solve local economic problems. That is why the development of non-farming occupationsis central to the development plan and development conditions (resources and needs) of a region. Many countries have made fast progress by developing non-farming occupations. However, the realization of this concept can lead to localism which is an obstacle to the cooperation between regions of a nation.

In the aspect of sector economic structure, rural non-farming occupations are considered not only as bases for rural industrial development, but also as a part of the agricultural production which is inserted into the industrialization policy (especially in former socialist countries).

In Vietnam, a lot of attention has been paid to the development of non-farming occupations, especially in regions where the farming land area is small, labor efficiency is low and labor is in surplus. To make the best use of their free time and increase income, farmers have resorted to non-farming occupations, both traditional and modern ones. By doing so, they have helped to accelerate the labor division, and develop new relations of production and productive forces.

For a long period in the past, non-farming occupations are commonly referred as "handicraft and small industries" or "occupations" or "subsidiary occupation", until recently they were referred as "rural industries" by many government and party's documents.

Then what are rural industries? In my opinion, they are production activities mechanized to some extent, caused by local division of labor and connected to the socio-economic development in rural areas.

Like other industries, rural industries have their own features which need to be studied when the management and organization are concerned.

These features are:

- Rural industries include hundreds of occupations of different sizes and levels. Most concerns of this kind are under private ownership but there are also state-run factories, joint stock and limited companies. These concerns can run business by themselves, do subcontract work for companies in cities or foreign invested companies, and help to accelerate division labor in their localities and in the whole country.

- Rural industries have close connection with the agriculture and rural areas. This connection shows itself in the following aspects:

+ Non-farming occupations are combined with farming work. Many farmers do both of them, many farm hands find jobs in rural industries and many factory workers return to land farming or supplying services.

+ Rural industries, along with agriculture, take part in developing rural infrastructure.

+ Rural areas and agriculture provide rural industries with market for their products and supplies of raw materials. This relation must be cultivated effectively as the economy develops.

+ Rural industries are both conditions for and results of the production concentration in rural areas.

Rural industries usually gain higher efficiency than agriculture. As the economy grows, the spending power and need for manufactured goods become larger. Industrial development, therefore, can provide preconditions for the survival and expansion of industries. This certainly leads to new development of rural industries. However, the speed of development will be different over regions and businesses, because it depends on regional conditions and nature of each industry.

The capacity and concentration degree of rural industries will determine how fast the development is.

3. View on service industry in rural areas

As we know, service is the tertiary industry which brings about both material benefits (banking, accountancy, repair, etc.) and non-material benefits (management or advisory services).

Thus, the service industry meets certain customer demands. As the economy grows, the service industry becomes more diversified and contributes remarkably to the national income.

In developed countries, the service industry employs a bigger proportion of laborers than other industries. Economists and sociologists consider this fact as a new wave of labor division. The development of the service industry provides a basis for estimating and comparing development levels of different nations. For example, in the US from 1947 to 1990, the contribution of the primary industry to GDP decreased from 8.9% to 2%, whereas the contribution of the service industry increased from 55.3% to 73.2%. In Japan in 1950, because of a shortage of food, 50.7% of the working population engaged in the primary industry. Up to 1975, this percentage decreased to 12.7%, whereas the importance of the secondary industry increased from 22.2% to 35.3%; and the service industry from 27.1% to 52%. This is the inevitable in developed countries and the essential result of the socio-economic development. High labor efficiency of the primary and secondary industries lead to high personal income and spending power, therefore the development of service industry is certain and within the bounds of possibility.

In developing countries there is a relative decline in the primary industry and a corresponding increase in the importance of the secondary industry. The same thing is taking place in Vietnam, an agricultural country. However, in the process of development, the service industry certainly develops but at present, its speed is rather slow, especially in rural areas.

Like other non-farming occupations, the service industry in rural areas is too small and scattered. It is making slow progress with certain remarkable features:

- Various kinds of services are offered in rural areas; most of them are agricultural services (supplying materials, irrigation, veterinary medicine, etc.), the others are trading, financing, banking, postal services, advisory service etc.

- Besides services supplied by government bodies, many social classes have taken part in this industry. Joint stock companies and private businesses supplying services started to make their appearance.

- The service industry in rural areas has close connections with other industries. The development of the service industry resulted from the development of other industries, and in its turn, affected favorably these industries.

- Service supply in rural areas is affected by customers. To encourage customers to participate in developing the service industry is a way to develop this industry.

- The competition in this industry in rural areas isn't as keen as in cities but this industry is developing well, supplying services at reasonable prices and contributing remarkably to the local economic development.

In short, in the renovation process, non-farming occupations in rural areas have developed well and its importance in GDP is on the increase. Studying concepts of these occupations with a view to finding out measures to develop it and make the best use of rural resources seems to be increasingly urgent ■