Vietnamese Studies

40 th year | N°1-2004 (151) | Index 12,192

Vietnamese lithophones
Minh Hiến

Two poet monks of Vietnamese Thiền (Zen)
Trần Thanh Đạm

On Confucian doctrine in Việt Nam
Mai Quốc Liên

Nguyễn An Ninh and issues on culture, language and education
Bùi Khánh Thế

Currencies in circulation in Việt Nam through the historical upheavals of the 20th century
Nguyễn Anh Huy

A glimpse at the situation of land, fields, and agricultural production in Việt Nam during the years of *đổi mới* (renewal)
Nguyễn Văn Khánh

FILE ON VIETNAM

Seen from Hanoi
Hữu Ngọc

Published by *Vietnamese Studies* and *Trung tâm Nghiên cứu Quốc học* (Research Center on National Culture)

VS PUBLISHED IN ENGLISH AND FRENCH

Contents

Vietnamese lithophones 5
Minh Hiến

Two poet monks of Vietnamese Thiền (Zen) 13
Trần Thanh Đạm

On Confucian doctrine in Việt Nam 19
Mai Quốc Liên

Nguyễn An Ninh and issues on culture, language and education 30
Bùi Khánh Thế

Currencies in circulation in Việt Nam through the historical upheavals of the 20th century 41
Nguyễn Anh Huy

A glimpse at the situation of land, fields and agricultural production in Việt Nam during the years of *đổi mới* (renewal) 83
Nguyễn Văn Khánh

File on Vietnam

Seen from Hanoi 115
Hữu Ngọc

Vietnamese Studies

40th year N°1-2004 (151) Index 12,192

This special issue has been compiled under the direction of Hữu Ngọc and Mai Quốc Liên. Most of the articles are selected from the journal *Hồn Việt* (The Việt Soul) published by the Research Center on National Culture

A glimpse at the situation of land, fields and agricultural production in Việt Nam during the years of *đổi mới* (renewal)

Associate Professor, Doctor Nguyễn Văn Khánh*

Since 1981, the renovation of policies in land, fields and agriculture has produced steady and substantive moves forwards, contributing to the national development, stabilization of socio-political situation and improvement of Việt Nam's status in the world arena. What are the causes of the successes in agriculture? How have changes in agriculture in Việt Nam taken place in the last two decades? This paper will help answer these questions.

* University of Social Sciences and Humanities, Việt Nam National University, Hà Nội

I. Overview of the conditions for Việt Nam agricultural development

For such a major nation in Southeast Asia as Việt Nam, with 76% of the population living in rural areas, agricultural development is one of the most fundamental requirements in the country's socio-economic development strategy. Situated in the center of Southeast Asia, along the eastern and southern shores of the Indochinese peninsula, Việt Nam is endowed with favorable natural conditions for economic development, especially agricultural growth.

Generally, Việt Nam's topology is relatively diverse and consists of a complicated variety of types. The country is gradually slanting in the Northwest-Southeast direction with an average elevation of 500m above sea level. This typology entirely influences the distribution of natural flows, which consequently affects the population distribution, economy as well as land and water structures. It is also the major cause of the formation of coastal plains, of which the Red River Delta and the Mekong Delta are considered the two greatest "rice baskets", supplying most of the food needed for the whole nation.

Situated on the Indochinese peninsula, Việt Nam enjoys a tropical, monsoon climate which is highly favorable for agricultural development, particularly for rice cultivation. It is hot and humid, which fosters the growth of a variety of vegetation and allows both extensive and intensive farming, increasing land use cycles and rapid productivity improvement. Nevertheless, as Việt Nam stretches over several latitudes, together with the impacts of the monsoons, its climate varies from North to South, East to West, and lowland to upland, which has a considerable impacts on agricultural distribution, particularly crop distribution. This climatic variation enables Việt

Nam to develop multi-crop agriculture year round with a good diversity of products.

Under such natural conditions, agriculture in Việt Nam is largely a traditional rice economy, relying mainly on manual operation. Currently there are seven agricultural regions in Việt Nam of which two major rice production areas are the Red River Delta and the Mekong Delta (accounting for two-thirds and three-quarters of the total area and rice production of the country respectively). In addition, there are specialized areas growing high-value tropical industrial crops such as rubber, tea, coffee, sugar canes, peanuts, etc., or food crops and vegetables.

In agricultural economy, land is the basic, crucial means of production, which is decisive to development. The land reserve in Việt Nam is distributed across the seven agricultural regions (also the seven large-scale economic regions) as follows:

Table 1. Land distribution in Việt Nam in 2000
(million hectares)

TYPES OF LAND	COUNTRY'S TOTAL	NORTHERN MOUNTAINOUS AND MIDLAND REGION	RED RIVER DELTA	NORTH CENTRAL COASTAL REGION	SOUTH CENTRAL COASTAL REGION	CENTRAL HIGHLAND	EASTERN SOUTH	MEKONG DELTA
Natural land	32.92	10.09	1.47	5.15	4.42	5.44	2.35	3.97
Agricultural land	9.34	1.30	0.85	0.72	0.80	1.23	1.44	2.97
Forest land	11.58	3.74	0.11	2.22	1.70	2.99	0.46	0.33
Land for special uses	1.53	0.26	0.22	0.23	0.24	0.13	0.20	0.22
Land for housing	0.44	0.07	0.09	0.05	0.04	0.03	0.04	0.10
Unused land	10.02	4.70	0.19	1.91	1.62	1.05	0.19	0.33

Source: Ministry of Agriculture and Rural Development (MARD), Institute for Agricultural Planning and Design. ***Việt Nam Agriculture - 61 Provinces and Cities****. Agriculture Publishers, Hà Nội 2001, p. 647.*

As the table shows, at present, the total land reserve in Việt Nam is 32.92 million hectares, of which 9.32 million ha is agricultural land, accounting for nearly one third of the total land area, which includes various high-value types of soil. The alluvial plains account for over 6 million ha (half of which is in the Mekong Delta), where food crops and short-term industrial crops can grow abundantly. The mountains, hills and plateaus contain a huge amount of fertile soil, which is favorable for tropical industrial crops. These are precious natural resources for Việt Nam, a country relying on an agricultural economy for development.

Thanks to these natural advantages, agriculture has become a key economy in Việt Nam throughout its history. However, reality has shown that agricultural development is not only subjected to natural endowments, but also under the influence of the Government's development policies. In recent times, Việt Nam's agricultural economy has experienced serious impacts of renovation policies concerning land ownership and agricultural/rural management mechanism. These have been clearly manifested in the agricultural situations before and during the *đổi mới* period.

II. Việt Nam agriculture before *đổi mới*

It is possible to say that prior to *đổi mới*, Việt Nam's agricultural economy did not receive due attention. Land, though being the foremost, crucial means of agricultural production, was not owned by the farmers - the actors of agricultural production processes. Land and fields were collectivized and under the management of agricultural cooperatives which were formulated as a result of the implementation of the Government's agricultural collectivization policies since 1958. As

representatives of the collective sector, which controlled and managed most of the land and agricultural labor force and supplied most of the agricultural products needed, cooperatives were the main economic units in Việt Nam agriculture prior to *đổi mới*, attracting the majority of the farmers. As of 1980, in the North alone there were 11.088 agricultural cooperatives with the participation of 99.6% of farmer households whereas the figures in the whole country were 12.606 and 65.6%[1] respectively.

However, the centrally-planned, subsidy-based bureaucratic management increasingly revealed its weaknesses; the cooperative model failed to bring about expected economic benefits. The outdated management mechanism tied up production strengths, and eliminated the driving forces for the development of the whole economy, especially the agricultural economy. The point-based returns distribution system resulted in the farmers only paying attention to the number of points they could earn for a working day without any regard to the effectiveness and quality of their work. Therefore, during this period, agriculture seriously stagnated; both agricultural productivity and production showed apparent declines. By the late 1970s, agriculture in Việt Nam fell into serious crisis. According to 1974 statistics, due to encroachment and arbitrary uses, farming land shrank by 3.6% compared to the 1961-1965 period. In the same period, production costs sharply soared (by 75%) while the average income of the cooperatives recorded a very slight increase of 23.7%, and husbandry experienced a deficit of 10%.[2] The common situation of 'profits wiped out by deficits' resulted in petite returns from the cooperatives to the farmers, which were barely sufficient for them to subsist. The average food per capita continuously declined from 304.9 kg (1961-1965) to 252.8 kg (1966-1975) while the farmers had to give more and more back to the cooperatives and the Government. Their miniscule income continued to shrink. In the five years

between 1976 and 1980, the average food per capita per month in the northern provinces fell to a level inadequate to satisfy residents, minimum basic needs (15.4 kg in 1976, 12.0 kg in 1977, 11.6 kg in 1978, 11.9 kg in 1979, and 10.04 kg in 1980).[3] These problems discouraged the farmers from participating in cooperatives' work, which led to the increasing collapse of cooperatives. By the end of 1973, 1,098 cooperatives in the North were dismantled[4], while many others remained only in nominal existence.

A ware of that serious crisis in agriculture, the Party and Government of Việt Nam made a lot of effort to help it recover. Nevertheless, due to various factors, many people failed to realize the deficiencies of the cooperative model, so their solutions did not obtain the desired outcomes. Between 1976 and 1980, owing to the policy to *expand the scale of cooperatives*, the model of cooperativization, collectivization, in Việt Nam reached its peak both in theory and practice. Also, it is in this period that the model exposed all of its irrationality and inefficiency which drove it into serious crisis. In 1980, the review of the first 5-year plan after the country's reunification showed an increase of only 1.9% in agricultural production while several other objectives of the plan failed. The model was faced with the risk of total decomposition; production recess caused enormous tension and a constant shortage of food and foodstuff supplies. To satisfy consumption demands, the Government was forced to increase imports in larger and larger quantities. In 1966, the amount of rice imported was only 388,000 tons while a few years later, in 1970, it was 1.06 million tons, 1.5 million tons in 1974, 1.2 million tons in 1976 and 2 million tons in 1979.[5]

Agriculture in Việt Nam was facing a huge challenge. Renovation of economic management mechanism in general, and agriculture in particular, was imperative.

III. The leap of Việt Nam agriculture during the *đổi mới* period

1. Renovation policies in agriculture and rural areas

The situation of agriculture in particular, and Việt Nam's economy in general in the 1980s revealed the inappropriacies of the old organizational and management mechanism which required to be modified and adapted to new circumstances and production development needs.

To respond to that requirement, the Secretariat of the Việt Nam Communist Party's Central Committee issued the *Directive 100 CT-TW* (called *Khoan 100* for short) on January 13, 1981, officially launching the implementation of the mechanism whereby each individual or group of laborers was assigned specific amount of work and/or products to be finished. This was considered the first breakthrough, a stop-gap solution to address the crisis of the whole economy. The reason it was merely a stop-gap solution is that the mechanism continued to be based on collective ownership of the means of production and still retained several features of the former mechanism. Therefore, a number of issues concerning land and field ownership, and agricultural production that emerged in the *đổi mới* process could not be settled due to the lack of a good legal framework.

Subsequent to the *Directive 100 CT-TW*, there were a series of documents and guidance from the Party to address the newly emerged issues, such as *Resolution No. 10* dated April 5, 1988 of the Politburo (the 6th tenure) on "Renovation of agricultural economic management" (which was later commonly called *Khoán 10* for short), Resolution of the 5th Plenum of the Party

Central Committee (the 7th tenure) on June 3, 1993 on "Continued renovation and socio-economic development of rural areas" and then the amended *Land Law* (July 1993), the *Law on Cooperatives* (January 1, 1997), etc. Following these enactments, the period between 1988 and the present has witnessed fundamental and synchronous renovation of agricultural management mechanism at both micro and macro levels.

To implement the Decree 64/CP and Directive 10 of the Prime Minister, by the end of December 1998, most localities accomplished the agricultural land allotment to institutions and households for long-term use; for instance, households were allotted 7 million hectares, economic institutions 700,000 hectares, and communal People's Committees 300,000 hectares.[6] Based on that, the issuance of agricultural land use right certificates was completed by the end of 1999: 10.4 million farmer households received the certificates (accounting for 88.55% of the total number of households nationally) for 5.8 million hectares of agricultural land (accounting for 81.7% of total agricultural land allotted).[7] Thus, the Government not only assigned land to economic institutions but also to households and individuals for long-term stable use, which provided the farmers with real mastery of their land (i.e. a move from *collective ownership* regime to the one that allows *private use of public owned land* or *limited private ownership*)

The change in land ownership entailed substantial modifications of the roles, models of organization and management of cooperatives and households. *Farmer households* became autonomous economic units that played the key role in rural economy. *Agricultural cooperatives* underwent modifications in functions, activities and operational modes, and started to provide services to households. The implementation of market-driven price policies, free commodity flows, etc., gradually

eliminated the centrally-planned, subsidy-based mechanism, which facilitated the move toward "the market mechanism under the Government's management in the socialist orientation"[8]. Especially, among various policies for agricultural renovation, the agricultural and rural structural transformation toward industrialization and modernization was one of the most essential, leaving a historical benchmark in the renovation of Việt Nam's agricultural economy.

It can be concluded that since the early 1980s, particularly since 1988, in response to practical socio-economic requirements, the Party and Government continuously promulgated comprehensive, synchronous measures and policies for economic renovation, most importantly agricultural and rural renovation. Under their impacts, rigorous and major changes have taken place in Việt Nam's land and agricultural economy in the last two decades.

2. Fundamental changes in land and agricultural production in Việt Nam since 1981

2.1. Structural and land ownership changes

The Party and Government's land policies have been the most crucial and decisive factor to the development of Việt Nam's agricultural economy since 1988. The first of this kind was the policy to assign long-term use right of the land and fields (15-20 years) to the farmer households. Thanks to that, the farmers could work as real masters of their land, which encouraged them to be fully pro-active and self-determined in the production, trading and use of the products made. It also enabled them to more rationally exploit and use the abundant natural resources and labor sources available locally.

The changes in Việt Nam's land under the impacts of new policies since the late 1980s are illustrated in the following table:

Table 2. Land use before and after *Khoán 10* (1988)

TYPES OF LAND	1987 (HECTARES)	PERCENTAGE (%)	1990 (HECTARES)	PERCENTAGE (%)	2000 (HECTARES)	PERCENTAGE (%)
Natural land	34,082,204	100.0	34,187,812	100.0	32,924,060	100.0
Agricultural land	7,087,699	20.8	7,260,030	21.2	9,345,345	28.4
Forest land	9,768,846	28.7	9,395,194	27.5	11,580,755	35.2
Land for special uses	1,659,084	4.9	1,789,942	5.2	1,532,843	4.7
Land for housing	871,796	2.5	817,752	2.4	443,178	1.3
Unused land	14,694,779	43.1	14,924,894	43.7	10,021.939	30.4

Source: General Statistics Office. Agriculture Department. ***Land Use Situation in 1987, 1990, 2000.***

As can be seen, before and after *Khoán 10*, the area of natural land in the whole country showed almost no increase. Nevertheless, thanks to successful implementation of agricultural renovation policies, particularly the relatively satisfactory solution of the relationship between land use and ownership, the percentage of agricultural land area in the land structure increased considerably. At present, agricultural land reserve accounts for nearly 28.4% of total natural land area, showing an increase of 7.6% compared to the pre-1988 period.

Although farming land has increased, due to fast population growth, the average land per household and per capita in the country tends to decrease to a low level. According to the 1994 survey of the General Statistics Office, the average agricultural land per farming household was only 4,984m^2 (i.e. 0.5 hectare), that is a 1000m^2 decrease against the 1989 figure. The reason was the fast increase in the number of households; between 1989 and

1994, there were, on average, 314,000 additional households in the rural areas annually (2.6% increase per annum)[9]. The situation did not differ if calculated on the per capita basis. In 1987, the average farming land was 1137m^2 per capita[10]; 7 years later, the figure dropped down by 103m^2 to 1034m^2 per capita[11].

Despite that, in some recent years, the figure seems to have increased. Currently, the population of 76,322,173 (as of January 1, 1999) allows the figure to be 1224m^2 nationally, increasing by 87m^2 compared to 1987 and 190m^2 compared to 1994. These are the results of enormous efforts of the Government and people in family planning, unused land reclamation together with continuous rehabilitation and more efficient use of farming land.

Table 3. Average farming land per capita in localities (2000 figure)

Unit: m^2 per capita

REGIONS	AVERAGE FARMING LAND
Nationally	1224
Northern mountainous and midland regions	1184
Red River Delta	507
North Central coastal region	724
South Central coastal region	1236
Central Highland	3038
Eastern South	1235
Mekong Delta	1841

Sources: - *MARD.* ***Việt Nam Agriculture - 61 Provinces and Cities. Agriculture*** *Publishers, Hà Nội 2001, p. 647*

- *MARD.* ***Statistics of Agriculture and Rural Development*** *1996-2000. Agriculture Publishers, Hà Nội 2002, pp. 33- 34.*

Compared to the average in other localities and the national one, the figure in the Red River Delta is the lowest (41.4% against the overall average). This is a worrying fact for the

second largest rice basket of the country. While farming land in the whole country has increased, it remains almost unchanged in this region; farming land accounts for only 9.5% of that in the whole country whereas the *per capita* average has declined over the years.

In the 9 years between 1990 and 1998, farming land dropped, on average, by $32m^2$ per capita[12] annually. The figure for the Mekong Delta, though relatively high (second in the country), does show some decline, particularly now that farming land in this region accounts for 73.1% of the total natural land area of the region. It is evidently difficult to increase farm land reserve while the population continues to grow rapidly.

On the whole, the average land ratio in the country remains very low. Presently, it is only 0.9 ha/farming household, or 0.25 ha/farmer. Meanwhile, the figure for each farmer in Europe is 17 ha, America 45-50 ha, Asia-Pacific about 4-4.5 ha[13]. The low figure in Việt Nam has even declined over the years, especially in regions with fertile soil. This should be worrying to Việt Nam agriculture. To address this issue, Việt Nam needs to have better policies for stricter management and more efficient use of farming land because land is not only a prerequisite for agricultural economic development but a sensitive issue which lays direct impact on the socio-political life of the country as well.

Nevertheless, it is undeniable that renovation policies in agriculture, particularly land policies, of the Government of Việt Nam have satisfied urgent requirements of Vietnamese farmers concerning land ownership, and have created driving forces for production. They are also the causes of remarkable achievements in agriculture during that 20-year period.

2.2 *Việt Nam agricultural production during đổi mới*

In the context of synchronous economic renovation throughout the country, the implementation of *Khoán 10* (1998), and subsequently a series of policies for the renovation of agricultural economic management mechanism of the Party and Government of Việt Nam, have liberated production forces and ushered in a new era for agricultural production and Vietnamese rural areas, an era of relative stability in various aspects. Food production, among all else, is the most remarkable achievement of Việt Nam's agriculture during *đổi mới*.

Within only four years implementing *Khoán 10* (1989-1992), the total rice-equivalent food production in the whole country recorded an increase of 4.6 million tons (26.1%) compared to the 1981-1988 period. In the same period, rice productivity increased by 450 kg/ha, i.e. 29.6%; the average food per capita increased by 35 kg (12.2%) compared to 1981-1988[14]. The impacts of new policies on land and economy have generated encouraging changes in agricultural production, and have rapidly increased rice productivity and production in the last two decades:

Table 4. Rice productivity and total rice production (1981-2002)

YEAR	PRODUCTIVITY (KG/HA)	PRODUCTION (MILLION TONS)
1981	2,200	12.4
1982	2,520	14.3
1983	2,630	14.7
1984	2,730	15.5
1985	2,780	15.8
1986	2,810	16.0
1987	2,700	15.1
1988	2,970	17.0
1989	3,230	18.9
1990	3,180	19.2
1991	3,110	19.6

YEAR	PRODUCTIVITY (KG/HA)	PRODUCTION (MILLION TONS)
1992	3,330	21.5
1993	3,480	22.8
1994	3,570	23.5
1995	3,690	24.4
1996	3,770	26.4
1997	3,880	27.5
1998	3,960	29.1
1999	4,100	31.4
2000	4,240	32.5
2001	4,290	32.1
2002	4,550	34.1

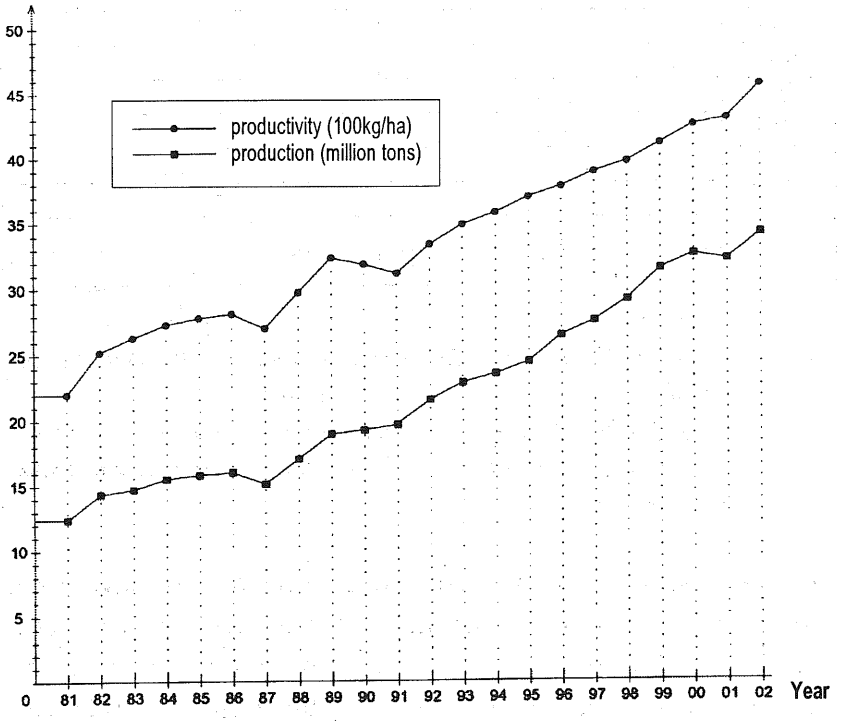
Source: - *General Statistics Office.* ***Statistics of Việt Nam Agriculture in 35 years (1956-1990).*** *Statistics Publishers, Hà Nội, 1991, pp. 89-90.*
- *MARD.* ***Statistics of Agriculture and Rural Development 1996-2000.*** *Agriculture Publishers, Hà Nội, 2002, p. 118.*
- *General Statistics Office.* ***Agriculture Department. Some Major Targets in Crops 2002.*** *Preliminary figures, internally circulated document.*

The above figures display positive impacts of renovation policies on our agriculture throughout the years. Since the renovation in agricultural management mechanism (land and fields were no longer owned by cooperatives), Vietnamese farmers have become real masters of their own fields. With their diligence and devotion, food production has recorded miraculous changes both in productivity and yield. Since 1981, the annual average yield has been 3,350 kg/ha and has continued to increase year after year. Compared to the figure 20 years earlier (average 1,870 kg/ha/year in 1961-1980[15]) - during the predominance of the centrally-planned, subsidy-based management - this is a truly miraculous change created by the renovation policies for Vietnamese farmers and agriculture.

Rapid productivity increase also leads to substantial increase in food production, particularly rice. Espeically since 1988, Việt

Nam's average rice production has reached 25.3 million tons per annum. The average food per capita has gone up over the years (1993: 359kg, 1994: 361kg, 1995: 372kg, 1996: 387kg, 1997: 398kg). The increase of rice productivity and production in the last two decades are displayed in the graph below.

Fig 1. Rice productivity and production variation (1981-2002)



Under the impacts of the new mechanism, agriculture in Việt Nam has made rigorous move from self-reliant, self-supply to market-driven commodity a production. No longer being a hungry nation with huge amounts of food imports, Việt Nam has produced (since 1989) not only sufficient food for domestic demands but also surplus for export. Currently, Việt Nam is the second largest rice exporter in the world after only Thailand.

Table 5. Việt Nam's rice production and export turnover (1989-2002)

YEAR	EXPORT (THOUSAND TONS)	TURNOVER (MILLION US$)
1989	1,372	310.2
1990	1,478	275.4
1991	1,016	229.9
1992	1,953	405.1
1993	1,649	335.7
1994	1,962	420.9
1995	2,025	538.8
1996	3,047	868.4
1997	3,682	891.3
1998	3,793	1,006.0
1999	4,550	1,035.0
2000	3,477	668.0
2001	3,721	623.0
2002	3,241	725.

Source: - *1989-1999 Figures:* ***Việt Nam's Economy 1991-2000 through Numbers.*** *Vietnam Economic Times, 2000, p. 52*
- *2000-2002 Figures: General Statistics Office. Commerce Department.* ***Some Targets of Việt Nam Food Import and Export over the Years.***

Despite essential achievements in production, as have been indicated, the top issue that must be dealt with in Việt Nam agricultural development at present is the serious contradiction between the fast population growth and the decline in land areas. To resolve this dilemma, one of the key solutions is agricultural economic structural transformation by crop and animal structural change, diversification of economies, and agricultural and rural development towards modernization.

After the 4th Plenum of the Party Central Committee (the 7th tenure) passed the Resolution on "Continued renovation and socio-economic development of the rural areas" on June 3, 1993,

rural economic structural transformation process started to take pace "in the direction of steady, rigorous and effective development of rural industries and services, and rapid increase of the proportion of these economies in the agriculture - industry - services structure"[16]. The biggest result of this process was the elimination of rice monoculture, the transformation of rural economic structure and initial establishment of an agricultural economy which developed to be relatively more balanced and diverse. That also helped gradually change the economic structure and diversify types of crafts and services. That result is evident in the changes of the percentage of agricultural product values in the whole national economy as illustrated in the following table:

Table 6. The structure of gross domestic product values (1996-2000)

Unit: %

SECTORS	YEAR				
	1996	1997	1998	1999	2000
Agriculture	21.35	20.72	20.29	20.44	19.94
Forestry	1.14	1.06	1.01	0.99	0.93
Fishery	2.56	2.39	2.36	2.34	2.31
Others	74.95	75.83	76.34	76.23	76.82
Total	100.00	100.00	100.00	100.00	100.00

Source: MARD. Planning Department. ***Statistics of Agriculture and Rural Development 1996-2000****. Agriculture Publishers, Hà Nội, 2003, p. 84.*

As can be seen from the table, at present, the product values of agriculture, forestry and fishery sectors account for less than 25% of GDP in the whole country, i.e. a decrease of 17.5% compared to 10 years earlier (40.7% in 1990)[17], in which agricultural values only account for under 20%, which is a decrease of nearly two

times compared to that of 1990. In fact, this is an appropriate dynamism and change compatible to the requirements of the country's modernization and industrialization in the present and future.

However, the rural economic structural transformation in recent years did not show any real breakthrough. This is apparent in the table below:

Table 7. The structure of agricultural production values during *đổi mới*

Unit: %

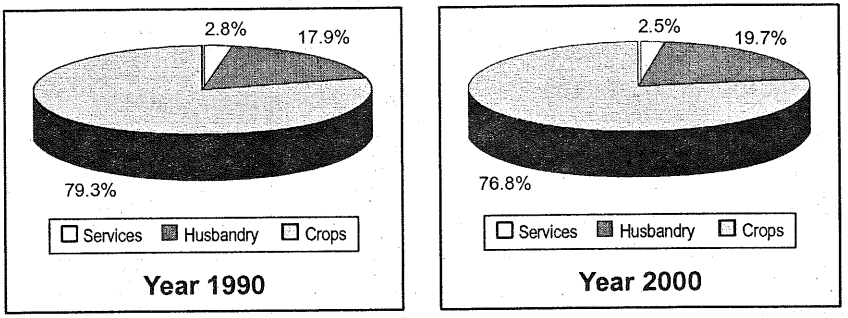
YEAR	CROPS	ANIMAL HUSBANDRY	SERVICES	TOTAL
1990	79.3	17.9	2.8	100.0
1991	79.6	17.9	2.5	100.0
1992	76.5	20.7	2.8	100.0
1993	75.7	21.4	2.9	100.0
1994	77.0	20.2	2.8	100.0
1995	78.1	18.9	3.0	100.0
1996	77.8	19.3	2.9	100.0
1997	77.8	19.5	2.7	100.0
1998	79.5	18.0	2.5	100.0
1999	78.9	18.7	2.4	100.0
2000	76.8	19.8	2.5	100.0

*Source: MARD. **Statistics of Agriculture and Rural Development 1996-2000.** Agriculture Publishers, Hà Nội, 2002, p. 104.*

The figures above show that during the last 10 years, agriculture in Việt Nam in fact has not made really apparent structural transformation in the direction of decreasing the proportion of traditional crafts (crops and husbandry) and gradually increasing that of services. The proportion of crops tends to decrease gradually, but the decrease is inconsiderable (2.5% in 11 years) while agricultural services fluctuate inconsistently and account

for a very small percentage: only 3% in the highest year (1995) and down to just 2.5% in 2000. The fact reveals that, despite significant achievements, Việt Nam agriculture is largely a traditional rice culture in which crops and husbandry play the key role. The rate of rural economic structural transformation has been very slow. The figure below can illustrate that:

Fig. 2. Comparison of the structure of Việt Nam agricultural production values in 10 years (1990-2000)



In a country in the midst of industrialization and modernization like Việt Nam (primarily industrialization and modernization of agriculture and rural areas), the structure as shown above is definitely imbalanced and unreasonable.

III. Changes in Việt Nam rural society

Agricultural achievements in the last two decades have brought about major changes to the life of Vietnamese farmers and created a new image for Việt Nam rural society.

Owing to higher autonomy over their land, the farmers are able to transform land use patterns, assign, lease, bequeath the land use right, or use it as collateral while applying for a bank loan,

for instance. These rights enable farmer households to accumulate land to expand their production, or assign the land use right or lease it so that they can engage in other types of business. This has created new opportunities for labor distribution and helped change the economic sectoral structure in rural areas and in the country as a whole. Hereunder are the changes per household.

Table 8. Percentage of households in different economic sectors in the whole country

TYPES OF ECONOMIC SECTORS ENGAGED BY HOUSEHOLDS	PERCENTAGE (%)	
	1994[18]	2001[19]
Agriculture	79.58	77.10
Forestry	0.15	0.17
Fishery	1.92	3.70
Industry, small handicrafts	1.34	4.30
Construction	0.27	1.20
Commerce	3.12	5.50
Services	1.18	5.10
Others	12.35	2.90

The cause of such structural change is that a number of farmers find agricultural returns very small, so they move to other types of business which generate higher revenues such as trading, transportation, agricultural services, etc. Particularly, there are more and more farmer households who only work as hired hands; generally, these are farmers who do not have or have too little farming land, and this type of households is mostly concentrated in the Mekong Delta (accounting for 17.4% of rural households in the plains and 64.8% of rural households who only work as hired hands in the whole country)[20].

Thanks to higher autonomy over their land, farmers become independent economic units; they are more volitionally attached

to the land, more assured to take better care of the land, more courageous to invest in soil improvement, transform the crop structure, increase productivity and foster continuous agricultural development.

As a result of developed production, farmers' lives are increasingly improved. Before 1987, the average annual income increased only slightly by 1.18% while in later years, in 1988, 1989 (after *Khoán 10*), the figure increased to 4.54%. The highest increase was the income of farmers in the Mekong Delta (9.14%) whereas the lowest was that of the South Central coastal region (2.04%)[21]. Yet, on the whole, all these figures were higher than that nationally before *đổi mới*.

Increased family incomes, together with dynamism, flexibility and initiatives of the Government, local authorities and people alike in response to the need to transform economic structure, have resulted in relatively fast development of infrastructure and housing. According to 1999 statistics, 8.84% of houses of the rural areas in the whole country are of permanent construction type (with two or more floors, built with bricks and concrete roof), 48.68% of semi-permanent type (built with bricks and tiled or thatched roof)[22]. Of all these regions, the Red River Delta is the one with the best housing conditions where 27.8% of houses are of permanent type, 56.16% semi-permanent, and 16.6% of other types[23]. Along with farmers' housing, infrastructure also receives good attention and investment from the Government and local authorities. CRUS systems [Clinics, Roads, Utilities (water and power supply), and Schools] are constantly improved both in facilities and quality.

Table 9. Some indicators of rural infrastructure established (communal level)

INDICATORS	NUMBER OF COMMUNES	PERCENTAGE (%)
Power supply	7172	86.2
Automobiles' roads to communal People's Committee offices	8461	94.5
Post offices cum cultural centers	4902	54.8
Cultural houses	1252	14.0
Libraries	624	7.0
Loud speakers & transmission systems	5091	56.9
Marketplaces	5101	57.0
Clinics	8863	99.0
Créches	3251	36.3
Kindergartens	7665	85.6
Primary schools	8939	99.9
Lower secondary schools	7561	84.5
Upper secondary schools	782	8.7

Source: MARD. Planning Department. ***Statistics of Agriculture and Rural Development 1996-2000****. Agriculture Publishers, Hà Nội, 2002, pp. 355-362.*

It can be seen that the efforts of both different authorities and people have brought about positive results, and created a new, more modern image for Việt Nam rural areas during *đổi mới*. Farmers' lives are increasingly improved both materialistically and spiritually, which plays a substantial the country's socio-political stability.

IV. The challenges facing Việt Nam agriculture at present

The achievements in Việt Nam's agricultural economy brought about by renovation policies have ameliorated the land,

agricultural and rural situation in Việt Nam, but it is not yet possible to say it is without issues which are difficult to solve.

First of all, the average rate of land per capita continues to decline. In Việt Nam, farming land areas are small; meanwhile, they are divided on the average-per-capita basis, so they are even more fragmented and scattered. This situation increasingly worsens in the Red River Delta. After *Khoán 10* (1988), agricultural land area in this region hardly increases while the population continues to grow rapidly (the Red River Delta is the most densely populated region of the country). According to 1990-1998 statistics, farming land area in this region decreases by 150m^2 per household annually. That is, by 1998, each household had only 2716m^2 of agricultural land, which was a decrease of 772m^2 compared to 1985 (3488m^2). At present, 96% of the Red River Delta population can use merely less than 0.5 hectare of farming land[24]. This is a very low rate, which makes it difficult for farmers to turn out commodity production. The same difficult problem exists in rural areas with a large population and little farm land.

In addition, the fragmentation of the fields causes great obstacles to agricultural production. According to statistics from the National Land Administration, since 1988, 12 million farmer households have been tilling as many as 80 million fields of numerous sizes. On the average, each household may have 6-7 fields. 3000m^2 of fields that some households are allotted can be scattered over 10-15 fragments, even 20 or 30 fragments, in which some are only 30-50m^2.[25]

Moreover, accumulation of land and fields seems to increase thanks to more favorable legal conditions. Along with the *Land Law* (July 1993), the *private use of public owned land* (or limited private ownership) is legalized through a number of enactments,

which clearly stipulate that the farmers who are allotted land by the Government "have the right to transform the land use pattern, assign, lease, bequeath the land use right, or use it as collateral"[26]. Enjoying these legally recognized rights, the farmers are no longer tied to the land; rather, they are now able to assign the right to use it to others so that they can engage in other non-agricultural activities which are more suitable to them and bring them more handsome returns. This helps transform the rural, agricultural economic structure in the direction of industrialization and modernization.

Nevertheless, current land policies make it possible for more public and commonplace assignments of land use right than before the amended *Land Law* 1993 was enacted. At present, land accumulation in rural Việt Nam tends to increase rapidly. Due to various reasons, a number of farmers have to assign their land use rights and become landless. Meanwhile, those better-off buy the rights to use the land and accumulate more and more land for cultivation or profitable trading purposes. This occurs relatively frequently in the Mekong Delta. According to statistics from the General Statistics Office, in 1994, 3.65% of households in the Mekong Delta had between 3 and 5 hectares, and 0.75% had over 5 hectares. In 1998, the figures increased to 30.32% and 12.65% respectively. Along with land accumulation is the increase of landless farmers. In the Mekong Delta in 1994, only 0.7% of farmer households were landless[27], but in 1998, it was 5.69%[28].

Added to the impacts of the market mechanism, the situation contributes to faster widening of the rich-poor divide in Việt Nam's present-day rural areas. This is inevitable, following the rules and dynamism of the market mechanism; yet if considered from the angle of social equity policies, such rural divide must not be overlooked. Along with better economic development, all people's incomes and lives have improved; yet the living

standard difference between the rich and the poor is greater and greater, particularly between urban and rural areas. This divide, worsened by negative impacts of the market mechanism, has given rise to a number of problems in culture, ethics and lifestyles in rural society, which were much fewer while the old mechanism prevailed.

Another problem worth paying attention is the loss of value of agricultural products in recent years. According to statistics, in 1996 food products continuously devalued at a rate of 13.8% over 7 months. The figures in 4 months and 3 months in 1997 were 9.2% and 1.6% respectively; 8 months in 1999 were 13.9%; 8 months and 5 months in 2000 were 12.2% and 3.5% respectively[29]. Meanwhile, more severe competition in the world rice export market had considerable impact on the domestic devaluation as well. In 2000, one million tons of rice could not be exported until 2001 while the increase rate of rice export price in the world was barely promising. Not only food products devalued but also other agricultural products could hardly retain their prices. Especially in recent years, coffee prices fell sharply, causing serious deficits to the farmers in the Central Highland and Eastern South. According to statistics from the General Statistics Office, coffee production in 2000 increased significantly by 28% compared to 1999 (nearly 690,000 tons), which entailed an increase in export - 680,000 tons, i.e. 40% compared to 1999. However, due to export price decreases, the coffee export in 2000 fell by as much as 17% against the 1999 figure; as a result, the price of coffee in the country declined at an unprecedented rate. The statistics from the Government Price Commission show an 80% decline of coffee price, which resulted in the price being 33-38% lower than production cost.

Continuous devaluation of agricultural products caused enormous impacts on agricultural production and the farmers,

the direct producers of those products. Despite strong measures of the Government in recent years to support and protect farmers' interests, there remain several problems which are difficult to solve not only for the farmers but for policy-makers and Việt Nam's agricultural leaders as well.

CONCLUSION

To sum up, after two decades of implementation of new land and agricultural policies, farming land areas have increased from 7 million hectares to 9.4 million hectares (accounting for 28.4% of the total land area in the country at present). Most land and fields have changed hands from collectively owned by cooperatives to privately owned in a limited manner by farmer households. As a result, agricultural production gradually develops, rice productivity and yield rapidly increase. For 21 years from 1981 to 2002, rice productivity has increased twofold (from 2200 kg/ha to 4550 kg/ha); rice production increased 2.8 times from 12.4 million tons in 1981 to 34.1 million tons in 2002. Việt Nam has no longer been a hungry country, a heavy rice importer; instead, it has become a major rice exporter in the world, ranking the second after Thailand. Since the mid-1990s, Việt Nam has exported about 3-4 million tons of rice to the world market annually. That is a miraculous result of enormous efforts of Việt Nam's Party, Government and people in the last two decades.

However, the situation of land, fields and agricultural economy in Việt Nam has generated a number of complicated issues which will negatively affect the country's socio-economic and political life if left unsettled. In this context, it is imperative that the Government find more practical, more effective directions and solutions for better management and exploitation of the soil potential. Bolder measures should be taken to support

agricultural product sales. At the same time, agriculture needs to be modernized rapidly in the direction of specialization and expansion of non-agricultural economies; the construction of district or communal towns and townlets should be facilitated in the rural areas on the basis of modernizing infrastructure and improving facilities and supplies to the farmers. Only by so doing can Việt Nam's agricultural economy and rural society develop more strongly and steadily, which contributes to satisfying increasing demands of the country's industrialization and modernization in the 21st century.

ENDNOTES

1. Truong Thi Tien. *Renovation of Việt Nam Agricultural Management Mechanism.* National Political Publishers, Hà Nội, 1998, p. 58.
2. Dao Van Tap (chief editor). *45 Years of Việt Nam Economy (1945-1990).* Social Sciences Publishers, Hà Nội, 1990, p. 102.
3. Truong Thi Tien. *Renovation of Việt Nam Agricultural Management Mechanism.* National Political Publishers, Hà Nội, 1998, p. 47.
4. Nguyen Sinh Cuc. "30 Years of our Country's Agricultural Cooperativization". In *Theoretical Information* magazine, November 1989 edition, p. 63-64.
5. Nguyen Sinh Cuc. "30 Years of our Country's Agricultural Cooperativization". In *Theoretical Information* magazine, November 1989 edition, p. 63 and January 1990 edition, p. 83.
6. Nguyen Dinh Dong. "Continued Accomplishment of the Issuance of Agricultural Land Use Right Certificates". In *Land Management* magazine, No. 1, 1999, p. 4.
7. "Land Allotment and the Issuance of Agricultural Land Use Right Certificates in the whole country". In *Land Management* magazine, No. 4, 2000, p. 6.
8. Communist Party of Việt Nam. *Proceedings of the 8th Party Congress.* National Political Publishers, Hà Nội, 1996, p. 98.

9. Hoang Viet. *The Issue of Land Ownership in the Multisectoral Commodity Economy in Việt Nam.* National Political Publishers, Hà Nội, 1999, p. 106.

10. Nguyen Van Khanh. *Land Structural Transformation and Agricultural Economy in the Red River Delta during* Đổi mới *(through surveys of a number of villages).* National Political Publishers, Hà Nội, 2001, p.46.

11. Hoang Viet. *The Issue of Land Ownership in the Multisectoral Commodity Economy in Việt Nam.* National Political Publishers, Hà Nội, 1999, p. 76.

12. Nguyen Van Khanh. *Land Structural Transformation and Agricultural Economy in the Red River Delta during* Đổi mới *(through surveys of a number of villages).* National Political Publisher, Hà Nội, 2001, p. 23-24.

13. Hoang Viet. *The Issue of Land Ownership in the Multisectoral Commodity Economy in Việt Nam.* National Political Publishers, Hà Nội, 1999, p. 106.

14. Nguyen Sinh Cuc. Việt Nam Agriculture (1945-1995). Statistics Publishers, Hà Nội, 1995, p. 34.

15. General Statistics Office. *Statistics of Việt Nam Agriculture in 35 Years (1956-1990).* Hà Nội, 1991, p.89.

16. Communist Party of Việt Nam. *Proceedings of the 5th Conference of the Party Central Committee* (7th tenure), Hà Nội, 1993, p. 63.

17. General Statistics Office. *Statistics of Việt Nam Agriculture, Forestry and Fishery in 1990-1998 and Forecasts for 2000.* Statistics Publishers, Hà Nội, 1999, p. 5.

18. General Statistics Office. *Results of Agricultural and Rural Surveys 1994.* First volume, p. 25.

19. Ministry of Agriculture and Rural Development (MARD). *Statistics of Agriculture and Rural Development 1996-2000.* Agriculture Publishers, Hà Nội, 2002, pp. 37- 41.20. General Statistics Office. *Results of Agricultural and Rural Surveys 1994.* First volume, p. 25.21. Central Committee for Agriculture. *Socio-Economic Situation in Việt Nam Present-day Rural Areas.* First Volume, Culture Publishers, Hà Nội, 1991, p. 43.

22. MARD. *Statistics of Agriculture and Rural Development 1996-2000.* Agriculture Publishers, Hà Nội, 2002, p. 354.

23. Nguyen Van Khanh. *Land Structural Transformation and Agricultural Economy in the Red River Delta during* Đổi mới *(through surveys of a number of villages).* National Political Publishers, Hà Nội, 2001, p. 36.

24. Nguyen Van Khanh. *Land Structural Transformation and Agricultural Economy in the Red River Delta during* Đổi mới *(through surveys of a number of villages).* National Political Publisher, Hà Nội, 2001, p. 36.

25. "The Communication Campaign to Persuade People to Defragment the Fields Needs to be Expanded Strongly and Firmly". In *Land Management* magazine, No. 4, 1998, p. 1., cited from Truong Thi Tien, *Some Issues in Việt Nam Farmer Household Economy during* Đổi mới; code QX99.01, Hà Nội, 2003, p. 72.

26. *Land Law.* National Political Publishers, Hà Nội, 1994, p. 7.

27. General Statistics Office. *Results of Agricultural and Rural Surveys 1994.* First volume, Hà Nội, September, 1995, pp. 4-5.

28. Truong Thi Tien. *Some Issues in Việt Nam Farmer Household Economy during* Đổi mới; code QX99.01, Hà Nội, 2003, p. 75.

29. *Vietnam Economic Times,* 2000, pp. 29, 44.