

ECONOMIC RESTRUCTURING IN CAM KHE DISTRICT, PHU THO PROVINCE DURING THE PERIOD OF 1995 – 2015

Nguyen Thi Huong Loan

Faculty of Social Sciences & Culture - Tourism, Hung Vuong University

Abstract. Cam Khe is a mountainous district of Phu Tho province, with a lot of potentials and advantages for the development of agriculture, industry and services. From the re-establishment of the district in 1995 until 2015, with the policy of exploiting all local resources to promote the process of socio-economic development, Cam Khe's economic structure has shifted towards industrialization and modernization. This article focuses on analyzing the conditions, policies, measures and results of the process of economic restructuring in Cam Khe during the period of 1995 - 2015 in order to partly understand the Party's economic reform policy which has been applied creatively in the local practical situation.

Keywords: Cam Khe, economic restructuring, industrialization, modernization.

1. Introduction

The issue of economic restructuring of the whole country in general and in localities in particular is one of the core contents of the Party's renovation policy. There are many researchers and research institutions interested in this issue in many different forms and angles. These include the typical works of Ngo Dinh Giao (2003) [1], Le Du Phong (1999) [2], Dang Van Thang (2003) [3], Phan Cong Nghia (2007) [4], Nguyen Tran Que (2004) [5], Bui Tat Thang (2006) [6], Truong Thi Minh Sam (2007) [7], Nguyen Van Bich, Chu Tien Quang (1996) [8], Do Hoai Nam (1996) [9], Lam Quang Huyen (2002) [10], Do Thi Thanh Loan (2016) [11]. The above works, though studied in many different angles, have contributed to clarify many socio-economic problems of the provinces and districts throughout the country in a certain historical period.

There have been a number of research projects on the economic development and restructuring in Cam Khe district and Phu Tho province from 1995 to 2015 at different levels, of which notably are the works of Phung Quang Mac (1996) [12], Tong Thi Nga (2010) [13], Bui Thi Thanh Tam (2015) [14]. However, none of these specifically mentioning the economic restructuring in Cam Khe district in the period 1995 - 2015. Therefore, studying the process of economic restructuring towards industrialization and modernization in Cam Khe district not only contributes to assess the economic development

Received July 11, 2020. Revised September 4, 2020. Accepted October 5, 2020.

Contact Nguyen Thi Huong Loan, e-mail address: huongloan1984@gmail.com

situation in the locality, draw experiences from the practice to have a full and deeper assessment of the process of applying the Party's innovation policy into practice in localities, but also provides additional scientific basis for solving problems of theoretical perception and instructing practical activities for the district's economic development in the current period.

2. Content

2.1. Conditions for the economic restructuring in Cam Khe district

Cam Khe district is located in the northwest of Phu Tho province, re-established in 1995, with a total natural area of 233,425 ha [15]. Cam Khe has geographic coordinates in the range of 21°15' - 21°29' North latitude and 104°57' - 105°13' East longitude, length of the district is 40km, the average width is 10km. Favorable geographical location with waterways and roads traffic system reasonably distributed gives Cam Khe many advantages in exchanging and trading with neighboring provinces such as Yen Bai, Lao Cai, Vinh Phuc and Hanoi Capital.

Cam Khe has favorable natural conditions for agricultural production with many rich, diversified and large-yield agricultural products which are not only met the needs of the district but also provided to other districts in the province and neighboring provinces as well as export oriented (stomach cucumber, Hotchili). This is a premise for restructuring the agricultural economy towards commodity production and development of the processing industry. In addition, the district also has many traditional handicrafts such as carpentry, knitting, hat making, and noodle making, which are the strength of rural economic development and exporting goods.

The mineral resources of Cam Khe include brown coal, iron ore, kaolin, brick clay, ceramic clay, limestone, of which there are some types with large reserves, good quality, high economic value [16; p.13]. This is the potential for the development of local production of construction materials, mining and mineral processing industries.

The labor force in Cam Khe is quite plentiful with an increasing number of workers with high educational level. In 2015, Cam Khe had 80,017 thousand people of working age, (accounting for 61.08% of the population) [15; p.14]. This is an important condition to form a contingent of good quality workers, managers, technicians and workers meeting the requirements of economic restructuring towards industrialization and modernization.

Besides road (total length of 1,046 km), Cam Khe also has a river system running along the east side of the district. The waterway route on Thao River is invested and developed. The district has 6 wharves. Although all are small in scale and lack of equipment, these harves also create conditions for economic development and travel demand of people between Cam Khe and Thanh Ba districts, Phu Tho town [15; p.48].

The electricity system for production and life of the people in the district is built quite completely. As of 2010, the district has 31/31 communes in the national electricity grid and all have 0.4KV power grid [17; p.48]. The electricity system covering rural communes in the district is a condition for the people to raise their awareness, access to science and technology, develop socio-economic and further promote agricultural and rural industrialization and modernization.

All localities in the District had communal cultural post offices. These post offices were responsible for publishing newspapers, providing public postal services and providing international postal services. The development of post and telecommunications had made the direction of the government at all levels convenient, quick and timely as well as the people convenient in production, business activities and life.

In order to promote economic development, at certain phase, Cam Khe District Party Committee had proposed different programs, goals and plans to suit the practical situation. The basic direction was still to focus on economic restructuring. In which, the agricultural economy was always on top priority and was realized the strength of the District. It could be said that the economic development path of Cam Khe District Party Committee and the District government was one of the important factors which determined the economic development results.

These potentials and advantages had created favorable conditions for Cam Khe District to become one of the key investment-attracting locations in the industrial, service and commercial development of Phu Tho Province. Cam Khe District was striving to become a District with a developed industry, commodity agriculture associated with services.

2.2. Economic restructuring in Cam Khe District from the re-establishment in 1995 to 2015

2.2.1. Economic restructuring

After re-establishing, along with the policy of taking advantage of all available strengths of the District, Cam Khe District implemented incentive policies to attract investment. In addition, the District also took advantage of the help of superiors and international organizations to increase resources, from that to achieve the goals of the socio-economic development strategy. The District gained many achievements in the implementation process.

Table 1. Economic structuring by sectors of Cam Khe District, period 1995 - 2015

No.	Sector	Year				
		1995	2000	2005	2010	2015
1	Agriculture, forestry and fisheries	69,4	67,8	55,8	43,4	37,7
2	Industry - construction	4,7	6,8	11,2	21,1	25,4
3	Services	25,9	25,4	33,0	35,5	36,9

(Unit: %); Source: [15]

From 1995 to 2015, the economic structure of Cam Khe District shifted according to the Province's orientation which was to gradually reduce the proportion of agriculture - forestry - fisheries and increase the proportion of industry - construction and services. In general, the economic structure of Cam Khe District had shown a clear and positive shift, consistent with the current trend of the province and the country.

In 1995, in the District, the proportion of production value of economic sectors was in the order of agriculture, forestry and fishery: 69.45%; industry - construction: 4.65%; commerce - service: 25.9%. By 2015, the proportions of these sectors were: 37.7%, 25.4%, 36.9% respectively. Thus, after 20 years, although the proportion of agriculture, forestry and fisheries still led in the economic structure, however, but it reduced by

31.75% (1.59% per year on average) to make room for industry - construction and services.

There was also a shift within economic sectors.

- *The agriculture, forestry and fishery sector* developed in the direction of linking production with the market, gradually reducing the proportion of agriculture and forestry production and increasing the proportion of the fishery sector.

Table 2. Structure of agriculture, forestry and fishery in Cam Khe District, period 1995 - 2015

No.	Sector	Year				
		1995	2000	2005	2010	2015
1	Agriculture	83,8	81,9	84,4	82,1	77,9
2	Forestry	13,9	13,4	8,7	9,1	11,6
3	Fishery	2,3	4,7	6,9	8,8	10,5

(Unit: %); Source: [15]

The structure of agriculture and forestry decreased from 83.8% and 13.9% in 1995 to 77.9% and 11.6% in 2015, while the fishery increased from 2.3% to 10.5%, respectively. The reason was that inefficient agricultural production land was converted to aquaculture which made the water surface area for aquaculture in 2015 to reach 1,791.5 ha- an increase of 3.74 times compared to 1995.

Within the agricultural sector, the District had implemented the policy of changing the structure of land use, structure of crops and animals towards commodity production in order to increase economic efficiency. In addition, the structure of agricultural economy shifted rapidly in the direction of reducing the proportion of cultivation, increasing the proportion of husbandry and agricultural services.

Table 3. Economic structure of agriculture sector in Cam Khe District, period 1995-2015

No.	Sector	Year				
		1995	2000	2005	2010	2015
1	Cultivation	69,0	66,3	57,3	56,2	54,7
2	Animal husbandry	28,0	30,5	38,2	38,6	39,4
3	<i>Service and agriculture</i>	3,0	3,2	4,5	5,2	5,9

(Unit: %); Source: [15]

In cultivation, the crop structure is also strongly shifted in the direction of reducing the area of food crops; however, the productivity keeps high because of the use of new varieties and intensive farming techniques to ensure food security. Fruit trees (such as longan, litchi, persimmon, oranges, lemons, and tangerines) thrive in both scale and product quality in order to ensure the high quality of products provided for the market.

The livestock industry is also developed and gradually transformed into the industrial and semi-industrial modes which apply new techniques, new technologies and use varieties with high productivity and quality. The internal structure of the livestock industry has been shifted towards increasing the proportion of lean cattle and poultry.

In general, the structure of agriculture, forestry and fisheries has shifted in the right direction which develops high-value industries and products and meets the commodity

production requirements. However, this shift is still slow. The cultivation still accounts for a high proportion; the animal husbandry is in small scale; the fisheries are not commensurate with the potential of the local area.

- *Industry - construction* in Cam Khe district also had many positive changes in the direction of reducing the proportion of the industry, increasing the proportion of the construction industry. In 1995, the proportion of the industry reached 62.6%, the construction industry reached 37.4; by the year 2015, the industry's proportion decreased to 60.9%, the construction's proportion increased to 39.1%.

Table 4. Production value and production value structure of Industry – Construction in Cam Khe district in the period of 1995 - 2015

No	Field	1995	2000	2005	2010	2015
I	Industry - Construction (million dong)	13.775.000	26.125.000	48.278.000	164.000.000	320.000.000
1.1	<i>Industry (million dong)</i>	8.618.000	17.877.000	32.600.000	104.000.000	195.000.000
1.2	<i>Construction (million dong)</i>	5.157.000	8.248.000	15.678.000	60.000.000	125.000.000
II.	Proportion of production value (%)	100	100	100	100	100
1.1	<i>Industry (%)</i>	62,6	68,4	67,5	63,4	60,9
1.2	<i>Construction (%)</i>	37,4	31,6	32,5	36,6	39,1

Source: [15]

The reason for the increase in the proportion of the construction industry is that in the general development of economic activities, the basic construction speed of the district has significantly increased, focusing on essential works such as electricity, roads, schools, health stations, people's houses, information systems, post offices, water and so on. Therefore, the construction field of the district has many positive changes.

This shifting trend reflects the investment process of forming and developing infrastructure in general and industrial infrastructure in particular in the area.

- *The service sector* is developed diversely to meet the requirements of production in business and people's lives. Production value increases rapidly and accounts for an increasing proportion in the economic structure. Some industries such as transportation, warehousing, finance, and credit have fast growth. The structural shift is become increasingly stronger in industries which are in the process of development and investment towards quality services such as consulting services, banking services, post and telecommunications services, and tourism. The industries of restaurants, hotels and other commercial activities develop more slowly and account for a low proportion in the structure of the trade - service industry.

After 20 years of re-establishing the district, the structure of the service industry increased from 25.9% in 1995 to 33.0% in 2010 and reached 36.9% in 2015. Thus, in 20 years, the proportion of the service industry increased by 11%. This shifting trend

reflects the district's trend of economic restructuring which is reducing the proportion of agriculture, increase the proportion of industry and services.

2.2.2. Economic Restructuring

In addition to the economic restructuring, the economic structure of the district has also changed quite clearly. From 2009 and earlier, in the district, there are only three main economic components including the State economy, the collective economy and the private economy. From the end of 2009 onwards, with the appearance of foreign companies investing in construction in the district area, the district economy has four economic sectors including State economy, collective economy, private economy and economy with foreign investment.

- *State economy*: In 1995, there were 12 units of the State economy in the district (agriculture: 03, industry: 01, trade: 04, service: 04). According to the general trend of the national economy, some establishments belonging to the State economic sector were dissolved or equitized in the years 2011 - 2013 because they no longer work with the new mechanism. By the year of 2015, there were five units of the State economic sector in Cam Khe district (agriculture: 01, service: 04).

- Group economics

After Resolution No.10 (of the Politburo of the Communist Party of Vietnam in 1988), all economic sectors in agriculture of rural areas, especially Cooperatives in agriculture, have had an important transition to ensure farmers to become autonomous economic units. Implementing the land law and Decree No. 64/CP of the Government, Cooperatives transferred the right to manage land, cattle, agricultural tools and machinery to farmers; and the Cooperatives switched to service functions (irrigation, plant protection, putting new varieties into production ...). After that, the cooperatives converted and re-registered under the Cooperative Law in 1997 and 2012. By December 31st, 2015, the total number of cooperatives converting under the Law on Cooperatives in 2012 was 39 Cooperatives with a total number of 354 employees [18; p.6]. Along with the process of renewing cooperatives, various forms of cooperative economy are formed right in the Cooperatives such as aquaculture cooperative group, forest planting and protection cooperative group, gardening association, and so on. The development of the combined economy together with the innovation of the cooperative economy has made an important contribution to the district's strong and increasingly comprehensive economic development, achieving high growth rates and economic efficiency, get out of self-sufficiency and gradually shift to commodity production.

- Individual economy

For the private sector in the district's agriculture, it is mainly farm economy and household economy. Farm economy is increasingly developing and doing business effectively, contributing to overtly alleviation and bulding new rural areas. In 2015, based on the new criteria, in the whole Cam Khe district, there are only 7 certified farms (03 livestock farms and 04 general farms). The total revenue of farms in 2015 reached 5,060 million VND, the average profit of a farm was 234 million VND [18, p.3]. In general, the farms have brought about high economic efficiency, contributing to job creation for rural workers and poverty alleviation and improving livelihoods for people.

In addition, the farm economy also contributes to environmental protection, gradually greening the bare land area, bringing a balance of ecology and a stable climate.

The individual economy plays the most important role in creating material wealth that feeds the whole society. After re-establishment, the district has had many guidelines and measures to change the economic structure, so the number of individual households in economic sectors has also changed. Number of households in agriculture, forestry and fisheries; construction industry; services changed from: 96.1% - 0.3% - 3.6% in 1995 to 72% - 54.7% - 15% in 2015 [15]. Thus, after 20 years (1995 - 2015), the number of households engaged in agriculture - forestry - fishery economy decreased by 24.1%, instead the number of households working in industry and construction increased by 12.7%, 11.4% increase in services. The change in the number of households in economic sectors is consistent with the recent economic restructuring of the district in the direction of reducing the proportion of agriculture, forestry and fisheries, increasing the proportion of industry - construction and service. However, the proportion of agricultural households and agricultural workers still accounts for a high proportion (more than 70%) of the total number of households in economic sectors. The number of working households in the service industry still accounts for the lowest percentage.

Private enterprises: From 1995 earlier, private enterprises in the district were underdeveloped, mainly small and fragmented production households that could not meet the requirements of socio-economic development. . In 1998, there was only 01 processing industry enterprise in the district with 30 employees. From 2001, onwards district businesses developed. Especially in the period 2007 - 2015, the district concentrates all resources, encourages to attract investment for economic and social development, more and more businesses are established. As of 2015, there are 78 enterprises operating in the district (mainly in the fields of construction, processing industry, transportation, warehousing) with a total of 1,345 employees [15]. Many effective businesses attract hundreds of employees, total revenue of dozens of billions of dong, fulfill their obligations to the state, in addition, actively participate in charity and social programs ...

- Foreign-invested economy:

This is a new economic sector, present in Cam Khe in 2009 with a factory processing agricultural products (canned porridge) with a total area of 33,800m², total real capital is 800,000 USD [19; p.113].

2.2.3. Economic restructuring by regions

Based on the natural conditions after re-establishment, Cam Khe district has zoned to make investment and development plans for agriculture, forestry and fisheries suitable to the advantages of each region. Detail:

- Specialized forestry cultivation areas (low mountainous areas): concentrated mainly in the western low mountainous areas of the district (in the communes of Huong Lung, Phuong Vy, Cap Dan, Van Ban, Yen Duong).

- Aquaculture area (middle land): The district's key areas for fisheries development are concentrated in Lang Chuong, Men, Dong Dung and a number of localities with a lot of water surface.

- Region specializing in food and food production (delta region): is the district's

key food region. This region concentrates mainly in the delta communes and communes along the Thao and Bua rivers such as Tien Luong, Dong Cam, Phuong Xa, Phung Xa, Hien Da, Cat Tru, Tinh Cuong, Thanh Nga, Cap Dan, Ta Xa, Van Khuc, Dieu Luong.

3. Conclusions

From 1995 to 2015, the economic structure of Cam Khe district shifted towards reducing the proportion of agriculture - forestry - fisheries and increasing the proportion of industry - construction and services. In general, the economic structure of Cam Khe district has changed positively, consistent with the current trend.

However, the restructuring of the industry in the district only focuses on increasing the proportion of industry and services, not paying much attention to shifting towards industrialization, modernization and development in-depth production sector with high scientific and technological content. The proportion of the agricultural sector decreased gradually but still slowly, the proportion of industry - construction increased but not commensurate with the district's potential. Proportion of service industry tends to increase, but is unstable and ensure stability. Basically, Cam Khe is still an agricultural district with a slow development.

There is also a certain change in the economic structure of the district. Although the State economy is not high, it still plays a key role in regulating the entire local economy. The developed non-state economy accounts for an increasing proportion in the economy. The foreign-invested economy has developed more than before.

The process of economic transition by regions of Cam Khe district has been taking place in a positive direction (with the formation of specialized farming areas, key areas for food production) but still slow.

In addition to the achievements in the process of economic restructuring of the district, there are certain limitations such as: the economic structure is moving slowly, still relying on agriculture, the ability to accumulate from internal economy is low. Basically, Cam Khe is still a poor district of Phu Tho province.

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