

Agriculture and Rural Economy of Mekong Delta in Period 1996-2006

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Abstract: Having had 20 years' experience implementing the Communist Party's Renovation (*Đổi mới*) Policy from 1986 to 2006, Vietnam has attained many important achievements in socio-economic development. Despite this, however, the development of rural areas in the Mekong Delta - one of the country's key economic regions- still encounters many difficulties and challenges, especially when faced with the impact of climate change, rising sea levels, saltwater intrusion and freshwater scarcity, riverbank erosion, lack of large floods that is necessary to bring illuvium for the fields, etc., which have led to serious problems that need to be solved. Within the framework of this article, the author wishes to elucidate the policies and guidelines of the Party, the State and the Mekong Delta provinces towards the agricultural and rural development process in this region, and at the same time, the author aims to throw light on the changes that have taken place in the agricultural and rural economy, the farmers' lives, as well as innovation in the appearance of the Mekong Delta rural areas during the period of 1996 to 2006.

Keywords: Policy, agriculture, rural areas, Mekong Delta.

Subject classification: History

1. Introduction

The Mekong Delta is the last deltaic area of the Mekong River before it drains into the East Sea (also known as the South China Sea). Covering a total natural area of approximately 40,572km², it borders the Southeast on the northeastern side and the East Sea on the southeastern side, while it borders Cambodia in the North and faces the Gulf of Thailand on the southwestern side. Four of the Mekong Delta provinces share a 330km long border with Cambodia, including Long An which borders Prey Veng and Svay Rieng Provinces, Dong Thap which borders Pray Veng and Kandal Provinces, while An Giang and Kien Giang border Ta Keo and Kampot Provinces respectively. The region's border retains three international and

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four national border gates, which facilitate the trading of goods with Cambodia as well as other Southeast Asian countries. The Mekong Delta's coastline, over 700km long, and 360,000km² of the sea under Vietnam's sovereignty, are advantageous for exploiting aquatic resources and promoting marine economic development.

The region comprises the 13 provinces and cities of An Giang, Ben Tre, Bac Lieu, Ca Mau, Dong Thap, Hau Giang, Kien Giang, Long An, Soc Trang, Tien Giang, Tra Vinh, Vinh Long, and Can Tho city. The Mekong Delta's high population density ranks it the second-highest population-concentrated area in the country (behind the Red River Delta). While there is an influx of migrants attracted to the Central Highlands and the Southeast, the Mekong Delta, however, together with the North Central region, the South Central Coast, the Red River Delta, and the Northeast, experience high emigration (Tran Van Tho, 2000, p.174). In 1996, the country's total population reached 75,355,000 people, with 59,225,000 living in rural areas, of which the Mekong Delta accounted for 10,886,817 people over 15 years old and 9,104,232 people living in rural areas (General Statistics Office, 1997, pp.70-78). Agricultural land accounted for 27%, while aquaculture and forests covered more than 70%, and 2% of the region respectively (General Statistics Office, 2018).

The Mekong Delta is Vietnam's largest centre for rice production, aquaculture, fishing, and supply of forest resources. Before 1975, despite the region's favourable geographical location and natural conditions, its socio-economic development was not commensurate with its potential and advantages due to the impact of war and poor infrastructure. The Saigon government also failed to invest in the region. The standards of culture, education, health, and people's lifestyles were exceedingly poor and underdeveloped compared to other regions. After Liberation Day (in 1975), the Party and State introduced guidelines and policies to prioritise socio-economic development in the Mekong Delta. Since 1996, in particular, many crucial and practical policies to promote agricultural and rural development in the region have made fundamental changes to the socio-economic conditions encountered, and the region's general appearance has improved profoundly.

The speed of socio-economic development in general, however, is quite slow compared with its potential advantages, whilst the low per capita income reached only VND 40.2 million per person per year, below the national average. In addition, there are difficulties caused by the impact of climate change, rising sea levels, saltwater intrusion, riverbank erosion, the lack of infrastructure development such as roads and bridges, poor transport connections, environmental pollution, excessive use of chemical residues in animal husbandry and seafood processing. In addition, there are difficulties in the production and distribution of products, and unplanned production and consumption of agricultural products leading to a "bumper crop, price drop" situation. The latter is a fairly common occurrence and is hard to control, causing frustration and significant economic loss. Therefore, it is crucial to clarify the policies and guidelines of the Party, the State, and the Mekong Delta provinces towards the process of agricultural and rural development, as well

as to spell out the changes in the agricultural economy, farmers' lives and the general appearance of rural areas of this region from 1996 to 2006.

Recently, there has been a lot of research carried out on innovation achievements, agriculture, farming, and rural areas in regards to industrialisation and modernisation in Vietnam. A number of studies have been published on directions and policies, economics, history, culture, and society in rural areas. These include several research projects focused on agriculture and rural areas in the Northern and Southern Delta in general, and in the Mekong Delta in particular. But so far, there is still a lack of comprehensive, systematic and in-depth studies on the agricultural and rural economy of the Mekong Delta during the period 1996 to 2006.

Therefore, it is necessary to carry out comprehensive and systematic in-depth research to scientifically and objectively reconstruct the rural areas in the Mekong Delta based on available documents and a new cognitive perspective in line with the current reality. The results of this research will give scientific significance and practical value, providing theoretical and practical bases as well as experience to help authorities bring in appropriate policies, decisions, and solutions in directing the implementation of socio-economic development in the provinces and cities, and contributing to a better understanding of the Mekong Delta's rural areas situation during this period.

2. Policies and guidelines of the Party, the State and the Mekong Delta provinces towards the region's agricultural and rural development

Since 1996, the Party and the State have promulgated many guidelines and policies to promote socio-economic development. In particular, the Government prioritised the Mekong Delta's agricultural and rural areas in budget allocations, domestic and foreign resources were mobilised to exploit the region's strengths, helping to solve the difficulties and problems that had persisted for many years, while at the same time promoting regional socio-economic development and gradually improving people's living standards.

Looking back over the years 1986 to 1995, Vietnam overcame stagnation and recession, and achieved a fairly high, continuous, and a comprehensive economic growth rate exceeding most of the planned targets. However, the subsequent stage of renovation still encountered many difficulties, challenges, and complex problems caused by the process of the market economy and international integration, especially in agriculture and the rural areas which crucially require appropriate policies to tackle the problems. The terms of the five-year socio-economic development plan for the period 1996 to 2000 were set out in the political report of the 9th Central Committee of the Communist Party at the 8th National Congress of the Party (held from 28 June to 1 July 1996) which stated: "To simultaneously implement three economic goals including high, sustainable and effective growth; to

strengthen the macroeconomic stability; and prepare the groundwork for greater development after the 2000” (Communist Party of Viet Nam, 2015a, p.440).

Resolution No.06/NQ/TW dated 10 November 1998 of the Secretariat of the 8th Party Central Committee regarding Some issues of agricultural and rural development also specified: “It should have a deeper awareness of the important position of agriculture and rural areas where the majority of the population, social labour and land are concentrated, with available conditions for development, should be considered advantageous and a great internal resource for the country. It is necessary to: focus more on specific and practical projects that accelerate the industrialisation and modernisation of agriculture and the rural areas; to boost their development; to gradually change the rural economy’s appearance; to eliminate hunger and reduce poverty, improve farmers’ living standards and then create conditions for the country’s stability and sustainable development, and realise the target of having a wealthy population, a strong country, and just and civilised society. A significant proportion of available capital must be devoted to investment in agricultural and rural development, and the formation of industrial-agricultural-service complexes in the areas assigned to food processing, production of agricultural equipment, developing all kinds of industrial and agricultural services, scientific and technical services, supplying materials, seeds, plants, livestock, and the consumption of agricultural, forestry and fishery products” (Communist Party of Viet Nam, 2015b, p.505).

The Party and State have directed the implementation of many solutions to mobilise resources, firstly from local resources, to effectively exploiting the potential and advantages of the Mekong Delta’s agricultural and rural areas, in order to rapidly lift the region out of poverty, reduce its difficulties, change the appearance of rural areas and become a key economic development region for all of Vietnam, achieving high economic growth. Besides agricultural development, other fields including the cultural and social life in the Mekong Delta’s rural areas must also keep pace with the country’s norms, ensuring political stability and national defence security. In agriculture, the Mekong Delta’s rural areas should effectively aim to promote trade, the exchange of goods, and economic cooperation with regions at domestic, regional, and international levels. Boosting the industrialisation and modernisation of agricultural and rural areas should be a specific objective in an endeavour to create large-scale production areas with economic efficiency and high competitiveness, meeting the needs of regional and global integration. It is necessary to exploit the strengths of the region’s natural resources, focusing on developing the marine, island, and continental shelf economy, and strongly encompass the ocean following models of aquaculture, fishing and seafood processing, marine transportation and tourism, continually improving the material and spiritual life of the Mekong Delta’s rural inhabitants in order to achieve a higher growth rate than that of the country.

In terms of the cultural society, especially in the field of education the low literacy level, which can be blamed on unfavourable natural conditions, the interlaced canal network which

makes transportation inconvenient, education and training in the Mekong Delta's rural areas are classified under a "low-lying area" of the country. In order to gradually solve these problems, the region's development has been directed by the Party and State under the motto of "to harmoniously combine economic growth and implementation of social equity and progress; creating dramatic change in solving pressing social problems, repelling negativity, injustice and social evils. Developing and improving the quality of cultural, artistic, mass communication and entertainment media activities to meet the cultural and spiritual needs of the people" (Communist Party of Viet Nam, 2015a, pp.469-470).

On the grounds that the Mekong Delta's rural areas have an important geo-political strategic position in many aspects, the Prime Minister, together with ministries and agencies at the central and provincial levels, brought in many agricultural and rural development policies. Particularly, the Prime Minister's Decision No.01/1998/QD-TTg in 1998 which sets forth explicit requirements for the Mekong Delta region, including: (i) striving to increase GDP per capita in the year 2000 by 1.5 times and in 2010 by 3.54 times more than in 1994; (ii) striving to develop the foreign economy with an average annual growth rate of 18% from 1998 to 2010, with export turnover to reach USD 1,490 million in 2000 and USD 8,600 million in 2010; (iii) accumulating investment from the economy to reach 11.6% of GDP in the period from 1998 to 2000, and 15.5% for the period 2001 to 2006 with a vision to 2010; and (iv) innovating technologies and equipment, with an annual innovation rate of 15% for existing ones, and equipping new facilities with advanced technologies, to create industrial-agricultural products and services that enjoy market competitiveness. Regarding society, Decision No.01/1998/QD-TTg refers to the requirements for job creation, reducing underemployment, striving to raise the proportion of the industrial, construction and service workforce to 50% in the region. By 2005, the situation of food-insecure households would be basically eliminated. By 2000, 100% rural electrification would have been achieved, with 90% of rural households having access to electricity, and 100% of the rural population would be provided with clean water; and more than 90% of the population could have their own permanent and semi-permanent houses. Striving to universalise primary education for children by 2000, lower secondary education in cities and towns by 2010; diversifying vocational training programmes to raise the percentage of technical workers to 30% after 2006 (Prime Minister, 1998). Strengthening the development of the medical system and focusing on primary healthcare. Ensuring the basic needs of the rural population, prioritising the improvement of living conditions in remote areas, border regions and the islands. Building a just and civilised society, developing a healthy community culture and eliminating social evils. Striving to develop agriculture and the rural areas in association with ecological environmental improvement and sustainable development. At the same time, guaranteeing social order and safety, and closely linking the economic construction with national defence and strengthening security, especially in rural areas.

On 6 November 2001, the Prime Minister promulgated Decision No.173/2001/QĐ-TTg on the "Socio-economic development of the Mekong Delta in the period 2001-2005" with the aim of promoting the efficiency of agricultural production including food and vegetables, livestock, aquatic products, industrial production such as agro-forestry-fishery processing, etc., to create rapid economic restructuring under the direction of increasing the proportion of industry and services; continuing to invest into socio-economic infrastructure (transportation, irrigation, healthcare, training and so on), as well as establishing residential lines and building houses in flood plains, estuarine, and coastal areas. Strengthening the capability to prevent and fight against natural disasters, limit the damage caused by floods and natural disasters, ensuring that people in flooded areas have safe and stable lives without being relocated (Prime Minister, 2001, p.1), and supporting the rural people to settle down and stabilise the socio-political situation.

People in the Mekong Delta's rural areas have so far acknowledged their lives as "living with floods", thus the provinces need to "complete the construction of residential clusters and lines in accordance with the master plan, ensuring that people in flood prone areas do not have to move. Health stations should be set up in all communes to ensure people receive timely medical examination and treatment. School children in areas of devastation must be able to attend classes during the flood season, and gradually achieve safe and stable lives within a civilised society even in the annual seasonal floods; significantly improving and enhancing the lives of the ethnic minorities, especially those of the Khmer; effectively implementing programmes and targets on hunger eradication, poverty reduction, job creation, land production, business instruction, and housing policy support for monetary-poor households" (Prime Minister, 2001, p.2) dedicated to rural people throughout the Mekong Delta.

Since enjoying preferential advantages thanks to its terrain and water supply, the Mekong Delta is considered a key area of Vietnam for food production, fisheries, and orchards, making it an important player in national food security and a great contributor of agricultural and aquatic goods exports. With its advantages for agricultural development, the Party and the Government have paid special attention to directing the Mekong Delta's economic and social development, citing industrialisation and modernisation of agriculture and rural areas as a crucial task. In the resolution of the 5th Central Committee (Session 8th) on accelerating industrialisation and modernisation of agriculture and rural areas, the Party selected the Mekong Delta as one of the primary regions focused on rice production in line with the policy of developing productive forces and restructuring the agricultural and rural economy (Communist Party of Viet Nam, 2016a, p.280).

On 20 January 2003, the Politburo promulgated Resolution No.21/NQ-TW on the "Orientations, tasks and solutions for socio-economic development and assurance of security and defence in the Mekong Delta in the period 2001-2010". This was a special resolution focused on the Mekong Delta, orienting the comprehensive development of the region, paying attention to agriculture and rural issues. As the resolution clearly states,

economic restructuring should be accelerated towards a rapid reduction of the agricultural ratio, with an increase in the proportion of industry and services in terms of both GDP and labour structure. Regarding agriculture, forestry, and fisheries, it is necessary to apply scientific and technological advances promptly, especially biotechnology, to production, in order to drastically transform the economic structure, and to increase productivity, product quality and the production value per hectare of arable land; stabilising output and improving rice quality, ensuring food security for the country and contributing to the export market; restructuring part of the inefficient rice-cultivated areas for other crops (such as corn, cotton, jute, sesame, soybean, fruit trees), or effective aquaculture, or shrimp and fish farming; promoting animal husbandry development in relation to the region's potential, while focusing on breeding swine, raising poultry, beef and dairy cows, etc., to meet domestic consumption needs and partly demands of the export market (Communist Party of Vietnam, 2016b, p.116).

The resolution sets out a task as "In conjunction with the protection and development of coastal mangrove forests, and Phu Quoc primeval forests, it should restore and plant new melaleuca forests in low-lying and alum areas in Dong Thap Muoi, the Long Xuyen Quadrangle, the western area of the Hau River, and the Ca Mau Peninsula; as well as restoring the burned area in U Minh forest (Communist Party of Vietnam, 2016b, p.116); developing aquaculture, seafood processing, and fishing as a spearhead economic sector of the Mekong Delta. There should be synchronous planning and investment in high-quality seed, feed, and processing facilities to expand intensive shrimp farming, intercropping, and crop rotation; strongly developing basa fish and rice-fish systems; promoting off-shore fishing and fishery services; strengthening fishery extension activities, as well as vocational training for fishermen and helping fishing households change their occupations; creating a close connection between farmers, fishermen, and credit institutions, processing and consumption enterprises, scientific and technological research organizations; establishing an appropriate system to promote the research, importation and application of biotechnologies in cultivating high-quality plants and animal breeding, preserving and processing agricultural and aquatic products; researching into and applying advanced technologies suitable for high efficiency agricultural, fishery, and forestry production, with the aim of reaching the regional advanced level in these fields (Communist Party of Vietnam, 2016b, p.116). With respect to trade, regional trade centres should be built in Can Tho city and provincial town centres; forming a market system of agricultural and aquatic products throughout the region; effectively developing important border-gate economic zones and border markets (Communist Party of Vietnam, 2016b, p.117).

Thoroughly grasping Resolution No.21-NQ/TW of the Politburo, the Party committees, authorities at all levels, and the people of the Mekong Delta provinces made great efforts and creatively put the Party and State's guidelines and resolutions into practice. This enabled a number of great achievements in socio-economic development, boosting the Mekong Delta's agriculture development to turn it into a concentrated area for agricultural

production and a large "granary" of Vietnam, contributing to the overall success of the country's socio-economic development during the Renovation years. The existence of the rural area's many limitations must be recognised, despite the fact that its economic growth rate is fairly high compared with the national average, such as: the economic growth is unstable and incommensurate with the region's potential and advantages; the rural economy is still overwhelmingly focused on agriculture, which in turn is skewed to cultivation, while rice retains a major position in the crop structure, and the proportion of livestock tends to be insignificant; the economic structure transforms at a slow pace, it is spontaneous with no planning in many places, leading to low efficiency and unsustainable development; and the mindset in economic development mainly focuses on exploiting the region's available potential. The development of a rural service industry stands in a position inadequate with its potential; the industrial processing facilities in small-scale, outdated technology lack connections with raw material areas. Although people's living standards have improved a lot, they are still considered below standard; the situation of underemployment remains a problem; people's general level of culture is still low; the infrastructure still does not fulfil the development requirements, especially those of restructuring agricultural production and the rural economy.

In order to overcome difficulties and limitations, promote economic and social development, as per the directions of the Central Committee, the Politburo, the Secretariat of the Party Central Committee, the Government, the Prime Minister, ministries and departments at central levels, the Mekong Delta provinces have actively developed plans and schemes, and taken decisions on the region's agricultural and rural development for each period in line with the local reality. The aim is to clearly define the task of agricultural and rural development to speed it up and transform the local economic structure, especially rural construction and development towards industrialisation and modernisation; to focus on the comprehensive development of agriculture, fisheries and forestry in association with the agricultural and aquatic processing industry, while expanding trade, services and international business economics, upgrading, renovating and constructing new economic infrastructure; strongly developing the non-agricultural service industry in, and gradually urbanising, the rural areas, and promoting the application of advanced and modern technologies in agricultural production and processing; changing the rural labour structure to create more jobs in order to increase farmers' incomes; step by step raising the Mekong Delta rural areas out of poverty and backwardness; ensuring the requirements for development comply with rapid and sustainable development.

3. Some results on agricultural and rural economy of Mekong Delta in period 1996-2006

- Agriculture and aquaculture

Cultivation: Despite being faced with adverse weather conditions and consequences of severe flooding in 1996, 1997, 2000, and 2002, the Mekong Delta agricultural sector has

seen many positive changes in commodity production models, and perfecting production organisation which resulted in highly efficient economic value. In addition to comprehensive and stable crop and production development between 2001 and 2006 under the direction of crop transformation, the promotion of products for the domestic and export markets was always of prime importance. Productivity from the cultivated areas and orchards with a high export value recorded a rapid increase. The restructuring of cultivation towards increasing the value of products, while reducing the percentage of areas assigned for rice cultivation, and expanding orchards, specifically with high export value fruit such as star fruit, apples, green dragons, durian, grapefruit, etc.

The alteration in the Mekong Delta's cropping structure can be seen by changes relating to agricultural land use. The latter's total area was 2,567,270ha (General Statistics Office, 2007c, p.36), with Long An accounting for the largest amount with 304,250ha (11.9% of the whole Mekong Delta region); the land area assigned for annual crops in the Mekong Delta was 2,031,850ha, with the greatest area located in Kien Giang with 365,760ha; the area of rice cultivation covered 1,893,480ha, with the greatest concentration in Kien Giang with 358,500 ha; and land for perennial crops covered 535,420ha with the largest area in Ben Tre with 85,780ha.

The fact that the Mekong Delta farming households use agricultural land in the largest production area across the country was considered a factor powerfully impacting on the change in cropping structure focused on increasing the value of products. In this regard, farming households played an extremely important role in the transition from low economic value mixed crops to specialised ones with higher production value. The Mekong Delta was home to 2,136,416 (General Statistics Office, 2007c, p.44) farming households using agricultural land, ranking the region second after the Red River Delta; however, it had the largest number of farming households using agricultural land from 2ha and above out of the whole country. The number of households in the Mekong Delta using agricultural land under 0.2ha was 355,325, of which Tien Giang had the largest number with 68,118 households; there were 606,591 households with 0.2 to 0.5ha of land, of which Tien Giang had the largest number with 105,944 households; 934,610 households had 0.5 to less than 2ha, of which An Giang accounted for the largest number with 117,087 households. Notably, the number of households using agricultural land from 2ha or more reaches 239,890, of which the highest number is in Kien Giang with 53,284 households, followed by An Giang, Dong Thap, and Long An with 31,829, 30,320, and 27,147 households respectively. Households using agricultural land area from 2ha and above had favourable conditions for developing large scale rice production and large-scale specialised fruit trees such as coconut, durian, star fruit, apples, etc., meeting export demands with high quality and large-scale output.

Farms and aquaculture: Agricultural and farm economics played a significant role in the industrialisation and the Mekong Delta's modernisation of agricultural production during the international integration period. The types of farms in this period continued to thrive

more than those in the previous periods, with 28,414 farms (General Statistics Office, 2007c, p.135) out of a total of 72,020 nationwide. These included annual and industrial crops, fruit trees, and animal husbandry. The number of annual crop farms in the region reached 24,333, of which Kien Giang had the highest number with 7,846, followed by An Giang and then Dong Thap with 4,687 and 3,385 farms respectively. Farms dedicated to perennial industrial crops remained at quite a modest number with 179 farms; there were 1,966 fruit tree farms, ranking the region second after the Red River Delta area (with 4,723 farms); in the Mekong Delta, the localities home to the most fruit tree farms were Tien Giang (904 farms), Dong Thap (267 farms), and Ben Tre (624 farms). Agricultural and farming economics increased the scale of the economic value chain, improved output and quality to meet the export demand for markets in China, the US, the EU, and the ASEAN region.

Animal husbandry played a prominent role for the Mekong Delta farmers. The number of breeding farms totalled 1,936 out of 16,594 farms nationwide, of which the most farms were concentrated in Tra Vinh (602 farms), Ben Tre (463 farms), and Dong Thap (275 farms). Breeding farms are dedicated mainly to raising beef cattle, pork pigs, and poultry (General Statistics Office, 2007c, p.163). Out of these, the number of beef cattle farms was 235, compared to 1,199 farms nationwide. Tra Vinh and Ben Tre were the two leading provinces with 168 and 40 farms respectively. There were 1,179 farms raising pork pigs, the highest concentration being in Ben Tre (377 farms), Dong Thap (270 farms), and Tra Vinh (198 farms). Small-scale breeding households accounted for quite a large percentage, making a significant contribution to household economics in rural areas. There were 259,125 households (General Statistics Office, 2007c, p.214) in the Mekong Delta raising from one to 11 head of cattle and poultry.

During the 1996 to 2006 period, the Mekong Delta requested to change the structure of its agricultural production aiming to reduce the proportion of rice production and increase aquaculture activity to meet export targets. Thus, the number of aquaculture households grew quite rapidly. By 2006, the whole country had 688,000 aquaculture households, an increase of 176,000 compared to 2001, the equivalent to an average annual increase of 6.1%, while that number in the Mekong Delta increased to 120,000 households. There was a sharp decrease in the proportion of rice farmers in regions that had facilities for expanding aquaculture production. The fastest decrease rate recorded was from 89.8% to 84.4% in the Mekong Delta, followed by the South Central coastal area from 90.2% to 88%, and the Red River Delta from 98.9% to 97% (General Statistics Office, 2007a, p.42).

There were 24,634 aquaculture farms in the Mekong Delta. This is the area home to the largest number of aquaculture farms in the whole country. Fish farms totalled 1,765 with An Giang in the lead position with 1,058 farms (General Statistics Office, 2007c, p.395); the number of cage fish farming households was 5,267 cages (General Statistics Office, 2007c, p.455), of which An Giang retained the lead position with 1,419 cages, followed by Dong Thap and Hau Giang with 1,419 and 868 cages respectively. The number of

households carrying out intensive and semi-intensive fish farming was 37,719, among which the greatest numbers were in Can Tho with 10,115 households, Dong Thap with 6,501 households, and An Giang with 5,578 households. There were 22,560 shrimp farming households (General Statistics Office, 2007c, p.395), with the largest numbers concentrated in Bac Lieu (11,402 farms), Soc Trang (2,723 farms), and Ben Tre (2,179 farms). The number of households with intensive and semi-intensive shrimp farming in the Mekong Delta were highest in number compared to the whole country with 46,939 (General Statistics Office, 2007c, p.451), of which, Tra Vinh, Soc Trang, and Ca Mau claimed the highest numbers with 13,457; 12,618; and 5,033 households respectively.

- Cooperatives and crafts

Cooperatives: On a national scale, agricultural, forestry, and fishery cooperatives play a very important supporting role in the household economic development. According to the General Statistics Office, as of 1 July 2006, there were 7,237 agricultural, forestry, and fishery cooperatives nationwide. Out of these, 6,971 were agricultural (96.3%), 236 were fisheries (3.3%), while 30 were forestry cooperatives (0.4%). In particular, in the Mekong Delta, the largest agricultural producer in the country, there were 496 agricultural cooperatives, equivalent to an average of 38 agricultural cooperatives in each province of the region. Among the 6,971 agricultural cooperatives in operation, 83.9% were transformational cooperatives and 16.1% were newly established. Transformational cooperatives were mainly concentrated in the Red River Delta (54%) and the North Central (20%) region. Newly established cooperatives were concentrated in the Mekong Delta (36%). Although the number of cooperatives in 2006 decreased compared to 2001, the cooperative economy in agriculture has recognised positive changes in production, capital, results and efficiency of production and business. Agricultural, forestry and fishery cooperatives have contributed to creating many jobs in rural areas. According to the General Statistics Office, as of 1 July 2006, cooperatives employed 126,213 regular employees, 94% of which were cooperative members and 6% hired-in workers. The average number of staff in a cooperative was 17.4 employees. The decrease in regular labour was due to the fact that many cooperatives reorganised themselves in a more rational manner headed up by one person doing many tasks, and service activities were organised mainly in the form of employment contracts.

There was a large difference in the average production of the capital of agricultural cooperation between regions in the country: the South Central Coast reached the highest level of VND 1,450 million, followed by the Southeast region with VND 1,204 million, the Central Highlands with VND 1,058 million, the North Central area with VND 924 million, the Red River Delta with VND 876 million, the Mekong Delta with VND 369 million, and the lowest was in the Northwest with VND 229 million. The cooperatives focused on diversifying service activities and business types at reasonable prices. A survey carried out in 2006 showed that among the agricultural cooperatives, 86% were engaged in irrigation services; 53.1% were in plant protection services; 50.3%

in electricity services; 48.6% in field protection services; 42.3% in plant seed services; 40.1% in material supply services; and 34.9% in agricultural, forestry and fishery services. (General Statistics Office, 2007c, p.12).

Handicrafts and craft villages: As of 2006, there were 702 rural communes with craft villages - with a total of 1,077 craft villages and 951 traditional craft villages. The craft villages attracted the participation of 256,000 households with a regular workforce of 655,800 people. More and more agricultural, forestry and fishery processing establishments arose totalling 428,400, with an average of 47.2 facilities per commune (General Statistics Office, 2007b, p.10). Many craft villages were revived and promoted, along with the establishment of industrial zones, which have attracted the population's capital sources, creating on-the-spot jobs for thousands of labourers, training the unskilled into skilled workers, contributing to the promotion of production development, creating more products and economic restructuring in rural areas.

There were 89 communes in the Mekong Delta with craft villages (General Statistics Office, 2007b, pp.212-214), of which Dong Thap led the pack with 15 communes. Other provinces include Vinh Long with 14 communes and An Giang with 13 communes. In 2006, the Mekong Delta had 98 traditional craft villages, with the highest numbers recorded in Dong Thap (20 villages), Vinh Long and An Giang (16 villages), and Ben Tre and Can Tho (10 villages). The number of people regularly working in traditional craft villages was 69,712, among which Dong Thap, Vinh Long, Tien Giang, and Ben Tre remained in top positions with 17,031; 16,187; 13,023, and 6,617 people respectively. Along with this, the Mekong Delta rural areas had 1,110 agricultural product processing establishments (General Statistics Office, 2007b, p.225), led by Long An with 152, 130 in Tien Giang, 126 in Ben Tre, and 109 in An Giang. The agricultural and aquatic product processing establishments contributed to solving employment problems for hundreds of thousands of workers in rural areas of the Mekong Delta.

- Transport and irrigation infrastructure

Transport: The transport and irrigation infrastructure are among the factors that shape the apparent changing face of the rural areas. During the 1996 to 2006 period, roads in rural areas of the Mekong Delta were constructed and upgraded in terms of quantity and quality. Under the motto "the State and the people work together", the rural transport system developed, contributing to attracting investors to promote their production and businesses, and at the same time create jobs, and help eradicate hunger and reduce poverty. In 2006, there were 1,069 (General Statistics Office, 2007b, p.66) out of 1,285 communes served by motorways connecting them with People's Committees, 1,050/1,285 communes had year-round links to motorways connecting with the People's Committee; 903/1,285 communes had asphalted and concreted motorways connecting with the People's Committee; 1,008 villages and hamlets (General Statistics Office, 2007b, p.71) had inter-village asphalted and concreted roads facilitating the needs of the rural population with regard to traffic and production; the highest rates being in Vinh Long (100%), Soc Trang (97.7%), Ben Tre (97.2%).

Irrigation: The irrigation system at commune and village levels was constructed and strengthened, making an important contribution to supporting farmers in developing their production. The Mekong Delta's irrigation system received sufficient investment that fulfilled the requirements of economic production. The length of canals managed by the communes/cooperatives was recorded as 44,701.9km (General Statistics Office, 2007b, pp.197, 199, 201, 203, 205), with the longest canal being 6,254.2km in Long An Province, 5,534.3km in Tien Giang and 4,824.9km in Kien Giang. The length of strengthened canals was 1,598.3km, of which the longest belongs to Dong Thap at 562.1km long, then Kien Giang with 272.0km, and Ca Mau with 209.8km. The total number of water pumping stations for agricultural, forestry and fishery production at commune level was 1,978 - An Giang, Dong Thap, and Kien Giang being among the provinces with the highest number of pumping stations with 889,784 and 86 respectively.

Electricity, water and environmental infrastructure: The rapid development of the rural electricity network facilitated favourable conditions for rural electrification, agriculture, production, and people's living conditions. The electricity infrastructure played a crucial role in transforming the Mekong Delta's rural areas, helping farmers apply modern technologies for more efficient production, as well as the use of electrical equipment for family activities which contributed to improved rural living standards. The number of communes in the Mekong Delta supplied with electricity was 1,284/1285 (General Statistics Office, 2007b, p.49), while the corresponding number at village and hamlet level was 8,240 and 97.4% respectively which took electricity from the national grid.

Water: Freshwater became increasingly more important for the Mekong Delta. From 1996 to 2006, the programme to supply clean water for the region's rural areas achieved positive results. The following high percentages of the rural population using borehole water were 91.5% in Bac Lieu (General Statistics Office, 2007b, p.148), 89.5% in Ca Mau, and 64.4% in Soc Trang. The highest numbers of households using filtration or chemical treatment systems were found in Hau Giang (35.3%), Can Tho (25.0%), and Soc Trang (4.6%). Provinces with the highest number of households taking water from wells included Ben Tre with 5.5% and Tra Vinh with 5.1%. However, the use of filtration systems or chemical treatment remained limited. Along with efforts to use hygienic water sources for daily life and environmental protection, the condition of environmental sanitation for the rural population increasingly improved. The number of Mekong Delta rural communes with a concentrated water supply was 954, of which Long An led with 139 communes (General Statistics Office, 2007b, pp.162-164).

Environment: Environmental protection is regarded as an issue associated with economic production development, expansion of residential areas and rural urbanisation. There were 470 communes in the rural area of the Mekong Delta which organised or hired rubbish clearance services. Of these Tien Giang led the way with 91 communes, followed by An Giang and Dong Thap with 64 and 58 communes respectively. Production and

household waste were collected from 347 communes and transferred to concentrated landfill sites - the highest number were found in Tien Giang with 76 communes, Dong Thap and An Giang with 46 communes. At the same time, many positive changes could be seen in terms of people's living conditions in rural areas. The percentage of households having a bathroom was 74.7%, an increase of 32.8% compared to 2001 in which the percentage of those with built-in bathrooms was 44.4%. Specifically, 88% of households had latrines, 47% of which were hygienic latrines, an increase of 19.6% compared to 2001.

- Trade and the network of traditional markets

The market plays a very important role as a bridge to transfer and exchange goods, promoting the development of the rural economy. In 2006, 72.6% of communes in the Mekong Delta had markets, making it the region with the highest proportion nationwide, while the lowest rate was 29.3% in the Northwest. As of 2006, there were 933 markets in the rural areas of the Mekong Delta (General Statistics Office, 2007b, pp.177-179), of which Ben Tre was top with 123 markets, then Dong Thap and Tien Giang with 110 and 109 respectively. Traditional markets play a large role in meeting the requirements of local socio-economic development. In accordance with the results of a 1999 survey on the network and distribution of goods in markets, the number of rural markets with less than 50 traders was 448 out of 1,320 markets, with the highest rate in Tien Giang; the number of rural markets with 50 to 100 people trading was 416, with the highest number in An Giang and the lowest in Bac Lieu; the number of rural markets having from 200 to less than 300 traders was 262, with the highest number in An Giang and the lowest in Long An and Ca Mau.

Floating markets are a feature of rural markets in the Mekong Delta. These are a unique cultural specialty of the Southwest river region, rarely found anywhere else. Floating markets arose from the need to exchange and distribute goods by people living in river areas. Since 1986, floating markets in this region developed day by day. Those in Cai Be (Tien Giang), Phong Dien (Can Tho), and Tra On (Vinh Long) are typically famous for trading fruit. Those in Cai Rang, Nga Bay, and Nga Nam trade in many industries. The floating markets in Ca Mau, Long Xuyen (An Giang), Vinh Thuan (Kien Giang), Ngang Dua (Bac Lieu), An Huu etc., serve the local people's need for products and cultural exchange.

4. Some limitations in process of agricultural and rural development of Mekong Delta

From 1996 to 2006, the Mekong Delta rural areas made great strides in agricultural, forestry, fishery and aquaculture production, as well as the development of electricity, roads, schools, and railway stations. In addition, cultural institutions and the living standards of rural people improved significantly. However, there still remained many limitations and shortcomings such as: in agricultural production, rice productivity increased slowly (at 0.4 tons per hectare) with an annual growth rate of 1.1% compared with the annual average yield of 2.5% for the whole country. Not all seed companies

fulfilled their seed requirements (only meeting about 10% of the demand for varieties of rice). In particular, there was a lack of high-quality rice seeds since over 90% came from rice for daily consumption. Agricultural production brings with it many complicated problems. The production force is inadequate to meet the requirements of large-scale concentrated goods production. Production has not completely avoided the issue of being small, backward, scattered, and fragmented. The uneven development of technical facilities and infrastructure makes it unable to meet the requirements of an industrialised and modern process. The economic structure has transited slowly. There is still a surplus in the agricultural labour force, unemployment and deficiency in the income of farmers.

Planting fruit trees is done spontaneously with no rational planning as to which crops should be grown or where. Cultivation techniques are backward compared to some other countries in the region resulting in a low average yield. At the time the survey was conducted, there was no fixed and effective authority to manage plant varieties. A number of fruit trees increasingly degenerated and were in need of being replaced by more commercial varieties such as durian, rambutan, avocado, longan, etc. Research on, and the marketing of southern fruit varieties with other countries is insufficient, without a capable organisation in overall charge. Facilities for developing the cultivation of fruit trees are both inadequate and outdated, while post-harvest preservation is limited.

The fisheries sector is considered to be underperforming in regard to encouragement and transferring shrimp farming technology to each household, thus shrimp farming has not been as effective as expected. Capital invested in the sector in a small and scattered manner, accounting for only 50.5% of the total approved capital; in particular, the State's budget capital for regional infrastructure construction is too low compared to the demand, resulting in many investment projects being extended for many years with poor performance. The small and scattered investment capital results in the low-grade exploitation and use of aquaculture potentials. It is estimated that only 30% of the water surface area is employed for aquaculture, while hundreds of thousands of hectares have not been utilised.

Financing for irrigation work such as installing dykes and dams to protect residential areas, raising floors or residential infrastructure construction have passively depended upon the State budget, while the regime for on-site capital mobilisation for such constructions is limited. The region's road network has suffered degradation and received limited investment. Dirt roads prevail in many rural areas, making travelling difficult in the rainy season. Bridges and drains become damaged and/or are too narrow, while monkey bridges still exist. The Mekong Delta has around 290 national highway bridges, inter-provincial highways and operates four river ferries. 30% of reinforced concrete bridges were built between 1920 and 1940 with limited weight loading capacity, narrow-gauge and are easily damaged. Such bridges are the main obstacle to regional waterway traffic. There were 13,438 newly-built bridges, 411 under repair and nearly 10,000 being reinforced (Ministry of Planning and Investment, 2000). There remain a high percentage of communes without roadways to its commune-level People's Committee office, such as Ca Mau 74.1%,

Soc Trang 26.4%, Bac Lieu 29.2%, Kien Giang 25%, and Can Tho City 27.3%, etc. In general, there was a low percentage of communes having asphalted or concreted inter-village roads, such as Lai Chau (0%), Lao Cai (1.4%), Cao Bang (2.3%), etc. The power supply needed for daily living and production is limited, with the extremely high power outage. A large amount of investment is needed to develop the rural electricity grid, and the inadequate policy for raising capital would make the price of electricity in rural areas much higher than specified in the State's regulations.

People's living standards and the GDP per capita of the Mekong Delta, especially in rural areas remained low, equal to about 94% of GDP per capita of the whole country. In contrast, the poverty levels of the region remained high. By 1999, the poverty rate in many provinces was still high. In six out of 12 provinces, the rate was even higher than the national average. Specifically, the rate was 20% in Soc Trang Province, 19% in Bac Lieu, 18.5% in Tien Giang, 17% in Tra Vinh and Ben Tre, 14.5% in Ca Mau (Ministry of Planning and Investment, 2000). The living standards of some ethnic minorities were lower than that of the Kinh ethnic group. The poverty rate of the Khmer people accounted for 52.7% of the total Khmer population, 38.7% of them were poor and 14% were destitute. The poverty rate of the Khmer people in four provinces including Can Tho, Soc Trang, Vinh Long, and Ca Mau was 81%, 70.6%, 60%, and 57% respectively. Three provinces had more than 20% of destitute people including Bac Lieu 26%, Ca Mau 21.7% and Can Tho 21% (Ministry of Planning and Investment, 2000). The support policy for disadvantaged ethnic minorities is considered a responsible one pleasing everyone. However, it focused too much on ethnic poverty areas in some provinces, while support for the poor Kinh group fell between the cracks. For instance, Tra Vinh and Soc Trang had some Kinh wards which were poorer than their Khmer counterparts; however, they were classified as coming under extremely difficult communes. It could, therefore, affect the socio-psychology of ethnic groups in the community.

5. Conclusion

From 1996 to 2006, the agricultural and rural economy of the Mekong Delta gained positive changes. All sectors from agriculture, industry and cottage industry, commerce, and tourism to the service industry witnessed new growth, gradually meeting domestic and export market demands. Advanced scientific technologies have been applied in processing and the production process, contributing to the improvement in the production and value of goods, as well as increasing the income level of the labour force. The achievements in the Mekong Delta's agricultural and rural development during the period of 1996 to 2006 arose as a prominent feature of Vietnam's overall economic development during this period. It was due to the spirit of self-reliance, the willingness to strive for excellence and the strength of solidarity and cooperation of the regional farmers. It also came from the

consensus and determination of the people to overcome difficulties in production and the challenges brought about by the market mechanism; the concentration of all resources for development, poverty reduction and the rags-to-riches mentality. It should be noted that the Party and the State's great consideration for, and investment in, policies, mechanisms, and priorities for agricultural, infrastructure and irrigation development created favourable conditions for agricultural and rural development in the Mekong Delta.

Although significant achievements in socio-economic development have been attained, the basic structure of agricultural and rural areas in the Mekong Delta, in general, is fragmented and purely based on agriculture. The rural economy still relies on agriculture and farming, showing the slow progress of labour transition from agriculture to non-agriculture in rural areas. There is still a large imbalance in the production structure of the Mekong Delta, with spontaneous production, detachment between production factors and the market, and limitations on the division of labour. The profitability of land use is still low. Additionally, the instability of the market price of agricultural products, especially of the region's main products such as rice, pork, chicken, seafood products, etc., makes farmers feel unsure about expanding the scale of production. Due to the unreliable role of the State in this sector, private traders almost dominate both the input and output market, making farmers suffer from a "single loss, double loss" economic situation. Meanwhile, input costs such as fuel, labour, fertilisers and pesticides, and service costs have constantly increased. As a result, in spite of the Mekong Delta being crowned as the country's leading exporter in terms of rice, agricultural and seafood products, the income of its people is insignificant, while farmers' lives in many localities remain poor and backward.

Industry in the Mekong Delta has continually developed, contributing to job creation, and the economic and infrastructure development of the whole region. Nevertheless, such development is not commensurate with regional potential and advantages. In addition, some other factors are affecting the overall development of the region, including the poor quality soils, underdeveloped transportation system, and backward infrastructure serving industrial activities and other economic sectors. The diversification and abundance of cottage industries and craft villages in the Mekong Delta have produced a unique trade and craft village model for each locality. Cottage industries have linked the development of craft villages with tourism, which is considered as a model of high economic efficiency while still developing. However, it is necessary to continue promoting investment expansion, finding consumers, improving product quality and design, and diversifying products and goods in close coordination with tourism activities. Tourism in the Mekong Delta's rural areas has adequate conditions to spearhead and become a driving force for, the development of other economic sectors. In spite of being blessed with many attractive eco-garden and tourism destinations, poor and backward infrastructure and services in regional rural areas limits their attraction to tourists and their length of stay. Even cars cannot access many eco-tourism spots due to a lack of suitable roads or roads that are too narrow for cars. There are no restaurants or hotels for overnight stays, and catering facilities at eco-tourism sites tend to offer common menus, and tourism activities in

different localities also share too many similarities. Besides, the issue of food safety at catering facilities and environmental hygiene at eco-tourism sites, gardens or spiritual tourist places etc., are still poor.

The period of 1996 to 2006 concluded the last years of the 20th century and led the 21st century, bringing many opportunities and challenges for agriculture and rural areas of Vietnam in general and the Mekong Delta in particular. Various guidelines and decisions favouring the Mekong Delta's agricultural and rural development have been launched by the Party, the State, ministries and departments at the central level. At the same time, regional provinces have also actively incorporated such guidelines and policies into their local practices. Consequently, the Mekong Delta has overcome all difficulties and challenges, resulting in changes to its economy and society, as well as people's lives. The rural appearance has changed; it has been given a "new countryside" shirt brightened by colours, which brings astute stability and economic, cultural and social development, maintaining border security and sovereignty, as well as the orderliness and safety of the rural society in particular and the Mekong Delta at large.

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