

6) Vietnamese Society In Brief

Vietnamese society as a whole looks fairly homogenous at a glance. The reason is that the Kinh, who is the majority of Viet Nam, live in the urban and lowland areas, but most ethnic minorities inhabit the remote areas or mountainous regions where other people rarely visit.

Vietnamese culture is very much built upon Chinese culture. Before the wars against France and the United States the influences of the French culture could be also seen. But with the prolonged fights and the chaos that was brought about by the wars nearly wiped out the traces of western culture. In present day Viet Nam, especially in the north, the influence of French culture can hardly be noticed. Some of the buildings that survived the wars and the existence of Catholics tell the history.

Equal rights for men and women, and for all ethnic groups are legally guaranteed in Viet Nam. However, opportunities are often uneven, thus these rights are not equally exercised. Those, who have less opportunities are those, who live in the rural area, and the people who live in the mountainous regions or poor people.

The Kinh are extremely business-minded people. This can be verified by traveling along the National Highway No. 1. Rows of small shops fill the road. Practically all Vietnamese people say they want to set up a small shop or trade if they have sufficient capital. However, their views tend to be small and short-termed. In general, they are more keen to make quick profits, but not accustomed to make large-scale and long-term plans.

It is said that there is a certain social stratum in Vietnamese society, but it is difficult to notice. Rather, in spite of government's effort to build an equal society, an economic strata seems to be coming out.

The Vietnamese society is presently undergoing radical change. Rapid or even, it can be said, a dramatic economic growth in the urban area is causing changes in their social life in various ways. The growing economic disparities are increasingly becoming a critical socioeconomic issue.

From Result of Social Survey and Observation: A Profile of a Poor Household

The profile of a typical poor household of an ethnic minority living in the mountainous area, for example, could be: A household with 3 children and mother and father; working member is only father; having the customary right to the land of 0.3 ha to 0.5 ha, hilly and infertile land without irrigation where they plant upland-rice, cassava and maize, or sweet potatoes for household consumption; add occasionally some forest products for marketing; annual income per capita is less than 100 US dollars or even less than 50 US dollars; no savings; no sufficient rice to feed the household year around and subsisting on supplemental food for 3 to 6 months, or relying on government subsidies; requiring 30 minutes of trekking to reach commune health clinic, and 30 minutes for children to reach their schools; the parents are unable to pay for school items; their caloric consumption conversion to rice per day is less than 1,700 calories; their house is built with bamboo walls, thatched-roof with palm leaves on the bear ground or stilt; one wooden bed for the entire family, a few clothes for change, a few pans for cooking, a small cabinet or shelf to store valuables, a cooking fire on the corner, a set of small table and chairs for eating if relatively rich, and some jars or containers to preserve surplus food if rich enough to keep. No electricity but a kerosene lamp, and water is fetched from a well some 50 meters away. The father is hardly literate and the mother has no formal education; the parents look very tired and pale; small infants are under-nourished and hanging rags around their bodies.

17.1.2 Poverty And Unemployment

Alleviation of poverty is one of the major socioeconomic issues in Viet Nam. The government's goal is to reduce the rate of poverty to 10% by the year 2000. The situation of "poverty" and unemployment of the study area are as follows.

The rapid economic growth of Viet Nam during the last few years has greatly contributed to the

reduction of the number of people, who had been classified as "poor" ¹ in the survey result of the "Vietnam Living Standards Survey (VLSS)" that was carried out during 1992 to 1993. The report recorded that more than 50% of the total Vietnamese population as "poor". Available recent data present that the rate of the "poor" people now is about 30 to 40% of the population (the rates vary from data to data).

The unemployment rates that were given by the provincial authorities were around 10% of the work force in all four Provinces, which is at an alarming level.

1) Quang Tri Province

The socioeconomic condition of the Quang Tri Province can be said as one of the poorest, if not poorer, Provinces in Viet Nam. The provincial government indicated that in 1995, 65% out of 535,000 people were classified as "poor" and "starving." Of these, about 30% were under "poor" category and the rest, 35%, were under "starving." Only approximately 35% of the total population of the Province were classified as average or better. The majority of these poor people live in mountainous area of Huong Hoa District, and Trieu Phong and Gio Linh Districts that include coastal areas. They are, for example, Van-Kieu people and Ta-oi people in the communes in Huong Hoa District visited by the study team.

The work force (the age between 16 and 55/60) of the Quang Tri Province is about 241,000 people, which is about 46% of the total population of the Province. The unemployment (or those who are jobless) rate at the time of the study was estimated 8 - 10%, consisting 20,000 to 24,000 people. Each year 4,000 to 6,000 new graduates come into the job market. However, because the size of the job market is limited and the market is highly competitive, many people are unable to find a job and, thus engage in agriculture.

2) Thua Thien-Hue Province

Approximately 17% of the total population of the Province are classified as "poor" and "starving." The majority of those, who are classified as "poor" and "starving", live in the western and south-western mountainous areas of A Luoi and Nam Dong Districts. Many of them are Co-tu and Ta-oi ethnic minorities. Some of the poor people also live in the lagoon and coastal areas, where land for cultivation is limited and which is disaster-prone by typhoons and floods. Those poor fishermen depend with their lives on small-scale and migratory fishery. Out of approximately one million population of the Province, 74.2% live in the rural area.

Of the one million population, the work force consists of about 480,000 people. Of which 11.5% of the work force, that is roughly 55,000 people are out of job in 1995.

Hue City faces complex problems of urban poor. These are the people who live on the boats on Huong River that runs through the City, and some of who take up prostitution and drugs. There are also a considerable number of street children, who were deserted by their parents or who lost their parents for various reasons. Furthermore, many of them are illegal inhabitants, who migrated into the City looking for jobs. And some others are those, who became impoverished as a result of the serious floods that attacked the area a few years ago, and who lost the basis of their livelihood.

3) Quang Nam-Da Nang Province

There are many high mountains of more than 1,000 meters above sea level in large areas of the western and southern part of the Quang Nam-Da Nang Province, where various ethnic minorities still practice shifting agriculture. The provincial government is particularly sensitive about the development of minority groups living in these mountainous areas.

Out of 258 villages of Quang Nam-Da Nang Province, 78 villages and about 30% of the total population are considered "poor." And there are six poor Districts including four mountainous

¹ The definition of "Poor" and "Starving" given by the Vietnamese government: "poor" - less than 2100 calories in caloric conversion by rice, "starving" - less than 1,700 calories per day. But the standards vary from Province to Province. Those, who are recognized as "poor" and "starving" receive temporary or permanent government subsidies depending on their conditions.

Districts of Hien and Giang on the west, and Phuoc Son and Tra My Districts on the south. Then, Hiep Duc and Tien Phuoc Districts are in the mid south. Fifty six percent of the total population of the poor six Districts were classified as "poor" and "starving." Of 56%, 64% were classified as "poor," and the rest, 36%, were under the category of "starving." Many of these "poor" people are the Xo-dang, Co-tu, Co and Gie-trieng ethnic minorities.

The Province has approximately one million of work force (16 - 55 years for female and 16 - 60 for male), but some 9% of the active population are jobless. Every year about 30,000 people join the job market, but many people are unable to find a job.

4) Quang Ngai Province

In the Quang Ngai Province, 35% of the total households were classified as "poor" and 30% were classified as "starving." Of the above, 50 to 55% households are living in the mountainous areas, such as Son Ha, Tra Bong and Ba To Districts. For instance, 83% of the entire population of the Ba To District consists of the Hre ethnic minority, who are engaged in agriculture and forestry.

The labor force, those who are ages of between 18 and 50, are approximately 600,000 people. Of 600,000 people, 10 to 12% are out of job. Each year only 15,000 to 20,000 people are able to find jobs.

A survey that had been recently conducted by the Quang Ngai Province revealed the reasons for the poor remaining poor. The result suggests that people need, first, income sources, then the knowledge of effective use of money. The result of the survey is shown next.

Table 17.2 Reasons for Remaining Poor

Reasons	Percentage
No money	72 - 90
Don't know how to use money	49 - 60
No plan for expenditure	25 - 30
Many children but less workers	52 - 63
Lack of job	60 - 70
Lack of land	5 - 10
Bad luck and sickness	20 - 28
Lazy	5 - 7
Too old	18 - 25

Source: Department of Labor, Invalids and Social Affairs, Quang Ngai Province.

5) Summary Of Poverty And Unemployment

"Poverty" should be understood from two sides. One is in terms of household income, and the other is social services provided by the governments, that is "Quality of Life." The best, and may be the only way to achieve the goal of alleviating poverty is to directly attack the poor areas by preferentially concentrating programs on increasing incomes and on diversifying income sources in the poor rural area, and increase job opportunities in the urban area. At the same time, the governments should improve social infrastructure and social services in the regions, where such services are presently very poor.

Those, who were classified as "poor" tend to be concentrated in certain areas, such as mountainous regions and some of the coastal fishing villages. Our survey revealed that incomes of some of the sub-urban communes situated around small cities too are relatively low. Also revealed were marked differences in income levels between the major cities and rural areas, and between the households, who produce industrial crops and those who do not.

Social Survey Result: An average annual income per capita in the households in a ward in Hue City is around 3 million Viet Nam dong (VND) while in a mountainous commune is more or less 900,000 dong per capita. The households in a ward of Da Nang City is 4.6 million VND, but a commune in the mountainous region is about 400,000VND.

17.1.3 Health Services

As a result of vigorous efforts by the government, Viet Nam enjoys remarkable achievements in the field of health services. Few examples are as follows.

According to the World Development Report of 1995, the World Bank, life expectancy at birth as of 1993 is 66 years in Viet Nam which is one of the highest among the poor developing countries: The crude death rate per 1,000 population was 15 in 1970, but in 1993, it was reduced to 8 infants, while other countries of similar economic conditions are all two digits. This is also an exceptional achievement comparing to the economic condition of Viet Nam. Also outstanding is the rate of infant mortality against 1,000 live birth, which was 111 in 1970 but it was reduced to 41 by 1993. The mortality rate of children under 5 out of per 1,000 in 1993 was 48 that is one of the lowest among poor developing countries.

The network of health services in Viet Nam is widely extended to the corners of the Districts and communes. Health services for the rural area are provided through commune health clinics or health posts and in some cases by health care teams. However, some households living in the remote mountains in a scattered manner still require hours and days to reach a health facility.

Health services are provided through: the central government, provincial, District and commune governments. General hospitals with more or less 50 beds, 10 to 20 doctors, and 2 nurses to each doctor, and specialized hospitals are generally located in provincial capitals and District towns. Polyclinics are distributed to District or commune levels covering several Districts or communes, and commune health clinics or stations are distributed to the commune level. Also health-care teams, such as "anti-epidemic team" or "family planning team" consisting of 3 to 5 staff, a nurse, midwife, doctor's assistant are organized at the District level to provide services to communes and villages.

1) Quang Tri Province

The Province of Quang Tri has a total of 7 general hospitals, 1 general hospital in Dong Ha, 1 regional hospital that covers 3 Districts, 5 District hospitals, and 15 general or polyclinics to cover 2 to 4 villages and 1 sanatorium. There are 248 doctors, 328 doctor's assistants, 344 nurses and 140 midwives in the whole Province. Out of 132 communes (as of December 1996 by Ministry of Public Health data) 21 communes of the Quang Tri Province do not have any kind of health facilities. However, at the time of our study, it was explained that 95 communes and villages have health facilities, and 41 more villages have only health teams, but no buildings. The communes without clinics are in the Districts of Gio Linh and Huong Hoa, the poor Districts.

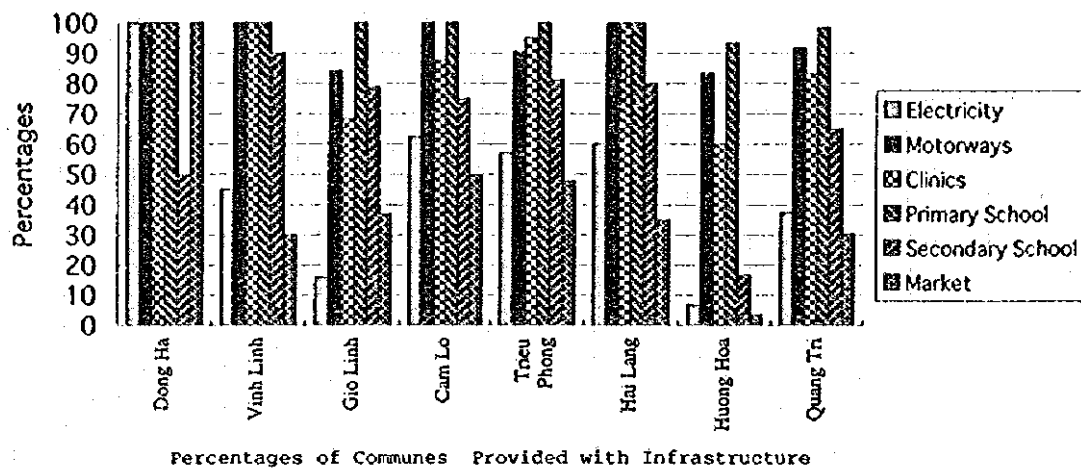
Health services are composed of two component: one is the prevention of diseases, which is carried out by 17 different programs, and the other is the provision of treatment in health facilities.

Some of the 17 preventive programs are as follows:

- a. Provision of immunizations - to prevent 6 children's diseases (measles, typhoid, whooping cough, polio, tetanus, tuberculosis)
- b. Prevention of diarrhea
- c. Prevention of malaria
- d. Prevention of goiter
- e. Prevention of leprosy
- f. Prevention of mental diseases
- g. Prevention of tuberculosis
- h. Improving general sanitation
- i. Prevention of malnutrition

- j. Prevention of eye problems, and
- k. Treatment for harelips.

Figure 17.1 Infrastructure in Quang Tri Province



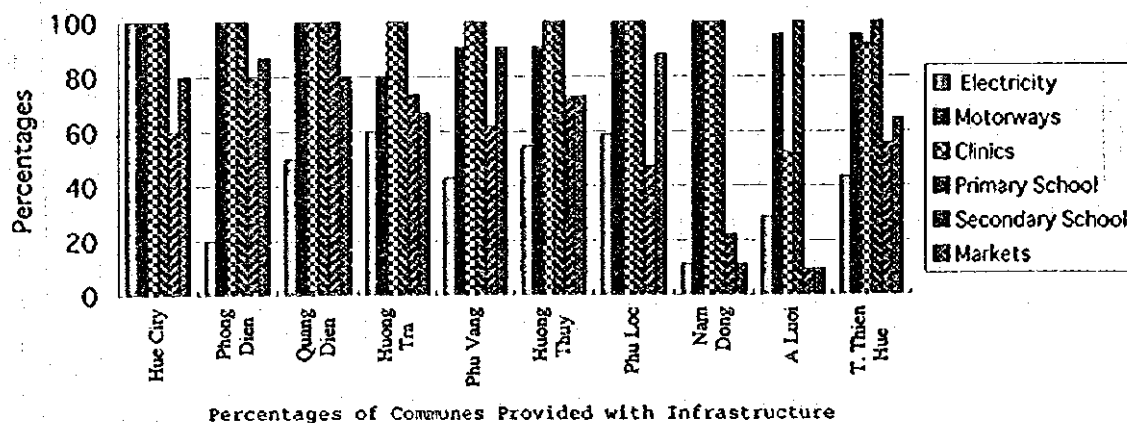
The most common sicknesses or diseases found in the Quang Tri Province are:

Diarrhea	62%
Goiters	23.5%, and
Malaria (spread in 41 villages)	0.92%
Women's diseases	

2) Thua Thien-Hue Province

The Province of Thua Thien-Hue has a Central Hospital in Hue City with 1000 beds, 300 doctors, 500 nurses and 200 supporting staff. The Province has a total of 11 hospitals, 21 polyclinics and 3 sanatoriums. Health workers in the Province count 559 doctors, 394 assistants, 619 nurses, 266 midwives and 346 herbalists. Hue City has one of the five medical colleges in Viet Nam. The college can accommodate 2,000 students producing 200 doctors every year. But the facility, equipment and instruments are in extremely poor condition.

Figure 17.2 Infrastructure in Thua Thien-Hue Province



Except for 8 communes in A Luoi District, all communes (145 communes at the time of our study) in the Province are provided with health clinics. Out of 145 clinics, 125 are in sufficient condition, but 20 are in poor condition.

Major sickness and disease in the Province are:

Malnutrition	45% of new-born to 5 year-old children
Malaria	2,000 to 3,000 cases in the mountainous Districts of Nam Dong and A Luoi, and one coastal & lagoon area, Phu Loc District
Cholera	Although the death rate is low, cases increase, when floods occurred. 93 (500-2000 cases due to floods), 94 (7 cases), 95 (105 cases due to floods)
Dengue fever	100 - 500 cases per year (low death rate).

Major causes of death from disease and sickness:

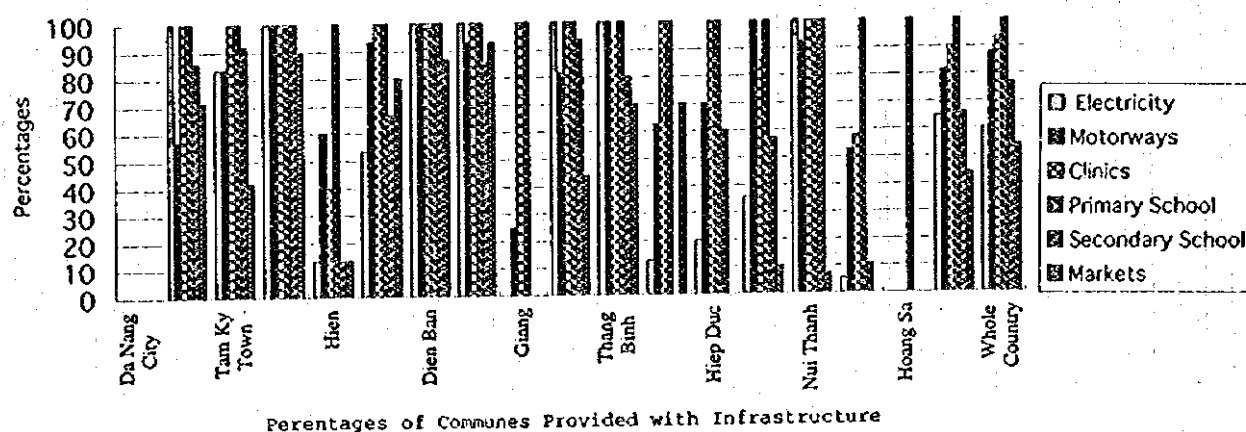
Virus contracted disease	Highest causes of death
Lung related	Pneumonia
High blood pressure.	

3) Quang Nam-Da Nang Province

The health services in the Quang Nam-Da Nang Province are also very well distributed, except for some mountainous Districts. It has 23 hospitals comprising 18 District hospitals, 2 provincial hospital and 3 specialized hospitals. In addition, there are 1 sanatorium, and 223 health care centers and medical points in communes. The numbers of health staff are 989 doctors, 1,190 assistants, 1,205 nurses, 185 midwives and 16 herbalists. Out of 258 communes, 30 communes are without medical facility. The government has already decided to construct 26 additional commune clinics, leaving only four more communes in need of health facilities. Of those four, two are required in Hien District and the other two are required in Tra My District, both of which are in the mountainous region of the Province.

The highest ratio of diseases and sicknesses that people suffer are diarrhea and lung related diseases followed by malaria, dengue fever and goiters. Death caused by sickness are infectious diseases, high blood pressure, cardiovascular diseases, and meningitis Japan.

Figure 17.3 Infrastructure in Quang Nam-Da Nang Province



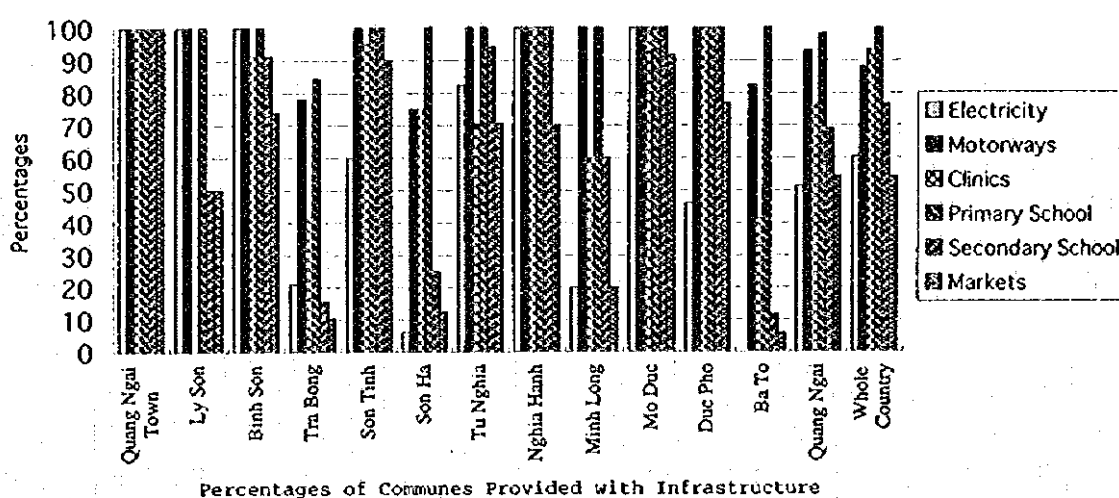
Various projects have been and are being carried out by the governments to improve health and sanitary conditions. Some of them are: projects sponsored by UNICEF to provide vaccination to children which resulted in the increase in the ratio of immunized children to 90%; distribution

of iodized salt by the government to those who need to prevent goiters, and the assistance of the "World Vision" and some German NGO for the provision of clean water to hospitals.

4) Quang Ngai Province

The Province of Quang Ngai has 12 hospitals and 19 polyclinics. Out of 171 communes and villages (at the time of our study), 156 are covered by some kinds of health services, but 72 communes are without health care facilities. The ratio of the communes without clinics is the highest among four Provinces. The communes, which lack health services are, again, mostly in mountainous Districts: Tra Bong, Son Ha and Ba To. Ba To District, for example, has 17 communes but only 4 communes are distributed with some medical points or clinics; Tra Bong has 19 communes and only 4 medical facilities are available.

Figure 17.4 Infrastructure in Quang Ngai Province



The numbers of health service staff in the Province are 254 doctors, 547 assistants, 556 nurses, 185 midwives and 350 herbalists. Quang Ngai Town and Binh Son District have more than 70 herbalists each.

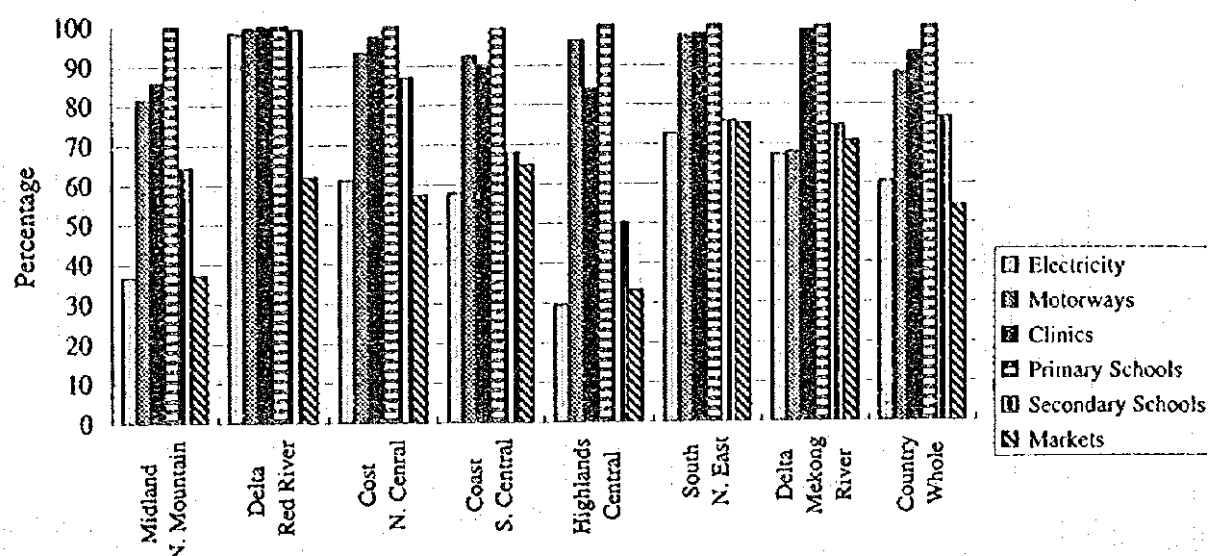
Most common diseases in Quang Ngai are bronchitis, hemorrhage fever, malaria, pneumonia, and hepatitis. The death caused by sicknesses are malaria, dengue fever, meningitis Japan, and cardiovascular diseases.

There are only very few assistance coming to the Province for the health sector. Some international NGOs provide medicines, some medical equipment and assistance in plastic surgery. Also assistance comes from UNICEF for provision of some equipment and clean water.

5) Summary Of Health Sector

Health services in the urban area seem satisfactory, but problems are seen in the rural area. Out of 706 total communes (Data of Ministry of Health as of December 31, 1995) of the four Provinces, 131 communes still have no health facilities of any kind. The government of Viet Nam is planning to construct at least one health facility for each commune by the year 2000. The construction of 300 additional health clinics for the year 1996 for the entire country has already been decided by the government and the budget required has been allocated. However, how many communes of the four provinces shall be included is not clear at the moment except for the Quang Nam-Da Nang Province, where the construction of 26 clinics has been already scheduled. This indicates that at least more than 50 commune clinics should be newly constructed in the near future in the study area.

Figure 17.5 Social Infrastructure By Region



The focus of the health services is widening from the construction of health facilities more to the improvement of the quality of health services and health staff these days, and the improvement of the existing health facilities, because the quality of commune level health services is said to be deteriorating recently. The necessity of improving the existing clinics is obvious, for many of the clinics or stations are built with temporary types of materials such as palm leaves, straw thatches, and bamboo walls and in very poor condition. In addition, their equipment are poor or there are no notable equipment or medical kits.

17.1.4 Education

The achievement of education is, along with the provision of health services, another most remarkable accomplishment of Viet Nam. The universal primary education in the urban area has already been accomplished, and is now moving toward the universal secondary level education. The eradication of illiteracy has been also accomplished in most urban areas. The adult literacy rate ² of 88% as of 1990 (World Development Report, 1995, the World Bank) is extremely high comparing to other developing countries with similar economic conditions.

The education system in Viet Nam is that 5 years for primary level, 4 years for secondary level, 3 years for high school level, and 3 to 5 years of higher education. There is no compulsory education in a strict sense including primary school.

1) Quang Tri Province

Our survey found that the Province of Quang Tri has 153 primary schools, 67 lower secondary schools and 14 upper secondary schools. There are 1 teachers' training high school and 1 agricultural high school as well. It also has 1 job training school for 50 to 100 students, 9 vocational training centers and 8 centers for on-the-job training (continuing schools for those, who could not attend regular schools). However, the Province does not have any higher educational institutes.

Although almost all communes are distributed with primary schools now, many schools are applying a shift system, due to a lack of a sufficient number of school buildings and class rooms. For example, 9 villages in a mountainous District where 200 classes are required, have

² The definition of "literacy" in Viet Nam is interpreted as those who completed up to the second grade of primary school

only 115 classes. Huong Hoa District in the mountainous area, has shortages in classes and has the lowest distribution rate of secondary school in the Province. Only 16.7% of the total communes have secondary schools.

Out of 134 villages, 98 villages have already achieved the national goal of eradication of illiteracy. Those villages are mostly located in the lowland areas. There are still 12,000 illiterate people in the Province, many of who are concentrated on the mountainous areas and on the coastal regions.

Result of Interview: An interview survey conducted by the study team to communes in Huong Hoa District, Quang Tri Province revealed that some 40% of the commune people among Van Kieu minority group are illiterate. Those are typically older people, particularly women, and there are people, who have no idea about their age.

2) Thua Thien-Hue Province

By the school year 1994 - 1995, the Province of Thua Thien-Hue has 210 primary schools, 59 lower secondary schools, and 16 upper secondary schools. The Province also has 15 vocational schools, 4 technical secondary schools, 12 centers for vocational training and 7 higher educational schools (colleges and universities).

The distribution rate of primary school is 100%. But the rate of secondary school distribution to the commune level is the lowest in the A Luoi District, 9.5%, and lower in Nam Dong District, 22.2%. These two Districts are in the mountainous areas, where minority people live in large number.

Out of 9 Districts in the Province, 6 Districts and out of 145 communes and villages, 101 have already solved the problem of illiteracy, but there are still 18,000 illiterate people in 3 poor Districts. Those Districts are A Luoi and Nam Dong in the mountain, and Phu Vang District in the lagoon and coastal area. Thua Thien-Hue Province is attempting to eliminate the illiteracy by the year 1998.

The vocational education in the Province seems quite successful. Out of 8,203 students in 15 vocational schools, a majority of students have accomplished their goal and graduated for the school year 1994-95. The vocational centers cover: electronics; mechanics; traditional crafts, such as carpentry, sewing embroidery; services such as tourism and hotels; business correspondence and so on.

3) Quang Nam-Da Nang Province

The diffusion of schools in the Quang Nam-Da Nang Province is the largest among four Provinces. The Province has 268 primary schools, 133 lower secondary schools and 29 upper secondary schools. Quang Nam-Da Nang Province also has 6 vocational schools, 11 technical secondary schools, and 6 higher education institutes.

The distribution rates of primary school to communes are 100%, but the rates of lower secondary school in some mountainous Districts are still low. Those are the communes in Hien, 13.3% and Tra My, 10.5%. The rates of other Districts are much higher between 60 to 80%. The Districts with 100% of lower secondary school distribution to communes are Hoa Van and Dien Ban that are situated adjacent to Da Nang City, and the District of Nui Thanh, the southern most of the Province on the Highway No. 1.

The Quang Nam-Da Nang Province has 7,920 students in 11 technical secondary schools which is the largest number among four Provinces, and it also has 12,820 students in other miscellaneous types of schools. The Province has also the highest enrollment ratio, 92.0%, of lower secondary school against primary school graduates while the rates of other 3 Provinces stay at around 84%.

The illiteracy rate is some 8% of the total adult population between 15 to 35 years of ages, which counts approximately 6,000 people. Most of these people are in the mountainous regions and coastal areas. The Province plans to eliminate illiteracy by the year 1997.

4) Quang Ngai Province

All communes of the Province of Quang Ngai have primary schools and classes of some kinds. There are 210 primary schools, of which 58 are distributed in the mountainous areas; 108 lower secondary schools, of which 11 schools are in the mountainous areas. There are also 30 upper secondary schools that includes 4 schools of the mountainous areas. In addition, the Province has 5 private and state combined upper secondary schools each with 1,000 students. There are 7 vocational centers where students of secondary schools can attend; 4 technical secondary schools and 1 junior teachers' college.

To facilitate school attendance for children of mountainous areas, boarding schools are prepared for minority people. More than 1,100 students are studying in the boarding schools. Another type of educational institutes are, a public school that provides primary and secondary education together; continuing education centers which provide education for basic curriculum, vocational training and post graduate education combined. Furthermore, classes for adults and some children who did not have opportunities for education in the past can attend.

In 1986, there were some 37,000 illiterate people in the Province of Quang Ngai, but by the year 1995 the number has decreased to 22,000 people among the population of between 15 and 35 years old. This will be 1.5 to 2% of the total population of the Province. Again, these illiterate people live in the mountainous Districts and communes.

Thirty percent of the school buildings in the Province are built with palm leaves and thatches, and are rapidly deteriorating. And, very many schools are operating with two to three-shift system in order to accept all children of the school year.

5) Summary Of Education Sector

As already mentioned, illiteracy in the urban area has almost been eliminated. However, the situation of rural areas require much more work to do. Although almost all communes in the rural area have primary schools, except for some communes in the mountainous areas, the rates of primary school completion are not as high as the government might wish. Also, there still remain illiterate people in mountains, lagoon and coastal areas within the study area. The government's policy and goal is to eliminate illiteracy by the year 2000.

Another problem of the existing condition is that many primary schools and secondary schools are operating with two shift and three shift systems to accommodate all children of school-age. This indicates that there are still not sufficient number of schools and class-rooms to accept all pupils. Further, many schools in the rural area are built with poor materials such as bamboo trees, straws and, palm leaves requiring frequent renovation. Some schools are not provided with even toilets or clean water. They also lack science kits, musical instruments, and even textbooks and education materials as well.

Furthermore, many primary and lower secondary schools are hiring substitute teachers. Qualifications for primary school teachers are either graduation of lower secondary school plus 3 years of experience or graduation of upper secondary school plus 3 years of experience.

The government is presently trying to upgrade the qualification of school teachers to improve their quality.

Result of Social Survey: Only half of the primary schools have all qualified teachers on average within the surveyed communes. That is, all teachers are qualified in only one school out of four primary schools in two Provinces, and all teachers are qualified in three schools out of four schools in other two Provinces.

17.1.5 Other Social Services And Infrastructure

Other social services and infrastructure are basically studied by each specialist. However, the conditions of District and commune levels shall be explained here.

Not only the distribution of schools, health facilities and health services, but also other social infrastructure and services such as power supply and markets are quite unevenly spread among

Districts and communes. The disproportion between the urban and rural area, and especially between the mountainous area, are clearly shown in statistics. (See graphs and attached tables.)

1) Power Supply

According to the statistics of the General Statistical Office, 1995, approximately 60% of the all communes of Viet Nam are provided with electricity, highest being the Red River Delta Region. The distribution rates of the North Central Coast and South Central Coast Regions, where the four target Provinces are included are about 61% and 58%, respectively, which appear to be about the same rate as the national average.

Within the four target Provinces, the provision of power supply is higher in the urban areas and in the Districts where National Highway No. 1 is running through. Many communes in the Districts on the Highway has 100% of power services.

(1) Quang Tri Province

The average of power supply in Quang Tri Province is 37.5%. This is much lower than the national average.

While about 37.5% of the total communes have electricity, the households that are provided with electricity are only 30% of the total number of households in the Province. Further, the households actually using electricity are concentrated on Dong Ha Town, where about 80% of the households have access to power supply. The lowest distribution can be seen in the households in Gio Linh District, where only 8.5% have access to power, and Huong Hoa District with 6.4%.

The situation at the commune level is the same. The lowest rates of access to electricity is seen in the communes of Huong Hoa, where only 6.7% of the communes have, and 15.8% of the communes in Gio Linh Districts, while all communes in Dong Ha Town enjoy power service.

(2) Thua Thien-Hue Province

For the Province of Thua Thien-Hue the situation is similar. While all communes in Hue City have access to electricity, only 11.1% of the communes in Nam Dong District, 20% of communes in Phong Dien, and 28.6% of A Luoi have electricity. Also, roughly 70% of the households in Hue City can enjoy the service, yet, only 1.5% households in Nam Dong, 7% in A Luoi, and 12% in Phong Dien are using electricity.

(3) Quang Nam-Da Nang Province

While all the communes within the Districts situated on the National Highway No. 1 are provided with electricity in the Province of Quang Nam-Da Nang, many communes in mountainous areas lack the service. The lowest access can be seen in the communes in Tra My District, where out of 19 communes only 1 commune has electricity. In the Districts of Phuoc Son, 12.5% of the communes, and Hien 13.3% of the communes have power supply. Out of more than 6,000 households in the District of Tra My, only 5 households, which is 0.1% of the total households are using electricity. In the District of Giang, 12% of the households and in Hien District 13% of the households use electricity.

(4) Quang Ngai Province

The power service of the Quang Ngai Province seems better. Out of 12 Districts in the Province, all communes of 5 Districts have been already supplied with electricity. The low rates of distribution are seen in the communes in the mountainous areas. In Son Ha District, only 1 commune out of 16 communes has the service, 20% of all the communes in Minh Long District, and 21% of communes in the Tra Bong District have power supply. The situation of Ba To District, which is considered one of the poorest Districts, is unknown. The rates of using electricity at household level are nearly the same as the rates of communes. The lowest is in Son Ha, where only 6% of the total households are using electricity, while in Minh Long the rate is 14%.

2) Clean Water

Reliable data on the availability of clean water at the District and commune levels is difficult to collect. Some data indicate that a national average of having piped-water or running water is some 1% out of the total rural households.

The situation of four target provinces, appeared to be lower than the national average. In Quang Tri Province, out of the total rural households only 0.6 % has access to piped-water or running-water. Thua Thien-Hue Province has very high percentage of using running water among four Provinces, 3.4%, Quang Nam-Da Nang 0.5 and in Quang Ngai 0.6%.

It is estimated that a majority of rural households of Viet Nam, including the four Provinces, more or less 80% are using various kinds of well water. The statistics on well water indicates that 86% of the total rural households in the Province of Quang Tri, 72% households in Thua Thien-Hue, 85% of Quang Nam-Da Nang Province and 90% of Quang Ngai Province are using water from wells of various kinds.

3) Markets

Access to markets is considered one of the key issues of increasing farmers' income. The distribution of markets in mountainous regions is very poor. Also, many markets in the rural area are partially or totally open type, where people have free access to sell own products.

The average rate of market access in the rural area at national level of 1994 is 54.2%. While the rates in communes in the North Central Coast Region is 57.2% and in the South Central Coast region is 64.7%. The highest distribution is seen in the North East South Region, where the rate is 75.1%.

(1) Quang Tri Province

An average distribution of market in the communes in Quang Tri Province is only 30%, which is far below the national average. There is a total of 37 markets in the communes in the Province. Dong Ha Town has a grand market to serve as a nucleus of trades of the Province. The 2 communes in Dong Ha Town have 2 markets which is 100%, followed by Cam Lo District, where half of the communes have markets. The lowest of the province is the District of Huong Hoa, which occupies about a half of the entire surface area of the province, has only 1 market out of 30 communes. The District of Trieu Phong has 10 markets within the District, which is the largest number, but still only half of the existing communes.

The Province of Quang Tri has a plan to largely expand market networks, first along national highways.

(2) Thua Thien-Hue Province

The market network of the Province of Thua Thien-Hue is well developed. Hue City has a grand market in the center along the Huong River. The rural communes of the province as a whole has 80 markets and the rates of the distribution against the number of communes are also considerably high. The average of the distribution of the province is 64.5%, which is about 10% higher than that of the national average.

The highest is Phu Vang District where 90.5% communes, that is 19 communes out of 21 have access to market. The lowest 2 Districts are, A Luoi 9.5%, that is only 2 communes out of 21 communes have markets, and Nam Dong 11.1%, only 1 out of 9 communes. All other communes in the province have higher than the national average.

(3) Quang Nam-Da Nang Province

The market information of Quang Nam-Da Nang Province is only partial. Out of 16 Districts, the information of 5 Districts, Giang, Phuoc Son, Nui Thanh, Tra My and Hoang, is missing. Da Nang City itself is the largest market in the four provinces. Within 11 Districts for which information is available, there are 90 markets. The average rate of distribution of the 11 Districts is about 44%, which is 10% lower than the national average.

The highest distribution is seen in the District of Duy Xuyen, 92.9%, where out of 14 communes, 13 communes have access to a market. Other high distribution can be seen in the Districts, which have National Highway No. 1, or Districts located close to Da Nang City, such as Hoa Vang, Dai Loc, Dien Ban and Thang Binh Districts. The lowest Districts among the available information are, Tien Phuoc 7.1%, which has only 1 market in 14 communes, Hiep Duc 10% and Hien 13.3%.

(4) Quang Ngai Province

The average market access in the communes of the Quang Ngai province is 54.4%, which is close to the national average. The province has a total of 86 markets. Only all 4 communes of Quang Ngai Town have a market in each commune, but not communes in other Districts. More than 90% of the communes in the Districts of Son Tinh and Mo Duc, where the Highway No. 1 runs through, have markets.

There are, for example 18 markets in Son Tinh where 20 communes exist. However, within 17 communes of Ba To District there is only 1 market, and there are only 2 markets in the District of Tra Bong where 19 communes exist. The situation in Son Ha District is similar, there are 16 communes, but only 2 markets.

(5) Summary On Market

Vietnamese dishes use a variety of vegetables. The quality of vegetables sold in markets is quite high and varied. Besides formal markets, many street vendors can be seen in large cities carrying vegetables and fruits in baskets going around streets or those who simply sell crops on street corners.

Whether farmers are living in the rural area or close to the urban area, it is already widely recognized that market availability is one of the key factors of income increase and crop diversification at the household level. Various available data analyze that the income rates and living standards of the people are considerably higher, where roads and transportation are available, and therefore markets are accessible, comparing with the households, where such social infrastructure is not available. Here again, those who live in the communes in remote mountainous areas have the least access to markets. Further, many of the markets in the rural areas are partially or entirely open markets. Thus, they are difficult to open during heavy rains.

The result of our survey reveals that the requirement for market availability along with access roads as one of the higher priorities of the rural people.

17.1.6 Summary Of Present Condition

Major social issues in present-day Viet Nam can be summarized in four points: Alleviation of poverty, need for improving social infrastructure, need for improving social services and the need for settlement of minority people, who practice slash and burn agriculture and who frequently migrate.

The first and the most important social issue is the presence of a large number of "poor" people. The majority of these poor people are farmers living in the rural area, especially in the remote and mountainous regions. They are hardly surviving by relying on government subsidies. All able people, except for children, elders and sick or disabled peoples, should be independent. Self-reliance can be achieved by the assistance and cooperation of the government and the people.

The second issue is that those poor people are provided with less or the least degree of social infrastructure such as road, electricity, market, and to a certain extent, schools and health facilities compared with the people living in lowlands and urban areas. The provision of required social infrastructure is basically the responsibility of the government. However, this can also be achieved by the participation and cooperation of local people.

The third is the insufficient provision of social services that generally accompany the infrastructure. For example, it is said that the quality of health services in the rural area is declining, thus people are losing confidence in commune health clinics. Provision of sufficient

basic and necessary education to people can be complemented with such services.

Because of poverty, poor social infrastructure, and poor social services, a number of poor people migrate frequently from one place to the other in hope of a better life, and practice "slash and burn" agriculture causing serious environmental problems. Many of them also migrate to cities looking for wage labor and cause urban problems. This is the fourth point. Unless farmers are able to make their living on farming, this situation shall be further accelerated. The government policy of tackling this issue is to settle them through social forestry projects.

There is no panacea to solve these problems in a short period and with one method, because the problems are many and they are intertwined with each other. The development of rural areas should be considered differently and separately from the development of urban areas, which largely rely on modernization and industrialization.

17.2 POTENTIALS AND CONSTRAINTS

Potentials and necessities for development of the social sector in the four provinces are great. However, the constraints for the development are also immense.

17.2.1 Poverty And Unemployment

Despite of limited economic growth in the Central Region, the expansion of industries, businesses and development of social and economic infrastructure, and almost any kind of development activities shall increase business and job opportunities for the urban people. Thus, economic activities and growth can give some impact upon the "urban poor."

However, the situation of the rural people, especially those, who are at the lowest economic stratum, is different. Because they are physically and socially isolated from the outside world, the benefits of the "doi moi" or open economy are hard to reach them. The infusion of foreign investments, the development of large-scale industries, the introduction of high-tech industries and the renovation of national highways will not bring benefits to the most needy.

Poverty alleviation requires special attention to make a development plan which focuses on the "rural poor." Therefore, the focuses of potentials and constraints of this section are placed on the poorest people of the mountainous regions.

1) Potentials

The potentialities for development of the rural people who live in the mountainous areas, are extremely limited. However, if deliberate efforts are made to improve their life by placing development focuses on these people to increase their incomes, and by improving their social infrastructure and social services, notable changes may be expected. And thus, the national goal of reducing "poverty" may be achieved.

An important issue of poverty alleviation of poor farmers is to firmly establish the linkage between farm production and sales of crops. Also necessary is the creation of job opportunities for rural people, who have only very limited ways of earning cash. One more important issue is to activate the economy in small rural towns.

In view of the extent of poverty, the improvement of the people's life in the mountainous regions first requires some sort of direct financial assistance to households, and this is essential. Their incomes are simply too low to improve their life by themselves.

The second potential is expansion of the farm production base accompanied by improved farming practices. Even though these people are receiving government subsidies, those subsidies are directed towards supplementing food shortage, but they are not sufficient to expand their production. Hence, some financial assistance along with technical assistance are necessary in order to increase their production base and secure their income. There is still potential land in many mountainous regions to expand cultivation.

Expansion and improvement of the production base means expansion of cultivation; diversification of crops especially to include industrial crops, fruits and vegetables and tree

plantation; increased animal husbandry and fish culture with improved farming methods.

Presently, those people produce almost the entirely food crops for family consumption. Due to lack of market access, roads and transportation, know-how, irrigation, and most importantly lack of capital, the production of cash crops is limited, even in the areas where such production is possible in terms of soil quality and climatic conditions, land is available, and the farmers are well aware of the profitability.

The third potential is the establishment of local processing industries as the government proposes, may be in District Towns. This shall secure the market for products with reasonable prices and simultaneously create job opportunities for rural people. In addition, value-added products can bring much better profits than raw products. Significant effects expected of the establishment of industries shall be the promotion of diverse economic activities in the rural area that industries can bring about.

Various surveys already analyze that the production of food crops, even though they can sell them at the market, will not increase household income. The households enjoy better income are the ones who have multiple income sources other than farming, and those who produce more cash crops. Therefore, the diversification of income sources and diversification of crops are a necessity for income generation and income increase.

2) Constraints

The existing constraints for the rural communes and people are summarized as "isolation," "risk," "lack of adequate productive resources," "lack of sustainability," and "inadequate participation." These people and communities are typically isolated from the outside world physically, geographically, socially and intellectually.

Some of these constraints, such as physical isolation, lack of adequate productive resources or inadequate participation, can be reduced if social infrastructure and social services are sufficiently provided.

The people themselves express that the biggest constraint of all is the lack of capital to expand their production base. Although the government has established the "Poor people's Bank" this year, and financial assistance for the poor somehow became available, the system is still at its infant stage and cannot cover all the poor people who need assistance.

There are almost no opportunities for the farmers in the mountainous regions to earn cash income. There are no industries, no offices and not even farm labor. Generally farm labor is the opportunity for small farmers or landless farmers to earn extra cash in developing countries, but because of the situation in Viet Nam, where there are no so called "large landlords" or only very few "large plantations" exist, the farmers have no place to work for. Almost everybody is an independent small farmer, and there is no need for farmers to hire external labor force to help their farming, or either they cannot afford paying for labor. This situation is another underlying constraint.

Also an important constraint is that those ethnic minorities living in the mountainous regions are unable to produce sufficient food to feed themselves year around. Many poor farmers are able to produce rice to feed themselves for only 6 to 3 months, thus they survive depending their life on government subsidies, and cassava and sweet potatoes for rest of the months.

Under such extreme conditions, it is very difficult for farmers to be creative. It should be recognized that socioeconomic conditions of many ethnic minorities are entirely different from the conditions of the majority of the Kinh, who live in urban or lowland areas where access to various resources are much easier. There is a need for external assistance to give them some direction so that they shall become aware of their possibility, learn necessary know-how, and become responsible people.

17.2.2 Improvement Of Health Services

The development of the health sector of rural communities shall bring considerable improvement to the quality of the people's life in the rural area. The improvement shall increase productive capacity and reduce some of their severe financial burden.

1) Potentials

As explained in the section on "Present Condition," there are 131 rural communes in the study area without health facilities. If all the communes, which presently do not have health facilities, are provided with the clinics and health services, morbidity and mortality rates can be reduced. A healthier life, shall increase people's productive capacity, because they no longer lose working-days for becoming sick. The diffusion of health services accompanied by health education for community people shall improve their quality of life, because the people will become more conscious about their own health-care. And further, by making appropriate health services available to all, self-examination and self-treatment that might jeopardize their lives could be discontinued.

If medical teams are provided with a mobile clinic or a traveling clinic to go around remote villages and hamlets, the quality of health-care in the remote regions can be significantly improved.

The provision of appropriate health education, which may be the most important potentiality, particularly to women, will greatly improve the living condition at the household level. Thoroughly educated women shall contribute to the improvement of the household nutrition and diet, child-care, health care of the family, and more importantly, it will best work for the improvement in family planning.

2) Constraints

The constraints faced by the health service sector in the rural area are basically of four kinds. One is the lack of medical facilities and the other is the shortage of equipment and instruments. These are fundamentally financial problems. The third is the shortage of medical services through medical staff. The fourth, and may be the most important constraint, is the lack of people's basic knowledge of health-care and some negative habits they practice.

In spite of the wide distribution of health care facilities, there are many rural population, who do not have access to health clinics, mainly for lack of road access. Another major problem with medical facilities is the lack of sufficient provision of medical equipment, kits and medicines. In many cases, health clinics have been constructed, but because of budgetary problems the provision of medical equipment, instruments or medicines are too poor to reasonably meet people's needs. The clinics that were visited by the study team had neither a stethoscope nor a sphygmomanometer, which are basic medical instruments.

The third major constraint is the quality and quantity of health workers. The number of health service workers are insufficient, and the quality of health service workers' training is not adequate. When people live scattered, distribution of health service is more difficult. The underlying problem is a low emolument for commune level health workers. The salaries of commune level working staff were basically paid by the commune, but because most communes were facing financial difficulties, their salaries were nominal. (Starting January 1996, the salaries of commune health workers are being paid by the central government. Their salaries were raised from 7 US dollars per month to 20 US dollar per month).

The fourth is lack of even simple knowledge of health-care, such as sanitation and diet of the people. For instance, people defecate anywhere at their will, or do not appropriately clean dishes or food. The constraint is also, the traditional way of life that ignores necessary diet or sanitation and health-care. Given appropriate education many diseases and sicknesses or child malnutrition can be avoided.

Lack of transportation and poor road condition that impedes the operation of effective and efficient campaigns by the existing medical teams for health education is another important constraint faced by the commune level health-care.

17.2.3 Education And Schools

Achieving the government goals for eradication of illiteracy and the provision of universal basic education for the rural area and up to secondary education for the urban area by the year 2000 are progressing in a fairly satisfactory manner. However, the accomplishment of the above

goals require more work for the rural area.

As explained previously, almost all communes are already provided with at least primary schools or classes of some kinds, now the focus is shifting to the quality of education and school facilities.

1) Potentials

The upgrading of the existing schools or building of new schools shall improve the situation of shortage of schools that are presently operating with three or two-shift classes and shall provide pupils with higher quality education and greater opportunities for learning. Single-shift classes shall give sufficient school hours for pupils to study more hours in the school and on varied subjects.

The improved school environment and better school facilities shall enable teachers to prepare improved curricula, because the pupil can spend ample hours in the schools in a better environment. Also, provision and improvement of school facilities, equipment, and science kits will give the pupil greater opportunities to acquire wider knowledge that will be useful in their future life and at their work places.

Quality education and appropriate vocational education to meet the requirements of industries may become pressing needs facing expected rapid industrialization in the immediate future. The preparedness of young people shall be a great opportunity.

2) Constraints

The constraints faced by the education field are in three categories: Shortages of school buildings, facilities, and equipment; the quality and number of teachers and the quality of education; and the problems of pupils.

By all means, there should be more school facilities of all kinds, primary schools, secondary schools, high schools or vocational schools. Although almost all communes are now provided with primary schools, there are communes and villages where pupils have to walk quite a distance to arrive at the schools. Thus, more scattered distribution of primary schools is required in some communes. The underlying constraints for this situation is, firstly budgetary shortage, and the second is lack of access roads to transport building materials and necessary equipment to remote mountainous areas.

Also, many more schools have to be reconstructed, because the facilities are deteriorating and building materials are of temporary types. Insufficient schools and classrooms eventually lower the quality of education. In addition, no lighting devices are installed, no toilets are available, no clean water is supplied in many such schools. Likewise, no sufficient numbers of textbooks are distributed, teaching materials are poor and science kits are almost non-existing. Under this situation, quality education can hardly be maintained.

The number of qualified teachers is also short. The shortage is caused by the lack of sufficient number of teachers' training institutes and unwillingness of the trained candidates to become teachers in the mountainous regions, due to isolation and low salaries.

Result of Social Survey: Our social survey reveals that in many primary and secondary schools more than half of the teachers have no formal certificates. In the cases of teachers staying in remote areas, the problem further increases. Although a certain amount of extra allowances for the teachers assigned to mountainous areas are provided, teachers' salaries are too low (basic salaries of primary and lower secondary school teachers are around 35 US dollars per month while employees of foreign companies or even front desk workers in the hotels of international level earn some 200 or 300 US dollars per month or more). Also, teachers do not want to stay in the remote mountainous areas because of poor living conditions and isolation from the outside world.

Since the later part of 1980, the numbers of drop-outs and retention are increasing. On the other hand, the number of enrollment is somehow decreasing. Available data indicate that this tendency corresponds with the increase in the number of cohorts of youth, who are joining the

work force. Many school leavers in our survey, 25% on average in the four provinces, also respond that they left school to earn income.

This implies that, although the importance of education is widely recognized, there are many parents who think that education would not pay, or education cost too much. The quality of education and return from education shall be difficult issues in the future, if poverty persists and school drop-outs increase.

17.2.4 Summary Of Potentials And Constraints

The biggest potential for social development is the people. Although the education level of ethnic minorities is considerably lower comparing with the Kinh and older women are illiterate, many children and youngsters are receiving some degree of education. This surplus labor force with basic education shall be a great opportunity for the forthcoming development and industrialization processes. The second important potential is the well organized administrative networks which are widely spread throughout the country to the every corner of communes, villages and hamlets. The third possible potential is the widely distributed mass organizations that could assist development activities in various fields and even at hamlet level.

The major constraints for social development of the mountainous regions are basically two. Needless to mention, one is simply lack of financial resources, and the other is unfavorable topography that inhibits the construction of social infrastructure and even approach by people.

17.3 DEVELOPMENT PLAN

The major focus of the development plan for the social sector should be placed on the alleviation of poverty. As a result of rapid economic growth of Viet Nam during the last few years the economic conditions of many people are quickly improving. Nevertheless, there are still thousands of people who are left out from the benefits of economic prosperity of the country. These are the people that the social sector concentrates upon. The development plan then should be aimed at how "poverty" can be or should be reduced.

17.3.1 The Government Plans

The Appendix III, "Summary of Poverty Alleviation Program for Viet Nam 1996-2000" of the "Socio-Economic Development and Investment Requirements for the Five Years 1996-2000" presents the objectives as *"To reduce the country's poverty rate from 20 per cent to 10 per cent by the year 2000."* And *"To concentrate on the elimination of chronic hunger in the first two to three years of the next five year plan (1996-2000), firstly in regions where ethnic minority group live, the highlands, remote areas, and in areas which are prone to natural disasters."*

The Viet Nam News, an English daily, reports that this year's budget for assisting ethnic minorities is 30 billion VND, but, it says, the budget is expected to be increased by 2.5 times in the next few years, largely aimed at the elimination of hunger between crops and improving crops.

The daily also reports that the government has proposed a **"Ten-Point Plan"** to develop the rural area. The ten programs are: Agricultural development and rural industrialization; development of rural infrastructure; development of rural housing; expansion of agricultural services, education, health service and other social services; improvement of cultural life in rural areas; renovation and improvement of social status; rural employment; management of natural resources; protection and improvement of rural environment; and hunger eradication and poverty alleviation.

17.3.2 Government Efforts And Achievements

In addition to food or cash subsidies to the poor who are unable to feed themselves, the government has been implementing at national and provincial levels, a host of policies and projects in an attempt to achieve the mentioned goal.

Some of such efforts are: Establish the "Vietnam Bank for the Poor" focused on the provision of credit loans to poor farmers for some million VND without mortgage; establish new economic zones, in which poor people can start farming; encourage the establishment of small industries by providing loans to relatively rich people to create job opportunities for the poor; encourage animal raising; implementation of tree plantation, and construct social infrastructure, mainly roads and bridges, and so on.

The government has also invested 90 billion VND to assist ethnic minority groups during four years between 1992 - 1995. Of the above sum, 60 per cent of the total capital was spent to develop production and 35 per cent was spent to improve their living conditions.

Now the principal policy of the government for rural development is the establishment of processing industries of agricultural and forestry products in the rural area by encouraging farmers to produce industrial crops, such as coffee, tea, rubber, cinnamon, mulberry and so on depending on soil and climatic suitability, and to plant trees.

Each province has plans to expand the production of industrial crops and to encourage tree planting depending on the suitability of the crops and trees to each area.

Multiple results are expected by the expansion of the production of agricultural crops and the establishment of processing industries in local towns and villages. One is that crops can bring cash to farmers, the other is the creation of job opportunities in the rural area where non-farm incomes are essential for income increase. One other important opportunity shall be the acceleration of economic activities in local villages and small towns.

17.3.3 Proposed Development Plan

In compliance with the above objectives and the government's policy, the social development plan shall, first, aim at the reduction of the number of "poor" people. The reduction of the poor necessarily focuses on the ethnic minority, who live in the mountainous regions, because those are the people comprising the poorest strata of the society of the present day Viet Nam as well as in the study area.

The achievement of this goal shall require considerable rates of increase in the average annual per capita income of the people who are at the lowest income level now. It also requires the satisfaction of "basic human needs" by the construction of necessary social infrastructure or renovation of the deteriorating ones.

The increase in incomes shall require the expansion of farming systems by diversifying and intensifying farm crops and forestry products, and diversifying income sources. Increase in household incomes and poverty alleviation of the people living in the mountainous region shall eventually reduce the migration of poor people, and therefore reduce damage to the environment.

Nevertheless, it is more reasonable for the people, who live in truly remote and scarcely populated mountains, where access requires days of trekking, to go for the intensification of VAC and self-reliance, and tree plantation and tree management as much as possible for the time being than production of cash crops considering the difficulties of transporting the products. However difficult it may be, a certain degree of infrastructure for these people must be eventually constructed in the future.

The short-term objective of the social development plan shall be that income of poor households are increased through assistance.

The long-term objective of the plan shall be that a majority, if not all, of the poor farmers become economically independent and their "basic human needs" are satisfied.

1) Alleviation Of Poverty And Construction Of Social Infrastructure

How to bring in more cash to the poorest people is the most important and imminent short-term issue for the ethnic minorities living the mountainous regions. Since there are no opportunities for earning income in their communities, it has to come from the outside.

One suggestion is to start public works in the mountainous communities by using the people's

participation method and provide the farmers with "money for work", or provide them with financial assistance by setting up some mechanism. This method can kill two birds with one stone.

Through initiation of public works, farmers get cash income and at the same time they can build themselves the necessary social infrastructure, such as schools, health clinics, or clean water facility that are essential for the villagers. Furthermore, if they build their own public facilities, the villagers will feel responsibility for maintaining them.

How to achieve the goal of farmers become independent. That is, they have sufficient production and have stable incomes so that the farmers no longer rely on government subsidies. This objective shall be achieved by the expansion of their production base with improved farming practices and securing stable markets for the products. Production of suitable cash crops, including industrial crops, fruits and vegetables, and forest products is the key. Further, the establishment of small-scale or cottage industries to process the products shall secure the market for products and enable them to add values to the crops. Furthermore, the establishment of industries shall create jobs for local people. In addition to capital, various types of technical assistance and extension services shall be required for this purpose.

The focuses of the development plan for alleviation of poverty should be concentrated on the above issues.

2) Health Education

In addition to the construction of health facilities, the education of the people is the key issue of the health problems. The government of Viet Nam is making utmost efforts to provide health services to all, but due to budgetary constraints and difficult terrain their distribution to the mountainous regions is limited. Interviews and surveys by the study team revealed that those minority peoples lack very basic health-care knowledge. Some traditional customs are difficult to change even though they have negative effects on their health, but good education can improve many aspects of health-care. The provision of education can largely compensate the present situation for the provision of health services.

17.3.4 Formulation Of Programs And Projects

In order to support the development plan and to achieve its goals, the criterion for the formulation of programs and projects, and the selection of proposed sites are set as follows:

- * Present income level of the community and the people
- * Present condition of the social services provided by the government
- * Present condition of social infrastructure
- * The willingness of the people and needs of the project
- * National and provincial policies and plans
- * Expected positive impact
- * Sustainability of the project
- * Replicability of the project, and
- * Manageability by the people.

17.4 LONG LIST OF PROPOSED PROGRAMS AND PROJECTS

In the light of the development plan and in compliance with the criteria for programs and projects, the following are proposed as potential projects for social development sector. Many other projects for income generation, income diversification, marketing or crop processing that involve other sectors such as agriculture, industry, road or environment shall be discussed in each sector.

SOCIAL-01	Integrated Rural Community Development Program - Three Pilot Projects
SOCIAL-02	Rural Communes Health and Child Care Program with Two Components
SOCIAL-03	Loans to the "Vietnam Bank for the Poor" and Opening Seminar for Effective Use of Capital and Loans
SOCIAL-04	Construction of Community Centers for Communes
SOCIAL-05	Renovation of Medical College of Hue University and Provision of Necessary Equipment and Instruments
SOCIAL-06	Research and Study on the Effects and Present Condition of Dioxin Contamination
SOCIAL-07	Removal of Land Mines in Quang Tri Province
SOCIAL-08	Improvement of Basic Education through Provision of Textbooks and Science Kits
SOCIAL-09	Improvement of Da Nang City General Hospital
SOCIAL-10	Up-grading of School Systems in Quang Nam-Da Nang Province.

Table 17.3 Major Indicators on Rural Infrastructure by Province/Commune(1)

Unit: Number and Percentage

Towns/ Districts	No. of Comm- unes	Elect- ricity	Rate (%)	Motor way	Rate (%)	Clinic	Rate (%)	Market	Rate (%)	Primary School	Rate (%)	Second. School	Rate (%)
Quang Tri	120	45	37.5	110	91.7	100	83.3	37	30.3	118	98.3	78	65.0
Dong Ha	2	2	100.0	2	100.0	2	100.0	2	100.0	2	100.0	1	50.0
Vinh Linh	20	9	45.0	20	100.0	20	100.0	6	30.0	20	100.0	18	90.0
Gio Linh	19	3	15.8	16	84.2	13	68.4	7	36.8	19	100.0	15	78.9
Cam Lo	8	5	62.5	8	100.0	7	87.5	4	50.0	8	100.0	6	75.0
Trieu Phong	21	12	57.1	19	90.5	20	95.2	10	47.6	21	100.0	17	81.0
Hai Lang	20	12	60.0	20	100.0	20	100.0	7	35.0	20	100.0	16	80.0
Huong Hoa	30	2	6.7	25	83.3	18	60.0	1	3.3	28	93.3	5	16.7
T. Thien Hue	124	54	43.5	118	95.2	114	91.9	80	64.5	124	100.0	69	55.6
Hue	5	5	100.0	5	100.0	5	100.0	4	80.0	5	100.0	3	60.0
Phong Dien	15	3	20.0	15	100.0	15	100.0	13	86.7	15	100.0	12	80.0
Quang Dien	10	5	50.0	10	100.0	10	100.0	8	80.0	10	100.0	10	100.0
Huong Tra	15	9	60.0	12	80.0	15	100.0	10	66.7	15	100.0	11	73.3
Phu Vang	21	9	42.9	19	90.5	21	100.0	19	90.5	21	100.0	13	61.9
Huong Thuy	11	6	54.5	10	90.9	11	100.0	8	72.7	11	100.0	8	72.7
Phu Loc	17	10	58.8	17	100.0	17	100.0	15	88.2	17	100.0	8	47.1
Nam Dong	9	1	11.1	9	100.0	9	100.0	1	11.1	9	100.0	2	22.2
A Luoi	21	6	28.6	20	95.2	11	52.4	2	9.5	21	100.0	2	9.5

Table 17.3 Major Indicators on Rural Infrastructure by Province/Commune(2)

Unit: Number and Percentage

Towns/ Districts	Comm unes	Elect- ricity	Rate (%)	Motor way	Rate (%)	Clinic	Rate (%)	Market	Rate (%)	Primary School	Rate (%)	Second. School	Rate (%)
Quang Nam Da Nang	205	133	64.9	167	81.5	185	90.2	90	43.9	205	100.0	135	65.9
Da Nang	-	-	-	-	-	-	-	-	-	-	-	-	-
Hoi An	7	7	100.0	4	57.1	7	100.0	5	71.4	7	100.0	6	85.7
Tam Ky	12	10	83.3	10	83.3	12	100.0	5	41.7	12	100.0	11	91.7
Hoa Vang	19	19	100.0	19	100.0	19	100.0	17	89.5	19	100.0	19	100.0
Hien	15	2	13.3	9	60.0	6	40.0	2	13.3	15	100.0	2	13.3
Dai Loc	15	8	53.3	14	93.3	15	100.0	12	80.0	15	100.0	10	66.7
Dien Ban	15	15	100.0	15	100.0	15	100.0	13	86.7	15	100.0	15	100.0
Duy Xuyen	14	14	100.0	13	92.9	14	100.0	13	92.9	14	100.0	12	85.7
Giang	8	-	-	2	25.0	8	100.0	-	-	8	100.0	-	-
Que Son	16	16	100.0	13	81.3	16	100.0	7	43.8	16	100.0	15	93.8
Thang Binh	20	20	100.0	20	100.0	19	95.0	14	70.0	20	100.0	16	80.0
Phuoc Son	8	1	12.5	5	62.5	8	100.0	-	-	8	100.0	-	-
Hiep Duc	10	2	20.0	7	70.0	10	100.0	1	10.0	10	100.0	6	60.0
Tien Phuoc	14	5	35.7	14	100.0	12	85.7	1	7.1	14	100.0	8	57.1
Nui Thanh	13	13	100.0	12	92.3	13	100.0	-	-	13	100.0	13	100.0
Tra My	19	1	5.3	10	52.6	11	57.9	-	-	19	100.0	2	10.5
Hoang Sa	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 17.3 Major Indicators on Rural Infrastructure by Province/Commune(3)

Unit: Number and Percentage

Towns/ Districts	Comm unes	Elect- ricity	Rate (%)	Motor way	Rate (%)	Clinic	Rate (%)	Market	Rate (%)	Primary School	Rate (%)	Second. School	Rate (%)
Quang Ngai	158	81	51.3	147	93.0	121	76.6	86	54.4	155	98.1	109	69.0
Quang Ngai	4	4	100.0	4	100.0	4	100.0	4	100.0	4	100.0	4	100.0
Ly Son	2	2	100.0	2	100.0	-	-	1	50.0	2	100.0	1	50.0
Binh Son	23	23	100.0	23	100.0	21	91.3	17	73.9	23	100.0	21	91.3
Tra Bong	19	4	21.1	15	78.0	8	42.1	2	10.5	16	84.2	3	15.8
Son Tinh	20	12	60.0	20	100.0	19	95.0	18	90.0	20	100.0	20	100.0
Son Ha	16	1	6.3	12	75.0	12	75.0	2	12.5	16	100.0	4	25.0
Tu Nghia	17	14	82.4	17	100.0	12	70.6	12	70.6	17	100.0	16	94.1
Nghia Hanh	10	10	100.0	10	100.0	10	100.0	7	70.0	10	100.0	10	100.0
Minh Long	5	1	20.0	5	100.0	3	60.0	1	20.0	5	100.0	3	60.0
Mo Duc	12	12	100.0	12	100.0	12	100.0	11	91.7	12	100.0	12	100.0
Duc Pho	13	6	46.2	13	100.0	13	100.0	10	76.9	13	100.0	13	100.0
Ba To	17	-	-	14	82.4	7	41.2	1	5.9	17	100.0	2	11.8

Source: Statistical Data on Basic Situation and Infrastructure of Rural Region in Vietnam, General Statistical Office, 1995

17.4 Major Indicators on Rural Infrastructure by Households (1)

Unit: Number and Percentage

Administrative Unit	Using Electricity	Rate (%)	Using Running Water	Rate (%)	Using well water	Rate (%)
Quang Tri	26,602	29.9%	511	0.6%	76,294	85.58
Dong Ha	1,795	79.8	395	17.6	1,190	52.9
Vinh Linh	5,848	35.8	-	-	16,076	98.4
Gio Linh	1,122	8.5	-	-	13,217	99.7
Cam Lo	1,842	22.8	-	-	7,501	92.8
Trieu Phong	7,333	35.3	10	0.0	19,673	94.7
Hai Lang	8,062	42.6	106	0.6	15,365	81.2
Huong Hoa	600	6.4	-	-	3,272	35.2
Thua Thien Hue	37,347	27.7	3,366	2.5	97,472	72.3
Hue	6,262	68.8	863	9.5	7,296	80.2
Phong Dien	2,086	11.7	-	-	15,738	88.1
Quang Dien	6,815	40.3	-	-	10,391	61.5
Huong Tra	5,860	34.2	35	0.2	7,258	42.3
Phu Vang	6,911	24.5	2,218	7.9	23,086	81.8
Huong Thuy	5,781	41.8	250	1.8	9,704	70.2
Phu Loc	3,221	13.7	-	-	20,105	85.8
Nam Dong	50	1.5	-	-	964	29.5
A Luoi	361	7.1	-	-	2,930	57.3
Quang Nam Da Nang	153,667	53.0	1,390	0.5	261,629	90.3
Da Nang	-	-	-	-	-	-
Hoi An	8,231	83.0	-	-	9,917	100.0
Tam Ky	12,487	47.6	-	-	26,208	100.0
Hoa Vang	27,767	71.9	876	2.3	37,767	97.7
Hien	540	13.1	365	8.8	202	4.9
Dai Loc	16,450	54.0	-	-	26,308	86.4
Dien Ban	35,00	90.9	11	0.0	34,712	89.4
Duy Xuyen	23,668	96.7	-	-	22,872	93.4
Giang	212	11.7	-	-	68	3.8

17.4 Major Indicators on Rural Infrastructure by Households (2)

Unit: Number and Percentage

Administrative Unit	Using Electricity	Rate (%)	Using Running Water	Rate	Using well water	Rate
Quang Nam Da Nang	26,602 (Cont'd)	29.2%	511	0.6%	76,294	85.5%
Que Son	7,466	28.9	98	0.4	22,152	85.6
Thang Binh	5,803	16.3	-	-	35,510	100.0
Phuoc Son	272	15.5	-	-	400	22.8
Hiep Duc	1,210	17.2	-	-	5,685	81.0
Tien Phuoc	1,745	13.2	40	0.3	13,141	99.7
Nui Thanh	12,511	48.7	-	-	25,655	99.8
Tra My	5	0.1	-	-	1,032	16.3
Hoang Sa	-	-	-	-	-	-
Quang Ngai	103,487	47.0	1,384	0.6	198,120	90.0
Quang Ngai	6,967	88.0	979	12.4	6,939	87.6
Ly Son	1,050	31.2	-	-	3,364	100.0
Binh Son	12,457	34.1	-	-	36,018	98.7
Tra Bong	2,146	28.2	-	-	4,029	53.0
Son Tinh	15,173	41.8	-	-	36,019	99.1
Son Ha	750	5.9	-	-	4,500	35.1
Tu Nghia	26,050	80.4	405	1.2	31,728	97.9
Nghia Hanh	13,878	77.0	-	-	18,009	99.9
Minh Long	344	14.0	-	-	1,262	51.3
Mo Duc	18,119	65.7	-	-	27,140	98.4
Duc Pho	6,553	23.5	-	-	27,921	100.0
Ba To	-	-	-	-	1,191	16.6

Source: Statistical Data On Basic Situation and Infrastructure of Rural Region in Vietnam, General Statistical Office, 1995

Project Profile				
No.:	SOCIAL-01		Sector: Social Development	
Title:	Integrated Rural Community Development Program - Three Pilot Projects			
Implementing Agencies:	Ministry of Agriculture and Rural Development; People's Committees of the Quang Tri Province, Huong Hoa District and the Three Communes; the people of three communes.			
Development Phasing:	~2000	2000~2005	2005~2010	2010~
	X	X	X	
Location:	Huong Tan Commune, Huong Phung Commune and Huc Commune in the district of Huong Hoa, Quang Tri Province			
Estimated Cost:	US\$ 2,500,000 for three pilot projects			
Outline of the Project:				
<p>Development Goals:</p> <p>To increase income levels, improve living conditions of the rural people and to strengthen their capability, particularly of ethnic minorities living in the mountainous regions and who compose majority of the "poor." Also, provide them with necessary infrastructure to satisfy their "basic human needs." After the experimental projects, this program shall be expanded to the poor communes of mountainous regions of four provinces, and shall be continued until the year 2010.</p> <p>Background and Justification:</p> <p>Poverty alleviation, eradication of illiteracy, reducing child malnutrition, and provision of primary schools and health clinics are major socioeconomic issues of Viet Nam. The majority of poor people live in the rural area, especially among ethnic minorities in the mountainous regions are facing the situation where their income levels are absolutely too low, government social infrastructure are not reaching them or in very poor condition, and capabilities to manage their own development are extremely limited. Under the circumstances, the assistance to improve the above situation of the poorest groups of people should be the highest priority.</p> <p>Objectives:</p> <ol style="list-style-type: none"> 1. Peoples' incomes increased and their income sources are diversified through agricultural development projects. They can have sufficient food. 2. The communes are provided with necessary social infrastructure and social services such as school, health clinics, road, , power supply, water supply. The people now receive good social services. 3. People learned how to develop themselves, the people have basic knowledge of health care, sanitation, child care or balanced diet. They learned new agricultural practices, animal husbandry and tree plantation. The people acquired various basic knowledge's. <p>Description:</p> <p>This program is composed of three components: poverty alleviation component through agricultural development, provision of social infrastructure, and capacity building. The competent of the construction and improvement of social infrastructure shall be principally carried out by the participation of the people of the communes with external assistance for technical and financial sources. The program includes:</p> <ul style="list-style-type: none"> - technical assistance by extension services to diversify agricultural crops and nutritional crops, tree plantation, and to intensify VAC - construction of irrigation for paddies and coffee - construction or renovation of health clinic and primary school - construction or renovation of commune or inter-village roads - extension of cable and construction of mini-hydropower station to distribute power to first, clinics, schools and peoples committees, then to households - dig wells to all villages (31) of three communes - open seminar for health-care, balanced diet, child-care, new crop production, reforestation, etc. <p>After the pilot projects, the program shall be expanded to poor mountainous and ethnic minority communes in all four provinces where such programs are needed.</p> <p>Outputs:</p> <ol style="list-style-type: none"> 1. The people received various technical assistance for better farming, and increased incomes. 2. The communes are provided with necessary social infrastructure and social services. 3. The people attended seminars and learned diet, sanitation, environmental protection, and so force. 4. The people's income sources are diversified through crop diversification 5. The people learned how to develop themselves and how to maintain the projects. 				

Project Profile				
No.:	SOCIAL-02	Sector:	Social Development	
Title:	Rural Communes Health and Child Care Program			
Implementing Agencies:	Ministry of Public Health, Committee for Protection and Care for Children, People's Committee of each Province, District and the Communes. The people of the communes, possibly with support of Women's Union or NGO.			
Development Phasing:	~2000	2000-2005	2005-2010	2010~
	X	X		
Location:	All districts of four provinces and many communes that lack sufficient health facilities and health-care. Exact names of communes have not been selected. Requests shall come from communes.			
Estimated Cost:	US\$ 100,000,000			
Outline of the Project:				
<p>Development Goal: To reduce child-malnutrition presently prevalent in Viet Nam by 10%, accompanied by the improvement of health facilities and health services together with diffusion of family planning.</p> <p>Background and Justification: Cases of child malnutrition in Viet Nam is very high. A government source reveals as of 1995, there are still about 44% of malnutrition out of the total number of children under 5 years. The rates in our Target Provinces are higher than the national average. Also, as of December 1995, there are 894 communes without any health facilities in the entire Viet Nam and 131 communes within the Target Area. A drastic family planning is another key issue of the health sector. A population increase over 2% is too high. Family size in the rural area tends to larger than the urban area. This suggest the family plan should be more thoroughly expanded to the rural area.</p> <p>Objectives:</p> <ol style="list-style-type: none"> 1. Mothers learned about balanced diet. Child malnutrition in all communes of four provinces are reduced by 10%, and people learned about basic public health. 2. People learned the importance of family planning and now apply birth control. 3. All communes in the Target Area are provided with permanent type of health clinic with basic equipment. 4. The districts within the Target Area that require mobile clinic to provide health services to remote areas are provided by the mobile clinic. <p>Description: The program shall be composed of two components: First component: Basic education for Child-care and Family Planning by opening seminar, mobile campaign Second component: Construction of health clinics and provision of basic equipment to the communes that do not have such facilities. Also, provision of mobile clinics to the districts within the Target Area that need to have them.</p> <ul style="list-style-type: none"> - organize teams for campaign for provision of nutrition, child-care, public health - nutritionist, midwife, nurse, volunteers - preparation of educational materials such as leaflets and audio-visual materials - open seminar for health-care, balanced diet, child-care, family planning, cooking demonstration, etc., as well as the production of nutritional crops - provide campaign vehicles to all rural districts that need the mobile clinic <p>Outputs:</p> <ol style="list-style-type: none"> 1. All the communes in the Target Area are provided with health facilities and basic equipment 2. All rural districts that need vehicles for medical services and health campaign have now the mobile clinic. 3. Seminars to provide basic health-care, nutrition, and family planning to commune people are opened and the people acquired knowledge 4. Demonstration campaigns to show nutritional food preparation, and production of nutritional crops are carried out and the people learned the methods and practices 				

CHAPTER 18 PAST AND PROJECTED MACRO- AND SOCIO-ECONOMIC FRAMEWORKS

18.1 INTRODUCTION

The Government of Viet Nam (GOV) started in 1989 to set the stage for the transformation of the centrally planned towards a more market driven economy. Viet Nam's past reform requirements have been and will remain so in the foreseeable future comprehensive and complex. Adjustment and modernization measures are needed in almost all essential spheres of economic life as well as the society's overall social fabric and regulatory and institutional frameworks.

There is no doubt that substantial progress has been achieved over the period 1989 to 1995 in areas such as avoiding the collapse of production and subsequent hyperinflation, overall growth performance and macroeconomic stability, integration into the regional economy through joining ASEAN, first integration steps into the global economy, normalization of external financial relations and the improvement of bilateral relations, in particular with the PR China and the United States of America.

Viet Nam's progress has been achieved in the context of a transitional internal system, which so far remains characterized by a highly centralized and tightly controlled decision taking process. Given Viet Nam's remaining future agenda for change and modernization, the period 1989 to 1995 may be categorized as "the initial and fundamental phase" of transformation.

The coming ten years 1996 to 2005 will be crucial for Viet Nam's further socio-economic and overall development efforts. It remains to be seen whether the authorities will succeed in putting into place the comprehensive structures and processes needed for the flexible management of an open economy and society. A strong political will to develop the country is a necessary condition, but it may not be a sufficient one.

18.2 GROWTH PERFORMANCE AND OVERALL ECONOMIC STRUCTURE 1990 TO 1995

Viet Nam's real growth performance has been remarkable in absolute size and over the period 1990 to 1995 showing an overall accelerating pace. Real annual growth of the economy was recorded at some 5.98% in 1991, has remained above the 8% point mark in 1992, 1993 and 1994 and has again accelerated to 9.47% in 1995. Compound real GDP growth over the period 1990 to 1994 has been about 7.87%. If the preliminary data for 1995 are included, compound real GDP growth over the period 1990 to 1995 would be 9.64% (Table 18.1 refers).

All four major economic sectors have show an accelerating growth pattern over the reference period, that is above the periods' trend growth rate. The growth trend rate of agricultural output (including forestry and fishery) was recorded at 4.27% over the period 1990 to 1994 and at 4.70% points in 1995.

Growth for industry in 1995 was at 14.00% above trend of 12.14%, that for construction was 14.01%, also above trend of 13.44% and that for services was 10.60%, likewise above the period's trend growth rate of 8.60%.

Table 18.1 Growth Performance and Overall Economic Structure 1990 to 1995

Major Economic Sector	(Unit : percent)			
	Growth		Shares	
	1990-94	1995*	1990	1995*
Agriculture	4.27	4.70	39.42	32.90
Industry	12.14	14.00	18.76	22.81
Construction	13.44	14.01	3.83	4.85
Services	8.60	10.60	37.99	39.44
GDP	7.87	9.47	100.00	100.00

*) Preliminary estimation.

Source : JICA study team computations.

The share of the agricultural sector in GDP has declined from 39.42% in 1990 to about 32.90% in 1995. That of industry has increased from 18.76% in 1990 to about 22.81% in 1995. The share of the construction sector has slightly increased from 3.83% in 1990 to some 4.85% in 1995. Also, the service sector is too small for Viet Nam's overall size, most likely reflecting the incomplete adjustment measures in this sector, in particular in the area of financial, trade and other professional services. The sector's share has increased slightly from 37.99% in 1990 to about 39.44% in 1995 (Table 18.1 refers).

18.3 SECTOR SOURCES OF GROWTH 1990 TO 1994

The analytical application of the growth accounting technique reveals that 3.317% (equivalent to about 42%) points of national trend growth over the given period were sourced from the services sector, 2.478% points (equivalent to about 31%) from industry, 1.575% points (equivalent to some 20%) from agriculture, forestry & fishery and only 0.554% points (equivalent to about 7%) from the construction sector. Hence, under past 1990 to 1994 factor endowment conditions, national real growth performance depended upon and was highly sensitive to the growth performance of the services, industry, agriculture and construction sectors in that order of priority ranking (Table 18.2 refers).

Table 18.2 Sector Sources of National Trend Growth 1990 to 1994

Major Economic Sector	(Unit : percent)		
	Average Share	Trend Growth Rate	Weighted *)
	1990-94	1990-94	1990-94 **)
Agriculture	36.89	4.270	1.575
Industry	20.42	12.135	2.478
Construction	4.12	13.439	0.554
Services	38.57	8.601	3.317
GDP	100	7.868	7.868

*) Weighted growth trend rate 1990 to 1994.

**) Figures do not add up due to rounding. The error margin, however, is 0.7%.

Source : JICA study team computations.

18.4 VIET NAM'S MACRO-ECONOMIC PERFORMANCE 1990 to 1995

Overall domestic consumption has been brought down from some 92.10% of GDP in 1990 to about 83.80% of GDP in 1995 (Table 18.3 refers).

Table 18.3 Selected Macro-economic Performance Indicators 1990 to 1995

Parameter	(Unit : as indicated)		
	1990	1992	1995 ¹⁾
	(as percentage of GDP)		
Sector shares			
Agriculture	39.42	37.51	32.90
Industry	18.76	20.37	22.81
Construction	3.83	3.88	4.85
Services	37.99	38.24	39.44
Domestic Consumption	92.10	83.70	83.80
Gross National Savings	7.90	16.30	16.20
Non-Government	[...]	14.90	12.50
Government	[...]	1.40	3.70
Gross Capital Formation	11.60	17.00	21.00
Government	[...]	5.80	7.90
Private	[...]	11.20	13.10
Domestic	[...]	8.60	10.10
FDI	[...]	2.60	3.00
Budget Revenues ²⁾	16.10	18.80	24.70
Budget Expenditures	22.50	22.70	28.80
Current Expenditures	[...]	16.80	20.70
Development Expenditures	[...]	5.90	8.10
Overall Fiscal Balance	-6.40	-3.90	-4.10

¹⁾ Preliminary estimate.

²⁾ On cash basis and including grants.

[...] Data are not available.

Source : JICA study team computations based on IMF data.

Gross national savings have subsequently increased from a mere 7.90% of GDP in 1990 to some 16.20% of GDP in 1995. Gross capital formation (GCF) has increased over the same period from some 11.60% to about 21.00% of GDP. The Governments' share in GCF has increased from only 2.80% in 1991 to about 7.90% in 1995, while the private sector share shows a fluctuating tendency at around 12% of GDP with a slightly increasing trend only since 1993 (from 12.40% of GDP in 1993 to 13.10% of GDP in 1995). Most of private sector GCF has originated from domestic sources with the FDI share ranging between 2% to 3% of GDP.

Budget expenditures have regularly exceeded budget revenues and the overall fiscal balance (budget deficit) seems to have reached the PFP target level of about 4.0% of GDP in 1995. That level of 4% will have to be maintained during 1996 and 1997 if PFP conditionalities are

going to be met. The bulk of the budget goes for current expenditures and, given overall deficit constraints, effectively limits the growth for Government capital expenditures.

Non-compliance with PFP requirements has to be recorded for the inflation rate. The PFP assumes an average inflation rate of 6% per year over the period 1994 to 1997. Inflation at year end was recorded at 12.7% in 1995 and at 14.5% in 1994. The GOV pursues a policy of maximizing national GDP growth. Hence, GDP growth targets for 1996 have already been approved at the 9% to 10% range with an implicit inflation rate in the range of some 14% to 15% during 1996. However, such performance may bring the GOV into conflict with the macroeconomic quantitative performance targets agreed upon with the IMF. (For full numerical details, please consult the attached Annex 18-1 and Annex 18-2).

In summary and from a macro-economic point of view, the following parameter need to be taken into account in the formulation of a strategy at national and target area levels :

- The single most outstanding feature from a development point of view remains Viet Nam's huge savings - investment gap. Viet Nam's investment requirements will remain very high over the coming one to two decades. How these requirements can be sourced without jeopardizing Viet Nam's internal and external economic balances remains to be seen
- Growth performance at national level should be non-inflationary growth. Persistent inflationary pressures in the two-digit range may bring Viet Nam into conflict with PFP requirements with all the repercussions to obtain the needed levels of ODA financing in general, and IMF and IBRD financing in particular
- The total outlay and potential increases in the Government's capital expenditures will depend not only on savings which may be achieved on the recurrent expenditure account, but also on the extent to which total budget revenues can be increased. The leverage for such absolute increases seems to be somewhat narrow and uncertain, since the Government foresees in the near future no increase in tax burden and the tax reform is shifting to revenue neutral measures
- A strong increase in Gross Capital Formation will therefore most likely have to be sourced from domestic savings and domestic private investment and FDI sources
- The latter implying that investments into larger additional, inter alia, infrastructure facilities may have to be funded from private sources, which in turn implies their commercial viability that is a reasonable rate of return on investment (ROI) and/or equity (ROE).

18.5 NATIONAL ECONOMIC CENTERS AND DISPARITIES BY PROVINCE

The analyses of sectoral dependence of national growth performance needs to be complemented by identifying the country's economic gravity centers, their static relative position to each other as well as any dynamic shifts in such relative positions. This technique identifies regional

disparity levels and absolute gaps characterising such disparities. A ranking method using the absolute size of major economic sectors has been employed for that purpose. The results of the analyses are used as input parameter for strategy formulation at national and target area levels. All summary tables in this and the previous sections are based on the econometrical data base reproduced in full in the attached Annex 18-3. The provincial ranking data are presented in the attached Annex 18-4 to Annex 18-8.

18.5.1 Gross Regional and Gross Domestic Product

About 50.16% of Viet Nam's GDP in terms of absolute size is carried by only ten Provinces located exclusively in the South and in the North of the country. The concentration process is accelerating, since some eleven Provinces accounted for about 50% of the country's real GDP in 1990. (For full numerical details please consult the attached Annex 18-4).

HCMC is the country's leading economic gravity center accounting alone for 16.71% of GDP in 1994 (as against 15.15% in 1990). The gap in absolute size of GRDP between the two leading economic centers HCMC and Ha Noi in 1990 has been factor 2.405. This gap has widened to a factor of 2.590 in 1994 implying a widening gap trend. In addition Vung Tau Province is quickly catching up with Ha Noi's second position, fast closing the gap to Ha Noi.

It is essential to recall in this context the implication of this situation. An economic center like Ha Noi will have to grow factor 2.59 above HCMC's growth performance in order to avoid a widening gap in GRDP size and above that factor in order to narrow the gap.

18.5.2 Agricultural Sector

As regards Viet Nam's major agriculture & forestry production centers, some 51.63% of the size of this sector are located in and carried by fourteen Provinces. However, in the case of agriculture & forestry the absolute gaps in size among leading Provinces are less pronounced. None of the four target area Provinces ranks among the top ten agricultural output centers. In fact, for the exception of Thua Thien Hue, all three other Provinces have lost relative ground as against other Provinces in terms of overall size of gross value of agricultural output over the period 1990 to 1994 (For full numerical details please consult the attached Annex 18-5).

18.5.3 Industrial Sector

Regarding gross value of output of industrial production the analytical picture is even more pointed (For full numerical details please consult the attached Annex 18-6). Over 52% of industrial production is carried by only three Provinces, namely Vung Tau, HCMC and Ha Noi. Viet Nam's industrial development is a highly dynamic process as can be seen when comparing 1990 with 1994 data. The country's industrial base is almost exclusively located in the South that is Vung Tau and HCMC with the gap between these two and Ha Noi rapidly increasing and Vung Tau becoming the industrial base in terms of value of output.

Given prevailing factor endowment Ha Noi would have to grow factor 4.037 faster than Vung Tau and factor 4.025 faster than HCMC in order to maintain the current absolute gap. Closing the gap would imply an even faster growth performance relative to that of Vung Tau and HCMC.

Rough sensitivity tests on Viet Nam's industrial growth performance indicate that about 70% of industrial growth is generated by HCMC and Vung Tau. That would translate into some 8.5% points of the national industrial trend growth of 12.14% over the reference period. Taking such performance out of national GDP growth would reduce the past GDP trend growth by 1.7% points to some 6.18% over the reference period.

Another important feature would be to isolate the impact of the oil & gas sector from industrial performance in HCMC and Vung Tau. Exact data on the growth performance of the oil & gas sector are lacking. However, it is estimated that this sector carried a large share of industrial growth.

18.5.4 Construction Sector

A similar structural pattern prevailed for the economic sector of construction. Only seven Provinces accounted in 1990 for about 49.07% of total gross value of construction output (For full numerical details please consult the attached Annex 18-7). In 1994 again seven Provinces accounted for about 50% of Viet Nam's total construction gross value of output. However, the fast increasing gap between the two growth centers HCMC and Ha Noi is noteworthy. While the differential in 1990 between both was only factor 1.8 this gap has widened to a factor of 2.6 in 1994.

This trend already observed for other major economic sectors that is a rapidly widening gap in economic importance between the two centers of economic gravity holds also true for the construction sector.

18.5.5 Services Sector

The pattern for the service sector shows a slightly more diversified structural pattern. In 1990 only two Provinces, namely HCMC and Ha Noi accounted for over 52% of the service sector's gross value of output (For full numerical details please consult the attached Annex 18-8). The differential in size among the two was with a factor of 5.2 considerable. However, in 1994 already six Provinces, among which was one Province of the target area (Q.N.D.N.), accounted for some 50% of the value of aggregated output.

There has been a clear tendency towards diversification of Viet Nam's service sector centers. In addition, the statistical data suggest a tendency to narrow the gap in economic size. The differential between the two largest centers HCMC and Ha Noi has narrowed to factor 2.3 and other important centers are beginning to emerge, even though the gap in size in relation to HCMC is between factor 6.6 to 9.7.

18.6 DISPARITIES AMONG SOCIO-ECONOMIC DEVELOPMENT REGIONS 1990 TO 1994

Regional disparities expressed in terms of Province as analytical unit are amalgamated into the eight socio-economic development regions (SDR I to SDR VIII), since they form the administrative unit for development planning. The results of the analyses are summarized using average size data for the period 1990 to 1994 (Table 18.4 refers. For complete numerical data please consult the attached Annex 18).

**Table 18.4 National Economic Centers By SDR and Major Economic Sector
(Average 1990 to 1994)**

(Unit : as indicated)		
Major Economic Sector	About 50% of National Total	Over 70% of National Total
Agriculture	SDR VII + VIII = 51.70%	plus : SDR III = 70.68%
Industry	SDR VII = 50.43%	plus : SDR II + VIII = 77.62%
Construction	SDR III + VI = 48.70%	plus : SDR II + IV = 76.91%
Services	SDR VII + III = 56.64%	plus : SDR VIII = 74.58%
National GDP	SDR VII + VIII = 51.70%	plus : SDR III = 70.68%

Source : JICA study team. Based on Annex 18-9.

SDR VII and VIII combined accounted for some 51.70% of Viet Nam's total GDP and, if SDR III is added the combined share would increase to some 70.68% of total GDP. Agriculture & forestry of SDR VII alone accounted for 34.80% of the country's total agriculture and, if the size of SDR VI and II is added, they together comprised some 59.45% of agriculture. The size of the industry sector of SDR VII alone accounted for 50.43% of total industry. Together with the industry sector sizes of SDR II and SDR VIII they accounted for 77.62% of Viet Nam's industrial sector. The sizes of the construction sectors are more evenly distributed. The size of the construction sectors in SDR III and SDR VII are more or less equal and accounted combined for 48.70% of the country's total. If the construction sectors of SDR II, IV and VIII are added they together are equivalent to 88.27% of Viet Nam's construction industry. The service sectors were concentrated in SDR VII (32.98%), SDR III (23.66%) and SDR VIII (17.94%), together accounting for 74.58% of Viet Nam's service sector.

Because of the different sizes of the economies of the SDR's and their different past trend growth performance it is imperative to determine the impact of their growth on overall national GDP growth performance (Table 18.5 refers).

Table 18.5 Impact of SDR Growth on National Growth Performance

(Unit : as indicated)	
Socio-Economic Development Region (SDR)	Weighted Average Real Growth Rate over the Period 1990 to 1994
GRDP SDR I	0.1997
GRDP SDR II	0.6038
GRDP SDR III	1.4663
GRDP SDR IV	0.5029
GRDP SDR V	0.3659
GRDP SDR VI	0.1133
GRDP SDR VII	3.3907
GRDP SDR VIII	1.2724
National GDP *)	7.8675

*) Figures do not add up due to rounding. However, the error margin is only 0.6%.

Source : JICA study team computations.

The result of the analysis shows that 43.10% of total national GDP growth is driven by SDR VII followed with some 18.64% by SDR III and about 16.17% by SDR VIII. In other words, about 59.3% of total national GDP trend growth has been originating from SDR VII and SDR VIII that is the South of the country. In comparison, the pull effect of SDR III (18.64% of the total) was factor 3.2 smaller in terms of importance to national GDP growth.

18.7 RELATIVE POSITION AND PERFORMANCE OF THE STUDY'S TARGET AREA

18.7.1 Static and Relative Position

The target area, which is partly located in SDR IV (Quang Tri and Thua Thien Hue Provinces) and partly in SDR V (Quang Nam Da Nang and Quang Ngai Provinces) comprises some 8.3% of Viet Nam's total land area, 6.5% of the country's population (7.4% of the total urban and 6.3% of the total rural population) with a population density of 170 people/sq. km (for detailed numerical data please consult the attached Annex 18-10). The share of all four Provinces combined in national GDP in 1994 was 4.8%, the shares in national total in agriculture 3.9%, industry 3.8%, construction 7.0% and services 5.8% (Table 18.6 refers).

Table 18.6 Basic Socio-Economic Features of the Target Area 1994

(Unit: as indicated)								
Province	Population	Urban	Rural	GRDP	Agriculture	Industry	Construct.	Services
	[Unit]	[000]	[%]	[%]	[Bil. VND]	[%]	[%]	[%]
Quang Tri		535	17	83	178	29	7	10
Thue Thien Hue		995	26	74	491	15	18	9
Q.N. Da Nang		1,953	31	69	912	31	18	5
Quang Ngai		1,179	9	91	321	39	21	7

Note : GRDP in constant 1989 prices.

Source : JICA study team computations.

The absolute population size, rural urban balance and composition of Gross Regional Domestic Product (GRDP) varies considerably among the four Provinces. Thua T. Hue and Q.N. Da Nang show the highest urbanization rates (26% and 31%, respectively) among the four Provinces. The share of the service sector in GRDP is over 50% in Quang Tri and T.T.Hue, 46% in Q.N.D.N., but only 33% in Quang Ngai. The construction sector plays, surprisingly, in none of the Provinces a strong role, ranging in share of GRDP from 5% to 10%. Industry takes a relatively reasonable GRDP share in all Provinces except Quang Tri. The agricultural sector's share is 39% in Quang Ngai and in the order of some 30% of GRDP in Quang Tri and Q.N. Da Nang.

18.7.2 Dynamic Performance

The dynamic performance of the target area has been unsatisfactory. Trend real GRDP growth of all four Provinces together was recorded at 6.08% over the reference period 1990 to 1994, that is -1.79% points below the national average. The trend growth performance for the four Provinces individually and over the same reference period has likewise been unsatisfactory.

Only Thua T. Hue recorded with 9.79% a GRDP growth above national average (1.92% points). Quang Tri performed with 2.87% poorest, that is -5.00% points below national average. Q.N. Da Nang achieved with 4.14% a performance which was -3.73% points below national average. Quang Ngai's real GRDP growth performance was 6.00% the second best among all the four Provinces. (Table 18.7 refers. For detailed numerical data please consult the attached Annex 18-11).

Table 18.7 Dynamic Performance of the Target Area 1994

(Unit : as indicated)

Province	1994 per capita Income *)	Real GDP Growth 1990-94	Population Growth 1990-94	Per capita Income growth	Growth and size differentials		
					Real GRDP growth	Size of GRDP	Size relative to Ha Noi
Quang Tri	332,710	2.87%	2.93%	2.81%	-5.00%	0.46%	4.75%
Thue Thien Hue	492,264	9.79%	2.56%	2.47%	1.92%	1.26%	13.10%
Q.N. Da Nang	467,046	4.14%	2.22%	2.15%	-3.73%	2.34%	24.33%
Quang Ngai	271,463	6.00%	2.49%	2.40%	-1.87%	0.82%	8.56%
Target Area	407,559	6.08%	2.44%	3.50%	-1.79%	4.88%	50.73%

Notes : 1.) GRDP in constant 1989 prices. 2.) Per capita income in constant 1989 VDN.

3.) Share in national GDP. 4.) Relative size to Ha Noi : Ha Noi = 100%.

Source : JICA study team computations.

Compound population growth in the target area (that is all four Provinces together) was with 2.44% slightly above national average. Real per capita income in the target area taken together and expressed in constant 1989 prices was only 73% of the national average with a wide spread among the four individual Provinces. Real per capita income relative to the national average was with 88% the highest in Thua T. Hue, followed with 83% of national average in Q.N. Da Nang. That of Quang Ngai was only 49% and that of Quang Tri was 59% of national average.

18.8 CONCLUSIONS : STRATEGIC IMPERATIVES AND CONSTRAINTS

18.8.1 A Basic National Strategy Dilemma

The results of the economic trend, structure and pattern analyses show very clearly that Viet Nam faces a fundamental strategic dilemma, which is :

- If Viet Nam continues to pursue a strategy which aims at maximizing GDP growth at national level, such strategy would have to rely to a large extent on the already existing regional imbalances. The unavoidable result will be an accelerating deepening and further cementation of a clear cut economic division of the country with widening economic gaps and the country's economic power house shifting more and more to the South
- If Viet Nam pursues a strategy of optimizing economic integration of the country, that is putting first priority on closing economic gaps in the country, the likely result will be driving down absolute national GDP growth, with maybe only very slowly narrowing regional disparities within Viet Nam. The gap in absolute size of the major economic sectors is as

big as 1 to 4 and is widening. Hence, a strategy focusing on closing the gaps would require up to four times bigger growth rates in the North and much higher growth rates in other parts of the country

- The widening economic division of the country into the North and the South is further aggravated by the small economic size and weak performance of Central Viet Nam, that is the four Provinces of the target area.

18.8.2 Fundamental National Strategy Variables

However, the economic trend, structure and pattern analyses indicate likewise the following fundamental strategy variables as they appear from an overall national point of view.

Take all necessary measures to counter the widening economic division of the country. In this context :

- Foster the economic integration of the country along a roughly 2,000 km North-South axis, allowing for more economical and easy transport and transfer of goods and people between the country's major production and consumption centers
- Remove the natural barrier between the North and the South that is the Hai Van Pass, which is currently a physical bottleneck for movement of larger groups of people and goods, and
- Fully exploit the benefits deriving from an accelerated development of the oil & gas sector, in particular the gas sector. This sector is not only important as a source of growth generation, but realizing its potential may also alter substantially strategy option at national and target area levels. In that sense the oil & gas sector is an absolute strategic sector.

Take all necessary measures to avoid that Central Viet Nam (the target area) becomes an economics no-men's land between the two economic giants in the South and the North. In this context :

- Create one or two more growth poles in the target area mainly out of strategic considerations with a function as a bridge between the economic blocks in the North and the South, but also the East-West corridor
- Establish some sort of economic critical mass in the target area
- Pursue accelerated East - West corridor integration within the context of the "Greater Mekong Delta Development Concept". Economic benefits from this integration process will strengthen the economic base of the target area, and
- Accelerate exploration and exploitation of gas off-shore of the target area, in particular in the Da Nang Bay. The development of Central Viet Nam's off-shore gas reserves has not

yet received the attention it deserves. There are already considerable known reserves of some estimated 700 bcm (25tcf). However, these reserves are not exploited because Viet Nam's lacks the technology to treat high content CO₂ gas. As is the case at national level, realizing the gas sector's potential will alter substantially strategy option at the target area level, in particular industrialization options in the Dung Quat Industrial Zone.

18.9 NUMERICAL MACRO- AND SOCIO-ECONOMIC DEVELOPMENT TARGETS AT NATIONAL LEVEL 1996 TO 2010

18.9.1 Strategy Objectives

Within the framework of Viet Nam's overall national strategy objectives of stability, growth and equity the following is proposed :

- Develop the domestic market and mobilize to the very extent possible domestic savings. For the latter a comprehensive financial sector reform is a prerequisite
- Optimize (not maximize) and stabilize inflation free growth over the coming five years (1996 to 2000) and readjust in addition to the annual reviews the basic policy parameters at the end of the current 5 year plan in line with the then prevailing situation
- Develop labor intensive export sector expansion in order to, firstly flank the development of the domestic market and, secondly, absorb the increasing number of new labor market entrants and agricultural surplus labor
- Ensure that over the coming five years macroeconomic stability is maintained. This is a crucial element not only for maintaining the confidence of the IMF, but also to retain high levels of ODA inflows, maintain access to commercial borrowing (if and when needed) on the international market and keep a sufficient level of foreign investor's confidence
- Overhaul and put in place a regionally/globally competitive trade and private investment (domestic and foreign) enabling environment. Trade issues will have to be resolved in the context of the existing ASEAN/AFTA agreements. This implies that Viet Nam has a time frame up to the year 2006 to open up her market to regional competition, conversely implying that by that time domestic producer will have to be 100 percent regionally competitive. As regards attraction of FDI, factors like regionally commercial viability will be more and more important rather than just being a low-labor cost production base
- Promote vigorously the development of the oil & gas sector
- Establish a modern a commercially viable agricultural sector
- Over the coming ten years the GOV should concentrate its efforts in putting in place the basic infrastructure needed to support strong growth. Such measures would embrace the energy sector, transport infrastructure, water supply and sewerage systems and so on

- Liberalize the service sector and promote the construction industry, since these sectors are important in terms of labor absorption capacity
- The GOV and the private sector have about ten years time to establish a commercially viable and competitive industrial structure. During that consolidation period promotion of light labor intensive industries should find due attention in order to create as many jobs as possible. Within manufacturing itself, strategic sectors will emerge in developing the manufacturing base. The point of emergence will not only depend on Government perceptions and policies, but also be broadly influenced by shifts in the industrial structures of regional competitors
- Establish an education and vocational training system, which is conducive to the needs of the 21st century.

18.9.2 Numerical Macro- and Socio-economic Development Targets at National Level 1996 to 2010

1) Major Assumptions

The economy of Viet Nam is not only in a transitional phase, but also in an almost constant state of flux implying high levels of uncertainty and unpredictability for many macroeconomic structural and performance indicators. In addition, there is still a lack of comprehensive and reliable macro data in international standard formats. More or less reliable data are available only for the reference period 1990 to 1995, which is insufficient for more sophisticated analyses and planning approaches such as time series analysis. Hence, under such circumstances it is considered unwise to work out different scenarios for the numerical macro frameworks. The formulation of such scenarios would not only require too many assumption, but the viability of such assumptions could not be tested against an established and reliable statistical data base.

Given such a situation it is considered prudent to use the limited data base for a base case formulation, which in essence is a linear trend extrapolation of the performance over the past five years. In any event, annual performance indicators would typically fluctuate in line with the business cycle around the trend curve. Individual macroeconomic performance indicators can then be tested at least for their plausibility, that is whether they fall into a certain desirable and likely range or not. The major key assumptions for the base line estimation at national level are :

- Family planning efforts will succeed in bringing the population growth rate down at an annual rate of about 0.059 percentage points up to the year 2005 and that population growth will stabilize thereafter at some annual 1.74% population growth. The success in family planning efforts are evenly distributed over the country
- Real trend growth rates are assumed at the past five years trend, that is 4.270% for agriculture and forestry, 12.135% for industry, 13.439% for the construction and 8.601% for the services sector. While these trend extrapolations suffice for the purpose outlined here, it should nevertheless be stressed that (i) construction sector growth performance is likely to be underestimated given regional disparities and construction needs and, (ii) service sector growth is probably strongly underestimated. Full liberalization of the service sector, as is required in the short to medium term, including the financial sector, is likely to result in a very strong growth push for this sector's performance

- Efforts in mobilizing domestic resources will gradually succeed and the ratio of gross national savings (GNS) to GDP will increase to about 26% in 2010. Such increase in GNS would be consistent with an increase in real domestic consumption (DC) between 4% to 8%. A faster increase in GNS is achievable, if real growth in DC can be contained at about 4% per year
- The GOV succeeds in controlling inflation by containing the budget deficit and maintaining external balances
- The export drive succeeds and boosts the country's foreign exchange reserves creating a save margin for short, medium and long term debt servicing
- The international community continues to commit considerable ODA resources over the coming decade, and
- Viet Nam succeeds in readjusting her educational, vocational and human resource development systems and brings it in line with requirements of a modern and industrialized society.

2) Numerical Targets at National Level 1996 to 2010

Under the above assumptions Viet Nam's total population size is expected to increase from about 74.2 to about 98.6 million people by the year 2010, while the population growth is gradually reduced from 2.3% to some 1.9% in 2005 and 1.7% in the year 2010 (Table 18.8 refers. A complete presentation of all planning parameter is presented in Table 18.9).

Table 18.8 Demographic Targets at National Level 1996 to 2010

Parameter	[Unit]	(Unit : as indicated)				
		Actual 1995	1996	Projected		
				2000	2005	2010
Population size	[Mo. people]	74.2	75.9	82.5	90.5	98.6
Population growth*)	[%]	2.3	2.3	2.1	1.9	1.7
Urban population	[%]	19.8	20.3	22.7	26.4	30.9
Urbanization rate*)	[%]	3.7	3.7	5.0	5.0	5.0

*) All growth rates for 1995, 1996 are annual, all others are compound for the period.

Source : JICA study team.

Table 18.9 Socio-economic Planning Targets at National Level 1996 to 2010

(UNIT : As indicated)

PARAMETER	UNIT	1995	1996	2000	2006	2010
POPULATION						
POPULATION SIZE	[000' people]	74,199	75,894	82,534	90,485	98,627
POPULATION GROWTH RATE *)	[%]	2.33	2.27	2.12	1.86	1.74
SHARE OF URBAN POPULATION	[%]	19.8	20.3	22.7	26.4	30.9
URBAN POPULATION GROWTH RATE **)	[%]	3.7	3.7	5.0	5.0	5.0
SHARE OF RURAL POPULATION	[%]	80.2	79.7	77.3	73.6	69.1
GROSS DOMESTIC PRODUCT						
STRUCTURE						
AGRICULTURE	[Billion VND]	14,399	15,014	17,747	21,874	26,960
	[%]	32.90	31.70	27.09	21.84	17.26
INDUSTRY	[Billion VND]	12,107	13,603	21,690	38,876	69,719
	[%]	27.66	28.72	33.11	38.82	44.64
SERVICES	[Billion VND]	17,259	18,743	26,073	39,387	59,501
	[%]	39.44	39.58	39.80	39.33	38.10
GDP	[Billion VND]	43,765	47,360	65,510	100,137	156,180
COMPOUND GDP GROWTH RATE ***)	[%]	9.47	8.21	8.50	8.85	9.30
PER CAPITA GDP ****)	[VND]	589,833	624,110	793,733	1,106,670	1,583,542
EMPLOYMENT						
TOTAL EMPLOYMENT	[Mo. people]	34.04	34.72	37.58	41.50	45.82
STRUCTURE						
AGRICULTURE	[Mo. people]	24.68	24.69	25.93	26.98	27.49
	[%]	72.5	71.1	69.0	65.0	60.0
INDUSTRY	[Mo. people]	4.56	4.83	6.01	7.90	9.62
	[%]	13.4	13.9	16.0	18.8	21.0
SERVICES	[Mo. people]	4.80	5.20	5.64	6.72	8.71
	[%]	14.1	15.0	15.0	16.2	19.0

Notes:

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period

**) The same comment as for *) applies

***) The same comment as for *) applies

****) In constant 1989 VND

Source : JICA study team computations

Urbanization would increase at a steady pace of some 5% points as of 2000, slowly increasing the country's urban population from 20.3% in 1996 to about 30.9% in the year 2010, equivalent to some 30.5 million people. Overall GDP in constant 1989 prices would more than triple over the planning period that is from 43,765 billion VDN to about 156,180 billion VDN in 2010, reflecting an accelerating real GDP growth performance of 8.5% over the period 1996 to 2000, about 8.9% over the years 2000 to 2005 and 9.3% between 2005 and 2010 (Table 18.10 refers).

Table 18.10 Real GDP Growth and Per Capita Income 1996 to 2010

Parameter	[Unit]	(Unit : as indicated)				
		Actual 1995	1996	Projected		
				2000	2005	2010
GDP *)	[Billion VDN]	43,765	47,360	65,510	100,137	156,180
GDP growth **)	[%]	9.5	8.2	8.5	8.9	9.3
Per Capita GDP	[Mio. VDN]	0.6	0.6	0.8	1.1	1.6

*) In constant 1989 prices.

**) All growth rates for 1995, 1996 are annual, all others are compound for the period.

Source : JICA study team,

Real per capita GDP would increase by factor 2.7 over the planning period, that is from 589,833 VDN (in constant 1989 prices) to about 1,583,542 VDN. In line with the growth assumptions for the major economic sectors, the sectoral structure of GDP would shift. The share of agriculture would decrease from some 33% in 1995 to about 17% in the year 2010. The share of the industrial sector (defined by UN standard, that is mining, manufacturing, construction and utilities) would increase from some 28% in 1995 to about 45% in 2010. The share of the service sector would slightly decrease from about 39% in 1995 to about 38%.

It is expected that total employment will increase from some 34 million people in 1995 to about 46 million in 2010 (Table 18.11 refers).

Table 18.11 Projected Employment and Employment Structure 1996 to 2010

Parameter	[Unit]	(Unit : as indicated)				
		Actual 1995	1996	Projected		
				2000	2005	2010
Total employment	[Mio. people]	34.0	34.7	37.6	41.5	45.8
STRUCTURE						
Agriculture	[%]	72.5	71.1	69.0	65.0	60.0
Industry	[%]	13.4	13.9	16.0	18.8	21.0
Services	[%]	14.1	15.0	15.0	16.2	19.0

Source : JICA study team,

The absolute employment size in all four major economic sectors is expected to increase. For example that in agriculture from some 24.7 million people in 1995 to about 27.5 million in 2010. Absolute employment in industry would more than double, that is from 4.6 million to some 9.6 million employees in 2010. Likewise, employment in the service sector is expected to more than double, from about 4.8 million people in 1995 to some 8.7 million employees in 2010.

However, the distribution of employment among the major sectors would reflect the shift of the economic structure towards a more industrialized and service sector driven economy. The share of agriculture employment in total employment would decrease from about 73% in 1995 to some 60% in 2010. The share of industry (including mining, construction and utilities) would increase from about 13% in 1995 to some 21% in 2010 and that of the service sector from 14% in 1995 to about 19% in the target year 2010.

Sector growth rates, absolute employment estimations and distribution of employment over major economic sectors is consistent with a gradual but marked increase in average gross value of output per employed person (GVO/E). GVO/E in the agricultural sector would grow by over 40% over the whole planning period (Table 18.12 refers).

Table 18.12 Increase in Average Gross Value of Output per Employee

Parameter	(Unit : as indicated)				
	Actual 1995	1996	Projected		
			2000	2005	2010
GVO/E (GDP Base)	100	106	136	188	265
STRUCTURE					
GVO/E Agriculture	100	103	112	125	140
GVO/E Industry	100	120	136	188	273
GVO/E Services	100	100	129	163	190

Note : Indexed, 1995 = 100.

Source : JICA study team.

The fastest increase would be recorded in industry with the GVO/E rising by 173% over the planning period. The increase in GVO/E in the service sector would amount to some 90% against the base year 1995 and that of the total economy (GVO/E on GDP basis) would be in the order of 165% as against the base year of 1995.

Selected macro indicators are calculated and the results are presented in Table 18.13. Aggregate domestic consumption is allowed to expand at an 8% average annual rate. In such a case domestic consumption would slowly but steadily decline from some 84% of GDP in 1995 to about 75% of GDP in 2010. Conversely gross national savings would slowly but steadily increase from about 16% of GDP in 1995 to about 25% of GDP in the target year 2010. Such developments would be consistent with a steady increase in real per capita consumption of about 5% to 6% per year over the whole period.

Table 18.13 Performance of Selected Macro Indicators 1996 to 2010

Year	(Unit : as indicated)			
	Domestic Consumption		Gross National Savings	
	Bil. VND	% of GDP	Bil. VND	% of GDP
1995	36,675	83.80	7,090	16.20
1996	39,609	83.63	7,752	16.37
2000	53,888	82.26	11,622	17.74
2005	79,179	79.07	20,959	20.93
2010	116,339	74.49	39,840	25.51

Note : Based on GDP projections.

Source : JICA study team computations.

Under the above assumptions real per capita consumption would expand by factor 2.7 over the planning period 1996 to 2010.

18.10 PROJECTED SOCIO-ECONOMIC DEVELOPMENT FRAMEWORK 1996 TO 2010 AT TARGET AREA LEVEL

18.10.1 Numerical Targets at Target Area Level 1996 to 2010

1) Major Assumptions

For calculating absolute population sizes the same assumptions as on national level have been employed. In addition, inter-provincial migration has been assumed at zero level, but rural urban migration has been taken into consideration. It is further assumed that :

- The Lao Bao - Dong Ha free trade corridor will be established in the coming 5 years
- The twin city concept (urban agglomeration center) will be fully realized by or about the year 2000
- The Dung Quat industrial zone concept will be realized more or less reflecting current planning parameter
- Relevant infrastructure projects will be realized in a timely fashion and, importantly, such projects will employ labor instead of capital intensive construction technologies, and
- All numerical estimations are made on Province level first. Hence, all numbers at target area level are amalgamated results from the Province specific calculations.

2) Numerical Framework

It is estimated that the population size of the target area as a whole will increase from some 4.8 million to about 6.5 million people by the year 2010 (Table 18.14 refers). The share of the urban population would increase by about 50%, that is from some 23% in 1995 to about 33% in the target year of 2010. The urbanization rate would slowly accelerate as the twin city concept as well as accelerated economic development is being realized.

Real growth of gross regional domestic product (GRDP) is expected to accelerate and pick up after the year 2000, when basic infrastructure has been put in place and other major projects come on stream (Table 18.14 refers).

Real growth of the agricultural sector in the target area has been in the past and will remain in the future highly sensitive to the growth performance of the agricultural sector in two Provinces, namely Quang Nam - Da Nang and Quang Ngai, which combined accounted on average for some 74% of total gross value of agriculture output in the target area (Table 18.15 refers).

Real growth of the industrial sector was in the past very much influenced by the industry sector growth performance of Thua Thien - Hue and Quang Nam - Da Nang, which together accounted on average for about 76% of total gross value of industrial output. However, the interrelationship and structure will change after 2000 when large projects in the Dung Quat zone will come on stream.

Table 18.14 Socio-economic Planning Targets at Target Area Level 1996 to 2010

(UNIT: As Indicated)

PARAMETER	UNIT	1995	1996	2000	2005	2010
POPULATION						
POPULATION SIZE	[000' people]	4,773,328	4,889,953	5,354,897	5,921,770	6,478,745
POPULATION GROWTH RATE *)	[%]	2.39	2.44	2.33	2.03	1.81
SHARE OF URBAN POPULATION	[%]	22.6	22.5	24.0	27.6	33.1
URBAN POPULATION GROWTH RATE **)	[%]	2.34	2.19	4.22	5.50	6.23
SHARE OF RURAL POPULATION	[%]	77.4	77.5	76.0	72.4	66.9
GROSS DOMESTIC PRODUCT						
STRUCTURE AGRICULTURE	[Billion VND] [%]	544 26.67	556 25.38	601 20.16	687 12.27	796 7.48
INDUSTRY	[Billion VND] [%]	519 25.44	573 26.20	901 30.22	1,975 35.27	3,872 36.39
SERVICES	[Billion VND] [%]	977 47.89	1,059 48.42	1,479 49.61	2,938 52.46	5,973 56.13
GDP	[Billion VND]	2,040	2,187	2,981	5,600	10,641
COMPOUND GDP GROWTH RATE ***)	[%]	7.26	7.21	7.88	13.45	13.70
PER CAPITA GDP ****)	[VND]	427,375	447,244	556,687	945,663	1,642,448
EMPLOYMENT						
TOTAL EMPLOYMENT	[people]	1,961,483	2,009,771	2,200,927	2,434,103	2,662,829
STRUCTURE AGRICULTURE	[people] [%]	1,430,817 76.16	1,514,547 75.36	1,439,762 66.78	1,457,042 59.86	1,353,764 50.84
INDUSTRY	[people] [%]	188,865 9.63	198,144 9.86	242,170 11.00	301,338 12.38	370,170 13.90
SERVICES	[people] [%]	278,781 14.21	297,080 14.78	488,995 22.22	675,723 27.76	938,895 35.26

Notes:

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period.

**) The same comment as for *) applies.

***) The same comment as for *) applies.

****) In constant 1989 VND.

Source: JICA study team computations

Table 18.15 Economic Sector Growth Rates at Target Area Level 1996 to 2010

Major Economic Sector	Past actual 1990 - 1994	(Unit : percent)		
		Projected		
		1996-2000	2000>05	2005>10
Agriculture	0.05	2.03	2.72	2.97
Industry	6.60	6.29	9.58	9.77
Construction	21.43	20.67	23.80	16.98
Services	9.13	8.65	14.71	15.25
GDP	6.08	7.88	13.45	13.70

Source : JICA study team computations.

The construction sector will play a strong role over the coming decade, when basic infrastructure will have to be put in place, the Dung Quat zone will have to be physically established and the urbanization process will require continued attention and investment into urban infrastructure, including housing. Thua Thien - Hue, Quang Nam - Da Nang and Quang Ngai should play a leading role in this sector.

The service sector, in particular in the urban centers of Thua Thien Hue and Quang Nam - Da Nang, has played in the past and will continue to play in future an important and leading role in the development of the service sector. The establishment of the urban twin city agglomeration center together with the accelerated industrial development path will boost demand for all types of supporting services in particular in trade, tourism, banking and other professional services.

Given the anticipated sector growth performance at Province levels, the economic structure of GRDP of the target area is anticipated to emerge as indicated in Table 18.16.

Table 18.16 Economic Structure and Sector Shares 1996 to 2020

Major Economic Sector	Past actual 1994	(Unit percent)		
		Projected		
		2000	2005	2010
Agriculture	28.2	20.2	12.2	7.5
Industry (Incl. Construction)	24.4	30.2	35.3	36.4
Services	47.4	49.6	52.5	56.1
GRDP	100.0	100.0	100.0	100.0

Source : JICA study team computations.

The share of the agricultural sector would gradually decline from some 28.2% of GRDP in 1994 to about 7.5% in 2010. The share of the industrial sector, including mining, building & construction and utilities, would increase from about 24.4% in 1994 to about 36.4% in 2010. The share of the service sector will also slightly increase, that is from about 47.4% in 1994 to about 56.1% in the target year 2010.

Real per capita GRDP is expected to grow by factor 3.8 over the planning period, that is from 427,374 VDN (1989 constant price base) in 1995 to about 1,642,448 VDN in the target year 2010. Real per capita income in the target area as compared to national average was at a 70% level in 1995 (Table 18.17 refers). Given projected economic development trends at national and target area levels, the gap between real per capita income levels will remain in the same order of magnitude in the years 1996 to 2000. After 2000 the gap will start closing and real per

capita income in the target area will reach some 85% of national average in 2005 and will be by 4% points above national average in the target year 2010.

Table 18.17 Real Per Capita Income Development 1996 to 2010

(Unit : 1989 constant VND)				
Parameter	Past actual	Projected		
	1995	2000	2005	2010
Per capita income				
National level	589,833	793,733	1,106,670	1,583,542
Target area level	427,375	556,687	945,663	1,642,448
Indexed				
National	100	135	188	268
Target area level	72	70	85	104

Source : JICA study team computations.

It is anticipated that total employment in the target area will increase from some 1.962 million people in 1995 to about 2.663 million by the target year 2010 (Table 18.18 refers). Total employment in the agricultural sector will remain in the same range up to the year 2000 and then start declining in absolute numbers as the growing industrial and service sectors start absorbing increasingly agricultural surplus labor. The share of agriculture in total employment is estimated to decline from some 76.2% in 1995 to about 50.8% in 2010. The share of industry in total employment will gradually increase from 9.6% in 1995 to about 13.9% in 2010. The service sector, while not the largest in terms of total employees, will however become an important labor absorbing sector. Its share in total employment is expected to increase from 14.2% in 1995 to about 35.3% in the target year 2010.

Table 18.18 Projected Employment and Employment Structure 1996 to 2010

		(Unit : as indicated)				
Parameter	[Unit]	Actual	Projected			
		1995	1996	2000	2005	2010
Total employment	[000 people]	1,962	2,010	2,201	2,434	2,663
STRUCTURE						
Agriculture	[%]	76.2	75.4	66.8	59.9	50.8
Industry	[%]	9.6	9.9	11.0	12.4	13.9
Services	[%]	14.2	14.8	22.2	27.8	35.3

Source : JICA study team computations.

Sector growth rates, absolute employment estimations and sector distribution of such employment is consistent with a marked increase in average gross value of output per employed person (GVO/E). The GVO/E on GRDP base would steadily increase to 384% of the 1995 level (Table 18.19 refers). The GVO/E in agriculture would increase to 161% of its 1995 level. The strongest expansion would be in the industrial sector, in particular after 2000 when major industrial projects will come on stream. The GVO/E in industry will increase to 135% of the 1995 level in the year 2000, to 239% in 2005 and eventually to 381% of the 1995 level in the target year 2010.

Table 18.19 Increase in Average Gross Value of Output per Employee

Parameter	Actual 1995	(Unit : as indicated)			
		Projected			
		1996	2000	2005	2010
GVO/E (GRDP Base)	100	105	130	221	384
STRUCTURE					
GVO/E Agriculture	100	101	112	129	161
GVO/E Industry	100	105	135	239	381
GVO/E Services	100	102	86	124	182

Note : Indexed, 1995 = 100.

Source : JICA study team, based on Table 4.3.1.

The GVO/E in the service sector will basically decline up to the year 2000 as the sector starts absorbing agricultural surplus labor. However, as of 2000 competition in the sector will pick up and lead to increased efficiency. Hence, the GVO/E will increase from to about 182% of its 1995 level by the target year 2010. The relative position of the target area would evolve as outlined below, should the development direction and targets at national and target area levels be achieved in the foreseen fashion. The target area's total population would account for some 6.6% of national total in 2010. The target area's GRDP would account for 6.8% of national total. The agricultural share would be around 3%, that of industry some 5.6% and that of the service sector about 10% of national total. Real per capita income would be slightly above national average. The target area's total labor force would account for 5.8% of the national total.

Table 18.20 Socio-economic Planning Targets Quang Tri Province 1996 to 2010

(UNIT: As indicated)

PARAMETER	UNIT	1995	1996	2000	2006	2010
POPULATION						
POPULATION SIZE	[people]	545,552	551,661	626,923	709,997	792,554
POPULATION GROWTH RATE *)	[%]	2.93	2.88	2.82	2.52	2.22
SHARE OF URBAN POPULATION	[%]	16.7	16.7	18.9	24.0	30.8
URBAN POPULATION GROWTH RATE **)	[%]	2.8	3.0	6.0	7.5	7.5
SHARE OF RURAL POPULATION	[%]	83.3	79.7	81.1	76.0	69.2
GROSS DOMESTIC PRODUCT						
STRUCTURE						
AGRICULTURE	[Billion VND]	52	53	56	62	69
	[%]	26.67	24.65	17.18	12.81	9.89
INDUSTRY	[Billion VND]	31	33	41	66	113
	[%]	15.90	15.35	12.58	13.64	16.19
SERVICES	[Billion VND]	112	129	229	356	515
	[%]	57.44	60.00	70.25	73.55	73.93
GDP	[Billion VND]	195	215	326	484	698
COMPOUND GDP GROWTH RATE ***)	[%]	9.55	10.14	10.83	8.22	7.62
PER CAPITA GDP ****)	[VND]	357,371	382,793	520,000	681,693	880,697
EMPLOYMENT						
TOTAL EMPLOYMENT	[people]	197,514	203,205	226,707	256,718	286,728
		100.00	100.00	100.00	100.00	100.00
STRUCTURE						
AGRICULTURE	[people]	156,527	160,532	158,695	166,867	157,700
	[%]	79.25	79.0	70.0	65.0	55.0
INDUSTRY	[people]	13,081	14,224	18,137	23,105	31,540
	[%]	6.62	7.0	8.0	9.0	11.0
SERVICES	[people]	27,904	28,449	49,876	66,747	97,488
	[%]	14.13	14.0	22.0	26.0	34.0

Notes:

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period

**) The same comment as for *) applies.

***) The same comment as for *) applies.

****) In constant 1989 VND.

Source: JICA study team computations

**Table 18.21 Socio-economic Planning Targets Thua Thien Hue Province
1996 to 2010**

(UNIT: As indicated)

PARAMETER	UNIT	1995	1996	2000	2005	2010
POPULATION						
POPULATION SIZE	[people]	1,037,210	1,063,742	1,170,060	1,300,990	1,425,660
POPULATION GROWTH RATE ^{*)}	[%]	2.56	2.5	2.44	2.14	1.85
SHARE OF URBAN POPULATION	[%]	26.0	26.0	28.7	33.0	38.4
URBAN POPULATION GROWTH RATE ^{**)}	[%]	2.6	3.0	5.0	5.0	5.0
SHARE OF RURAL POPULATION	[%]	74.0	74.0	71.3	67.0	61.6
GROSS DOMESTIC PRODUCT						
STRUCTURE						
AGRICULTURE	[Billion VND] [%]	77 14.03	81 13.41	98 10.83	125 6.54	160 3.78
INDUSTRY	[Billion VND] [%]	161 29.33	182 30.13	311 34.36	575 30.07	1,112 26.27
SERVICES	[Billion VND] [%]	311 56.65	341 56.46	495 54.81	1,212 63.39	2,361 69.95
GDP	[Billion VND]	549	604	906	1,912	4,233
COMPOUND GDP GROWTH RATE ^{***)}	[%]	11.81	10.18	10.52	16.13	17.23
PER CAPITA GDP ^{****)}	[VND]	529,305	568,747	773,465	1,489,650	2,969,151
EMPLOYMENT						
TOTAL EMPLOYMENT	[people]	451,687	463,175	509,468	566,477	620,761
		100.00	100.00	100.00	100.00	100.00
STRUCTURE						
AGRICULTURE	[people] [%]	271,450 60.10	277,905 60.00	254,734 50.00	254,915 45.00	235,889 38.00
INDUSTRY	[people] [%]	62,625 13.86	64,845 14.00	81,515 16.00	96,301 17.00	117,945 19.00
SERVICES	[people] [%]	117,612 26.04	120,426 26.00	173,219 34.00	215,261 38.00	266,927 43.00

Notes :

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period

**) The same comment as for *) applies.

***) The same comment as for *) applies.

****) In constant 1989 VND.

Source : JICA study team computations.

Table 18.22 Socio-economic Planning Targets Quang Nam - Da Nang Province 1996 to 2010

(UNIT: As indicated)

PARAMETER	UNIT	1995	1996	2000	2005	2010
POPULATION						
POPULATION SIZE	[000' people]	1,982,953	2,026,994	2,200,385	2,408,512	2,616,702
POPULATION GROWTH RATE *)	[%]	2.22	2.16	2.10	1.81	1.69
SHARE OF URBAN POPULATION	[%]	30.9	30.7	31.8	35.4	41.6
URBAN POPULATION GROWTH RATE **)	[%]	1.1	1.5	3.0	4.0	5.0
SHARE OF RURAL POPULATION	[%]	69.1	69.3	68.2	64.6	58.4
GROSS DOMESTIC PRODUCT						
STRUCTURE AGRICULTURE	[Billion VND] [%]	287 30.15	291 29.22	309 25.69	346 18.15	392 12.55
INDUSTRY	[Billion VND] [%]	225 23.63	239 24.00	306 25.35	521 27.33	902 28.87
SERVICES	[Billion VND] [%]	440 46.22	466 46.79	589 48.96	1,039 54.51	1,830 58.58
GDP	[Billion VND]	952	996	1,203	1,906	3,124
COMPOUND GDP GROWTH RATE ***)	[%]	4.39	4.69	4.79	9.65	10.39
PER CAPITA GDP ****)	[VND]	480,092	491,861	546,723	792,018	1,193,869
EMPLOYMENT						
TOTAL EMPLOYMENT	[people]	760,682	778,064	844,621	923,743	1,004,425
STRUCTURE AGRICULTURE	[people] [%]	607,568 79.87	606,800 78.00	591,235 70.00	554,246 60.00	472,080 47.00
INDUSTRY	[people] [%]	73,139 9.61	77,806 10.00	92,908 11.00	120,087 13.00	130,575 13.00
SERVICES	[people] [%]	79,975 10.51	93,368 12.00	160,478 19.00	249,411 27.00	401,770 40.00

Notes:

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period.

**) The same comment as for *) applies.

***) The same comment as for *) applies.

****) In constant 1989 VND.

Source: JICA study team computations.

Table 18.23 Socio-economic Planning Targets Quang Ngai Province 1996 to 2010

(UNIT: As indicated)

PARAMETER	UNIT	1995	1996	2000	2005	2010
POPULATION						
POPULATION SIZE	[000' people]	1,207,513	1,237,556	1,357,529	1,504,271	1,643,829
POPULATION GROWTH RATE *)	[%]	2.43	2.43	2.37	2.07	1.79
SHARE OF URBAN POPULATION	[%]	8.7	8.8	9.7	12.3	16.2
URBAN POPULATION GROWTH RATE **)	[%]	2.1	3.5	5.0	7.5	7.5
SHARE OF RURAL POPULATION	[%]	91.3	91.2	90.3	87.7	83.8
GROSS DOMESTIC PRODUCT						
STRUCTURE						
AGRICULTURE	[Billion VDM]	128	130	138	154	175
	[%]	37.21	34.95	25.23	11.86	6.77
INDUSTRY	[Billion VDM]	102	119	244	813	1,745
	[%]	29.65	31.99	44.61	62.63	67.48
SERVICES	[Billion VDM]	114	123	165	331	666
	[%]	33.14	33.06	30.16	25.50	25.75
GDP	[Billion VDM]	344	372	547	1,298	2,586
COMPOUND GDP GROWTH RATE **)	[%]	7.71	7.90	9.70	18.93	14.77
PER CAPITA GDP ****)	[VDM]	284,883	299,784	402,201	863,541	1,573,156
EMPLOYMENT						
TOTAL EMPLOYMENT	[people]	551,600	565,325	620,130	687,163	750,915
STRUCTURE						
AGRICULTURE	[people]	458,272	469,220	465,098	481,014	488,096
	[%]	83.08	83.00	75.00	70.00	65.00
INDUSTRY	[people]	40,040	41,209	49,610	61,845	90,110
	[%]	7.26	7.30	8.00	9.00	12.00
SERVICES	[people]	53,288	54,897	105,422	144,304	172,710
	[%]	9.65	9.70	17.00	21.00	23.00

Notes:

*) For 1995 as against 1994 and for 1996 as against 1995. The other are compound growth rates for the period.

**) The same comment as for *) applies.

***) The same comment as for *) applies.

****) In constant 1989 VDM.

Source: JICA study team computations.