

在外プロジェクト形成基礎調査報告書

**Base study on Rural Development Master Plan Based
on Artisan craft Development in Rural and
Mountainous Areas of Vietnam**

Final Report

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submitted to JICA Office – Vietnam

Ha noi 1/2002

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introduction

In the development orientation of the Agriculture and Rural Development and Rural economy as indicated in the Strategy for Socio- Economic Development in the period 2001-2010 of Vietnam, the issue of rural industrial development (including artisan craft industry) has been put high consideration by the Party and the Government . In the years to come, the development orientation of this areas is:

“To vigorously develop industry and services in rural areas. To set up industrial clusters and spots in rural areas, and craft villages linked to domestic and export markets...To enact preferential policies to channel investment from all economy sector into the development of industries and services in rural areas”.

In the strategy for Agriculture and Rural Development in the period of Industrialisation and Modernisation until the year 2010, the Ministry of Agriculture and Rural Development (MARD) also sets up the development orientation for agriculture in general and for rural industry and employment, in particular. In the years to come, the development orientation in the area of craft villages and handicraft industry is:

“To restore and develop craft villages, including traditional craft like carpentry, fine arts, textiles, bamboo and rattan making, etc.;and to develop new craft villages including embroidery, knitting, etc.”

The Government of Vietnam had also issued several policies aiming to encourage the development of rural industry and employment. It is planned that about 1,000 new craft villages will be established in the coming years.

The above orientations for promoting the development of rural and artisan craft industry as set forth by the Government and related Ministries practically indicate the important role of this branch in rural development.

However, the question on what and how to support this branch in Vietnam in an effective, proper and adequate way that helps to avoid the shortcomings that several other countries in the region had committed in their development of this branch, requires more comprehensive studies and a general survey for the rural development master plan based on artisan craft development in rural areas of Vietnam shall be performed.

This report is aimed to support the preparation of the above general survey on artisan craft development before it starts in Vietnam. Information of all aspects have been collected from the work done, the Governmental policies related and other activities made by the Organizations from Central, and Provincial levels, NGO's and other financial agencies as related to the rural industrial and artisan craft development in Vietnam. It is hoped these will be part of references on the current status of this branch in Vietnam.

II. Part 1 Promotion of Artisan craft

1.1 Law/Regulation/Decree concerned with the promotion of Artisan craft development include:

- Decision No. 132/2000/QĐ-TTg of November 24, 2000 on "A number of Policies to encourage the development of Rural Trades" (Annex I).
- Decree No. 51/1999ND-CP of the Government of July 8, 1999 detailing the implementation of Law 03/1998/QH 10 on Domestic Investment Promotion (amended) (Annex II).

1.2 Brief description of state management system on Rural industry in Vietnam.

The system of rural industry management as described below is based upon the legal document as issued by administrative management echelons:

At central level:

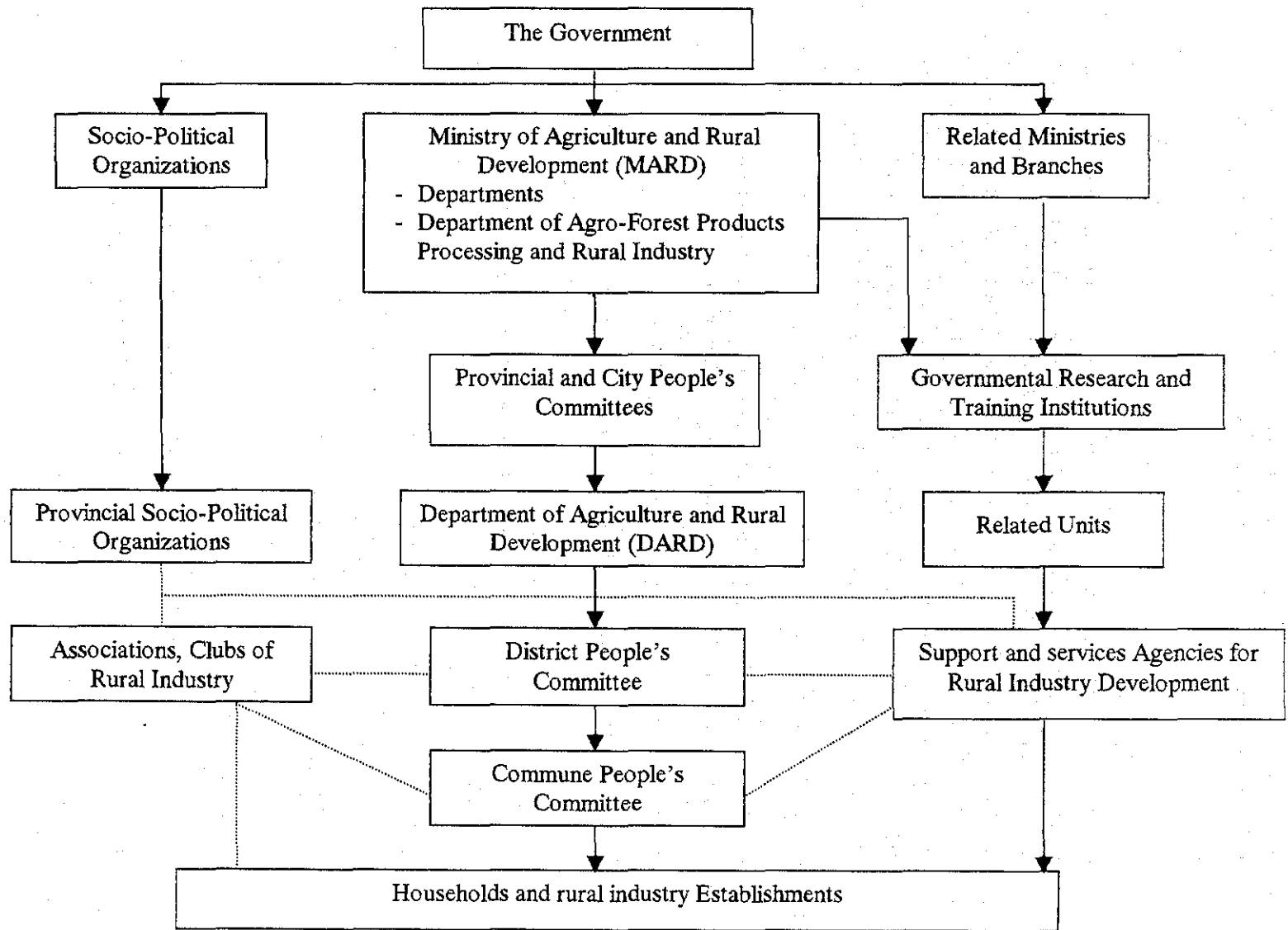
- The Ministry of Agriculture and Rural Development (based upon the Decree 73/CP of November 01, 1995 of the Government)
- The Department of Agro-Forest Products Processing and Rural Industry (based upon the Decision 352/TTg of May 28, 1996 of the Government Prime Minister)

At local level:

Based upon the Joint Circular 07/ LB/TT of April 4, 1996 of Ministry of Agriculture and Rural Development and Government Commission for Organization and Personnel, the state management system of rural industry at the localities is as follows:

- Division of Agro-Forest Products Processing and Rural Industry, (under Department of Agriculture and Rural Development of the province).
- Section of Agriculture and Rural development (People's Committee of the District)
- A member of the Commune PC is responsible for the follow up of the rural industry activities at the Commune area.

The Organisation Chart of the rural industry management is presented below :



1.3 Concepts and Definition of Rural Industries in Vietnam

In the course of formulating policies and study on the development plan of rural industries in Vietnam, the following concepts and definitions are being put in use in legal documents:

Rural industries:

Non-farm economical activities in rural areas including artisan and small craft industries and services of small and medium scales, catering for production and livelihood being performed by every economy constituents like: family household, production household, etc., (hereinafter called Household) and other economic organizations like: cooperatives, private enterprises, company ltd., etc., (hereinafter called Establishment). They are, to different extents, closely linked to rural areas and use resources available at their localities (land, labor, materials and others, etc.); their activities have great impact to socio-economic development in rural areas.

Type and structure of rural industries

Rural industries in Vietnam are complicated and diversified in types. For ease in analysis, they are classified into three main groups as following⁽¹⁾:

1. Processing of products of agriculture, forestry and fishery
2. Industries, craft industries, and construction
3. Services

In terms of market and product, the two above manufacturing groups are classified into eight sub-groups as following:

1. Processing of food and foodstuffs
2. Wood Processing
3. Processing of agro-forest products residues
4. Mechanical manufacturing
5. Textile, embroidery and lace trade
6. Manufacturing and exploitation of materials and raw materials
7. Manufacturing of Art and Handicraft products and consumer goods
8. Construction.

⁽¹⁾ Rural Industries and Services in Vietnam – Result of Non-Farm Survey in 1997- Agricultural Publishing House, 1998

In this report, artisan crafts include the main items (by industries) as following:

1. Wood-based products, including: statue, fine art joinery (table, chair and cabinet, etc.)
2. Agro-forest based products: furnitures and articles from bamboo, "giang"(a kind of bamboo with tough fibers used to make ropes); rush, etc.
3. Mechanical engineering products like: knife, scissors and bronze-based articles (from casting)
4. Textiles and garments products including: silk and brocade weaving, embroidery.
5. Pottery and ceramics
6. Fine art handicrafts like: lacquer painting, silver carving, mussel shell inlaying
7. Others like stone carving, etc.

1.4. Organizations as related to the promotion of Artisan craft in Vietnam

1.4.1. The Ministry of Agriculture and Rural Development (MARD)

MARD was established based upon the Decree No.73-CP of November 1st, 1995 of the Government and the integration of the three former Ministries: Ministry of Agriculture and Foodstuff Industry, Ministry of Forestry and Ministry of Water Resources.

The Decree indicates MARD is an agency of the Government, having the function of State management over agriculture, forestry, water resources and rural development. The main tasks, powers and structure of MARD are presented below.

1.4.1.1. Main tasks and powers of MARD

1. Submitting to the Government draft laws, ordinances and other legal documents concerning agriculture, forestry, water resources and rural development. Issuing, within its jurisdiction, documents in the areas under its management.
2. Proposing to the Government the strategies, master plans, long-term and medium-term plans and, after getting the Government's approval, organizing the direction and guidance for the implementation of those plans in the following areas:
 - Cultivation, husbandry, processing of agricultural and forest products and development of rural businesses and occupations.
 - Management, protection, development and exploitation of forests.

- Management of the water resources (except raw natural mineral water and geothermal water), management of the construction and operation of irrigation works, the prevention and fight against floods and storms, the protection of dykes (river and sea dykes), management of the exploitation and all-round development of rivers.
 - State management of specialized service activities.
3. Performing the uniform management of the national systems of breeds and gene funds of both plants and animals (including their production, import and export).
 4. Organizing and directing the promotion of agriculture and forestry.
 5. Organizing scientific and technological researches and the application of scientific and technological advances in the areas under its management.
 6. Managing the quality of specialized construction projects; the quality of marketable agricultural and forestry products; controlling the safety of dams and dyke projects, national food safety, the prevention of animal and plant diseases and epidemics, safety in the utilization of chemicals in production and preservation of agricultural products and foodstuffs ... within the scope of its responsibility and in accordance with law.
 7. Presiding over and collaborating with the various branches and localities in drawing up and submitting to the Government the regimes, policies, and programs for social fields; monitoring and reviewing those issues then reporting to the Government.
 8. Performing the function of State management over the agricultural, forestry and water resources enterprises under its management in accordance with Law on State Enterprises and the Government's regulations on the assignment or delegation of authority in management to the Ministry of Agriculture and Rural Development.
 9. Managing its organization, officials and employees in accordance with law and in line with the assignment of the Government.
 10. Undertaking specialized inspection and control.
 11. Organizing and guiding the implementation of the plant and animal quarantine and protection (including domestic, imported and exported plants and animals), the forest rangers' work, the protection of irrigation projects, dykes and rivers.
 12. Organizing and managing international cooperation in the areas under its management.
 13. Performing the task of a standing member of the Central Steering Committee for Prevention and Fight against Floods and Storms and the tasks assigned to the Ministry by the Vietnam National Mekong River Committee.

14. Organizing and guiding the distribution of labor and population, the development of new economic zones and the promotion of sedentarization.
15. Organizing and managing the protection of forests and special-use forests.
16. Managing the granting and withdrawal of permits in the areas under its management in accordance with law.

1.4.1.2 Organizational structure of MARD

MARD is composed of:

1. Units to assist the Minister in performing the State management function:

a) Departments:

- The Planning and Programming Department.
- The Capital Construction Investment Department.
- The Science, Technology and Product Quality Department.
- The Department of Agriculture and Rural Development Policies.
- The International Cooperation Department.
- The Finance-Accountancy Department.
- The Organization and Personnel Department.

b) The Specialized State Management Departments:

- The Forestry Development Department.
- The Ranger Department.
- The Plant Protection Department.
- The Veterinary Department.
- The Agriculture and Forestry Extension Department.
- The Department of Agricultural and Forest Products Processing and Rural Industry.
- The Water and Irrigation Projects Management Department.
- The Department for Prevention and Fight against Floods and Storms, and Dyke Management (acting at the same time as the Office of the Central Steering Committee on Prevention and Fight against Floods and Storms).
- The Sedentarization and New Economic Zones Department.

c. *The Inspectorate.*

d. *The Office.*

2. The non-business establishments directly attached to the Ministry.

1.4.1.3 *MARD capacity (2000)*

1. Staff members.

According to the present organization and structure, MARD is composed of five blocs, the staff members of which are as follows:

<u>Bloc</u>	<u>No. of staff</u>
- Bloc of state management units	1,194
- Bloc of research institutions	6,515
- Bloc of non-business economic management units	481
- Bloc of non-business educational units	4,052
- Others	484
<hr/>	<hr/>
Total:	12,726

2. Budget ⁽¹⁾ The State budget expenditure final account 1997-1999 and State budget expenditure plan 2001 of Ministries and Central Agencies are presented in the table below:

Unit: VND billion

Name of Agencies/ Association	Final Account			Plan 2001
	1997	1998	1999	
MARD	1934.6	2394.0	2216.2	3051.5

1.4.2 Department of Agro-Forest Products Processing and Rural Industry (DAFPPRI)

The Department of Agro - Forest Products Processing and Rural Industry (DAFPPRI) was founded in 1996 based upon the Decision No. 352-TTg of May 28, 1996 of the Prime Minister and the integration of the former Department of Agricultural Engineering & Agro-Products Processing (within the former Ministry of Agriculture & Foodstuff Industry) and other former Management Divisions for Mechanical and Processing (within the former Ministry of Forestry and Ministry of Water Resources).

⁽¹⁾ Source : Statistical Yearbook 2000 - General Statistical Office

DAFPPRI assists the Minister of MARD in performing the function of state management over the processing and storage of agricultural and forest products and the development of rural industry nationwide

1.4.2.1 Principal tasks and powers of DAFPPRI

To work out programming, plan, program and projects of development over the areas of processing and storage of agricultural and forest products; mechanization of agriculture, forestry, water resources; development of rural industries; and, after getting approval of MARD, organizing the direction and implementation of those plans.

To establish legal documents, policies and managerial regime over the areas of processing and storage of agricultural and forestry products; mechanization of agriculture, forestry, water resources; development of rural industries and encouraging every organization and individuals including those abroad to make their investment of fund and high technologies in the above areas and, after getting the approval of the agency in authority, organizing the direction and implementation of the above matters.

To propose to the Ministry for issuance or issuing, within its jurisdiction, the rules, procedures, criteria and technical-economic norms over the areas of processing and storage of agricultural and forestry products; mechanization of agriculture, forestry, water resources; development of rural industries; and organizing the direction and implementation of the above matters.

In accordance with the laws and, within its jurisdiction, to grant or withdraw the permits for profession exercise on processing and storage of agricultural and forest products and on the development of rural industries and, to check the implementation of these areas.

Within its jurisdiction, to undertake the inspection on the safety of the specialized equipment and technologies within its special branch.

To organize and guiding the implementation on the application of scientific-technical progresses on the areas of processing and storage of agricultural and forest products; mechanization of agriculture, forestry, water resources; development of rural industries

To perform international cooperation in the areas under its management as assigned by the Ministry.

To organize the training, upgrading, specially, in professional skill technique as assigned by the Ministry.

1.4.2.2 Organizational structure of DAFPPRI

DAFPPRI is composed of:

1. Bloc performing state management function, including:
 - Division for General and Administration

- Division for Agro- Forestry Products Processing
- Division of Mechanical Engineering
- Division of Rural Industries
- Division for Sugar and Sugarcanes
- Division for Salt trade

2. Bloc of Centers

- Center for Agricultural Machinery Testing (CAMT)
- Center for Registration of Safety Technique (RST)

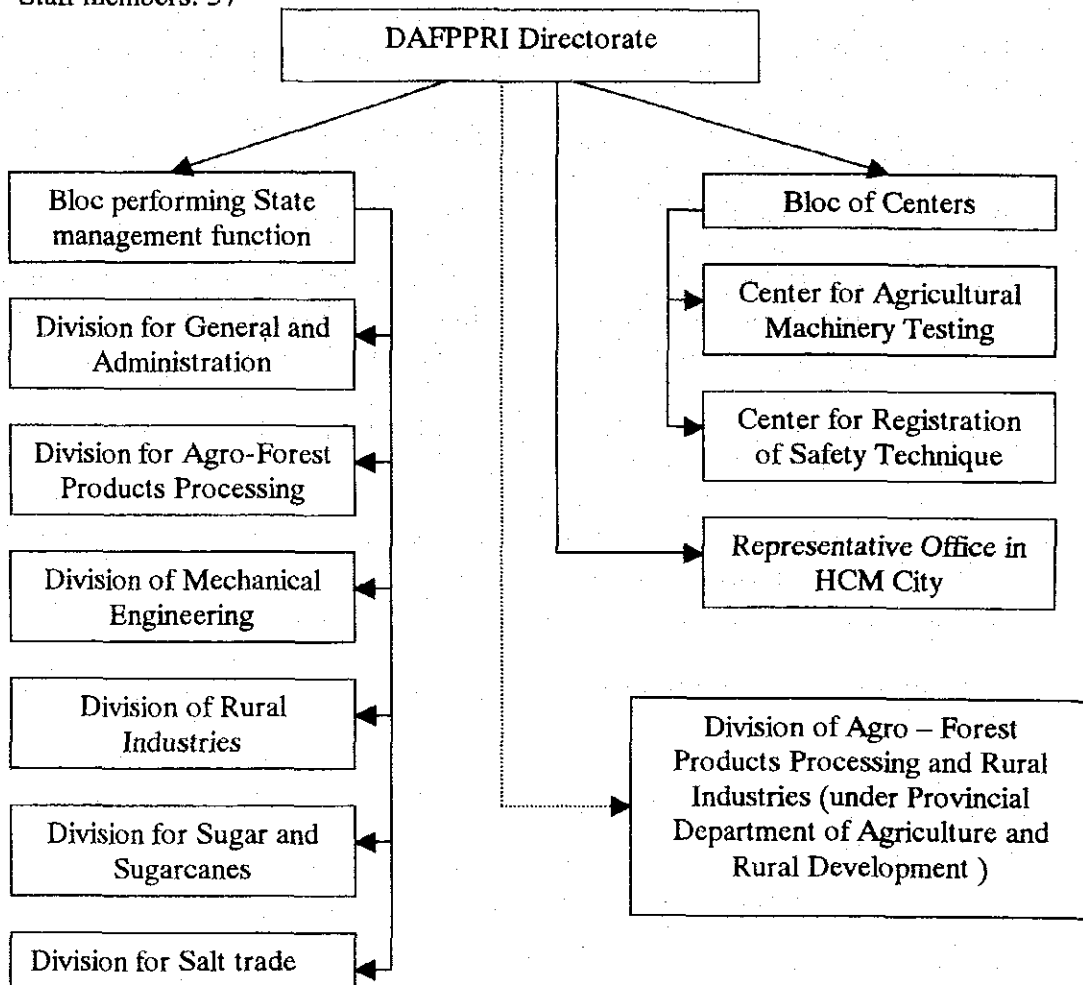
3. Representative Office

DAFPRI has a Representative Office located in Ho Chi Minh City in the South.

The Organizational Chart of DAFPRI is presented below.

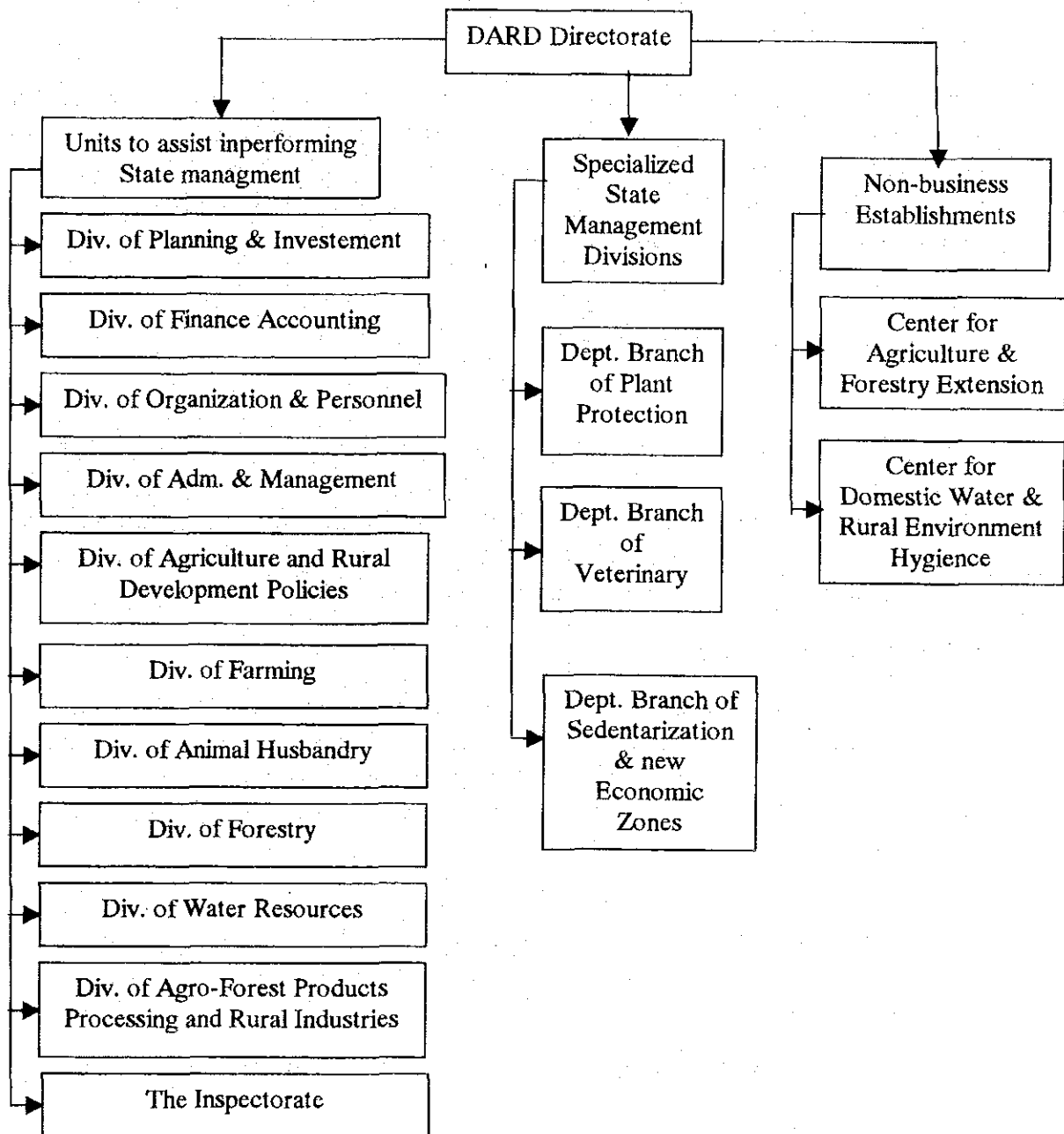
1.4.2.3 DAFPRI capacity (year 2000):

Staff members: 37



Note: —> under DAFPRI direct management
> management on professional specialty

1.4.3 Department of Agriculture and Rural Development (DARD) of the cities, provinces.



The Department of Agriculture and Rural Development (DARD) was founded in 1996 based upon the Joint Circular No.07/LB/TT of April 4th,1996 of the Ministry of Agriculture and Development (MARD) and the Government Commission for Organization and Personnel. DARD is an integration of the three former Departments in the Cities, Provinces as: Dept. of Agriculture, Dept. of Forestry and Dept. of Water Resources. Its organizational structure is presented on the diagram above.

The Division of Agro-Forest Products Processing and Rural Industries is established within the organizational system to assist DARD in the direction of rural trades development. Instead of establishing this Division, the PC of Ninh Binh approved to organize a Department Branch of Agro- Forest- Fishery Products Processing and Rural Industry that belongs directly to DARD and takes the responsibility to manage and direct rural industries in the province.

Functions, tasks, powers and organizational structure of DARD

1. Functions :

DARD is an agency of the People's Committee (PC) of the province that assists PC in the implementation of the function of state management over agriculture, forestry, water resources and rural development in the province area. Also, DARD assumes the direction and management of Minister of MARD on professional speciality specialized in Agriculture, Forestry, Water Resources and Rural Development

2. Main tasks and powers :

- a. Submitting to the provincial PC draft legal document (Decision, Directive, etc.) for implementing Laws, Ordinances and other legal documents concerning agriculture, forestry, water resources and rural development issued by the Government and the Ministry; within its jurisdiction, documents with regard to the areas under its management.
- b. Proposing to the provincial PC the strategies, master plans, long-term and medium-term and annual plans to be applied in the provincial areas and, after getting the PC and MARD approval, organizing the direction and guidance for the implementation of those plans in the following areas :
 - Farming, husbandry, processing of agro- forest products and rural industry development .
 - Management, production development of forest sources, afforestation, exploitation and processing of forest products (if any) .
 - Management of water resources (except raw natural mineral water and geo-thermal water), management of the construction and exploitation of irrigation works, the prevention and fight against floods and storm, the protection of dykes (river and sea dykes), management and exploitation and all-round development

of rivers in the province; management of domestic water and rural environment hygiene within the scope of its responsibility.

- State management over specialized service activities .
- 3. Organizing and directing the implementation of the policies in agriculture and rural development .
- 4. Presiding over and collaborating with the various branches and localities in the organization, direction and guidance for the implementation of the contents as related to rural development .

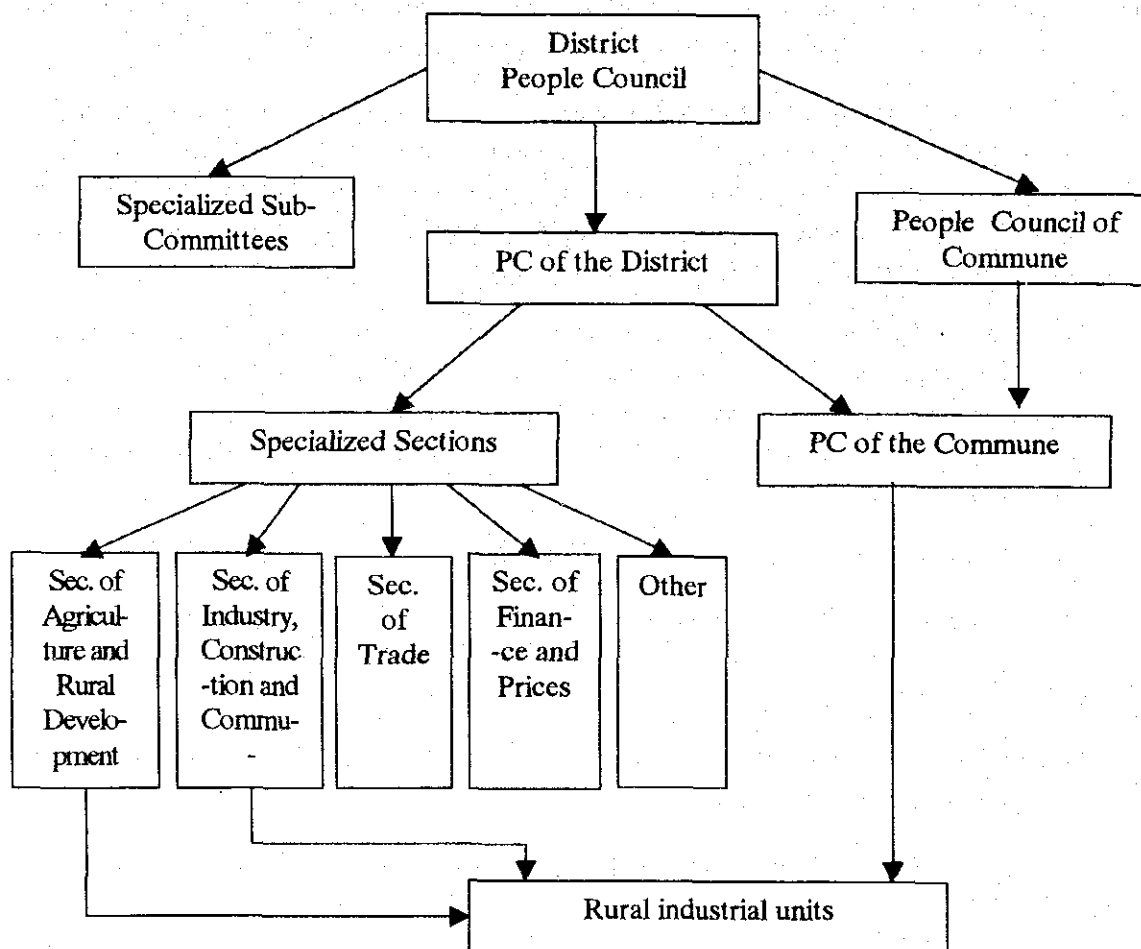
Presiding over the general gathering of the status and making report to the higher level on the rural building and development .
- 5. Performing the unified management of the breeding work (including the production, import and export) of both plant and animal strains within its jurisdiction. .
- 6. Organizing, directing the agriculture and forestry extension.
- 7. Organizing the scientific and technological research and application of scientific and technological advances within the areas of its management scope .
- 8. Organizing and managing the construction projects, the quality of marketable agro-forest products, controlling the safety of dams and dykes projects, national food safety , the prevention of animal and plant diseases and epidemics, safety in the utilization of chemicals in production and preservation of agriculture products and foodstuffs... within the scope of its responsibility in accordance with the Law.
- 9. Performing the function of state management over the agriculture, forestry and water resources enterprises under its management in accordance with the Law on State Enterprises and the Provincial PC's Regulations on the assignment or delegation of authority in management to the Department of Agriculture and Rural industries (DARD)
- 10. Undertaking the State inspection and specialized inspection and control.
- 11. Organizing and guiding the implementation of the veterinary, the in-land plant and animal quarantine and protection, the protection of irrigation works, dykes and rivers in the provincial area .
- 12. Organizing and managing international cooperation in the areas under its management as assigned by the provincial PC.
- 13. Establishing the programme in training , upgrading human resources of its branch in its locality .
- 14. Performing the task of a standing member of the Central Steering Committee for Prevention and Fight against Flood and Storms of the province .

15. Organizing and guiding the distribution of labor, population, the development of new economic zones and the promotion of sedentarization in the provincial area.
16. Managing the granting and withdrawal of permits in the areas under its management in accordance with Law.
17. Managing its organization , officials, employees, and properties of the Department in accordance with Law and in line with the assignment of the provincial PC.

- Staff capacity of DARD : about 50 staff members
- Annual budget : approx. VND 680 million

(refer to data obtained from DARD in the provinces of Ninh Binh, Dong Nai and Thua Thien Hue)

About the organization of management structure on rural industries at District and Commune levels



General observations on the present system of management and organization on rural industries

The current system of management and organization on rural industries indicated in the above organization structures is those officially stipulated by the Government. Practically, during recent years, depending on the local conditions, there is a little difference or change in the management system of several rural localities. Preliminary observations on this situation are as follows:

- At central and provincial levels:

As stipulated by the Decision No.352-TTg of the Prime Minister, at central level DAFPPRI under MARD is the state agency responsible for the management, direction of the rural industry development in general and artisan craft industry, in particular. Under DAFPPRI, at local level, there should be a Division of Agro-Forest Products Processing and Rural Industry within the provincial Department of Agriculture and Rural Development (DARD). In fact, in recent years, there are only nearly half of the cities and provinces in Vietnam having such provincial Divisions. In the remaining provinces, the number of staff being assigned in the follow up of rural industrial development is quite modest: only 1 to 2 members who are generally working in the provincial Division of Planning or Administration, or Division of Policies. In many localities, there is still not any staff responsible for rural industry management.

In several provinces, the work on following up rural industry status is done by the provincial Department of Industry (e.g. Department of Industry and Artisan craft Industry in Nam Dinh province). Meanwhile, at the central level, within the Ministry of Industry network of organization there is no special agency to be assigned in the management of the rural industry development. In addition, such Provincial Department of Industry generally gives concern only to the activities of the artisan craft enterprises of medium and large scales, whereas units of small scale production or household enterprises involved in rural industry are almost neglected.

- At district level:

Although it is stipulated that the Section of Agriculture and Rural Development of the District takes the responsibility to manage the rural industry in the district, this work is mostly done by the Section of Industry. The district Section of Trade is concerned only to the business of the products from artisan craft industries at their localities.

1.4.4 The People's Committee (PC) at various levels

(Based upon the Order No.50-L/CTN of July 3, 1996 of the President of the State promulgating the Ordinance on the concrete tasks and powers of the People's Council and People's Committee at each level)

1.4.4.1 General:

The People's Committee (PC) which is elected by the People's Council is the executive organ of the People's Council, the administrative organ of the State in the locality. It takes responsibility for the implementation of the Constitution, law and the other documents of the higher State organs and the resolutions of the People's Council of the same level.

The PC performs its tasks and powers as provided for in the Constitution and the Law on Organization of the People's Council and PCs (amended) and the other prescriptions of law and the concrete tasks and powers defined in this Ordinance.

1.4.4.2 Principal tasks and powers of the PC of the provinces and cities directly under the Central Government

- ❖ On the planning, budget and finance ...
- ❖ On agriculture, forestry, fishery, water resources and land, the provincial PC has the following tasks and powers (selected):
 - To draw up, organize and implement the general plan, the plan for development of agriculture, forestry, fisheries and water resources on the basis of the unified plan of the central government.
 - To anticipate, forecast and implement measures to prevent and eradicate crop and animal insects, pests...
 - To guide the implementation and control the production and use of plant and animal strains and food...
 - To draw up the general plan and the plan for the use of land in the province...
 - To guide, direct and control the forestation work and the protection of head water forests, and protection of forests...
 - To draw up and organize the implementation of the water conservancy plan; to manage the exploitation and protection of the water resources...
- ❖ On industry, small industries and handicraft:
 - To work out the general plan and the plan for the development of industry, small industries and handicrafts in the province;
 - To take part in elaborating the projects on industrial production of the central and the economic areas related to the province; to perform its tasks as assigned by the Government with regard to the programs and projects of industrial development, building and developing the industrial zones and export;

- To develop establishments for processing agricultural, forest, aquacultural and maritime products and other industrial establishments;
 - To direct the building and development of the industrial, trade, service and tourist agglomerations in the towns and cities in the province and the townships;
 - To develop the trades, occupations and traditional craft villages in the territory of the province;
 - To exercise State management over the units of industrial, small industries and handicraft production in the provincial territory under its jurisdiction;
 - To organize the protection of mineral resources which remain untapped in the locality; to organize and control the full exploitation of the natural resources in the locality.
- ❖ On communication and transport:
- To guide and control the elaboration and implementation of the general plan, plans of communications and transport in the province...;
 - To organize the management of the urban transport facilities in the land roads and waterways in the locality...;
 - To organize the technical control over the safety of the various kinds of mechanized means of transport...
- ❖ On the construction and management of urban development:
- To organize the elaboration of, to submit for approval or to approve according to its competence, the general plan on urban construction, the building of rural population centers in the provincial territory...;
 - To manage the investments in and the exploration and use of the technical infrastructure works in the urban areas and the rural population centers;
 - To approve the investment plans and projects of the construction under its jurisdiction...;
 - To manage the implementation of the policies on dwelling houses and residential land...;
 - To draw up the general plan and plans for the development of building material...
- ❖ On trade, service and tourism
- To draw up the general plan for the development of the business and trade network and the plan for the development of tourism...

- To organize the management of export and import as prescribed by law...
 - To lay down the regulations on safety and hygiene in trade activities;
 - To guide and arrange the trade, service and tourist network;
 - To issue and withdraw permits in the business of tourism, tourist areas, tourist sites...;
 - To organize the inspection and control of the implementation of the State regulations on trade, service and tourist activities.
- ❖ On education and training...
- ❖ On culture, information, physical training and sports...
- To draw up and organize the execution of the programs of development of culture, information...
 - To direct the protection repair and preservation of the historical and cultural relics and the beautiful landscapes, the other cultural and artistic works...
- ❖ On social affairs and life:
- To direct the execution of plans and measures to protect the health of the people...
 - To carry out the plan and measures on the use of the labor force, to settle unemployment and conduct population redistribution...
 - To organize and direct the implementation of the policy of eradicating hunger and alleviating poverty...
- ❖ On science, technology and environment
- To organize and direct the use of measures to encourage research and innovation to improve techniques and apply scientific & technological advances in service of production and life...;
 - To manage the activities in technology transfer, to take part in State expertise of technology concerning the important investment projects...
 - To direct and organize the protection and improvement of the environment; to prevent and fight against natural calamities, storms and floods, environmental deterioration and pollution and to overcome their consequences; and to determine the responsibility of each organization and individual to handle the environmental issue as prescribed by law;
 - To inspect the implementation of the provisions of law on measurement criteria and product quality; to make public the criteria of commodities quality of the production

establishments in the locality; to prevent the production and circulation of faked goods in the locality, to protect the interests of consumers;

- To direct the inspection of the implementation of policies and laws on science, technology and environmental protection by the organizations and individuals in the locality.

❖ On national defense...

❖ On public security and order and social safety

❖ On the building of the administration, the State management over the economic organizations, social organizations...

- To set up, merge, dissolve, appoint and assign concrete powers to the specialized agencies and non-business organizations under the People's Committee as prescribed by the Government; to direct and manage the organization and payrolls of these agencies and organization;
- To carry out State management toward these agencies and units of the central level located in the provincial territory;
- To allow the establishment, dissolution and equitization of the State enterprises according to the assignment of responsibilities by the Government; to grant and revoke the permits to establish private enterprises, companies with limited liabilities and stock companies; to allow the economic organizations in the country to set up representative offices and branches to operate in the provincial territory as prescribed by law;
- To allow the founding of associations and non-governmental organizations as prescribed by law; to manage, guide and inspect the founding and activities of these organizations as prescribed by law...

1.4.4.3 Tasks and powers of the People's Committee of a district or city under the jurisdiction of a province

1. On planning, budget and finance.
 2. On agriculture, forestry, fisheries, water resources and land.
- To work out and submit to the People's Council of the same level for adoption the programs of promotion of agriculture, forestry and fisheries on the basis of the program of the province and organize the implementation of these programs;
 - To direct the People's Committees of the communes and townships in carrying out

measures to restructure the economy in order to develop agriculture, protect the forests, afforest and exploit forest products,....;

- To work out the general plan and plans for use of land in the locality and submit them to the People's Council of the same level for approval...;
 - To work out the general plan for water resources; to organize the protection of dykes and medium and small water conservancy projects...
3. On industry, small industries and handicrafts, the district People's Committee has the following tasks and powers:
- To join the provincial authorities in the elaboration of the general plan and plans for the development of industry, small industries and handicrafts in the district;
 - To build and develop industrial, small industries and handicraft and service establishments in the communes and townships; to develop the establishments for processing agricultural, forest and aquatic products and other industrial establishments under the guidance of the provincial People's Committee;
 - To organize and develop traditional craft villages to produce products of value for consumption and export.
4. On construction, communication and transport....
5. On trades, service and tourism....
6. On culture, education, social affairs and the people's life....
- To organize and direct job training and the settlement of employment among working people; to organize the movement of eradication of hunger and alleviation of poverty...
7. On science, technology and environment.
8. On national defense
9. Others...

1.4.4.4 Tasks and powers of the People's Committee of commune, precinct, and township

1. On the plan, budget and finance...
 2. On agriculture, forestry, fishery and water resources
- To organize and direct the implementation of the programs, plans and projects on promotion of agriculture, forestry and fisheries as prescribed by the higher authorities;

- To organize the application of measures for the use of scientific and technological advances to develop production; to guide the farmers in economic restructuring, to restructure the crops and domestic animals...
 - To organize the building of small water conservancy works of the commune and township; to organize the reinforcement and protection of the dykes and to protect the forests...
 - To work out the general plan and the plan for use of land in the commune of township and submit them to the People's Council of the same level for adoption before submitting them to the People's Committee at the district level for ratification ...
 - To manage, inspect and protect the use of the water resources in the territory...
3. On small industries and handicrafts, the People's Committee of the commune or township has the following tasks and powers:
- To organize the guidance for the exploitation and development of the traditional crafts and trades in the locality;
 - To organize the implementation of measures to apply scientific and technological advances in order to develop new trades and crafts aimed at providing jobs and improve the working and living conditions of the working people, improve the life of the population in the locality.
4. On communication...
5. On trade and services
- To manage and arrange the markets and other trade and service centers in the locality
 - To manage the service and small trade activities in the locality as prescribed by law;
 - To coordinate with the concerned agencies in the fight against smuggling, tax evasion, production
6. On culture and education...
7. On social affairs and life ...
8. On national defense...
9. Others...

1.4.5. Agricultural Cooperative and Handicraft and Small Industry Cooperative

1.4.5.1 Agricultural Cooperative

According to the Ministry of Planning and Investment (MPI), in 1996 there were about 13,800 cooperatives in agriculture . In 2000, there were just 5,000 of them. Under the 1997 Law on Cooperatives, another 5,000 cooperatives have been dissolved. So far, about 1,000 new ones have been also established. Besides, there are about 44,000 cooperative economic units⁽¹⁾

The Documents of the IXth National Party Congress in 2001 indicated that the State is to enforce policies on encouraging the development of the collective economic sector: to complete the restructuring of cooperatives and revise the Law on Cooperatives and make it more suitable to the new situation; to develop various forms of Cooperatives. Based upon the Law on Cooperatives of March 20th 1996 promulgated by the President of the SRV, the Government issued the Decree No.43-CP of April 29,1997 issuing the Model Statute of Agricultural Cooperatives. The presentation on the main contents of Agricultural Cooperatives principally related to artisan craft promotion is based upon the Decree as mentioned -- above.

1. General

(1) Definition of an agricultural cooperative

An agricultural cooperative is a self-governing economic organization established by farmers and other laborers who share common needs and interests, and volunteer to contribute capital and labor in accordance with the provisions of law, in order to bring into play the strength of the collective and of each cooperative member to assist one another to efficiently carry out service activities in support of the household economy of cooperative members and business in the production, processing and consumption of agricultural, forestry or aquacultural products and business in other branches and trades in rural areas, in service of agricultural production.

(2) Scope of regulation of the model statute for an agricultural cooperative:

- An agricultural cooperative shall have the legal person status; be entitled to open accounts at banks; must have at least 7 members; has its capital and assets contributed by cooperative members and self-accumulated capital; it shall take liability for its debts and other obligations with the whole capital and assets under its ownership; it has its own seal and its organization and operating Statute;
- Groups of agricultural cooperatives in different forms and under different names shall not fall within the scope of regulation of this Model Statute.

⁽¹⁾ Agriculture -Forestry-Fishery and Rural development Plan for 2001-2005 period. Dept. of Agriculture and Rural Development. MPI. November 13, 2000

(3). *An agricultural cooperative shall be organized and operated on the following principles:*

- Voluntariness to join and leave the cooperative...
- Democracy and equality in the management of a cooperative...
- Self-liability and mutual interests...
- The distribution of profits must ensure the combination of the cooperative members' interests and the development of the cooperative...
- Cooperation and community development ...

(4). *The agricultural cooperative has the following rights:*

- To select service, production or business activities in the fields of agriculture , forestry, aquatic products and other production, business and service branches and trades...
- To decide the form and organizational structure of services, production and business...
- To conduct export and import, enter into joint ventures and cooperation with domestic and foreign organizations and individuals in accordance with the provisions of law;
- To hire labor if the cooperative members fail to meet the requirements of service, production and business of the cooperative as provided for by law.
- To admit new cooperative members, settle the wish of members to leave the cooperative, expel cooperative members as prescribed by the Statute of each agricultural cooperative ;
- To decide the distribution of incomes and settlement of losses of the cooperative
- To award those individuals with meritorious achievements in the building and development of the cooperative; to discipline those members who violate the Statute of the cooperative...
- To borrow capital from banks and other credit organizations, mobilize capital from cooperative members, and act as guarantee for its members to borrow capital from credit organizations.
- To be entitled to contribute capital to become a member of a People's Credit Fund and borrow capital from such organization ;
- To have its technological secrets protected in accordance with the provisions of law
- To refuse requests of organizations and individuals that are contrary to the provisions of law

- To open its branches, representative offices outside the district or province in accordance with provision of law
- To join the Union of Cooperatives and the Cooperatives Alliance
- The agricultural cooperative shall also have other rights as prescribed by law

(5) *The agricultural cooperative has the following obligations:*

- To carry out service, production and business activities in conformity with the already registered branches, trades and business lines;
- To strictly observe the regimes of accounting, statistics and auditing set by the State, to be subject to supervision and inspection by specialized agencies in accordance with the provisions of law
- To pay taxes and fulfill other financial obligations in accordance with the provision of law
- To preserve and develop the capital of the cooperative, manage and use the land assigned by the State in accordance with the provisions of law
- To be liable for all debts and other obligations with the whole capital and assets under the ownership of the cooperative
- To protect the environment, ecology, landscape, historical relics and projects of national defense and security in accordance with the provisions of law
- To ensure the rights of the cooperative members and fulfill economic commitments to its members
- To fulfill obligations to those members who directly work for the cooperative and laborers hired by the cooperative, encourage and create conditions for laborers to become members of the agricultural cooperative
- To pay social insurance premium for its members as prescribed by law.
- To provide education and training, fostering and upgrading of professional skills and provide information for all members so that they can actively participate in building the agricultural cooperative.

(6) *Joining the Union of Cooperatives and the Cooperatives Alliance:*

An agricultural cooperative shall join or leave the Union of Cooperatives and the Cooperatives Alliance of its own free will when more than half of the cooperative members present at the Congress of cooperative members vote for it.

2. Name, emblem, head office and operation domains of the agricultural cooperative

(1) *The Name, emblem, head office of the cooperative must be registered at the district*

People's Committee that has granted the business registration certificate

(2) *The production, business and service branches and trades practiced by the agricultural cooperative may include the following activities:*

- ❖ Rendering services in support of the household economy and in service of the cooperative members' life:
 - Supply of materials, plant seeds and animal breeds;
 - Irrigation and drainage
 - Prevention and fight against plant insects and pests, and animal disease and epidemics
 - Purchase, processing and consumption of products
 - Other services for the production and cooperative members' life
- ❖ Organizing the promotion of agricultural, forestry or aquacultural production in the cooperative;
 - Agricultural, forestry or aquacultural production
 - Industrial production, first of all the agricultural, forest products processing industry
 - Transport, construction, commercial activities in accordance with provisions of law on business in such fields

3. Organization and management of an agricultural cooperative

(1) *The Congress of cooperative members :*

- The Congress of cooperative members has the highest decision-making power in the cooperative;
- The Congress of delegates of cooperative members : An agricultural cooperative with 100 members or more may organize the Congress of delegates of cooperative members ...

(2) *The Managing Board*

- The Managing Board is responsible for managing and running all activities of the cooperative, elected directly by the Congress of cooperative members and composed of the Manager and other members. The number of members of the Managing Board shall be determined by the Statute of the agricultural cooperative. An agricultural cooperative with less than 15 members may elect only the Manager to perform the tasks and powers of the Managing Board;

- The term of the Managing Board shall be stipulated by the Statute of the cooperative but shall not be less than two years and more than five years
- The Managing Board shall meet at least once every month

(3) *Duties and powers of the Managing Board*

- ❖ The Managing Board of the agricultural cooperative has the following duties and powers:
 - To implement the resolutions of the Congress of cooperative members
 - To elect the Deputy Manager, select and appoint the chief accountant, decide the organizational structure of the specialized and professional sections, production and service groups and teams of the agricultural cooperative ;
 - To draw up the general plan and plans for service, production and business activities, negotiate with the cooperative members on the service charges in the agricultural cooperative , mobilize capital for the cooperative , prepare reports on the activities of Managing Board to be submitted to the Congress of cooperative members ;
 - To prepare the agenda of the Congress of cooperative members , convene the regular or extraordinary Congress of cooperative members and assign a person to preside over the Congress of cooperative members ;
 - To organize the execution of plans for production, business, service and other activities of the agricultural cooperative ; evaluate the results of service, production and business activities of the cooperative and prepare reports on financial final settlement to be submitted to the Congress of cooperative members;
 - To consider the admission of new cooperative members and the requests of cooperative members to leave the cooperative and report it to the Congress of cooperative members for approval;
 - To hire laborers and managerial, technical or professional personnel according to the needs of the cooperative
- ❖ The Managing Board of the cooperative shall take responsibility for its decisions before the Congress of cooperative members and before law.

(4) *The Manager of the agricultural cooperative :*

- ❖ The cooperative Manager has the following duties and powers:
 - To represent the cooperative before law;
 - To organize the execution of plans and run all service, production and business activities of the cooperative ;

- To convene and preside over the meetings of the Managing Board; organize the implementation of the resolutions of the Congress of cooperative members and the decisions of the Managing Board;
- To organize the exercise of the rights and the performance of obligations of the cooperative as stipulated in this Statute.
- ❖ The Manager of the agricultural cooperative shall take responsibility before the Congress of cooperative members and the Managing Board for the work assigned to him/her...
- ❖ The post of Deputy Manager of the cooperative is stipulated by the Statute of the agricultural cooperative

(5) *The Control Board*

- ❖ The Control Board supervises and inspects all activities of the cooperative as prescribed by the Statute of the agricultural cooperative and law
- ❖ The Control Board shall be directly elected by the Congress of cooperative members. An agricultural cooperative with less than 15 members may elect only one controller

The Control Board shall elect its Chairman to run its activities.

4. Assets and finance of the agricultural cooperative

(1) *The operating capital of the agricultural cooperative includes:*

- Capital contributed by the cooperative members ;
- Capital accumulated by the cooperative ;
- Capital borrowed from banks ;
- Capital borrowed from cooperative members and other organizations and individuals under the mutual agreements ;
- Capital given by the State and aid from domestic and foreign organizations and individuals.

(2) *The funds of the agricultural cooperative include:*

- The production development fund shall be used to increase the capital for expansion of service, production and business activities; for upgrading equipment and technique and for personnel training and fostering, etc.
- The reserve fund shall be used to supplement the capital and funds that have diminished due to natural calamities or risks;

On the non-farm and artisan craft activities within an agricultural cooperative:

In general, the agricultural cooperative does not perform management of non-farm activities, it performs principally the services activities for agricultural production. However, in some cases, there are some agricultural cooperatives located at a craft village or craft commune having one or several professions, then they may have non-farm activities. Taking the agricultural cooperative of Thuy Van, Huong Thuy district of Thua Thien Hue province as an example. Thuy Van is an agricultural cooperative where some non-farm occupations have been developing for making conical hat, shoes-sandals, bamboo mat, construction, etc. Details of this Thuy Van cooperative is presented in Article 2A.2.3.3 of this Report.

1.4.5.2 Industrial and Construction Cooperatives

(Based upon the Decree No.44 - CP of April 29, 1997 of the Government promulgating the Model Statute of Industrial and Construction Cooperatives)

The presentation of main contents of Industrial and Construction Cooperative in Vietnam is based upon the Decree as mentioned above.

1. General

(1) Definition of an industrial or small industrial or handicraft cooperative

Industrial, small industrial or handicraft cooperatives, construction cooperatives (industrial cooperatives for short) are self-governing economic organizations established in accordance with the provisions of law by laborers who share common needs and interests, and volunteer to contribute capital and labor to carry out production and business in the fields of industry, small industry, handicrafts, construction and industrial and construction services.

(2) Legal person status, name, address and statutory capital of the industrial cooperative

An industrial cooperative is an organization having the legal person constituted by at least 9 members. It has a Vietnamese name and optionally an emblem; the address of its head office; its own seal; is entitled to open accounts at Vietnamese banks. It has its clearly stated statutory capital; a cooperative possessing capital and assets shall assume its liabilities for all the debts and other obligations with all the capital and assets under its ownership.

(3) Types and principles of organization of an industrial cooperative :

Depending on the scale and characters of its production, business and service activities, a cooperative may be organized in one of the following forms:

- Cooperative of concentrated production ;

- Cooperative of scattered production by family households;
 - Cooperative of both concentrated and scattered production.
- Principles of organization and operation; the rights and obligations of the cooperative are presented at the next part.

2. Cooperative members

(1) Criteria for cooperative membership:

- A Vietnamese citizen aged from eighteen years upward who has working capability and the capacity for civil acts, who approves the Statute of Industrial Cooperatives and voluntarily applies for joining the cooperative members shall become a member of the cooperative.
- An industrial cooperative, when established, must have at least 9 members, two thirds of whom must have professional skills suited to the business lines and trades of the cooperative.
- A family household which wants and volunteers to join a cooperative must nominate a representative of the family who meets the criteria for cooperative membership shall apply for joining the cooperative and have the rights and obligations as a member of the cooperative.

(2) Main rights of a cooperative member:

1. To enjoy priority to work for the cooperative and get salary from the cooperative for his/her labor in accordance with the provisions of the cooperative's Statute.
2. To receive dividends according to his/her capital and labor contributions and the extent he/she uses the services of the cooperative.
3. To stand for, nominate and select members of the Managing Board, the Control Board and other elected posts of the cooperative.
4. To attend the Congress... and meetings of cooperative members to discuss and vote on the work of the cooperative.
5. To make proposals or suggestions to Managing Board, the Control Board and request for reply; request the Managing Board or the Control Board to convene an extraordinary Congress of cooperative members.
6. To be provided with necessary economic, technical information from the cooperative; and to receive professional training, skill fostering and upgrading from the cooperative.
7. To benefit from common social welfare of the cooperative... the economic commitments made by the cooperative and buy social insurance in accordance with the provisions of law.

8. To assign his/her contributed capital, rights and obligations to another person, provided that such person meets the prescribed conditions and voluntarily applies for joining the cooperative, and is accepted by the Congress of cooperative members.
9. To join other cooperatives of different branches and trades...
10. To leave the cooperative of his/her own free will...

(3) *Obligations of the cooperative member.*

1. To contribute capital in accordance with the provisions of the Statute of the cooperative;
2. To abide by the Statute, the Rules of the cooperative and the resolutions of the Congress of cooperative members, as well as the assignment of the Managing Board.
3. To fulfil economic commitments to the cooperative; to bear, within the scope of his/her contributed capital, responsibility for the debts, risks, damage and losses of the cooperative and to compensate for damage caused by him/her in accordance with provisions of the Statute of the cooperative.
4. To pay social insurance premiums as prescribed by law.

3. Organization and management of cooperative

(1) *The Congress of cooperative members:*

- The Congress of cooperative members has the highest decision-making power in the cooperative.
- A cooperative with 150 members or more may hold a Congress of delegates of cooperative members (referred to commonly as Congress of cooperative members), the Congress of delegates of cooperative members has the same duties and powers as the Congress of cooperative members.

(2) *The Managing Board of the cooperative:*

- The Managing Board is the body that manages and runs every activity of the cooperative. It is directly elected by the Congress of cooperative members and composed of the Manager and other members. The Managing Board is composed of from 3 to 9 members as decided by the Congress of cooperative members. A cooperative with less than 15 (fifteen) members may elect only the Manager of the cooperative.
- The term of office of the Managing Board shall be at least 2 years and shall not exceed 5 years, as decided by the Congress of cooperative members.

(3) *Tasks and powers of the Managing Board:*

1. To select and appoint the chief accountant, to decide the organizational structure of the professional and specialized sections of the cooperative;
2. To organize the implementation of the resolutions of the Congress of cooperative members.
3. To prepare reports on production, business and service plans and the plan for capital mobilization of the cooperative...
4. To evaluate the results of production, business and service activities of the cooperative...
5. To consider the admission of new cooperative members and the requests of cooperative members to leave the cooperative ...
6. To consider the cooperative's joining or leaving the Union and Alliance of Cooperatives so as to report it to the Congress of cooperative members for decision.
7. The Managing Board shall take responsibility for its decisions before the Congress of cooperative members and before law.
8. A member of the Managing Board must be a cooperative member, and has good moral qualities, qualifications and skills for the management of the cooperative...

(4) *Duties and powers of the Manager of the cooperative:*

- 1) To represent the cooperative before law.
- 2) To organize the execution of the plans and run all production and business activities of the cooperative.
- 3) To convene and preside over the meetings of the Managing Board, to organize the implementation of the resolutions of the Congress of cooperative members and decisions of the Managing Board.
- 4) To be accountable before the Congress of cooperative members and the Managing Board for his/her assigned tasks.

The Control Board:

- (1) The Control Board is the body that supervises and inspects all activities of the cooperative to ensure that they comply with the law and the Statute of the cooperative. The Control Board is directly elected by the Congress of cooperative members. The Control Board is composed of from 3 to 5 members. A cooperative with less than fifteen members may elect a controller.

- (2) The criteria for the Control Board membership shall be the same as those for the members of the Managing Board
- (3) The term of office of the Control Board shall correspond with that of the Managing Board.

Duties and powers of the Control Board:

- (1) To inspect the observance of the Statute and Rules of the cooperative and the resolutions of the Congress of cooperative members.
- (2) To supervise all activities of the Managing Board, the Manager and members of the cooperative ...
- (3) To inspect the financial and accounting situation, the income distribution, the settlement of losses, the use of funds of the cooperative, as well as the use of properties, borrowed capital and subsidies from the State.
- (4) To receive and handle complaints and denunciations against persons relating to the cooperative's work.

4. Capital, funds, assets

(1) *Contributed capital of cooperative members:*

- A person who wishes to join the cooperative has to contribute capital. The capital contribution may be made in one or several installments; the amount of capital, the form and time limit for capital contribution shall be stipulated in the Statute of the cooperative. At any time, the contributed capital of a cooperative member shall not exceed 30% of the total statutory capital of the cooperative.
- For a cooperative involved in branches or trades that require prescribed capital according to the provisions of the Government, the total contributed capital of cooperative members must not be lower than the level of the prescribed capital set for the respective branches or trades with business registration as prescribed by law.

(2) *Capital mobilization:*

- The cooperative is entitled to borrow capital from banks in accordance with the provisions of law, and to mobilize capital from cooperative members in accordance with the decision of the Congress of cooperative members.
- The cooperative is entitled to receive and use the subsidies from the State, domestic and foreign organizations and individuals under the conditions agreed upon by the parties and not in contradiction of law.

(3) *Operating capital of the cooperative:*

- The operating capital of the cooperative is formed on the basis of the sources of capital contributed by the cooperative members, the accumulative capital under the ownership of the cooperative, public donations, aids and borrowed capital.
- The cooperative is entitled to manage and use sources of operating capital in accordance with the provisions of law and its Statute.

(4) *Assets of the cooperative:*

- The cooperative's assets are the assets under its ownership, derived from its operating capital.
- The management and use of the cooperative's assets shall comply with the Statute of the cooperative, the resolution of the Congress of cooperative members and the provisions of law. In any case, the cooperative must not distribute to its members the subsidies of the State, the public utilities and infrastructure facilities in service of the population community.

1.4.6 Vietnam Women's Union

The Vietnam Women's Union is a social-political organization which was founded in October 20, 1930. Presently, the Union has 11 million members involved in 12,000 Union branches at grassroots levels ⁽¹⁾

Functions and tasks

The Vietnam Women's Union is an organization representing the legitimate interest of women to mobilize women of various strata of society in performing well their work to achieve the socio-economic objectives as set forth by the State, to participate directly in drafting laws and policies as related to women and children and supervising the implementation of these laws and policies. In collaboration with the Ministries, branches and administrative echelons, the Union carries out the performance of Programs meeting the needs of women and children.

Organization

The organizational structure is based upon four levels of organizations including :

- Central level
- City and provincial level

(1) Le Thi Chau Nghi. Gender and Development Project. Ho Chi Minh City Publishing House . 2001

- Prefecture / district level
- Precinct / commune level

Key activities programs of the Vietnam Women's Union :

- Programs on education, strengthening and upgrading of standard of knowledge and capacity of women.
- Programs to mobilize women in the study and application of science and technology, to support the generation of employment and income for women.
- Program of health care for women, children, of implementing family planning, rearing well children, building family towards prosperity, equity, progress and happiness.
- Program on building the Union to become a strong organization.
- Program on the study and supervision over the Union's activities.

Budget

The State budget expenditure final account 1997-1999 and State budget expenditure plan 2001 of the Vietnam Women's Union is presented in the table below ⁽²⁾ :

Unit : VND billion

Organization	Final Account			Plan 2001
	1997	1998	1999	
Vietnam Women's Union	12.3	23.7	33.6	20.3

Concerns given by the Government to the creation of employment for women.

- The Decision No. 822/TTg on " *National plan of activity for the Vietnamese women progress till the year 2010* " was signed by the Prime Minister on October 4, 1997. The objective No.1 of the plan is :

"...To create job opportunities, generate income, contributing to hunger eradication and poverty alleviation and increase the quality of women's existence "

- The Joint Decision No. 47/2000/ NQLT / LHPN-BNN dated of April 25, 2000 on the support of women in rural areas to develop their production and increase their quality existence between MARD and the Vietnam Women's Union has indicated several concrete tasks in the forthcoming period as :

"...To enhance the activities in agricultural and forestry extension, to assist women

⁽²⁾ Statistical Yearbook 2000- General Statistical Office

in strengthening their knowledge and skills for their production development, shifting of crops' season, crops and livestock structure, development of farm economy, trades, creating a basic shift in agriculture and rural areas of the country “.

“...To perform effectively the key Programs and Projects that directly effect increasing the quality of women's existence “.

1.4.6.1 The participance of Women's Union in the development of artisan craft in rural areas.

The role of women in artisan craft development in rural areas

Women play an important role in the socio-economic life of the Vietnamese rural areas, in general, and of the craft villages, in particular. This derives from the inherent character of women labor and also, the socio-economic features of the artisan craft villages in rural areas.

- The artisan craft villages in Vietnam are closely linked with the countryside villages where a majority of labor force is female, an abundant labor resources for craft villages in rural areas. Besides, over the past recent years, a proportion of male labor tends to move from rural to urban areas for jobs, leaving the countryside a great source of, principally, female labor.
- Most of the activities done at craft villages are favorably suitable to female labor characteristics. Lots of occupations which activities have been dominated by female labor since long time like cloth weaving, rattan and bamboo knitting, foodstuff processing into cake, vermicelli, noodle, etc., production of rush-based products, embroidery etc., those occupations require the diligence, consistence, and dexterity of hand that are suitable to female labor.
- A majority of artisan craft activities are performed under non-concentrated location but at family household scale in rural areas. Teaching trade is performed mostly in their families. Under such form of working condition, the women can carry out the work in-the-spot, at their households, that can help them to earn income while they are able to take care of their children and do their homework.

Impact of artisan craft development to women labor in rural areas

In 1998-1999, a survey was made by the Research Division under the Vietnam Women's Union at four pilot communes of traditional craft villages with their related craft products as :

- Kim Chinh, Kim Son district of Ninh Binh, with rush-based products knitting and weaving.
- Van Phuc, Ha Dong town of Ha Tay, with silk weaving

- Minh Lang, Vu Thu district of Thai Binh, with embroidery
- Na Phon, Mai Chau district of Hoa Binh, with brocade making.

There was a very high proportion of households involved in artisan craft in these four communes. In Na Phon : 100% of total households involved in craft making; Kim Chinh : 92.9%; Van Phuc : 75%; Minh Lang : 75%; where, the share of female labor involved in craft making is very high : Na Phon : 100%; Kim Chinh : 80%; Van Phuc : 75% and Minh Lang : 90% ⁽¹⁾

The impact of artisan craft development in these communes to women is clearly seen as :

- A great female source of labor has been absorbed in craft industries, including economically active labor or subordinate labor (children and the aged). The development of artisan craft has created in-the-spot job opportunities for women to participate, especially during the off-seasonal period, contributing to the shift in economy and crops structure of the localities.
- Farm households, specifically, women labor can earn incomes from the participation in craft products production. This helps to increase livelihood, reduce the poor households and increase the proportion of medium-income and rich households of the localities. The results from the production of the above four craft communes with women participation are presented in the table below ⁽²⁾

Unit : VND

Indexes	Na Phon	Van Phuc	Minh Lang	Ki m Chinh
Average total income per household in 1998	8,871,000	13,811,000	10,232,000	9,624,000
Income from artisan craft production in 1996	2,846,373	10,164,044	6,982,446	4,798,837
Income from artisan craft production in 1997	2,982,979	10,531,914	5,397,938	4,973,678
Income from artisan craft production in 1998	3,576,120	11,121,212	7,477,000	4,956,701
Average income per capita per month	158,282	271,327	207,903	178,856
The share of income from artisan craft production in total income of the household, in 1998	40%	59.2%	60%	50%

⁽¹⁾ Draft Report on "Current Status and Approaches for the development of several traditional craft industries with the participation of rural women"—Research Division, Vietnam Women's Union.

⁽²⁾ The referred Document as mentioned-above

Several activities of Women's Union at different echelons in the development of artisan craft industry in rural areas.

One of the most concrete and obvious activities being done by the organisations of Women's Union at different echelons in the development of artisan craft industry is the training and teaching of artisan craft to rural women through the linkage and collaboration with the related Ministries and Organisations, thus providing employment for the trainees. Following are some examples :

- In collaboration with MARD (Dept. of Agro-Forest Products Processing and Rural Industry) the Vietnam Women 's Union organizes annually 2-3 vocational training courses, each course with 50-100 trainees, in artisan craft production skills for rural women in several provinces.
- The Ninh Binh Women's Union, in collaboration with the My Huong Co. Ltd. (Ninh Hai commune, Hoa Lu district) organized vocational training courses on embroidery for about 600 women in rural areas of Ninh Binh province within the 3-year period 1998-2000. After the courses, all of the trainees were provided with jobs and they work at their households as " satellite units " for My Huong Company.
- Craft Link (as presented in 1.5.4.2), in collaboration with NGO 's, has performed 47 mini projects, carrying out vocational training and developing traditional fine art handicraft. The main beneficiaries of these projects are women of the ethnic minority peoples located in mountainous areas, all amounting to 5,000 people (80% of which are female). Some examples on Craft Link training are : training women from Thai people at Quy Chau (Nghe An province) in embroidery and knitting, H'Mong women at Lung Tam, Quang Ba district of Ha giang province in cloth weaving, Ta Oi women at A Luoi district of Thua Thien Hue province in traditional fine art craft making.
- The Women's Union , in collaboration with Australian People for Health Education and Development Abroad - Union Aid Abroad (APHEDA) carried out training courses in embroidery, tailoring for 700 women in Hoa Binh province (with a budget of USD 136,564 provided in 1999).

Several approaches have been set up by the Vietnam Women's Union for the women in rural areas to develop artisan craft industries as presented below:

- Based upon the existing training centers available in the localities, the Vietnam Women's Union continued to organize training courses in teaching trade, passing down traditional ones for women and children. Training contents focus on instruction of technical skill, practice of new designs and samples.
- In collaboration with the Cooperatives Alliance, professional painters, the Vietnam Women's Union organize training courses on development of new designs and samples based upon the study of consumers' predilection, their needs and also, the

potential available resources of the localities.

- Support poor women, and women from mountainous ethnic minority peoples living in craft villages in borrowing loan from Credit programmes under the Union's management for developing their production
- In collaboration with the specialized branches, the Vietnam Women's Union organizes exhibitions, demonstrations of craft products for the women who are directly engaging in craft production, creating favorable conditions for women to have access to market and develop their production.

1.5 The role and orientation for development of Artisan craft

1.5.1 The role of the promotion of artisan craft development as placed by the Vietnamese Government in the national development plan

The Vietnamese Government has put forward directions for the development of rural industries in Vietnam in general, and small and artisan craft, in particular.

1.5.1.1 Direction as set forth in the Documents of VIIIth National Party Congress

- The Documents of the VIIIth National Congress define clearly the development orientation of rural craft industry as:

"To develop occupations, traditional craft villages and new craft villages including small and artisan craft industries involved in the production of goods for domestic consumption and for export..."¹

- The Resolution of the IVth Conference of the Party Central Committee (within the VIIIth Session) indicates concretely the key policies and directions so as to achieve the socio-economic goals as set in the above VIIIth Party Congress. One among the direction and approaches is to push up the process of shifting economic structure in close relation with the labor division in rural areas, in which : "*...the industries, small and artisan craft industries and services in rural areas should be strongly promoted...*"²

1.5.1.2 The role of artisan craft development as placed in the Documents of the IXth National Party Congress.

The Documents of the IXth National Congress define the orientations for sectoral and regional economic development within the Socio-Economic Development Strategy for 2001-2010. Several main points as related to artisan craft promotion are selected and presented in Article (1) below. The orientation development of external economy in

¹ "Documents of the VIIIth National Party Congress of the Communist Party of Vietnam", 1996 . P87

the 5-year socio-economic 2001-2005 plan is presented in Article (2).

(1) The development orientation of agriculture, forestry, fishery and rural economy:⁽³⁾

- One among the five main contents of the development orientation of agriculture, forestry, fishery and rural economy, has been defined by the Documents as follows:

"To vigorously develop industry and services in rural areas. To set up industrial clusters and spots in rural areas, and craft villages linked to domestic and export markets... To enact preferential policies to channel investments from all economic sectors into the development of industries and services in rural areas...."

- On the development orientation of industry and construction :

In the next ten years, the following important orientation shall be followed to develop major regions in Vietnam:

- + In Red River delta and northern key economic region:

... To develop vigorously processing and agro-mechanical industries, and industrial and services clusters and centers, and craft villages in the countryside...

- + In Mekong river delta:

... To develop farm-support processing and engineering industries, small-scale and handicraft industries as well as services...To forcefully shift the economic structures, raise the proportion of labor employed in industry and services...

(2) Orientation of external economy development in the five-year socio-economic 2001-2005 plan

An overview of the socio-economic status through past 5-year implementation of the last Resolution of the VIIIth Party Congress indicates that:

The import-export activities continues to develop rather well...The structure of exported goods has experienced a new change. Although the proportion of export turnover on the agro-forest and agriculture still stands at an important position, it has a decreasing tendency from 42.3% in 1996 down to 30% in 2000; export turnover on the group of light industry, small industry and handicrafts makes an increase from 29% to 34.3%, the group on heavy industry and minerals from 28.7% to 35.7%.

(3) On the development orientation of agriculture & rural economy.

² "Document of the IVth Conference of the Central Committee of the XIIIth Session"- Political Publishing House, Hanoi, 1998 (Part: Dev.'t of Agriculture and Rural Areas on the line of Industrialization Modernization, Cooperation and Democratization)

⁽³⁾ " Documents of the IXth National Party Congress", 2001. Part: Sectoral and Regional Economic Development Orientations" P 172, 182, 187. Hanoi, 2001.

In the 5- year 2001-2005 for the development of agriculture and rural economy, one among the orientations has been put forward as:

" To expand craft villages, develop spots in industry and small and artisan craft manufacturing, art handicraft...and to enhance job opportunities to the non-farm areas..."

(4) On the development orientation of industry:

One among other orientation for the industrial development is:

" To encourage every economy sectors to participate in the investment for industrial production with various scales and standards; paying attention to small and medium enterprises..., first and foremost to the labor-intensive industries and those producing goods for export, develop vigorously small and artisan craft industry."

(5) On the orientation of culture development

" To bring into full play the Vietnamese cultural identity, to preserve and develop intangible and non-intangible cultural heritages considering them as the basis for the cultural exchange among communities and regions nation wide and with other countries"

" To make adequate investment in the training of men of talent, artists...to build the Vietnam Village of Ethnicities's- Cultures as a Center for education of national culture and art"

1.5.1.3 The role of non-farm activities and rural industries development as placed in the Documents of the IXth National Party Congress.

- ❖ Among the tasks for Socio-Economic Development, the development of economy, industrialization and modernization is regarded as the central one as indicated in the Documents:

"...To develop industries, services and diverse occupations with attention paid to agriculture-support processing and mechanical engineering industries, and craft villages; shift a major part of agricultural labor to the industrial and service sector, generate new job opportunities; upgrade human resources, improve the living standards of farmers and other rural inhabitants"¹

- ❖ The specific goals of the Strategy for socio-economic development during 2001-2010 are⁽¹⁾

"To vigorously develop industry and services in the countryside areas. To set up

¹ Referred Documents: Chapter on Political Report of the Party Central Committee, VIIIth, Tenure, to the IXth National Congress. Part: Socio-Economic Development Policy and Strategy.

⁽¹⁾ "Documents of the IXth National Party Congress", 2001. Part: Socio-Economic Development Strategy for 2001-2010. Article III: Sectoral and Regional Economic Development Orientations. P 172, 180.

industrial clusters and spots in rural areas, and craft villages being linked to domestic and export markets. To shift part of the city-based sub contracting enterprises... to rural areas. To enact preferential policies to channel people by 2005 and by this year, the useful working time of the labors in rural areas would reach 80 percent over their total one.

❖ In regional development orientations.

- In the rural areas of the delta, the Documents defines that:

"...To shift large numbers of workhands to the industrial and service sectors. To forcefully development small industries, handicrafts, craft villages, and networks of agricultural, forest and aquatic product processing industries and services

1.5.2 The role of artisan craft development as placed by the Ministry of Agriculture and Rural Development (MARD) in the MARD 2001-2010 Development Plan.

The Ministry of Agriculture and Rural Development has acknowledged the important role of the artisan craft development and considered it a key and long-term orientation of the sector.

In MARD 2001-2010 Development Plan ⁽²⁾, the essential points in the Strategy for the development in the 2001-2010 period have been laid down. Within this content, the role of artisan craft promotion is defined among other factors as:

- + *" With regard to the rural industry and services..., priority is given to developing traditional craft, cooperatives dealing with small and artisan craft industries, private enterprises, etc."*
- + *"Carrying out the restoration and development of craft villages, including traditional craft industries like woodwork, art craft, textile, rattan making etc., development of new craft villages..."*

With regard to the policies concerned, MARD also works out policies for the sector development, which includes the issue of artisan craft and rural industry development. MARD has raised several key goals to be achieved in the area of small and artisan craft in the coming period ⁽³⁾ as :

- Rural industry-services growth: 10-12% per year

⁽²⁾ "Strategy for the Development of Agriculture and Rural Areas towards Industrialization and Modernization till the year 2010", MARD, July 2000.

⁽³⁾ "Several issues on Industrialization and Modernization in the Development Process of Agriculture and Rural Economy in the 2001-2020 period". MARD, Agricultural Publishing House, 2001

- Agricultural production growth : 4 - 4.5% per year
- Shift over 50% of the agricultural laborers in rural areas to industries and services branches...
- Development of industries and services in rural areas
- Creating 180 to 200 thousand job opportunities from artisan craft as said- above from the present till the year 2020.
- Expanding production scale of craft village and covering the existing problems being faced by craft villages. It is planned that 1000 new craft villages will be established in the years to come (presently it is estimated that there are about 1000 craft villages in Vietnam).
- In the development process of artisan craft and small industries, extreme attention shall be paid to the groups manufacturing art handicrafts, from traditional crafts that have been developing concentratedly into craft villages. In Vietnam, there are traditional craft villages that have been existing over hundreds of year, even thousands of years. These groups will be developed following two directions in terms of the sales of their products:
 - + Those involved in the production of common lines in service of low and average income consumers. Their market will be principally in rural areas.
 - + Those involved in the production of lines of specific styles, the products are of high content in terms of cultural and art aspects catering for export and tourists. In order to manufacture these lines, it requires high professional skill, based upon integrated traditional and advanced technologies, with the application of machinery in several main operations.

1.5.3 Government programmes and/or projects as related to the promotion of artisan craft in Vietnam.

- Presently, it is estimated there are about 1,000 craft villages throughout the country whose export value (for five main craft products, excluding home furniture and other craft products of small values) reached nearly US\$300 million in the year 2000, a doubling level as compared to that in 1995, and if the export value of home furniture is included, total export value of the six main artisan craft products (including also home furniture) reached US\$ 562.227 million, and the export value of the craft products is expected to be further increasing. In the coming period, both the size and the number of trade villages are to be increased in such a way that by the year 2005, there will be 1000 new craft villages more in addition to the existing ones. In the five year 2001-2005 plan, export value from craft products is to reach US\$1 billion.⁽¹⁾
- As presented above, the issue of artisan craft has been integrating in rural industries.

⁽¹⁾ Agriculture – Forestry – Fishery and Rural Development Plan for 2001-2005 period. Ministry of Planning and Investment, November 13, 2000.

There is no specific national Program on artisan craft promotion from the Government although the role and the contribution of this branch in terms of socio-economic and cultural aspects are increasingly viable and acknowledged. The rural industry development within several National Programmes and Projects will be presented in **Part 2B** of this Report.

Several policies of the Government on rural artisan craft promotion

Recently, the Government has issued the Decision No.132/2000/QD-TTg of November 24, 2000 (see Annex I) for the promotion of rural artisan craft industry, in which, the followings have been emphasized :

“ The State shall adopt policies to encourage the consumption and use of products of the rural trades, particularly products made of domestic natural raw materials (timber, rattan, bamboo, leaves...)”

“ The State shall encourage, create favourable conditions and adopt policies for the protection of the legitimate interests of production and craft establishments engaged in rural trades, especially the traditional trades, in order to meet the domestic consumption and export demands, attract labor and contribute to generating employment in the countryside, eradicate hunger and reduce poverty, preserve and promote the nation’s cultural values”.

Brief of several main policies of the mentioned-above :Decision No.132.

1. The rural craft establishments (RCEs) which are using undisputed land in a stable manner shall be issued the land use right certificates by the PCs of the competent (district or provincial) levels.
2. For the RCEs wishing to have land for relocation of their old narrow and polluting production workshops or to rent land for construction of new production workshops and/or protection, care, rehabilitation and planting of raw material, the PCs of the competent levels shall give them the pre-emptive right to rent land at the lowest rates.
3. The RCEs wishing to exploit raw material being minerals resources shall be given priority in the granting of exploitation and use permits according to law provisions.
4. To encourage the development of the industries, cottage industry and handicrafts to produce or preliminarily process raw materials in service of the rural trades.
5. The RCEs shall enjoy investment preferences and preferential tax rates under the Government’s Decree No.51/1999/ND-CP of July 8, 1999 detailing the implementation of Domestic Investment Promotion Law (amended) No.03/1998/QH10 (see Annex II).
6. The RCEs shall enjoy a reduction of 50% or more of the space rental when

participating in domestic product-displaying fairs and exhibitions. The State shall encourage and create favourable conditions regarding the entry and exit procedures and finance part of the expenditures for the RCEs and craftsmen to visit, study, participate in product-displaying fairs and exhibitions or explore markets abroad.

7. The State-run vocational training schools shall prioritize the job training for the RCEs. The State shall acknowledge and adopt policies to honor craftsmen, and skilled workers who have recorded merits in training, preserving and handing down traditional trades and skills to young generations; the owners of the RCEs that have made many products accepted by the markets, attracted large numbers of laborers and made great contributions to the State; the State shall periodically consider and confer the titles of "Artisan-Artist" and "Distinctive Worker".

1.5.3.1 Project as related to small and artisan craft industry development under MARD.

Since 1999, based upon the guidelines, direction and support of the Government, MARD has approved for the Department of Agro – Forest Products Processing and Rural Industry (DAFPPRI-under MARD) to conduct a Project on Rural Industrial Extension. Out of which, 22 mini projects in service of small and artisan craft industry development have been carried out. Within 2- year 1999-2000 period, a total budget of VND 1,012 million was assisted ⁽²⁾. About 1580 rural households participated in these projects as beneficiaries. In 2001, there are eight mini projects that have been implemented with a total budget of VND 760 million and involvement of 540 households ⁽³⁾. The details of the above mini projects on budget, locality and number of households involved are presented in the table below.

Number of selected mini projects within the Rural Industrial Extension Project in the 1999-2001 period.

No	Mini-Project Title	Target locality (Province)	No. of households involved	Budget (VND million)
Year 1999				
1	Development of brocade weaving	Lao Cai	60	39
2	Development of bamboo- based inlaying craft	Quang Tri	70	50
3	Development of embroidery for export	Thai Binh	200	50
4	- ditto -	Ha Nam	80	40

⁽²⁾ Based upon the Decision No.3145 QD/BNN-KNK of 17 August 1999 and No.1926 QD/BNN-CBNLS of 25/5/2000

⁽³⁾ Based upon the Decision No 2019/ QD-BNN /CBNLS 16/5/2001

5	- ditto -	Ninh Binh	200	50
6	Development of wood sculpture/ carving	Nam Dinh	60	45
7	Development of art stone carving	Thanh Hoa	50	40
Year 2000				
8	Improve productivity and quality of rush- based mat lines	Hai Duong	100	92
9	Improve productivity and quality of woolen carpet weaving for export	Hai Phong	100	100
10	Improve productivity and quality of rattan-knitting lines	Ha Nam	100	90
11	Improve productivity and quality of shantung lines for export	Thai Binh	300	100
12	Improve productivity and quality of rush-based mat lines	Ninh Binh	80	106
13	-ditto-	Thanh Hoa	80	100
14	Improve productivity and quality of art stone carving	Da Nang	100	110
Plan of year 2001				
15	Application of mechanical stove for silk unwinding from cocoons	Nghe An	70	100
16	Development of painting inlaid with bone /horn	Hai Duong	50	100
17	Promotion of embroidery and lacing lines for export	Ha Nam	50	100
18	Production of art stone	Ninh Binh	100	80
19	Production of rattan- based knitting	Ninh Binh	80	100
20	Improvement of rush mat for export	Ninh Binh	70	100
21	Development of lacquer painting and sculptured painting	Ninh Binh	50	80
22	Promotion of cloth based on flax material	Ninh Binh	70	100

Illustration examples of several mini-project for rural industrial extension during the year 2000

1. "Improve productivity and quality of rush-based mat lines" in Hai Duong province

Background: Rush mat production is a traditional craft in Tu Ky district of Hai Duong province - having a population of 922 mixed-type households - doing both farming and rush mat making. The products are for sale principally to local people and the rest, to the business heads. The local weaving technology being applied is out-of-date resulting in low products quality. It is required to renovate the existing technology and equipment in order to attain increased products quality, production scale expansion while preserving the traditional craft of the province.

Project site: An Thach commune, Tu Ky district of Hai Duong province

Duration: 12 months

Objectives:

- To support new appropriate technologies, machinery and equipment.
- To strengthen skillful capacity and train new under-employment labors
- To maintain the traditional craft of the locality

Contents:

- To further apply several new equipment like:
 - + flower printing machine
 - + weaving heddle
 - + rush splitting machine CC-01: 100 units
 - + jute twister XD-01: 100 units
- To organize training courses, exhibitions and demonstration on operation of the new technologies and equipment

Beneficiaries: A group of 100 households

Socio-economic effect:

- To generate employment to 200 households engaging in this craft and also to thousands of farmers planting rush and jute.
- To increase labors' incomes
- To maintain and preserve traditional craft of the locality

Implementing organization :

- Responsible institution: Department of Agriculture and Rural Development (DARD) of Hai Duong province
- Implementing agency: An Thanh commune, Tu Ky district of Hai Duong

Budget:

- For equipment, materials: VND 223 million (out of which 20% or VND 44.6 million are subsidized by the State)
 - For the Project development : VND 48.2 million
- Total budget subsidized by the State: VND 92.8 million

2. "Improve productivity and quality of shantung lines for export" in Thai Binh province

Background: Shantung weaving is a 70-80 age-old traditional trade of the commune where 1,281 households are engaged in the production of shantung products, several of which have been exported to Laos, Thailand and former Eastern European countries. From the market demand, it requires to improve the product quality and designs of shantung lines, lower the product cost price in the competition with those in the market. There is a need to invest in this craft village to upgrade and renovate equipment and technology for the shantung production.

Project site: Nam Cao commune, Kien Xuong district of Thai Binh province

Duration: 12 month

Objectives:

- To support machinery and equipment and apply new technological procedures.
- To upgrade skillful capacity
- To train new and young labors

Contents:

- Supply 300 frames for shantung weaving
- Organize training and demonstration

Beneficiaries: 300 households involved in shantung weaving

Socio-economic effect:

- Increase quality of shantung for export
- Settle employment for generating farm households' incomes
- Increase labor productivity and lower product cost price

Implementation organization :

- Responsible institution: DARD of Hai Duong province
- Implementing agency: Agriculture cooperative of Nam Cao of Kien Xuong district

Budget:

- For equipment and materials: VND 150 million (in which, 20% or VND 30 million are subsidized by the State)
 - For the Project development, training and meeting: VND 70 million
- Total budget subsidized by the State: VND 100 million

3. "Improve productivity and quality of art stone carving" in Da Nang province

Background: Art stone carving is a long standing traditional craft of Hoa Hai guild, Ngu Hanh Son prefecture of Da Nang city, where locating 130 households (260 labors) doing art stone carving, 50 labors out of which are skilful craftsmen. The stone carving products are for sale in the locality, mainly to tourists with an average turnover of VND 7 billion per annum. The land area of the commune is scarce, therefore farmers' share in doing farming accounting for up to 43%. Under the existing direction of the Government in the preservation of traditional craft village, it is necessary to support Hoa Hai guild to improve its productivity, labor condition and product quality, especially the guild is situated in Non Nuoc tourism area of Ngu Hanh Son, a well known landscape that attracts tourists worldwide to visit

Project site: Hoa Hai guild, Ngu Hanh Son prefecture of Da Nang City

Duration: 8 month

Objectives:

- To upgrade skillful capacity for 500 labors
- To train 100-120 new labors
- To expand and develop art stone carving craft village at Non Nuoc
- To apply new technical progress, reduce hard working condition of several operations and cost price of the products

Contents:

- To supply a rock cutting machine, combine chiseling-drilling machine, bench drill, stone grinder lathe and several tools
- Beneficiaries: For 300 households

Socio-economic effect:

- To upgrade skilful capacity for labors

- To generate employment and incomes for labors
- To promote the development of the art stone carving craft village

Implementation organization :

- Responsible institution: Department of Fishery, Agriculture and Forestry of Da Nang
- Implementing agency: Hoa Hai guild, Ngu Hanh Son prefecture

Budget:

- For equipment: VND 240 million (in which, VND 60 million are subsidized by the State)
- For Project development: training , meeting: VND 50 million

Total budget subsidized by the State: VND 110 million

1.5.4 Programs and/or projects concerned with the promotion of traditional craft and/or handicraft in Vietnam conducted by other donors and NGOs sources, Craft Link

1.5.4.1 NGOs source.

In Vietnam, the Non-Governmental Organizations amount to 269 units, working on various areas presently. According to NGO directory 2000-2001⁽¹⁾, the following Organizations have provided support to the activities as related to the promotion of small and artisan craft industries within the schemes/ projects at different localities:

⁽¹⁾" List of the foreign Non-Governmental Organizations under operation in Vietnam in the 2000-2001 period". National Political Publishing House, September 2000

No	NGO's title - Total budget of each NGO for all areas of operations in Vietnam.	Area of operations relating to artisan craft	Target locality
1	Australian People for Health, Education and Development Abroad/ Union Aid Abroad (APHEDA). (USD 136,564 ,fiscal year 1999)	Income generation -- "Supporting a Vocational Training Center through financial assistance to the training courses on embroidery and sewing for over 700 underemployed women	Hoa Binh town, Hoa Binh province
2	CODEV Viet Phap (CPV) (Annual average: USD 170,000) Staff: 1 (Vietnamese: 0)	Handicraft _ Training of pumice lacquer for poor children	Hue city, Thua Thien Hue province
3	Cooperative - Services International (CSI) (USD 150,000) Staff: 22 (Vietnamese: 12)	Training of poor people in rural and urban areas on the development of small enterprise for sales of goods, art and agricultural artisan crafts and other goods under the developing situation of tourism industry	Bao Loc town, Lam Dong province
4	Cooperazione e Sviluppo (CESVI) (in 1999: USD 473.000) Staff: 5 (Vietnamese: 3)	Promotion of traditional artisan craft production for ethnic minority women	Bac Ha -Than Uyen township Bat Sat district (Lao Cai province)
5	ES Association (ES) (USD 100,000)	Restoration of the trade producing traditional "Dã paper": Development of the product, market study, and network for sales.	Bac Ninh province
6	Global civil Sharing (GCS) Staff: 8 (Vietnamese: 6)	Training of high-tech woodwork for the Vietnamese Youth	Thanh Oai district (Ha Tay province)
7	Indochina Arts Partnership (IAP) (Annual average: USD 100,000) Staff : 2 (Vietnamese 0)	-Establish a Center for preservation of traditional artisan craft - Provide sponsorship for the Vietnamese men of talent to visit United States for study, drawing and learning	Thua Thien Hue province Ha Noi City

8	Mary knoll (Mary knoll) Annual average: USD 500,000 Staff : 13 (Vietnamese 9)	Developing market and training small enterprises, training of wood sculpture and pumice lacquer	Hoai Duc and Thuong Tin districts (Ha Tay province)
9	Nordic Assistance to Vietnam (NAV) Annual average: USD 450,000 Staff : 19 (Vietnamese 18)	Credit/sustainable agriculture / ... / artisan craft and small enterprise/training...	A Luoi district (Thua Thien - Hue province)
10	Oxfam Hong Kong (estimated budget for 2000-2001): USD 850,000 Staff : 11 (Vietnam 10)	Project on artisan craft (in collaboration with Quebec)	Con Cuong district (Nghe An province)
11	Oxfam Quebec (Oxfam Q) Annual budget: USD 400,000 Staff : 8 (Vietnamese 5)	Design & Marketing (Handicraft)	Mai Chau district (Hoa Binh province)
12	Vlaams International Centrum (VIC)	Artisan craft –Vocational training	Nha Trang city (Khanh Hoa province)
13	Mennonite Central Committee USD 250,000 Staff : 9 (Vietnamese 3)	Supporting handicraft group, training of business skill, supporting Craft Link	

1.5.4.2 Craft Link Projects and Activities

1. General

Craft Link is a Vietnamese non-profit organization that seeks to assist small Vietnamese Craft makers to develop their business and find market opportunities in the market. Craft Link (CL) includes two units: Business unit (with four staff members) and Development unit (with seven staff members). CL was started in September 1995 by International non-governmental organizations interested in the production and sale of handicrafts as means of generating income for poor marginalized people. CL activities are guided by a board comprised of independent Vietnamese individuals and NGO's representatives (Mennonite Central Committee – MCC; Oxfam Hong Kong, Oxfam Quebec, Ford Foundation, Nordic Assistance to Vietnam, and the Netherlands Development Organization – SNV)

Craft Link gives preference to producers who are marginalized or disadvantaged like ethnic minority people in remote areas, street children, people with disabilities.

2. Some examples of CL producers

Three of the original groups emerged as a result of projects are:

- Black Thai, Nung, and Ta Oi ethnic minority groups in remote areas. Training is made to support ethnic minority people to use traditional weaving and embroidery skills to produce items for sale. These groups are supported by NGO's.
- Mai handicraft, initiated by a group of Vietnamese social workers to create employment opportunities for street children and disadvantaged women.
- Other groups include a group of Hanoi street children who are learning stone carving skills, a group that teaches quilting skills to handicapped and disadvantaged girls, and a wood-carver with physical disabilities in Hue City.

3. ***Selected projects being carried out by Craft Link***

(1) Development of Handicraft of the H'mong, Pμ Cβ Commune, Hoa Binh

Sponsor: Oxfam Quebec

Target beneficiary: H'mong woomen and H'mong people

Main content and activities:

Contributing to preservation of traditional H'mong culture and craft (indigo- dyed head cloth for special occasions, and skirts... from fabric in shades of blue to decorate the batiked indigo cloth of their full knee-length) The H'mong skirt distinctly expresses the identity of a H'mong community more than any other article of clothing. However, it is subject to regular changes in fashion. The preservation of this traditional handicraft is a significant goal of the project.

(2) Supporting Ethnic Thai Handicraft

The Thai are the third largest ethnic group in Vietnam and located mainly in Northwestern regions. Traditional dress and clothes of the Thai groups are: close-fitting skirt like a sarong and a blouse with silver clasps; traditional headscarf, a length of hand woven black cloth which is decorated with bright embroidery on either end; cloth supplementary weft (called Khuyt) dyed with a deep red-color material of "canh kien", etc...

The projects have helped the Thai women with accounting, quality control, natural dyeing, marketing and management. The new products all incorporate the designs and skills which have been passed down through generations.

Sponsors:

- + Oxfam Quebec supports the Thai in the districts of Yen Chau and Muong La, Son La province.
- + Oxfam Hong Kong supports the Thai in Con Cuong village, Nghe An province. In addition, Oxfam Hong Kong supports in the training both in dyeing and silk weaving, then, the local women were asked to copy the designs of old pieces of cloth found in

the village . Now they make naturally-dyed silk scarves and shawls with traditional Thai images. The project has also encouraged the women to grow their own mulberry trees.

- + Craft Link is encouraging them to revive traditional designs as well as methods for natural dyeing, helping villagers to organize the production of their textiles for a new market, etc...

Other selected Projects carried out by Craft Link in collaboration with NGO's:

(1) The Dao Tien Handicraft in Hoa Binh Province

Objective: To produce traditional embroidery and batik for income.

Beneficiary: The Dao women in Hoa Binh province

Sponsor: Oxfam Quebec

Special features: Traditional clothing decorated with coins, that is carefully embroidered from the backside of the cloth. Some of the traditional designs usually represent reindeer, dogs, birds and flowers.

(2) Thai Traditional Textile of Quy Chau – Nghe An Province

Beneficiary: Thai women in Qui Chau District, Nghe An.

Sponsor: The Vietnam Museum of Ethnology in collaboration with Craft Link

Objective: To assist women in two villages to produce traditional cloth items (Thai women in Qui Chau possess extraordinary weaving and embroidery skills)

- To train women to reproduce old textiles and to adapt traditional designs for new products.

In order to preserve the knowledge of women in Qui Chau , the project has produced a video on the Thai women's traditional dyeing, silk making and embroidery techniques. Other craft articles include:

- Thai fine skirt and blanket designs of the past based upon revived techniques in natural dyeing.

(3) Hemp weaving in Quan Ba – Ha Giang Province

Beneficiary: The H'mong women of Lung Tam, Quan Ba, Ha Giang province.

Sponsors: Under a Project for income generation whose partners include MRDP (Mountain Rural Development Program), Craft Link and DARD of Ha Giang.

Activities: Training H'mong women to learn making high quality hemp cloth. The women also apply traditional patterns, make tie-dye, and design new

products. They also learn in bookkeeping and management of their own handicraft enterprises.

(4) Nung Handicraft – Lang Son Province

Beneficiary: Nung Phan Xinh women from four villages in Lang Son Province in the Northeast of Vietnam.

Sponsor: Oxfam Hong Kong

Objective: To assist young women to earn income for their family through handicraft production based upon further variations on Nung motifs, encouraging this spirit of creativity

(1) Support Ethnic Minority Groups through Handicraft Production

Beneficiary: The ethnic minority population (Thai, H'mong and Kho mu peoples).

Sponsors: The United Nations Drug Control Programme (UNDCP) in collaboration with Craft Link.

Objective: To help Thai women earn income through production of their traditional handicrafts (skirts, scarves, bags, belts, blankets for themselves and for trade to Laos and other local minorities)

(2) Ta Oi Weaving and basketry – A Luoi District – Thua Thien-Hue Province

Objective: To produce traditional craft for income (rattan basket making, traditional cloth weaving, etc.)

Beneficiary: Ta Oi ethnic minority - A Luoi district in Thua Thien Hue Province.

Sponsor: Nordic Assistance to Vietnam (NAV)

(3) H'mong Craft in Ta Phin Commune – Sapa, Lao Cai province

Objective: To support H'mong women in making high quality products using the same techniques as they do to make their own traditional items of clothing

Beneficiary: H'mong women in Ta Phin – Sapa, Lao Cai province.

Sponsors: A project whose partners include Craft Link, the Vietnam Museum of Ethnology, MRDP and Oxfam Quebec.

(4) Bun Go village weaving

Objective: To produce traditional textile and new textile products for sale. Income

earned from the Project will alleviate pressure on forest resources and therefore help The Chau Ma in preserving their natural environment.

Beneficiary: Chau Ma ethnic women weavers in Bun Go village, Cat Tien district, Dong Nai Province.

Sponsor: The Cat Tien National Park Conservation Project funded by the Netherlands Government. Project partners include: Cat Tien National Conservation, WWT, CARE International, and Craft Link.

(5) The Vietnamese (Kinh) Handicrafts:

CL activities aimed to promote the production of the traditional craft products as:

- Ceramics: Bat Trang village outside of Hanoi
- Woodcarving.
- Hand made paper. Duong do village (paper from bark of the Do- tree).
- Stone carving.
- Lacquerware
- Water puppets
- Kites. (Mr. Nguyen Van Be – the world famous kite maker in Hue City.)

1.5.5 Information on UNIDO's project:

“Establishing a Traditional Vietnamese Art and Craft Village” (TF/VIE/96/10E)

1.5.5.1 Information on the project “Establishing a Traditional Vietnamese Art and Craft village”

Initiated by the Ministry of Culture and Communication, the Project on “Establishing a traditional Vietnamese Art and Craft village” in Ninh Binh province has obtained the concern from the United Nations Industrial Development Organization and the Japanese Government; with the support of the Ministry of Planning and Investment, the project on “Establishing a Traditional Vietnamese Art and Craft village” in Ninh Binh province has been formulated.

At the beginning stage, the Project coded TF/VIE/96/10E has been assisted with a preliminary budget aiming to carry out first preparations for this project. A terminal report on multiple activities done and preparations carried out by UNIDO, the Japanese team (Professor Miyazaki as Chief Technical Advisor), and the People’s Committee (PC) of Ninh Binh has been made. The project TF/VIE/96/10E has

obtained full assistance from MARD and Ministry of Planning and Investment (MPI) and close collaboration of the Hanoi College of Industrial Design (HCID). Recommendations have been made to the Government for the request of the Project approval and to the local authority for the appropriate policies aiming to create favorable environment in the preservation and development of the art and traditional craft products of Vietnam as a whole including Ninh Binh province.

In collaboration with UNIDO experts, Japanese advisors and several staffs from the related Ministries, branches, universities, the Ninh Binh PC has carried out practical surveys on the traditional art and artisan craft in the North. The PC has made recommendations about the formulation of legal environment and favorable condition to help preserve and develop the traditional and artisan craft in Vietnam as well as in Ninh Binh province.

A detailed survey on the site for the establishment of the craft village has been made and the preliminary plan has been approved by Ninh Binh PC. In the first step, 7.2 ha of land at Vung Tram area, Ninh Phong commune, Hoa Lu District, has been reserved for the establishment of the craft village with an estimated expansion of 20 ha in the next steps. The craft village area is located closely with the Tam Coc - Bich Dong tourism area, a historical tourism place being well known with the ancient capital of Hoa Lu of Vietnam.

The Project Management Board of Ninh Binh for the establishment of the craft village has been established. The Board has established communication information system through Internet with UNIDO, and with Professor Miyazaki from Chiba University in Japan. In addition, the Project Management Board has made visiting trip to ASUKE craft village in Japan. Minute for their cooperation linkage has been established on the development of the craft village in Ninh Binh when the Project is approved.

Activities completed by Chief Technical Advisor (CTA)

Prof. Miyazaki, Chief Technical Advisor (CTA) completed the following activities ⁽¹⁾:

- Preparation of a guideline and assistance schemes to preserve and promote Vietnamese traditional art and craft products in conjunction with the future establishment of the proposed Art and Craft Village in Ninh Binh.

CTA started investigating on the current support policies and programs since his first visit in August 1998. With a help of Ms. Watanabe, UNIDO intern, the state of art research was completed by the end of the second visit in May 1999.

CTA prepared the policy guideline and submitted in November 1999 to the government counterpart as well as to Ministry of Agriculture and Rural Development (MARD) for their review.

(1) Establishing a traditional Vietnamese Art and Craft village (TF/VIE/96/10E). Terminal Report. P3-1, P3-2, 3-3, 3-4.

- Coordination and management of other two major R & D related project activities, i.e., craft quality improvement and mountainous tribes' artisan study.
- Preparation of specific training programs for study tours in Japan.
- Advisory service for the Ninh Binh PC on framework formulation of the proposed art and craft village.
- Participation in the Workshop and Seminar organized by the government counterpart and the Ministry of Agriculture and Rural Development respectively.

CTA together with Mr. Maruoka of the Japan Traditional Craft center participated in the "Seminar on Preservation and Promotion of Vietnamese Traditional Arts and Crafts" (in Ninh Binh, May 3rd – 4th, 2000) as a guest speaker. CTA also participated in the Workshop on "Policies to Preserve and Promote Vietnamese Traditional Art and Craft" (in Hanoi, 5th May 2000).

1.5.5.2 Impact of the project TF/VIE/96/10E

The following observations are made based upon the interview with MARD officials, the PC of Ninh Binh province and its related organizations through a practical survey on the households/enterprises in Ninh Binh province which are representatives for the producers of typical handicrafts of the province.

(1) To Ninh Binh Province Authority:

The impact of highest significance from the Project is that it has created a change in awareness among the directorate board as well as other related branches of the province on the potential advantages of the development of traditional art and artisan craft industries for generating job opportunities to a great deal of redundant labor sources, generating income and contributing to poverty alleviation.

From the above change in awareness, the Provincial Authority has conducted concrete activities as follows:

- ❖ Provide initial counterpart budget of VND 300 million for the collaboration in conducting survey, study, preliminary planning, organization of seminar, making reports to the Government and other related Sectors.
- ❖ Establish the Project Management Board including representatives from several related provincial branches. The head of the Project Task Force presently is Mr. Dang Duc Tao, Vice Chairman of the People's Committee of Ninh Binh province; Mr. Duong Bien Thuy, former Vice Chairman of Ninh Binh PC, Chairman of the Cooperative Alliance of Ninh Binh province, is the National Project Director.
- ❖ A meeting has been made by Ninh Binh PC, aiming to disseminate the objectives, significance and the plan for development of the Project on "Establishment a

Traditional Vietnamese Art and Craft Village in Ninh Binh province “ to related departments and branches of the Province, to the District leaders, and heads of the Sections of Agriculture and Rural Development and Sections of Industry of the Districts, and the Cooperative Alliance of Ninh Binh, etc..

- ❖ Recently, the Ninh Binh PC has made a Decision No.1528/QD-UB signed on August 01st, 2001 on the approval for establishing “Center for exchange and presentation of craft products and for craft training” with a budget of VND 1.954 billion from the State budget. The Center will be one of the first building group located at the Craft village of the Province. Presently, the Company for Construction Consultancy of Ninh Binh Province is carrying out design in details of the Center. It is estimated that the building will be completed by the year 2003.
- ❖ With the aim at creating more favorable condition and more effectively for the future craft village , the Ninh Binh PC has carried out the collaborative activities among the Departments of the province, specifically the Department of Tourism so as to make up the effect of and to link the tourism to natural landscape of Tam Coc-Bich Dong area, and Hoa Lu (a place of historical ancient capital) with the tourism to the traditional art and craft village (it is estimated that about 700 thousand people will be received at these areas). Details of the collaborative activity are:
 - In 2001, the General Department of Tourism of Vietnam has approved to provide and investment amount of VND 47 billions in a total of VND 200 billions during 5- year plan to support the upgradation of Tam Coc - Bich Dong tourism area of Ninh Binh Province.
 - A company of Nguyen Phan, a private company of Bac Ninh province will make an investment of VND 19 billion in the Hang Mua of Bich Dong Cave.
 - The vocational training on art and craft products within the province has been actively promoted during recent years with a total of 5,000 people to be trained (principally in embroidery and lace trades, rush-based making etc.). The training courses are organized and conducted by various provincial branches: DARD, Cooperative Alliance, Department of Labor, War-Invalids and Social Affairs, Farmers’ Union, Women’s Union, district authorities, etc,...
 - In order to enhance the rural industry development in general and artisan craft, in particular, a Committee for Direction and Development of Rural industries has been founded by the Ninh Binh PC including the leaders of related branches, districts, etc.. and headed by Mr. Dinh Cong Hung, Vice Chairman of Ninh Binh PC.

(2) To other rural enterprises and establishments

When asked about the Project that is to be established in the Province, all of the

establishments/enterprises being interviewed express their willing for the Project to be early developed so as to create favorable conditions to their activities in the communication, exchange of experiences and approaching to market (specifically, those involved in stone carving trades show their high willing since their products are not convenient in the transportation for exhibition and in approaching the market).

(3) To other provinces

Several other provinces like Nghe An, Quang Binh, Quang Tri, Quang Ninh, Bac Ninh, Phu Tho in the North and in the Central of Vietnam have come to Ninh Binh province aiming to make relationship and know about the development of the craft village; at the same time, these province would request Ninh Binh province to help them in vocational training of art and artisan craft to their labors.

(4) To MARD

- ❖ MARD organized several workshops and conferences on the themes of preservation and development of traditional art and craft industries in Hanoi (in May 2000, August 2000) and in Ho Chi Minh City (September 2000).
- ❖ In collaboration with the Sector of Culture, exhibitions of Art and Handicraft products were held by MARD, at the Exhibition Center of Giang Vo, Van Ho, Hanoi and Exhibition House of Nghia Do of MARD.
- ❖ Based upon the practical need and tendency of development, the experiences obtained and the orientation development as set forth by the Government, MARD made recommendation to the Government on several policies so as to promote rural industries . The Decision No.132/2000/QD-TTg of November 24, 2000 on a number of policies to encourage the development of rural industries has just been enacted by the Government Prime Minister of Viet Nam .

1.5.5.3 Several observations obtained from the practical survey.

- (1) Although the Project is to be established in Ninh Binh province and conducted in several years, only some craft enterprises and establishments near the town or near the coming craft village site have known about the Project plan on establishment of a craft village in their areas.

Several others say they have not known clearly the contents of the Project when asked about their opinions on the establishment of an art and craft village in the province.

- (2) The Project on Establishing a Traditional Vietnamese Art and Craft Village has been initiated and conducted for almost three years. Some of the leaders of the provincial branches in Ninh Binh are still wondering on the possibility to obtain the

Project approval for implementation. Although the Ninh Binh province is aware of the important and significant level of the Project, due to the investment scale for the Project is too large to the capacity of the province, the present investment made by Ninh Binh province to the preparation of the Project implementation is still at a modest level.

- (3) The change in awareness of the leaders of different branches of the province on the role and development of rural trades and traditional artisan craft industries of the province has seen as the highest positive impact from the Project. This has been indicated by the provincial training work done by different branches (5,000 people have been trained and more significantly, they have got in-the-spot job opportunities from the embroidery and rush making). Although initial investment from the Ninh Binh province is still at modest level, a budget of 0.9 billion in 2001 (within a total of 1.945 billion in 2001-2003 period) in the building of a Center for Communication and Exchange of craft products has been approved by PC.
- (4) According to the survey in Ninh Binh, in general, the officials from the Ninh Binh PC as well as from different related provincial branches are willing to propose the Japanese Government for the early consideration of the Project Proposal on the *Establishing a traditional Vietnamese Art and Craft Village in Ninh Binh province*.
- (5) In consideration of the rural industries in Vietnam being endowed mostly in the Vietnamese countryside, the state management of rural industry is assigned to be under the Sector of Agriculture and Rural development as indicated in the Decision 132/2000/QD-TTg by the Prime Minister. Therefore, the Department of Agriculture and Rural Development (concretely, the Department Branch of Agro-Forest Product Processing and Rural Industry of Ninh Binh province) might be the suitable institution in the management of the Project on *Establishing a traditional Vietnamese Art and Craft village in Ninh Binh province*, in collaboration with other branches in and out of the province.